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On April 5, 2021, Daiseki Co., Ltd. announced earnings results for full-year FY02/21.

Cumulative (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	12,398	26,249	38,899	51,313	13,557	26,892	41,173	54,088	13,451	25,873	38,704	51,530	56,600
YoY	-2.5%	5.3%	7.1%	4.3%	9.3%	2.4%	5.8%	5.4%	-0.8%	-3.8%	-6.0%	-4.7%	9.8%
Gross profit	3,829	7,717	11,629	15,189	4,329	8,535	13,273	17,124	4,140	8,044	12,231	16,324	17,800
YoY	2.3%	5.5%	7.9%	4.9%	13.1%	10.6%	14.1%	12.7%	-4.4%	-5.8%	-7.9%	-4.7%	9.0%
Gross profit margin	30.9%	29.4%	29.9%	29.6%	31.9%	31.7%	32.2%	31.7%	30.8%	31.1%	31.6%	31.7%	31.4%
SG&A expenses	1,485	3,012	4,561	6,082	1,561	3,063	4,668	6,259	1,577	3,053	4,549	6,082	6,400
YoY	2.9%	5.6%	7.0%	6.6%	5.1%	1.7%	2.3%	2.9%	1.0%	-0.3%	-2.5%	-2.8%	5.2%
SG&A ratio	12.0%	11.5%	11.7%	11.9%	11.5%	11.4%	11.3%	11.6%	11.7%	11.8%	11.8%	11.8%	11.3%
Operating profit	2,343	4,704	7,067	9,107	2,767	5,471	8,605	10,865	2,562	4,990	7,681	10,242	11,400
YoY	1.9%	5.4%	8.4%	3.8%	18.1%	16.3%	21.8%	19.3%	-7.4%	-8.8%	-10.7%	-5.7%	11.3%
Operating profit margin	18.9%	17.9%	18.2%	17.7%	20.4%	20.3%	20.9%	20.1%	19.0%	19.3%	19.8%	19.9%	20.1%
Recurring profit	2,356	4,743	7,159	9,199	2,812	5,554	8,726	11,025	2,682	5,140	7,848	10,451	11,500
YoY	0.3%	4.2%	8.3%	3.2%	19.4%	17.1%	21.9%	19.8%	-4.6%	-7.5%	-10.1%	-5.2%	10.0%
Recurring profit margin	19.0%	18.1%	18.4%	17.9%	20.7%	20.7%	21.2%	20.4%	19.9%	19.9%	20.3%	20.3%	20.3%
Net income	1,583	3,074	4,692	6,110	1,811	3,564	5,591	7,044	1,497	3,134	4,879	6,521	7,400
YoY	2.3%	3.9%	7.8%	4.7%	14.4%	15.9%	19.2%	15.3%	-17.3%	-12.1%	-12.7%	-7.4%	13.5%
Net margin	12.8%	11.7%	12.1%	11.9%	13.4%	13.3%	13.6%	13.0%	11.1%	12.1%	12.6%	12.7%	13.1%

Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	12,398	13,851	12,650	12,414	13,557	13,335	14,281	12,915	13,451	12,422	12,831	12,826
YoY	-2.5%	13.6%	11.0%	-3.6%	9.3%	-3.7%	12.9%	4.0%	-0.8%	-6.8%	-10.2%	-0.7%
Gross profit	3,829	3,888	3,912	3,560	4,329	4,206	4,738	3,851	4,140	3,904	4,187	4,093
YoY	2.3%	8.9%	12.8%	-3.9%	13.1%	8.2%	21.1%	8.2%	-4.4%	-7.2%	-11.6%	6.3%
Gross profit margin	30.9%	28.1%	30.9%	28.7%	31.9%	31.5%	33.2%	29.8%	30.8%	31.4%	32.6%	31.9%
SG&A expenses	1,485	1,527	1,549	1,521	1,561	1,502	1,605	1,591	1,577	1,476	1,496	1,533
YoY	2.9%	8.5%	9.8%	5.3%	5.1%	-1.6%	3.6%	4.6%	1.0%	-1.7%	-6.8%	-3.6%
SG&A ratio	12.0%	11.0%	12.2%	12.3%	11.5%	11.3%	11.2%	12.3%	11.7%	11.9%	11.7%	12.0%
Operating profit	2,343	2,361	2,363	2,040	2,767	2,704	3,134	2,260	2,562	2,428	2,691	2,561
YoY	1.9%	9.2%	14.9%	-9.7%	18.1%	14.5%	32.6%	10.8%	-7.4%	-10.2%	-14.1%	13.3%
Operating profit margin	18.9%	17.0%	18.7%	16.4%	20.4%	20.3%	21.9%	17.5%	19.0%	19.5%	21.0%	20.0%
Recurring profit	2,356	2,387	2,416	2,040	2,812	2,742	3,172	2,299	2,682	2,458	2,708	2,603
YoY	0.3%	8.2%	17.5%	-11.4%	19.4%	14.9%	31.3%	12.7%	-4.6%	-10.4%	-14.6%	13.2%
Recurring profit margin	19.0%	17.2%	19.1%	16.4%	20.7%	20.6%	22.2%	17.8%	19.9%	19.8%	21.1%	20.3%
Net income	1,583	1,491	1,618	1,418	1,811	1,753	2,027	1,453	1,497	1,637	1,745	1,642
YoY	2.3%	5.6%	16.2%	-4.2%	14.4%	17.6%	25.3%	2.5%	-17.3%	-6.6%	-13.9%	13.0%
Net margin	12.8%	10.8%	12.8%	11.4%	13.4%	13.1%	14.2%	11.3%	11.1%	13.2%	13.6%	12.8%

Source: Shared Research based on company data

By company	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Cumulative (JPYmn)				Cumulative (JPYmn)				Cumulative (JPYmn)				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total sales (consolidated)	12,398	26,249	38,899	51,313	13,557	26,892	41,173	54,088	13,451	25,873	38,704	51,530	56,600
YoY	-2.5%	5.3%	7.1%	4.3%	9.3%	2.4%	5.8%	5.4%	-0.8%	-3.8%	-6.0%	-4.7%	9.8%
Daiseki Co. (parent)	7,918	16,044	24,347	32,127	8,661	17,020	25,629	33,545	8,193	15,754	23,489	30,862	34,180
YoY	9.5%	11.1%	12.4%	11.6%	9.4%	6.1%	5.3%	4.4%	-5.4%	-7.4%	-8.3%	-8.0%	10.8%
% of consolidated sales	63.9%	61.1%	62.6%	62.6%	63.9%	63.3%	62.2%	62.0%	60.9%	60.9%	60.7%	59.9%	60.4%
Daiseki Eco. Solution	3,332	7,806	10,893	14,193	3,524	7,032	10,666	14,048	4,200	7,406	11,055	14,906	16,000
YoY	-16.4%	4.6%	5.5%	-4.9%	5.8%	-9.9%	-2.1%	-1.0%	19.2%	5.3%	3.6%	6.1%	7.3%
% of consolidated sales	26.9%	29.7%	28.0%	27.7%	26.0%	26.1%	25.9%	26.0%	31.2%	28.6%	28.6%	28.9%	28.3%
Hokuriku Daiseiki	226	430	641	848	207	394	602	817	184	340	513	689	800
YoY	15.9%	11.4%	9.4%	8.0%	-8.4%	-8.4%	-6.1%	-3.7%	-11.1%	-13.7%	-14.8%	-15.7%	16.1%
% of consolidated sales	1.8%	1.6%	1.6%	1.7%	1.5%	1.5%	1.5%	1.5%	1.4%	1.3%	1.3%	1.3%	1.4%
Daiseiki MCR	741	1,519	2,184	2,848	726	1,462	2,244	2,987	651	1,371	2,112	2,878	2,950
YoY	20.7%	20.2%	5.6%	0.1%	-2.0%	-3.8%	2.7%	4.9%	-10.3%	-6.2%	-5.9%	-3.6%	2.5%
% of consolidated sales	6.0%	5.8%	5.6%	5.5%	5.4%	5.4%	5.5%	5.5%	4.8%	5.3%	5.5%	5.6%	5.2%
System Kikou	406	916	1,527	2,229	689	1,450	2,831	3,723	538	1,547	2,298	3,143	3,820
YoY	-54.3%	-47.0%	-31.3%	-15.2%	69.7%	58.3%	85.4%	67.0%	-21.9%	6.7%	-18.8%	-15.6%	21.5%
% of consolidated sales	3.3%	3.5%	3.9%	4.3%	5.1%	5.4%	6.9%	6.9%	4.0%	6.0%	5.9%	6.1%	6.7%
Eliminations	-225	-467	-694	-933	-252	-467	-799	-1,035	-316	-546	-763	-950	-
Operating profit (consolidated)	2,343	4,704	7,067	9,107	2,767	5,471	8,605	10,865	2,562	4,990	7,681	10,242	11,400
YoY	1.9%	5.4%	8.4%	3.8%	18.1%	16.3%	21.8%	19.3%	-7.4%	-8.8%	-10.7%	-5.7%	11.3%
OPM	18.9%	17.9%	18.2%	17.7%	20.4%	20.3%	20.9%	20.1%	19.0%	19.3%	19.8%	19.9%	20.1%
Daiseki Co. (parent)	2,126	4,291	6,521	8,294	2,304	4,647	7,021	8,896	2,218	4,267	6,334	8,221	9,090
YoY	10.1%	13.5%	16.8%	15.7%	8.4%	8.3%	7.7%	7.3%	-3.7%	-8.2%	-9.8%	-7.6%	10.6%
OPM	26.9%	26.7%	26.8%	25.8%	26.6%	27.3%	27.4%	26.5%	27.1%	27.1%	27.0%	26.6%	26.6%
Daiseki Eco. Solution	273	597	728	898	324	641	1,010	1,237	329	458	789	1,206	1,474
YoY	-20.8%	11.1%	5.0%	-33.0%	18.7%	7.4%	38.7%	37.8%	1.4%	-28.6%	-21.9%	-2.5%	22.2%
OPM	8.2%	7.6%	6.7%	6.3%	9.2%	9.1%	9.5%	8.8%	7.8%	6.2%	7.1%	8.1%	9.2%
Hokuriku Daiseiki	19	38	50	68	20	38	56	73	18	32	47	62	78
YoY	58.3%	52.0%	25.0%	41.7%	5.3%	-	12.0%	7.4%	-10.0%	-15.8%	-16.1%	-15.1%	25.8%
OPM	8.4%	8.8%	7.8%	8.0%	9.7%	9.6%	9.3%	8.9%	9.8%	9.4%	9.2%	9.0%	9.8%
Daiseiki MCR	6	-116	-175	-205	28	11	119	188	22	56	163	283	284
YoY	-84.2%	-	-	-	366.7%	-	-	-	-21.4%	409.1%	37.0%	50.5%	0.4%
OPM	0.8%	-7.6%	-8.0%	-7.2%	3.9%	0.8%	5.3%	6.3%	3.4%	4.1%	7.7%	9.8%	9.6%
System Kikou	-64	-72	-11	114	106	165	447	531	-4	211	390	528	573
YoY	-	-	-	-47.7%	-	-	-	-365.8%	-	27.9%	-12.8%	-0.6%	8.5%
OPM	-15.8%	-7.9%	-0.7%	5.1%	15.4%	11.4%	15.8%	14.3%	-0.7%	13.6%	17.0%	16.8%	15.0%
Eliminations	-18	-33	-46	-62	-16	-33	-48	-62	-21	-35	-44	-60	-
Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total sales (consolidated)	12,398	13,851	12,650	12,414	13,557	13,335	14,281	12,915	13,451	12,422	12,831	12,826	
YoY	-2.5%	13.6%	11.0%	-3.6%	9.3%	-3.7%	12.9%	4.0%	-0.8%	-6.8%	-10.2%	-0.7%	
Daiseki Co. (parent)	7,918	8,126	8,303	7,780	8,661	8,359	8,609	7,916	8,193	7,561	7,735	7,373	
YoY	9.5%	12.7%	14.9%	9.4%	9.4%	2.9%	3.7%	1.7%	-5.4%	-9.5%	-10.2%	-6.9%	
% of consolidated sales	63.9%	58.7%	65.6%	62.7%	63.9%	62.7%	60.3%	61.3%	60.9%	60.9%	60.3%	57.5%	
Daiseki Eco. Solution	3,332	4,475	3,086	3,300	3,524	3,508	3,634	3,382	4,200	3,206	3,649	3,851	
YoY	-16.4%	28.5%	8.0%	-28.3%	5.8%	-21.6%	17.7%	2.5%	19.2%	-8.6%	0.4%	13.9%	
% of consolidated sales	26.9%	32.3%	24.4%	26.6%	26.0%	26.3%	25.4%	26.2%	31.2%	25.8%	28.4%	30.0%	
Hokuriku Daiseiki	226	204	211	207	207	187	208	215	184	156	173	176	
YoY	15.9%	6.8%	5.5%	4.0%	-8.4%	-8.3%	-1.4%	3.9%	-11.1%	-16.6%	-16.8%	-18.1%	
% of consolidated sales	1.8%	1.5%	1.7%	1.7%	1.5%	1.4%	1.5%	1.7%	1.4%	1.3%	1.3%	1.4%	
Daiseiki MCR	741	778	665	664	726	736	782	743	651	720	741	766	
YoY	20.7%	19.7%	-17.4%	-14.5%	-2.0%	-5.4%	17.6%	11.9%	-10.3%	-2.2%	-5.2%	3.1%	
% of consolidated sales	6.0%	5.6%	5.3%	5.3%	5.4%	5.5%	5.5%	5.8%	4.8%	5.8%	5.8%	6.0%	
System Kikou	406	510	611	702	689	761	1,381	892	538	1,009	751	845	
YoY	-54.3%	-39.2%	23.4%	73.3%	69.7%	49.2%	126.0%	27.1%	-21.9%	32.6%	-45.6%	-5.3%	
% of consolidated sales	3.3%	3.7%	4.8%	5.7%	5.1%	5.7%	9.7%	6.9%	4.0%	8.1%	5.9%	6.6%	
Eliminations	-225	-242	-227	-239	-252	-215	-332	-236	-316	-230	-217	-187	
Operating profit (consolidated)	2,343	2,361	2,363	2,040	2,767	2,704	3,134	2,260	2,562	2,428	2,691	2,561	
YoY	1.9%	9.2%	14.9%	-9.7%	18.1%	14.5%	32.6%	10.8%	-7.4%	-10.2%	-14.1%	13.3%	
OPM	18.9%	17.0%	18.7%	16.4%	20.4%	20.3%	21.9%	17.5%	19.0%	19.5%	21.0%	20.0%	
Daiseki Co. (parent)	2,126	2,165	2,230	1,773	2,304	2,343	2,374	1,875	2,218	2,049	2,067	1,887	
YoY	10.1%	17.0%	24.0%	11.6%	8.4%	8.2%	6.5%	5.8%	-3.7%	-12.5%	-12.9%	0.6%	
OPM	26.9%	26.6%	26.9%	22.8%	26.6%	28.0%	27.6%	23.7%	27.1%	27.1%	26.7%	25.6%	
Daiseki Eco. Solution	273	324	131	170	324	317	368	227	329	129	331	417	
YoY	-20.8%	68.0%	-16.0%	-73.7%	18.7%	-2.1%	181.3%	33.8%	1.4%	-59.3%	-10.1%	83.5%	
OPM	8.2%	7.2%	4.2%	5.1%	9.2%	9.0%	10.1%	6.7%	7.8%	4.0%	9.1%	10.8%	
Hokuriku Daiseiki	19	19	12	18	20	18	18	17	18	14	15	15	
YoY	58.3%	46.2%	-20.0%	125.0%	5.3%	-5.3%	50.0%	-5.6%	-10.0%	-22.2%	-16.7%	-11.8%	
OPM	8.4%	9.3%	5.7%	8.7%	9.7%	9.6%	8.7%	7.9%	9.8%	9.0%	8.7%	8.5%	
Daiseiki MCR	6	-122	-59	-30	28	-17	108	69	22	34	107	120	
YoY	-84.2%	-	-	-	366.7%	-	-	-	-21.4%	-	-0.9%	73.9%	
OPM	0.8%	-15.7%	-8.9%	-4.5%	3.9%	-2.3%	13.8%	9.3%	3.4%	4.7%	14.4%	15.7%	
System Kikou	-64	-8	61	125	106	59	282	84	-4	215	179	138	
YoY	-	-	-27.4%	-	-	-	-362.3%	-32.8%	-	264.4%	-36.5%	64.3%	
OPM	-15.8%	-1.6%	10.0%	17.8%	15.4%	7.8%	20.4%	9.4%	-0.7%	21.3%	23.8%	16.3%	
Eliminations	-18	-15	-13	-16	-16	-17	-15	-14	-21	-14	-9	-16	

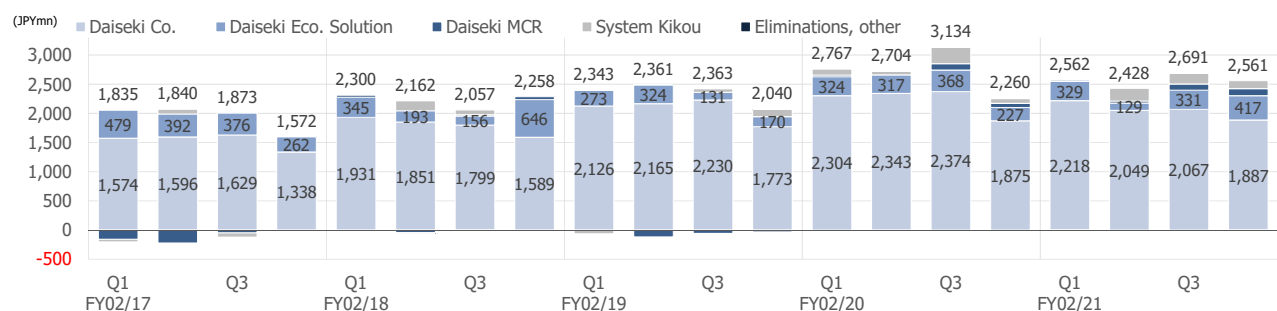
Source: Shared Research based on company data

Full-year FY02/21 results (out April 5, 2021)

Results overview

- ▷ Daiseki reported FY02/21 consolidated sales of JPY51.5bn (-4.7% YoY), operating profit of JPY10.2bn (-5.7% YoY), and net income of JPY6.5bn (-7.4% YoY). While sales and profit declined for the first time in four years due to the impact from the COVID-19 pandemic, which was especially strong in 1H, performance exceeded the forecasts announced by the company on January 5, 2021, with only a moderate YoY decline in earnings for the full year. The company maintained its annual DPS forecast of JPY56.0 (payout ratio of 36.7%). On a quarterly basis, consolidated sales in Q4 FY02/21 was JPY12.8bn (-0.7% YoY), while operating profit (JPY2.6bn, +13.3% YoY) and net income (JPY1.6bn, +13.0% YoY) both improved by double digits.
- ▷ **Daiseiki:** Parent company Daiseiki reported FY02/21 sales of JPY30.9bn (-8.0% YoY) and operating profit of JPY8.2bn (-7.6% YoY). Despite struggling on a slump in industrial production, earnings entered a recovery phase from 2H as prices for recycled heavy oil bottomed out, with operating profit in Q4 again moving higher, if only slightly, to reach JPY1.9bn (+0.6% YoY).
- ▷ **Daiseiki Eco. Solution (TSE1: 1712):** Subsidiary Daiseiki Eco. Solution reported full-year sales of JPY14.9bn (+6.1% YoY) and operating profit of JPY1.2bn (-2.5% YoY). Amid a decline in demand for soil contamination testing and cleanup services, as well as a sustained downturn in pricing in conventional soil decontamination work, a recovery in highly profitable projects from 2H contributed to earnings moving onto a recovery track. The recovery was especially clear in Q4, with operating profit in the quarter improving 83.5% YoY to JPY417mn.
- ▷ **Daiseiki MCR:** Subsidiary Daiseiki MCR logged full-year sales of JPY2.9bn (-3.6% YoY) and operating profit of JPY283mn (+50.5% YoY). Despite getting off to a sluggish start in Q1 due to the sharp decline in lead prices, earnings subsequently moved sharply higher as lead prices rebounded. Operating profit in Q4 expanded 73.9% YoY to JPY120mn.
- ▷ **System Kikou:** Subsidiary System Kikou reported full-year sales of JPY3.1bn (-15.6% YoY) and operating profit of JPY528mn (-0.6% YoY). Amid favorable performance in construction work from Q2, earnings well exceeded management's prior forecasts, with operating profit coming in nearly flat YoY. Operating profit in Q4 expanded by a firm 64.3% YoY to JPY138mn.
- ▷ **FY02/22 forecasts:** The company expects to post record profits for the first time in two years in FY02/22, forecasting consolidated sales of JPY56.6bn (+9.8% YoY), operating profit of JPY11.4bn (+11.3% YoY), and net income of JPY7.4bn (+13.5% YoY). Management expects earnings, which were temporarily slowed by the COVID-19 pandemic, to move back onto a growth track. In addition to a sustained recovery at the Daiseiki parent, which accounts for the lion's share of earnings, the company looks for a strong profit expansion at Daiseiki Eco. Solution. Management forecasts a consolidated OPM of 20.1% (+0.3pp YoY) and a FY02/22 DPS of JPY56.0 (payout ratio of 32.3%), matching that for FY02/21.

Quarterly operating profit by subsidiary



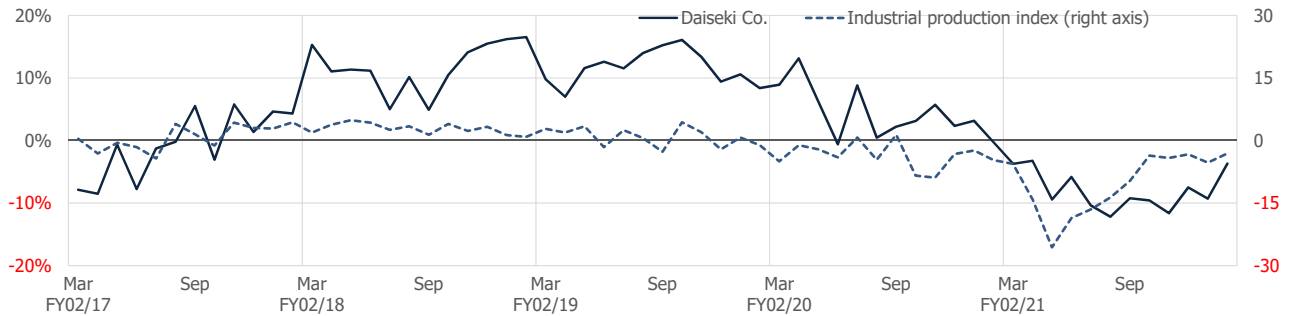
Source: Shared Research based on company data

Daiseki Co. (parent)

Daiseki Co. (parent) Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	7,918	8,126	8,303	7,780	8,661	8,359	8,609	7,916	8,193	7,561	7,735	7,373	34,180
YoY	9.5%	12.7%	14.9%	9.4%	9.4%	2.9%	3.7%	1.7%	-5.4%	-9.5%	-10.2%	-6.9%	10.8%
Gross profit	3,077	3,145	3,200	2,743	3,303	3,331	3,425	2,924	3,266	3,032	3,041	2,880	13,390
YoY	7.7%	14.6%	17.5%	10.8%	7.3%	5.9%	7.0%	6.6%	-1.1%	-9.0%	-11.2%	-1.5%	9.6%
Gross profit margin	38.9%	38.7%	38.5%	35.3%	38.1%	39.8%	39.8%	36.9%	39.9%	40.1%	39.3%	39.1%	39.2%
Operating profit	2,126	2,165	2,230	1,773	2,304	2,343	2,374	1,875	2,218	2,049	2,067	1,887	9,090
YoY	10.1%	17.0%	24.0%	11.6%	8.4%	8.2%	6.5%	5.8%	-3.7%	-12.5%	-12.9%	0.6%	10.6%
Operating profit margin	26.9%	26.6%	26.9%	22.8%	26.6%	28.0%	27.6%	23.7%	27.1%	27.1%	26.7%	25.6%	26.6%
Recurring profit	2,175	2,191	2,293	1,783	2,351	2,374	2,422	1,916	2,271	2,086	2,115	1,912	9,170
YoY	9.6%	16.9%	23.3%	10.1%	8.1%	8.4%	5.6%	7.5%	-3.4%	-12.1%	-12.7%	-0.2%	9.4%
Recurring profit margin	27.5%	27.0%	27.6%	22.9%	27.1%	28.4%	28.1%	24.2%	27.7%	27.6%	27.3%	25.9%	26.8%
Net income	1,560	1,514	1,592	1,316	1,633	1,633	1,664	1,318	1,342	1,446	1,474	1,309	6,320
YoY	10.3%	17.2%	20.8%	12.7%	4.7%	7.9%	4.5%	0.2%	-17.8%	-11.5%	-11.4%	-0.7%	13.4%
Net margin	19.7%	18.6%	19.2%	16.9%	18.9%	19.5%	19.3%	16.6%	16.4%	19.1%	19.1%	17.8%	18.5%

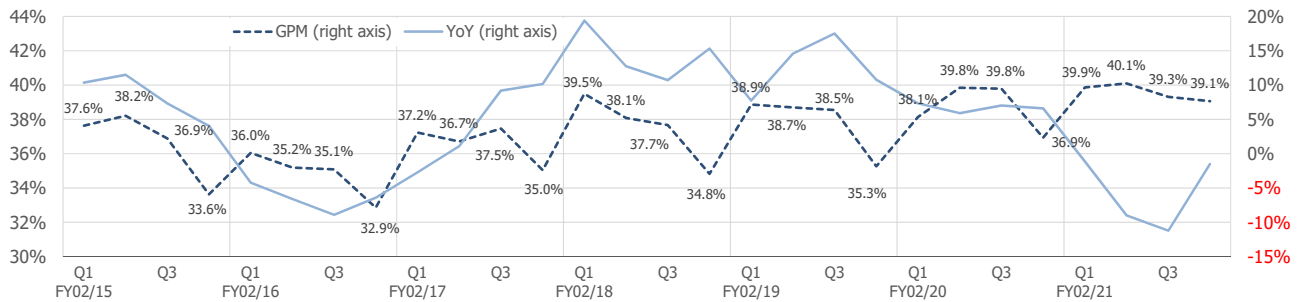
Source: Shared Research based on company data

Index of industrial production and Daiseki parent sales



Source: Shared Research based on company data

Daiseki Co. (parent) gross profit margin and gross profit YoY

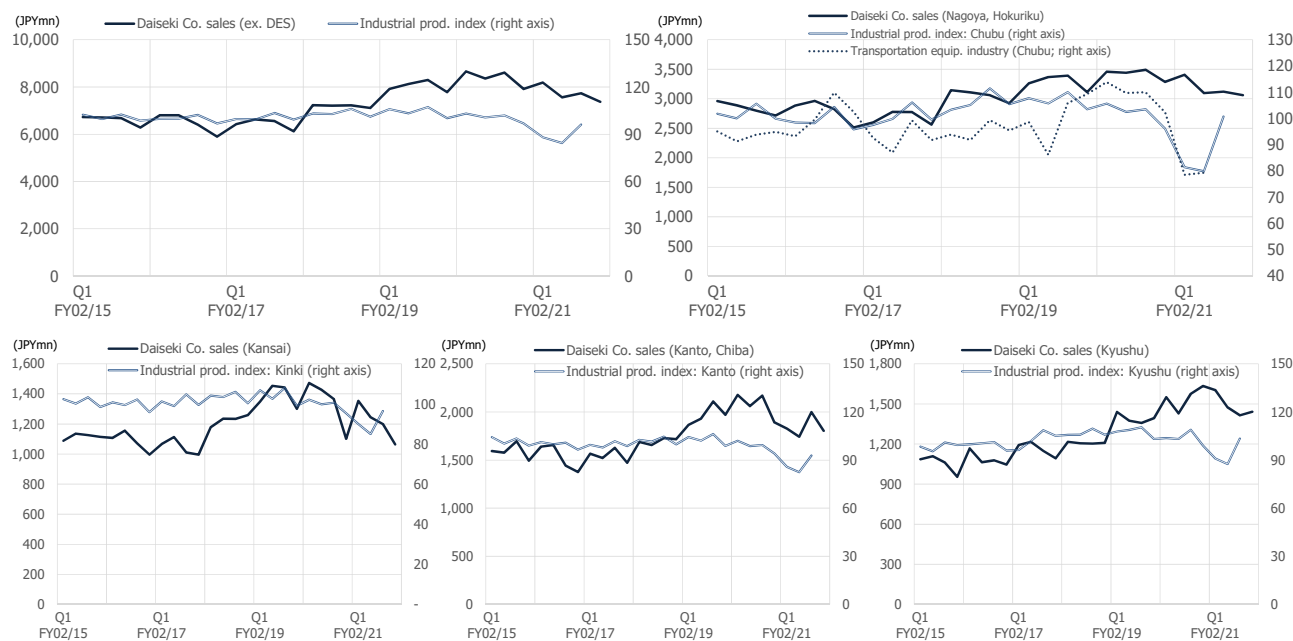


Source: Shared Research based on company data

Sales by location Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Daiseki Co. (parent)	7,918	8,126	8,302	7,780	8,661	8,359	8,609	7,916	8,193	7,561	7,735	7,373	34,180
YoY	9.5%	12.7%	14.9%	9.4%	9.4%	2.9%	3.7%	1.7%	-5.4%	-9.5%	-10.2%	-6.9%	10.8%
Nagoya	2,302	2,381	2,382	2,222	2,383	2,336	2,434	2,323	2,302	2,069	2,130	2,139	9,766
YoY	-2.1%	4.5%	9.3%	4.5%	3.5%	-1.9%	2.2%	4.5%	-3.4%	-11.4%	-12.5%	-7.9%	13.0%
% of Daiseki Co. (parent)	29.1%	29.3%	28.7%	28.6%	27.5%	27.9%	28.3%	29.3%	28.1%	27.4%	27.5%	29.0%	28.6%
Hokuriku	960	986	1,008	890	1,075	1,104	1,058	963	1,105	1,026	991	921	4,299
YoY	21.1%	18.8%	14.5%	11.7%	12.0%	12.0%	5.0%	8.2%	2.8%	-7.1%	-6.3%	-4.4%	6.3%
% of Daiseki Co. (parent)	12.1%	12.1%	12.1%	11.4%	12.4%	13.2%	12.3%	12.2%	13.5%	13.6%	12.8%	12.5%	12.6%
Kansai	1,348	1,453	1,443	1,301	1,473	1,427	1,366	1,101	1,353	1,245	1,199	1,065	5,500
YoY	14.2%	17.7%	16.9%	3.3%	9.3%	-1.8%	-5.3%	-15.4%	-8.1%	-12.8%	-12.2%	-3.3%	13.1%
% of Daiseki Co. (parent)	17.0%	17.9%	17.4%	16.7%	17.0%	17.1%	15.9%	13.9%	16.5%	16.5%	15.5%	14.4%	16.1%
Kyushu	1,440	1,375	1,358	1,393	1,550	1,429	1,576	1,634	1,603	1,474	1,415	1,441	6,298
YoY	18.3%	14.0%	12.9%	15.2%	7.6%	3.9%	16.1%	17.3%	3.4%	3.1%	-10.2%	-11.8%	6.2%
% of Daiseki Co. (parent)	18.2%	16.9%	16.4%	17.9%	17.9%	17.1%	18.3%	20.6%	19.6%	19.5%	18.3%	19.5%	18.4%
Kanto	1,650	1,657	1,827	1,690	1,791	1,729	1,802	1,583	1,549	1,491	1,726	1,561	7,098
YoY	11.4%	18.2%	22.6%	10.5%	8.5%	4.3%	-1.4%	-6.3%	-13.5%	-13.8%	-4.2%	-1.4%	12.2%
% of Daiseki Co. (parent)	20.8%	20.4%	22.0%	21.7%	20.7%	20.7%	20.9%	20.0%	18.9%	19.7%	22.3%	21.2%	20.8%
Chiba	215	272	282	281	386	331	368	308	277	253	272	243	1,219
YoY	3.9%	7.1%	18.5%	49.5%	79.5%	21.7%	30.5%	9.6%	-28.2%	-23.6%	-26.1%	-21.1%	16.7%
% of Daiseki Co. (parent)	2.7%	3.3%	3.4%	3.6%	4.5%	4.0%	4.3%	3.9%	3.4%	3.3%	3.5%	3.3%	3.6%

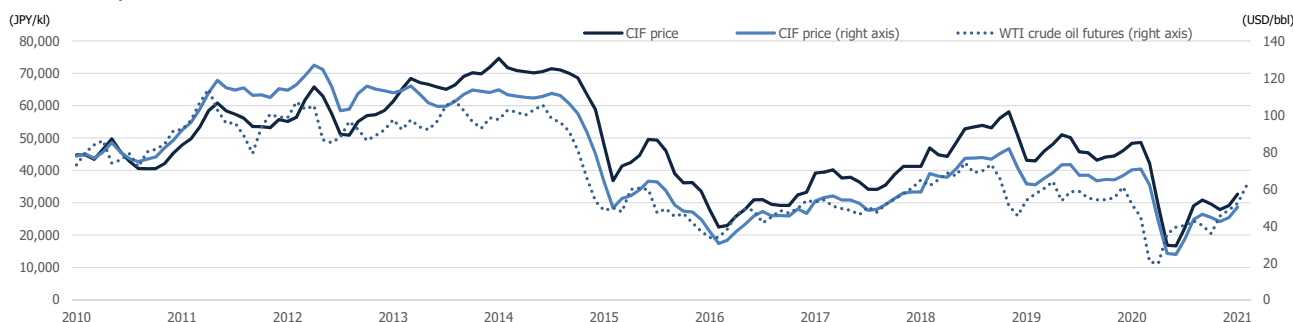
Source: Shared Research based on company data

Industrial production index and Daiseki Co. (parent) sales (excluding sales to DES)



Source: Shared Research based on Ministry of Economy, Trade and Industry data

Crude Oil CIF price trends



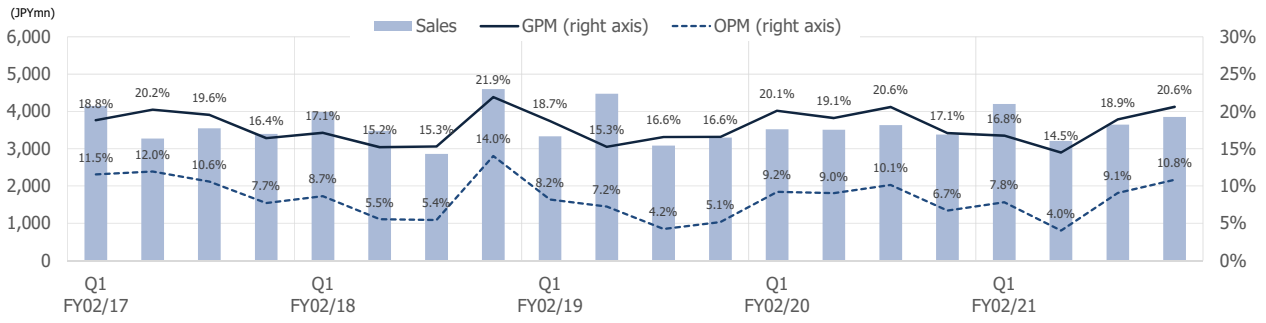
Shared Research based on Ministry of Economy, Trade and Industry data

Daiseki Eco. Solution (DES)

Daiseki Eco. Solution Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY Est.
Sales	3,332	4,475	3,086	3,300	3,524	3,508	3,634	3,382	4,200	3,206	3,649	3,851	16,000
YoY	-16.4%	28.5%	8.0%	-28.3%	5.8%	-21.6%	17.7%	2.5%	19.2%	-8.6%	0.4%	13.9%	7.3%
Gross profit	623	683	512	548	708	671	749	578	704	465	691	794	2,895
YoY	-8.7%	28.9%	16.9%	-45.8%	13.6%	-1.7%	46.4%	5.6%	-0.5%	-30.7%	-7.7%	37.3%	9.1%
Gross profit margin	18.7%	15.3%	16.6%	16.6%	20.1%	19.1%	20.6%	17.1%	16.8%	14.5%	18.9%	20.6%	18.1%
Operating profit	273	324	131	170	324	317	368	227	329	129	331	417	1,474
YoY	-20.8%	68.0%	-16.0%	-73.7%	18.7%	-2.1%	181.3%	33.8%	1.4%	-59.3%	-10.1%	83.5%	22.2%
Operating profit margin	8.2%	7.2%	4.2%	5.1%	9.2%	9.0%	10.1%	6.7%	7.8%	4.0%	9.1%	10.8%	9.2%
Recurring profit	263	327	150	164	349	328	389	230	351	124	330	436	1,500
YoY	-27.7%	52.8%	17.2%	-75.2%	32.7%	0.3%	159.3%	40.2%	0.6%	-62.2%	-15.2%	89.6%	20.9%
Recurring profit margin	7.9%	7.3%	4.9%	5.0%	9.9%	9.4%	10.7%	6.8%	8.4%	3.9%	9.0%	11.3%	9.4%
Net income	164	196	77	127	212	188	222	56	203	55	185	246	890
YoY	-34.7%	56.8%	32.8%	-75.1%	29.3%	-4.1%	188.3%	-55.9%	-4.2%	-70.7%	-16.7%	339.3%	29.2%
Net margin	4.9%	4.4%	2.5%	3.8%	6.0%	5.4%	6.1%	1.7%	4.8%	1.7%	5.1%	6.4%	5.6%

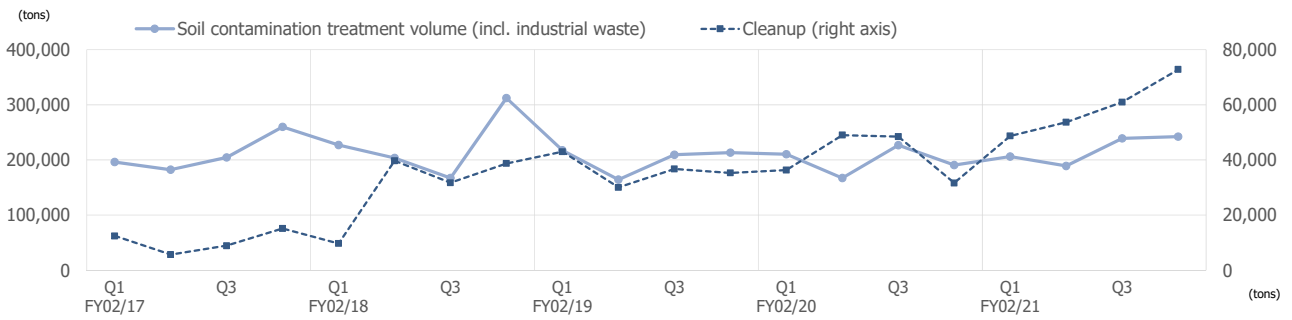
Source: Shared Research based on company data

Sales, GPM, and OPM



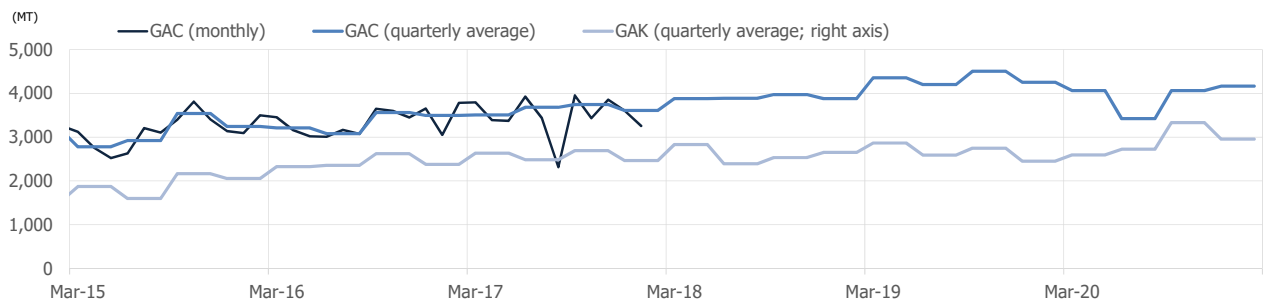
Source: Shared Research based on company data

Soil contamination treatment volume



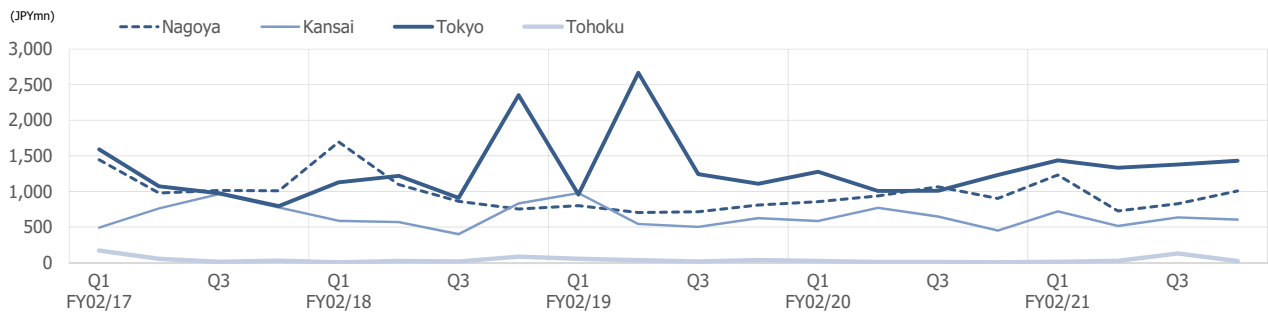
Source: Shared Research based on company data

Green Arrows Central (GAC), Green Arrows Kyushu (GAK) plasterboard collection volumes



Source: Shared Research based on company data

Soil contamination treatment sales by region



Source: Shared Research based on company data

Sales by division Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Daiseki Eco. Solution	3,332	4,475	3,086	3,300	3,524	3,508	3,634	3,382	4,200	3,206	3,649	3,851	16,000
YoY	-16.4%	28.5%	7.9%	-28.3%	5.8%	-21.6%	17.8%	2.5%	19.2%	-8.6%	0.4%	13.9%	7.3%
Nagoya	800	704	715	808	856	937	1,064	899	1,233	726	828	1,007	4,349
YoY	-52.8%	-35.9%	-17.0%	7.4%	7.0%	33.1%	48.8%	11.3%	44.0%	-22.5%	-22.2%	12.0%	14.6%
% of Daiseki Eco. Solution	24.0%	15.7%	23.2%	24.5%	24.3%	26.7%	29.3%	26.6%	29.4%	22.6%	22.7%	26.1%	27.2%
Tokyo	957	2,669	1,244	1,109	1,276	1,007	1,008	1,231	1,435	1,334	1,379	1,431	5,992
YoY	-15.3%	118.8%	36.7%	-52.9%	33.3%	-62.3%	-19.0%	11.0%	12.5%	32.5%	36.8%	16.2%	7.4%
% of Daiseki Eco. Solution	28.7%	59.6%	40.3%	33.6%	36.2%	28.7%	27.7%	36.4%	34.2%	41.6%	37.8%	37.2%	37.5%
Kansai	977	542	501	625	585	769	647	448	718	514	635	603	2,839
YoY	66.7%	-4.9%	25.6%	-24.8%	-40.1%	41.9%	29.1%	-28.3%	22.7%	-33.2%	-1.9%	34.6%	14.9%
% of Daiseki Eco. Solution	29.3%	12.1%	16.2%	18.9%	16.6%	21.9%	17.8%	13.2%	17.1%	16.0%	17.4%	15.7%	17.7%
Tohoku	53	32	15	36	20	9	8	2	11	22	129	20	-
YoY	1,225.0%	60.0%	-6.3%	-56.1%	-62.3%	-71.9%	-46.7%	-94.4%	-45.0%	144.4%	1,512.5%	900.0%	-
% of Daiseki Eco. Solution	1.6%	0.7%	0.5%	1.1%	0.6%	0.3%	0.2%	0.1%	0.3%	0.7%	3.5%	0.5%	-
Other	151	152	240	345	297	300	412	337	318	199	212	274	989
YoY	-29.3%	-28.3%	-14.2%	65.1%	96.7%	97.4%	71.7%	-2.3%	7.1%	-33.7%	-48.5%	-18.7%	-1.4%
% of Daiseki Eco. Solution	4.5%	3.4%	7.8%	10.5%	8.4%	8.6%	11.3%	10.0%	7.6%	6.2%	5.8%	7.1%	6.2%
Green Arrows Central	253	247	247	254	353	343	337	344	346	278	295	366	1,274
YoY	11.9%	5.6%	-2.8%	3.7%	39.5%	38.9%	36.4%	35.4%	-2.0%	-19.0%	-12.5%	6.4%	-0.9%
% of Daiseki Eco. Solution	7.6%	5.5%	8.0%	7.7%	10.0%	9.8%	9.3%	10.2%	8.2%	8.7%	8.1%	9.5%	8.0%
Green Arrows Kyushu	140	127	124	122	134	142	158	121	138	131	170	150	560
YoY	9.4%	-0.8%	-10.1%	-3.9%	-4.3%	11.8%	27.4%	-0.8%	3.0%	-7.7%	7.6%	24.0%	-4.9%
% of Daiseki Eco. Solution	4.2%	2.8%	4.0%	3.7%	3.8%	4.0%	4.3%	3.6%	3.3%	4.1%	4.7%	3.9%	3.5%

Source: Shared Research based on company data
Note: Tohoku sales are included in Tokyo sales from FY02/22.

Soil treatment volume Quarterly (tons)	FY02/19				FY02/20				FY02/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Soil treatment	217,403	164,307	209,494	213,115	210,425	167,006	226,649	190,619	206,267	189,218	238,944	242,285
YoY	-4.2%	-19.3%	25.3%	-31.8%	-3.2%	1.6%	8.2%	-10.6%	-2.0%	13.3%	5.4%	27.1%
Soil decontamination	42,997	30,046	36,749	35,296	36,329	49,033	48,471	31,635	48,710	53,698	60,985	72,799
YoY	344.4%	-24.3%	16.0%	-8.8%	-15.5%	63.2%	31.9%	-10.4%	34.1%	9.5%	25.8%	130.1%

Source: Shared Research based on company data

Plasterboard collection volume Quarterly (tons)	FY02/19				FY02/20				FY02/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total collection volume	20,121	18,829	19,522	19,594	21,655	20,364	21,750	20,120	19,974	18,428	22,179	21,346
YoY	9.2%	1.8%	1.2%	7.6%	7.6%	8.2%	11.4%	2.7%	-7.8%	-9.5%	2.0%	6.1%
Green Arrows Central	11,635	11,656	11,920	11,640	13,063	12,592	13,512	12,762	12,189	10,260	12,186	12,488
YoY	10.6%	5.6%	6.1%	7.5%	12.3%	8.0%	13.4%	9.6%	-6.7%	-18.5%	-9.8%	-2.1%
Green Arrows Kyushu	8,486	7,173	7,602	7,954	8,592	7,772	8,238	7,358	7,785	8,168	9,993	8,858
YoY	7.5%	-3.7%	-5.8%	7.7%	1.2%	8.4%	8.4%	-7.5%	-9.4%	5.1%	21.3%	20.4%

Source: Shared Research based on company data

Daiseki MCR

Daiseki MCR Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	741	778	665	664	726	736	782	743	651	720	741	766	2,950
YoY	20.7%	19.7%	-17.4%	-14.5%	-2.0%	-5.4%	17.6%	11.9%	-10.3%	-2.2%	-5.2%	3.1%	2.5%
Gross profit	63	-63	-2	23	85	22	159	117	68	78	152	166	472
YoY	-35.7%	-	-	-79.5%	34.9%	-	-	-408.7%	-20.0%	254.5%	-4.4%	41.9%	1.7%
Gross profit margin	8.5%	-8.1%	-0.3%	3.5%	11.7%	3.0%	20.3%	15.7%	10.4%	10.8%	20.5%	21.7%	16.0%
Operating profit	6	-122	-59	-30	28	-17	108	69	22	34	107	120	284
YoY	-84.2%	-	-	-	366.7%	-	-	-	-21.4%	-	-0.9%	73.9%	0.4%
Operating profit margin	0.8%	-15.7%	-8.9%	-4.5%	3.9%	-2.3%	13.8%	9.3%	3.4%	4.7%	14.4%	15.7%	9.6%
Recurring profit	10	-120	-56	-35	29	-16	108	70	98	35	108	120	286
YoY	-74.4%	-	-	-	190.0%	-	-	-	-237.9%	-	-	71.4%	-20.8%
Recurring profit margin	1.3%	-15.4%	-8.4%	-5.3%	4.0%	-2.2%	13.8%	9.4%	15.1%	4.9%	14.6%	15.7%	9.7%
Net income	13	-115	-57	-35	21	-10	84	61	71	31	85	120	222
YoY	-66.7%	-	-	-	61.5%	-	-	-	-238.1%	-	1.2%	96.7%	-27.7%
Net margin	1.8%	-14.8%	-8.6%	-5.3%	2.9%	-1.4%	10.7%	8.2%	10.9%	4.3%	11.5%	15.7%	7.5%

Source: Shared Research based on company data

Lead price trends



Source: Shared Research based on Bloomberg and Mizuho Bank data

System Kikou

System Kikou Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21				FY02/22 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	406	510	611	702	689	761	1,381	892	538	1,009	751	845	3,820
YoY	-54.3%	-39.2%	23.4%	73.3%	69.7%	49.2%	126.0%	27.1%	-21.9%	32.6%	-45.6%	-5.3%	21.5%
Gross profit	3	66	160	197	179	127	348	168	65	290	257	215	918
YoY	-94.4%	-72.0%	1.9%	251.8%	5,866.7%	92.4%	117.5%	-14.7%	-63.7%	128.3%	-26.1%	28.0%	11.0%
Gross profit margin	0.7%	12.9%	26.2%	28.1%	26.0%	16.7%	25.2%	18.8%	12.1%	28.7%	34.2%	25.4%	24.0%
Operating profit	-64	-8	61	125	106	59	282	84	-4	215	179	138	573
YoY	-	-	-27.4%	-	-	-	362.3%	-32.8%	-	264.4%	-36.5%	64.3%	8.5%
Operating profit margin	-15.8%	-1.6%	10.0%	17.8%	15.4%	7.8%	20.4%	9.4%	-0.7%	21.3%	23.8%	16.3%	15.0%
Recurring profit	-64	-9	61	126	108	59	281	84	-3	214	181	138	573
YoY	-	-	-26.5%	-	-	-	360.7%	-33.3%	-	262.7%	-35.6%	64.3%	8.1%
Recurring profit margin	-15.8%	-1.8%	10.0%	17.9%	15.7%	7.8%	20.3%	9.4%	-0.6%	21.2%	24.1%	16.3%	15.0%
Net income	-43	-6	77	74	74	37	194	50	11	140	118	89	372
YoY	-	-	45.3%	-	-	-	151.9%	-32.4%	-85.1%	278.4%	-39.2%	78.0%	3.9%
Net margin	-10.6%	-1.2%	12.6%	10.5%	10.7%	4.9%	14.0%	5.6%	2.0%	13.9%	15.7%	10.5%	9.7%

Source: Shared Research based on company data

FY02/22 company forecast

Consolidated (JPYmn)	FY02/20			FY02/21			FY02/22		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
Sales	26,892	27,196	54,088	25,873	25,657	51,530	29,300	27,300	56,600
YoY	2.4%	8.5%	5.4%	-3.8%	-5.7%	-4.7%	13.2%	6.4%	9.8%
Gross profit	8,535	8,589	17,124	8,044	8,280	16,324	-	-	17,800
YoY	10.6%	14.9%	12.7%	-5.8%	-3.6%	-4.7%	-	-	9.0%
Gross profit margin	31.7%	31.6%	31.7%	31.1%	32.3%	31.7%	-	-	31.4%
Operating profit	5,471	5,394	10,865	4,990	5,252	10,242	5,770	5,630	11,400
YoY	16.3%	22.5%	19.3%	-8.8%	-2.6%	-5.7%	15.6%	7.2%	11.3%
Operating profit margin	20.3%	19.8%	20.1%	19.3%	20.5%	19.9%	19.7%	20.6%	20.1%
Recurring profit	5,554	5,471	11,025	5,140	5,311	10,451	5,840	5,660	11,500
YoY	17.1%	22.8%	19.8%	-7.5%	-2.9%	-5.2%	13.6%	6.6%	10.0%
Recurring profit margin	20.7%	20.1%	20.4%	19.9%	20.7%	20.3%	19.9%	20.7%	20.3%
Net income	3,564	3,480	7,044	3,134	3,387	6,521	3,730	3,670	7,400
YoY	15.9%	14.6%	15.3%	-12.1%	-2.7%	-7.4%	19.0%	8.4%	13.5%
Net margin	13.3%	12.8%	13.0%	12.1%	13.2%	12.7%	12.7%	13.4%	13.1%

Daiseki Co. (parent) (JPYmn)	FY02/20			FY02/21			FY02/22		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
Sales	17,020	16,525	33,545	15,754	15,108	30,862	17,220	16,960	34,180
YoY	6.1%	2.7%	4.4%	-7.4%	-8.6%	-8.0%	9.3%	12.3%	10.8%
Gross profit	6,634	6,349	12,983	6,298	5,921	12,219	-	-	13,390
YoY	6.6%	6.8%	6.7%	-5.1%	-6.7%	-5.9%	-	-	9.6%
Gross profit margin	39.0%	38.4%	38.7%	40.0%	39.2%	39.6%	-	-	39.2%
Operating profit	4,647	4,249	8,896	4,267	3,954	8,221	4,590	4,500	9,090
YoY	8.3%	6.1%	7.3%	-8.2%	-6.9%	-7.6%	7.6%	13.8%	10.6%
Operating profit margin	27.3%	25.7%	26.5%	27.1%	26.2%	26.6%	26.7%	26.5%	26.6%

Daiseki Eco. Solution (JPYmn)	FY02/20			FY02/21			FY02/22		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
Sales	7,032	7,016	14,048	7,406	7,500	14,906	8,776	7,224	16,000
YoY	-9.9%	9.9%	-1.0%	5.3%	6.9%	6.1%	18.5%	-3.7%	7.3%
Gross profit	1,379	1,327	2,706	1,169	1,485	2,654	-	-	2,895
YoY	5.6%	25.3%	14.4%	-15.2%	11.9%	-1.9%	-	-	9.1%
Gross profit margin	19.6%	18.9%	19.3%	15.8%	19.8%	17.8%	-	-	18.1%
Operating profit	641	596	1,237	458	748	1,206	768	706	1,474
YoY	7.4%	98.0%	37.8%	-28.6%	25.6%	-2.5%	67.7%	-5.6%	22.2%
Operating profit margin	9.1%	8.5%	8.8%	6.2%	10.0%	8.1%	8.8%	9.8%	9.2%

Daiseki MCR (JPYmn)	FY02/20			FY02/21			FY02/22		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
Sales	1,462	1,525	2,987	1,371	1,507	2,878	1,448	1,502	2,950
YoY	-3.8%	14.7%	4.9%	-6.2%	-1.2%	-3.6%	5.6%	-0.3%	2.5%
Gross profit	107	276	383	146	318	464	-	-	472
YoY	-	1,214.3%	1,723.8%	36.4%	15.2%	21.1%	-	-	1.7%
Gross profit margin	7.3%	18.1%	12.8%	10.6%	21.1%	16.1%	-	-	16.0%
Operating profit	11	177	188	56	227	283	84	200	284
YoY	-	-	-	409.1%	28.2%	50.5%	50.0%	-11.9%	0.4%
Operating profit margin	0.8%	11.6%	6.3%	4.1%	15.1%	9.8%	5.8%	13.3%	9.6%

System Kikou (JPYmn)	FY02/20			FY02/21			FY02/22		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
Sales	1,450	2,273	3,723	1,547	1,596	3,143	2,100	1,720	3,820
YoY	58.3%	73.1%	67.0%	6.7%	-29.8%	-15.6%	35.7%	7.8%	21.5%
Gross profit	306	516	822	355	472	827	-	-	918
YoY	343.5%	44.5%	93.0%	16.0%	-8.5%	0.6%	-	-	11.0%
Gross profit margin	21.1%	22.7%	22.1%	22.9%	29.6%	26.3%	-	-	24.0%
Operating profit	165	366	531	211	317	528	350	223	573
YoY	-	96.8%	365.8%	27.9%	-13.4%	-0.6%	65.9%	-29.7%	8.5%
Operating profit margin	11.4%	16.1%	14.3%	13.6%	19.9%	16.8%	16.7%	13.0%	15.0%

Source: Shared Research based on company data

Note: Company estimates for 2H FY02/20 are (calculated as) the difference between full-year estimates and 1H estimates.

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