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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 4, 2025

Company name: DAIHEN Corporation

Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange

Stock exchange code: 6622

URL: <https://www.daihen.co.jp/>

Representative: Shoichiro Minomo, President and Chief Executive Officer

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Scheduled date of commencing dividend payments: -

Availability of supplementary explanatory materials on financial results: No

Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 – December 31, 2024)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2024	155,825	22.5	10,256	31.2	11,241	32.0	7,653	(32.1)
December 31, 2023	127,235	(0.0)	7,818	(30.2)	8,514	(29.5)	11,269	27.0

(Note) Comprehensive income: Nine months ended December 31, 2024: 11,069 million yen [(18.3)%]

Nine months ended December 31, 2023: 13,557 million yen [23.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	314.76	—
December 31, 2023	459.55	—

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	286,388	154,799	48.9
As of March 31, 2024	277,200	148,595	48.4

(Reference) Equity: As of December 31, 2024: 140,018 million yen

As of March 31, 2024: 134,136 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	82.50	—	82.50	165.00
Fiscal year ending March 31, 2025	—	82.50	—		
Fiscal year ending March 31, 2025 (Forecast)				82.50	165.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	205,000	8.7	16,000	5.6	16,800	4.5	12,000	(27.2)	491.47

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 (OTC DAIHEN INDIA Pvt. Ltd.), Excluded: – ()
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2024:	25,603,291 shares
As of March 31, 2024:	25,603,291 shares
 - 2) Total number of treasury shares at the end of the period:

As of December 31, 2024:	1,299,087 shares
As of March 31, 2024:	1,186,740 shares
 - 3) Average number of shares during the period:

Nine months ended December 31, 2024:	24,316,413 shares
Nine months ended December 31, 2023:	24,522,730 shares
- (Note) The total number of treasury shares at the end of the period includes 113,800 shares of the Company held by the employee stock benefit trust as of December 31, 2024. In addition, the treasury shares deducted for calculating the average number of shares during the period include shares of the Company held by the trust.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

*** Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Actual financial results, etc. may differ significantly due to a wide range of factors.

Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	23,327	28,116
Notes and accounts receivable - trade	57,746	44,712
Merchandise and finished goods	30,679	32,918
Work in process	16,793	22,493
Raw materials and supplies	51,540	54,954
Other	7,666	8,042
Allowance for doubtful accounts	(785)	(1,097)
Total current assets	186,968	190,141
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,640	23,241
Machinery, equipment and vehicles, net	8,251	9,511
Tools, furniture and fixtures, net	2,049	2,228
Land	13,161	13,535
Leased assets, net	345	396
Construction in progress	4,437	3,907
Total property, plant and equipment	48,886	52,820
Intangible assets		
Goodwill	591	551
Software	2,055	2,275
Leased assets	0	—
Other	2,334	2,256
Total intangible assets	4,982	5,083
Investments and other assets		
Investment securities	14,536	17,029
Investments in capital	700	684
Long-term prepaid expenses	393	353
Retirement benefit asset	17,649	17,373
Deferred tax assets	1,370	1,228
Other	1,758	1,702
Allowance for doubtful accounts	(45)	(29)
Total investments and other assets	36,362	38,342
Total non-current assets	90,231	96,246
Total assets	277,200	286,388

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,040	21,316
Electronically recorded obligations - operating	15,410	15,789
Short-term borrowings	30,192	22,421
Current portion of long-term borrowings	5,121	6,040
Lease liabilities	90	115
Income taxes payable	2,184	1,771
Provision for bonuses	3,285	1,953
Provision for bonuses for directors (and other officers)	78	49
Provision for loss on construction contracts	122	49
Other	10,111	11,830
Total current liabilities	86,638	81,339
Non-current liabilities		
Long-term borrowings	30,850	39,132
Lease liabilities	197	236
Deferred tax liabilities	4,855	4,765
Provision for retirement benefits for directors (and other officers)	109	98
Provision for loss on guarantees	765	644
Provision for share awards	—	81
Provision for construction expenses related to earthquake resistance renovation	578	574
Provision for product safety measures	3	2
Retirement benefit liability	2,954	3,083
Asset retirement obligations	108	108
Other	1,542	1,522
Total non-current liabilities	41,965	50,250
Total liabilities	128,604	131,589
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,010	10,026
Retained earnings	94,767	98,790
Treasury shares	(2,349)	(3,377)
Total shareholders' equity	113,025	116,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,208	6,657
Deferred gains or losses on hedges	(0)	(3)
Foreign currency translation adjustment	9,104	12,012
Remeasurements of defined benefit plans	5,798	5,315
Total accumulated other comprehensive income	21,110	23,982
Non-controlling interests	14,459	14,780
Total net assets	148,595	154,799
Total liabilities and net assets	277,200	286,388

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	127,235	155,825
Cost of sales	91,180	110,614
Gross profit	36,055	45,211
Selling, general and administrative expenses	28,236	34,954
Operating profit	7,818	10,256
Non-operating income		
Interest and dividend income	392	698
Share of profit of entities accounted for using equity method	228	0
Foreign exchange gains	192	189
Subsidy income	23	431
Other	634	872
Total non-operating income	1,470	2,192
Non-operating expenses		
Interest expenses	363	627
Compensation expenses for damage	38	119
Other	373	460
Total non-operating expenses	775	1,207
Ordinary profit	8,514	11,241
Extraordinary income		
Gain on bargain purchase	9,919	—
Gain on sale of investment securities	264	681
Reversal of provision for loss on guarantees	45	120
Total extraordinary income	10,229	802
Extraordinary losses		
Loss on step acquisitions	4,600	—
Provision of allowance for doubtful accounts	277	315
Loss on revision of retirement benefit plan	—	96
Total extraordinary losses	4,877	411
Profit before income taxes	13,866	11,632
Income taxes	2,386	3,312
Profit	11,480	8,319
Profit attributable to non-controlling interests	210	665
Profit attributable to owners of parent	11,269	7,653

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	11,480	8,319
Other comprehensive income		
Valuation difference on available-for-sale securities	762	468
Deferred gains or losses on hedges	(4)	(3)
Foreign currency translation adjustment	1,486	2,792
Remeasurements of defined benefit plans, net of tax	(226)	(513)
Share of other comprehensive income of entities accounted for using equity method	58	6
Total other comprehensive income	2,076	2,750
Comprehensive income	13,557	11,069
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,329	10,409
Comprehensive income attributable to non-controlling interests	227	660