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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

Company name: DaikyoNishikawa Corporation

Listing: Tokyo Stock Exchange

Securities code: 4246

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

Representative: Ikuo Sugiyama

Representative Director and President

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results(cumulative)

(Percentages indicate year-on-year changes.)

	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 June 30, 2025	42,092	3.8	2,713	1.4	2,873	(14.4)	1,997	(14.3)
June 30, 2024	40,568	9.0	2,675	99.7	3,357	92.0	2,331	102.7

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (638) million [-%]
Three months ended June 30, 2024: ¥ 3,397 million [184.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	28.20	-
June 30, 2024	32.80	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	150,126	87,325	56.5
March 31, 2025	154,554	89,949	56.5

(Reference) Equity: As of June 30, 2025: ¥ 84,751 million
As of March 31, 2025: ¥ 87,337 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 March 31, 2025	-	17.00	-	19.00	36.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		19.00	-	19.00	38.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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	165,800	(1.6)	7,100	(29.0)	6,900	(28.8)	5,200	(20.0)	74.68

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 73,896,400 shares

March 31, 2025: 73,896,400 shares

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

June 30, 2025: 3,737,108 shares

March 31, 2025: 2,754,608 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 70,831,767 shares

Three months ended June 30, 2024: 71,104,664 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The earnings forecasts and other descriptions of the future presented in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

(Supplementary materials for financial results)

Supplementary materials will be posted on our website later.

○Attachment

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the 1Q of the fiscal year under review, net sales increased by ¥1.523 billion (3.8%) year-on-year to ¥42.092 billion due to an increase in the number of production by customers in the United States and an increase in tool sales, despite a decrease in the number of production by major customers in Japan. Operating profit increased by ¥37 million (1.4%) year-on-year to ¥2.713 billion mainly due to cost improvement activities at all bases and the effect of increased sales in the U.S., despite the impact of decreased sales in Japan. Ordinary profit decreased by ¥484 million (14.4%) year-on-year to ¥2.873 billion due to a decrease in revenue of development discontinuation and foreign exchange gains. Quarterly profit attributable to owners of parent decreased by ¥334 million, or 14.3%, year-on-year to ¥1.997 billion.

Results by segment are as follows.

(Japan)

In Japan, net sales decreased by ¥1.155 billion (4.5%) year-on-year to ¥24.703 billion due to a decrease in the number of production by major customers and a change in the product mix. Segment income (operating profit) decreased by ¥1.21 billion, or 75.1%, to ¥401 million due to the impact of lower sales, a reaction to production fluctuation compensation received in the previous fiscal year, actuarial differences in retirement benefits, and investment in human capital.

(North America)

In North America, net sales increased ¥2.349 billion, or 20.2%, year-on-year to ¥13.971 billion due to an increase in the number of production by customers in the United States and an increase in tool sales associated with new orders for exterior parts. Segment income (operating profit) increased ¥492 million, or 44.1%, to ¥1.609 billion due to the effect of the increase in sales.

(ASEAN)

In ASEAN, net sales increased by ¥165 million (6.2%) year-on-year to ¥2.848 billion due to an increase in tool sales in Indonesia, despite a decrease in the number of production by customers in Thailand. Segment income (operating profit) increased by ¥9 million (4.0%) year-on-year to ¥247 million.

(China & Korea)

In China and South Korea, net sales decreased by ¥83 million (4.3%) year-on-year to ¥1.848 billion due to a decrease in the production volume of gasoline vehicles associated with the Chinese government's new energy vehicle policy. Segment income (operating profit) was ¥32 million (compared with a segment loss of ¥122 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets at the end of the 1Q of the current fiscal year decreased by ¥4.428 billion (2.9%) from the end of the previous fiscal year to ¥150.126 billion. This was mainly due to a decrease in property, plant and equipment and merchandise and finished goods.

Liabilities decreased by ¥1.805 billion (2.8%) from the previous fiscal year-end to ¥62.8 billion. This was mainly due to a decrease in long-term borrowings and accounts payable-other, while accrued expenses increased.

Net assets decreased by ¥2.623 billion (2.9%) from the previous fiscal year-end to ¥87.325 billion. This was mainly due to a decrease in foreign currency translation adjustments.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	30,922	30,508
Electronically recorded monetary claims - operating	2,666	2,618
Accounts receivable - trade	28,093	27,942
Contract assets	751	714
Merchandise and finished goods	2,443	1,388
Work in process	1,163	1,186
Raw materials and supplies	4,639	4,511
Accounts receivable - other	281	211
Other	2,175	2,547
Allowance for doubtful accounts	(41)	(39)
Total current assets	73,097	71,591
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,499	28,249
Machinery, equipment and vehicles, net	22,978	21,251
Tools, furniture and fixtures, net	2,443	2,276
Land	12,367	12,341
Leased assets, net	2,661	2,309
Construction in progress	5,893	6,589
Total property, plant and equipment	75,843	73,018
Intangible assets	1,555	1,955
Investments and other assets		
Investment securities	1,480	1,377
Deferred tax assets	1,077	985
Retirement benefit asset	28	3
Other	1,472	1,194
Total investments and other assets	4,058	3,561
Total non-current assets	81,457	78,534
Total assets	154,554	150,126

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	180	255
Notes and accounts payable - trade	23,232	23,582
Short-term borrowings	1,550	1,517
Current portion of long-term borrowings	5,052	4,556
Lease liabilities	1,589	1,355
Accounts payable - other	4,614	3,417
Accrued expenses	1,444	4,100
Income taxes payable	959	526
Contract liabilities	772	305
Provision for bonuses	2,241	1,144
Provision for product warranties	52	51
Notes payable - facilities	24	12
Electronically recorded obligations - facilities	47	93
Other	1,270	2,038
Total current liabilities	43,031	42,957
Non-current liabilities		
Long-term borrowings	18,106	16,589
Lease liabilities	724	590
Retirement benefit liability	1,894	1,845
Provision for retirement benefits for directors (and other officers)	2	3
Provision for share-based payments	3	6
Asset retirement obligations	170	169
Deferred tax liabilities	121	129
Other	551	509
Total non-current liabilities	21,573	19,842
Total liabilities	64,605	62,800
Net assets		
Shareholders' equity		
Share capital	5,426	5,426
Capital surplus	10,573	10,573
Retained earnings	65,302	65,948
Treasury shares	(3,996)	(4,630)
Total shareholders' equity	77,306	77,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	(25)
Foreign currency translation adjustment	9,944	7,405
Remeasurements of defined benefit plans	65	52
Total accumulated other comprehensive income	10,031	7,432
Non-controlling interests	2,611	2,574
Total net assets	89,949	87,325
Total liabilities and net assets	154,554	150,126

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	40,568	42,092
Cost of sales	34,864	36,218
Gross profit	5,703	5,874
Selling, general and administrative expenses	3,027	3,160
Operating profit	2,675	2,713
Non-operating income		
Interest income	93	80
Dividend income	25	21
Share of profit of entities accounted for using equity method	5	0
Foreign exchange gains	414	115
Revenue of development discontinuation	1,317	44
Other	46	77
Total non-operating income	1,903	341
Non-operating expenses		
Interest expenses	354	176
Expense of compensation for development discontinuation	862	0
Other	4	4
Total non-operating expenses	1,221	181
Ordinary profit	3,357	2,873
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	9	9
Total extraordinary losses	9	9
Profit before income taxes	3,350	2,863
Income taxes	990	790
Profit	2,359	2,073
Profit attributable to non-controlling interests	27	75
Profit attributable to owners of parent	2,331	1,997

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	2,359	2,073
Other comprehensive income		
Valuation difference on available-for-sale securities	(96)	(46)
Foreign currency translation adjustment	1,241	(2,600)
Remeasurements of defined benefit plans, net of tax	(126)	(11)
Share of other comprehensive income of entities accounted for using equity method	19	(52)
Total other comprehensive income	1,037	(2,711)
Comprehensive income	3,397	(638)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,293	(600)
Comprehensive income attributable to non-controlling interests	104	(37)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

First quarter of the previous fiscal year (From April 1, 2024 To June 30, 2024)

Not applicable.

Current first quarter consolidated cumulative period (From April 1, 2025 To June 30, 2025)

Based on the resolution of the Board of Directors meeting held on May. 13, 2025, we acquired 982,500 shares of treasury stock. As a result, treasury stock increased by ¥633 million in the 1Q of the current fiscal year, resulting in treasury stock of ¥4.63 billion at the end of the first quarter of the current fiscal year.

(Application of Special Accounting Methods for Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to net income before income taxes for the fiscal year including the first quarter of the fiscal year under review, and multiplying net income before income taxes by the estimated effective tax rate. However, if the calculation of tax expenses using the estimated effective tax rate is significantly unreasonable, the recoverability of deferred tax assets is considered in the amount obtained by multiplying net income before income taxes or net loss before income taxes by the statutory effective tax rate.

(Notes to Cash Flow Statement)

The quarterly consolidated statement of cash flows for the third quarter of the current fiscal year has not been prepared. The amount of depreciation and amortization (including amortization of intangible fixed assets) for the cumulative third quarter of the consolidated fiscal year under review is as follows:) are as follows.

	First quarter of the previous fiscal year (From April 1, 2024 To June 30, 2024)	Current first quarter consolidated cumulative period (From April 1, 2025 To June 30, 2025)
Depreciation expense	¥2,790Million	¥2,353Million

(Notes on Segment Information)

【Segment Information】

I. First three months of the fiscal year ended March 31, 2025 (from April 1, 2024 to June 30, 2024)

1 Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segments				Total
	Japan	North America	ASEAN	China & Korea	
Net sales					
Product sales	23,313	10,744	2,500	1,426	37,984
Tool sales	1,428	830	122	17	2,398
Other sales	85	40	10	48	185
Revenue from contracts with customers	24,826	11,615	2,633	1,492	40,568
Sales to external customers	24,826	11,615	2,633	1,492	40,568
Inter segment sales or transfers	1,031	6	49	440	1,527
Total	25,858	11,622	2,682	1,932	42,095
Segment income (loss)	1,611	1,117	237	(122)	2,844

2 Differences between the total amounts of reportable segments and the amounts stated in the consolidated financial statements and the main contents of the differences (matters related to the adjustment of differences)

(Millions of yen)

Income	Amount
Total amount of reportable segments	2,844
Elimination of inter-segment transaction	(168)
Operating profit in the consolidated financial statements	2,675

II. First three months of the fiscal year ended March 31, 2026 (from April 1, 2025 to June 30, 2025)

1 Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segments				Total
	Japan	North America	ASEAN	China & Korea	
Net sales					
Product sales	22,484	12,275	2,303	1,302	38,366
Tool sales	1,230	1,643	438	29	3,341
Other sales	206	52	27	97	384
Revenue from contracts with customers	23,920	13,971	2,770	1,430	42,092
Sales to external customers	23,920	13,971	2,770	1,430	42,092
Inter segment sales or transfers	782	0	78	418	1,280
Total	24,703	13,971	2,848	1,848	43,372
Segment income	401	1,609	247	32	2,290

2 Differences between the total amounts of reportable segments and the amounts stated in the consolidated financial statements and the main contents of the differences (matters related to the adjustment of differences)

(Millions of yen)

Income	Amount
Total amount of reportable segments	2, 290
Elimination of inter-segment transaction	423
Operating profit in the consolidated financial statements	2, 713