Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 7, 2023

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 7, 2023
Scheduled date to commence dividend payments: December 1, 2023
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, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	36,252	(6.6)	233	(74.9)	270	(71.8)	277	(58.9)
Six months ended September 30, 2022	38,818	18.7	931	(17.1)	957	(15.1)	674	(12.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	26.45	–
Six months ended September 30, 2022	64.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	51,091	21,637	42.4
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	Yen	Yen	Yen	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 six months ended September 30, 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 September 30, 2023	10,614,225 shares	As of March 31, 2023	10,614,225 shares

Number of treasury shares at the end of the period

As of September 30, 2023	139,543 shares	As of March 31, 2023	137,131 shares

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

Six months ended September 30, 2023	10,475,891 shares	Six months ended September 30, 2022	10,453,685 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,186	11,731
Notes receivable, accounts receivable from completed construction contracts, and contract assets	25,464	28,621
Electronically recorded monetary claims - operating	1,936	3,488
Real estate for sale	506	23
Costs on construction contracts in progress	1,068	551
Other	365	256
Allowance for doubtful accounts	(3)	(3)
Total current assets	39,523	44,668
Non-current assets		
Property, plant and equipment		
Land	1,205	1,207
Other, net	866	851
Total property, plant and equipment	2,072	2,058
Intangible assets	265	517
Investments and other assets		
Investment securities	2,166	2,355
Other	1,598	1,491
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,764	3,847
Total non-current assets	6,101	6,423
Total assets	45,625	51,091
Liabilities		
Current liabilities		
Accounts payable for construction contracts	8,205	9,584
Electronically recorded obligations - operating	9,663	13,299
Short-term borrowings	100	100
Current portion of long-term borrowings	83	38
Income taxes payable	79	195
Advances received on construction contracts in progress	1,461	2,226
Provision for warranties for completed construction	743	878
Provision for bonuses	283	320
Provision for loss on construction contracts	107	2
Other	1,255	691
Total current liabilities	21,982	27,339
Non-current liabilities		
Long-term borrowings	19	5
Retirement benefit liability	2,015	2,009
Provision for share awards	41	65
Other	29	34
Total non-current liabilities	2,105	2,115
Total liabilities	24,088	29,454

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	35	35
Retained earnings	16,582	16,503
Treasury shares	(143)	(145)
Total shareholders' equity	20,798	20,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	782	958
Remeasurements of defined benefit plans	(45)	(38)
Total accumulated other comprehensive income	737	919
Total net assets	21,536	21,637
Total liabilities and net assets	45,625	51,091

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, 2022	Six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	38,422	35,299
Net sales in real estate business and other	395	952
Total net sales	38,818	36,252
Cost of sales		
Cost of sales of completed construction contracts	35,852	33,872
Cost of sales in real estate business and other	298	287
Total cost of sales	36,150	34,159
Gross profit		
Gross profit on completed construction contracts	2,570	1,427
Gross profit on real estate business and other	96	665
Total gross profit	2,667	2,093
Selling, general and administrative expenses	1,735	1,859
Operating profit	931	233
Non-operating income		
Interest income	3	1
Dividend income	38	51
Other	2	8
Total non-operating income	44	61
Non-operating expenses		
Interest expenses	1	0
Commission expenses	15	21
Other	1	3
Total non-operating expenses	18	24
Ordinary profit	957	270
Extraordinary income		
Gain on sale of investment securities	–	198
Total extraordinary income	–	198
Extraordinary losses		
Loss on sale of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	957	468
Income taxes - current	235	160
Income taxes - deferred	47	30
Total income taxes	282	191
Profit	674	277
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	674	277

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	674	277
Other comprehensive income		
Valuation difference on available-for-sale securities	54	175
Remeasurements of defined benefit plans, net of tax	1	6
Total other comprehensive income	56	181
Comprehensive income	731	458
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	731	458
Comprehensive income attributable to non-controlling interests	–	–