

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

Company name: DAIWA INDUSTRIES LTD.
 Stock exchange listing: Tokyo
 Stock code: 6459 URL <https://www.drk.co.jp>
 Representative: President and Representative Director Atsushi Ozaki
 Inquiries: General Manager of Accounting Division Teranishi Takashi TEL 06-6767-8171
 Scheduled date to file Quarterly Securities Report: May 15, 2024
 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. Non-consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2024	10,537	(2.3)	1,571	(6.7)	1,542	(6.7)	1,028	(7.8)
Three months ended March 31, 2023	10,783	11.2	1,683	28.1	1,653	28.2	1,115	64.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2024	20.84		–	
Three months ended March 31, 2023	22.59		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	91,064	64,621	71.0
As of December 31, 2023	92,203	64,278	69.7

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 December 31, 2023	–	15.00	–	15.00	30.00
Year ending December 31, 2024	–	–	–	–	–
Year ending December 31, 2024 (Forecast)	–	15.00	–	15.00	30.00

3. Forecast of non-consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2024	23,100	1.9	4,130	1.8	4,060	1.8	2,740	1.6	55.51
Full year	46,800	1.8	8,300	2.0	8,140	1.9	5,640	1.9	114.25

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	∣	51,717,215 shares	As of December 31, 2023	∣	51,717,215 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	∣	2,353,265 shares	As of December 31, 2023	∣	2,353,107 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2024	∣	49,364,061 shares	Three months ended March 31, 2023	∣	49,364,559 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	60,066,688	58,079,680
Notes and accounts receivable - trade, and contract assets	3,905,314	4,587,970
Merchandise and finished goods	2,545,567	2,789,943
Work in process	405,243	444,526
Raw materials and supplies	983,330	1,021,284
Service Parts	206,212	217,007
Other	424,732	401,236
Allowance for doubtful accounts	(802)	(938)
Total current assets	68,536,287	67,540,710
Non-current assets		
Property, plant and equipment	11,193,691	11,046,782
Intangible assets	160,941	201,448
Investments and other assets		
Investment securities	483,143	561,806
Long-term time deposits	9,000,000	9,000,000
Other	2,890,797	2,774,097
Allowance for doubtful accounts	(61,308)	(60,605)
Total investments and other assets	12,312,632	12,275,299
Total non-current assets	23,667,264	23,523,530
Total assets	92,203,552	91,064,241
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,097,155	5,566,565
Income taxes payable	1,340,598	462,242
Contract liabilities	17,077,448	16,906,622
Provisions	422,798	972,012
Other	2,569,589	2,113,743
Total current liabilities	27,507,589	26,021,187
Non-current liabilities		
Provisions	409,264	–
Other	8,062	421,452
Total non-current liabilities	417,326	421,452
Total liabilities	27,924,916	26,442,639
Net assets		
Shareholders' equity		
Share capital	9,907,039	9,907,039
Capital surplus	9,867,880	9,867,880
Retained earnings	46,838,464	47,126,657
Treasury shares	(2,437,929)	(2,438,159)
Total shareholders' equity	64,175,454	64,463,418
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	103,181	158,183
Total valuation and translation adjustments	103,181	158,183
Total net assets	64,278,636	64,621,601
Total liabilities and net assets	92,203,552	91,064,241

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Net sales	10,783,314	10,537,101
Cost of sales	4,894,611	4,457,616
Gross profit	5,888,703	6,079,484
Selling, general and administrative expenses	4,204,997	4,507,871
Operating profit	1,683,705	1,571,613
Non-operating income		
Interest income	3,772	3,821
Dividend income	802	1,966
Compensation income	12,893	9,510
Other	16,461	16,215
Total non-operating income	33,929	31,513
Non-operating expenses		
Loss on scrap sales	50,403	48,119
Other	14,164	12,628
Total non-operating expenses	64,567	60,747
Ordinary profit	1,653,067	1,542,379
Extraordinary income		
Gain on sale of non-current assets	–	46,730
Total extraordinary income	–	46,730
Extraordinary losses		
Loss on sale of non-current assets	–	44,886
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	44,886
Profit before income taxes	1,653,066	1,544,222
Income taxes - current	437,426	401,595
Income taxes - deferred	100,313	113,971
Total income taxes	537,740	515,567
Profit	1,115,326	1,028,655