Translation

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

August 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
Inquiries: Executive Officer General Manager of General Affairs Department Yoshinori Miyake TEL 06-6121-7143
Scheduled date to file Quarterly Securities Report: August 4, 2021
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, 2021 (from April 1, 2021 to June 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	%
Three months ended June 30, 2021	16,337	19.3	750	79.8	761	74.6	529	53.2
Three months ended June 30, 2020	13,699	(15.5)	417	(31.6)	436	(30.7)	345	(23.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	50.53	–
Three months ended June 30, 2020	32.96	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	41,798	19,457	46.6
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	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	20.00	–	20.00	40.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		20.00	–	20.00	40.00

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
Six months ending September 30, 2021	31,800	16.4	940	(5.4)	920	(8.5)	630	(21.6)	60.04
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 three months ended June 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 June 30, 2021	10,614,225 shares	As of March 31, 2021	10,614,225 shares

Number of treasury shares at the end of the period

As of June 30, 2021	127,285 shares	As of March 31, 2021	126,153 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	10,487,354 shares	Three months ended June 30, 2020	10,494,390 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	6,217	7,087
Notes receivable, accounts receivable from completed construction contracts and other	25,081	–
Notes receivable, accounts receivable from completed construction contracts, and contract assets	–	27,797
Electronically recorded monetary claims - operating	2,688	274
Real estate for sale	506	506
Costs on construction contracts in progress	416	410
Other	355	370
Allowance for doubtful accounts	(16)	(6)
Total current assets	35,248	36,441
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	731	714
Total property, plant and equipment	1,683	1,666
Intangible assets	158	151
Investments and other assets		
Investment securities	1,668	1,699
Other	1,774	1,840
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,442	3,539
Total non-current assets	5,285	5,357
Total assets	40,533	41,798
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,512	6,847
Electronically recorded obligations - operating	7,650	8,957
Short-term borrowings	100	100
Current portion of long-term borrowings	218	237
Current portion of bonds payable	10	10
Income taxes payable	856	288
Advances received on construction contracts in progress	1,367	1,136
Provision for warranties for completed construction	462	514
Provision for bonuses	295	503
Provision for loss on construction contracts	126	95
Other	1,450	1,254
Total current liabilities	19,051	19,944
Non-current liabilities		
Long-term borrowings	162	182
Retirement benefit liability	2,190	2,196
Other	14	17
Total non-current liabilities	2,367	2,396
Total liabilities	21,419	22,341

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	14,598	14,918
Treasury shares	(103)	(104)
Total shareholders' equity	18,823	19,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	332	354
Remeasurements of defined benefit plans	(42)	(40)
Total accumulated other comprehensive income	290	314
Total net assets	19,114	19,457
Total liabilities and net assets	40,533	41,798

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, 2020	Three months ended June 30, 2021
Net sales		
Net sales of completed construction contracts	13,506	16,135
Net sales in real estate business and other	192	201
Total net sales	13,699	16,337
Cost of sales		
Cost of sales of completed construction contracts	12,373	14,592
Cost of sales in real estate business and other	143	150
Total cost of sales	12,517	14,743
Gross profit		
Gross profit on completed construction contracts	1,132	1,542
Gross profit on real estate business and other	49	50
Total gross profit	1,182	1,593
Selling, general and administrative expenses	764	843
Operating profit	417	750
Non-operating income		
Interest income	2	1
Dividend income	29	21
Other	1	2
Total non-operating income	33	25
Non-operating expenses		
Interest expenses	1	1
Commission expenses	12	10
Other	1	2
Total non-operating expenses	15	14
Ordinary profit	436	761
Profit before income taxes	436	761
Income taxes - current	205	270
Income taxes - deferred	(115)	(39)
Total income taxes	90	231
Profit	345	529
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	345	529

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	345	529
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	21
Remeasurements of defined benefit plans, net of tax	5	1
Total other comprehensive income	0	23
Comprehensive income	346	553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	346	553
Comprehensive income attributable to non-controlling interests	–	–