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## Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]

July 2, 2025

Company name: Daiseki Co., Ltd.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 9793

URL: <https://www.daiseki.co.jp/english/index.html>

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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 May 31, 2025 (March 1, 2025 to May 31, 2025)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2025	17,912	7.2	3,830	(1.9)	3,916	(7.2)	2,441	(9.1)
May 31, 2024	16,703	(6.5)	3,906	(0.7)	4,220	4.4	2,687	10.5

(Note) Comprehensive income: Three months ended May 31, 2025: ¥ 2,626 million [ (7.8) %]  
Three months ended May 31, 2024: ¥ 2,850 million [ 8.1 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2025	51.02	-
May 31, 2024	55.55	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
May 31, 2025	110,684	91,579	73.9
February 28, 2025	113,635	93,850	74.2

(Reference) Equity: As of May 31, 2025: ¥ 81,906 million  
As of February 28, 2025: ¥ 84,326 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended February 28, 2025	Yen -	Yen 33.00	Yen -	Yen 39.00	Yen 72.00
Fiscal year ending February 28, 2026	-				
Fiscal year ending February 28, 2026 (Forecast)		36.00	-	36.00	72.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026(March 1, 2025 to February 28, 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
Six months ending August 31, 2025	35,600	8.5	7,900	7.8	7,900	2.3	5,000	2.4	105.11
Full year	70,000	4.0	15,700	9.6	15,800	6.5	9,900	6.3	208.76

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

### \* Notes:

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

Newly included: - (Company name: )

Excluded: - (Company name: )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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: Yes

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):

May 31, 2025: 51,000,000 shares

February 28, 2025: 51,000,000 shares

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

May 31, 2025: 3,723,261 shares

February 28, 2025: 2,923,061 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2025: 47,854,025 shares

Three months ended May 31, 2024: 48,384,757 shares

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

### \* Proper use of earnings forecasts, and other special matters

The above forecasts are based on currently available information and are subject to a number of uncertainties. Actual results may differ from the above forecasts due to changes in business performance and other factors.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation of Operating Results

During the three months ended May 31, 2025, the Japanese economy saw continued sluggish industrial production due to the impact of soaring prices of energy resources, including crude oil, and for labor and raw material costs due to the impact of U.S. trade policy and changes in the political situation, as well as rising prices.

Amid such an economic situation, in a mainstay business of the Company group (the “Group”), the industrial waste treatment business of the Company centered on industrial wastewater treatment achieved record-high sales, ordinary profit, and net income, although they were slightly lower than planned, on account of the aggressive acquisition of wastewater as a raw material for recycled fuels, despite higher raw material and labor costs, and other factors.

In the soil remediation business of Daiseki Eco. Solution Co., Ltd., amid concerns about stagnation in construction work due to overtime restrictions in the construction industry and labor shortages caused by an aging workforce, both sales and profits rose, exceeding the plan due to contributions from large-scale, high value-added projects in the Kanto region that have been ongoing since the previous fiscal year.

In the lead recycling business of Daiseki MCR Co., Ltd., while factory production remained steady, the impact of market prices for lead and exchange rates, as well as factors such as rising raw materials costs caused profit to fall slightly below expectations.

System Kikou Co., Ltd.’s washing business for large tanks saw both sales and profits fall short of plans due to the fact that some construction projects scheduled for completion in the first quarter were brought forward to the previous fiscal year while others were pushed back to the second quarter.

The Group has aimed for a company that is well-liked by local communities by conducting management that emphasizes our purpose of becoming “an environment-creating company contributing to society through the environment by making the best use of limited resources” as an environment-creating company, continuing to step up efforts to retain and train human resources while also investing to expand capacity.

As a result, for the three months ended May 31, 2025, net sales, operating profit, ordinary profit, and profit attributable to owners of parent were ¥17,912 million (up 7.2% year on year), ¥3,830 million (down 1.9% year on year), ¥3,916 million (down 7.2% year on year), and ¥2,441 million (down 9.1% year on year), respectively. Net sales amounted to a record high for the first quarter.

As the Group consists of a single business segment, the environment-related business, the information by segment is omitted.

### (2) Explanation of Financial Position

Total assets as of May 31, 2025 decreased by ¥2,951 million compared with the end of the previous fiscal year, amounting to ¥110,684 million. The decrease was largely due to a decline in cash and deposits of ¥3,927 million, while being offset by an increase in notes and accounts receivable - trade, and contract assets of ¥1,210 million. Liabilities decreased by ¥680 million compared with the end of the previous fiscal year, amounting to ¥19,104 million. The decrease was largely due to decreases in income taxes payable of ¥1,083 million and provision for bonuses of ¥215 million, offset by an increase in short-term borrowings of ¥440 million. Net assets decreased by ¥2,271 million compared with the end of the previous fiscal year, amounting to ¥91,579 million. The decrease was largely due to a ¥2,947 million decrease caused by an increase in treasury shares resulting from purchase of treasury shares, offset by increases in retained earnings of ¥566 million by recording profit gains, etc., and non-controlling interests of ¥149 million.

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements

No revisions have been made to the consolidated financial results forecast announced on April 8, 2025.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	30,416	26,489
Notes and accounts receivable - trade, and contract assets	11,751	12,961
Electronically recorded monetary claims - operating	1,166	1,325
Securities	500	100
Inventories	2,138	2,199
Other	685	577
Allowance for doubtful accounts	(8)	(8)
Total current assets	46,650	43,644
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,345	14,650
Machinery, equipment and vehicles, net	6,507	6,319
Land	29,391	29,507
Construction in progress	1,350	1,331
Other, net	808	844
Total property, plant and equipment	52,403	52,654
Intangible assets		
Goodwill	773	739
Customer-related intangible assets	819	802
Other	362	353
Total intangible assets	1,955	1,895
Investments and other assets		
Investment securities	7,169	6,907
Long-term time deposits	3,500	3,500
Deferred tax assets	1,402	1,547
Other	554	536
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	12,625	12,490
Total non-current assets	66,984	67,039
Total assets	113,635	110,684

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,048	3,835
Electronically recorded obligations - operating	1,013	994
Short-term borrowings	1,330	1,770
Current portion of long-term borrowings	928	876
Income taxes payable	2,494	1,411
Provision for bonuses	602	386
Other	3,576	4,229
Total current liabilities	13,993	13,503
Non-current liabilities		
Bonds payable	4	4
Long-term borrowings	3,772	3,580
Provision for retirement benefits for directors (and other officers)	27	22
Retirement benefit liability	1,286	1,308
Deferred tax liabilities	268	267
Other	432	418
Total non-current liabilities	5,791	5,601
Total liabilities	19,784	19,104
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,382	6,382
Capital surplus	7,071	7,071
Retained earnings	82,193	82,760
Treasury shares	(11,456)	(14,404)
Total shareholders' equity	84,190	81,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	33
Remeasurements of defined benefit plans	83	62
Total accumulated other comprehensive income	135	96
Non-controlling interests	9,523	9,673
Total net assets	93,850	91,579
Total liabilities and net assets	113,635	110,684

## (2) 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 May 31, 2024	For the three months ended May 31, 2025
Net sales	16,703	17,912
Cost of sales	10,840	11,947
Gross profit	5,862	5,964
Selling, general and administrative expenses	1,956	2,134
Operating profit	3,906	3,830
Non-operating income		
Interest income	17	26
Dividend income	0	0
Insurance claim income	1	5
Compensation income	5	20
Subsidy income	287	15
Other	14	32
Total non-operating income	326	100
Non-operating expenses		
Interest expenses	7	9
Commission for purchase of treasury shares	1	2
Other	3	2
Total non-operating expenses	12	14
Ordinary profit	4,220	3,916
Extraordinary income		
Gain on sale of non-current assets	2	5
Total extraordinary income	2	5
Extraordinary losses		
Loss on retirement of non-current assets	9	16
Loss on tax purpose reduction entry of non-current assets	19	-
Total extraordinary losses	28	16
Profit before income taxes	4,194	3,905
Income taxes - current	1,339	1,327
Income taxes - deferred	(30)	(117)
Total income taxes	1,308	1,209
Profit	2,886	2,696
Profit attributable to non-controlling interests	198	254
Profit attributable to owners of parent	2,687	2,441

## Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit	2,886	2,696
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	(47)
Remeasurements of defined benefit plans, net of tax	4	(22)
Total other comprehensive income	(35)	(69)
Comprehensive income	2,850	2,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,655	2,402
Comprehensive income attributable to non-controlling interests	195	224



**(3) Notes to Quarterly Consolidated Financial Statements****Notes on premise of going concern**

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

(Purchase of treasury shares)

The Company resolved a matter regarding repurchase of its own shares at the Board of Directors' meeting held on April 8, 2025 in accordance with the provisions of Article 156 of the Companies Act as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act, and acquired 800,000 shares of its common stock. As a result, treasury shares increased by ¥2,947 million in the three months ended May 31, 2025.

**Changes in accounting policies**

(Application of Accounting Standard for Current Income Taxes)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the consolidated financial statements for the first quarter under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter of the current consolidated fiscal year. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the first quarter of the previous fiscal year or the entire previous fiscal year.

**Notes on segment information, etc.**

This information has been omitted as the Group consists of a single business segment, the environment-related business.

**Notes on statements of cash flows**

Quarterly consolidated statements of cash flows for the three months ended May 31, 2025 are not prepared. Depreciation and amortization (including amortization of intangible assets excluding goodwill and customer-related assets), amortization of goodwill and amortization of customer-related assets for the three months ended May 31, 2025 are as follows.

	(Millions of yen)	
	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation and amortization	794	820
Amortization of goodwill	34	34
Amortization of customer-related assets	16	16