

Financial Results Material for the First Quarter of the Period Ending March 2025

August 6, 2024



DAI-DAN



Contents

**Consolidated Performance
Summary**

**First Quarter Financial Closing
Highlights**

Full-Year Earnings Forecast

Reference: DATA FILE (Full Year)



**First Quarter Financial Results
for the Period Ending March 2025**

Consolidated Performance Summary

Overview of consolidated management indicators, etc. (operating results)

(Millions of yen)

	1st Quarter of period ended March 2024	1st Quarter of period ending March 2025	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	184,158	239,861	55,702	30.2%
Net sales of construction contract orders received	67,005	74,864	7,859	11.7%
Net sales of completed construction contracts	40,731	44,325	3,593	8.8%
Gross profit on completed construction contracts	4,459	5,731	1,272	28.5%
Gross profit margin of completed construction contracts (%)	10.9%	12.9%	2.0p	—
Operating profit	691	1,725	1,033	149.4%
Operating profit margin (%)	1.7%	3.9%	2.2p	—
Ordinary profit	1,141	2,125	984	86.2%
Ordinary profit margin (%)	2.8%	4.8%	2.0p	—
Net profit attributable to owners of parent	755	1,306	551	73.1%
Net profit margin (%)	1.9%	2.9%	1.1p	—

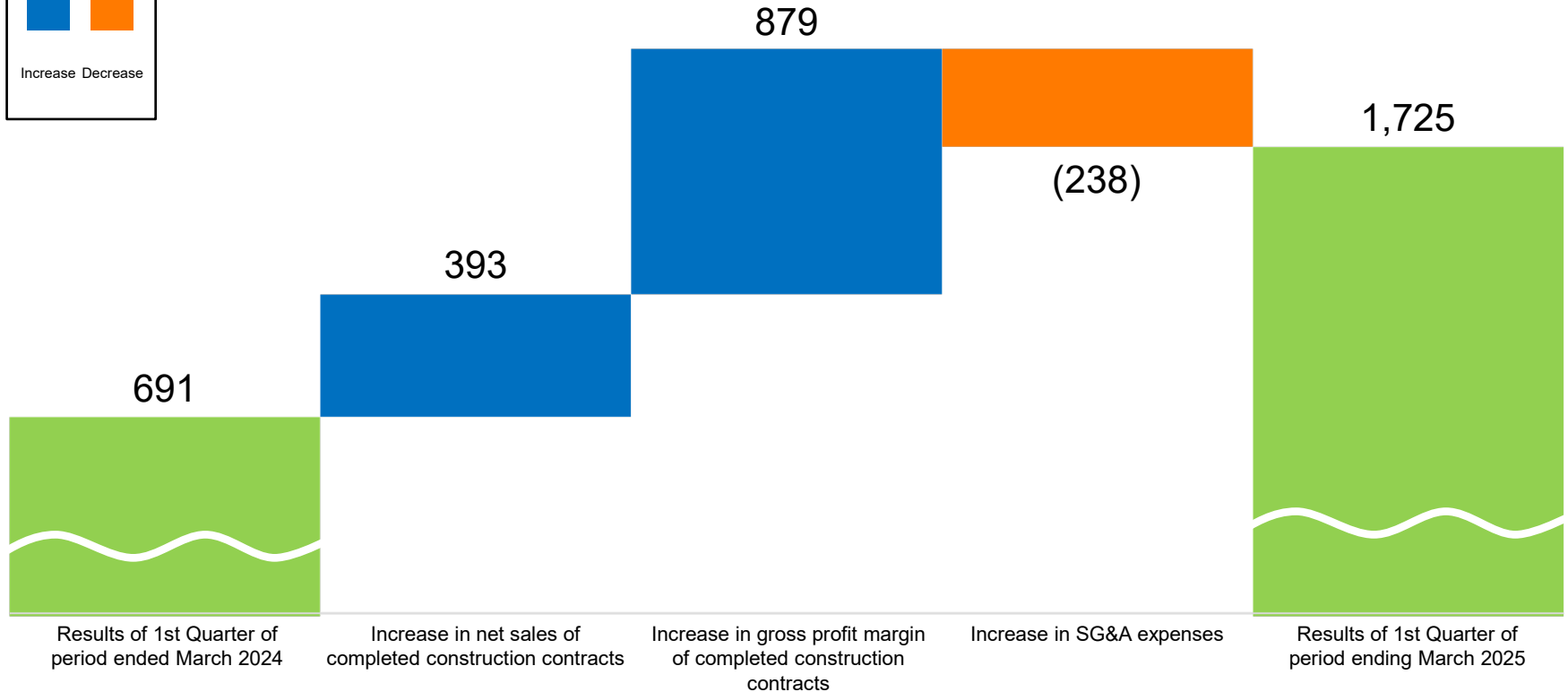
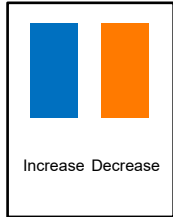
Business environment and the Company's performance summary

- Net sales of construction contract orders received increased from the previous period, backed by continued strong orders for new construction and an increase in orders for renovations.
Rising demand for facility construction work has eased competition, making price pass-through easier.
- Net sales of completed construction contracts increased due to steady progress in uncompleted construction contracts carried over from the previous period.
- Gross profit on completed construction contracts increased due to the higher profitability of construction projects that progressed in the current period and an increase in net sales of completed construction contracts.

As a result of the above, we posted higher sales and higher profits.

Breakdown of increase/decrease in consolidated operating profit

(Millions of yen)



- Net sales of completed construction contracts increased due to steady progress on a large number of uncompleted construction contracts carried over from the previous period.
- Gross profit on completed construction contracts also increased as stated on the previous page.
- SG&A expenses increased due mainly to “an increase in employee salaries accompanying base salary increases” and expenses for “DX investments, including investment in raising efficiency in field operation and office work.”

Trends in consolidated net sales by construction type

(Millions of yen)

		1st Quarter of period ended March 2024	1st Quarter of period ending March 2025	Increase (Decrease)	Change rate
Orders received	Air conditioning and plumbing installations	56,046	66,248	10,202	18.2%
	Electrical installations	10,959	8,616	(2,342)	-21.4%
	Total	67,005	74,864	7,859	11.7%
Net sales (completed)	Air conditioning and plumbing installations	34,571	38,395	3,824	11.1%
	Electrical installations	6,160	5,929	(231)	-3.8%
	Total	40,731	44,325	3,593	8.8%
Net sales (uncompleted)	Air conditioning and plumbing installations	186,308	240,033	53,724	28.8%
	Electrical installations	24,122	30,367	6,244	25.9%
	Total	210,431	270,400	59,969	28.5%

- Air conditioning and plumbing installations
 - ✓ Orders received increased due to large-scale construction contracts secured for factories, data centers, and medical facilities.
 - ✓ Net sales (uncompleted) posted an increase; although net sales (completed) increased with steady progress of unfinished construction projects, these projects will make significant progress in the second half of the year and beyond.
- Electrical installations
 - ✓ Large-scale construction projects were received in the previous period, so orders received decreased from a year ago but increased compared to two years ago.
 - ✓ While net sales (completed) decreased, net sales (uncompleted) increased year-on-year. This is due to the long construction periods of projects carried over from the previous period and low progress rates in the current period.

Overview of consolidated management indicators, etc. (financial position)

(Millions of yen)

	Period ended March 2024	1st Quarter of period ending March 2025	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	93,987	93,572	(415)	-0.4%	Dividend payment exceeded retained earnings appropriation.
Total assets	160,553	167,036	6,483	4.0%	Borrowings increased due to changes in payment terms to subcontractors.
Book value per share (BPS)	2,187.86 yen	2,177.29 yen	(10.56)	-0.5%	PBR improved as stock price rose.
Price book-value ratio (PBR)	1.14 times	1.41 times	—	—	(Reference) Closing stock price as of Mar. 31, 2024: 2,491 yen Closing stock price as of Jun. 30, 2024: 3,070 yen
Equity capital ratio	58.4%	55.9%	-2.5p	—	

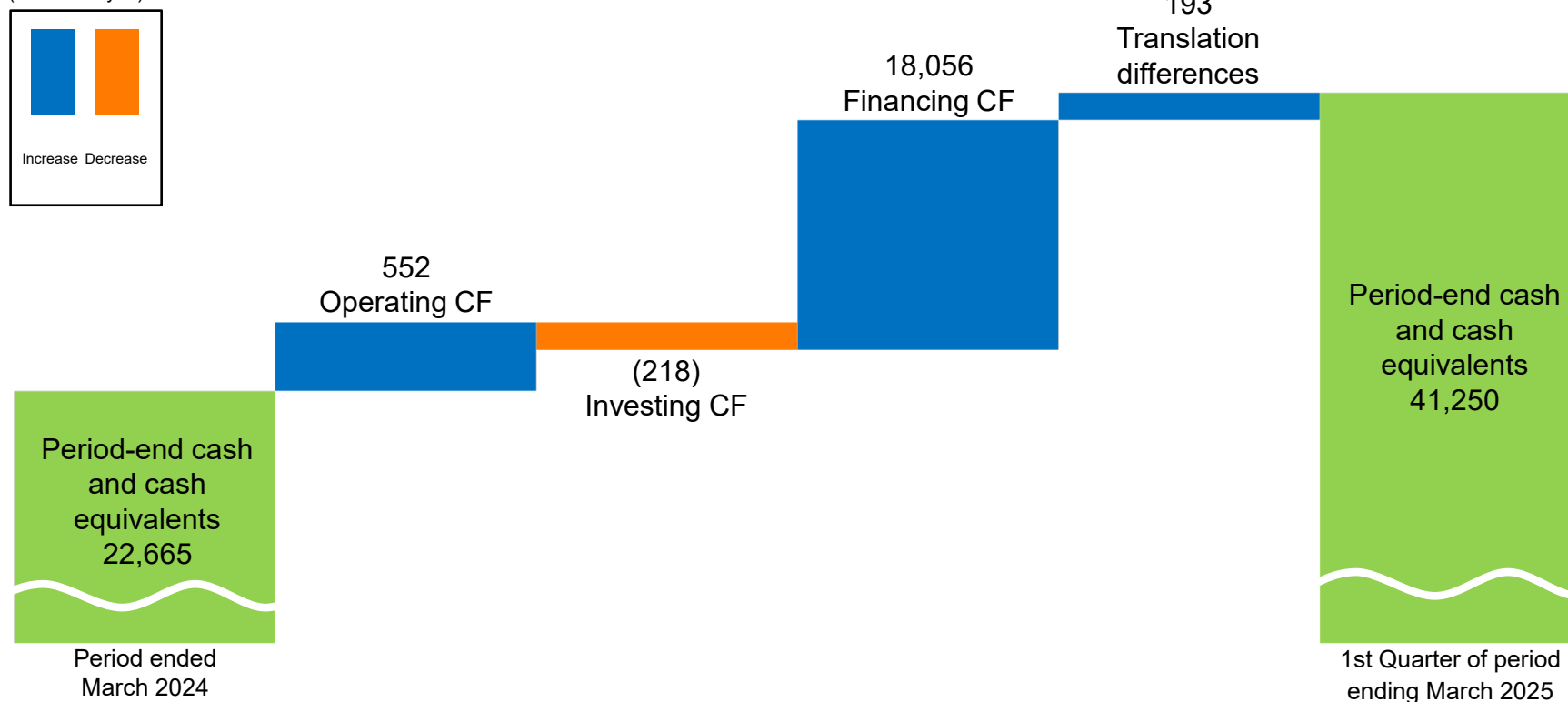
Overview of consolidated management indicators, etc. (cash flows)

(Millions of yen)

	1st Quarter of period ended March 2024	1st Quarter of period ending March 2025	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	(3,324)	552	3,877	—	Trade receivables were collected at a good pace.
Cash flows from investing activities	(991)	(218)	773	—	Payment for the purchase of property, plants, and equipment
Cash flows from financing activities	(1,361)	18,056	19,418	—	Borrowings increased due to changes in payment terms to subcontractors.
Cash and cash equivalents at beginning of period	25,348	22,665	(2,682)	-10.6%	
Increase/decrease in cash and cash equivalents	(5,552)	18,585	24,138	—	
Cash and cash equivalents at end of period	19,795	41,250	21,455	108.4%	

Breakdown of cash flows (Trends in period-end balance of cash and cash equivalents)

(Millions of yen)



- We have announced our Partnership Building Declaration aimed at coexistence and co-prosperity with our business partners and have recently decided to settle payments in cash for some of our subcontractors (effective for payment on June 20, 2024 and beyond) based on criteria in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. We will continue to promote various initiatives to strengthen relationships with business partners and fulfill our social responsibilities throughout the supply chain.
- Respective factors contributing to increases and decreases in cash flow in connection to the above are as follows: Operating CF (while liabilities decreased due to cash payment, collection of trade receivables progressed steadily), Investing CF (payment for the purchase of property, plants, and equipment), and Financing CF (increase in borrowings to prepare for cash payment).
- In addition to the borrowing listed above, we have signed commitment credit line agreements with three banks for efficient working capital financing.



**First Quarter Financial Results
for the Period Ending March 2025**

First Quarter Financial Closing Highlights

Renovations, direct orders, and public works

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First quarter	Second to fourth quarters	Full year	First quarter	Increase (Decrease)	Change rate
Renovations	21,668	62,328	83,997	29,798	8,129	37.5%
Ratio of renovations (%)	32.3%	33.5%	33.2%	39.8%	7.5p	—
Mid-to-large renovations	9,625	28,287	37,912	17,089	7,464	77.6%
Small-scale renovations	12,043	34,040	46,084	12,708	665	5.5%
New construction	45,336	123,800	169,137	45,066	(270)	-0.6%
Total orders received	67,005	186,128	253,134	74,864	7,859	11.7%
Of which, direct orders	23,373	93,015	116,389	30,041	6,667	28.5%
Ratio of direct orders (%)	34.9%	50.0%	46.0%	40.1%	5.2p	—
Of which, public works	15,753	14,887	30,640	6,882	(8,870)	-56.3%
Ratio of public works (%)	23.5%	8.0%	12.1%	9.2%	-14.3p	—

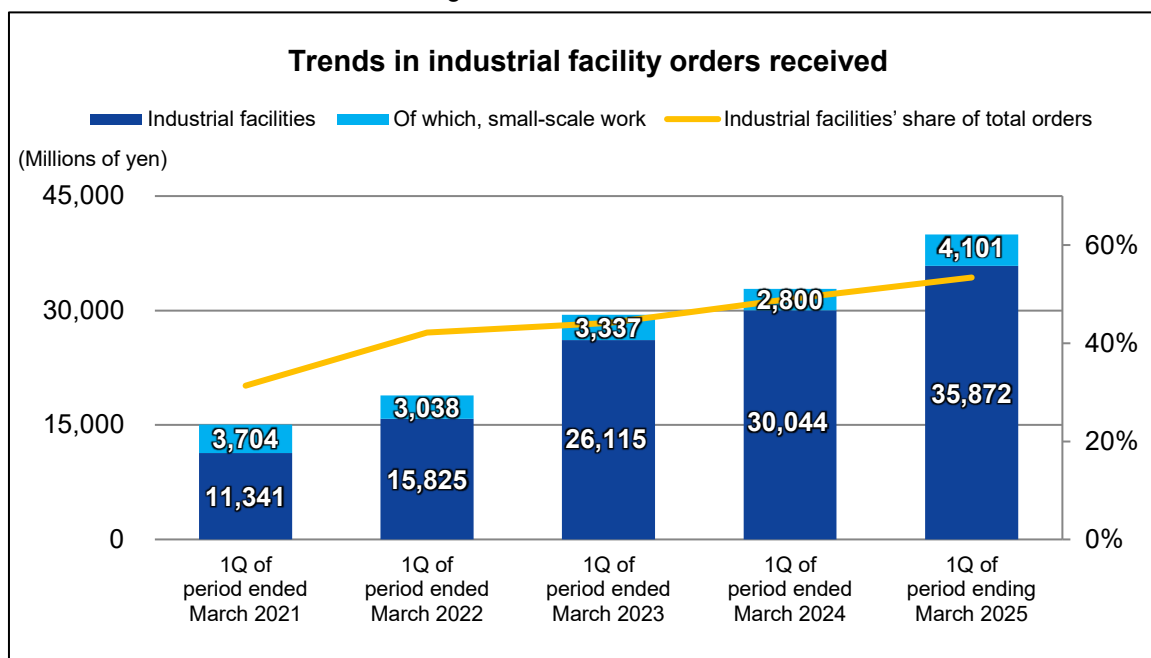
- Orders for renovations increased from the previous period thanks to an increase in large- and medium-scale renovation projects for offices, commercial facilities, and semiconductor factories.
- New construction orders went along with the initial plan and remained at the same level as the previous period.
- Direct orders increased compared to the previous period due to the increase in renovations.
- Public works posted a reactionary decline from the previous period in which large-scale project orders were received.

Industrial facilities

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First quarter	Second to fourth quarters	Full year	First quarter	Increase (Decrease)	Change rate
Total industrial facilities	32,843	112,359	145,203	39,972	7,129	21.7%
(Share of total orders: %)	49.0%	60.4%	57.4%	53.4%	4.4p	—
Total orders received	67,005	186,128	253,134	74,864	7,859	11.7%

* Factories, labs, data centers, and logistics facilities are classified as “industrial facilities.”



- Orders received in the first quarter for industrial facility construction hit a record high, boosted by orders for factories, data centers, and other projects.
- Industrial facilities' share of total orders in the first quarter rose to 53.4%, 4.4-pt increase from the previous period.

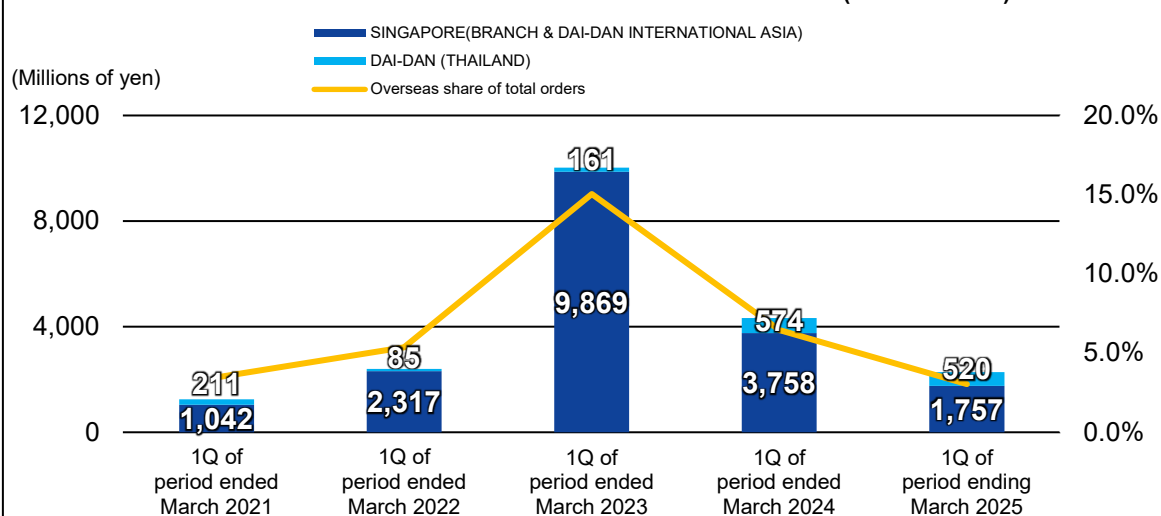
Overseas operations

- Singapore (Branch and DAI-DAN INTERNATIONAL ASIA PTE. LTD.), Thailand (DAI-DAN (THAILAND) CO., LTD.), Vietnam (DAI-DAN (VIETNAM) CO., LTD. (non-consolidated)), and Taiwan (DAI-DAN Taiwan Co., Ltd. (non-consolidated)) are the bases of our overseas operations.

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First quarter	Second to fourth quarters	Full year	First quarter	Increase (Decrease)	Change rate
Total overseas orders received (Consolidated)	4,331	13,095	17,426	2,277	(2,054)	-47.4%
(Share of total orders: %)	6.5%	7.0%	6.9%	3.0%	-3.4p	—
Total orders received	67,005	186,128	253,134	74,864	7,859	11.7%

Trends in overseas construction orders received (Consolidated)



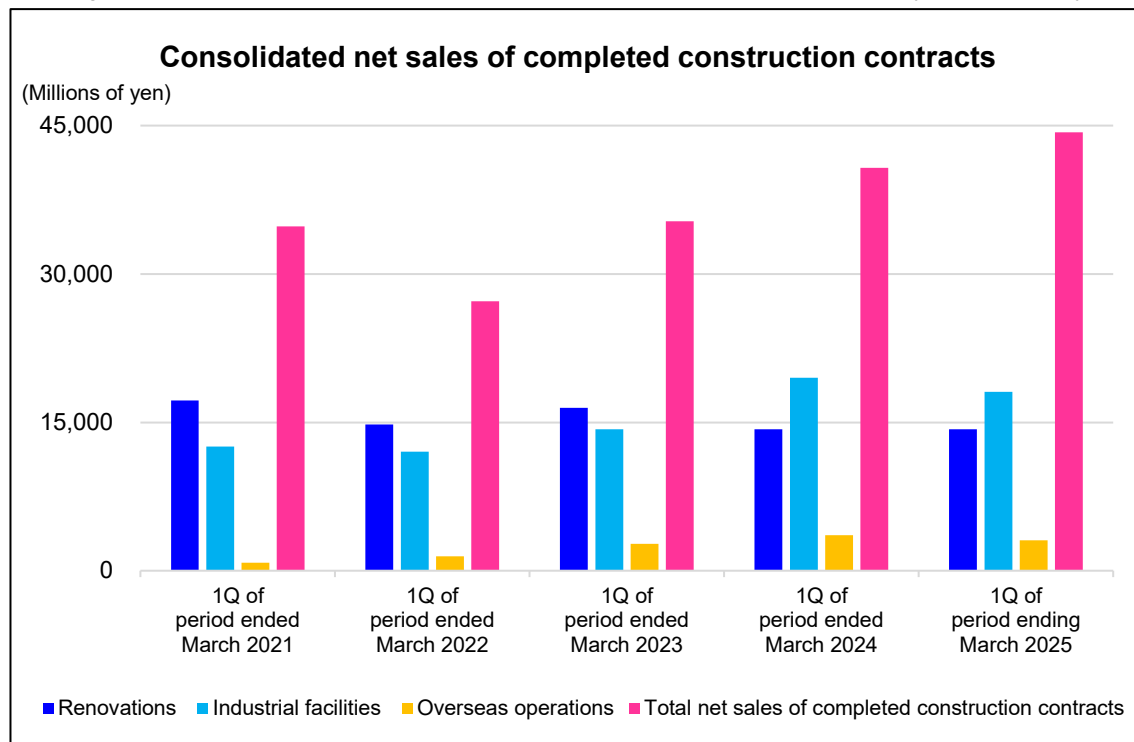
- Singapore saw a year-on-year decrease due to the postponement of large-scale projects to the second half of the year.
- As a result of the above, orders received decreased by 2,054 million yen from the previous period to 2,277 million yen.

Status of completed construction contracts

(Millions of yen)

	First quarter of period ended March 2024		First quarter of period ending March 2025		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Total net sales of completed construction contracts	40,731	100.0%	44,325	100.0%	3,593	8.8%
Of which; (Renovations)	14,307	35.1%	14,290	32.2%	(17)	-0.1%
(Industrial facilities)	19,498	47.9%	18,094	40.8%	(1,403)	-7.2%
(Overseas operations)	3,585	8.8%	3,089	7.0%	(496)	-13.8%

* The figures in the table include a certain amount of overlap, as calculation is done by construction type: renovations, industrial facilities, and overseas operations.



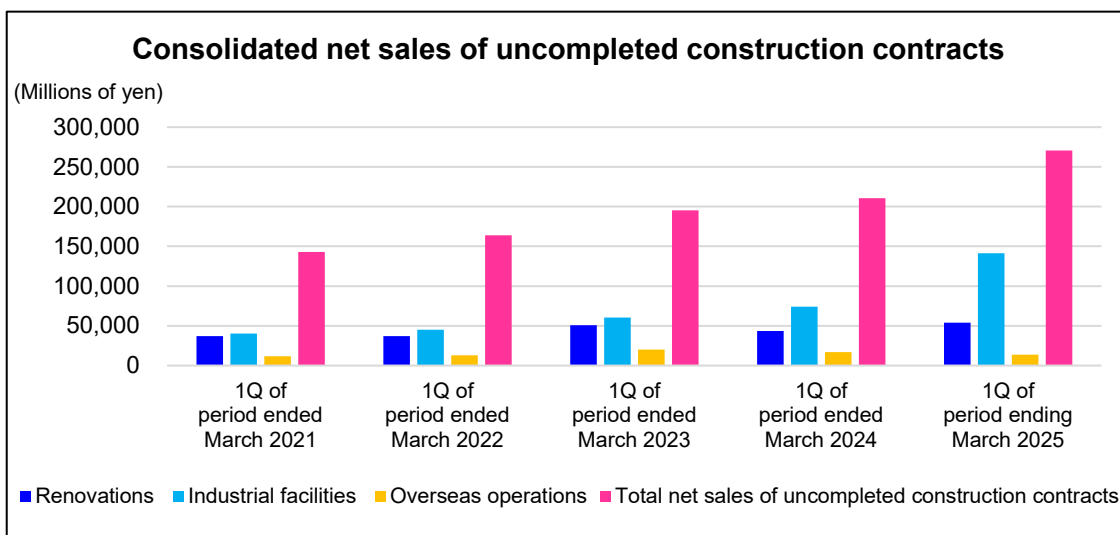
- Renovations stood at the same level as the previous period.
- Industrial facilities decreased compared to the previous period in which large-scale construction projects made significant progress.
- In addition to the above, progress with medical facilities and redevelopment projects increased overall net sales of completed construction contracts.

Status of uncompleted construction contracts

(Millions of yen)

	First quarter of period ended March 2024		First quarter of period ending March 2025		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Net sales of uncompleted construction contracts at beginning of period	184,158	—	239,861	—	55,702	30.2%
Net sales of construction contract orders received	67,005	—	74,864	—	7,859	11.7%
Net sales of completed construction contracts	40,731	—	44,325	—	3,593	8.8%
Net sales of uncompleted construction contracts	210,431	100.0%	270,400	100.0%	59,969	28.5%
Of which: (Renovations)	43,663	20.7%	54,037	20.0%	10,374	23.8%
(Industrial facilities)	73,913	35.1%	141,372	52.3%	67,459	91.3%
(Overseas operations)	16,742	8.0%	13,588	5.0%	(3,153)	-18.8%

* The figures in the table include a certain amount of overlap, as calculation is done by construction type: renovations, industrial facilities, and overseas operations.



- Uncompleted construction contracts for the current period were well above those a year ago, mainly because of a significant increase in orders received in the previous period.
- A sufficient volume of unfinished construction projects has been secured, especially for industrial facilities, and these will contribute to the value of work done for the current period and beyond.



**First Quarter Financial Results
for the Period Ending March 2025**

**Full-Year Earnings
Forecast for the
Period Ending
March 2025**

Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2024			Period ending March 2025			Year-on-year change, full year	
	First quarter	Second to fourth quarters	Full year	First quarter	Second to fourth quarters (Forecast)	Full year (Forecast)	Increase (Decrease)	Change rate
Net sales of construction contract orders received	67,005	186,129	253,134	74,864	175,136	250,000	(3,134)	-1.2%
Net sales of completed construction contracts	40,731	156,700	197,431	44,325	205,675	250,000	52,569	26.6%
Gross profit on completed construction contracts	4,459	21,758	26,217	5,731	27,269	33,000	6,783	25.9%
Gross profit margin of completed construction contracts (%)	10.9%	13.9%	13.3%	12.9%	13.3%	13.2%	-0.1p	—
Operating profit	691	10,186	10,877	1,725	13,275	15,000	4,123	37.9%
Operating profit margin (%)	1.7%	6.5%	5.5%	3.9%	6.5%	6.0%	0.5p	—
Ordinary profit	1,141	10,777	11,918	2,125	12,875	15,300	3,382	28.4%
Ordinary profit margin (%)	2.8%	6.9%	6.0%	4.8%	6.3%	6.1%	0.1p	—
Net profit attributable to owners of parent	755	8,332	9,087	1,306	9,694	11,000	1,913	21.1%
Net profit margin (%)	1.9%	5.3%	4.6%	2.9%	4.7%	4.4%	-0.2p	—
Return on equity (ROE)	—	—	10.3%	—	—	11.3%	1.0p	—

Preconditions for earnings forecast

- There has been no change to our earnings forecast in the brief report on financial statements announced on May 9, 2024.
- Compared to a year ago, we achieved higher sales and higher profits in the first quarter of the current period. We have a sufficient volume of unfinished construction projects to be completed in the current period and expect full-year earnings to be in line with our forecast.

Shareholder return policy

- In addition to striving to build a sound financial structure, we are committed to returning profits to shareholders, which is our most important management policy.
- As stated in the Stage 2030 Mid-Term Management Plan Phase 2 «Refining Stage» announced on May 9, 2024, aiming to further promote profit return to shareholders and implement a more stable dividend policy, we have adopted a new dividend policy of “**Dividend payout ratio of 40% or higher** (Dividend payout ratio +5pt compared to) **and a minimum DOE of 4%** (DOE: newly set)” starting from the period ending March 31, 2025.

Dividend status

	Full-year dividend			Total dividend (Total sum)	Dividend ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of second quarter	End of period	Total			
	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%
Period ended March 2024	27.50 [*]	48.00	75.50	3,246	35.6%	3.7%
Period ending March 2025 (Forecast)	52.00	52.00	104.00	4,472	40.5%	4.6%

* The Company executed a 2-for-1 stock split of its common stock as of October 1, 2023. The dividend at the end of the second quarter of the period ended March 2024 was calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

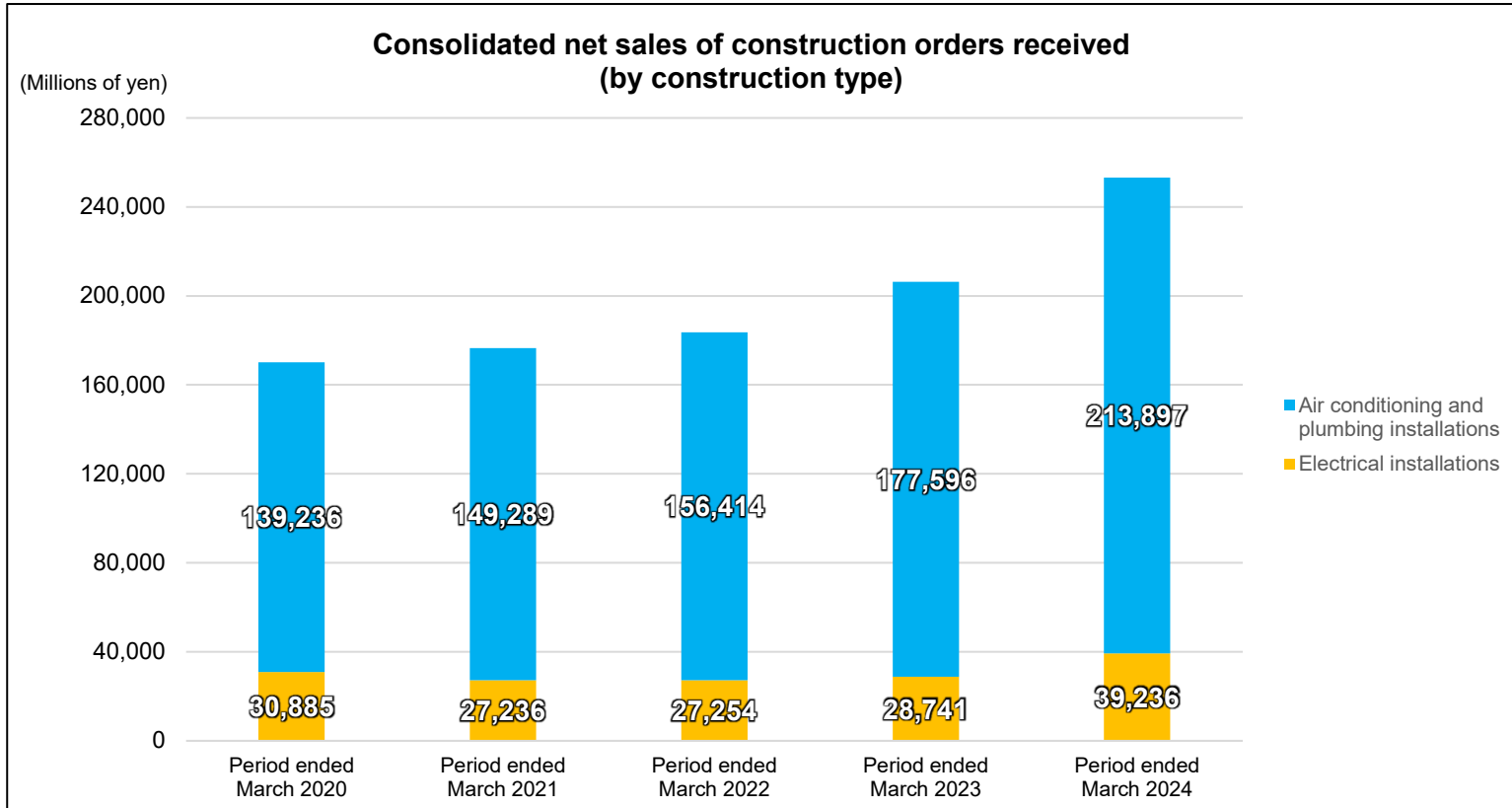


**Reference:
DATA FILE
(Full Year)**

Consolidated net sales of construction orders received by construction type (Full year)

(Millions of yen)

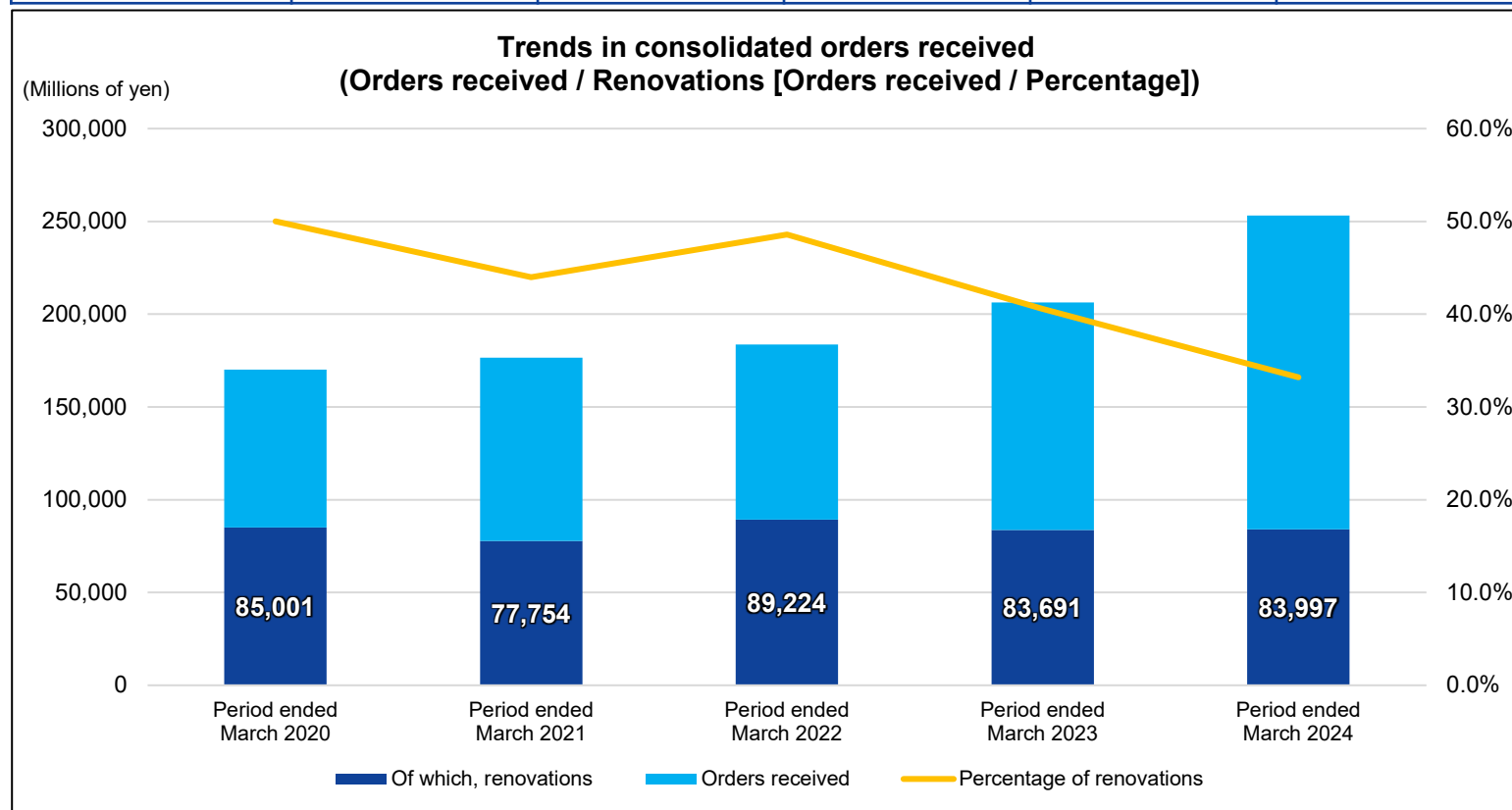
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Air conditioning and plumbing installations	139,236	149,289	156,414	177,596	213,897
Electrical installations	30,885	27,236	27,254	28,741	39,236
Total	170,121	176,526	183,668	206,337	253,134



Trends in consolidated orders received (Orders received / Renovations) (Full year)

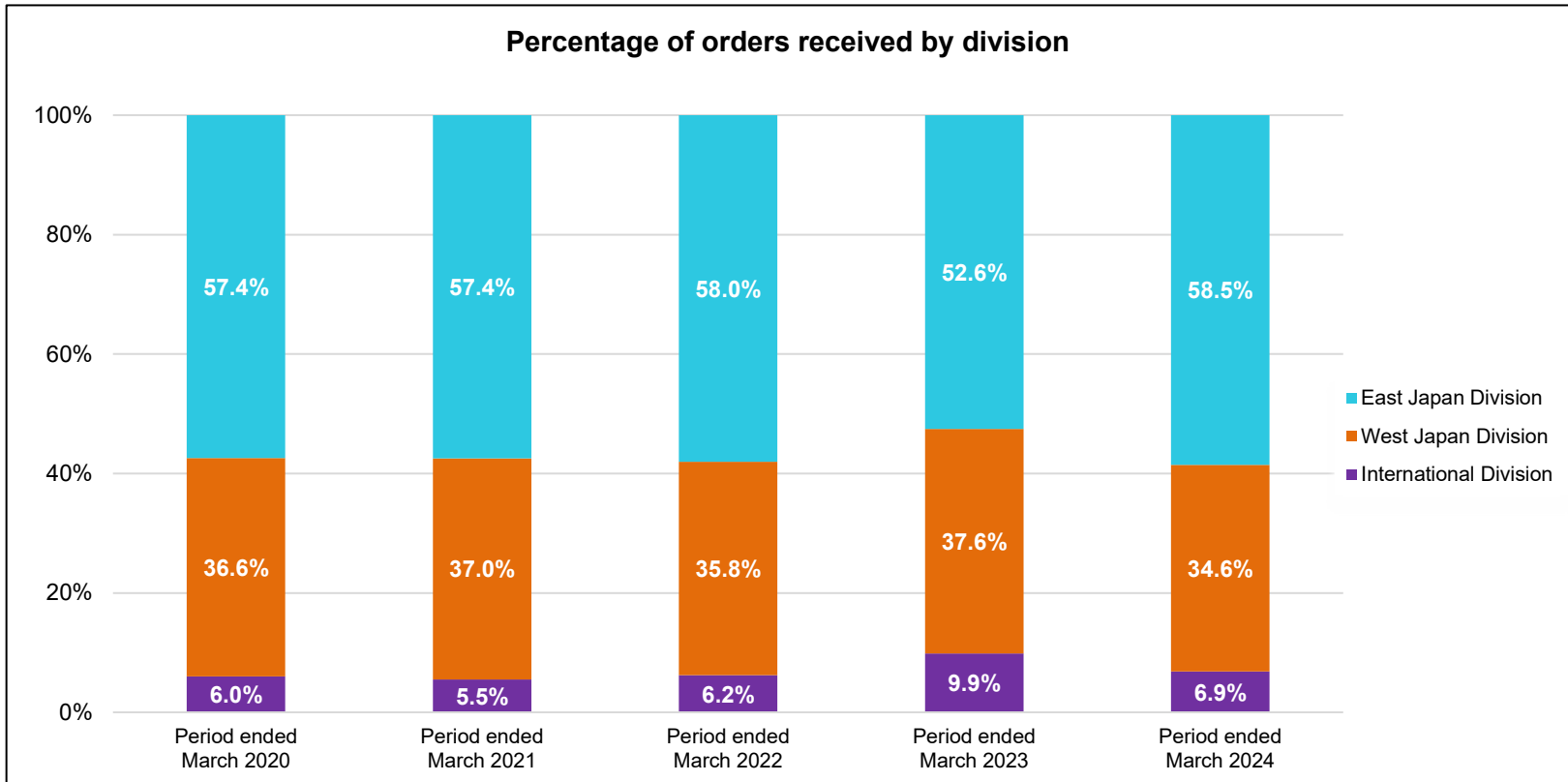
(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Net sales of construction contract orders received	170,121	176,526	183,668	206,337	253,134
Renovations	85,001	77,754	89,224	83,691	83,997
Percentage of renovations	50.0%	44.0%	48.6%	40.6%	33.2%



Percentage of consolidated orders received by division (Full year)

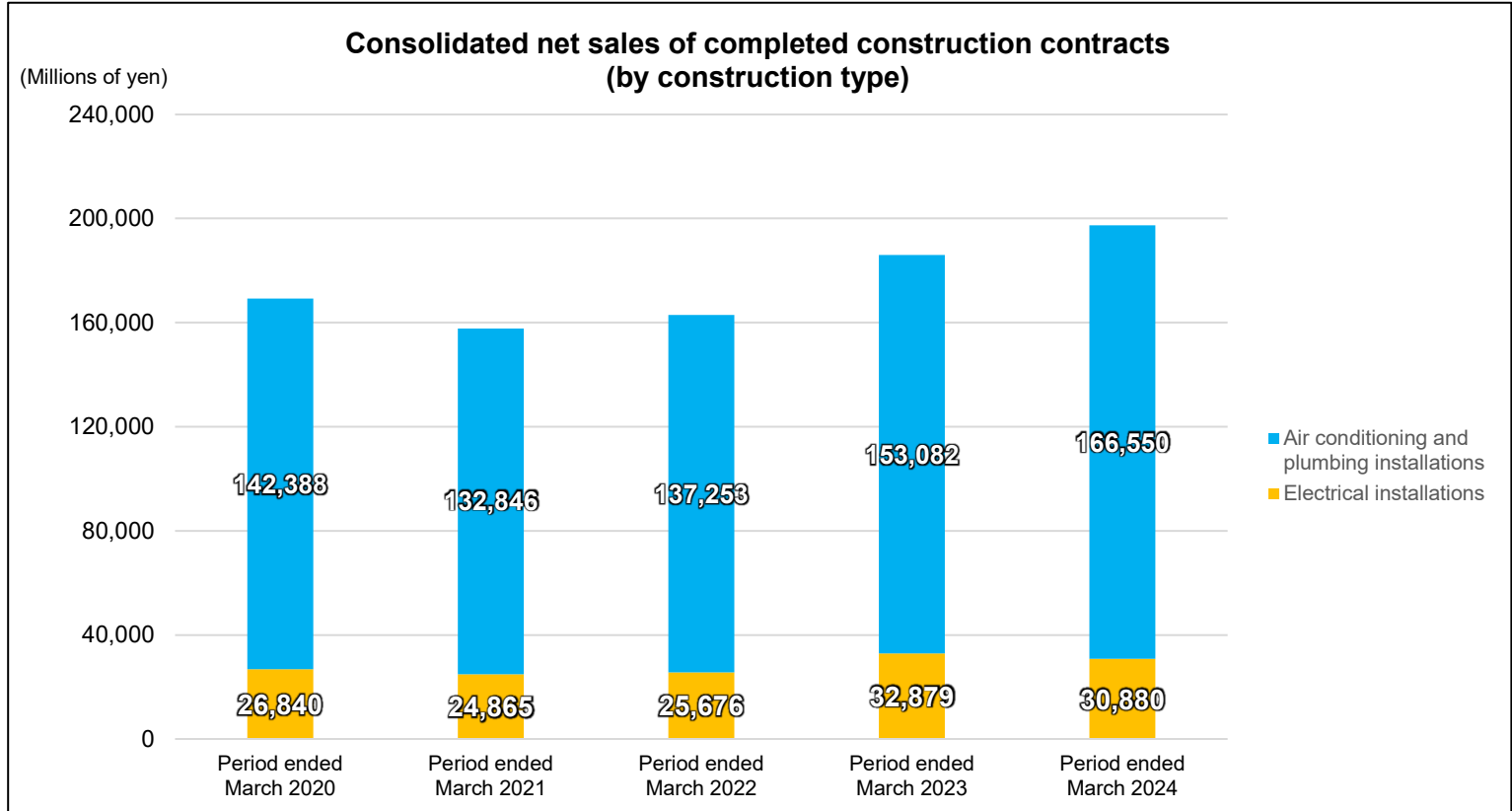
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
East Japan Division	57.4%	57.4%	58.0%	52.6%	58.5%
West Japan Division	36.6%	37.0%	35.8%	37.6%	34.6%
International Division	6.0%	5.5%	6.2%	9.9%	6.9%



Consolidated net sales of completed construction contracts by construction type (Full year)

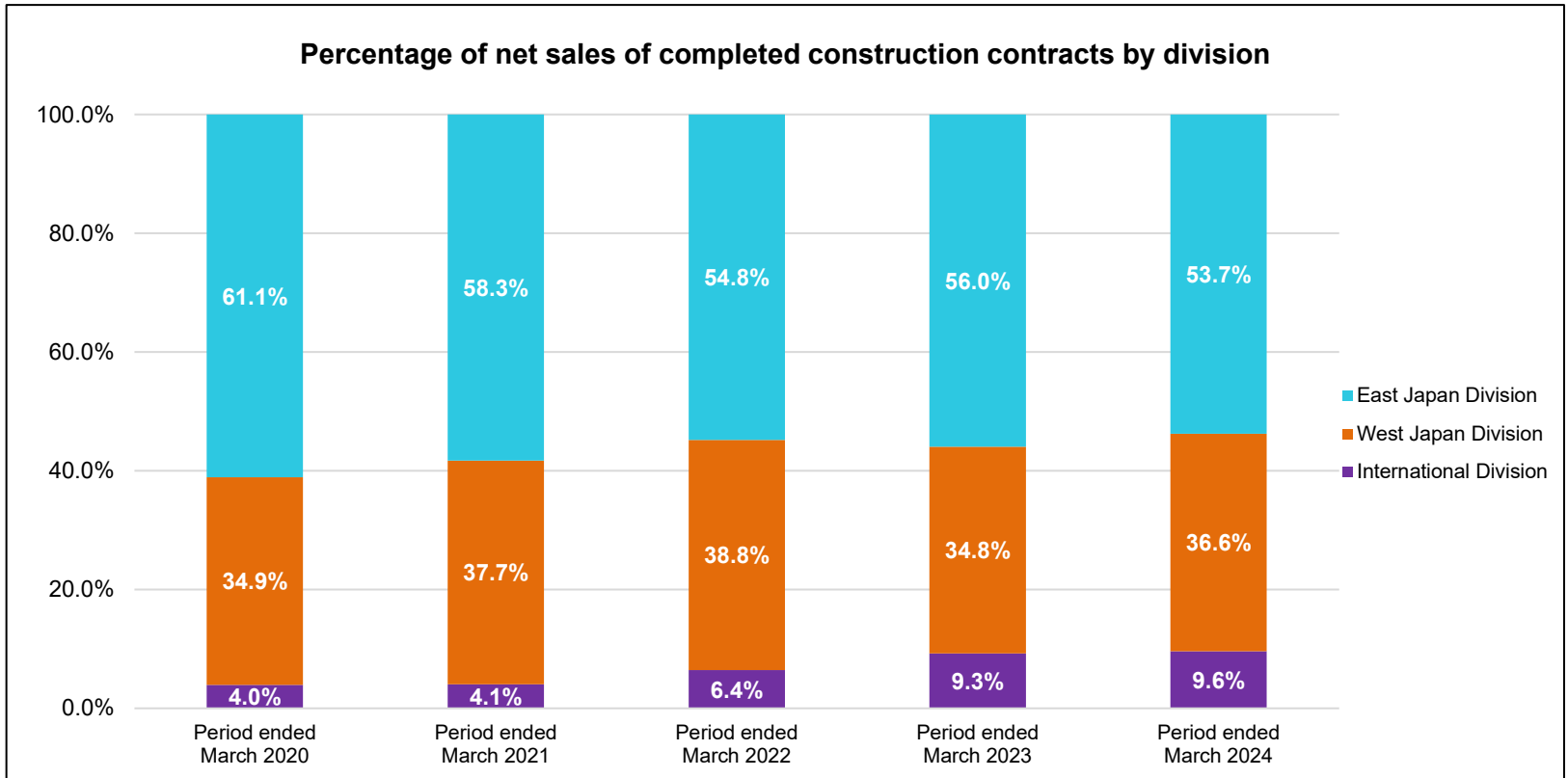
(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Air conditioning and plumbing installations	142,388	132,846	137,253	153,082	166,550
Electrical installations	26,840	24,865	25,676	32,879	30,880
Total	169,229	157,712	162,929	185,961	197,431



Percentage of consolidated net sales of completed construction contracts by division (Full year)

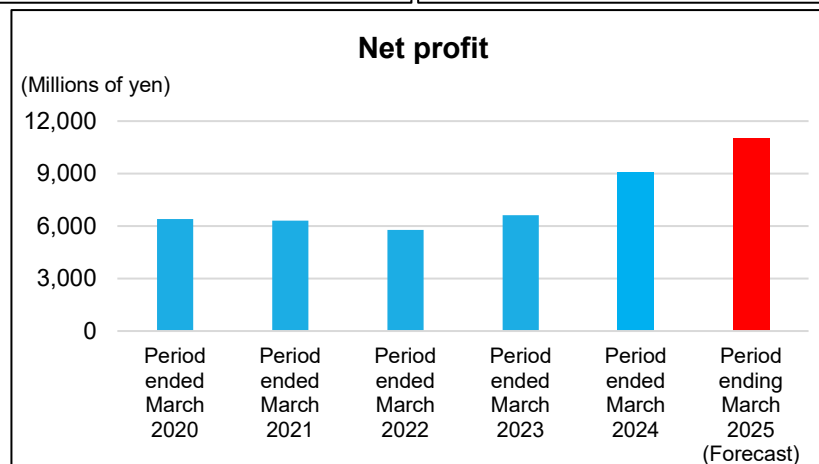
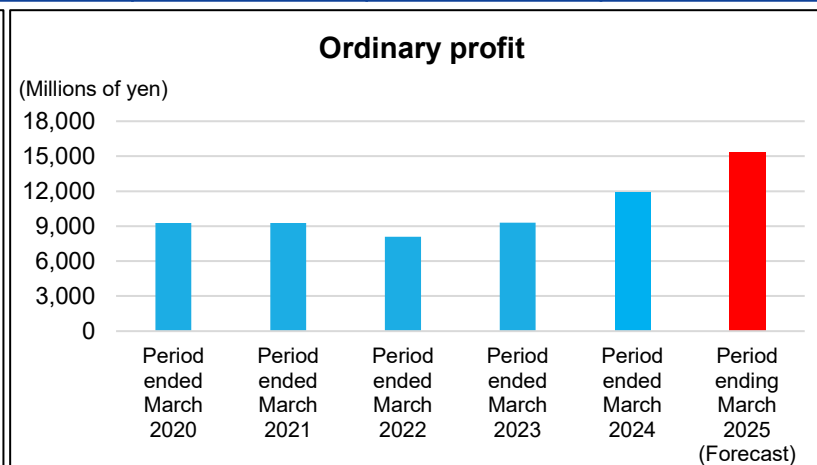
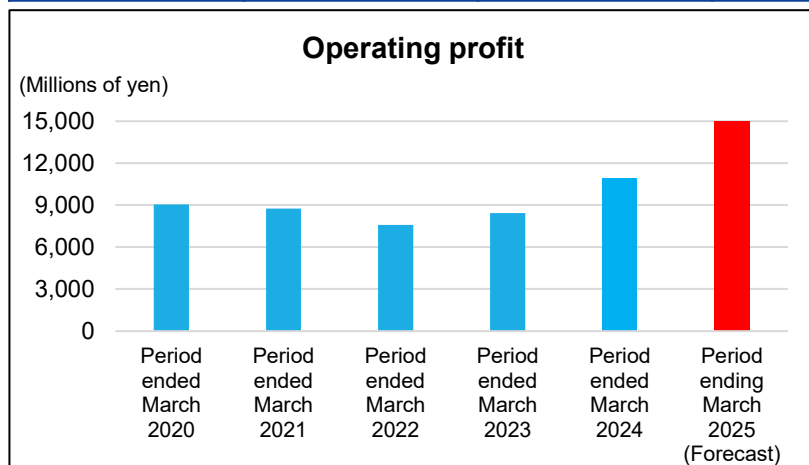
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
East Japan Division	61.1%	58.3%	54.8%	56.0%	53.7%
West Japan Division	34.9%	37.7%	38.8%	34.8%	36.6%
International Division	4.0%	4.1%	6.4%	9.3%	9.6%



Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024	Period ending March 2025 (Forecast)
Operating profit	9,063	8,754	7,584	8,428	10,877	15,000
Ordinary profit	9,282	9,262	8,095	9,288	11,918	15,300
Net profit	6,399	6,318	5,778	6,626	9,087	11,000



Disclaimer

The forecast concerning future business results, including future plans and strategies, disclosed by the Company is based on assumptions deemed reasonable at the time of announcement. Therefore, actual business results may differ from the forecast due to various factors.

IR-related inquiries:

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