

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 7, 2024

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 7, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	56,755	2.9	496	(64.7)	563	(61.5)	475	(52.6)
Nine months ended December 31, 2022	55,179	8.2	1,404	(28.5)	1,462	(26.0)	1,003	(25.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	45.41		45.37	
Nine months ended December 31, 2022	95.90		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	56,089	21,378	38.1
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	–	35.00	–		
Year ending March 31, 2024 (Forecast)				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
Full year	76,000	5.8	1,030	(45.4)	1,080	(44.3)	860	(34.9)	82.09

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	141,142 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)

Nine months ended December 31, 2023	10,475,223 shares	Nine months ended December 31, 2022	10,461,383 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,186	11,210
Notes receivable, accounts receivable from completed construction contracts, and contract assets	25,464	34,547
Electronically recorded monetary claims - operating	1,936	291
Real estate for sale	506	23
Costs on construction contracts in progress	1,068	579
Other	365	310
Allowance for doubtful accounts	(3)	(2)
Total current assets	39,523	46,961
Non-current assets		
Property, plant and equipment		
Land	1,205	1,411
Other, net	866	962
Total property, plant and equipment	2,072	2,373
Intangible assets		
Goodwill	–	2,561
Other	265	622
Total intangible assets	265	3,183
Investments and other assets		
Investment securities	2,166	2,191
Other	1,598	1,379
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,764	3,570
Total non-current assets	6,101	9,127
Total assets	45,625	56,089
Liabilities		
Current liabilities		
Accounts payable for construction contracts	8,205	10,294
Electronically recorded obligations - operating	9,663	15,199
Short-term borrowings	100	1,000
Current portion of long-term borrowings	83	380
Income taxes payable	79	135
Advances received on construction contracts in progress	1,461	760
Provision for warranties for completed construction	743	787
Provision for bonuses	283	87
Provision for loss on construction contracts	107	–
Other	1,255	826
Total current liabilities	21,982	29,471
Non-current liabilities		
Long-term borrowings	19	3,093
Retirement benefit liability	2,015	2,024
Provision for share awards	41	77
Other	29	43
Total non-current liabilities	2,105	5,239
Total liabilities	24,088	34,710

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	35	35
Retained earnings	16,582	16,335
Treasury shares	(143)	(146)
Total shareholders' equity	20,798	20,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	782	859
Remeasurements of defined benefit plans	(45)	(34)
Total accumulated other comprehensive income	737	824
Share acquisition rights	–	5
Total net assets	21,536	21,378
Total liabilities and net assets	45,625	56,089

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, 2022	Nine months ended December 31, 2023
Net sales		
Net sales of completed construction contracts	54,590	55,596
Net sales in real estate business and other	589	1,158
Total net sales	55,179	56,755
Cost of sales		
Cost of sales of completed construction contracts	50,692	52,890
Cost of sales in real estate business and other	447	446
Total cost of sales	51,139	53,337
Gross profit		
Gross profit on completed construction contracts	3,898	2,706
Gross profit on real estate business and other	142	711
Total gross profit	4,040	3,417
Selling, general and administrative expenses	2,636	2,921
Operating profit	1,404	496
Non-operating income		
Interest income	5	1
Dividend income	73	87
Other	7	23
Total non-operating income	86	112
Non-operating expenses		
Interest expenses	1	3
Commission expenses	23	31
Other	3	9
Total non-operating expenses	28	45
Ordinary profit	1,462	563
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	–	299
Total extraordinary income	–	302
Extraordinary losses		
Loss on sale of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	1,462	865
Income taxes - current	308	247
Income taxes - deferred	150	142
Total income taxes	459	389
Profit	1,003	475
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,003	475

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,003	475
Other comprehensive income		
Valuation difference on available-for-sale securities	187	76
Remeasurements of defined benefit plans, net of tax	3	10
Total other comprehensive income	191	86
Comprehensive income	1,194	562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,194	562
Comprehensive income attributable to non-controlling interests	—	—