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## Brief of Consolidated Settlement of Accounts [Japanese GAAP] for the 3rd Quarter of Fiscal Year 2024 Ending in March 2025

February 7, 2025

Listed company name      Daiwabo Holdings Co., Ltd.      Listing: Tokyo Stock Exchange  
Code No.                      3107 URL <https://www.daiwabo-holdings.com/>  
Representative              Title: Representative Director, President and Chief Executive Officer      Name: Yukihiro Nishimura  
Contact: Responsible Person Title: General Manager of Financial Management Dept.      Name: Hiroyuki Hanaoka      TEL +81-6-7739-7300  
Scheduled date of commencement of dividend payment      -  
Preparation of supplementary material on financial results: Yes  
Holding of financial results meeting: None

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the 3Q of the fiscal year ending March 2025 (April 1, 2024-December 31, 2024)

(1) Consolidated Operating Results (Cumulative)      (Percentages represent changes from the same quarter of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd quarter of the fiscal year ending March 2025	808,801	19.8	22,012	16.4	22,430	17.1	15,377	-
3rd quarter of the fiscal year ended March 2024	675,271	5.9	18,913	6.4	19,147	5.2	(4,198)	-

(Note) Comprehensive income      3rd quarter of the fiscal year ending March 2025      16,382 Millions of yen (-%)      3rd quarter of the fiscal year ended March 2024      (2,197) Millions of yen (-%)

	Quarterly net earnings per share	Quarterly net earnings per share (Diluted)
	Yen	Yen
3rd quarter of the fiscal year ending March 2025	167.74	-
3rd quarter of the fiscal year ended March 2024	(44.92)	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
3rd quarter of the fiscal year ending March 2025	423,998	141,420	33.3
Year ended March 31, 2024	405,256	142,133	35.0

(Reference) Equity capital      3rd quarter of the fiscal year ending March 2025      141,263 Millions of yen      Year ended March 31, 2024      141,933 Millions of yen

## 2.Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of the third quarter	Term end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	32.00	-	32.00	64.00
The fiscal year ending March 2025	-	45.00	-		
The fiscal year ending March 2025 (Forecast)				45.00	90.00

(Note)Revisions to the most recently announced dividend forecasts: None

## 3. the fiscal year ending March 2025's consolidated performance forecast (April 1, 2024-March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,142,500	18.1	34,500	11.4	34,900	11.0	23,900	458.0	260.71

(Note)Revisions to the most recently announced earnings forecasts: Yes

For details on the revision of consolidated performance forecast, please refer to the "Notice Concerning Revisions to Full-Year Financial Results Forecasts" announced today (February 7, 2025).

### ※ Notes

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

New:-(Company name:-), Excluded:-(Company name:-)

(2)Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3)Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies due to revision of accounting standards: Yes
- ② ① Changes in accounting policies other than the above: None
- ③ Changes in accounting estimates: None
- ④ Restatement of revisions: None

(4)Number of shares outstanding (common shares)

① Number of shares outstanding at the end of the period (including treasury stock)	As of December 31, 2024	96,356,460Shares	As of March 31, 2024	96,356,460Shares
② Number of treasury stock at the end of the period	As of December 31, 2024	6,535,914Shares	As of March 31, 2024	2,890,097Shares
③ Average number of shares outstanding (quarterly consolidated cumulative period)	3rd quarter of the fiscal year ending March 2025	91,671,698Shares	3rd quarter of the fiscal year ending March 2024	93,465,518Shares

※ Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

For consolidated performance forecast of the fiscal year ending March 2025, please refer to the "Notice Concerning Revisions to Full-Year Financial Results Forecasts" announced today (February 7, 2025). The earnings forecasts and other forward-looking statements herein are based on information currently available to Company and certain assumptions that are deemed reasonable. Actual results may differ significantly from these forecasts for a number of reasons.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operations

During nine months period ended December 31, 2024, economic outlook remains uncertain, as the global economy remains unstable, commodity and energy prices remain high, the prolonged inflation caused by the yen's depreciation, and fears of a revision of monetary policies, despite a modest economic recovery that remains on the back of improved employment and income conditions.

Under these circumstances, Group has positioned the period covered by Medium-Term Management Plan (from the fiscal year ending March 2025 to the fiscal year ending March 31, 2027) as a period of advancement through business portfolio transformation. The Group's basic policies are to "grow through a holding company structure," "take on the challenge of achieving record" and "improve stakeholder engagement." We will continue to work to improve corporate value as a key challenge period in realizing our medium-to long-term vision of "2030 VISION."

In March 2024, the Company transferred 85.0% of the outstanding shares of Daiwabo Co., Ltd., and as a result, Fiber Business was excluded from the scope of consolidation at the end of the previous consolidated fiscal year, and Fiber Business was not included in the operating results for the fiscal year under review.

Nine months ended December 31, 2024 reported net sales of 808,801 million yen (up 19.8% year on year), Operating income(loss) of 22,012 million yen (up 16.4% year on year), Ordinary income(loss) of 22,43 million yen (up 17.1% year on year), and quarterly net income attributable to owners of the parent of 15,377 million yen (loss attributable to owners of the parent of 4,198 million yen in the same quarter of the previous year).

Results by business segment are as follows.

#### IT Infrastructure Distribution Business

We focused on establishing and promoting a sales structure in anticipation of the termination of Windows10 support scheduled for October 2025 and replacement demand for the GIGA School devices that will begin in the fiscal year under review. We also actively engaged in corporate data-center and IT infrastructural projects and worked to propose servers and networking products. Furthermore, we focused on capturing demand by strengthening our proposals for iKAZUCHI, a portal for managing subscriptions, which we are focusing on. The client PC is driving earnings, driven by rising demand, particularly among large corporations. In for corporates, demand increased mainly in the telecommunications and manufacturing industries, and sales also expanded in government agencies by acquiring large-scale IT investment projects. As demand grew and projects increased in size, product supply was stable, and the profit margin declined due to the intensified competitive environment, but the profit amount exceeded the plan. In the education sector market, net sales grew substantially as a result of acquiring up-front procurement projects in preparation for the full-scale launch of the second phase of the GIGA School. In the consumer market, sales of PC and monitors to mass retailers were favorable, resulting in a year-on-year increase in sales for the consumer business as a whole.

As a consequence, net sales in this segment stood at ¥799,68 million, up 28.5% year on year, and Operating income(loss) was ¥21,477 million, up 23.0% year on year.

#### Industrial Machinery Business

In Machine tools division, although we continue to receive orders from some booming industries, such as the shipbuilding and energy industries, we expect full-fledged orders in the mainstay aircraft industry to recover from the second half of 2025. Overseas, orders in the U.S. market, mainly in the aircraft industry, were on a recovery trend, and orders in the Chinese market increased compared with the previous year due to the favorable impact of the weak yen. On the other hand, net sales increased, partly due to the stimulation of demand through the sale of short-term delivery inventory, but profits struggled partly due to the increase in costs. In Automatic Machinery Division, both sales and profits increased, partly because the average unit price of vending machines increased from the previous fiscal year.

As a consequence, net sales in this segment stood at ¥9,121 million, up 4.8% year on year, and Operating income(loss) at ¥532 million, down 8.8% year on year.

### (2) Explanation of Financial Position

Total assets at the end of the 3Q of the current fiscal year increased by 18,741 million yen from the end of the previous fiscal year to 423,998 million yen mainly due to an increase in accounts receivable-trade and goods and products. Liabilities increased by 19,454 million yen from the end of the previous consolidated fiscal year to 282,578 million yen mainly due to an increase in Notes and accounts payable, and net assets decreased by 713 million yen from the end of the previous consolidated fiscal year to 141,420 million yen mainly due to Purchase of treasury shares.

### (3) Explanation of consolidated performance forecast and other forward-looking statements

For consolidated performance forecast of the fiscal year ending March 2025, please refer to the "Notice Concerning Revisions to Full-Year Financial Results Forecasts" announced today (February 7, 2025).

## 2.Consolidated Financial Statements and Notes

## (1)Consolidated Balance Sheet

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	End of 3rd quarter of the fiscal year under review As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	69,372	60,424
Notes receivable	3,251	3,272
Accounts receivable	233,054	241,508
Electronically Recorded Monetary Claims	20,740	25,517
Goods and products	33,413	47,941
Work in process	2,804	3,565
Raw materials and supplies	233	191
Others	14,411	11,610
Allowance for doubtful accounts	(36)	(38)
Total current assets	377,245	393,992
Fixed assets		
Property, plant, and equipment		
Land	4,253	4,253
Other, net	5,985	6,911
Net property, plant and equipment	10,238	11,164
Intangible fixed assets		
Goodwill	1,351	1,239
Customer related intangible assets	1,044	957
Others	1,295	1,879
Total intangible assets	3,691	4,075
Investments and other assets		
Others	14,133	14,817
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	14,081	14,765
Total fixed assets	28,011	30,005
Total assets	405,256	423,998

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	End of 3rd quarter of the fiscal year under review As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	206,212	229,156
Short-term loans payable	8,400	7,304
Corporate income taxes	4,438	2,443
Allowance for bonuses	2,236	1,183
Other provisions	310	201
Others	18,145	19,013
Total current liabilities	239,742	259,302
Non-current liabilities		
Long-term debt	12,500	13,266
Provision for share awards for directors	119	115
Retirement benefit liabilities	5,310	4,344
Others	5,450	5,549
Total non-current liabilities	23,380	23,275
Total liabilities	263,123	282,578
<b>Net assets</b>		
Shareholders' equity		
Share capital	21,696	21,696
Capital surplus	7,954	7,954
Retained earnings	115,226	123,544
Treasury stock	(5,133)	(15,088)
Total Shareholders' equity	139,744	138,107
Accumulated other comprehensive income		
Other valuation difference on securities	3,038	3,483
Deferred gains or losses on hedges	52	271
Foreign currency translation adjustment	260	269
Accumulated adjustment related to retirement benefits	(1,161)	(867)
Total other accumulated comprehensive income	2,189	3,156
Non-controlling shareholders' equity	199	156
Total net assets	142,133	141,420
Total liabilities and net assets	405,256	423,998

(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income  
 (Consolidated Statement of Operations)  
 (Nine months ended December 31, 2024)

(Millions of yen)

	Previous Nine months ended December 31, 2023 (April 1, 2023 To December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 To December 31, 2024)
Net sales	675,271	808,801
Cost of sales	621,221	754,735
Gross profit	54,050	54,066
Selling and general administrative expenses	35,136	32,053
Operating income	18,913	22,012
Non-operating income		
Interest income	12	2
Dividend income	173	268
Sales support fund	229	272
Others	347	279
Total non-operating income	763	822
Non-operating expenses		
Interest expenses	117	86
Financial fees	19	30
Share of loss of entities accounted for using equity method	19	-
Acquisition of treasury shares expenses	-	132
Others	373	154
Total non-operating expenses	530	404
Ordinary income	19,147	22,430
Extraordinary losses		
Loss on sale and disposal of non-current assets	19	-
Loss on valuation of shares of subsidiaries and associates	23	-
Impairment loss	16,703	-
Others	1	1
Total extraordinary loss	16,747	1
Profit before income taxes	2,399	22,429
Income taxes : Current	5,182	6,356
Income taxes : Deferred	1,365	695
Total income taxes	6,547	7,052
Profit/(loss)	(4,148)	15,377
Quarterly net income or loss attributable to non-controlling interests	49	(0)
Profit(loss) attributable to owners of parent	(4,198)	15,377

(Consolidated Statement of Comprehensive Income)  
(Nine months ended December 31, 2024)

(Millions of yen)

	Previous Nine months ended December 31, 2023 (April 1, 2023 To December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 To December 31, 2024)
Profit/(loss)	(4,148)	15,377
Other comprehensive income		
Other valuation difference on securities	883	444
Deferred gains or losses on hedges	(2)	219
Foreign currency translation adjustment	512	47
Accumulated adjustment related to retirement benefits	444	294
Share of other comprehensive income of entities accounted for using equity method	113	-
Total other comprehensive income	1,951	1,005
Comprehensive income (loss)	(2,197)	16,382
(Comprehensive income attributable to)		
Comprehensive income (loss) attributable to owners of parent	(2,302)	16,344
Comprehensive income (loss) attributable to non- controlling interests	105	38



## (3)Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

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

Company acquired 3,669.7 thousand shares of treasury stock in accordance with the resolution of Director Board of Directors held on May 9, 2024. As a result of this acquisition, Nine months ended December 31, 2024 increased its treasury stock by 9,955 million yen, resulting in treasury stock of 15,088 million yen at the end of the 3Q of the current fiscal year.

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes" etc.)

Accounting Standard for Current Income Taxes (Accounting Standard No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") has been applied from the beginning of the 1Q of the consolidated fiscal year under review. Revisions to the classification of corporate income taxes and other items (taxation on other comprehensive income) are made in accordance with the transitional treatment stipulated in Article 20-3 of the Revised Accounting Standard 2022 and the transitional treatment stipulated in Article 65-2 (2) of "Implementation Guidance on tax rates used in applying Tax Effect Accounting" (Implementation Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance"). This change had no impact on the quarterly consolidated financial statements.

The Company has applied the revised guidance for 2022 from the beginning of the 1Q of the current fiscal year to revise the treatment of deferral of gains and losses on sales of shares of subsidiaries and others among the Companies for tax purposes in the consolidated financial statements. This change in accounting policy was applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year and for the previous consolidated fiscal year have been applied retrospectively. This did not affect the quarterly consolidated financial statements for the previous fiscal quarter or the consolidated financial statements of the previous consolidated fiscal year.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly Consolidated Statement of Cash Flows related to this Nine months ended December 31, 2024 has not been prepared. Depreciation related to Nine months ended December 31, 2024 (including amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows:

	Previous Nine months ended December 31, 2023 (April 1, 2023 To December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 To December 31, 2024)
Depreciation	2, 653 million yen	1, 421 million yen
Amortization of goodwill	112	112

## (Notes on Segment Information)

## [Segment Information]

I Previous Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

## 1.Information on net sales and profits or losses by reported segment

(Millions of yen)

	Reportable Segments				Others (NOTE)1	Total	Adjustments and eliminations (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	IT Infrastructure Distribution Business	Fiber Business	Industrial machinery Business	Total				
Net sales								
Sales to external customers	622,276	43,845	8,699	674,821	450	675,271	-	675,271
Intersegment sales or transfers	118	13	-	131	167	299	(299)	-
Total	622,394	43,859	8,699	674,953	617	675,571	(299)	675,271
Segment profit	17,459	797	584	18,841	32	18,873	40	18,913

(Notes)1. "Others" is a business segment that is not included in the reportable segments, and includes insurance agency and engineering businesses.

2.Adjustments and eliminations in segment profit is mainly the elimination of intersegment transactions.

3.Segment profit is adjusted with operating income in consolidated statement of operations.

## 2.Information on impairment loss on noncurrent assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

In Fiber Business, the book value was reduced to the recoverable amount, and an impairment loss of ¥16,703 million was recorded as an extraordinary loss in Nine months ended December 31, 2023.

II Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

## 1.Information on net sales and profits or losses by reported segment

(Millions of yen)

	Reportable Segments			Adjustments and eliminations (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	IT Infrastructure Distribution Business	Industrial machinery Business	Total		
Net sales					
Sales to external customers	799,680	9,121	808,801	-	808,801
Intersegment sales or transfers	95	-	95	(95)	-
Total	799,776	9,121	808,897	(95)	808,801
Segment profit	21,477	532	22,010	2	22,012

(Notes)1. Adjustments and eliminations in segment profit is mainly the elimination of intersegment transactions.

2.Segment profit is adjusted with operating income in consolidated statement of operations.

## 2.Changes in reportable segments

In the previous consolidated fiscal year, the Company conducted share transfer of Daiwabo Co., Ltd., which was a consolidated subsidiary of Company, and removed it from the scope of consolidation. As a result, the classification of "Fiber Business" and "Others" has been abolished from the 1Q of the current fiscal year. "Others" includes insurance agency business and engineering business.