

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

Company name: DAIHO CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 1822 URL <https://www.daiho.co.jp>  
 Representative: CEO Kakue Morishita  
 Inquiries: General Manager of Administration Division Yoshinori Umehara TEL 03-3297-7000  
 Accounting Department  
 Scheduled date to file Quarterly Securities Report: August 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (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, 2023 | 35,683          | 0.9  | 441              | (71.4) | 1,133           | (49.3) | 670                                     | (48.6) |
| Three months ended June 30, 2022 | 35,364          | 14.5 | 1,545            | 102.2  | 2,235           | 186.9  | 1,303                                   | 191.7  |

Note: Comprehensive income Three months ended June 30, 2023 ¥1,180 million [(25.7)%]  
 Three months ended June 30, 2022 ¥1,590 million [640.6%]

|                                  | Earnings per share |  | Diluted earnings per share |  |
|----------------------------------|--------------------|--|----------------------------|--|
|                                  | Yen                |  | Yen                        |  |
| Three months ended June 30, 2023 | 38.01              |  | 37.83                      |  |
| Three months ended June 30, 2022 | 73.89              |  | 71.97                      |  |

#### (2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2023  | 161,535         | 70,312          | 42.8         |
| As of March 31, 2023 | 170,359         | 73,179          | 42.3         |

Reference: Equity As of June 30, 2023 ¥69,089 million  
 As of March 31, 2023 ¥71,986 million

### 2. Cash dividends

|                                       | Annual dividends per share |                 |                 |                 |        |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|--------|
|                                       | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total  |
|                                       | Yen                        |                 |                 |                 |        |
| Year ended March 31, 2023             | –                          | –               | –               | 230.00          | 230.00 |
| Year ending March 31, 2024            | –                          | –               | –               | –               | –      |
| Year ending March 31, 2024 (Forecast) | –                          | –               | –               | 155.00          | 155.00 |

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

|                                      | Net sales       |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        | Earnings per share |
|--------------------------------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|--------------------|
|                                      | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      | Yen                |
| Six months ending September 30, 2023 | 80,000          | 14.5 | 800              | (64.6) | 800             | (68.2) | 100                                     | (93.2) | 5.67               |
| Full year                            | 166,000         | 6.4  | 5,800            | 14.5   | 5,800           | 14.8   | 3,900                                   | 33.8   | 221.22             |

Note: Revisions to the financial results forecasts most recently announced: None

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

|                     |                   |                      |                   |
|---------------------|-------------------|----------------------|-------------------|
| As of June 30, 2023 | 18,083,163 shares | As of March 31, 2023 | 18,083,163 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                     |                |                      |                |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2023 | 442,438 shares | As of March 31, 2023 | 453,885 shares |
|---------------------|----------------|----------------------|----------------|

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

|                                  |                   |                                  |                   |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2023 | 17,635,020 shares | Three months ended June 30, 2022 | 17,633,515 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 (67,600 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.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|   | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| <b>Assets</b>   |                      |                     |
| Current assets  |                      |                     |
| Cash and deposits   | 28,074               | 49,045              |
| Notes receivable, accounts receivable from completed construction contracts and other | 99,018               | 65,081              |
| Electronically recorded monetary claims - operating                                   | 315                  | 1,420               |
| Costs on construction contracts in progress   | 2,222                | 2,633               |
| Short-term loans receivable   | 2                    | 2                   |
| Advances paid   | 11,025               | 11,724              |
| Income taxes refund receivable  | 51                   | 160                 |
| Other   | 1,283                | 2,561               |
| Allowance for doubtful accounts   | (5)                  | (2)                 |
| Total current assets  | 141,988              | 132,626             |
| Non-current assets  |                      |                     |
| Property, plant and equipment   |                      |                     |
| Buildings and structures  | 10,813               | 11,350              |
| Machinery, vehicles, tools, furniture and fixtures                                    | 7,557                | 7,657               |
| Land  | 8,588                | 9,064               |
| Leased assets   | 170                  | 171                 |
| Construction in progress  | 1,075                | 786                 |
| Accumulated depreciation  | (10,873)             | (11,055)            |
| Total property, plant and equipment   | 17,332               | 17,976              |
| Intangible assets   | 601                  | 595                 |
| Investments and other assets  |                      |                     |
| Investment securities   | 8,206                | 8,969               |
| Long-term loans receivable  | 406                  | 1                   |
| Deferred tax assets   | 1,039                | 468                 |
| Other   | 913                  | 1,026               |
| Allowance for doubtful accounts   | (129)                | (129)               |
| Total investments and other assets  | 10,437               | 10,336              |
| Total non-current assets  | 28,371               | 28,908              |
| Total assets  | 170,359              | 161,535             |

(Millions of yen)

|  | As of March 31, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| <b>Liabilities</b>   |                      |                     |
| <b>Current liabilities</b>   |                      |                     |
| Notes payable, accounts payable for construction contracts and other     | 34,599               | 29,290              |
| Electronically recorded obligations - operating                          | 10,652               | 11,040              |
| Short-term borrowings  | 950                  | 950                 |
| Income taxes payable   | 1,918                | 135                 |
| Accrued consumption taxes  | 2,576                | 0                   |
| Advances received on construction contracts in progress                  | 9,322                | 9,580               |
| Deposits received  | 19,586               | 21,725              |
| Provision for warranties for completed construction                      | 1,047                | 959                 |
| Provision for bonuses  | 808                  | 19                  |
| Provision for loss on construction contracts                             | 1,610                | 1,894               |
| Other  | 752                  | 2,268               |
| <b>Total current liabilities</b>   | <b>83,826</b>        | <b>77,865</b>       |
| <b>Non-current liabilities</b>   |                      |                     |
| Convertible-bond-type bonds with share acquisition rights                | 26                   | 24                  |
| Long-term borrowings   | 6,000                | 6,000               |
| Deferred tax liabilities   | –                    | 2                   |
| Provision for share awards   | 191                  | 175                 |
| Provision for retirement benefits for directors (and other officers)     | 35                   | 15                  |
| Provision for retirement benefits for directors (and executive officers) | 25                   | 12                  |
| Retirement benefit liability   | 6,302                | 6,387               |
| Other  | 772                  | 738                 |
| <b>Total non-current liabilities</b>                                     | <b>13,354</b>        | <b>13,357</b>       |
| <b>Total liabilities</b>   | <b>97,180</b>        | <b>91,222</b>       |
| <b>Net assets</b>  |                      |                     |
| <b>Shareholders' equity</b>  |                      |                     |
| Share capital  | 30,736               | 30,736              |
| Capital surplus  | 21,746               | 21,746              |
| Retained earnings  | 20,843               | 17,439              |
| Treasury shares  | (1,959)              | (1,928)             |
| <b>Total shareholders' equity</b>  | <b>71,367</b>        | <b>67,994</b>       |
| <b>Accumulated other comprehensive income</b>                            |                      |                     |
| Valuation difference on available-for-sale securities                    | 510                  | 1,050               |
| Foreign currency translation adjustment                                  | (43)                 | (52)                |
| Remeasurements of defined benefit plans                                  | 152                  | 96                  |
| <b>Total accumulated other comprehensive income</b>                      | <b>618</b>           | <b>1,095</b>        |
| Share acquisition rights   | 166                  | 166                 |
| Non-controlling interests  | 1,026                | 1,056               |
| <b>Total net assets</b>  | <b>73,179</b>        | <b>70,312</b>       |
| <b>Total liabilities and net assets</b>                                  | <b>170,359</b>       | <b>161,535</b>      |

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

|   | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 35,364                              | 35,683                              |
| Cost of sales                                     | 32,135                              | 33,359                              |
| Gross profit                                      | 3,229                               | 2,324                               |
| Selling, general and administrative expenses      | 1,684                               | 1,882                               |
| Operating profit                                  | 1,545                               | 441                                 |
| Non-operating income                              |                                     |                                     |
| Interest income                                   | 17                                  | 5                                   |
| Dividend income                                   | 66                                  | 80                                  |
| Foreign exchange gains                            | 629                                 | 621                                 |
| Other   | 37                                  | 27                                  |
| Total non-operating income                        | 750                                 | 735                                 |
| Non-operating expenses                            |                                     |                                     |
| Interest expenses                                 | 10                                  | 11                                  |
| Guarantee commission                              | 18                                  | 25                                  |
| Commission expenses                               | 28                                  | 4                                   |
| Other   | 2                                   | 1                                   |
| Total non-operating expenses                      | 60                                  | 43                                  |
| Ordinary profit                                   | 2,235                               | 1,133                               |
| Extraordinary income                              |                                     |                                     |
| Gain on sale of non-current assets                | 31                                  | –                                   |
| Total extraordinary income                        | 31                                  | –                                   |
| Extraordinary losses                              |                                     |                                     |
| Loss on sale and retirement of non-current assets | 0                                   | 2                                   |
| Loss on litigation                                | 9                                   | 13                                  |
| Loss on valuation of investment securities        | 1                                   | –                                   |
| Other   | 0                                   | 0                                   |
| Total extraordinary losses                        | 11                                  | 15                                  |
| Profit before income taxes                        | 2,255                               | 1,117                               |
| Income taxes - current                            | 450                                 | 70                                  |
| Income taxes - deferred                           | 465                                 | 342                                 |
| Total income taxes                                | 915                                 | 413                                 |
| Profit  | 1,339                               | 704                                 |
| Profit attributable to non-controlling interests  | 36                                  | 34                                  |
| Profit attributable to owners of parent           | 1,303                               | 670                                 |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 1,339                               | 704                                 |
| Other comprehensive income                                     |                                     |                                     |
| Valuation difference on available-for-sale securities          | 247                                 | 540                                 |
| Foreign currency translation adjustment                        | (8)                                 | (9)                                 |
| Remeasurements of defined benefit plans, net of tax            | 10                                  | (55)                                |
| Total other comprehensive income                               | 250                                 | 476                                 |
| Comprehensive income   | 1,590                               | 1,180                               |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | 1,553                               | 1,146                               |
| Comprehensive income attributable to non-controlling interests | 36                                  | 34                                  |