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August 10, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

Company name: DAIHO CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1822
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 Scheduled date to file quarterly securities report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	35,364	14.5	1,545	102.2	2,235	186.9	1,303	191.7
June 30, 2021	30,875	(9.2)	764	2.4	778	(6.9)	446	(12.2)

Note: Comprehensive income For the three months ended June 30, 2022: ¥1,590 million [640.6%]
 For the three months ended June 30, 2021: ¥214 million [(71.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	73.89	71.97
June 30, 2021	25.23	23.69

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2022	163,004	72,947	44.0
March 31, 2022	169,621	74,493	43.3

Reference: Equity
 As of June 30, 2022: ¥71,802 million
 As of March 31, 2022: ¥73,381 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	–	–	243.00	243.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		–	–	230.00	230.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	74,000	8.7	2,400	28.5	2,200	14.7	1,500	19.0	85.95
Full year	165,000	5.4	8,600	(2.9)	8,600	(7.7)	5,700	(4.8)	326.60

Note: Revisions to the forecast of financial results most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	18,433,163 shares
As of March 31, 2022	18,433,163 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2022	607,882 shares
As of March 31, 2022	980,528 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	17,633,515 shares
Three months ended June 30, 2021	17,705,202 shares

(Note) The Company has introduced a share distribution trust system for delivering shares to the Company's Directors, etc. via a trust. The Company's shares that are owned by the trust (93,800 shares) are included in "number of treasury shares at the end of the period," and in calculating and presenting "average number of shares outstanding during the period," the Company has considered the shares owned by said trust to be included.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	19,780	40,577
Notes receivable, accounts receivable from completed construction contracts and other	100,889	73,118
Electronically recorded monetary claims - operating	301	283
Costs on construction contracts in progress	2,303	2,906
Short-term loans receivable	2	2
Advances paid	13,367	14,699
Income taxes refund receivable	525	687
Other	3,003	1,848
Allowance for doubtful accounts	(6)	(1)
Total current assets	140,167	134,122
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,880	10,814
Machinery, vehicles, tools, furniture and fixtures	8,053	8,080
Land	8,662	8,624
Leased assets	145	170
Construction in progress	214	258
Accumulated depreciation	(10,804)	(10,971)
Total property, plant and equipment	17,151	16,976
Intangible assets	231	224
Investments and other assets		
Investment securities	8,044	8,705
Long-term loans receivable	2,659	2,159
Deferred tax assets	850	289
Other	623	621
Allowance for doubtful accounts	(106)	(94)
Total investments and other assets	12,071	11,681
Total non-current assets	29,454	28,882
Total assets	169,621	163,004

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,991	28,573
Electronically recorded obligations - operating	10,409	11,710
Short-term borrowings	2,950	950
Current portion of long-term borrowings	3,150	3,150
Income taxes payable	558	309
Advances received on construction contracts in progress	9,959	12,075
Deposits received	21,174	21,612
Provision for warranties for completed construction	687	705
Provision for bonuses	821	18
Provision for loss on construction contracts	855	658
Other	888	2,623
Total current liabilities	86,445	82,387
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,463	330
Deferred tax liabilities	8	24
Provision for share awards	162	179
Retirement benefit liability	6,267	6,320
Other	781	815
Total non-current liabilities	8,683	7,669
Total liabilities	95,128	90,057
Net assets		
Shareholders' equity		
Share capital	10,549	10,549
Capital surplus	9,059	8,726
Retained earnings	56,753	53,792
Treasury shares	(3,725)	(2,261)
Total shareholders' equity	72,636	70,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747	995
Foreign currency translation adjustment	(31)	(39)
Remeasurements of defined benefit plans	28	39
Total accumulated other comprehensive income	744	995
Share acquisition rights	266	266
Non-controlling interests	845	878
Total net assets	74,493	72,947
Total liabilities and net assets	169,621	163,004

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	30,875	35,364
Cost of sales	28,533	32,135
Gross profit	2,341	3,229
Selling, general and administrative expenses	1,577	1,684
Operating profit	764	1,545
Non-operating income		
Interest income	16	17
Dividend income	65	66
Foreign exchange gains	–	629
Other	20	37
Total non-operating income	102	750
Non-operating expenses		
Interest expenses	17	10
Guarantee commission	25	18
Commission expenses	21	28
Foreign exchange losses	20	–
Other	2	2
Total non-operating expenses	87	60
Ordinary profit	778	2,235
Extraordinary income		
Gain on sale of non-current assets	0	31
Other	1	–
Total extraordinary income	1	31
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Loss on litigation	–	9
Loss on valuation of investment securities	–	1
Other	1	0
Total extraordinary losses	1	11
Profit before income taxes	779	2,255
Income taxes - current	147	450
Income taxes - deferred	163	465
Total income taxes	311	915
Profit	468	1,339
Profit attributable to non-controlling interests	21	36
Profit attributable to owners of parent	446	1,303

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	468	1,339
Other comprehensive income		
Valuation difference on available-for-sale securities	(266)	247
Foreign currency translation adjustment	2	(8)
Remeasurements of defined benefit plans, net of tax	10	10
Total other comprehensive income	(253)	250
Comprehensive income	214	1,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	193	1,553
Comprehensive income attributable to non-controlling interests	21	36