
Financial Briefing for the Fiscal Year Ended March 2024

May 24, 2024



FY2023 Financial Results Overview

1. Summary of results for the fiscal year ended March 2024

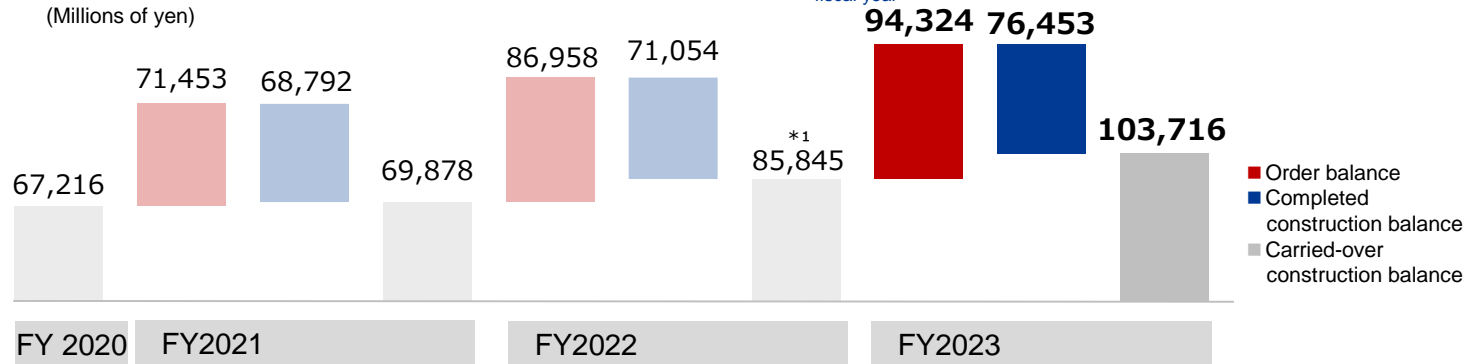


Consolidated order balance

94,324 million yen (+8.5% YoY)

The consolidated order balance stood at 94,324 million yen, rising 8.5% from the end of the previous fiscal year. The amount is the highest level in recent years.

Reference: Construction balance carried over from previous fiscal year + order balance - completed construction balance = Construction balance carried over to next fiscal year



(Fiscal year starts in April and ends in March)

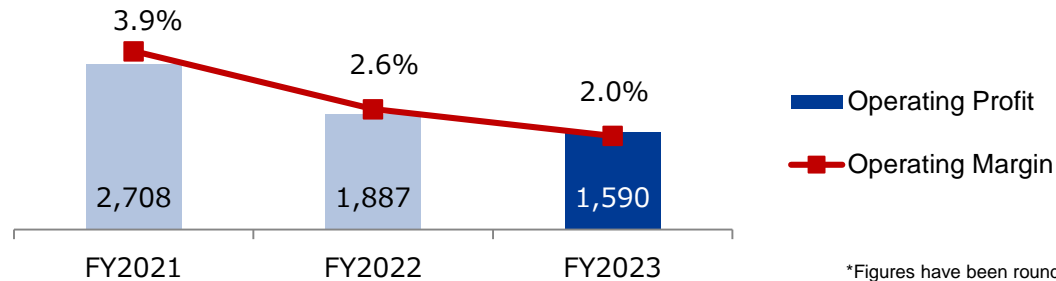
*1 Carried-over construction balance of FY2022 includes that of Kamisima Corporation, which became our wholly owned subsidiary in November 2023

Consolidated operating profit

1,590 million yen (consolidated operating margin: 2.0%)

Consolidated operating profit dropped to 1,590 million yen, decreased by 15.7% from FY2022, mainly due to sluggish progress in efforts to adjust pricing to pass the soaring cost of construction materials on to prices, with a focus on orders received during the previous fiscal year.

(Millions of yen)

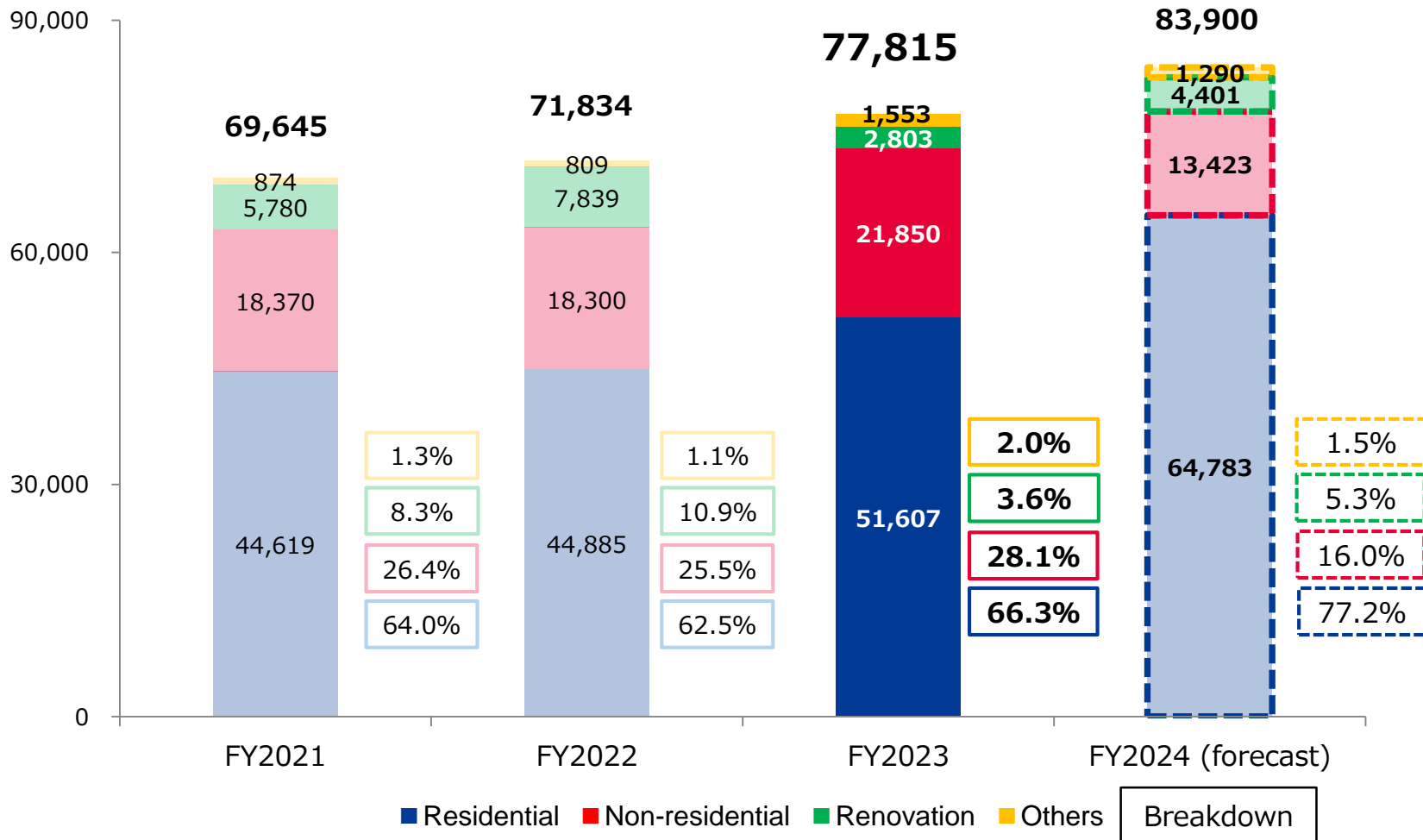


*Figures have been rounded down to the nearest million yen

2-1. Trend in consolidated net sales

Net sales increased to 77,815 million yen, up 8.3% from FY2022, as a result of improving orders and the large amount of carried-over construction balance

(Millions of yen)





2-2. Major completed constructions

*In order of prefectural code

Client	Building (project)	Prefecture	Use
Nomura Real Estate Development Co., Ltd.	Proud Ichiban-cho 1-chome	Miyagi	Condominiums/ apartment buildings
Meirikai Medical foundation	IMS Fujimi General Hospital bldg. C	Saitama	Medical, welfare and housing for the elderly (renovations)
ITOCHU Property Development, Ltd.	CREVIA Sangenjaya	Tokyo	Condominiums/ apartment buildings
San Shin Jyuken Ltd. KEIKYU REALESTATE Co., Ltd. Taisei-Yuraku Real Estate Co., Ltd.	PREMIUM RESIDENCE Yokosuka Chuo	Kanagawa	Condominiums/ apartment buildings
NIPPON STEEL KOWA REAL ESTATE CO., LTD.	LOGIFRONT Atsugi	Kanagawa	Logistics warehouses and factories
TODA CORPORATION	MAKE A GOOD LOGI Amagasaki	Hyogo	Logistics warehouses and factories
Tokyo Tatemono Co., Ltd. NTT Urban Development Corporation	Brillia Shukugawa Takatsukacho	Hyogo	Condominiums/ apartment buildings
ANABUKI KOSAN INC.	Alpha States Matsueekiminami	Shimane	Condominiums/ apartment buildings

2-3. Major completed constructions



Proud Ichiban-cho 1-chome

Nomura Real Estate Development Co., Ltd.
/ Miyagi



CREVIA Sangenjaya

ITOCHU Property Development, Ltd.
/ Tokyo



PREMIUM RESIDENCE Yokosuka Chuo

San Shin Jyuken Ltd., KEIKYU REALESTATE Co., Ltd.
Taisei-Yuraku Real Estate Co., Ltd. / Kanagawa



MAKE A GOOD LOGI Amagasaki

TODA CORPORATION / Hyogo



Brillia Shukugawa Takatsukacho

Tokyo Tatemono Co., Ltd.
NTT Urban Development Corporation / Hyogo



Alpha States Matsueekiminami

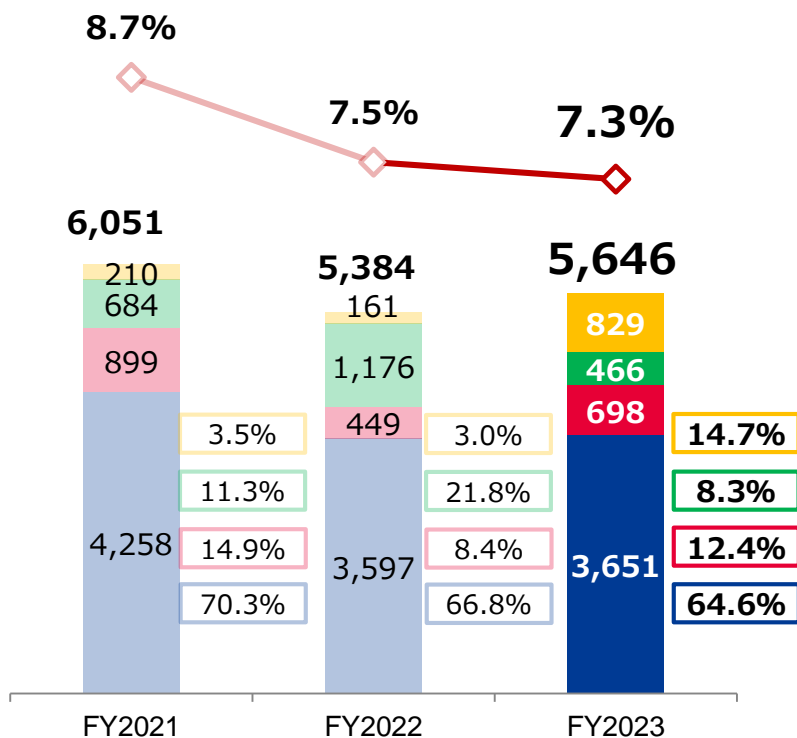
ANABUKI KOSAN INC. / Shimane

3. Trend in gross profit and factors affecting operating profit

Gross profit increased along with net sales rising. Gross profit margin declined by 0.2 points from FY2022 due to sluggish progress in efforts to adjust pricing to pass the soaring cost of construction materials on to prices, while the ratio turned upward in the latter half of FY2023 (Q2: 5.8% ⇒ FY2023: 7.3%). Operating profit fell 15.7% from FY2022 to 1,590 million yen

Trend in gross profit

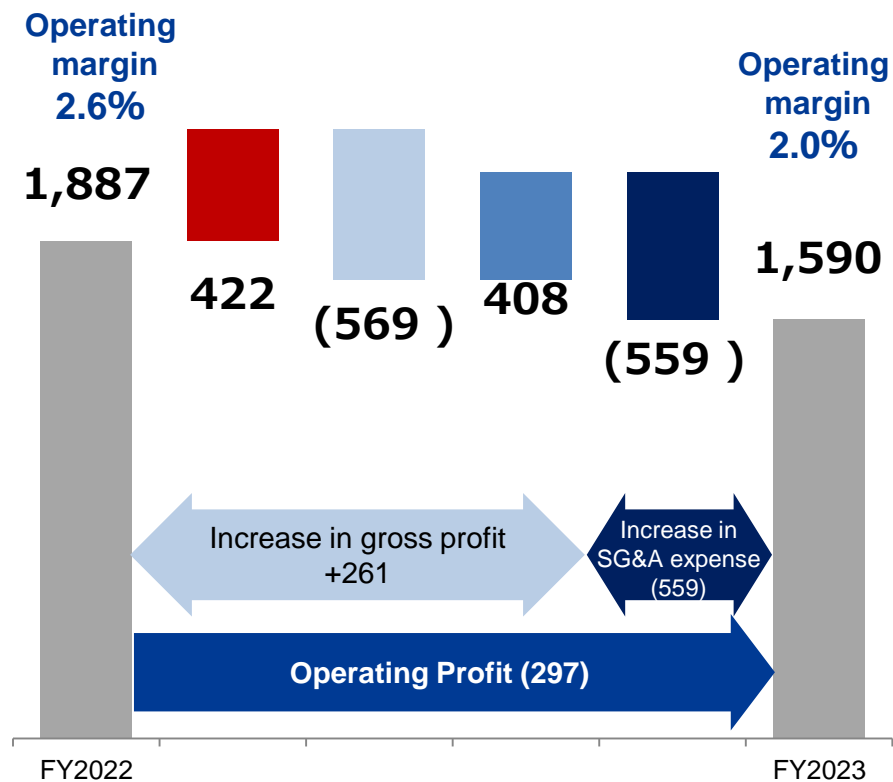
(Millions of yen)



■ Residential ■ Non-residential ■ Renovation ■ Other Breakdown

Factors affecting operating profit

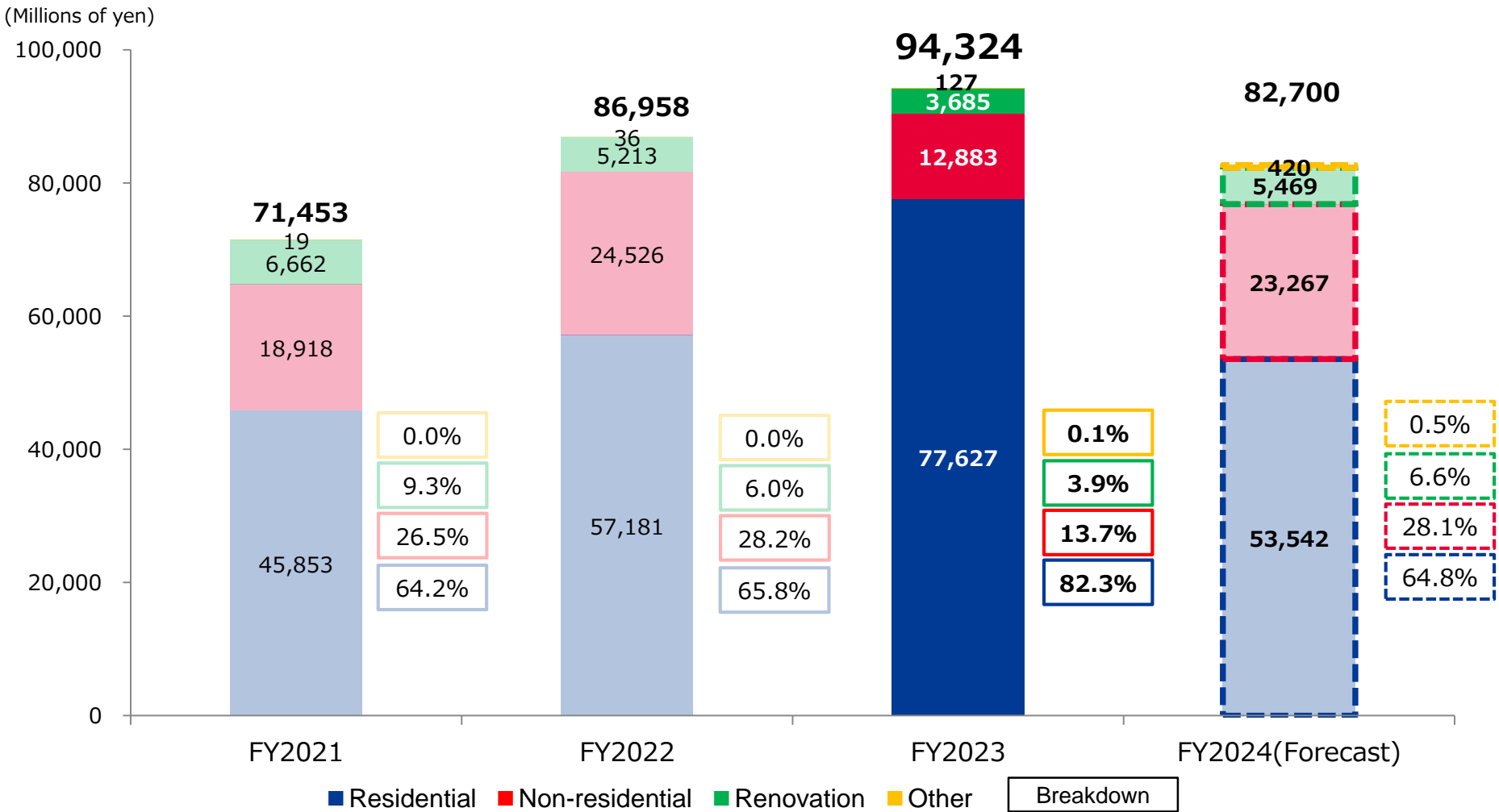
(Millions of yen)



Operating profit Completed construction balance Construction profit Real estate business, etc. SG&A expense Operating profit

4-1. Trend in consolidated order balance

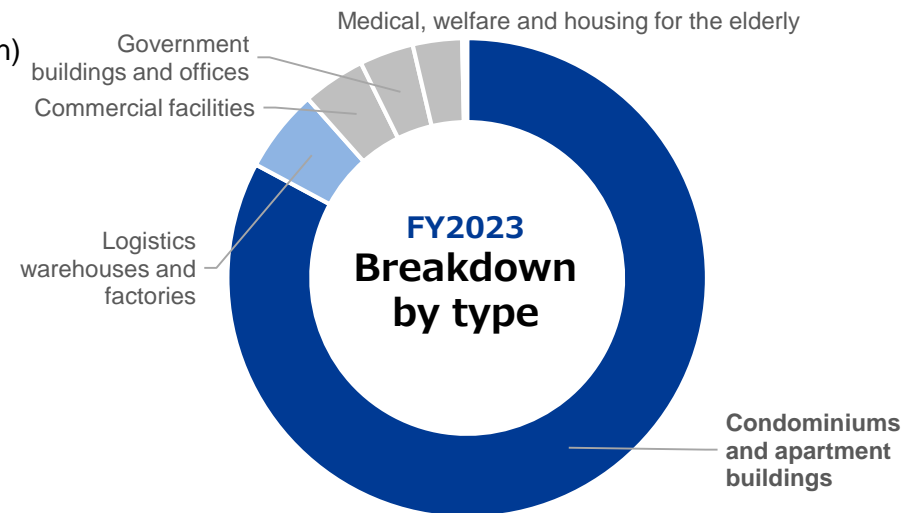
The order balance rose 8.5% from FY2022 to 94,324 million yen, attributed to orders for large condominium buildings



4-2. Breakdown of the consolidated order balance

By type Robust orders for condominiums and apartment buildings (Millions of yen)

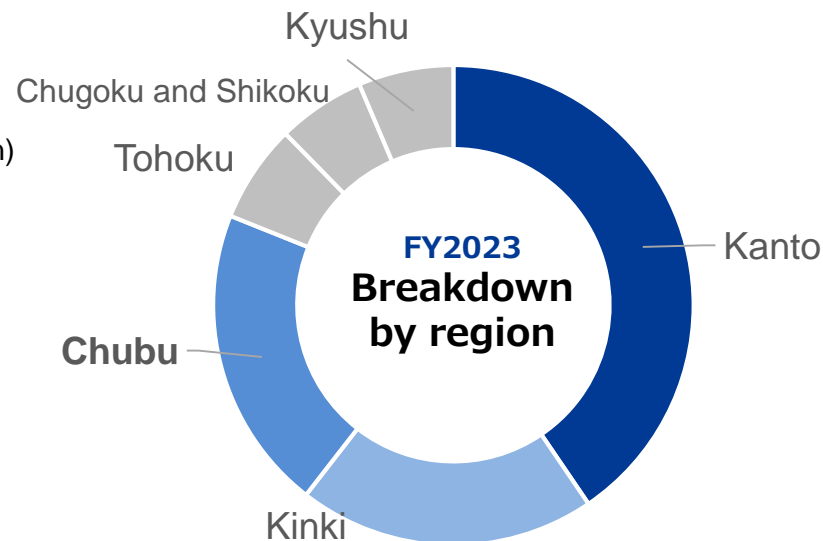
	FY2021		FY2022		FY2023	
		Breakdown		Breakdown		Breakdown
Condominiums and apartment buildings	46,775	65.5%	58,337	66.9%	78,137	82.8%
Logistics warehouses and factories	13,947	19.5%	16,919	19.5%	5,281	5.6%
Commercial facilities	2,634	3.7%	5,979	6.9%	4,015	4.3%
Government buildings and offices	3,241	4.5%	2,415	2.8%	3,443	3.7%
Medical, welfare and housing for the elderly	1,055	1.5%	1,956	2.3%	3,130	3.3%
Education, culture, and sports	2,657	3.7%	675	0.8%	96	0.1%
Event halls	1,122	1.6%	614	0.7%	78	0.1%
Other	20	0.0%	59	0.1%	141	0.1%
Total	71,453	100.0%	86,958	100.0%	94,324	100.0%



*Order of renovation is classified by type

By region Robust growth in Chubu region (Millions of yen)

	FY2021		FY2022		FY2023	
		Breakdown		Breakdown		Breakdown
Kanto	33,069	46.2%	39,315	45.3%	38,194	40.6%
Kinki	18,920	26.5%	28,085	32.3%	18,886	20.0%
Chubu	6,977	9.8%	8,630	9.9%	19,386	20.6%
Tohoku	3,764	5.3%	2,906	3.3%	6,227	6.6%
Chugoku and Shikoku	4,739	6.6%	3,947	4.5%	5,587	5.9%
Kyushu	3,983	5.6%	4,072	4.7%	6,042	6.4%
Total	71,453	100.0%	86,958	100.0%	94,324	100.0%



4-3. Major ordered constructions

*In order of prefectural code

Client	Building (project)	Prefecture	Use
Takara Leben Co., Ltd.	Leben Fukushima Otamachi	Fukushima	Condominiums/ apartment buildings
Warabieki Nishiguchi area Urban Redevelopment Project association	Type 1 urban redevelopment project in Warabieki Nishiguchi area *1	Saitama	Condominiums/ apartment buildings
OK Tenpo Hoyu	OK Matsudo Ohashi	Chiba	Commercial facilities
Daiwa House Industry Co., Ltd. Tokyo Tatemono Co., Ltd. San Shin Jyuken Ltd.	Kagetsuen-ekimae Project	Kanagawa	Condominiums/ apartment buildings
MITSUBISHI ESTATE RESIDENCE CO., LTD.	Okazaki-shi Hane-cho plan in Aichi Prefecture	Aichi	Condominiums/ apartment buildings
Nippon Life Insurance Company	Nissay Shijo Building *1	Kyoto	Government buildings and offices
KUBOTA Corporation	KUBOTA Sakai B5 and B6 wing	Osaka	Logistics warehouses and factories (renovation)
ANABUKI KOSAN INC.	Alpha States Iizukaeki	Fukuoka	Condominiums/ apartment buildings

*1 accepted as a joint venture group

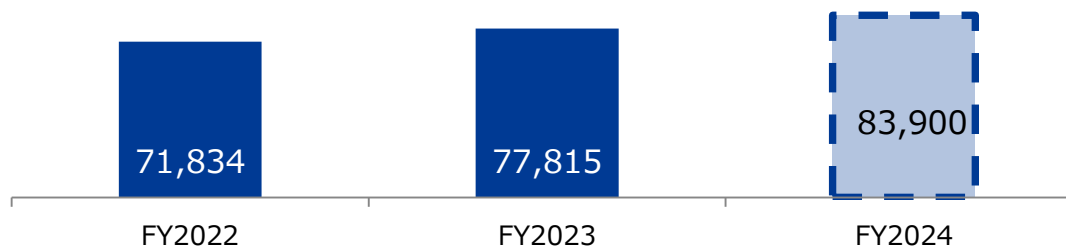
5. Summary of the plan for FY2024

Consolidated net sales

83,900 million yen (+7.8% year-on-year)

We expect net sales rise to 83,900 million yen, up 7.8% from FY2023, due to the large amount of carried-over construction balance

(Millions of yen)

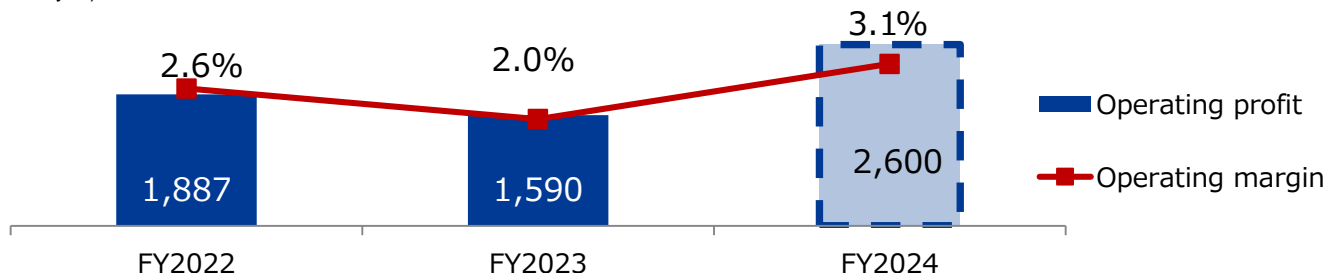


Consolidated operating profit

2,600 million yen (+63.5% year-on-year)

We expect operating profit to increase 1,009 million yen to 2,600 million yen from FY2023, due to reduction of unprofitable construction orders received since the previous fiscal year

(Millions of yen)



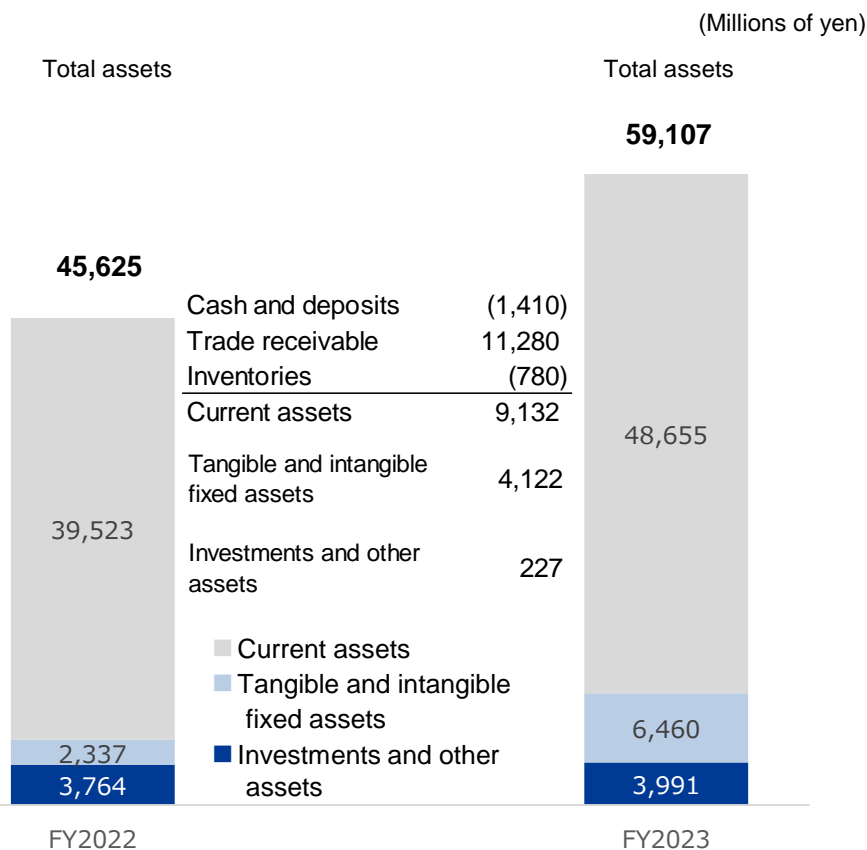
6. Consolidated balance sheet

With regard to assets, trade receivables*¹ of current assets increased. With regard to liabilities and net assets, trade payables*² increased from the previous fiscal year.

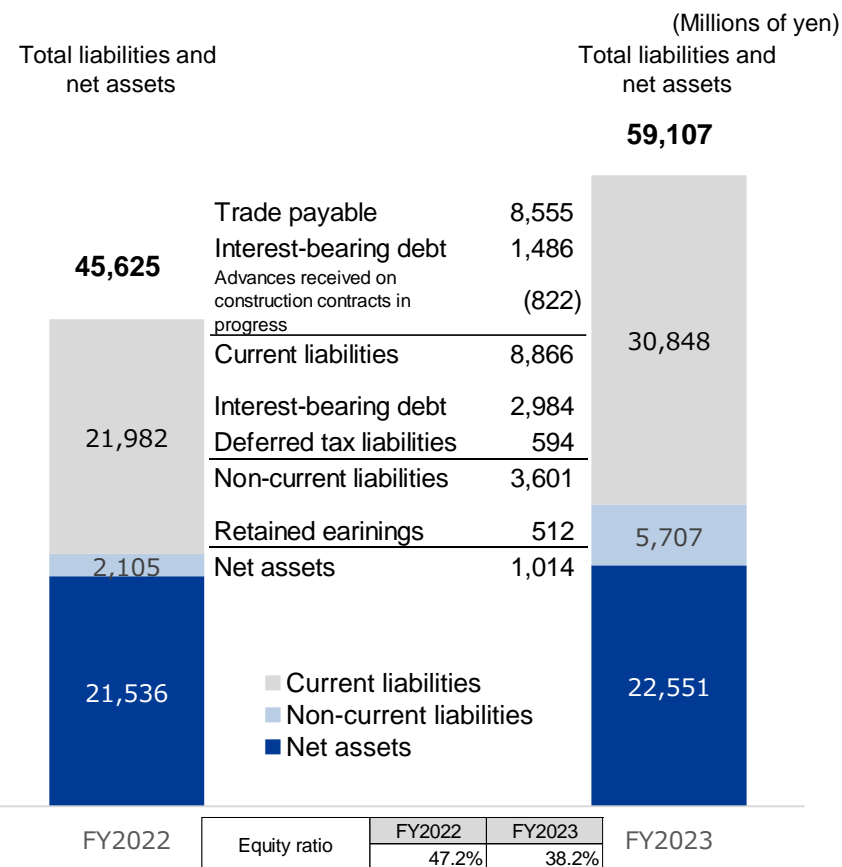
*1 Trade receivables consist of notes receivable, accounts receivable from completed construction contracts and contract assets, and electronically recorded monetary claims

*2 Trade payables consist of accounts payable for construction contracts, and electronically recorded obligations – operating

■ Assets +13,482



■ Liabilities and net assets +13,482

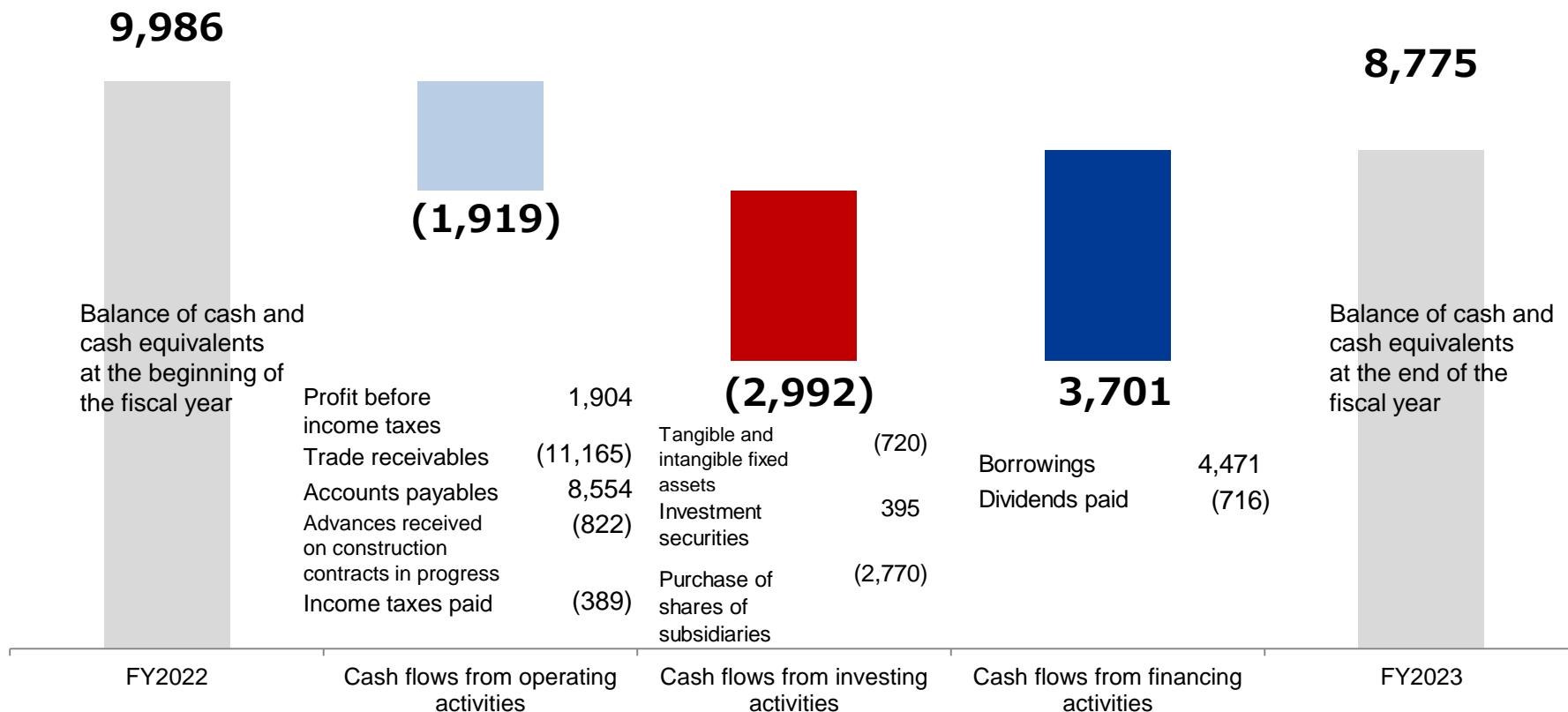


7. Consolidated cash flows

The balance of cash and cash equivalents declined by 1,210 million yen to 8,775 million yen at the end of March 2024, due to an increase in trade receivables*1 and purchase of shares of subsidiaries.

*1 Trade receivables consist of notes receivable, accounts receivable from completed construction contracts and contract assets, and electronically recorded monetary claims

(Millions of yen)



**Compliance with
the Prime Market's
continued listing criteria**

8. Compliance with the Prime Market's continued listing criteria

We fulfilled the Prime Market's continued listing criteria as of end March 2024, one year before we planned

	As of transition reference date*1	Compliance plan *2	FY2021 *3	FY2022 *3	FY2023*4	Criteria
Market capitalization of tradable shares	6.48 billion yen	7.40 billion yen	8.63 billion yen	7.71 billion yen	10.74 billion yen	10 billion yen and more
Trading value	9 million yen per day	20 million yen per day	20 million yen per day	70 million yen per day	50 million yen per day	At least 20 million yen per day

Reference: Progress towards targets listed in our compliance plan

Dividend ratio	26.2%	—	34.6%	50.7%	58.7%
ROE	8.7%	—	9.1%	6.3%	5.6%
ROIC	7.8%	—	9.1%	6.2%	4.1%
Consolidated sales	56.4 billion yen	—	69.6 billion yen	71.8 billion yen	77.8 billion yen
Consolidated current net profit (Consolidated operating profit)	1.6 billion yen (2.21 billion yen)	—	1.81 billion yen (2.70 billion yen)	1.32 billion yen (1.88 billion yen)	1.25 billion yen (1.59 billion yen)

*1 From "Primary Decision Results Concerning Compliance with New Market Section Continued Listing Criteria."

*2 From "Plan for Achieving Compliance with New Market Section Continued Listing Criteria," as disclosed on December 15, 2021. Market capitalization of tradable share as of November 30, 2021; trading value has been calculated as the average value from January 2021 to November 2021

*3 Market capitalization of tradable shares has been calculated by multiplying the average final share price on the Tokyo Stock Exchange during the three months leading up to the last day of the business year by the number of outstanding shares as of the last day of the business year; trading value has been calculated as the average value from January through December for each year

*4 Figures of Market capitalization of tradable shares and Trading value are based on compliance with the continued listing requirements (distribution requirements) of the Tokyo Stock Exchange dated May 9, 2024, and January 11, 2024, respectively

The number of tradable shares as of March 31, 2021, was used to calculate *1 and *2.

Progress of the New Medium- and Long-Term Business Plan

9. New Medium- and Long-Term Business Plan

Three Challenges and 10 Key Policies

“Road to 100th anniversary: Embracing new challenges”

We will realize **significant growth** as a Prime Market listed company through **fundamental reforms pursued by embracing three challenges** by our 100th anniversary

Increasing the tenacity of our construction business

Developing even more advanced condominium construction techniques by pursuing standardization

Pursuing sole-source orders in general construction area by securing differentiating domains

Focusing on building reconditioning, an area of growing demand

Enhancing our highly profitable portfolio

Re-entering the civil engineering market

Entering the real estate development and reconditioning market at scale

Creating new businesses to solve social issues

Bringing the foundations of our business into the next generation

Building a human resource base that lets a diverse workforce do their jobs in an energetic manner

Reforming organizational structures so that we can more readily accumulate and utilize expertise

Increasing productivity and passing on skills to younger workers through a digital transformation (DX)

Developing more sophisticated workflows through operational reforms

10-1. Launch of DX system

We developed our proprietary systems, “DXS” (Daisue DX Systems), and started operating DXS company-wide from April 1, 2024. Using/utilizing data accumulated by DXS and DXS itself, we are accelerating our DX process and reforming our business

Daisue’s proprietary DX systems

Instant rough estimation system

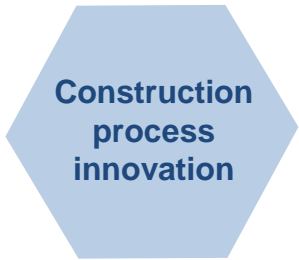
VE/CD search system using up-to-date pricing data

Quality, scheduling, cost management and forecasting system

Integrated construction management system
Implement and promote construction BIM

Monitoring results system

Construction defect forecasting system
Optimal personnel deployment support system



Increasing sole-source orders
Improving profitability ratio at orders

Improving construction profitability by sharing knowledge of experienced site managers

Preventing loss of profit caused by human error
Maximizing profit through advanced order management

Innovation in project planning velocity

Increasing building value

Quick and precise timely disclosure

Daisue

Customers

Shareholders
Markets

Enhancing data for high-value-added space such as super-high-rise buildings and super-cold storage warehouses as well as new businesses

10-2. Launch of DX system

Concluded partnership MOU with FPT Software Japan



On April 22, 2024, aiming to implement DX in the construction sector, Daisue concluded a global partnership MOU with FPT Software Japan, a company that co-developed our DX system.

By continually improving its DX system and boosting value, Daisue expands collaboration with FPT Software Japan and both will accelerate innovation in the construction sector.

11-1. Policy on shareholder returns

To stably return profit to shareholders, we shifted our indicator of policy on shareholder return from dividend payout ratio to total payout ratio and DOE

Policy on shareholder returns under the new Medium- and Long-Term Business Plan

Total Payout Ratio of **at least 50%** and
DOE of **at least 4.0%**

- We will maintain active shareholder returns by maintaining a total payout ratio of at least 50% for the time being
 - We plan to revise our policy in the event of unexpected changes in the future business environment or the Company's performance.
- To facilitate stable returns of profit to shareholders, we will add a DOE of at least 4.0%
 - We're adopting DOE as a new indicator so that we can return profits to shareholders in a stable manner, even if profits were to fall below anticipated levels.

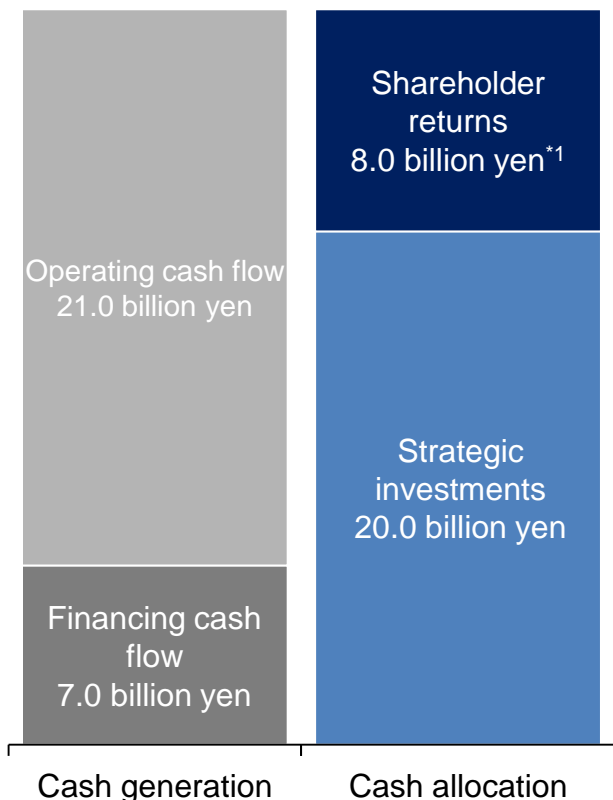
FY2024 dividend forecast: annual total JPY89 (1st half JPY44.5, 2nd half JPY44.5)

FY2023 dividend: annual total JPY 70 (1st half JPY35, 2nd half JPY35)

11-2. Capital allocation

We will actively make investments for growth and continuously return profits to shareholders

Capital Allocation (FY2024 to FY2030)



Shareholder returns

- ✓ We will work actively to return profits to shareholders in a **stable manner** by adopting a DOE of at least 4.0% and a total payout ratio of at least 50% for the time being

Strategic investments

M&A investments

- ✓ We anticipate making investments on a scale of **about 12.0 billion yen** in **real estate company M&As** as we look to make a major expansion into the real estate development and reconditioning business and in **design company M&As** to strengthen our design capabilities

Growth investments

- ✓ We anticipate making investments on a scale of **about 8.0 billion yen** to advance into new business domains, **fund zero-energy technologies, and fund digital transformation (DX) and systems** to revamp our DX technologies and core systems

*1: Estimate assumes maintenance of 50% total payout ratio.

12. Initiatives for SDGs

Disclosure based on TCFD recommendations

We regard climate change as a serious issue, and we **expressed support for TCFD in Nov 2023** and make analyses based on its recommendations. Taking actions to achieve the goal, we attempt to realize a sustainable society and improve our corporate value












■ Indicators and goals

We set greenhouse gas (GHG) emissions as an indicator and set a goal to reduce Scope 1 & 2 emissions by 31.0% from that of FY2021 by FY2030. CO₂ emissions in FY2021 were 4,221.9 t-CO₂ and 884.2 t-CO₂, under the category of Scope 1 (direct emissions), Scope 2 (consumption of purchased electricity, etc.) respectively for a total of 5,106.1 t-CO₂. To achieve the target, we make our effort on energy saving as a major initiative. Emphasizing CO₂ emissions in the supply chain, we are working on reckoning. As we calculated that CO₂ emissions in the Scope 3 category amounted to 718,705.2t in FY2021, we are ramping up our initiatives, for example to study the development of low-carbon technologies and products (i.e., low-carbon concrete) in order to reduce CO₂ emissions in the supply chain.

Indicator	Scope	FY2021	Goal
GHG emission	Scope 1, 2	5,106.1 t-CO ₂	Reduce by 31.0% from FY2021 by FY2030
	Scope 3	718,705.2 t-CO ₂	-

Materialities (key issues) to be addressed

Strive to steadily resolve these issues through our business activities by pursuing initiatives and disclosing their results

	Materialities	Principal initiatives	Related SDGs
Environment	Addressing climate change	<ul style="list-style-type: none"> Pursuing carbon neutrality initiatives Pursuing ZEB and ZEH structures and wood construction 	  
	Pursuing environmentally friendly business activities	<ul style="list-style-type: none"> Reducing construction byproducts Implementing recycling in construction 	
Society	Pursuing work-life balance	<ul style="list-style-type: none"> Reducing overtime work Moving forward with worksite closures Encouraging male employees to utilize parental leave programs 	  
	Strengthening human resource development	<ul style="list-style-type: none"> Increasing employee satisfaction Increasing the number of employees with professional qualifications 	
	Ensuring occupational health and safety	<ul style="list-style-type: none"> Reducing the number of occupational accidents Increasing the number of management positions occupied by female employees 	  
	Promoting diversity	<ul style="list-style-type: none"> Increasing the number of female employees Increasing the number of experienced workers (through mid-career hiring) 	
Governance	Pursuing partnerships	<ul style="list-style-type: none"> Introducing a system for advancing careers in the construction industry 	
	Strengthening governance	<ul style="list-style-type: none"> Implementing management with awareness of capital cost Enhancing disclosure of sustainability-related information 	 
	Ensuring compliance	<ul style="list-style-type: none"> Raising compliance awareness 	

13. EXPO 2025

Daisue became the general contractor of the Czech pavilion at EXPO 2025
The glorious pavilion with a spiral cloister will be made of modern wood panels with traditional art glass



Groundbreaking ceremony on May 15, 2024



Perspective drawing of Czech pavilion

A company that creates spaces
rich in security and joy



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