Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 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: General Manager of General Affairs Department Yasumi Iwata TEL 06-6121-7143
Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	18,790	15.0	228	(69.6)	248	(67.4)	185	(65.0)
Three months ended June 30, 2021	16,337	19.3	750	79.8	761	74.6	529	53.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	17.73	–
Three months ended June 30, 2021	50.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	49,065	20,278	41.3
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	20.00	–	40.00	60.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		50.00	–	50.00	100.00

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
Six months ending September 30, 2022	39,000	19.2	1,200	6.7	1,220	8.1	840	8.7	80.11
Full year	77,500	11.3	2,900	7.1	2,920	7.6	1,990	9.6	189.79

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	10,614,225 shares	As of March 31, 2022	10,614,225 shares

Number of treasury shares at the end of the period

As of June 30, 2022	197,087 shares	As of March 31, 2022	132,019 shares

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

Three months ended June 30, 2022	10,449,662 shares	Three months ended June 30, 2021	10,487,354 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	7,520	7,789
Notes receivable, accounts receivable from completed construction contracts, and contract assets	29,304	30,083
Electronically recorded monetary claims - operating	4,589	4,027
Real estate for sale	506	506
Costs on construction contracts in progress	970	762
Other	294	437
Allowance for doubtful accounts	(9)	(3)
Total current assets	43,176	43,603
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	708	695
Total property, plant and equipment	1,661	1,647
Intangible assets	134	133
Investments and other assets		
Investment securities	1,836	1,813
Other	1,853	1,867
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,689	3,680
Total non-current assets	5,485	5,462
Total assets	48,662	49,065
Liabilities		
Current liabilities		
Accounts payable for construction contracts	9,186	8,746
Electronically recorded obligations - operating	11,144	12,591
Short-term borrowings	100	100
Current portion of long-term borrowings	176	153
Income taxes payable	660	73
Advances received on construction contracts in progress	1,853	2,163
Provision for warranties for completed construction	689	766
Provision for bonuses	285	514
Provision for loss on construction contracts	332	146
Other	1,364	1,297
Total current liabilities	25,792	26,553
Non-current liabilities		
Long-term borrowings	102	72
Retirement benefit liability	2,115	2,130
Other	21	29
Total non-current liabilities	2,240	2,232
Total liabilities	28,032	28,786

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	15,995	15,761
Treasury shares	(108)	(208)
Total shareholders' equity	20,215	19,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	448
Remeasurements of defined benefit plans	(51)	(50)
Total accumulated other comprehensive income	413	397
Total net assets	20,629	20,278
Total liabilities and net assets	48,662	49,065

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, 2021	Three months ended June 30, 2022
Net sales		
Net sales of completed construction contracts	16,135	18,588
Net sales in real estate business and other	201	201
Total net sales	16,337	18,790
Cost of sales		
Cost of sales of completed construction contracts	14,592	17,531
Cost of sales in real estate business and other	150	151
Total cost of sales	14,743	17,682
Gross profit		
Gross profit on completed construction contracts	1,542	1,057
Gross profit on real estate business and other	50	50
Total gross profit	1,593	1,107
Selling, general and administrative expenses	843	879
Operating profit	750	228
Non-operating income		
Interest income	1	2
Dividend income	21	38
Other	2	1
Total non-operating income	25	42
Non-operating expenses		
Interest expenses	1	0
Commission expenses	10	20
Other	2	0
Total non-operating expenses	14	22
Ordinary profit	761	248
Profit before income taxes	761	248
Income taxes - current	270	59
Income taxes - deferred	(39)	3
Total income taxes	231	62
Profit	529	185
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	529	185

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	529	185
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(16)
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	23	(16)
Comprehensive income	553	168
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	553	168
Comprehensive income attributable to non-controlling interests	–	–