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Brief Report on the First Quarter Financial Statements for the Period Ending March 2023 [Japanese Standard] (Consolidated)

August 5, 2022

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Code No.: 1980 URL: <https://www.daidan.co.jp/>

Representative of Company: Ichiro Fujisawa, Representative Director, President

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Stock Exchange Listing:

Tokyo Stock Exchange Prime Market

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Date scheduled to submit Quarterly report:

August 5, 2022

Creating supplements to the financial statement:

Yes

Holding a briefing session on the financial statement:

None

(Amounts are indicated with figures less than 1 million yen discarded)

1. Consolidated business results for the first quarter of the period ending March 2023 (From April 1, 2022 to June 30, 2022)

(1) Consolidated management performance (Cumulative total) (Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of the period ending March 2023	35,342	29.7	818	54.8	1,308	72.0	862	71.9
First quarter of the period ending March 2022	27,256	(21.7)	528	(76.8)	760	(69.9)	501	(70.8)

(Note) Comprehensive income First quarter of the period ending March 2023 755 Million yen 968.6%
First quarter of the period ending March 2022 70 Million yen (96.4%)

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
First quarter of the period ending March 2023	40.31		—	
First quarter of the period ending March 2022	23.48		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	Million yen	Million yen	%
First quarter of the period ending March 2023	126,427	77,040	60.8
Period ending March 2022	139,099	77,242	55.4

(Reference) Equity capital First quarter of the period ending March 2023 76,879 Million yen
Period ending March 2022 77,081 Million yen

2. Dividends

	Annual dividends per share									
	End of first quarter		End of second quarter		End of third quarter		Period end		Through year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
Period ending March 2022	—		45.00		—		45.00		90.00	
Period ending March 2023	—									
Period ending March 2023 (Forecast)			45.00		—		55.00		100.00	

(Note) 1 Presence of revision from dividend forecast published most recently: None

2 Breakdown of dividend for the period ending March 2023: Ordinary dividend:90yen
Commemorative dividend:10yen (120th anniversary commemorative dividend)

3. Estimate of consolidated performance for the period ending March 2023 (From April 1, 2022 to March 31, 2023)

(Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen	Sen
Total period	175,000	7.4	8,500	12.1	8,700	7.5	6,000	3.8	280.46	

(Reference) Estimated net sales of construction contract orders 193,000 Million yen

(Note) Presence of revision from estimate of performance published most recently: None

* Annotations

(1) Changes in key subsidiaries in the period (changes in specific subsidiaries requiring changes of consolidation scope): None

(2) Application of particular accounting to the preparation of quarter consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, restatement

① Changes in accounting policies due to revision of accounting standards, etc.: None

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of issued shares (common stock)

① Number of issued shares at the end of period (including treasury shares)	First quarter of the period ending March 2023	22,981,901 shares	Period ending March 2022	22,981,901 shares
② Number of treasury shares at the end of period	First quarter of the period ending March 2023	1,583,612 shares	Period ending March 2022	1,588,839 shares
③ Average number of shares in the period (quarter total)	First quarter of the period ending March 2023	21,393,963 shares	First quarter of the period ending March 2022	21,375,091 shares

(Note) The number of treasury shares at the end of the period includes the Company's shares held in the BIP Trust for Directors (107,302 shares for the period ending March 2022, 102,007 shares for the first quarter of the period ending March 2023). In addition, the Company's shares held in the BIP Trust for Directors (125,770 shares for the first quarter of the period ending March 2022, 106,390 shares for the first quarter of the period ending March 2023) are also included in treasury shares, which is deducted in the calculation of the average number of shares outstanding during the period.

* Brief report on quarterly financial statements is beyond the object of audit by CPA or an audit corporation.

* Explanation about adequate use of achievement forecasts and other noteworthy matters

The forward-looking statements disclosed herein are based on the information available at the time of preparation of this document and the assumption considered as reasonable.

Consequently, actual results differ materially from forecasts above due to changes in business results.

(Reference) Estimate of individual performance

1. Estimate of individual performance for the period ending March 2023 (From April 1, 2022 to March 31, 2023)

(Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. Yen	%	Mil. yen	%	Yen	Sen
Total period	170,000	5.5	8,500	10.3	8,700	5.9	6,000	2.3		280.46

(Reference) Estimated net sales of construction contract orders 182,000 Million yen

(Note) Presence of revision from estimate of performance published most recently: None

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1. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	Previous Consolidated Accounting Year (As of March 31, 2022)	Current First Quarter Consolidated Accounting Period (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	16,065	13,409
Notes receivable, accounts receivable from completed construction contracts and other	68,903	54,391
Electronically recorded monetary claims - operating	15,002	17,213
Costs on construction contracts in progress	464	1,103
Other	4,416	5,508
Allowance for doubtful accounts	(6)	(6)
Total current assets	104,846	91,618
Non-current assets		
Property, plant and equipment	5,893	6,567
Intangible assets	409	410
Investments and other assets		
Investment securities	15,837	15,722
Retirement benefit asset	10,628	10,643
Other	1,622	1,602
Allowance for doubtful accounts	(138)	(136)
Total investments and other assets	27,949	27,831
Total non-current assets	34,253	34,808
Total assets	139,099	126,427

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2022)	Current First Quarter Consolidated Accounting Period (As of June 30, 2022)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	24,025	14,770
Electronically recorded obligations - operating	12,047	8,505
Short-term borrowings	3,229	3,022
Income taxes payable	701	15
Advances received on construction contracts in progress	2,058	3,209
Provision for bonuses	—	1,319
Provision for directors' bonuses	—	21
Provision for share awards	26	23
Provision for warranties for completed construction	70	73
Provision for loss on construction contracts	615	597
Deposits received	8,703	9,973
Other	6,004	3,171
Total current liabilities	57,483	44,704
Non-current liabilities		
Long-term loans payable	675	563
Deferred tax liabilities	2,419	2,823
Retirement benefit liability	1,251	1,247
Long-term accounts payable - other	5	5
Other	22	42
Total non-current liabilities	4,374	4,682
Total liabilities	61,857	49,386
Net assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,837	4,837
Retained earnings	63,946	63,841
Treasury shares	(3,166)	(3,155)
Total shareholders' equity	70,097	70,002
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,079	6,005
Foreign currency translation adjustment	34	67
Remeasurements of defined benefit plans	870	803
Total accumulated other comprehensive income	6,984	6,876
Non-controlling interests	160	161
Total net assets	77,242	77,040
Total liabilities and net assets	139,033	126,427

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 (Consolidated Statements of Income)
 (First Quarter Consolidated Cumulative Period)

(Millions of yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2021 to June 30, 2021)	Current First Quarter Consolidated Cumulative Period (From April 1, 2022 to June 30, 2022)
Net sales of completed construction contracts	27,256	35,342
Cost of sales of completed construction contracts	23,669	31,062
Gross profit on completed construction contracts	3,587	4,280
Selling, general and administrative expenses	3,058	3,461
Operating profit	528	818
Non-operating income		
Interest income	1	1
Dividend income	143	151
Insurance fee income	114	122
Foreign exchange gains	1	226
Rental income from real estate	8	7
Other	5	14
Total non-operating income	274	523
Non-operating expenses		
Interest expenses	27	16
Guarantee commission	0	2
Rental expenses on real estate	8	9
Other	5	4
Total non-operating expenses	41	32
Ordinary profit	760	1,308
Extraordinary income		
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	44	—
Total extraordinary income	44	1
Extraordinary losses		
Loss on retirement of non-current assets	40	12
Loss on valuation of investment securities	4	—
Total extraordinary losses	44	12
Profit before income taxes	761	1,298
Income taxes - current	(1)	(19)
Income taxes - deferred	267	465
Total income taxes	266	446
Profit	494	851
Loss attributable to non-controlling interests	(7)	(10)
Profit attributable to owners of parent	501	862

(Consolidated Statements of Comprehensive Income)
(First Quarter Consolidated Cumulative Period)

(Millions of yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2021 to June 30, 2021)	Current First Quarter Consolidated Cumulative Period (From April 1, 2022 to June 30, 2022)
Profit	494	851
Other comprehensive income		
Valuation difference on available-for-sale securities	(374)	(73)
Foreign currency translation adjustment	(0)	43
Remeasurements of defined benefit plans	(49)	(66)
Total other comprehensive income	(424)	(96)
Comprehensive income	70	755
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	77	754
Comprehensive income attributable to non-controlling interests	(7)	0

(3) Annotation Items Concerning Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

None

2. Supplementary Information

Divisional net sales of construction contract orders received, completed construction contracts and uncompleted construction contracts (consolidated)

(Millions of yen)

		Previous First Quarter Consolidated Cumulative Period		Current First Quarter Consolidated Cumulative Period		Increase (decrease)		
		(From April 1, 2021 to June 30, 2021)		(From April 1, 2022 to June 30, 2022)				
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %	
Net sales of construction contract orders received	Electrical installations	6,697	15.0	7,906	11.9	1,209	18.1	
	Air conditioning and plumbing installations	Air conditioning installations	27,352	61.2	45,041	67.5	17,689	64.7
		Plumbing installations	10,648	23.8	13,764	20.6	3,115	29.3
		subtotal	38,001	85.0	58,805	88.1	20,804	54.7
		Total	44,698	100.0	66,712	100.0	22,014	49.3
		(Industrial facilities)	18,862	42.2	29,452	44.1	10,589	56.1
		(Renovations)	24,803	55.5	30,251	45.3	5,447	22.0
		(Overseas operations)	2,401	5.4	10,029	15.0	7,628	317.6
Net sales of completed construction contracts	Electrical installations	4,070	14.9	6,102	17.3	2,032	49.9	
	Air conditioning and plumbing installations	Air conditioning installations	16,135	59.2	21,446	60.7	5,311	32.9
		Plumbing installations	7,050	25.9	7,792	22.0	741	10.5
		subtotal	23,186	85.1	29,239	82.7	6,053	26.1
		Total	27,256	100.0	35,342	100.0	8,085	29.7
		(Industrial facilities)	12,030	44.1	14,293	40.4	2,263	18.8
		(Renovations)	14,806	54.3	16,479	46.6	1,672	11.3
		(Overseas operations)	1,477	5.4	2,738	7.7	1,260	85.3
Net sales of uncompleted construction contracts	Electrical installations	24,511	15.3	25,266	13.0	754	3.1	
	Air conditioning and plumbing installations	Air conditioning installations	97,155	60.5	129,228	66.2	32,073	33.0
		Plumbing installations	38,818	24.2	40,656	20.8	1,838	4.7
		subtotal	135,973	84.7	169,885	87.0	33,912	24.9
		Total	160,484	100.0	195,152	100.0	34,667	21.6
		(Industrial facilities)	47,088	29.3	60,417	31.0	13,328	28.3
		(Renovations)	42,851	26.7	50,668	26.0	7,816	18.2
		(Overseas operations)	12,790	8.0	20,130	10.3	7,339	57.4

(Note) 1. The breakdown of Air conditioning and plumbing installations is divided into Air conditioning installations and Plumbing installations.
 2. Industrial facilities and Renovations, Overseas operations are aggregated for each type of construction. These includes duplicated construction.