

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 2024

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  
 General Manager of General Affairs  
 Inquiries: Yasumi Iwata Department TEL 06-6121-7121  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024  
 Scheduled date to file Securities Report: June 21, 2024  
 Scheduled date to commence dividend payments: June 4, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	77,815	8.3	1,590	(15.7)	1,602	(17.4)	1,235	(6.5)
Year ended March 31, 2023	71,834	3.1	1,887	(30.3)	1,939	(28.5)	1,321	(27.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	119.20	118.78	5.6	3.1	2.0
Year ended March 31, 2023	126.24	–	6.3	4.1	2.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	59,107	22,551	38.2	2,190.88
As of March 31, 2023	45,625	21,536	47.2	2,055.58

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(1,919)	(2,992)	3,701	8,775
Year ended March 31, 2023	4,192	(516)	(1,009)	9,986

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	30.00	–	34.00	64.00	670	50.7	3.2
Year ended March 31, 2024	–	35.00	–	35.00	70.00	725	58.7	3.3
Year ending March 31, 2025 (Forecast)	–	44.50	–	44.50	89.00		54.3	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	39,200	8.1	790	237.8	800	195.8	510	84.1	49.21
Full year	83,900	7.8	2,600	63.5	2,580	61.0	1,700	37.6	164.05

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	10,614,225 shares	As of March 31, 2023	10,614,225 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	320,978 shares	As of March 31, 2023	137,131 shares
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Average number of shares during the period

Year ended March 31, 2024	10,362,866 shares	Year ended March 31, 2023	10,465,139 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,186	8,775
Notes receivable, accounts receivable from completed construction contracts, and contract assets	25,464	36,217
Electronically recorded monetary claims - operating	1,936	2,464
Real estate for sale	506	23
Costs on construction contracts in progress	1,068	771
Other	365	406
Allowance for doubtful accounts	(3)	(2)
Total current assets	39,523	48,655
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,299	1,362
Machinery, vehicles, tools, furniture and fixtures	653	1,282
Land	1,205	1,411
Accumulated depreciation	(1,087)	(1,466)
Total property, plant and equipment	2,072	2,589
Intangible assets		
Goodwill	–	1,251
Technology asset	–	1,901
Software	241	175
Software in progress	–	518
Other	23	23
Total intangible assets	265	3,870
Investments and other assets		
Investment securities	2,166	2,728
Long-term loans receivable	26	25
Deferred tax assets	498	32
Retirement benefit asset	725	894
Other	347	311
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,764	3,991
Total non-current assets	6,101	10,451
Total assets	45,625	59,107

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable for construction contracts	8,205	10,147
Electronically recorded obligations - operating	9,663	16,276
Short-term borrowings	100	1,300
Current portion of long-term borrowings	83	369
Income taxes payable	79	378
Advances received on construction contracts in progress	1,461	639
Provision for warranties for completed construction	743	479
Provision for bonuses	283	325
Provision for loss on construction contracts	107	0
Other	1,255	932
<b>Total current liabilities</b>	<b>21,982</b>	<b>30,848</b>
<b>Non-current liabilities</b>		
Long-term borrowings	19	3,004
Deferred tax liabilities	–	594
Retirement benefit liability	2,015	1,974
Provision for share awards	41	89
Other	29	44
<b>Total non-current liabilities</b>	<b>2,105</b>	<b>5,707</b>
<b>Total liabilities</b>	<b>24,088</b>	<b>36,556</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,324	4,324
Capital surplus	35	241
Retained earnings	16,582	17,095
Treasury shares	(143)	(366)
<b>Total shareholders' equity</b>	<b>20,798</b>	<b>21,295</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	782	1,163
Remeasurements of defined benefit plans	(45)	91
<b>Total accumulated other comprehensive income</b>	<b>737</b>	<b>1,255</b>
Share acquisition rights	–	0
<b>Total net assets</b>	<b>21,536</b>	<b>22,551</b>
<b>Total liabilities and net assets</b>	<b>45,625</b>	<b>59,107</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	71,054	76,453
Net sales in real estate business and other	780	1,361
Total net sales	71,834	77,815
Cost of sales		
Cost of sales of completed construction contracts	65,821	71,561
Cost of sales in real estate business and other	628	606
Total cost of sales	66,450	72,168
Gross profit		
Gross profit on completed construction contracts	5,232	4,891
Gross profit on real estate business and other	152	755
Total gross profit	5,384	5,646
Selling, general and administrative expenses	3,497	4,056
Operating profit	1,887	1,590
Non-operating income		
Interest income	6	2
Dividend income	73	88
Other	12	26
Total non-operating income	92	117
Non-operating expenses		
Interest expenses	3	15
Commission expenses	31	78
Other	5	10
Total non-operating expenses	40	105
Ordinary profit	1,939	1,602
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	–	299
Total extraordinary income	–	302
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on sale of investment securities	8	–
Total extraordinary losses	8	0
Profit before income taxes	1,930	1,904
Income taxes - current	487	573
Income taxes - deferred	122	96
Total income taxes	609	669
Profit	1,321	1,235
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,321	1,235

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,321	1,235
Other comprehensive income		
Valuation difference on available-for-sale securities	318	380
Remeasurements of defined benefit plans, net of tax	6	136
Total other comprehensive income	324	517
Comprehensive income	1,645	1,752
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,645	1,752
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	4	15,995	(108)	20,215
Changes during period					
Dividends of surplus			(733)		(733)
Profit attributable to owners of parent			1,321		1,321
Purchase of treasury shares				(102)	(102)
Disposal of treasury shares		30		67	98
Net changes in items other than shareholders' equity					
Total changes during period	–	30	587	(35)	582
Balance at end of period	4,324	35	16,582	(143)	20,798

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	464	(51)	413	20,629
Changes during period				
Dividends of surplus				(733)
Profit attributable to owners of parent				1,321
Purchase of treasury shares				(102)
Disposal of treasury shares				98
Net changes in items other than shareholders' equity	318	6	324	324
Total changes during period	318	6	324	906
Balance at end of period	782	(45)	737	21,536

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	35	16,582	(143)	20,798
Changes during period					
Dividends of surplus			(722)		(722)
Profit attributable to owners of parent			1,235		1,235
Purchase of treasury shares				(1,179)	(1,179)
Disposal of treasury shares		206		956	1,163
Net changes in items other than shareholders' equity					
Total changes during period	–	206	512	(222)	496
Balance at end of period	4,324	241	17,095	(366)	21,295

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	782	(45)	737	–	21,536
Changes during period					
Dividends of surplus					(722)
Profit attributable to owners of parent					1,235
Purchase of treasury shares					(1,179)
Disposal of treasury shares					1,163
Net changes in items other than shareholders' equity	380	136	517	0	518
Total changes during period	380	136	517	0	1,014
Balance at end of period	1,163	91	1,255	0	22,551



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,930	1,904
Depreciation	122	247
Amortization of goodwill	–	65
Increase (decrease) in allowance for doubtful accounts	(6)	(1)
Decrease (increase) in retirement benefit asset	(52)	(40)
Increase (decrease) in retirement benefit liability	(31)	27
Increase (decrease) in provision for warranties for completed construction	54	(264)
Increase (decrease) in provision for bonuses	(1)	34
Increase (decrease) in provision for loss on construction contracts	(224)	(107)
Interest and dividend income	(86)	(99)
Interest expenses	3	15
Decrease (increase) in trade receivables	6,493	(11,165)
Decrease (increase) in costs on construction contracts in progress	(97)	300
Decrease (increase) in real estate for sale	–	483
Increase (decrease) in trade payables	(2,462)	8,554
Increase (decrease) in advances received on construction contracts in progress	(392)	(822)
Increase (decrease) in deposits received	43	(529)
Other, net	(136)	(216)
Subtotal	5,155	(1,611)
Interest and dividends received	86	99
Interest paid	(3)	(17)
Income taxes paid	(1,046)	(389)
Net cash provided by (used in) operating activities	4,192	(1,919)
Cash flows from investing activities		
Purchase of property, plant and equipment	(523)	(286)
Purchase of intangible assets	(136)	(446)
Purchase of investment securities	(103)	(3)
Proceeds from sale of investment securities	200	399
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	4	3
Payments of leasehold and guarantee deposits	(1)	(0)
Proceeds from refund of leasehold and guarantee deposits	46	8
Payments into time deposits	(400)	(200)
Proceeds from withdrawal of time deposits	400	400
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,770)
Other, net	(0)	(93)
Net cash provided by (used in) investing activities	(516)	(2,992)

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	1,200
Proceeds from long-term borrowings	–	3,500
Repayments of long-term borrowings	(176)	(228)
Purchase of treasury shares	(102)	(1,215)
Proceeds from disposal of treasury shares from exercise of share acquisition rights	–	1,158
Dividends paid	(727)	(716)
Other, net	(3)	3
Net cash provided by (used in) financing activities	(1,009)	3,701
Net increase (decrease) in cash and cash equivalents	2,666	(1,210)
Cash and cash equivalents at beginning of period	7,320	9,986
Cash and cash equivalents at end of period	9,986	8,775