

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 2022

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 06-6121-7143
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 7, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	69,645	23.3	2,708	22.3	2,712	22.2	1,816	13.3
Year ended March 31, 2021	56,490	(13.3)	2,214	(19.9)	2,219	(19.9)	1,603	(15.5)

	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, 2022	173.23	–	9.1	6.1	3.9
Year ended March 31, 2021	152.83	–	8.7	5.4	3.9

(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, 2022	48,662	20,629	42.4	1,968.06
As of March 31, 2021	40,533	19,114	47.2	1,822.51

(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, 2022	1,960	(122)	(535)	7,320
Year ended March 31, 2021	(3,091)	7	(706)	6,017

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	20.00	–	20.00	40.00	419	26.2	2.3
Year ended March 31, 2022	–	20.00	–	40.00	60.00	629	34.6	3.2
Year ending March 31, 2023 (Forecast)	–	50.00	–	50.00	100.00		52.7	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	39,000	19.2	1,200	6.7	1,220	8.1	840	8.7	80.11
Full year	77,500	11.3	2,900	7.1	2,920	7.6	1,990	9.6	189.79

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: Yes

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)

As of March 31, 2022	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 March 31, 2022	132,019 shares	As of March 31, 2021	126,153 shares
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Average number of shares during the period

Year ended March 31, 2022	10,485,238 shares	Year ended March 31, 2021	10,492,355 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,217	7,520
Notes receivable, accounts receivable from completed construction contracts and other	25,081	–
Notes receivable, accounts receivable from completed construction contracts, and contract assets	–	29,304
Electronically recorded monetary claims - operating	2,688	4,589
Real estate for sale	506	506
Costs on construction contracts in progress	416	970
Other	355	294
Allowance for doubtful accounts	(16)	(9)
Total current assets	35,248	43,176
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,092	1,091
Machinery, vehicles, tools, furniture and fixtures	576	615
Land	952	952
Accumulated depreciation	(937)	(998)
Total property, plant and equipment	1,683	1,661
Intangible assets	158	134
Investments and other assets		
Investment securities	1,668	1,836
Long-term loans receivable	29	28
Deferred tax assets	722	763
Retirement benefit asset	698	732
Other	323	329
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,442	3,689
Total non-current assets	5,285	5,485
Total assets	40,533	48,662

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,512	9,186
Electronically recorded obligations - operating	7,650	11,144
Short-term borrowings	100	100
Current portion of long-term borrowings	218	176
Current portion of bonds payable	10	–
Income taxes payable	856	660
Advances received on construction contracts in progress	1,367	1,853
Provision for warranties for completed construction	462	689
Provision for bonuses	295	285
Provision for loss on construction contracts	126	332
Other	1,450	1,364
Total current liabilities	19,051	25,792
Non-current liabilities		
Long-term borrowings	162	102
Retirement benefit liability	2,190	2,115
Other	14	21
Total non-current liabilities	2,367	2,240
Total liabilities	21,419	28,032

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	14,598	15,995
Treasury shares	(103)	(108)
Total shareholders' equity	18,823	20,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	332	464
Remeasurements of defined benefit plans	(42)	(51)
Total accumulated other comprehensive income	290	413
Total net assets	19,114	20,629
Total liabilities and net assets	40,533	48,662

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Net sales of completed construction contracts	55,688	68,792
Net sales in real estate business and other	801	853
Total net sales	56,490	69,645
Cost of sales		
Cost of sales of completed construction contracts	50,436	62,946
Cost of sales in real estate business and other	597	647
Total cost of sales	51,034	63,594
Gross profit		
Gross profit on completed construction contracts	5,251	5,845
Gross profit on real estate business and other	204	205
Total gross profit	5,455	6,051
Selling, general and administrative expenses	3,240	3,343
Operating profit	2,214	2,708
Non-operating income		
Interest income	9	9
Dividend income	45	46
Other	11	9
Total non-operating income	66	65
Non-operating expenses		
Interest expenses	5	3
Commission expenses	47	42
Other	8	14
Total non-operating expenses	62	60
Ordinary profit	2,219	2,712
Extraordinary income		
Gain on sale of investment securities	168	0
Total extraordinary income	168	0
Extraordinary losses		
Loss on retirement of non-current assets	–	2
Loss on valuation of investment securities	–	19
Total extraordinary losses	–	22
Profit before income taxes	2,387	2,689
Income taxes - current	747	969
Income taxes - deferred	36	(95)
Total income taxes	784	873
Profit	1,603	1,816
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,603	1,816

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,603	1,816
Other comprehensive income		
Valuation difference on available-for-sale securities	168	131
Remeasurements of defined benefit plans, net of tax	134	(9)
Total other comprehensive income	302	122
Comprehensive income	1,906	1,939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,906	1,939
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	4	13,414	(99)	17,643
Changes during period					
Dividends of surplus			(419)		(419)
Profit attributable to owners of parent			1,603		1,603
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,183	(4)	1,179
Balance at end of period	4,324	4	14,598	(103)	18,823

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	164	(176)	(11)	17,632
Changes during period				
Dividends of surplus				(419)
Profit attributable to owners of parent				1,603
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	168	134	302	302
Total changes during period	168	134	302	1,482
Balance at end of period	332	(42)	290	19,114

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	4	14,598	(103)	18,823
Changes during period					
Dividends of surplus			(419)		(419)
Profit attributable to owners of parent			1,816		1,816
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,396	(4)	1,392
Balance at end of period	4,324	4	15,995	(108)	20,215

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	332	(42)	290	19,114
Changes during period				
Dividends of surplus				(419)
Profit attributable to owners of parent				1,816
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	131	(9)	122	122
Total changes during period	131	(9)	122	1,514
Balance at end of period	464	(51)	413	20,629

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,387	2,689
Depreciation	126	139
Increase (decrease) in allowance for doubtful accounts	2	(6)
Decrease (increase) in retirement benefit asset	(214)	(68)
Increase (decrease) in retirement benefit liability	16	(53)
Increase (decrease) in provision for warranties for completed construction	53	227
Increase (decrease) in provision for bonuses	19	(10)
Increase (decrease) in provision for loss on construction contracts	(97)	205
Interest and dividend income	(56)	(55)
Interest expenses	5	3
Decrease (increase) in trade receivables	(2,426)	(6,124)
Decrease (increase) in costs on construction contracts in progress	76	(554)
Decrease (increase) in real estate for sale	–	0
Increase (decrease) in trade payables	(2,213)	6,167
Increase (decrease) in advances received on construction contracts in progress	(655)	486
Increase (decrease) in deposits received	(103)	(75)
Other, net	199	66
Subtotal	(2,879)	3,038
Interest and dividends received	60	51
Interest paid	(5)	(3)
Income taxes paid	(266)	(1,126)
Net cash provided by (used in) operating activities	(3,091)	1,960
Cash flows from investing activities		
Purchase of property, plant and equipment	(85)	(77)
Purchase of intangible assets	(57)	(35)
Purchase of investment securities	(1,502)	(2)
Proceeds from sale of investment securities	1,692	5
Loan advances	(6)	(2)
Proceeds from collection of loans receivable	5	4
Payments of leasehold and guarantee deposits	(22)	(27)
Proceeds from refund of leasehold and guarantee deposits	5	9
Payments into time deposits	(400)	(400)
Proceeds from withdrawal of time deposits	401	400
Other, net	(22)	5
Net cash provided by (used in) investing activities	7	(122)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	–	150
Repayments of long-term borrowings	(261)	(252)
Dividends paid	(417)	(415)
Other, net	(27)	(18)
Net cash provided by (used in) financing activities	(706)	(535)
Net increase (decrease) in cash and cash equivalents	(3,790)	1,302
Cash and cash equivalents at beginning of period	9,807	6,017
Cash and cash equivalents at end of period	6,017	7,320