

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	17,353	(7.6)	274	20.3	319	28.7	203	9.9
Three months ended June 30, 2022	18,790	15.0	228	(69.6)	248	(67.4)	185	(65.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	19.44		–	
Three months ended June 30, 2022	17.73		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	46,610	21,635	46.4
As of March 31, 2023	45,625	21,536	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, 2023	–	30.00	–	34.00	64.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		35.00	–	35.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	36,300	(6.5)	760	(18.4)	780	(18.6)	500	(25.9)	47.78
Full year	77,100	7.3	2,200	16.6	2,230	15.0	1,460	10.5	139.51

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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 June 30, 2023	10,614,225 shares	As of March 31, 2023	10,614,225 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	138,279 shares	As of March 31, 2023	137,131 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	10,476,589 shares	Three months ended June 30, 2022	10,449,662 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,186	11,395
Notes receivable, accounts receivable from completed construction contracts, and contract assets	25,464	26,959
Electronically recorded monetary claims - operating	1,936	792
Real estate for sale	506	23
Costs on construction contracts in progress	1,068	694
Other	365	316
Allowance for doubtful accounts	(3)	(3)
Total current assets	39,523	40,178
Non-current assets		
Property, plant and equipment		
Land	1,205	1,205
Other, net	866	851
Total property, plant and equipment	2,072	2,056
Intangible assets	265	331
Investments and other assets		
Investment securities	2,166	2,525
Other	1,598	1,518
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,764	4,043
Total non-current assets	6,101	6,432
Total assets	45,625	46,610
Liabilities		
Current liabilities		
Accounts payable for construction contracts	8,205	8,074
Electronically recorded obligations - operating	9,663	10,365
Short-term borrowings	100	100
Current portion of long-term borrowings	83	62
Income taxes payable	79	129
Advances received on construction contracts in progress	1,461	1,988
Provision for warranties for completed construction	743	790
Provision for bonuses	283	535
Provision for loss on construction contracts	107	41
Other	1,255	773
Total current liabilities	21,982	22,862
Non-current liabilities		
Long-term borrowings	19	9
Retirement benefit liability	2,015	2,020
Provision for share awards	41	53
Other	29	29
Total non-current liabilities	2,105	2,112
Total liabilities	24,088	24,975

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	35	35
Retained earnings	16,582	16,430
Treasury shares	(143)	(144)
Total shareholders' equity	20,798	20,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	782	1,031
Remeasurements of defined benefit plans	(45)	(41)
Total accumulated other comprehensive income	737	990
Total net assets	21,536	21,635
Total liabilities and net assets	45,625	46,610

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	18,588	16,608
Net sales in real estate business and other	201	744
Total net sales	18,790	17,353
Cost of sales		
Cost of sales of completed construction contracts	17,531	15,939
Cost of sales in real estate business and other	151	145
Total cost of sales	17,682	16,084
Gross profit		
Gross profit on completed construction contracts	1,057	669
Gross profit on real estate business and other	50	599
Total gross profit	1,107	1,268
Selling, general and administrative expenses	879	994
Operating profit	228	274
Non-operating income		
Interest income	2	0
Dividend income	38	49
Other	1	6
Total non-operating income	42	57
Non-operating expenses		
Interest expenses	0	0
Commission expenses	20	10
Other	0	1
Total non-operating expenses	22	12
Ordinary profit	248	319
Profit before income taxes	248	319
Income taxes - current	59	142
Income taxes - deferred	3	(26)
Total income taxes	62	115
Profit	185	203
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	185	203

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	185	203
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	248
Remeasurements of defined benefit plans, net of tax	0	3
Total other comprehensive income	(16)	252
Comprehensive income	168	456
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168	456
Comprehensive income attributable to non-controlling interests	—	—