Translation

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

November 8, 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 06-6121-7121
Scheduled date to file Quarterly Securities Report: November 8, 2022
Scheduled date to commence dividend payments: December 1, 2022
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	38,818	18.7	931	(17.1)	957	(15.1)	674	(12.6)
Six months ended September 30, 2021	32,713	19.8	1,124	13.2	1,128	12.2	772	(3.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	64.56	–
Six months ended September 30, 2021	73.68	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	49,672	20,938	42.2
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	–	30.00			
Year ending March 31, 2023 (Forecast)			–	30.00	60.00

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
Full year	70,900	1.8	1,500	(44.6)	1,540	(43.2)	1,020	(43.8)	97.57

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2022	134,195 shares	As of March 31, 2022	132,019 shares

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

Six months ended September 30, 2022	10,453,685 shares	Six months ended September 30, 2021	10,486,770 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,520	4,948
Notes receivable, accounts receivable from completed construction contracts, and contract assets	29,304	36,620
Electronically recorded monetary claims - operating	4,589	778
Real estate for sale	506	506
Costs on construction contracts in progress	970	790
Other	294	510
Allowance for doubtful accounts	(9)	(3)
Total current assets	43,176	44,151
Non-current assets		
Property, plant and equipment		
Land	952	952
Other, net	708	681
Total property, plant and equipment	1,661	1,634
Intangible assets	134	150
Investments and other assets		
Investment securities	1,836	1,916
Other	1,853	1,819
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,689	3,736
Total non-current assets	5,485	5,521
Total assets	48,662	49,672
Liabilities		
Current liabilities		
Accounts payable for construction contracts	9,186	9,347
Electronically recorded obligations - operating	11,144	11,812
Short-term borrowings	100	100
Current portion of long-term borrowings	176	131
Income taxes payable	660	309
Advances received on construction contracts in progress	1,853	2,297
Provision for warranties for completed construction	689	890
Provision for bonuses	285	303
Provision for loss on construction contracts	332	87
Other	1,364	1,240
Total current liabilities	25,792	26,521
Non-current liabilities		
Long-term borrowings	102	41
Retirement benefit liability	2,115	2,125
Other	21	45
Total non-current liabilities	2,240	2,212
Total liabilities	28,032	28,733

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	35
Retained earnings	15,995	16,250
Treasury shares	(108)	(142)
Total shareholders' equity	20,215	20,468
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	519
Remeasurements of defined benefit plans	(51)	(49)
Total accumulated other comprehensive income	413	470
Total net assets	20,629	20,938
Total liabilities and net assets	48,662	49,672

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales		
Net sales of completed construction contracts	32,290	38,422
Net sales in real estate business and other	422	395
Total net sales	32,713	38,818
Cost of sales		
Cost of sales of completed construction contracts	29,626	35,852
Cost of sales in real estate business and other	313	298
Total cost of sales	29,940	36,150
Gross profit		
Gross profit on completed construction contracts	2,663	2,570
Gross profit on real estate business and other	108	96
Total gross profit	2,772	2,667
Selling, general and administrative expenses	1,648	1,735
Operating profit	1,124	931
Non-operating income		
Interest income	4	3
Dividend income	22	38
Other	4	2
Total non-operating income	30	44
Non-operating expenses		
Interest expenses	2	1
Commission expenses	21	15
Other	3	1
Total non-operating expenses	26	18
Ordinary profit	1,128	957
Profit before income taxes	1,128	957
Income taxes - current	483	235
Income taxes - deferred	(128)	47
Total income taxes	355	282
Profit	772	674
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	772	674

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	772	674
Other comprehensive income		
Valuation difference on available-for-sale securities	75	54
Remeasurements of defined benefit plans, net of tax	3	1
Total other comprehensive income	79	56
Comprehensive income	851	731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	851	731
Comprehensive income attributable to non-controlling interests	–	–