

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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 to file Quarterly Securities Report: February 3, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	55,179	8.2	1,404	(28.5)	1,462	(26.0)	1,003	(25.6)
Nine months ended December 31, 2021	51,005	22.5	1,964	30.5	1,974	29.8	1,347	18.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	95.90		–	
Nine months ended December 31, 2021	128.54		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	50,698	21,086	41.6
As of March 31, 2022	48,662	20,629	42.4

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, 2022	–	20.00	–	40.00	60.00
Year ending March 31, 2023	–	30.00	–		
Year ending March 31, 2023 (Forecast)				30.00	60.00

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
Full year	70,900	1.8	1,500	(44.6)	1,540	(43.2)	1,020	(43.8)	97.57

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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: No
 - 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 December 31, 2022	10,614,225 shares	As of March 31, 2022	10,614,225 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	135,474 shares	As of March 31, 2022	132,019 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	10,461,383 shares	Nine months ended December 31, 2021	10,486,086 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	7,520	6,954
Notes receivable, accounts receivable from completed construction contracts, and contract assets	29,304	32,828
Electronically recorded monetary claims - operating	4,589	3,549
Real estate for sale	506	506
Costs on construction contracts in progress	970	678
Other	294	537
Allowance for doubtful accounts	(9)	(3)
Total current assets	43,176	45,051
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	708	682
Total property, plant and equipment	1,661	1,635
Intangible assets	134	146
Investments and other assets		
Investment securities	1,836	2,208
Other	1,853	1,656
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,689	3,865
Total non-current assets	5,485	5,647
Total assets	48,662	50,698
Liabilities		
Current liabilities		
Accounts payable for construction contracts	9,186	7,372
Electronically recorded obligations - operating	11,144	14,330
Short-term borrowings	100	1,600
Current portion of long-term borrowings	176	108
Income taxes payable	660	1
Advances received on construction contracts in progress	1,853	1,517
Provision for warranties for completed construction	689	923
Provision for bonuses	285	77
Provision for loss on construction contracts	332	63
Other	1,364	1,404
Total current liabilities	25,792	27,399
Non-current liabilities		
Long-term borrowings	102	31
Retirement benefit liability	2,115	2,119
Provision for share awards	-	32
Other	21	28
Total non-current liabilities	2,240	2,212
Total liabilities	28,032	29,611

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	35
Retained earnings	15,995	16,264
Treasury shares	(108)	(143)
Total shareholders' equity	20,215	20,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	652
Remeasurements of defined benefit plans	(51)	(47)
Total accumulated other comprehensive income	413	605
Total net assets	20,629	21,086
Total liabilities and net assets	48,662	50,698

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	50,359	54,590
Net sales in real estate business and other	646	589
Total net sales	51,005	55,179
Cost of sales		
Cost of sales of completed construction contracts	46,084	50,692
Cost of sales in real estate business and other	477	447
Total cost of sales	46,561	51,139
Gross profit		
Gross profit on completed construction contracts	4,274	3,898
Gross profit on real estate business and other	168	142
Total gross profit	4,443	4,040
Selling, general and administrative expenses	2,479	2,636
Operating profit	1,964	1,404
Non-operating income		
Interest income	5	5
Dividend income	46	73
Other	5	7
Total non-operating income	57	86
Non-operating expenses		
Interest expenses	2	1
Commission expenses	32	23
Other	12	3
Total non-operating expenses	47	28
Ordinary profit	1,974	1,462
Extraordinary losses		
Loss on retirement of non-current assets	2	–
Total extraordinary losses	2	–
Profit before income taxes	1,972	1,462
Income taxes - current	630	308
Income taxes - deferred	(6)	150
Total income taxes	624	459
Profit	1,347	1,003
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,347	1,003

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,347	1,003
Other comprehensive income		
Valuation difference on available-for-sale securities	11	187
Remeasurements of defined benefit plans, net of tax	5	3
Total other comprehensive income	17	191
Comprehensive income	1,365	1,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,365	1,194
Comprehensive income attributable to non-controlling interests	–	–