

DAISHINKU CORP.

Summary of Financial Results for the First Three Quarters Ended December 31, 2024

Tokyo, Feb. 5, 2025 - Daishinku Corp. today announced its consolidated financial results for the first three quarters ended Dec. 31, 2024.

1. Operating Results for the First Three Quarters Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended Dec. 31, 2024	29,549	(0.5)	1,252	(15.7)	1,014	(45.5)	358	(69.0)
Nine months ended Dec. 31, 2023	29,685	0.3	1,486	(58.7)	1,860	(57.9)	1,157	(58.8)

Note: Comprehensive income: Nine months ended Dec. 31, 2024; 2,092 Yen-million, Nine months ended Dec. 31, 2023; 2,811 Yen-million

	Net income per share	Net income per share after adjustment with potential shares
	Yen	Yen
Nine months ended Dec. 31, 2024	11.10	-
Nine months ended Dec. 31, 2023	35.86	-

(2) Consolidated financial status

	Total assets	Net assets	Stockholders' equity ratio
	Millions of Yen	Millions of Yen	%
Nine months ended Dec. 31, 2024	93,745	47,598	41.2
Year ended March 31, 2024	91,064	47,048	42.5

ref. Stockholders' equity: As of December 31, 2024; 38,600 Yen-million, As of March 31, 2024; 38,708 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, 2024	-	14.00	-	14.00	28.00
Year ending March 31, 2025	-	14.00	-		
(Forecast)					
Year ending March 31, 2025				14.00	28.00

Note: Revision of dividend forecast for during this period: None

3. Forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		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, 2025	40,000	1.7	1,500	(29.8)	1,000	(68.7)	500	(73.3)	15.49

Note: Revision of the fiscal year result forecast for during this period: None

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, 2024 :	36,196,968 shares	As of March 31, 2024 :	36,196,968 shares
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2. Number of treasury stock

As of Dec. 31, 2024 :	3,920,057 shares	As of March 31, 2024 :	3,919,393 shares
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3. Average number of shares during the period

April-Dec. 2024 :	32,277,152 shares	April-Dec. 2023 :	32,278,242 shares
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* 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.

Overview of Operating Results for the First Three Quarters ended Dec. 31, 2024

In the global economy, during the first three quarters of the current fiscal year (April 1, 2024 to December 31, 2024), inflation has been moderating, but recovery in personal consumption was limited, and the pace of economic recovery generally slowed. Capital investment varies from region to region, and geopolitical risks persist at high level, so an outlook remains uncertain.

In this environment, DAISHINKU CORP. and its affiliates saw that mainly due to a recovery in the consumer market, especially for PCs, and steady growth in the automotive market, but the industrial market remained sluggish, resulting in net sales of 29,549 million yen (down 0.5% year on year). With regard to profits, SG&A expenses increased due to the relocation of the headquarters, operating profit reached 1,252 million yen (down 15.7% year on year). In addition, ordinary profit was 1,014 million yen (down 45.5% year on year) and profit attributable to owners of parent of 358 million yen (down 69.0% year on year).

Operating results by segment are as follows.

(Japan)

In Japan, net sales were 5,366 million yen, a decrease of 791 million yen, or down 12.9%, year on year mainly due to lower net sales in the industrial and consumer markets. Its segment loss was 102 million yen, a decrease of 203 million yen from the same period of the previous year (segment profit of 101 million yen in the same period of the previous year), mainly due to a decrease in sales and an increase in SG&A expenses, including headquarters relocation expenses.

(North America)

In North America, net sales were 1,841 million yen, an increase of 59 million yen, or up 3.3% year on year, mainly due to higher net sales in the automotive market. Its segment profit was 44 million yen, an increase of 32 million yen, or up 266.0% year on year.

(Europe)

In Europe, net sales were 2,877 million yen, an increase of 48 million yen, or up 1.7% year on year mainly due to higher net sales in the automotive market. Its segment profit was 38 million yen, an increase of 17 million yen, or up 83.8% year on year.

(China)

In China, net sales were 9,612 million yen, an increase of 530 million yen, or up 5.8% year on year mainly due to higher net sales in the consumer market. Its segment loss was 19 million yen, an improvement of 57 million yen from the same period of the previous year (segment loss of 77 million yen in the same period of the previous year).

(Taiwan)

In Taiwan, net sales were 7,684 million yen, a decrease of 126 million yen, or down 1.6% year on year mainly due to lower net sales in the telecommunications market. Its segment profit was 1,304 million yen, an increase of 575 million yen, or up 79.0% year on year, mainly due to increased production of high value-added products.

(Asia)

In Asia, net sales were 2,167 million yen, an increase of 144 million yen, or up 7.1% year on year mainly due to higher net sales in the telecommunications and consumer markets. Its segment profit was 26 million yen, a decrease of 236 million yen, or down 90.0% year on year due to lower operation at the manufacturing plant.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	As of March 31, 2024	Nine months ended December 31, 2024
Assets		
Current assets		
Cash and deposits	24,539,199	19,853,281
Notes and accounts receivable - trade, and contract assets	9,761,025	10,414,721
Merchandise and finished goods	5,168,581	4,863,464
Work in process	6,165,762	7,049,122
Raw materials and supplies	5,080,355	6,918,475
Other	1,661,378	1,741,395
Allowance for doubtful accounts	(13,835)	(12,721)
Total current assets	52,362,467	50,827,737
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,016,746	9,291,762
Machinery, equipment and vehicles, net	12,201,468	11,267,805
Tools, furniture and fixtures, net	1,345,884	1,318,478
Land	5,964,533	6,033,710
Leased assets, net	228,664	408,919
Construction in progress	8,830,349	7,957,400
Total property, plant and equipment	31,587,646	36,278,078
Intangible assets	1,236,891	1,048,963
Investments and other assets		
Investment securities	2,925,984	2,289,148
Long-term loans receivable	1,043	979
Retirement benefit asset	1,134,541	1,159,231
Deferred tax assets	637,335	572,611
Other	1,206,512	1,596,335
Allowance for doubtful accounts	(27,800)	(27,800)
Total investments and other assets	5,877,617	5,590,506
Total non-current assets	38,702,155	42,917,547
Total assets	91,064,623	93,745,285

(Unit: Thousands of yen)

	As of March 31, 2024	Nine months ended December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,617,382	3,496,304
Short-term borrowings	2,376,990	7,956,423
Current portion of long-term borrowings	11,629,640	8,901,393
Lease liabilities	140,194	128,780
Accounts payable - other	1,684,180	1,421,569
Income taxes payable	479,574	378,912
Contract liabilities	79	578
Provision for bonuses	713,786	451,939
Other	1,070,130	1,449,472
Total current liabilities	20,711,960	24,185,373
Non-current liabilities		
Long-term borrowings	19,776,032	18,161,803
Lease liabilities	91,911	278,868
Deferred tax liabilities	1,939,636	2,043,827
Retirement benefit liability	1,224,331	1,276,474
Long-term accounts payable - other	65,912	—
Asset retirement obligations	28,304	27,399
Other	178,218	172,745
Total non-current liabilities	23,304,347	21,961,117
Total liabilities	44,016,308	46,146,491
Net assets		
Shareholders' equity		
Share capital	19,344,883	19,344,883
Capital surplus	7,172,364	7,172,364
Retained earnings	7,473,320	6,927,757
Treasury shares	(1,930,424)	(1,930,879)
Total shareholders' equity	32,060,143	31,514,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,257,965	967,311
Foreign currency translation adjustment	4,916,324	5,680,218
Remeasurements of defined benefit plans	474,136	438,901
Total accumulated other comprehensive income	6,648,425	7,086,431
Non-controlling interests	8,339,745	8,998,237
Total net assets	47,048,314	47,598,794
Total liabilities and net assets	91,064,623	93,745,285

(2) Consolidated Statements of Income

(Unit: Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	29,685,035	29,549,671
Cost of sales	22,470,955	22,004,860
Gross profit	7,214,079	7,544,811
Selling, general and administrative expenses	5,727,887	6,292,237
Operating profit	1,486,192	1,252,574
Non-operating income		
Interest income	123,527	173,729
Dividend income	89,391	61,541
Foreign exchange gains	490,549	13,987
Other	224,707	117,318
Total non-operating income	928,175	366,576
Non-operating expenses		
Interest expenses	222,115	226,822
Cancellation Penalty	162,000	—
Other	169,889	378,300
Total non-operating expenses	554,005	605,123
Ordinary profit	1,860,363	1,014,027
Extraordinary income		
Gain on sale of non-current assets	65,721	6,149
Gain on sale of investment securities	894,904	569,372
Total extraordinary income	960,626	575,521
Extraordinary losses		
Loss on sale of non-current assets	100	2,345
Loss on retirement of non-current assets	1,243	181
Impairment losses	38,503	60,567
Total extraordinary losses	39,846	63,095
Profit before income taxes	2,781,142	1,526,454
Income taxes - current	291,335	398,841
Income taxes - deferred	572,819	209,761
Total income taxes	864,154	608,603
Profit	1,916,988	917,850
Profit attributable to non-controlling interests	759,559	559,508
Profit attributable to owners of parent	1,157,428	358,342

(3) Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,916,988	917,850
Other comprehensive income		
Valuation difference on available-for-sale securities	(74,878)	(558,323)
Foreign currency translation adjustment	1,176,415	1,768,461
Remeasurements of defined benefit plans, net of tax	(206,752)	(35,156)
Total other comprehensive income	894,784	1,174,981
Comprehensive income	2,811,772	2,092,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,749,615	796,347
Comprehensive income attributable to non-controlling interests	1,062,157	1,296,484

Segment Information

1. Information on the amount of net sales, profit or loss and disaggregation of revenue by reportable segments

The first three quarters ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(Unit: Thousands of yen)

	Reportable segments							Adjustments (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Japan	North America (Note 3)	Europe (Note 3)	China	Taiwan	Asia (Note 3)	Total		
Net Sales									
Sales to external customers	6,158,685	1,782,051	2,828,631	9,081,972	7,810,958	2,022,736	29,685,035	—	29,685,035
Intersegment sales or transfers	16,014,822	41,837	1,139	2,333,087	2,039,315	5,541,337	25,971,541	(25,971,541)	—
Total	22,173,507	1,823,889	2,829,771	11,415,059	9,850,274	7,564,074	55,656,576	(25,971,541)	29,685,035
Segment profit (loss)	101,280	12,030	21,142	(77,135)	728,923	262,831	1,049,073	437,118	1,486,192

Note1: The adjustment in segment profit (loss) of 437,118 thousand yen includes intersegment transactions eliminations of (48,215) thousand yen and other adjustments of 485,334 thousand yen.

Note2: Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

Note3: The breakdown of the main countries or regions belonging to each segment other than Japan, China, and Taiwan is as follows.

1) North America - United States

2) Europe - Germany

3) Asia - Indonesia, Singapore and Thailand

Note4: Disclosure of changes, etc. in reportable segments

Among inventories, the valuation method for supplies used to be based on the last purchase cost method, but this has been changed to the cost method based on the periodic average method effective from the third quarter of the current fiscal year. This change was implemented with the introduction of a new core system and the impact of this change is minor.

2. Information on the amount of net sales, profit or loss and disaggregation of revenue by reportable segments

The first three quarters ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(Unit: Thousands of yen)

	Reportable segments							Adjustments (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Japan	North America (Note 3)	Europe (Note 3)	China	Taiwan	Asia (Note 3)	Total		
Net Sales									
Sales to external customers	5,366,730	1,841,176	2,877,536	9,612,685	7,684,272	2,167,269	29,549,671	—	29,549,671
Intersegment sales or transfers	16,855,518	44,408	3,039	2,641,948	2,927,914	5,282,024	27,754,852	(27,754,852)	—
Total	22,222,249	1,885,585	2,880,576	12,254,633	10,612,186	7,449,293	57,304,524	(27,754,852)	29,549,671
Segment profit (loss)	(102,555)	44,033	38,863	(19,335)	1,304,560	26,194	1,291,760	(39,186)	1,252,574

Note1: The adjustment in segment profit (loss) of (39,186) thousand yen includes intersegment transactions eliminations of 7,782 thousand yen and other adjustments of (46,968) thousand yen.

Note2: Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

Note3: The breakdown of the main countries or regions belonging to each segment other than Japan, China, and Taiwan is as follows.

1) North America - United States

2) Europe - Germany

3) Asia - Indonesia, Singapore and Thailand