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August 10, 2022

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

Company name: DAIKEN CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 7905  
 URL: <https://www.daiken.jp/>  
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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	60,706	14.8	5,013	15.6	5,615	19.4	1,704	(26.9)
June 30, 2021	52,880	22.3	4,337	597.3	4,703	448.4	2,332	538.7

Note: Comprehensive income For the three months ended June 30, 2022: ¥7,037 million [138.6%]  
 For the three months ended June 30, 2021: ¥2,950 million [24.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	65.43	—
June 30, 2021	89.56	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	194,012	96,167	40.4
March 31, 2022	183,391	90,563	41.7

Reference: Equity  
 As of June 30, 2022: ¥78,428 million  
 As of March 31, 2022: ¥76,487 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	—	45.00	—	55.00	100.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		50.00	—	50.00	100.00

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

## 3. Earnings forecast of consolidated financial results for fiscal 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		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	111,000	1.8	6,800	(22.2)	7,400	(21.3)	6,400	29.7	245.54
Full year	221,000	(1.1)	12,500	(28.0)	14,000	(25.2)	10,000	27.0	383.61

Note: Revisions of forecast of financial results from recently announced figures: None

### \* Note

- (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: None
  - (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	27,080,043 shares
As of March 31, 2022	27,080,043 shares

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

As of June 30, 2022	1,022,515 shares
As of March 31, 2022	1,022,456 shares

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

Three months ended June 30, 2022	26,057,548 shares
Three months ended June 30, 2021	26,044,769 shares

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

\* Explanation for the appropriate use of performance forecasts and other special notes:  
(Cautionary note on forward-looking statement)

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,881	24,248
Notes and accounts receivable - trade, and contract assets	31,241	34,728
Electronically recorded monetary claims - operating	9,077	10,919
Merchandise and finished goods	20,212	20,767
Work in process	3,072	3,604
Raw materials and supplies	11,203	12,701
Other	4,729	5,146
Allowance for doubtful accounts	(132)	(133)
Total current assets	102,286	111,982
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,970	12,161
Machinery, equipment and vehicles, net	19,166	19,876
Land	14,310	14,413
Construction in progress	1,292	1,350
Other, net	2,712	2,761
Total property, plant and equipment	49,451	50,563
Intangible assets		
Goodwill	12,415	12,725
Software	1,165	1,414
Other	1,391	1,265
Total intangible assets	14,972	15,405
Investments and other assets		
Investment securities	11,719	10,894
Retirement benefit asset	2,529	2,494
Deferred tax assets	1,033	1,288
Other	1,414	1,405
Allowance for doubtful accounts	(42)	(43)
Total investments and other assets	16,654	16,039
Total non-current assets	81,077	82,009
Deferred assets	27	21
Total assets	183,391	194,012

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,672	21,574
Electronically recorded obligations - operating	6,978	6,869
Short-term borrowings	5,983	10,615
Current portion of bonds payable	8,000	8,000
Current portion of long-term borrowings	2,860	6,213
Accounts payable - other	19,434	18,149
Income taxes payable	1,325	1,188
Provision for bonuses	2,723	1,341
Provision for product warranties	282	276
Provision for loss on litigation	27	27
Other	5,992	8,197
Total current liabilities	74,280	82,454
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	6,360	3,309
Deferred tax liabilities	1,627	1,495
Provision for product warranties	691	681
Retirement benefit liability	3,573	3,582
Provision for loss on litigation	358	358
Negative goodwill	13	12
Other	923	950
Total non-current liabilities	18,547	15,390
Total liabilities	92,828	97,845
Net assets		
Shareholders' equity		
Share capital	15,300	15,300
Capital surplus	13,958	13,958
Retained earnings	38,501	38,772
Treasury shares	(1,364)	(1,364)
Total shareholders' equity	66,395	66,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,924	3,342
Deferred gains or losses on hedges	459	231
Foreign currency translation adjustment	4,380	6,905
Remeasurements of defined benefit plans	1,327	1,281
Total accumulated other comprehensive income	10,091	11,761
Non-controlling interests	14,075	17,739
Total net assets	90,563	96,167
Total liabilities and net assets	183,391	194,012

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	52,880	60,706
Cost of sales	37,792	43,089
Gross profit	15,087	17,616
Selling, general and administrative expenses	10,750	12,602
Operating profit	4,337	5,013
Non-operating income		
Interest income	7	46
Dividend income	162	144
Amortization of negative goodwill	0	0
Share of profit of entities accounted for using equity method	9	19
Foreign exchange gains	36	238
Other	222	222
Total non-operating income	439	672
Non-operating expenses		
Interest expenses	51	49
Loss on sale of trade receivables	2	2
Other	20	19
Total non-operating expenses	73	71
Ordinary profit	4,703	5,615
Extraordinary income		
Gain on sale of non-current assets	0	46
Gain on sale of investment securities	415	—
Total extraordinary income	416	46
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	27	72
Loss on valuation of investment securities	—	18
Other	—	1
Total extraordinary losses	28	91
Profit before income taxes	5,091	5,569
Income taxes - current	1,736	1,738
Income taxes - deferred	(146)	(169)
Total income taxes	1,590	1,569
Profit	3,500	4,000
Profit attributable to non-controlling interests	1,168	2,295
Profit attributable to owners of parent	2,332	1,704

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	3,500	4,000
Other comprehensive income		
Valuation difference on available-for-sale securities	(752)	(581)
Deferred gains or losses on hedges	(166)	(191)
Foreign currency translation adjustment	382	3,857
Remeasurements of defined benefit plans, net of tax	(13)	(47)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(550)	3,037
Comprehensive income	2,950	7,037
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,706	3,374
Comprehensive income attributable to non-controlling interests	1,243	3,663

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,091	5,569
Depreciation	1,375	1,408
Loss on retirement of non-current assets	27	72
Loss (gain) on sale of non-current assets	(0)	(46)
Loss (gain) on sale of investment securities	(415)	—
Loss (gain) on valuation of investment securities	—	18
Amortization of goodwill	424	465
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	(1,337)	(1,401)
Increase (decrease) in provision for product warranties	(61)	(15)
Increase (decrease) in retirement benefit liability	19	41
Interest and dividend income	(170)	(190)
Interest expenses	51	49
Foreign exchange losses (gains)	(31)	(40)
Share of loss (profit) of entities accounted for using equity method	(9)	(19)
Decrease (increase) in trade receivables	(710)	(4,827)
Decrease (increase) in inventories	(1,290)	(1,645)
Increase (decrease) in trade payables	(128)	(390)
Increase (decrease) in accrued expenses	1,740	1,973
Other, net	(418)	(560)
Subtotal	4,156	460
Interest and dividends received	170	190
Interest paid	(34)	(35)
Income taxes paid	(2,248)	(2,004)
Net cash provided by (used in) operating activities	2,043	(1,389)
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(1,781)	(1,846)
Purchase of property, plant and equipment	(931)	(867)
Proceeds from sale of property, plant and equipment	15	80
Purchase of investment securities	(21)	(11)
Proceeds from sale of investment securities	705	—
Other, net	(177)	(539)
Net cash provided by (used in) investing activities	(2,191)	(3,184)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	284	4,600
Repayments of long-term borrowings	(60)	(48)
Repayments of finance lease liabilities	(57)	(29)
Purchase of treasury shares	—	(0)
Dividends paid	(1,041)	(1,433)
Dividends paid to non-controlling interests	(116)	—
Net cash provided by (used in) financing activities	(991)	3,088

Effect of exchange rate change on cash and cash equivalents	51	482
Net increase (decrease) in cash and cash equivalents	(1,087)	(1,002)
Cash and cash equivalents at beginning of period	17,433	17,407
Cash and cash equivalents at end of period	16,345	16,404