

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 7, 2021

Company name: DAISUE CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1814 URL <https://www.daisue.co.jp/>
 Representative: Representative Director Present Kazunori Murao
 Executive Officer General Manager of
 General Affairs Department Yoshinori Miyake TEL 06-6121-7143
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 8, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	56,490	(13.3)	2,214	(19.9)	2,219	(19.9)	1,603	(15.5)
Year ended March 31, 2020	65,167	0.5	2,763	(29.1)	2,770	(28.6)	1,897	(32.6)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	152.83	—	8.7	5.4	3.9
Year ended March 31, 2020	181.12	—	11.1	6.5	4.2

(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, 2021	40,533	19,114	47.2	1,822.51
As of March 31, 2020	41,406	17,632	42.6	1,680.08

(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, 2021	(3,091)	7	(706)	6,017
Year ended March 31, 2020	(2,755)	(22)	(939)	9,807

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, 2020	—	20.00	—	20.00	40.00	419	22.1	2.5
Year ended March 31, 2021	—	20.00	—	20.00	40.00	419	26.2	2.3
Year ending March 31, 2022 (Forecast)	—	20.00	—	20.00	40.00		24.8	

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
Six months ending September 30, 2021	31,800	16.4	940	(5.4)	920	(8.5)	630	(21.6)	60.04
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 year ended March 31, 2021

(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, 2021	10,614,225 shares	As of March 31, 2020	10,614,225 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	126,153 shares	As of March 31, 2020	119,434 shares
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Average number of shares during the period

Year ended March 31, 2021	10,492,355 shares	Year ended March 31, 2020	10,476,236 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	10,008	6,217
Notes receivable, accounts receivable from completed construction contracts and other	24,706	25,081
Electronically recorded monetary claims - operating	636	2,688
Real estate for sale	506	506
Costs on construction contracts in progress	492	416
Other	288	355
Allowance for doubtful accounts	(13)	(16)
Total current assets	36,625	35,248
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,080	1,092
Machinery, vehicles, tools, furniture and fixtures	490	576
Land	952	952
Accumulated depreciation	(894)	(937)
Total property, plant and equipment	1,628	1,683
Intangible assets	159	158
Investments and other assets		
Investment securities	1,427	1,668
Long-term loans receivable	29	29
Deferred tax assets	893	722
Other	643	1,022
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,992	3,442
Total non-current assets	4,780	5,285
Total assets	41,406	40,533
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	7,367	6,512
Electronically recorded obligations - operating	9,009	7,650
Short-term borrowings	100	100
Current portion of long-term borrowings	261	218
Current portion of bonds payable	20	10
Income taxes payable	320	856
Advances received on construction contracts in progress	2,022	1,367
Provision for warranties for completed construction	408	462
Provision for bonuses	276	295
Provision for loss on construction contracts	223	126
Other	1,158	1,450
Total current liabilities	21,169	19,051
Non-current liabilities		
Bonds payable	10	—
Long-term borrowings	381	162
Retirement benefit liability	2,204	2,190
Other	9	14
Total non-current liabilities	2,605	2,367
Total liabilities	23,774	21,419

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	4
Retained earnings	13,414	14,598
Treasury shares	(99)	(103)
Total shareholders' equity	17,643	18,823
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	164	332
Remeasurements of defined benefit plans	(176)	(42)
Total accumulated other comprehensive income	(11)	290
Total net assets	17,632	19,114
Total liabilities and net assets	41,406	40,533

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales		
Net sales of completed construction contracts	64,315	55,688
Net sales in real estate business and other	851	801
Total net sales	65,167	56,490
Cost of sales		
Cost of sales of completed construction contracts	58,895	50,436
Cost of sales in real estate business and other	654	597
Total cost of sales	59,549	51,034
Gross profit		
Gross profit on completed construction contracts	5,420	5,251
Gross profit on real estate business and other	197	204
Total gross profit	5,618	5,455
Selling, general and administrative expenses	2,854	3,240
Operating profit	2,763	2,214
Non-operating income		
Interest income	11	9
Dividend income	54	45
Other	9	11
Total non-operating income	75	66
Non-operating expenses		
Interest expenses	8	5
Commission expenses	56	47
Other	3	8
Total non-operating expenses	68	62
Ordinary profit	2,770	2,219
Extraordinary income		
Gain on sale of investment securities	0	168
Total extraordinary income	0	168
Profit before income taxes	2,771	2,387
Income taxes - current	930	747
Income taxes - deferred	(56)	36
Total income taxes	874	784
Profit	1,897	1,603
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,897	1,603

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,897	1,603
Other comprehensive income		
Valuation difference on available-for-sale securities	(274)	168
Remeasurements of defined benefit plans, net of tax	(41)	134
Total other comprehensive income	(315)	302
Comprehensive income	1,581	1,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,581	1,906
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	–	11,935	(142)	16,117
Changes during period					
Dividends of surplus			(418)		(418)
Profit attributable to owners of parent			1,897		1,897
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		4		48	52
Net changes in items other than shareholders' equity					
Total changes during period	–	4	1,478	42	1,525
Balance at end of period	4,324	4	13,414	(99)	17,643

	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	439	(135)	303	16,421
Changes during period				
Dividends of surplus				(418)
Profit attributable to owners of parent				1,897
Purchase of treasury shares				(5)
Disposal of treasury shares				52
Net changes in items other than shareholders' equity	(274)	(41)	(315)	(315)
Total changes during period	(274)	(41)	(315)	1,210
Balance at end of period	164	(176)	(11)	17,632

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	4	13,414	(99)	17,643
Changes during period					
Dividends of surplus			(419)		(419)
Profit attributable to owners of parent			1,603		1,603
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,183	(4)	1,179
Balance at end of period	4,324	4	14,598	(103)	18,823

	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	164	(176)	(11)	17,632
Changes during period				
Dividends of surplus				(419)
Profit attributable to owners of parent				1,603
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	168	134	302	302
Total changes during period	168	134	302	1,482
Balance at end of period	332	(42)	290	19,114

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,771	2,387
Depreciation	108	126
Increase (decrease) in allowance for doubtful accounts	2	2
Decrease (increase) in retirement benefit asset	(207)	(214)
Increase (decrease) in retirement benefit liability	110	16
Increase (decrease) in provision for bonuses	70	19
Interest and dividend income	(65)	(56)
Interest expenses	8	5
Decrease (increase) in trade receivables	(1,739)	(2,426)
Decrease (increase) in costs on construction contracts in progress	75	76
Decrease (increase) in real estate for sale	3	—
Increase (decrease) in trade payables	(3,168)	(2,213)
Increase (decrease) in advances received on construction contracts in progress	652	(655)
Increase (decrease) in deposits received	154	(103)
Other, net	20	155
Subtotal	(1,203)	(2,879)
Interest and dividends received	65	60
Interest paid	(8)	(5)
Income taxes paid	(1,609)	(266)
Net cash provided by (used in) operating activities	(2,755)	(3,091)
Cash flows from investing activities		
Purchase of property, plant and equipment	(49)	(85)
Purchase of intangible assets	(31)	(57)
Purchase of investment securities	(1,002)	(1,502)
Proceeds from sale of investment securities	1,016	1,692
Loan advances	(10)	(6)
Proceeds from collection of loans receivable	2	5
Payments of leasehold and guarantee deposits	(3)	(22)
Proceeds from refund of leasehold and guarantee deposits	3	5
Payments into time deposits	(401)	(400)
Proceeds from withdrawal of time deposits	461	401
Other, net	(7)	(22)
Net cash provided by (used in) investing activities	(22)	7
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200)	—
Repayments of long-term borrowings	(297)	(261)
Dividends paid	(413)	(417)
Other, net	(29)	(27)
Net cash provided by (used in) financing activities	(939)	(706)
Net increase (decrease) in cash and cash equivalents	(3,717)	(3,790)
Cash and cash equivalents at beginning of period	13,524	9,807
Cash and cash equivalents at end of period	9,807	6,017