

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	32,126	(10.0)	(458)	–	(136)	–	(59)	–
Three months ended June 30, 2023	35,683	0.9	441	(71.4)	1,133	(49.3)	670	(48.6)

Note: Comprehensive income Three months ended June 30, 2024 ¥(732) million [–%]
 Three months ended June 30, 2023 ¥1,180 million [(25.7)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	(3.38)		–	
Three months ended June 30, 2023	38.01		37.83	

Note: Diluted earnings per share for the three months ended June 30, 2024 are not described here because, although there are potentially dilutive shares, loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	155,398	67,702	42.7
As of March 31, 2024	165,081	68,919	40.9

Reference: Equity As of June 30, 2024 ¥66,291 million
 As of March 31, 2024 ¥67,534 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	–	–	27.00	27.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	114.00	114.00

Note: Revisions to the cash dividend forecasts most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	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, 2024	69,000	(9.5)	400	(56.1)	500	(71.1)	400	–	22.74
Full year	145,000	(11.2)	5,900	–	5,900	368.4	4,000	–	227.36

Note: Revisions to the financial results forecasts most recently announced: No

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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: Yes
- 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, 2024	18,083,163 shares	As of March 31, 2024	18,083,163 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2024	490,287 shares	As of March 31, 2024	490,847 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2024	17,592,775 shares	Three months ended June 30, 2023	17,635,020 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 (131,100 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.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	17,533	32,545
Notes receivable, accounts receivable from completed construction contracts and other	100,024	76,746
Electronically recorded monetary claims - operating	5,779	3,006
Costs on construction contracts in progress	1,258	1,378
Short-term loans receivable	2	1
Advances paid	9,554	11,037
Income taxes refund receivable	538	540
Other	2,199	2,608
Allowance for doubtful accounts	(2,125)	(1,907)
Total current assets	134,764	125,958
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,016	11,938
Machinery, vehicles, tools, furniture and fixtures	7,744	7,775
Land	8,895	8,741
Leased assets	202	202
Construction in progress	4	21
Accumulated depreciation	(11,158)	(11,252)
Total property, plant and equipment	17,705	17,426
Intangible assets	603	590
Investments and other assets		
Investment securities	10,990	10,051
Deferred tax assets	274	643
Other	1,035	1,061
Allowance for doubtful accounts	(293)	(333)
Total investments and other assets	12,007	11,423
Total non-current assets	30,316	29,439
Total assets	165,081	155,398

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,556	26,367
Electronically recorded obligations - operating	12,122	9,619
Short-term borrowings	6,950	3,950
Income taxes payable	286	62
Advances received on construction contracts in progress	5,144	7,383
Deposits received	18,670	20,599
Provision for warranties for completed construction	1,026	960
Provision for bonuses	810	24
Provision for loss on construction contracts	3,746	3,213
Other	1,450	2,149
Total current liabilities	82,762	74,330
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	23	21
Long-term borrowings	6,000	6,000
Deferred tax liabilities	9	1
Provision for share awards	193	189
Provision for retirement benefits for directors (and other officers)	19	21
Provision for retirement benefits for directors (and executive officers)	19	19
Retirement benefit liability	6,430	6,427
Other	703	685
Total non-current liabilities	13,398	13,365
Total liabilities	96,161	87,696
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	42,446	42,445
Retained earnings	14,698	14,160
Treasury shares	(2,116)	(2,113)
Total shareholders' equity	65,028	64,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,507	1,815
Foreign currency translation adjustment	(58)	(70)
Remeasurements of defined benefit plans	56	53
Total accumulated other comprehensive income	2,505	1,798
Share acquisition rights	126	126
Non-controlling interests	1,258	1,284
Total net assets	68,919	67,702
Total liabilities and net assets	165,081	155,398

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	35,683	32,126
Cost of sales	33,359	30,658
Gross profit	2,324	1,468
Selling, general and administrative expenses	1,882	1,926
Operating profit (loss)	441	(458)
Non-operating income		
Interest income	5	1
Dividend income	80	86
Foreign exchange gains	621	308
Other	27	21
Total non-operating income	735	418
Non-operating expenses		
Interest expenses	11	24
Guarantee commission	25	22
Provision of allowance for doubtful accounts	–	43
Other	5	7
Total non-operating expenses	43	97
Ordinary profit (loss)	1,133	(136)
Extraordinary income		
Gain on sale of non-current assets	–	6
Reversal of allowance for doubtful accounts	–	218
Total extraordinary income	–	225
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	0
Loss on litigation	13	0
Impairment losses	0	126
Total extraordinary losses	15	126
Profit (loss) before income taxes	1,117	(38)
Income taxes - current	70	60
Income taxes - deferred	342	(72)
Total income taxes	413	(11)
Profit (loss)	704	(26)
Profit attributable to non-controlling interests	34	33
Profit (loss) attributable to owners of parent	670	(59)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	704	(26)
Other comprehensive income		
Valuation difference on available-for-sale securities	540	(691)
Foreign currency translation adjustment	(9)	(11)
Remeasurements of defined benefit plans, net of tax	(55)	(3)
Total other comprehensive income	476	(706)
Comprehensive income	1,180	(732)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,146	(765)
Comprehensive income attributable to non-controlling interests	34	33