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News Release

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Notice Concerning Differences Between Consolidated Earnings Forecasts and Actual Results for the Six Months Ended September 30, 2023, and Revisions to Full-Year Consolidated Earnings Forecasts and Dividend Forecast

Daiei Kankyo Co., Ltd. (the “Company”) hereby announces that differences have arisen between consolidated earnings forecasts announced on May 12, 2023 and actual results announced today for the six months ended September 30, 2023. Moreover, in light of recent trends in operating results, the Company has revised, as follows, its full-year consolidated earnings forecasts and dividend forecast for the fiscal year ending March 31, 2024.

1. Differences between consolidated earnings forecasts and actual results for the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|--|-----------------|------------------|-----------------|---|--------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previously announced forecast (A) | 35,085 | 7,672 | 7,761 | 5,007 | 50.13 |
| Actual results (B) | 35,504 | 9,449 | 10,162 | 6,561 | 65.71 |
| Difference (B) - (A) | 418 | 1,777 | 2,400 | 1,553 | — |
| Change (%) | 1.2 | 23.2 | 30.9 | 31.0 | — |
| (Reference) Actual results for the six months ended September 30, 2022 | 32,492 | 7,147 | 7,326 | 4,763 | 52.02 |

2. Revisions to full-year consolidated earnings forecasts for the fiscal year ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|---|-----------------|------------------|-----------------|---|--------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previously announced forecast (A) | 71,037 | 16,140 | 16,338 | 10,416 | 104.27 |
| Revised forecast (B) | 71,580 | 18,518 | 19,374 | 12,451 | 124.82 |
| Difference (B) - (A) | 543 | 2,377 | 3,035 | 2,034 | – |
| Change (%) | 0.8 | 14.7 | 18.6 | 19.5 | – |
| (Reference) Actual results for the fiscal year ended March 31, 2023 | 67,658 | 16,623 | 16,702 | 10,494 | 112.04 |

3. Reasons for differences and revisions

In the six months ended September 30, 2023, the main factor affecting net sales was our successful capture of demand for waste management associated with infrastructure development projects predominantly in the Kansai and Chubu regions. In addition, profits greatly exceeded the initial plan as a result of reducing costs through continuous insourcing.

In light of the aforementioned, the Company expects similar trends to continue for the third and fourth quarters. Therefore, the Company has upwardly revised its full-year consolidated earnings forecasts, as both forecasts are expected to exceed the previously announced forecast.

4. Revisions to dividend forecast

(1) Revisions to dividend forecast for the fiscal year ending March 31, 2024

| | Annual dividends per share | | |
|---|----------------------------|-----------------|-------|
| | Second quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen |
| Previously announced forecast | | 34.00 | 34.00 |
| Revised forecast | | 40.00 | 40.00 |
| Actual results for the fiscal year ending March 31, 2024 | 0.00 | | |
| (Reference) Actual results for the fiscal year ended March 31, 2023 | 0.00 | 34.00 | 34.00 |

(2) Reasons for revisions to dividend forecast

The Company's basic policy is to provide a stable return of profits to shareholders balanced with investment for growth, giving general consideration to factors such as the business environment and its financial position and assuming that it will maintain and secure necessary funds for business operations.

In accordance with the above policy, the Company has revised the fiscal year-end dividend for the fiscal year ending March 31, 2024 to ¥40 per share based on the trends in operating results for the current six-month period.

(Note) The above forecast figures are prepared based on information available to the Company as of the announcement date of this material. Due to various future factors, actual earnings results may differ from the forecast figures.