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Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: Daiki Axis Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 4245

URL: <https://www.daiki-axis.com>

Representative: Hiroki Ogame

Contact: Kazuhiro Honda

Phone: +81-89(927)2222

Scheduled date of filing quarterly securities report: May 14, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

,President and CEO CIO

,Executive Managing Director and CCO

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2024	11,966	11.1	509	114.9	494	97.3	254	143.2
March 31, 2023	10,770	(2.3)	237	(47.8)	250	(53.0)	104	(70.4)

(Note) Comprehensive income: Three months ended March 31, 2024: ¥ 197 million [434.9%]
Three months ended March 31, 2023: ¥ 36 million [(91.7) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	19.07	-
March 31, 2023	7.86	-

(Note) Diluted earnings per share is not shown since there are no residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	35,987	9,519	26.4
December 31, 2023	34,071	9,524	28.0

(Reference) Equity: As of March 31, 2024: ¥ 9,518 million
As of December 31, 2023: ¥ 9,523 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		12.00	-	12.00	24.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Full year	44,500	4.3	730	10.5	800	(4.5)	400	94.8	30.03

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 13,672,100 shares

December 31, 2023: 13,672,100 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 347,798 shares

December 31, 2023: 351,898 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2024: 13,323,220 shares

Three months ended March 31, 2023: 13,294,362 shares

(Note) In calculating the number of treasury stock at the end of the period and the average number of stock during the period, the number of treasury stock to be deducted includes the number of stock of the Company held by the BBT Trust and the J-ESOP Trust.

※The quarterly financial results are not subject to quarterly review by certified public accountants or auditing firms.

※Explanation regarding the appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

These statements are based on information currently available to the Company and certain assumptions that the Company judges to be reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual business results may differ significantly due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,945	7,438
Notes and accounts receivable - trade	6,248	6,486
Accounts receivable from completed construction contracts and contract assets	3,424	4,626
Merchandise and finished goods	870	884
Work in process	44	50
Costs on construction contracts in progress	195	192
Raw materials and supplies	393	416
Real estate for sale in process	184	120
Other	838	719
Allowance for doubtful accounts	(274)	(269)
Total current assets	18,871	20,664
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,831	1,784
Machinery, equipment and vehicles, net	5,736	5,725
Land	2,652	2,645
Construction in progress	1,043	1,203
Other, net	95	93
Total property, plant and equipment	11,359	11,452
Intangible assets		
Goodwill	1,457	1,377
Other	105	97
Total intangible assets	1,562	1,475
Investments and other assets		
Investment securities	776	864
Other	1,724	1,755
Allowance for doubtful accounts	(223)	(224)
Total investments and other assets	2,277	2,394
Total non-current assets	15,199	15,322
Total assets	34,071	35,987

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,659	2,499
Accounts payable for construction contracts	1,952	2,754
Short-term borrowings	8,265	9,471
Current portion of long-term borrowings	1,018	1,015
Current portion of bonds payable	430	430
Income taxes payable	218	252
Contract liabilities	613	678
Provision for bonuses	345	271
Provisions	99	110
Other	1,342	1,652
Total current liabilities	16,945	19,136
Non-current liabilities		
Bonds payable	2,395	2,315
Long-term borrowings	3,955	3,744
Provisions	200	214
Asset retirement obligations	456	465
Other	594	591
Total non-current liabilities	7,601	7,331
Total liabilities	24,547	26,467
Net assets		
Shareholders' equity		
Share capital	2,556	2,556
Capital surplus	2,295	2,295
Retained earnings	4,445	4,494
Treasury shares	(273)	(271)
Total shareholders' equity	9,023	9,074
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59	80
Foreign currency translation adjustment	440	363
Total accumulated other comprehensive income	500	444
Non-controlling interests	0	0
Total net assets	9,524	9,519
Total liabilities and net assets	34,071	35,987

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net sales	10,770	11,966
Cost of sales	8,576	9,329
Gross profit	2,193	2,637
Selling, general and administrative expenses	1,956	2,127
Operating profit	237	509
Non-operating income		
Interest income	5	7
Dividend income	0	0
Purchase discounts	37	35
Other	24	12
Total non-operating income	68	56
Non-operating expenses		
Interest expenses	8	12
Interest expenses on bonds	2	2
Share of loss of entities accounted for using equity method	1	0
Foreign exchange losses	31	27
Provision of allowance for doubtful accounts	(0)	(0)
Commission expenses	6	9
Other	5	18
Total non-operating expenses	54	71
Ordinary profit	250	494
Extraordinary income		
Gain on sale of non-current assets	-	35
Insurance claim income	59	2
Other	0	2
Total extraordinary income	60	40
Extraordinary losses		
Loss on sale of non-current assets	8	-
Other	2	4
Total extraordinary losses	11	4
Profit before income taxes	299	530
Income taxes - current	122	233
Income taxes - deferred	72	43
Total income taxes	195	276
Profit	104	254
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	104	254

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Profit	104	254
Other comprehensive income		
Valuation difference on available-for-sale securities	4	21
Foreign currency translation adjustment	(72)	(78)
Share of other comprehensive income of entities accounted for using equity method	0	1
Total other comprehensive income	(67)	(56)
Comprehensive income	36	197
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36	197
Comprehensive income attributable to non-controlling interests	-	(0)