Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 2024

Company name: DAISUE CONSTRUCTION CO., LTD.

Stock exchange listing: Tokyo

Stock code: 1814 URL https://www.daisue.co.jp/

Representative: President & Representative Director Kazunori Murao

General Manager of General Affairs

Inquiries:

Department

Yasumi Iwata

TEL 06-6121-7121

Scheduled date of ordinary general meeting of shareholders: June 21, 2024
Scheduled date to file Securities Report: June 21, 2024
Scheduled date to commence dividend payments: June 4, 2024

Preparation of supplementary material on financial results: Yes Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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 | % |
| Year ended March 31, 2024 | 77,815 | 8.3 | 1,590 | (15.7) | 1,602 | (17.4) | 1,235 | (6.5) |
| Year ended March 31, 2023 | 71,834 | 3.1 | 1,887 | (30.3) | 1,939 | (28.5) | 1,321 | (27.3) |

| | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|---------------------------|--------------------|-------------------------------|--|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2024 | 119.20 | 118.78 | 5.6 | 3.1 | 2.0 |
| Year ended March 31, 2023 | 126.24 | _ | 6.3 | 4.1 | 2.6 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share | |
|----------------------|-----------------|-----------------|--------------|----------------------|--|
| | Millions of yen | Millions of yen | % | Yen | |
| As of March 31, 2024 | 59,107 | 22,551 | 38.2 | 2,190.88 | |
| As of March 31, 2023 | 45,625 | 21,536 | 47.2 | 2,055.58 | |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2024 | (1,919) | (2,992) | 3,701 | 8,775 |
| Year ended March 31, 2023 | 4,192 | (516) | (1,009) | 9,986 |

2. Cash dividends

| | | Annu | ıal dividends per | Total cash | Dividend payout | Ratio of dividends to net assets | | |
|--|-----------------|-----------------|-------------------|-----------------|-----------------|-------------------------------------|----------------------|----------------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | dividends (Total) | ratio (Consolidated) | (Consolidated) |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2023 | _ | 30.00 | _ | 34.00 | 64.00 | 670 | 50.7 | 3.2 |
| Year ended March 31, 2024 | _ | 35.00 | - | 35.00 | 70.00 | 725 | 58.7 | 3.3 |
| Year ending March 31, 2025 (Forecast) | _ | 44.50 | _ | 44.50 | 89.00 | | 54.3 | |

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

| | Net sales Operat | | Operating profit Ord | | Ordinary pro | Ordinary profit | | Profit attributable to owners of parent | |
|---|------------------|-----|----------------------|-------|-----------------|-----------------|-----------------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2024 | 39,200 | 8.1 | 790 | 237.8 | 800 | 195.8 | 510 | 84.1 | 49.21 |
| Full year | 83,900 | 7.8 | 2,600 | 63.5 | 2,580 | 61.0 | 1,700 | 37.6 | 164.05 |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation):

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No
Changes in accounting policies due to other reasons:

No
Changes in accounting estimates:

No
Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

| | 1 (| | | |
|------------|-------------------|-------------------------------------|-------------------------------------|---|
| I I | 10,614,225 shares | As of March 31, 2023 | i I | 10,614,225 shares |
| of the per | iod | | | |
| 1 | 320,978 shares | As of March 31, 2023 | I I | 137,131 shares |
| period | | | | _ |
| 1 | 10,362,866 shares | Year ended March 31, 2023 | 1 | 10,465,139 shares |
| | of the per | of the period 320,978 shares period | 320,978 shares As of March 31, 2023 | of the period 320,978 shares As of March 31, 2023 period |

Consolidated financial statements Consolidated balance sheets

| | A CM 1 21 2022 | (Willions of yell) |
|--|----------------------|----------------------|
| | As of March 31, 2023 | As of March 31, 2024 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,186 | 8,775 |
| Notes receivable, accounts receivable from completed | 25,464 | 36,217 |
| construction contracts, and contract assets | , | , |
| Electronically recorded monetary claims - operating | 1,936 | 2,464 |
| Real estate for sale | 506 | 23 |
| Costs on construction contracts in progress | 1,068 | 771 |
| Other | 365 | 406 |
| Allowance for doubtful accounts | (3) | (2) |
| Total current assets | 39,523 | 48,655 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 1,299 | 1,362 |
| Machinery, vehicles, tools, furniture and fixtures | 653 | 1,282 |
| Land | 1,205 | 1,411 |
| Accumulated depreciation | (1,087) | (1,466) |
| Total property, plant and equipment | 2,072 | 2,589 |
| Intangible assets | | |
| Goodwill | _ | 1,251 |
| technology asset | _ | 1,901 |
| Software | 241 | 175 |
| Software in progress | _ | 518 |
| Other | 23 | 23 |
| Total intangible assets | 265 | 3,870 |
| Investments and other assets | | |
| Investment securities | 2,166 | 2,728 |
| Long-term loans receivable | 26 | 25 |
| Deferred tax assets | 498 | 32 |
| Retirement benefit asset | 725 | 894 |
| Other | 347 | 311 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 3,764 | 3,991 |
| Total non-current assets | 6,101 | 10,451 |
| Total assets | 45,625 | 59,107 |

| | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable for construction contracts | 8,205 | 10,147 |
| Electronically recorded obligations - operating | 9,663 | 16,276 |
| Short-term borrowings | 100 | 1,300 |
| Current portion of long-term borrowings | 83 | 369 |
| Income taxes payable | 79 | 378 |
| Advances received on construction contracts in progress | 1,461 | 639 |
| Provision for warranties for completed construction | 743 | 479 |
| Provision for bonuses | 283 | 325 |
| Provision for loss on construction contracts | 107 | 0 |
| Other | 1,255 | 932 |
| Total current liabilities | 21,982 | 30,848 |
| Non-current liabilities | | |
| Long-term borrowings | 19 | 3,004 |
| Deferred tax liabilities | _ | 594 |
| Retirement benefit liability | 2,015 | 1,974 |
| Provision for share awards | 41 | 89 |
| Other | 29 | 44 |
| Total non-current liabilities | 2,105 | 5,707 |
| Total liabilities | 24,088 | 36,556 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,324 | 4,324 |
| Capital surplus | 35 | 241 |
| Retained earnings | 16,582 | 17,095 |
| Treasury shares | (143) | (366) |
| Total shareholders' equity | 20,798 | 21,295 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 782 | 1,163 |
| Remeasurements of defined benefit plans | (45) | 91 |
| Total accumulated other comprehensive income | 737 | 1,255 |
| Share acquisition rights | _ | 0 |
| Total net assets | 21,536 | 22,551 |
| Total liabilities and net assets | 45,625 | 59,107 |
| | | , |

Consolidated statements of income and consolidated statements of comprehensive income Consolidated statements of income

(Millions of yen) Fiscal year ended Fiscal year ended March 31, 2023 March 31, 2024 Net sales Net sales of completed construction contracts 71.054 76,453 Net sales in real estate business and other 780 1,361 Total net sales 71,834 77,815 Cost of sales Cost of sales of completed construction contracts 65,821 71,561 Cost of sales in real estate business and other 606 628 Total cost of sales 66,450 72,168 Gross profit Gross profit on completed construction contracts 5,232 4,891 Gross profit on real estate business and other 152 755 5,384 5,646 Total gross profit 3,497 4,056 Selling, general and administrative expenses 1,887 1,590 Operating profit Non-operating income 2 Interest income 6 Dividend income 73 88 Other 12 26 Total non-operating income 92 117 Non-operating expenses Interest expenses 3 15 31 78 Commission expenses Other 5 10 Total non-operating expenses 40 105 Ordinary profit 1,939 1,602 Extraordinary income 2 Gain on sale of non-current assets 299 Gain on sale of investment securities 302 Total extraordinary income Extraordinary losses Loss on sale of non-current assets 0 Loss on sale of investment securities 8 8 Total extraordinary losses 0 Profit before income taxes 1,930 1,904 Income taxes - current 487 573 Income taxes - deferred 122 96 609 669 Total income taxes 1,235 Profit 1,321 Profit attributable to non-controlling interests Profit attributable to owners of parent 1,321 1,235

Consolidated statements of comprehensive income

| l | Fiscal year ended |
|-------|--------------------------|
| | |
| | March 31, 2024 |
| 1,321 | 1,235 |
| | |
| 318 | 380 |
| 6 | 136 |
| 324 | 517 |
| 1,645 | 1,752 |
| | |
| 1,645 | 1,752 |
| | |
| _ | _ |
| | 318 6 324 1,645 |

Consolidated statements of changes in equity Fiscal year ended March 31, 2023

| | Shareholders' equity | | | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------------|--|--|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | | |
| Balance at beginning of period | 4,324 | 4 | 15,995 | (108) | 20,215 | | |
| Changes during period | | | | | | | |
| Dividends of surplus | | | (733) | | (733) | | |
| Profit attributable to owners of parent | | | 1,321 | | 1,321 | | |
| Purchase of treasury shares | | | | (102) | (102) | | |
| Disposal of treasury shares | | 30 | | 67 | 98 | | |
| Net changes in items other than shareholders' equity | | | | | | | |
| Total changes during period | - | 30 | 587 | (35) | 582 | | |
| Balance at end of period | 4,324 | 35 | 16,582 | (143) | 20,798 | | |

| | Accumu | | | |
|--|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Total net assets |
| Balance at beginning of period | 464 | (51) | 413 | 20,629 |
| Changes during period | | | | |
| Dividends of surplus | | | | (733) |
| Profit attributable to owners of parent | | | | 1,321 |
| Purchase of treasury shares | | | | (102) |
| Disposal of treasury shares | | | | 98 |
| Net changes in items other than shareholders' equity | 318 | 6 | 324 | 324 |
| Total changes during period | 318 | 6 | 324 | 906 |
| Balance at end of period | 782 | (45) | 737 | 21,536 |

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 4,324 | 35 | 16,582 | (143) | 20,798 |
| Changes during period | | | | | |
| Dividends of surplus | | | (722) | | (722) |
| Profit attributable to owners of parent | | | 1,235 | | 1,235 |
| Purchase of treasury shares | | | | (1,179) | (1,179) |
| Disposal of treasury shares | | 206 | | 956 | 1,163 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | _ | 206 | 512 | (222) | 496 |
| Balance at end of period | 4,324 | 241 | 17,095 | (366) | 21,295 |

| | Accumulated other comprehensive income | | | | |
|--|---|---|--|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Share acquisition rights | Total net assets |
| Balance at beginning of period | 782 | (45) | 737 | _ | 21,536 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (722) |
| Profit attributable to owners of parent | | | | | 1,235 |
| Purchase of treasury shares | | | | | (1,179) |
| Disposal of treasury shares | | | | | 1,163 |
| Net changes in items other than shareholders' equity | 380 | 136 | 517 | 0 | 518 |
| Total changes during period | 380 | 136 | 517 | 0 | 1,014 |
| Balance at end of period | 1,163 | 91 | 1,255 | 0 | 22,551 |

Consolidated statements of cash flows

| | | (Millions of yen) |
|---|-------------------|-------------------|
| | Fiscal year ended | Fiscal year ended |
| | March 31, 2023 | March 31, 2024 |
| Cash flows from operating activities | | |
| Profit before income taxes | 1,930 | 1,904 |
| Depreciation | 122 | 247 |
| Amortization of goodwill | = | 65 |
| Increase (decrease) in allowance for doubtful accounts | (6) | (1) |
| Decrease (increase) in retirement benefit asset | (52) | (40) |
| Increase (decrease) in retirement benefit liability | (31) | 27 |
| Increase (decrease) in provision for warranties for completed | 54 | (264) |
| construction | 34 | (204) |
| Increase (decrease) in provision for bonuses | (1) | 34 |
| Increase (decrease) in provision for loss on construction | (224) | (107) |
| contracts | (224) | (107) |
| Interest and dividend income | (86) | (99) |
| Interest expenses | 3 | 15 |
| Decrease (increase) in trade receivables | 6,493 | (11,165) |
| Decrease (increase) in costs on construction contracts in | (07) | 200 |
| progress | (97) | 300 |
| Decrease (increase) in real estate for sale | - | 483 |
| Increase (decrease) in trade payables | (2,462) | 8,554 |
| Increase (decrease) in advances received on construction | (202) | (922) |
| contracts in progress | (392) | (822) |
| Increase (decrease) in deposits received | 43 | (529) |
| Other, net | (136) | (216) |
| Subtotal | 5,155 | (1,611) |
| Interest and dividends received | 86 | 99 |
| Interest paid | (3) | (17) |
| Income taxes paid | (1,046) | (389) |
| Net cash provided by (used in) operating activities | 4,192 | (1,919) |
| Cash flows from investing activities | , - | ()) |
| Purchase of property, plant and equipment | (523) | (286) |
| Purchase of intangible assets | (136) | (446) |
| Purchase of investment securities | (103) | (3) |
| Proceeds from sale of investment securities | 200 | 399 |
| Loan advances | (2) | (2) |
| Proceeds from collection of loans receivable | 4 | 3 |
| Payments of leasehold and guarantee deposits | (1) | (0) |
| Proceeds from refund of leasehold and guarantee deposits | 46 | 8 |
| Payments into time deposits | (400) | (200) |
| Proceeds from withdrawal of time deposits | 400 | 400 |
| Purchase of shares of subsidiaries resulting in change in scope | 100 | 100 |
| of consolidation | _ | (2,770) |
| Other, net | (0) | (93) |
| Net cash provided by (used in) investing activities | (516) | (2,992) |
| There cash provided by (used in) investing activities | (310) | (2,992) |

| | | (minimum or jun) | |
|--|-------------------|-------------------|--|
| | Fiscal year ended | Fiscal year ended | |
| | March 31, 2023 | March 31, 2024 | |
| Cash flows from financing activities | | | |
| Net increase (decrease) in short-term borrowings | _ | 1,200 | |
| Proceeds from long-term borrowings | _ | 3,500 | |
| Repayments of long-term borrowings | (176) | (228) | |
| Purchase of treasury shares | (102) | (1,215) | |
| Proceeds from disposal of treasury shares from exercise of | | 1 150 | |
| share acquisition rights | _ | 1,158 | |
| Dividends paid | (727) | (716) | |
| Other, net | (3) | 3 | |
| Net cash provided by (used in) financing activities | (1,009) | 3,701 | |
| Net increase (decrease) in cash and cash equivalents | 2,666 | (1,210) | |
| Cash and cash equivalents at beginning of period | 7,320 | 9,986 | |
| Cash and cash equivalents at end of period | 9,986 | 8,775 | |