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February 9, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: Daiei Kankyo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9336
 URL: <http://www.dinsgr.co.jp/english/>
 Representative: Fumio Kaneko, President and Representative Director
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 Scheduled date to file quarterly securities report: February 9, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2022	49,788	—	11,258	—	11,332	—	7,207	—
December 31, 2021	—	—	—	—	—	—	—	—

Note: Comprehensive income For the nine months ended December 31, 2022: ¥7,484 million [—%]
 For the nine months ended December 31, 2021: ¥— million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	78.50	—
December 31, 2021	—	—

Notes: 1. The Company did not prepare quarterly consolidated financial statements for the nine months ended December 31, 2021. Therefore, the figures for the nine months ended December 31, 2021 and the year-on-year changes for the nine months ended December 31, 2022 are not shown.
 2. Diluted earnings per share are not presented because there were no potential shares.

(2) Consolidated financial position

	Total assets	Total equity	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	156,029	69,309	44.1
March 31, 2022	158,282	60,070	37.7

Reference: Equity
 As of December 31, 2022: ¥68,883 million
 As of March 31, 2022: ¥59,743 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	—	0.00	—	30.00	30.00
Fiscal year ending March 31, 2023	—	0.00	—		
Fiscal year ending March 31, 2023 (Forecast)				31.00	31.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	67,337	3.6	14,836	15.5	14,855	11.7	9,439	6.4	100.78

Notes: 1. Revisions to the earnings forecasts most recently announced: Yes

2. Basic earnings per share was calculated using the average number of shares outstanding during the period, which includes the number of shares issued through public offering (3,500,000 shares) and the capital increase through third-party allotment (4,815,000 shares) in connection with the offering through overallotment.

*** 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: 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 December 31, 2022	95,077,900 shares
As of March 31, 2022	91,577,900 shares

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

As of December 31, 2022	– shares
As of March 31, 2022	– shares

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

Nine months ended December 31, 2022	91,819,718 shares
Nine months ended December 31, 2021	– shares

Note: The Company did not prepare quarterly consolidated financial statements for the nine months ended December 31, 2021. Therefore, the average number of shares outstanding during the period for the nine months ended December 31, 2021 is not shown.

- * 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
 The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	57,845	45,692
Trade notes and accounts receivable	9,409	9,548
Marketable securities	3,215	3,371
Finished goods	207	266
Work in process	11	123
Raw materials and supplies	328	256
Other current assets	859	1,400
Allowance for doubtful accounts	(67)	(20)
Total current assets	71,810	60,639
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,565	41,651
Accumulated depreciation	(21,454)	(21,795)
Buildings and structures, net	16,110	19,855
Machinery and vehicles	68,416	72,401
Accumulated depreciation	(59,056)	(60,227)
Machinery and vehicles, net	9,359	12,174
Landfills	23,160	29,650
Accumulated depreciation	(19,559)	(21,023)
Landfills, net	3,601	8,626
Land	17,914	18,464
Construction in progress	20,661	17,418
Other	4,382	4,463
Accumulated depreciation	(2,086)	(2,350)
Other, net	2,295	2,113
Net property, plant and equipment	69,943	78,653
Intangible assets		
Goodwill	1,025	862
Other	497	456
Total intangible assets	1,523	1,318
Investments and other assets		
Investment securities	2,987	3,380
Deferred tax assets	1,207	955
Other	10,828	10,756
Allowance for doubtful accounts	(17)	(30)
Total investments and other assets	15,006	15,062
Total non-current assets	86,472	95,034
Deferred assets		
Share issuance costs	—	355
Total deferred assets	—	355
Total assets	158,282	156,029

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Current liabilities		
Trade accounts payable	3,351	3,124
Current portion of bonds payable	1,255	1,205
Current portion of long-term borrowings	15,194	14,764
Income taxes payable	2,936	1,026
Provision for bonuses	824	476
Provision for loss on disaster	277	—
Asset retirement obligations	127	122
Other	3,787	3,888
Total current liabilities	27,754	24,607
Long-term liabilities		
Bonds payable	3,935	2,930
Long-term borrowings	58,881	48,702
Deferred tax liabilities	123	87
Liability for retirement benefits	987	983
Asset retirement obligations	5,662	8,735
Other	867	672
Total long-term liabilities	70,457	62,111
Total liabilities	98,211	86,719
Commitments and contingent liabilities		
Equity		
Common stock	558	2,810
Capital surplus	7,321	9,524
Retained earnings	51,540	56,001
Total shareholders' equity	59,420	68,336
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	387	618
Remeasurements of defined benefit plan	(65)	(71)
Total accumulated other comprehensive income	322	547
Non-controlling interests	327	425
Total equity	60,070	69,309
Total liabilities and equity	158,282	156,029

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022
Net sales	49,788
Cost of sales	28,999
Gross profit	20,789
Selling, general and administrative expenses	9,530
Operating income	11,258
Non-operating income	
Interest income	38
Dividend income	72
Equity in earnings of unconsolidated subsidiaries and associated companies	57
Proceeds from sale of goods	128
Other	313
Total non-operating income	609
Non-operating expenses	
Interest expenses	240
Loss on valuation of currency swaps	149
Cost of sale of goods	114
Other	31
Total non-operating expenses	536
Ordinary profit	11,332
Extraordinary income	
Gain on sale of non-current assets	28
Insurance claim income	16
Total extraordinary income	45
Extraordinary losses	
Loss on sale of non-current assets	1
Loss on retirement of non-current assets	17
Other	5
Total extraordinary losses	24
Income before income taxes	11,352
Income taxes - current	3,976
Income taxes - deferred	117
Total income taxes	4,093
Net income	7,259
Net income attributable to non-controlling interests	51
Net income attributable to owners of parent	7,207

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022
Net income	7,259
Other comprehensive income	
Unrealized gain on available-for-sale securities	231
Remeasurements of defined benefit plan	(5)
Total other comprehensive income	225
Comprehensive income	7,484
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	7,433
Comprehensive income attributable to non-controlling interests	51