Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 3, 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
Inquiries: Executive Officer General Manager of General Affairs Department Yoshinori Miyake TEL 06-6121-7143
Scheduled date to file Quarterly Securities Report: February 3, 2022
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, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	51,005	22.5	1,964	30.5	1,974	29.8	1,347	18.4
Nine months ended December 31, 2020	41,641	(14.5)	1,504	(24.2)	1,521	(24.1)	1,138	(17.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	128.54	–
Nine months ended December 31, 2020	108.46	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	48,905	20,057	41.0
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	–	20.00	–		
Year ending March 31, 2022 (Forecast)				40.00	60.00

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
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 nine months ended December 31, 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 December 31, 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 December 31, 2021	131,012 shares	As of March 31, 2021	126,153 shares

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

Nine months ended December 31, 2021	10,486,086 shares	Nine months ended December 31, 2020	10,493,469 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	6,217	7,852
Notes receivable, accounts receivable from completed construction contracts and other	25,081	–
Notes receivable, accounts receivable from completed construction contracts, and contract assets	–	34,126
Electronically recorded monetary claims - operating	2,688	473
Real estate for sale	506	506
Costs on construction contracts in progress	416	460
Other	355	206
Allowance for doubtful accounts	(16)	(13)
Total current assets	35,248	43,611
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	731	709
Total property, plant and equipment	1,683	1,661
Intangible assets	158	133
Investments and other assets		
Investment securities	1,668	1,687
Other	1,774	1,811
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,442	3,498
Total non-current assets	5,285	5,293
Total assets	40,533	48,905
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,512	8,363
Electronically recorded obligations - operating	7,650	11,954
Short-term borrowings	100	100
Current portion of long-term borrowings	218	189
Current portion of bonds payable	10	–
Income taxes payable	856	290
Advances received on construction contracts in progress	1,367	2,896
Provision for warranties for completed construction	462	606
Provision for bonuses	295	76
Provision for loss on construction contracts	126	401
Other	1,450	1,687
Total current liabilities	19,051	26,567
Non-current liabilities		
Long-term borrowings	162	105
Retirement benefit liability	2,190	2,154
Other	14	20
Total non-current liabilities	2,367	2,281
Total liabilities	21,419	28,848

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	14,598	15,526
Treasury shares	(103)	(107)
Total shareholders' equity	18,823	19,748
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	332	344
Remeasurements of defined benefit plans	(42)	(36)
Total accumulated other comprehensive income	290	308
Total net assets	19,114	20,057
Total liabilities and net assets	40,533	48,905

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, 2020	Nine months ended December 31, 2021
Net sales		
Net sales of completed construction contracts	41,038	50,359
Net sales in real estate business and other	603	646
Total net sales	41,641	51,005
Cost of sales		
Cost of sales of completed construction contracts	37,320	46,084
Cost of sales in real estate business and other	450	477
Total cost of sales	37,771	46,561
Gross profit		
Gross profit on completed construction contracts	3,717	4,274
Gross profit on real estate business and other	152	168
Total gross profit	3,870	4,443
Selling, general and administrative expenses	2,365	2,479
Operating profit	1,504	1,964
Non-operating income		
Interest income	7	5
Dividend income	44	46
Other	8	5
Total non-operating income	60	57
Non-operating expenses		
Interest expenses	4	2
Commission expenses	35	32
Other	3	12
Total non-operating expenses	43	47
Ordinary profit	1,521	1,974
Extraordinary income		
Gain on sale of non-current assets	0	–
Gain on sale of investment securities	168	–
Total extraordinary income	168	–
Extraordinary losses		
Loss on retirement of non-current assets	–	2
Total extraordinary losses	–	2
Profit before income taxes	1,689	1,972
Income taxes - current	488	630
Income taxes - deferred	63	(6)
Total income taxes	551	624
Profit	1,138	1,347
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,138	1,347

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,138	1,347
Other comprehensive income		
Valuation difference on available-for-sale securities	0	11
Remeasurements of defined benefit plans, net of tax	16	5
Total other comprehensive income	16	17
Comprehensive income	1,154	1,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,154	1,365
Comprehensive income attributable to non-controlling interests	–	–