

# DAISHINKU CORP.

## Summary of Financial Results for the Third Quarter Ended Dec. 31, 2021

Tokyo, Feb. 10, 2022 - Daishinku Corp. today announced its consolidated financial results for the third quarter ended Dec. 31, 2021.

### 1. Operating Results for the Third Quarter ended Dec. 31, 2021 (April 1, 2021 to Dec. 31, 2021)

#### (1) Consolidated operating results

(Figures in % are a comparisons with the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended Dec. 31, 2021	31,668	35.2	4,160	276.4	4,809	326.4	2,513	381.1
Nine months ended Dec. 31, 2020	23,428	5.3	1,105	-	1,127	-	522	-

Note: Comprehensive Income

Nine months ended Dec. 31, 2021 ; 4,817 Yen-million, Nine months ended Dec. 31, 2020 ; 1,543 Yen-million

	Net Income per share	Net Income per share after adjustment with potential shares
	Yen	Yen
Nine months ended Dec. 31, 2021	77.85	-
Nine months ended Dec. 31, 2020	16.18	-

Note: DAISHINKU CORP. has implemented the split of shares of common stocks at a ratio of four shares per one share effective as of November 1, 2021.

Accordingly, net income per-share is calculated on the assumption that the split of shares was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated financial status

	Total Assets	Net Assets	Stockholders' equity ratio
	Millions of Yen	Millions of Yen	%
Nine months ended Dec. 31, 2021	75,036	38,185	41.2
Year ended March 31, 2021	68,627	33,769	40.6

ref. Stockholders' equity : As of Dec. 31, 2021 ; 30,922 Yen-million, As of March 31, 2021 ; 27,893 Yen-million

### 2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
(Results)	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	-	10.00	-	25.00	35.00
Year ending March 31, 2022	-	25.00	-		
(Forecast)					
Year ending March 31, 2022				6.25	-

Note: DAISHINKU CORP. has implemented the split of shares of common stocks at a ratio of four shares per one share effective as of November 1, 2021.

Accordingly, forecast of the year-end dividend for the fiscal year ending March 2022 is calculated in consideration of the split of shares and forecast of the annual dividend for the fiscal year ending March 2022 is shown as “—”. Without the split of shares, year-end dividend is 25.00 Yen and annual dividend is 50.00 Yen.

### 3. Forecast for the fiscal year ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(Figures in % are a comparisons with the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net Income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Year ending March 31, 2022	40,000	20.5	4,800	129.8	5,000	97.4	2,400	96.2	74.35

Note: Amount of net income per share for the fiscal year ending March 2022 consolidated financial forecast is calculated in consideration of the split of shares. Without the split of shares, total amount of net income per share for fiscal year ending March 2022 is 297.38 Yen.

#### 4. Notes

(1) Changes for important subsidiaries during this period : None

(2) Application of particular accounting procedures to preparation of  
quarterly consolidated financial statements: Applicable

(3) Changes in accounting policies and changes or restatement of accounting estimates

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|----------------------------------------------------------------------------|------------|
| 1. Changes in accounting policies related to accounting standard revisions | Applicable |
| 2. Other changes in accounting policies                                    | None       |
| 3. Changes in accounting estimates                                         | None       |
| 4. Modified restatements                                                   | None       |

(4) Outstanding shares (Common shares)

1. Number of shares outstanding (including treasury stock)

As of Dec. 31, 2021 :	36,196,968 shares	As of March 31, 2021 :	36,196,968 shares
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2. Number of treasury stock

As of Dec. 31, 2021 :	3,916,940 shares	As of March 31, 2021 :	3,915,076 shares
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3. Average number of shares during the period

April-Dec. 2021 :	32,280,754 shares	April-Dec. 2020 :	32,284,696 shares
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Note: DAISHINKU CORP. has implemented the split of shares of common stocks at a ratio of four shares per one share effective as of November 1, 2021.

Accordingly, number of shares outstanding, number of treasury stock and average number of shares during the period are calculated on the assumption that the split of shares was implemented at the beginning of the previous fiscal year.

\* The forecasts are based on assumptions of the future economic environment using the data available at the time of disclosure. Actual earnings may differ from the forecasts, due to a range of factors.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	Year ended March 31, 2021	Six months ended Sep. 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	14,316,276	16,504,947
Notes and accounts receivable - trade	9,318,670	
Electronically recorded monetary claims - operating	58,736	
Notes and accounts receivable - trade, and contract assets		10,049,368
Merchandise and finished goods	5,142,464	5,311,588
Work in process	4,822,306	4,774,201
Raw materials and supplies	4,824,772	5,372,146
Other	1,465,354	1,824,322
Allowance for doubtful accounts	(10,876)	(10,634)
<b>Total current assets</b>	<b>39,937,705</b>	<b>43,825,940</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,097,851	3,133,137
Machinery, equipment and vehicles, net	11,347,569	12,239,198
Tools, furniture and fixtures, net	879,341	906,786
Land	5,835,759	5,758,909
Leased assets, net	624,013	548,779
Construction in progress	1,993,553	3,083,463
<b>Total property, plant and equipment</b>	<b>23,778,088</b>	<b>25,670,271</b>
<b>Intangible assets</b>	<b>134,278</b>	<b>133,220</b>
Investments and other assets		
Investment securities	2,636,452	3,198,430
Long-term loans receivable	1,840	1,561
Retirement benefit asset	485,876	653,590
Deferred tax assets	443,237	484,951
Other	1,238,229	1,096,187
Allowance for doubtful accounts	(27,800)	(27,800)
<b>Total investments and other assets</b>	<b>4,777,836</b>	<b>5,406,918</b>
<b>Total non-current assets</b>	<b>28,690,203</b>	<b>31,210,409</b>
<b>Total assets</b>	<b>68,627,909</b>	<b>75,036,350</b>

(Unit: Thousands of yen)

	Year ended March 31, 2021	Six months ended Sep. 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,612,017	3,221,176
Short-term borrowings	2,375,941	2,809,103
Current portion of long-term borrowings	7,976,334	7,027,504
Lease obligations	180,281	207,789
Accounts payable - other	1,779,234	1,832,007
Income taxes payable	558,020	650,246
Contract liabilities		5,055
Provision for bonuses	400,810	425,982
Provision for bonuses for directors		11,250
Other	1,186,840	1,518,944
<b>Total current liabilities</b>	<b>17,069,481</b>	<b>17,709,057</b>
Non-current liabilities		
Long-term borrowings	15,146,123	16,296,534
Lease obligations	459,421	357,306
Deferred tax liabilities	958,382	1,206,700
Retirement benefit liability	982,166	1,039,533
Long-term accounts payable - other	105,190	95,833
Asset retirement obligations	26,931	27,267
Other	110,654	118,475
<b>Total non-current liabilities</b>	<b>17,788,871</b>	<b>19,141,648</b>
<b>Total liabilities</b>	<b>34,858,353</b>	<b>36,850,705</b>
Net assets		
Shareholders' equity		
Share capital	19,344,883	19,344,883
Capital surplus	7,158,625	7,168,225
Retained earnings	686,659	2,796,146
Treasury shares	(1,926,323)	(1,928,197)
<b>Total shareholders' equity</b>	<b>25,263,844</b>	<b>27,381,058</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953,861	1,248,064
Deferred gains or losses on hedges	(104,639)	0
Foreign currency translation adjustment	1,155,327	1,762,155
Remeasurements of defined benefit plans	624,761	531,637
<b>Total accumulated other comprehensive income</b>	<b>2,629,311</b>	<b>3,541,856</b>
<b>Non-controlling interests</b>	<b>5,876,399</b>	<b>7,262,730</b>
<b>Total net assets</b>	<b>33,769,556</b>	<b>38,185,645</b>
<b>Total liabilities and net assets</b>	<b>68,627,909</b>	<b>75,036,350</b>

## (2) Consolidated Statements of Income

(Unit: Thousands of yen)

	Year ended March 31, 2021	Six months ended Sep. 30, 2021
<b>Net sales</b>	<b>23,428,598</b>	<b>31,668,613</b>
Cost of sales	17,605,738	22,256,643
<b>Gross profit</b>	<b>5,822,860</b>	<b>9,411,970</b>
<b>Selling, general and administrative expenses</b>	<b>4,717,363</b>	<b>5,251,337</b>
<b>Operating profit</b>	<b>1,105,496</b>	<b>4,160,633</b>
Non-operating income		
Interest income	21,392	29,504
Dividend income	50,453	55,005
Foreign exchange gains	0	559,208
Subsidy income	63,181	
Other	124,746	133,347
<b>Total non-operating income</b>	<b>259,773</b>	<b>777,065</b>
Non-operating expenses		
Interest expenses	87,744	91,057
Foreign exchange losses	48,943	
Commission expenses	45,454	
Other	55,262	36,989
<b>Total non-operating expenses</b>	<b>237,404</b>	<b>128,047</b>
<b>Ordinary profit</b>	<b>1,127,865</b>	<b>4,809,650</b>
Extraordinary income		
Gain on sale of non-current assets	1,014	13,759
Gain on sale of investment securities	49,630	
<b>Total extraordinary income</b>	<b>50,645</b>	<b>13,759</b>
Extraordinary losses		
Loss on sale of non-current assets	146	22
Loss on sale of investment securities		470
Loss on retirement of non-current assets	39	189,824
Impairment losses	37,915	293,258
<b>Total extraordinary losses</b>	<b>38,101</b>	<b>483,575</b>
<b>Profit before income taxes</b>	<b>1,140,409</b>	<b>4,339,834</b>
Income taxes - current	253,307	759,818
Income taxes for prior periods		32,326
Income taxes - deferred	56,334	192,907
<b>Total income taxes</b>	<b>309,641</b>	<b>985,052</b>
<b>Profit</b>	<b>830,767</b>	<b>3,354,782</b>
<b>Profit attributable to non-controlling interests</b>	<b>308,433</b>	<b>841,780</b>
<b>Profit attributable to owners of parent</b>	<b>522,334</b>	<b>2,513,002</b>