

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 4, 2021

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
 Executive Officer General Manager of
 Inquiries: General Affairs Department Yoshinori Miyake TEL 06-6121-7143
 Scheduled date to file Quarterly Securities Report: November 4, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2021	32,713	19.8	1,124	13.2	1,128	12.2	772	(3.8)
Six months ended September 30, 2020	27,311	(15.2)	993	(28.1)	1,005	(27.6)	803	(17.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	73.68		-	
Six months ended September 30, 2020	76.54		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	43,984	19,755	44.9
As of March 31, 2021	40,533	19,114	47.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	-	20.00	-	20.00	40.00
Year ending March 31, 2022	-	20.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	40.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	69,000	22.1	2,500	12.9	2,480	11.7	1,690	5.4	161.07

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: | Yes |
| Changes in accounting policies due to other reasons: | No |
| Changes in accounting estimates: | No |
| Restatement of prior period financial statements: | No |

(4) Number of issued shares (common shares)

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

As of September 30, 2021	10,614,225 shares	As of March 31, 2021	10,614,225 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	128,543 shares	As of March 31, 2021	126,153 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	10,486,770 shares	Six months ended September 30, 2020	10,494,073 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,217	6,760
Notes receivable, accounts receivable from completed construction contracts and other	25,081	–
Notes receivable, accounts receivable from completed construction contracts, and contract assets	–	27,673
Electronically recorded monetary claims - operating	2,688	2,702
Real estate for sale	506	506
Costs on construction contracts in progress	416	424
Other	355	458
Allowance for doubtful accounts	(16)	(9)
Total current assets	35,248	38,516
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	731	699
Total property, plant and equipment	1,683	1,652
Intangible assets	158	139
Investments and other assets		
Investment securities	1,668	1,778
Other	1,774	1,898
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,442	3,676
Total non-current assets	5,285	5,468
Total assets	40,533	43,984
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,512	6,859
Electronically recorded obligations - operating	7,650	9,476
Short-term borrowings	100	100
Current portion of long-term borrowings	218	221
Current portion of bonds payable	10	–
Income taxes payable	856	541
Advances received on construction contracts in progress	1,367	2,153
Provision for warranties for completed construction	462	550
Provision for bonuses	295	298
Provision for loss on construction contracts	126	538
Other	1,450	1,148
Total current liabilities	19,051	21,887
Non-current liabilities		
Long-term borrowings	162	134
Retirement benefit liability	2,190	2,188
Other	14	19
Total non-current liabilities	2,367	2,342
Total liabilities	21,419	24,229

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	14,598	15,161
Treasury shares	(103)	(104)
Total shareholders' equity	18,823	19,385
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	332	408
Remeasurements of defined benefit plans	(42)	(38)
Total accumulated other comprehensive income	290	370
Total net assets	19,114	19,755
Total liabilities and net assets	40,533	43,984

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales		
Net sales of completed construction contracts	26,912	32,290
Net sales in real estate business and other	399	422
Total net sales	27,311	32,713
Cost of sales		
Cost of sales of completed construction contracts	24,493	29,626
Cost of sales in real estate business and other	297	313
Total cost of sales	24,791	29,940
Gross profit		
Gross profit on completed construction contracts	2,418	2,663
Gross profit on real estate business and other	102	108
Total gross profit	2,520	2,772
Selling, general and administrative expenses	1,527	1,648
Operating profit	993	1,124
Non-operating income		
Interest income	5	4
Dividend income	30	22
Other	6	4
Total non-operating income	42	30
Non-operating expenses		
Interest expenses	3	2
Commission expenses	24	21
Other	2	3
Total non-operating expenses	29	26
Ordinary profit	1,005	1,128
Extraordinary income		
Gain on sale of investment securities	168	–
Total extraordinary income	168	–
Profit before income taxes	1,174	1,128
Income taxes - current	360	483
Income taxes - deferred	10	(128)
Total income taxes	371	355
Profit	803	772
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	803	772

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	803	772
Other comprehensive income		
Valuation difference on available-for-sale securities	15	75
Remeasurements of defined benefit plans, net of tax	10	3
Total other comprehensive income	26	79
Comprehensive income	829	851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	829	851
Comprehensive income attributable to non-controlling interests	—	—