

Financial Briefing Material for the Second Quarter of the Period Ending March 2023

November 8, 2022

 **DAI-DAN CO., LTD.**

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**Second Quarter Financial Results
for the Period Ending March 2023**

**Consolidated
Performance
Summary**

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

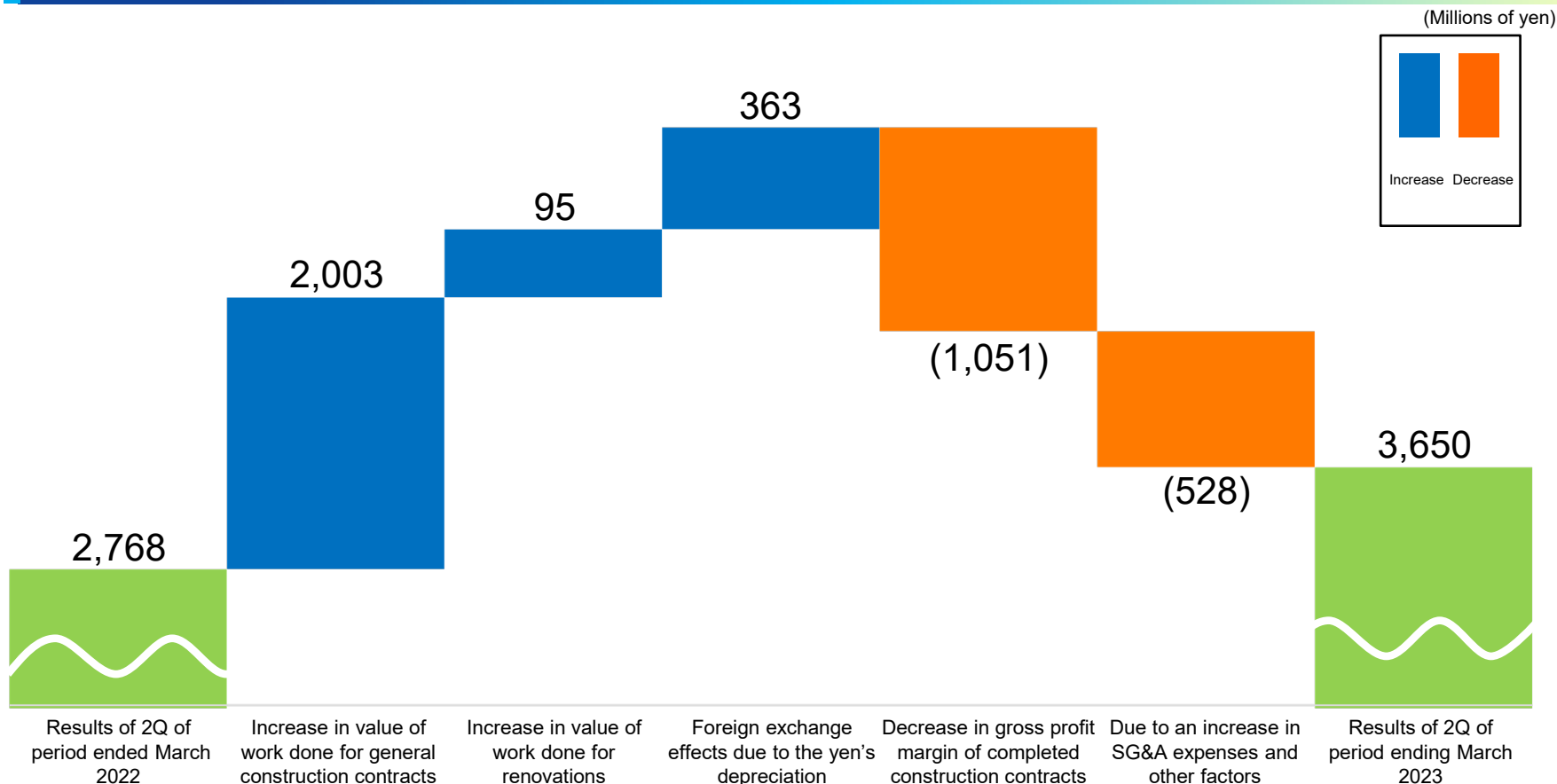
(Millions of yen)

	2nd Quarter of period ended March 2022	2nd Quarter of period ending March 2023	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	143,043	163,782	20,738	14.5%
Net sales of construction contract orders received	107,423	124,966	17,542	16.3%
Net sales of completed construction contracts	65,780	82,690	16,909	25.7%
Gross profit on completed construction contracts	8,857	10,364	1,507	17.0%
Gross profit margin of completed construction contracts (%)	13.5%	12.5%	-0.9p	—
Operating profit	2,768	3,650	881	31.8%
Operating profit margin (%)	4.2%	4.4%	0.2p	—
Ordinary profit	3,044	4,330	1,286	42.3%
Ordinary profit margin (%)	4.6%	5.2%	0.6p	—
Net profit attributable to owners of parent	2,077	3,045	967	46.6%
Net profit margin (%)	3.2%	3.7%	0.5p	—

Business environment and the Company's performance summary

- Net sales of construction contract orders received increased significantly year-on-year as a result of strong orders for redevelopment projects and industrial facilities against the backdrop of corporations' increasing demand for capital investment.
- Amid intensifying competition for order acquisition and soaring prices of materials and equipment, profits did not improve as expected, and the gross profit margin of completed construction contracts declined. Uncompleted construction contracts, however, carried over from the previous period and the increase in construction contract orders received during the current period pushed up net sales of completed construction contracts, and gross profit on completed construction contracts increased accordingly.
- As a result of the above, both sales and profits increased.

Breakdown of increase in consolidated operating profit



- The increase in profit from general construction is attributable to considerable progress on large-scale construction projects such as medical facilities, airports, and redevelopment projects. The increase in profit from renovations is attributable to the considerable progress on large-scale construction projects such as factories and data centers.
- The rapid depreciation of the yen that began at the end of the previous period continued in the current period, resulting in an increase in foreign currency-denominated sales at our overseas branches, which contributed to profits.
- For construction projects making progress in the current period, amid intensifying competition for order acquisition and soaring prices of materials and equipment, the expected improvement in profits was not realized, resulting in a decline in the gross profit margin of completed construction contracts.

Trends in consolidated net sales by construction type

(Millions of yen)

		2nd Quarter of period ended March 2022	2nd Quarter of period ending March 2023	Increase (Decrease)	Change rate	
Orders received	Electrical installations	12,340	18,647	6,306	51.1%	
	Air conditioning and plumbing installations	Air conditioning installations	70,667	78,799	8,132	11.5%
		Plumbing installations	24,415	27,519	3,103	12.7%
		Subtotal	95,082	106,318	11,236	11.8%
	Total	107,423	124,966	17,542	16.3%	
Net sales (completed)	Electrical installations	10,418	13,970	3,551	34.1%	
	Air conditioning and plumbing installations	Air conditioning installations	38,630	49,091	10,461	27.1%
		Plumbing installations	16,732	19,628	2,896	17.3%
		Subtotal	55,362	68,720	13,357	24.1%
	Total	65,780	82,690	16,909	25.7%	
Net sales (uncompleted)	Electrical installations	23,807	28,140	4,332	18.2%	
	Air conditioning and plumbing installations	Air conditioning installations	117,975	135,341	17,366	14.7%
		Plumbing installations	42,903	42,575	(327)	-0.8%
		Subtotal	160,878	177,917	17,039	10.6%
	Total	184,685	206,057	21,371	11.6%	

- Orders received posted an increase in both electrical installations and air conditioning and plumbing installations thanks to orders mainly for airports, data centers, factories, and heat source construction works for overseas resort facilities.
- Net sales (completed) increased due to progress on large-scale construction projects such as airports and medical facilities.
- Net sales (uncompleted) increased as uncompleted construction contracts carried over from the previous period and construction contract orders received during the current period increased.

* The "Air conditioning and plumbing installations" category has been set as a total of air conditioning installations and plumbing installations.

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

(Millions of yen)

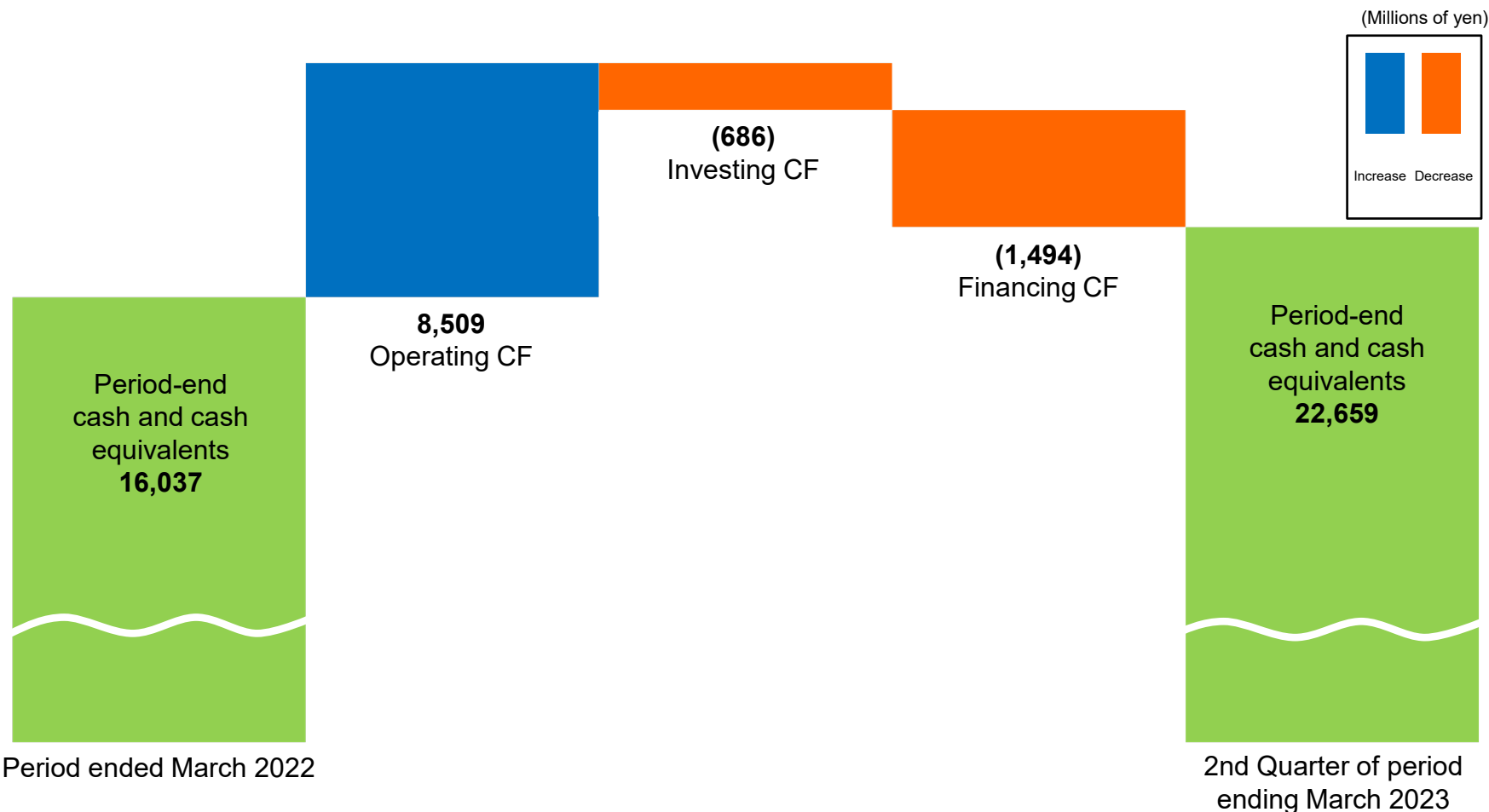
	Period ended March 2022	2nd Quarter of period ending March 2023	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	77,242	79,055	1,813	2.3%	Quarterly net profit exceeded dividend of surplus.
Total assets	139,099	137,220	(1,879)	-1.4%	Liabilities recorded in the previous period were paid off.
Book value per share (BPS)	3,603.11 yen	3,684.74 yen	81.62 yen	2.3%	
Price book-value ratio (PBR)	0.58 times	0.58 times	—	—	(Reference) Closing stock price as of Mar. 31, 2022: 2,099 yen Closing stock price as of Sept. 30, 2022: 2,141 yen
Equity capital ratio	55.4%	57.5%	2.1p	—	

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

(Millions of yen)

	2nd Quarter of period ended March 2022	2nd Quarter of period ending March 2023	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	(846)	8,509	9,356	—	Trade receivables were collected at a good pace.
Cash flows from investing activities	(945)	(686)	258	—	Reconstruction of Hokuriku Branch, demonstration test building of Technical Research Laboratory, etc.
Cash flows from financing activities	(1,404)	(1,494)	(89)	—	Dividend payment
Cash and cash equivalents at beginning of period	31,747	16,037	(15,710)	-49.5%	
Increase/decrease in cash and cash equivalents	(3,203)	6,621	9,824	—	
Cash and cash equivalents at end of quarter	28,544	22,659	(5,885)	-20.6%	

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



- Regarding the breakdown of cash flows, while Operating CF (trade receivables collected at a good pace) increased, Investing CF (reconstruction of Hokuriku Branch, demonstration test building of Technical Research Laboratory, etc.) and Financing CF (dividend payment) decreased due to different factors.
- We have signed commitment credit line agreements with three banks for efficient working capital financing.



**Second Quarter Financial Results
for the Period Ending March 2023**

**Second Quarter
Financial Closing
Highlights**

Renovations, direct orders, and public works

(Millions of yen)

	Period ended March 2022			Period ending March 2023	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Renovations	49,326	39,898	89,224	49,121	(204)	-0.4%
Ratio of renovations (%)	45.9%	52.3%	48.6%	39.3%	-6.6p	—
Mid-to-large renovations	33,014	21,591	54,605	23,578	(9,435)	-28.6%
Small-scale renovations	16,312	18,307	34,619	25,543	9,231	56.6%
General construction works	58,096	36,346	94,443	75,844	17,747	30.5%
Total orders received	107,423	76,245	183,668	124,966	17,542	16.3%
Of which, direct orders	50,524	36,460	86,985	55,333	4,809	9.5%
Ratio of direct orders (%)	47.0%	47.8%	47.4%	44.3%	-2.8p	—
Of which, public works	21,127	10,275	31,403	12,381	(8,746)	-41.4%
Ratio of public works (%)	19.7%	13.5%	17.1%	9.9%	-9.8p	—

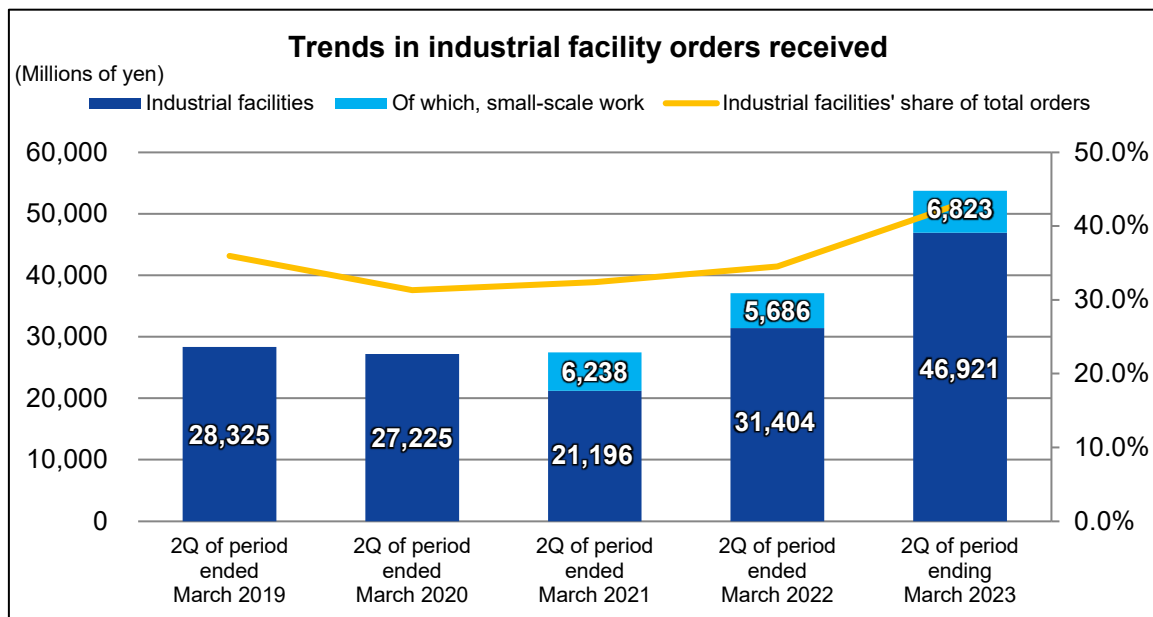
- Renovations remained almost unchanged year-on-year due to a reactionary drop following large-scale projects received in the previous period, although small-scale projects posted an increase.
- General construction works increased year-on-year thanks to orders received for redevelopment projects and industrial facilities in Japan, and heat source construction works for overseas resort facilities.
- The increase in direct orders is attributable to the above-mentioned industrial facility and overseas construction works.
- The decrease in public works is attributable to the reactionary drop following large-scale projects received in the previous period.

Industrial facilities

(Millions of yen)

	Period ended March 2022			Period ending March 2023	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Total industrial facilities	37,090	37,543	74,633	53,744	16,654	44.9%
(Share of total orders: %)	34.5%	49.2%	40.6%	43.0%	8.5p	—
Total orders received	107,423	76,245	183,668	124,966	17,542	16.3%

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

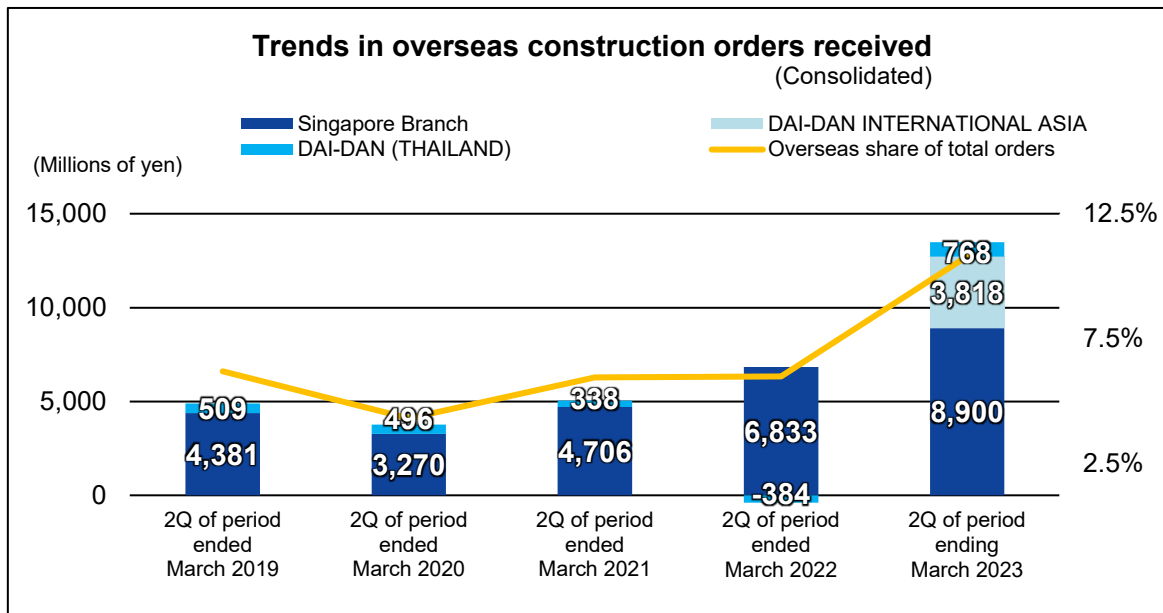


- New factory construction and data center expansion are on an increasing trend, backed by corporations’ recovering interest in investment. During the current period, we received multiple orders for related projects.
- As a result of the above, we received the largest amount of orders in the last five years.

Overseas operations

- Singapore Branch, DAI-DAN INTERNATIONAL ASIA PTE. LTD. (Singapore), DAI-DAN (THAILAND) CO., LTD., and DAI-DAN (VIETNAM) CO., LTD. are the bases of our overseas operations.
- As our new overseas bases, we established DAI-DAN Taiwan Co., Ltd. in the current fiscal year. (Millions of yen)

	Period ended March 2022			Period ending March 2023	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Total overseas orders received (consolidated)	6,449	4,937	11,386	13,486	7,037	109.1%
(Share of total orders: %)	6.0%	6.5%	6.2%	10.8%	4.8p	—
Total orders received	107,423	76,245	183,668	124,966	17,542	16.3%



- Singapore is moving toward “coexisting with Covid-19,” and now order receiving activities and construction site operation are returning to the pre-pandemic condition.
- During the current period, orders were received for heat source construction works for large-scale resort facilities in Singapore and total overseas orders doubled from a year earlier.

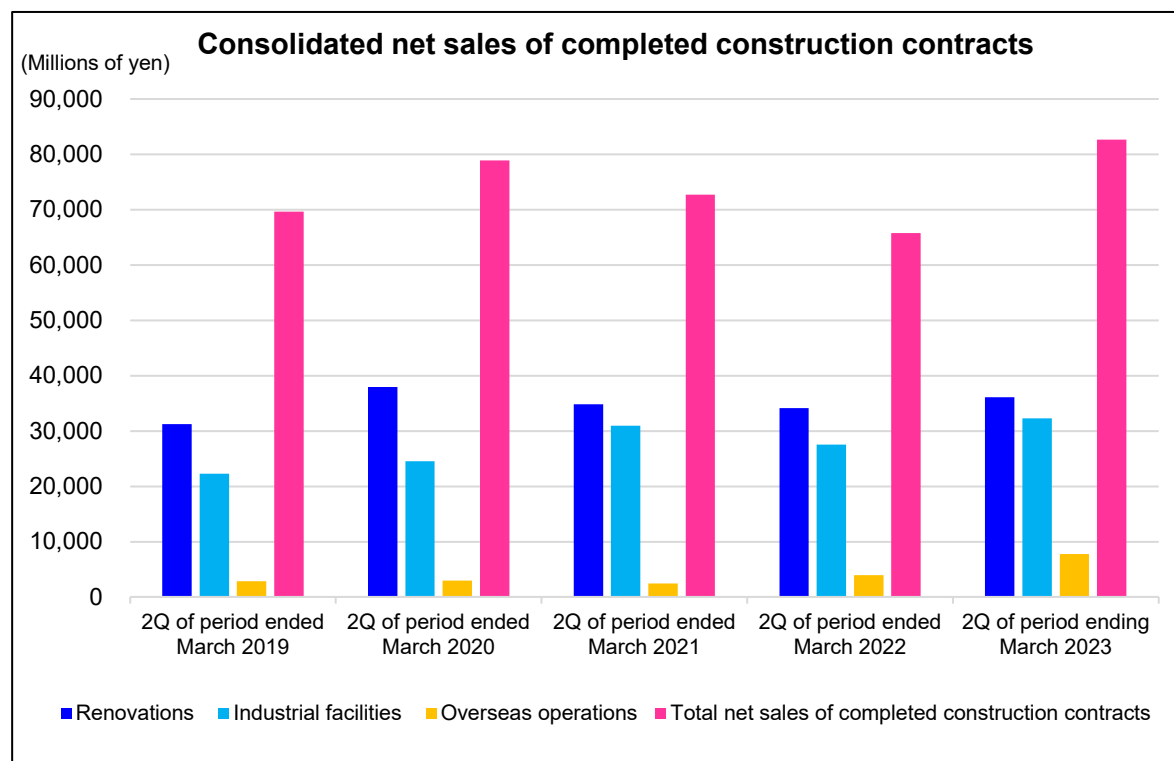
* The negative figure in DAI-DAN (THAILAND) for 2Q of the period ended March 2022 is due to cancellation of an order received for large-scale construction.

Status of completed construction contracts

(Millions of yen)

	Second quarter of period ended March 2022		Second quarter of period ending March 2023		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Total net sales of completed construction contracts	65,780	100.0%	82,690	100.0%	16,909	25.7%
Of which;						
(Renovations)	34,125	51.9%	36,092	43.6%	1,966	5.8%
(Industrial facilities)	27,565	41.9%	32,305	39.1%	4,740	17.2%
(Overseas operations)	3,931	6.0%	7,794	9.4%	3,863	98.3%

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



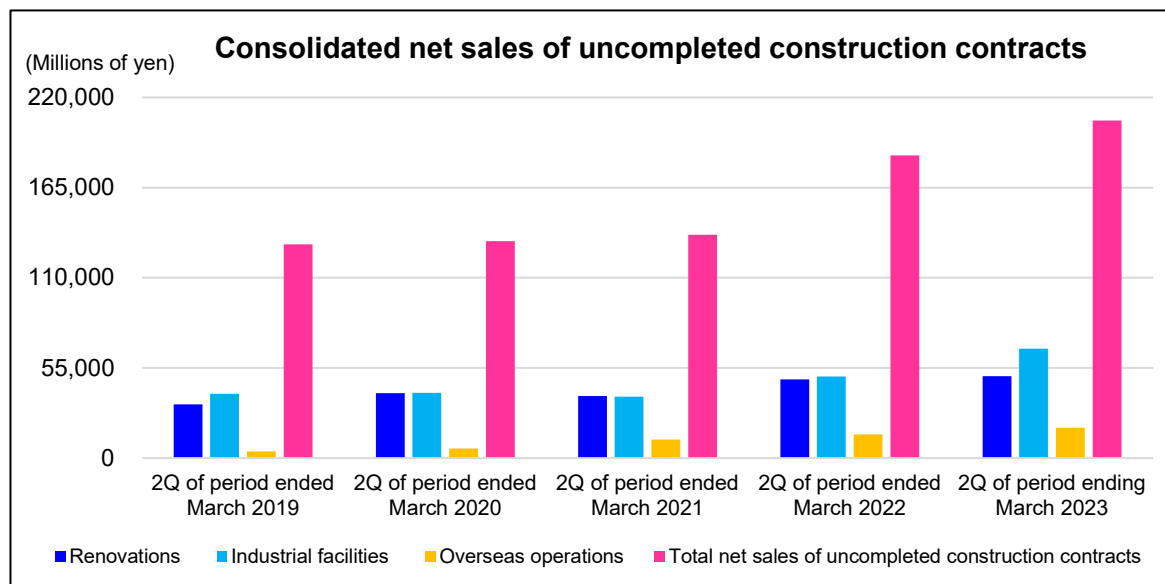
- The increase in renovations, industrial facilities, and overseas operations is largely a result of progress in large-scale construction projects, especially factories and data centers, with a doubling of overseas operations.
- In addition to the above, large-scale construction projects such as airports and medical facilities made progress, causing net sales of completed construction contracts to grow for the current period.

Status of uncompleted construction contracts

(Millions of yen)

	Second quarter of period ended March 2022		Second quarter of period ending March 2023		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	143,043	—	163,782	—	20,738	14.5%
Net sales of construction contract orders received	107,423	—	124,966	—	17,542	16.3%
Net sales of completed construction contracts	65,780	—	82,690	—	16,909	25.7%
Net sales of uncompleted construction contracts	184,685	100.0%	206,057	100.0%	21,371	11.6%
Of which; (Renovations)	48,055	26.0%	49,925	24.2%	1,870	3.9%
(Industrial facilities)	49,781	27.0%	66,699	32.4%	16,918	34.0%
(Overseas operations)	14,384	7.8%	18,531	9.0%	4,146	28.8%
Of these, contracts to be completed in the second half of the year	74,743	—	80,256	—	5,513	7.4%

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



- As for uncompleted construction contracts for the current period, net sales of construction contract orders received exceeded net sales of completed construction contracts, posting year-on-year growth.
- The highest net sales of uncompleted construction contracts in the last five years were posted in the current period, meaning a sufficient volume of construction works has been secured.
- A sufficient volume of unfinished construction projects has been secured, especially for large-scale projects such as medical facilities, redevelopment projects, and industrial facilities, and these will contribute to the value of work done for the second half of the year and beyond.

Quarterly operating results

(Millions of yen)

		Period ended March 2022	Period ending March 2023	Increase (Decrease)	Change rate
Net sales of construction contract orders received	April–June	44,698	66,712	22,014	49.3%
	July–September	62,725	58,253	(4,471)	-7.1%
	April–September	107,423	124,966	17,542	16.3%
Net sales of completed construction contracts	April–June	27,257	35,342	8,085	29.7%
	July–September	38,523	47,348	8,825	22.9%
	April–September	65,780	82,690	16,909	25.7%
Operating profit	April–June	528	818	289	54.7%
	July–September	2,240	2,832	592	26.4%
	April–September	2,768	3,650	881	31.8%

- For the period from April to June, net sales of construction contract orders received posted an increase from the previous period as orders for redevelopment and industrial facility projects were received on a steady basis. Consistent progress in uncompleted construction contracts carried over from the previous period, causing both net sales of completed construction contracts and operating profit to grow.
- For the period from July to September, net sales of construction contract orders received decreased from the previous period due to a reactionary decline following large-scale projects received in the previous period. Consistent progress in uncompleted construction contracts, however, pushed up both net sales of completed construction contracts and operating profit increased compared to the previous period.



**Second Quarter Financial Results
for the Period Ending March 2023**

**Full-Year Earnings
Forecast for the
Period Ending
March 2023**

Environment and strategy to obtain orders

[Current status]

- Orders for shops and department stores have recovered to pre-pandemic levels, and orders for factories and data centers have further expanded. Additionally, overseas operations are growing faster than originally planned.

[Outlook]

- Capital investment, which had been postponed due to the impact of Covid-19, has resumed. Capital investment is increasing more than the pre-pandemic level in semiconductors and data centers as society becomes more digital, as well as in EV (electric vehicle) components and vehicle-mounted batteries trending toward a decarbonized society.
- With regard to pharmaceutical facilities, projects subsidized by the Ministry of Economy, Trade and Industry (METI) to strengthen the vaccine production system have driven expansion of facilities, leading to an increase in inquiries.
- Orders for large-scale projects such as industrial facilities are also strong. Our strategy is to secure orders for construction works to be carried over to the next period and beyond, taking into consideration installer capacity and profitability.

Regarding profitability

- Amid a sharp rise in material and equipment costs and labor costs, we are making efforts to reduce the impact by placing orders early and examining costs before placing orders, though the situation remains severe.

Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2022			Period ending March 2023			Year-on-year change, full year	
	First half year	Second half year	Full year	First half year	Second half year (Forecast)	Full year (Forecast)	Increase (Decrease)	Change rate
Net sales of construction contract orders received	107,423	76,245	183,668	124,966	68,034	193,000	9,332	5.1%
Net sales of completed construction contracts	65,780	97,149	162,929	82,690	97,310	180,000	17,071	10.5%
Gross profit on completed construction contracts	8,857	11,866	20,723	10,364	12,636	23,000	2,277	11.0%
Gross profit margin of completed construction contracts (%)	13.5%	12.2%	12.7%	12.5%	13.0%	12.8%	0.1p	–
Operating profit	2,768	4,816	7,584	3,650	4,850	8,500	916	12.1%
Operating profit margin (%)	4.2%	5.0%	4.7%	4.4%	5.0%	4.7%	0.1p	–
Ordinary profit	3,044	5,051	8,095	4,330	4,370	8,700	605	7.5%
Ordinary profit margin (%)	4.6%	5.2%	5.0%	5.2%	4.5%	4.8%	-0.1p	–
Net profit attributable to owners of parent	2,077	3,701	5,778	3,045	2,955	6,000	222	3.8%
Net profit margin (%)	3.2%	3.8%	3.5%	3.7%	3.0%	3.3%	-0.2p	–

Preconditions for earnings forecast

- Net sales of completed construction contracts are expected at 180,000 million yen, an increase of 5,000 million yen from the previously announced forecast of 175,000 million yen, mainly due to strong orders received in the first half year, which will contribute to the value of work done for the current period.
- Although net sales of construction contract orders received were favorable in the first half of the year, there is no change from the forecast announced on May 11, 2022, taking into consideration installer capacity for the next period onward and other factors.
- As for profits, given future price and labor cost increases and other factors, there is no change from the earnings forecast announced on May 11, 2022.

Shareholder return policy

- We consider returning profits to our shareholders through profit distribution as the most important management issue and strive to build a sound financial structure.
- We have a dividend policy of striving for a payout ratio of 30% or more as per the numerical targets in our Mid-Term Management Plan.

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 2021	45.00	45.00	90.00	1,949	30.8%	2.7%
Period ended March 2022	45.00	45.00	90.00	1,935	33.3%	2.5%
Period ending March 2023 (Forecast)	45.00	55.00	100.00	—	35.7%	—

- We will celebrate the 120th anniversary of our company's founding on March 4, 2023. We would like to express our sincere gratitude to all of our shareholders and other stakeholders for their support.
As a token of our gratitude to all the shareholders who have supported us, we will pay an ordinary dividend of 90 yen, plus a dividend of 10 yen to commemorate the 120th anniversary of our company's founding, totaling 100 yen as an annual dividend per share (an interim dividend of 45 yen and a year-end dividend of 55 yen) for the current fiscal year.

Purchase of treasury shares

- We will consider it as appropriate aiming for returning profits to our shareholders and improving capital efficiency.



**Second Quarter Financial Results
for the Period Ending March 2023**

Progress Status of Mid-Term Management Plan

“Preparation Stage” FY2021–2023

“Preparation Stage”

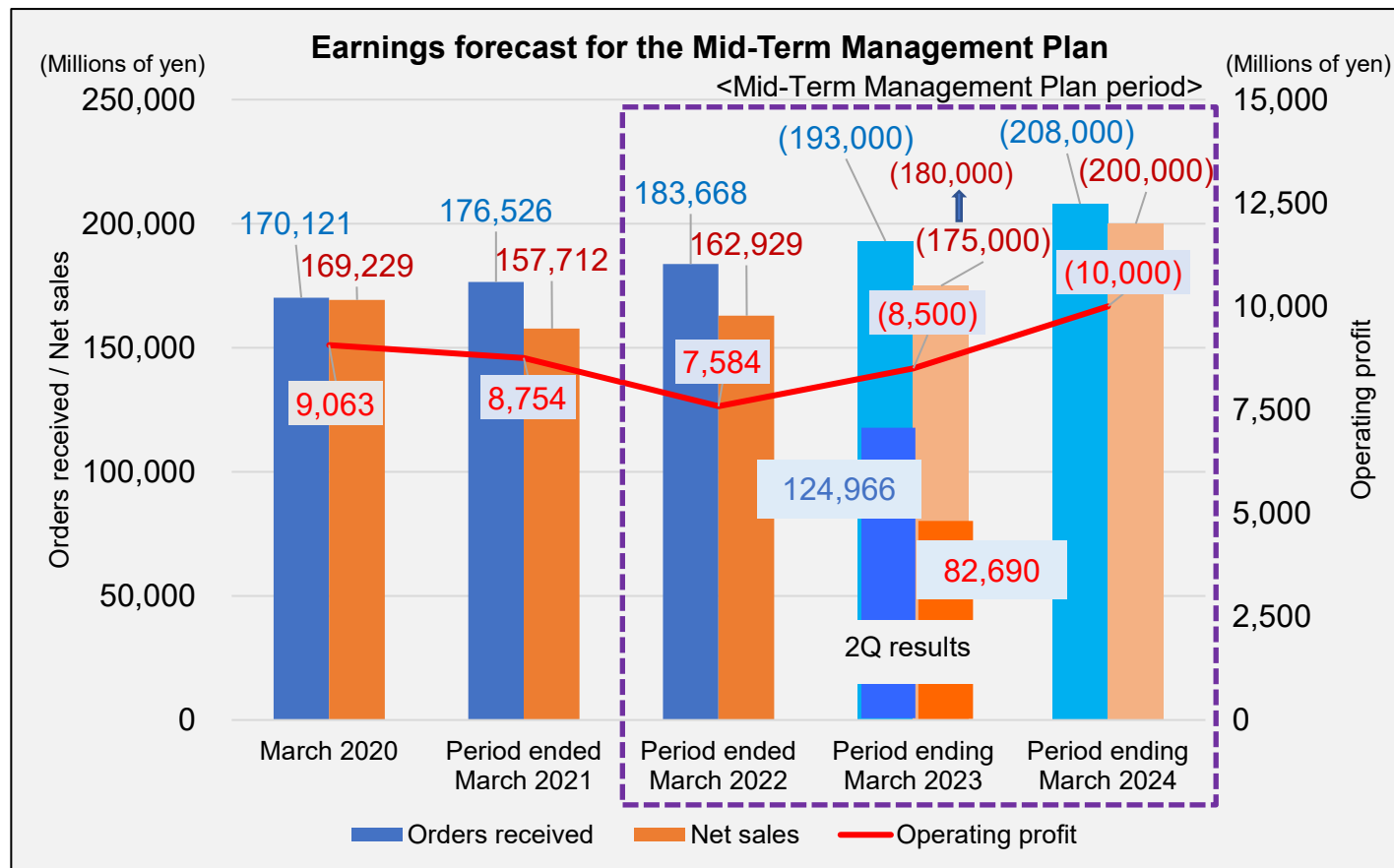
- A “Preparation Stage” to improve and strengthen our domestic and overseas foundations toward the Long-term Vision 2030.
- Take on the challenges of entering new businesses and establish a group structure to expand consolidated sales.
- Aiming to become a “company that creates space value,” and deliver value to a wide range of customers.

Business strategies	Strategy of “Preparation Stage” FY2021–2023	Implementation status of measures
Expand core businesses	<ul style="list-style-type: none"> • Increase industrial installations • Strengthen businesses of recurring revenue model 	<ul style="list-style-type: none"> • Engineers are appropriately assigned to electronic device factories, data centers, and other large-sized industrial facilities. • Customers are retained through active maintenance order acquisition activities in cooperation with subsidiaries.
Reinforce overseas business	<ul style="list-style-type: none"> • Develop a foundation to control overseas operations • Develop new bases 	<ul style="list-style-type: none"> • Domestic headquarters are supporting sales, technical proposals, and quality control for each project. • Amid the Covid-19 pandemic, remote sales activities have been strengthened in Vietnam, where we started operation in fiscal 2020.
Strengthen technological capabilities	<ul style="list-style-type: none"> • Strengthen on-site capabilities • Expand ZEB & IoT business 	<p>Details are provided in “Our Sustainability Initiatives.”</p>
Find new businesses	<ul style="list-style-type: none"> • Contribute to commercialization of regenerative medicine • Promote business that reduces environmental load 	

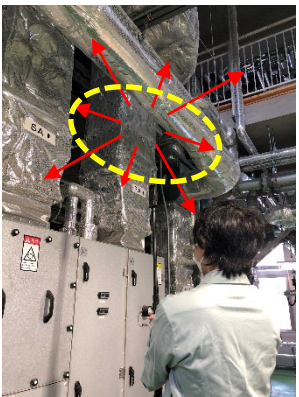
Mid-Term Management Plan Progress

<Orders received, Net sales, Operating profit>

- Promote measures to achieve targets in the Mid-Term Management Plan “Preparation Stage.” Increase orders toward the final-year targets of **200 billion yen in net sales** and **10 billion yen in operating profit** for the fiscal year ending March 31, 2024, and add up net sales in the current period. Continue to increase new hires and move ahead with DX to improve productivity.



Construction Visualizer 4D



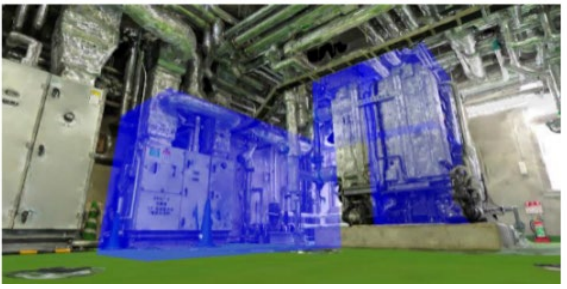
Omnidirectional camera capturing the site



Camera-centered images in all directions can be recorded at once.

Video data is processed by dedicated software.

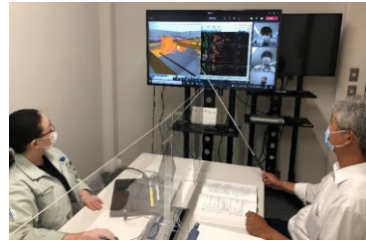
3D modeling of recorded current situation



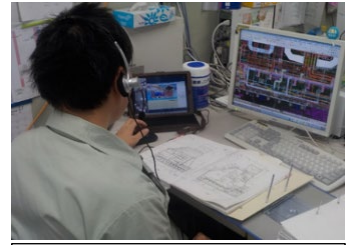
Even **properties to be renovated without existing drawings** can be utilized for construction planning.

Previous period (Full year)	Current period (First half of the year)
12 projects	9 projects

Remote Worksite Assistance Team



Drawing review on the branch side



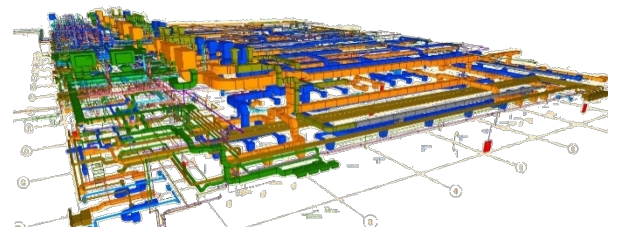
Worksite participation

For the purpose of efficient support from the head office and branch offices to construction sites scattered throughout various regions, multifaceted support is provided for process management and mutual on-site drawing preparation, utilizing web conference tools, cloud file servers, and common CAD software. Support is also provided from the head office to local branch properties.

Previous period (Full year)	Current period (First half of the year)
339 projects	279 projects

BIM Promotion

We are promoting the use of BIM as an important measure to improve design and construction quality and operational efficiency. We will continue to develop an operational environment for general-purpose BIM software, aiming to start full-scale operation in the next period.

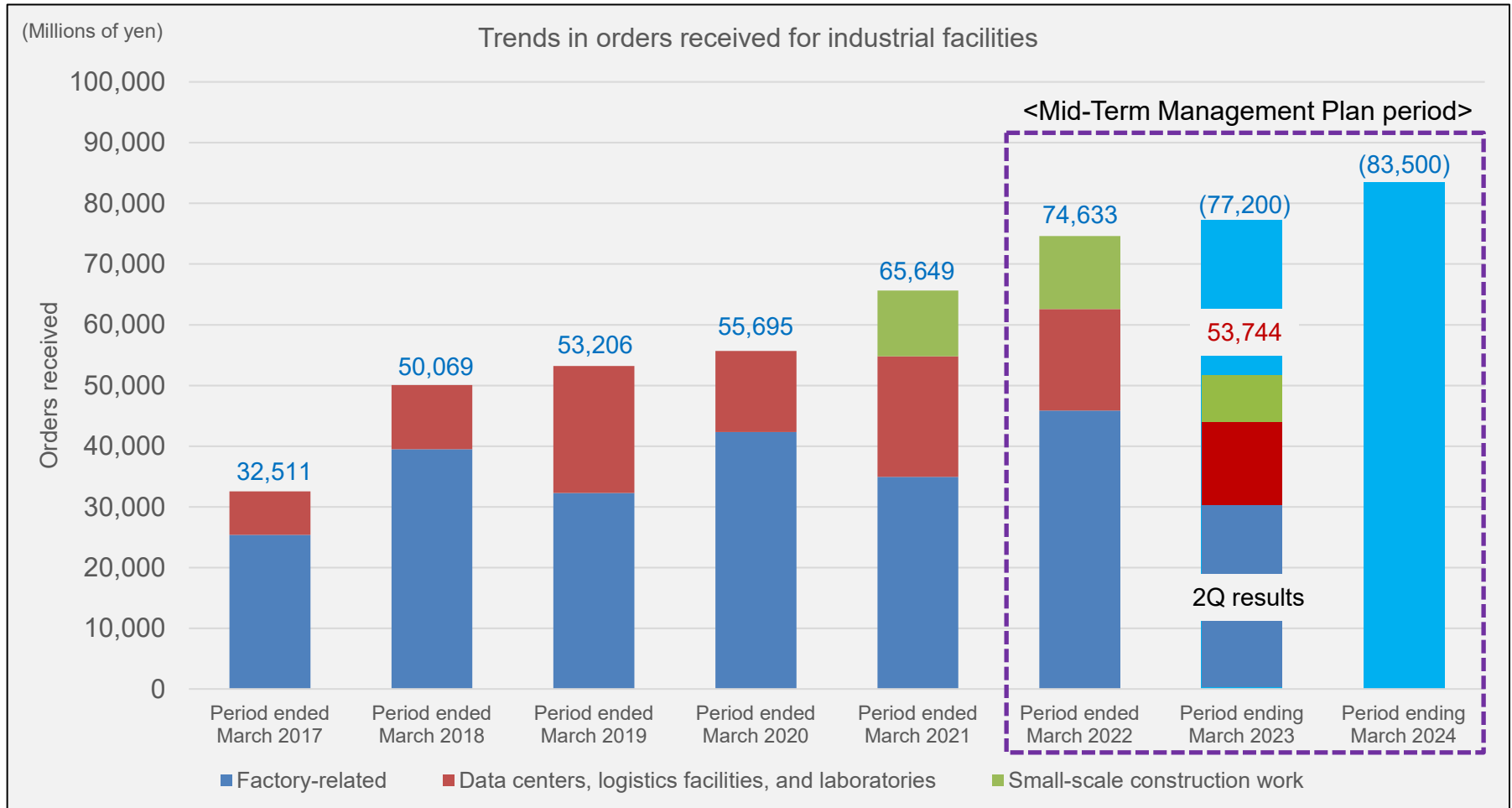


Previous period (Full year)	Current period (First half of the year)
52 projects	57 projects

Important measures for the Mid-Term Management Plan

<Expansion of industrial facility construction>

- In industrial facilities, expansion of electronic device factories and data centers is remarkable.
- Establishment of the Engineering Division in April 2022 to strengthen the design and installer capacities specializing in industrial facilities has contributed to an increase in orders.

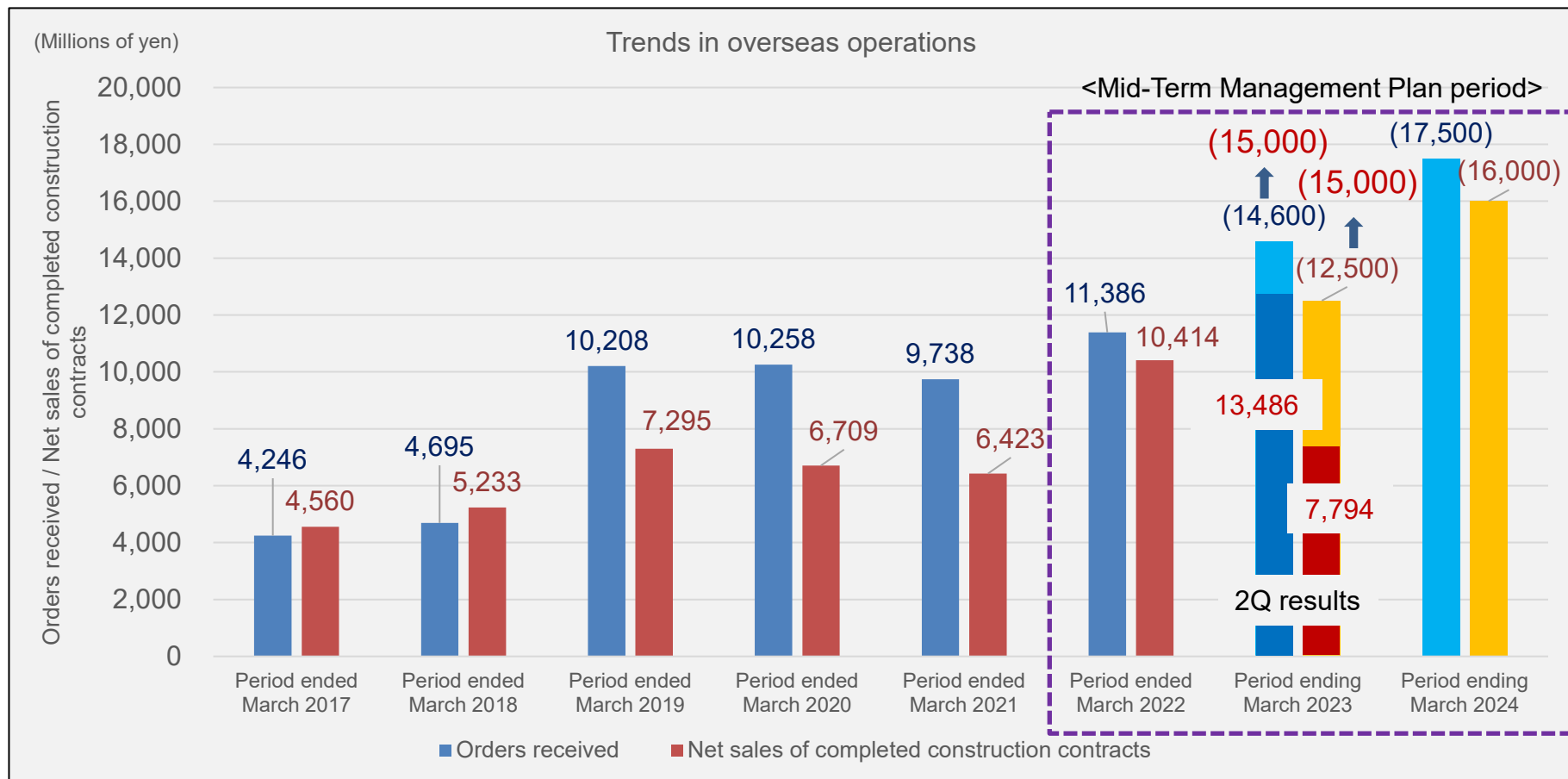


* Following the review of the construction category, small-scale construction work related to industrial facilities has been added from the period ended March 31, 2021.

<Strengthening of overseas operations>

- Business operations centered on Singapore and Thailand. Establishing local subsidiaries in Vietnam in October 2020 and Taiwan in April 2022.
- Since orders are favorable and net sales of completed construction contracts are growing steadily, we have added extra amounts to the initial plan.

[Orders received: 14.6 billion yen → 15.0 billion yen, Net sales of completed construction contracts: 12.5 billion yen → 15.0 billion yen]























**Second Quarter Financial Results
for the Period Ending March 2023**

**Our Sustainability
Initiatives**

Progress of materiality

With the aim of creating CSV businesses that generate new businesses from social issues, we report on items to be promoted in the global environment and life science fields, which are closely related to our technologies.

Our materiality items	Concrete measures	SDGs
Contribute to a decarbonized society	Increase in ZEB-related construction works	 
Keep up with changes in business environment through DX	On-site adoption of ICT-based technology	   
Realize a high-quality medical environment	Initiatives in the field of regenerative medicine	
Achieve innovation and improve productivity through research and fostering of human resources	Increase in intellectual property ownership	   
Health and safety conscious work environment that makes employees feel their work is rewarding	Improvement in employee satisfaction	   
Partnership with subcontractors and suppliers	Improvement in Meister retention rate	  

Initiatives toward decarbonization

Dissemination and expansion of ZEB



■ Social trend toward 2050 carbon neutrality

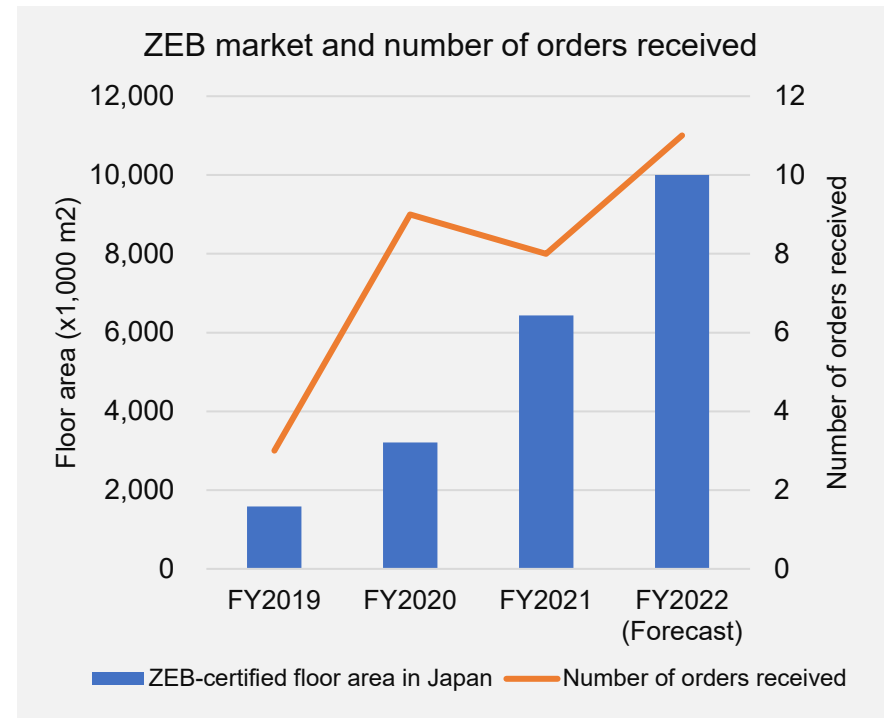
- Growing **expectations for ZEB** that contribute to the leveling of energy supply amid unstable international conditions
- **Gradual strengthening of energy saving standards** in accordance with the ZEB policy
- **Enhancement of subsidy programs** to encourage ZEB conversion
- New buildings will be ZEB in 2030 (government roadmap) → **ZEB technology is essential.**

■ ZEB orders received

- DAI-DAN's efforts, including the conversion of its own buildings to ZEB, have been highly regarded, establishing a corporate image that **ZEB is DAI-DAN's strength.** As a result, the number of orders received is increasing as the market expands.

■ Orders received through REMOVIS (cloud-based automatic control system)

- Continuous tuning after the construction completion is important for ZEB.
- REMOVIS is a system (developed by DAI-DAN) that enables **remote management, control, and tuning of facilities.**
- The system is expected to be **adopted to three projects** during the current period.



Initiatives toward decarbonization

Dissemination and expansion of ZEB



— 第 8 回 —

■ Promoting decarbonization by converting own buildings to ZEB

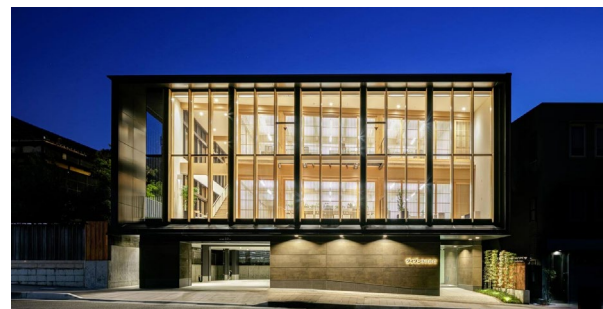
- Following Kyushu Branch in 2016, Shikoku Branch in 2019, and Hokkaido Branch in 2021, **Hokuriku Branch was completed** in May 2022.
- Many government agencies, design firms, general contractors, and other customers visited our branches.
→ **Contributed to the dissemination of ZEB.**
- Rebuilding of **Niigata Branch into a ZEB** is scheduled to be completed in December 2023.
→ Realization of **DX** in the installation process and work style

■ Utilization of operation data available only for our own buildings

- Analysis and tuning of operation data using REMOVIS are underway.
→ Compelling **design and construction proposals**



- ▲ Hokkaido Branch
- Received the Encouragement Award, Hokkaido Energy Saving and New Energy Award



- ▲ Hokuriku Branch
- A next-generation office building themed on a fusion of “tradition” and “innovation,” aiming for **both eco-friendliness and a comfortable working environment, harmonizing with the cityscape**
- A **wellness office** that improves the health and comfort of workers as well as intellectual productivity

JAPAN WOOD DESIGN AWARD 2022

ウッドデザイン賞

2022



JAPAN WOOD DESIGN AWARD 2022



BELS



この建物のエネルギー消費量 64%削減
2021年5月19日交付国土交通省告示に基づく第三者認証

■ Solving issues in the field of regenerative medicine by utilizing equipment technology

[1] Provide low-cost, high-quality cell processing facilities.

→ **Equipment and system sales business**

[2] Establish facilities and systems necessary for cell manufacturing.

→ **Contract cell manufacturing business**

• Promote the above through a subsidiary specializing in regenerative medicine.

→ Contribute to the field of regenerative medicine **in terms of both hardware and software.**

[1] Equipment and system sales business

• Propose facilities suited to customer needs based on our **engineering capabilities and experience in constructing well-known properties** in the field of regenerative medicine to the market expected to be worth ¥550 billion in 2030.



Keio University Hospital
(Blood (Kymriah), etc.)



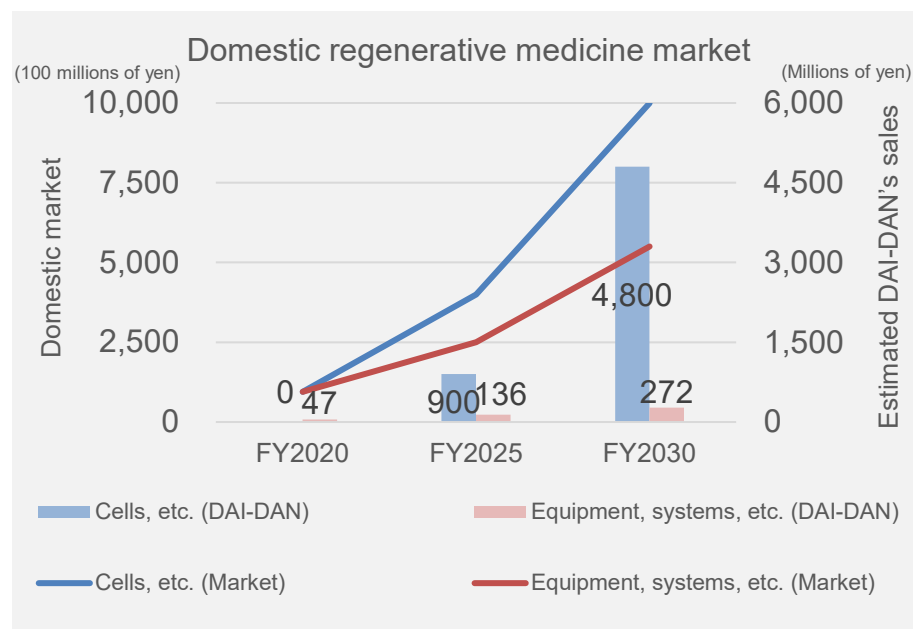
CUORiPS
(myocardia)



Mie University
(Cancer (CAR-T))

[2] Contract cell manufacturing business

- We plan to start **contract manufacturing of cancer therapeutic cells** developed by Gaia BioMedicine, Inc., a Kyushu University venture business.
 - Start of Phase I/II clinical trials for lung cancer
 - Start of investigator-initiated clinical trials for gastric cancer and pancreatic cancer



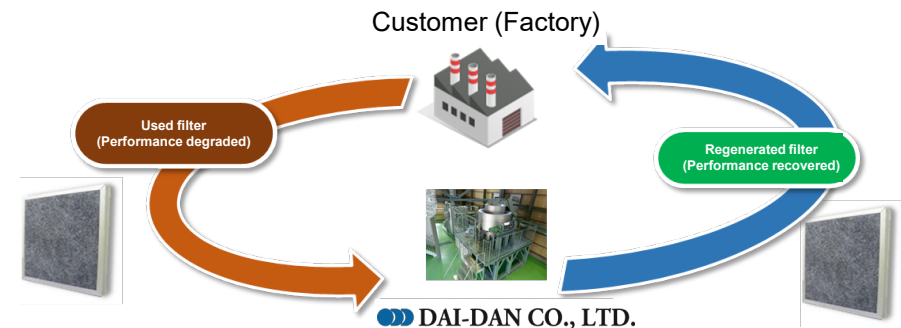
Waste reduction: Expansion of filter regeneration business

■ CSV Business aimed at solving environmental issues

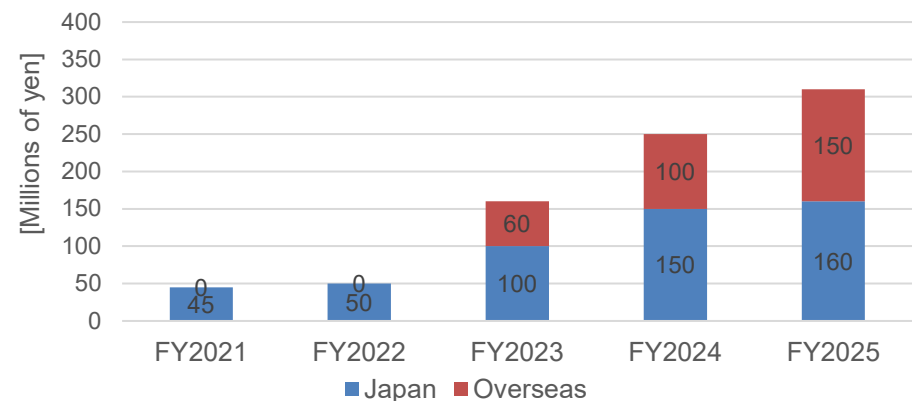
- **Reuse business** leveraging our one-of-a-kind “supercritical CO₂ regeneration technology”
- Filter regeneration service business recycling used air filters for semiconductor manufacturing equipment that were previously disposed of
- Decarbonization technology that not only contributes to **waste reduction** but is also expected to **reduce CO₂ emissions** by approx. 30%

■ Operations not only in Japan but also overseas

- A local subsidiary was established in Taiwan in April 2022. → **Sales activities started in Taiwan.**
- **Expand plant operations** for business expansion both in Japan and overseas → Expected to start operations in April 2023.
- New customers are being developed by leveraging our achievement in regeneration aiming to increase order receipt in Japan.



Sales plan for filter regeneration service business



Promoting sustainability-related initiatives

Environment

- Disclosure in line with TCFD recommendations



- Improvement of ESG rating agency FTSE score

Overall score 2.7 in 2021 ⇒ 3.0 in 2022

- Selected as a constituent of the FTSE Blossom Japan Sector Relative Index (493 companies)



**FTSE Blossom
Japan Sector
Relative Index**

- Conclusion of the “DAI-DAN Forest Making” agreement

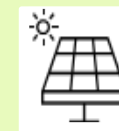


Forest Making agreement sites as of October 31, 2022

- Hokkaido
- Saitama Prefecture
- Mie Prefecture
- Ishikawa Prefecture
- Shiga Prefecture
- Okayama Prefecture
- Ehime Prefecture
- Kumamoto Prefecture



- Introduction of green electricity to head office, branch offices, etc.



Social

- Certified as a Health & Productivity Management Outstanding Corporation 2022 (Large Enterprise Category).



- Company-wide Overtime Work Reduction Project <SMILE 2024 Project> launched.

S 従業員の満足と Satisfaction

M 意欲を高めるために Motivation

I 創意工夫で Idea

L ゆとりと Leeway

E 効率を生み出す Efficiency

長時間労働是正に向けた 全社プロジェクト
SMILE 2024 Project

DAI-DAN 株式会社 人事総務部

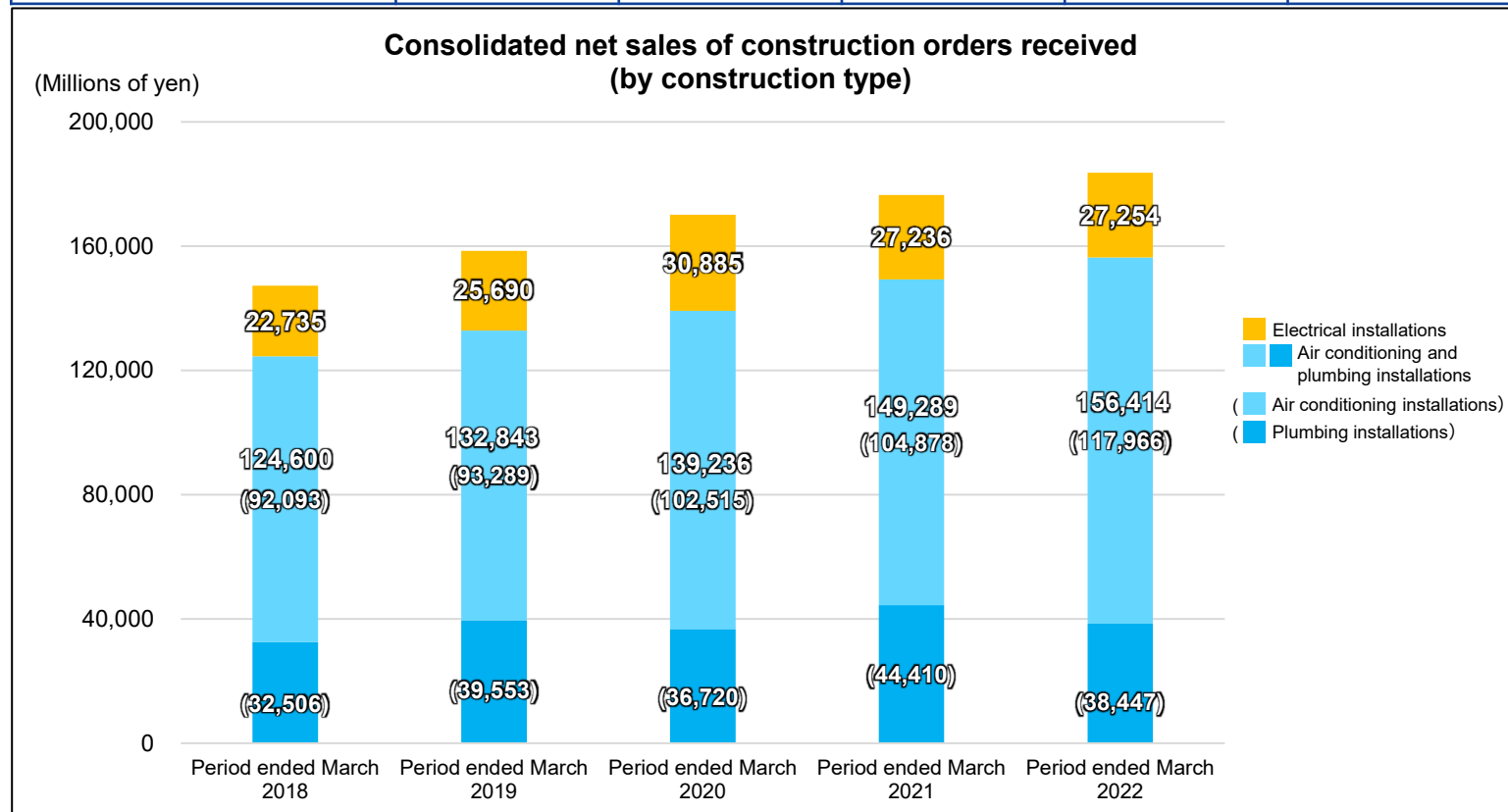


**Reference:
DATA FILE
(Full Year / Second
Quarter)**

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

(Millions of yen)

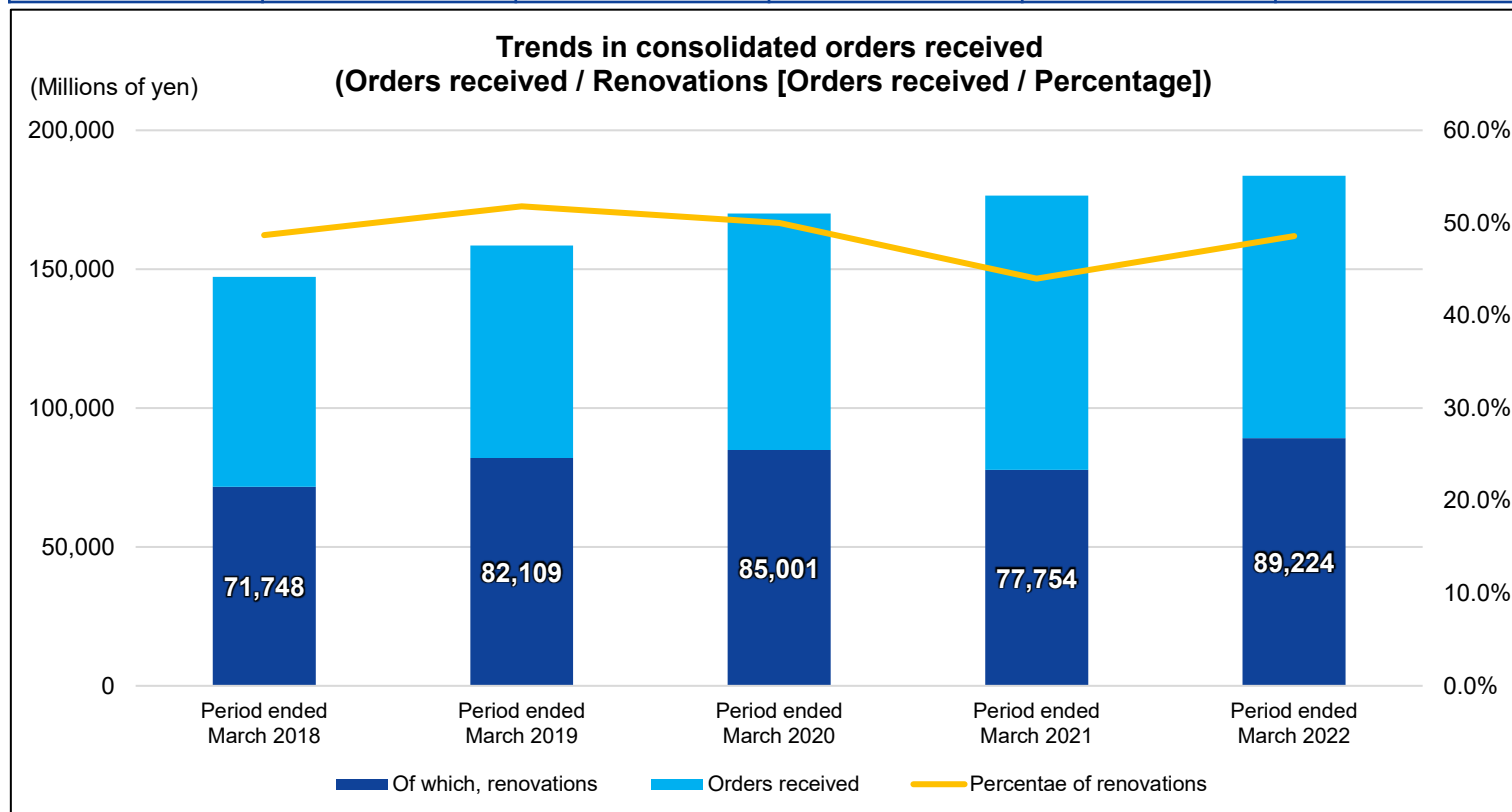
		Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
Electrical installations		22,735	25,690	30,885	27,236	27,254
Air conditioning and plumbing installations	Air conditioning installations	92,093	93,289	102,515	104,878	117,966
	Plumbing installations	32,506	39,553	36,720	44,410	38,447
	Subtotal	124,600	132,843	139,236	149,289	156,414
Total		147,335	158,533	170,121	176,526	183,668



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

(Millions of yen)

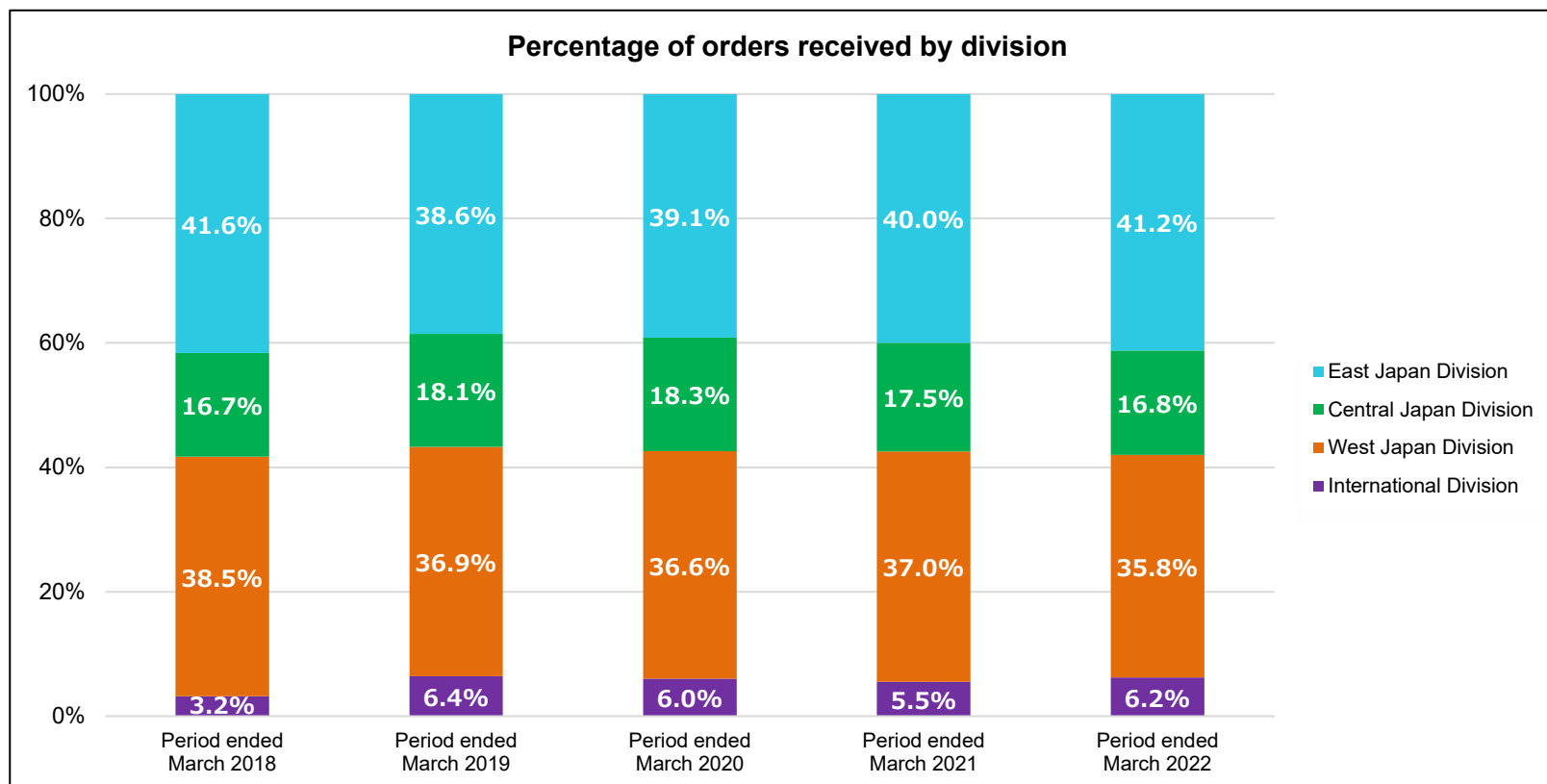
	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
Net sales of construction contract orders received	147,335	158,533	170,121	176,526	183,668
Renovations	71,748	82,109	85,001	77,754	89,224
Percentage of renovations	48.7%	51.8%	50.0%	44.0%	48.6%



Percentage of consolidated orders received by division (Full year)

Percentage of orders received

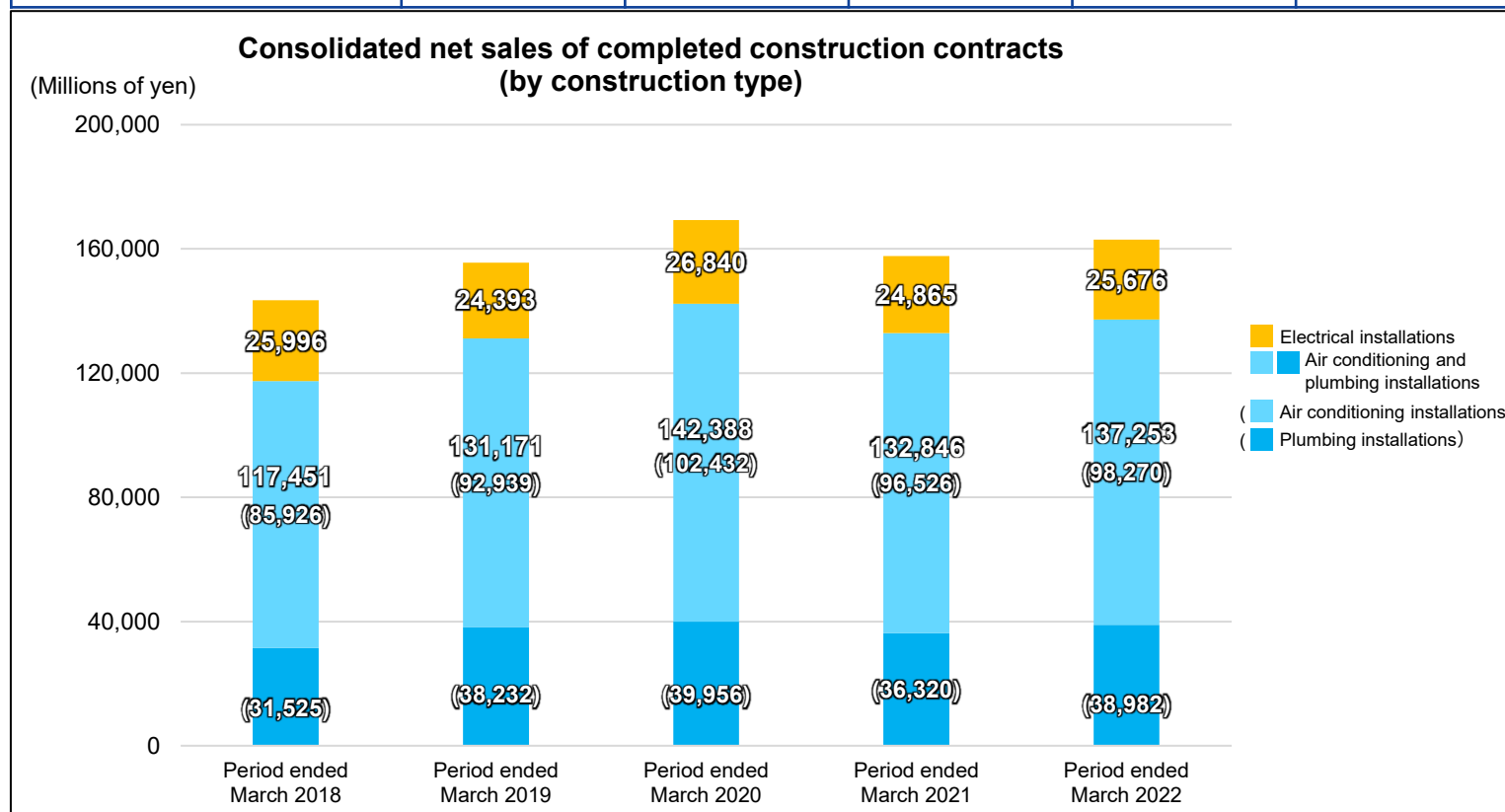
	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
East Japan Division	41.6%	38.6%	39.1%	40.0%	41.2%
Central Japan Division	16.7%	18.1%	18.3%	17.5%	16.8%
West Japan Division	38.5%	36.9%	36.6%	37.0%	35.8%
International Division	3.2%	6.4%	6.0%	5.5%	6.2%



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

(Millions of yen)

		Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
Electrical installations		25,996	24,393	26,840	24,865	25,676
Air conditioning and plumbing installations	Air conditioning installations	85,926	92,939	102,432	96,526	98,270
	Plumbing installations	31,525	38,232	39,956	36,320	38,982
	Subtotal	117,451	131,171	142,388	132,846	137,253
Total		143,448	155,565	169,229	157,712	162,929

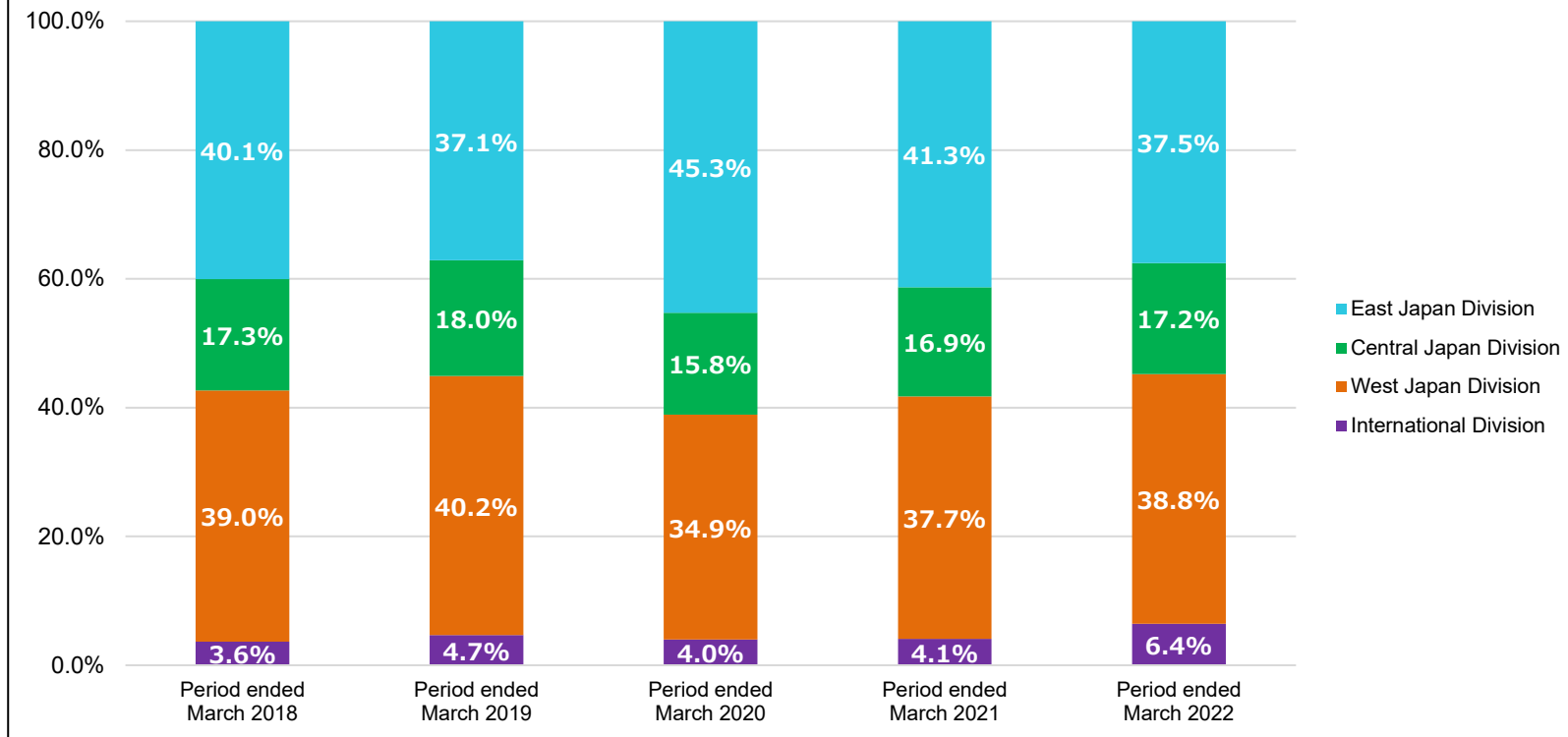


Percentage of consolidated net sales of completed construction contracts by division (Full year)

Percentage of net sales of completed construction contracts

	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
East Japan Division	40.1%	37.1%	45.3%	41.3%	37.5%
Central Japan Division	17.3%	18.0%	15.8%	16.9%	17.2%
West Japan Division	39.0%	40.2%	34.9%	37.7%	38.8%
International Division	3.6%	4.7%	4.0%	4.1%	6.4%

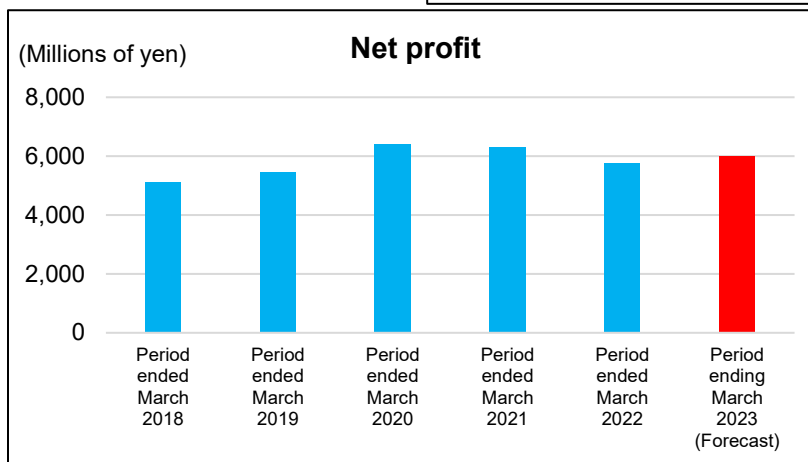
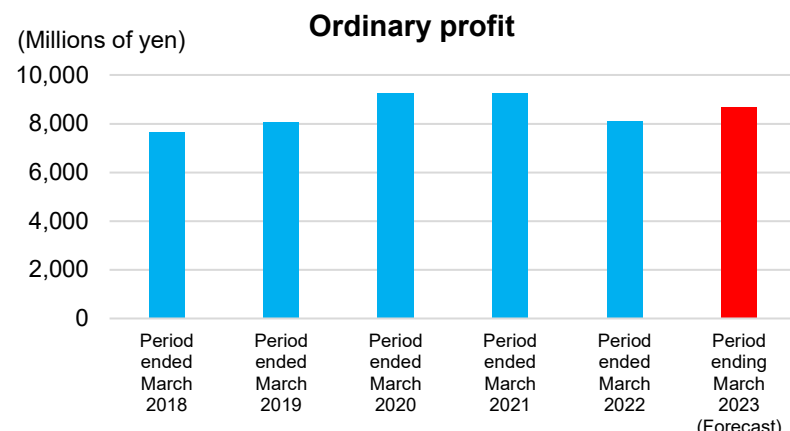
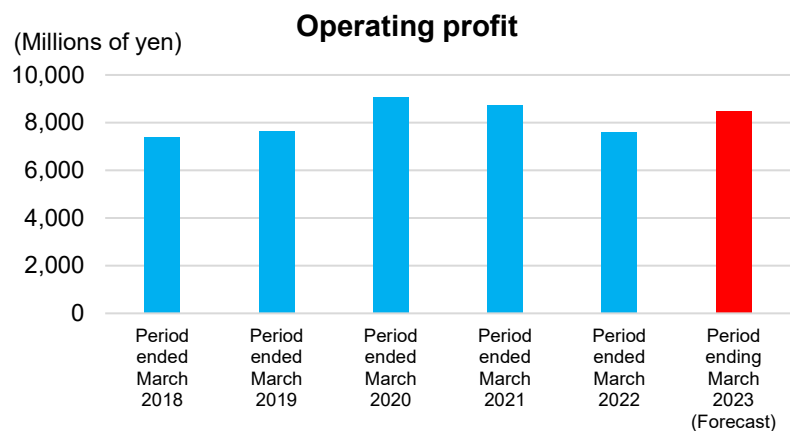
Percentage of net sales of completed construction contracts by division



Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

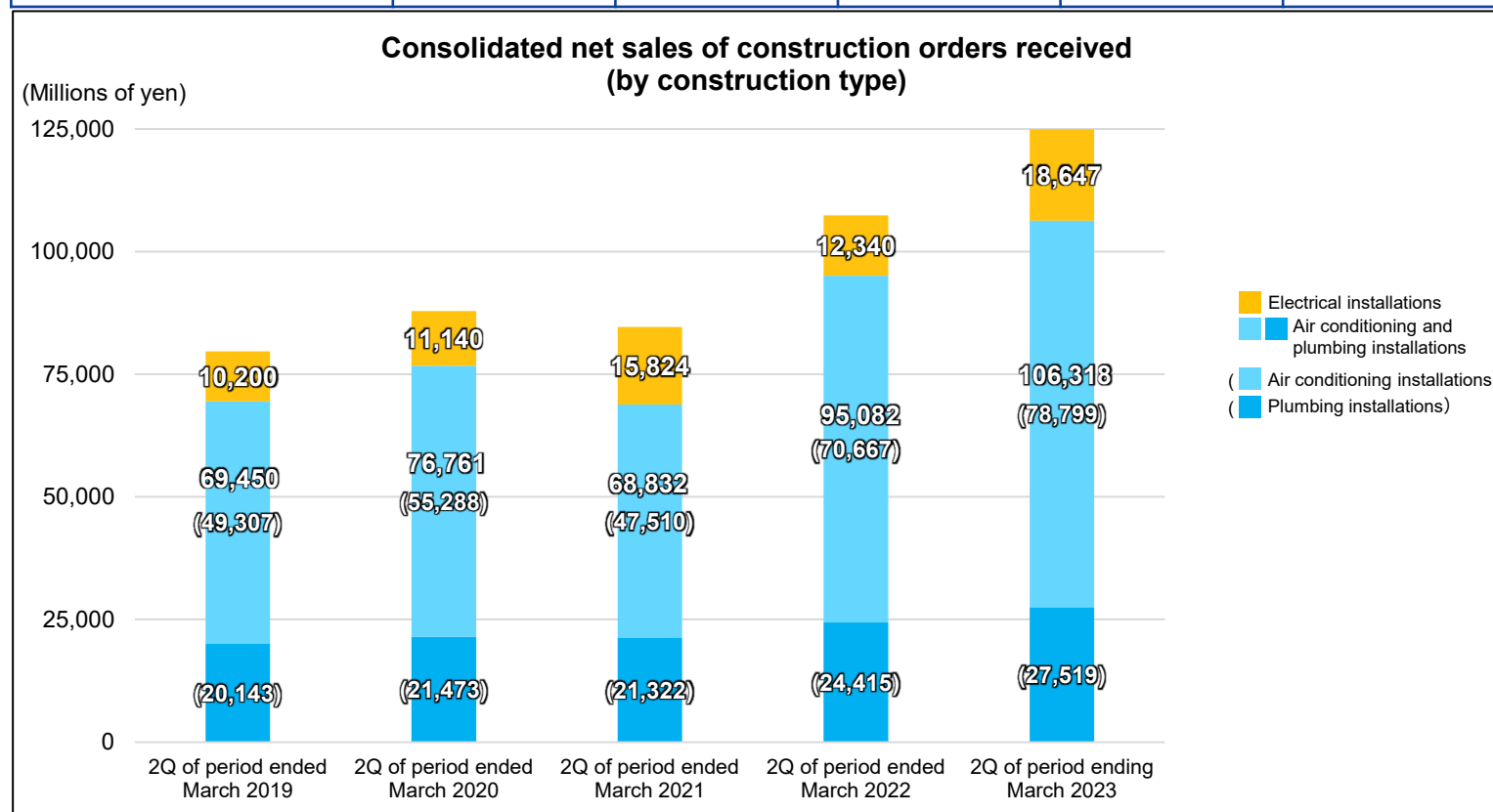
	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ending March 2023 (Forecast)
Operating profit	7,385	7,661	9,063	8,754	7,584	8,500
Ordinary profit	7,674	8,057	9,282	9,262	8,095	8,700
Net profit	5,109	5,464	6,399	6,318	5,778	6,000



Consolidated net sales of construction orders received by construction type (Second quarter)

(Millions of yen)

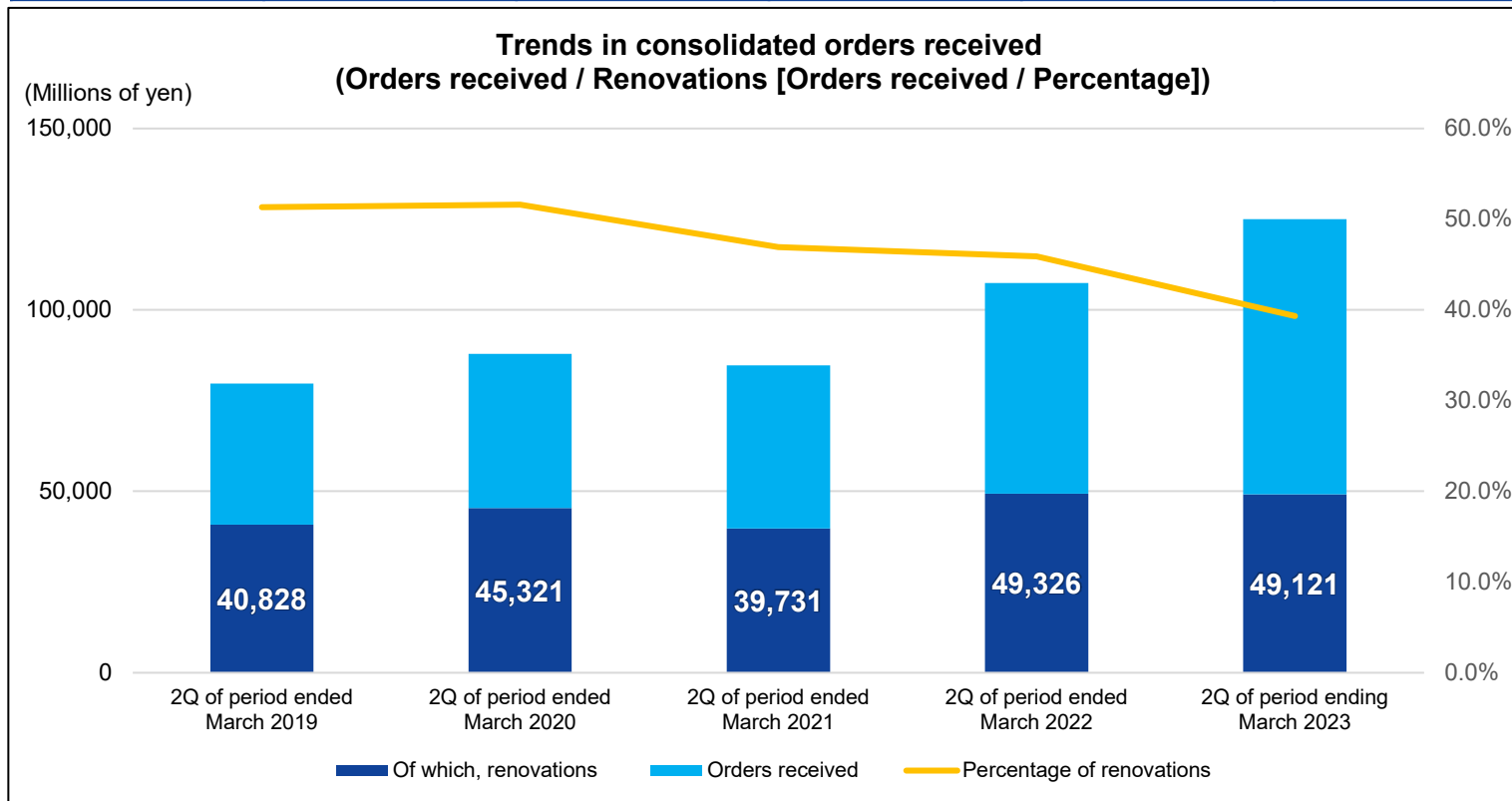
		Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
Electrical installations		10,200	11,140	15,824	12,340	18,647
Air conditioning and plumbing installations	Air conditioning installations	49,307	55,288	47,510	70,667	78,799
	Plumbing installations	20,143	21,473	21,322	24,415	27,519
	Subtotal	69,450	76,761	68,832	95,082	106,318
Total		79,650	87,902	84,656	107,423	124,966



Trends in consolidated orders received (Orders received / Renovations) (Second quarter)

(Millions of yen)

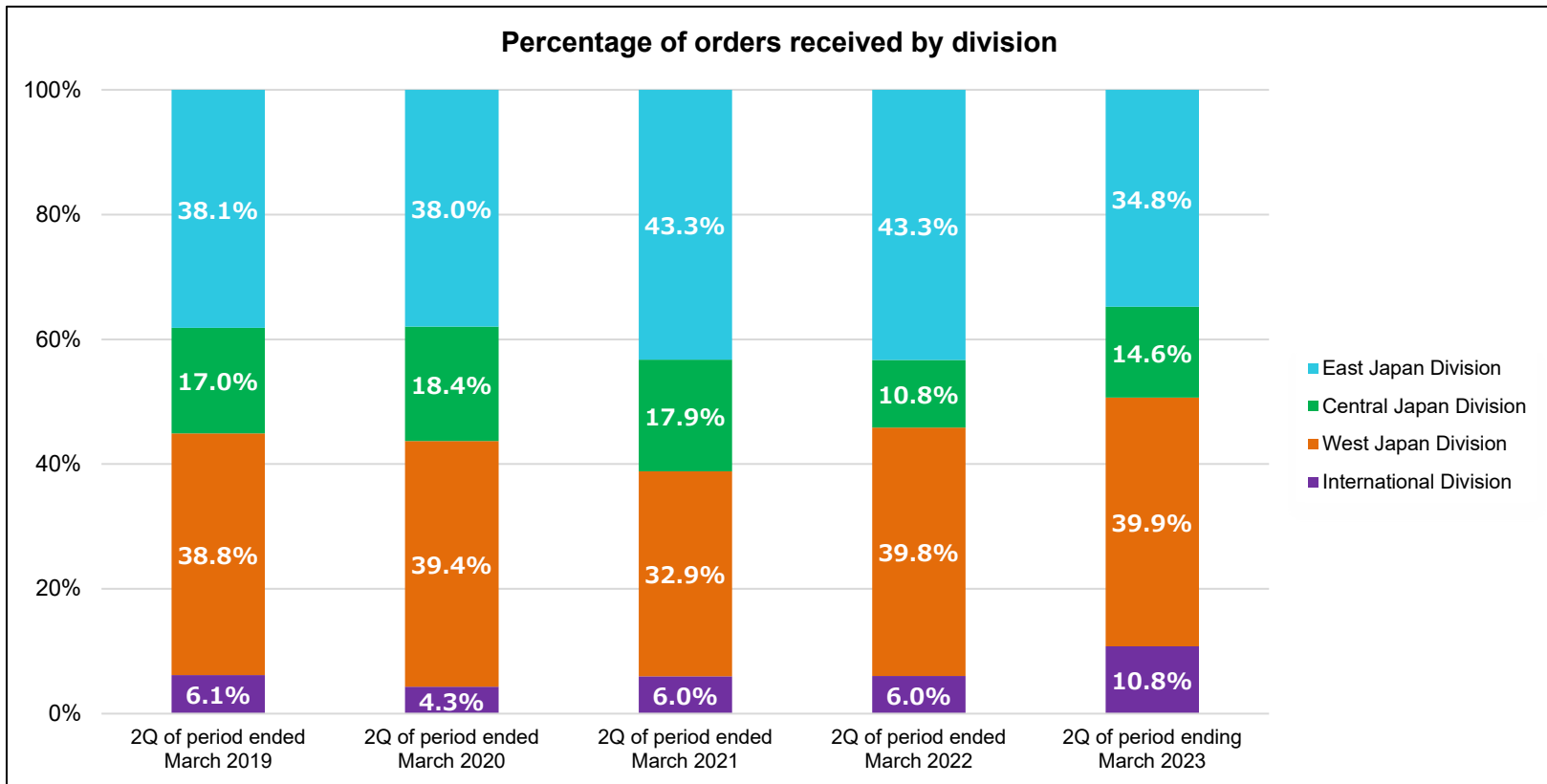
	Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
Net sales of construction contract orders received	79,650	87,902	84,656	107,423	124,966
Renovations	40,828	45,321	39,731	49,326	49,121
Percentage of renovations	51.3%	51.6%	46.9%	45.9%	39.3%



Percentage of consolidated net sales of construction orders received by division (Second quarter)

Percentage of orders received

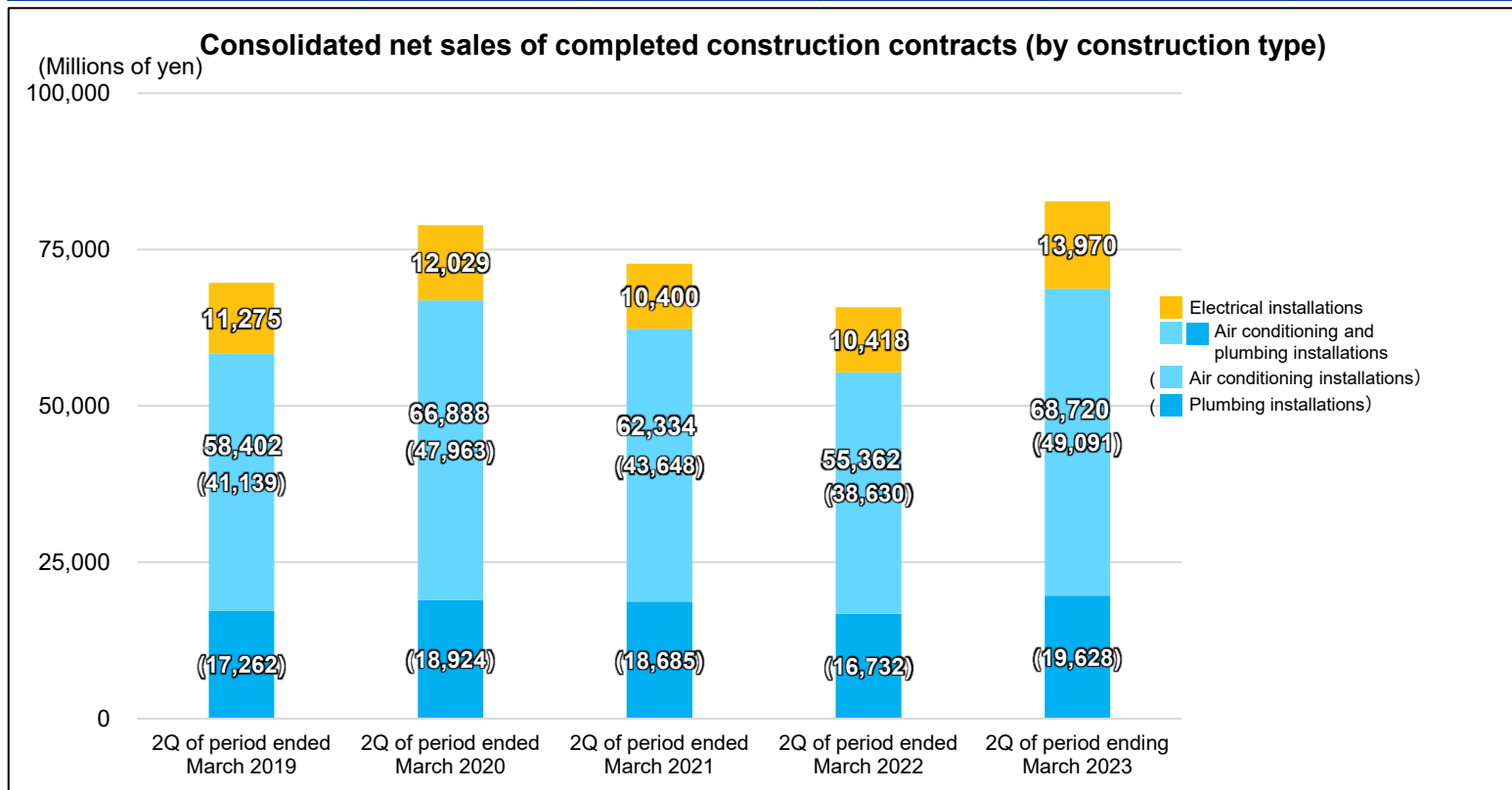
	Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
East Japan Division	38.1%	38.0%	43.3%	43.3%	34.8%
Central Japan Division	17.0%	18.4%	17.9%	10.8%	14.6%
West Japan Division	38.8%	39.4%	32.9%	39.8%	39.9%
International Division	6.1%	4.3%	6.0%	6.0%	10.8%



Consolidate net sales of completed construction contracts by construction type (Second quarter)

(Millions of yen)

		Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
Electrical installations		11,275	12,029	10,400	10,418	13,970
Air conditioning and plumbing installations	Air conditioning installations	41,139	47,963	43,648	38,630	49,091
	Plumbing installations	17,262	18,924	18,685	16,732	19,628
	Subtotal	58,402	66,888	62,334	55,362	68,720
Total		69,677	78,917	72,734	65,780	82,690

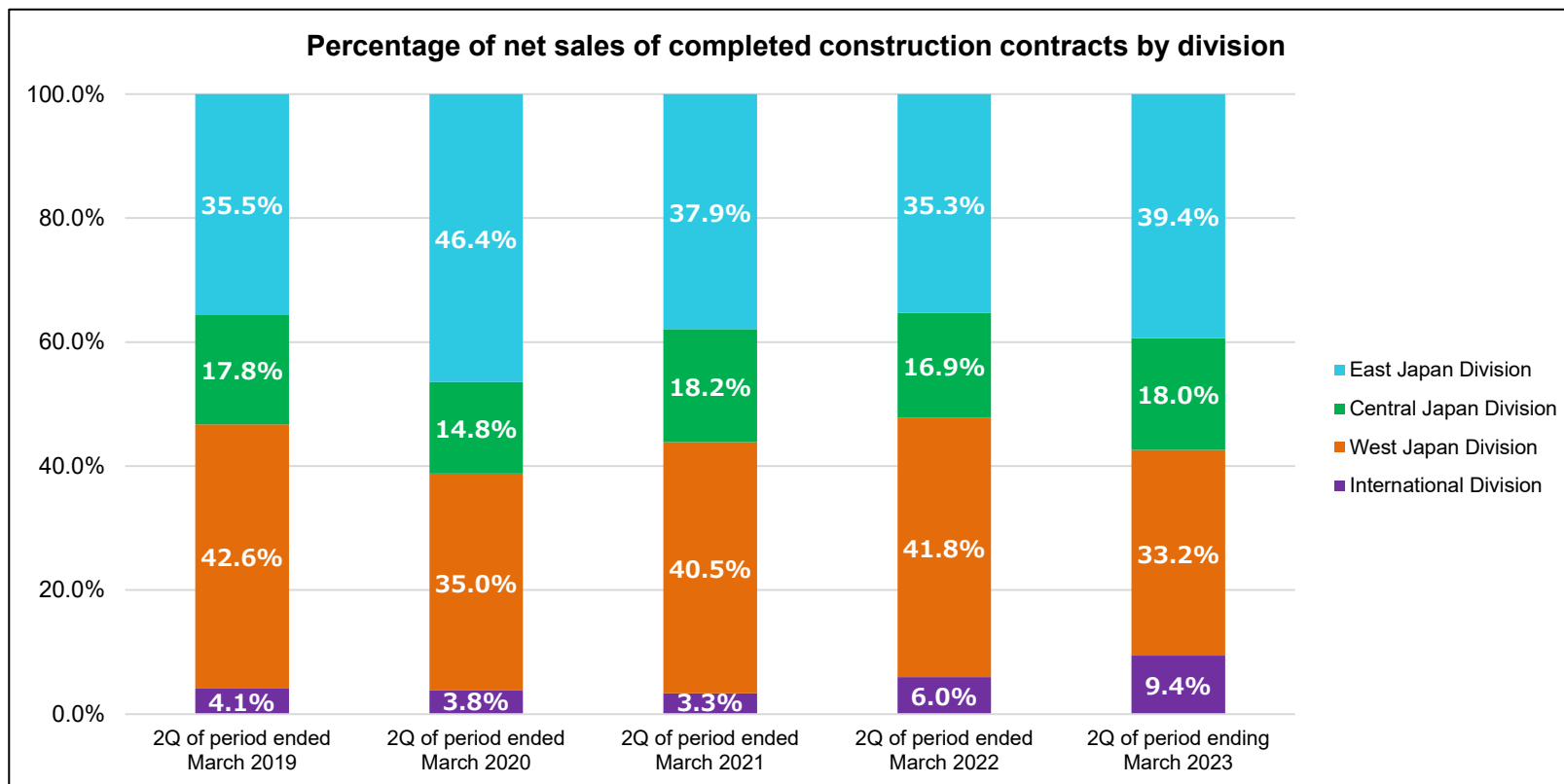


Percentage of consolidated net sales of completed construction contracts by division (Second quarter)

Percentage of net sales of completed construction contracts

	Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
East Japan Division	35.5%	46.4%	37.9%	35.3%	39.4%
Central Japan Division	17.8%	14.8%	18.2%	16.9%	18.0%
West Japan Division	42.6%	35.0%	40.5%	41.8%	33.2%
International Division	4.1%	3.8%	3.3%	6.0%	9.4%

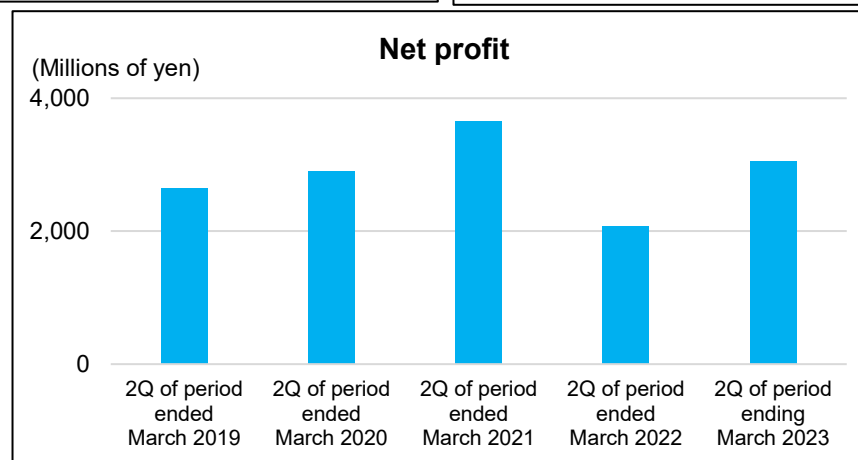
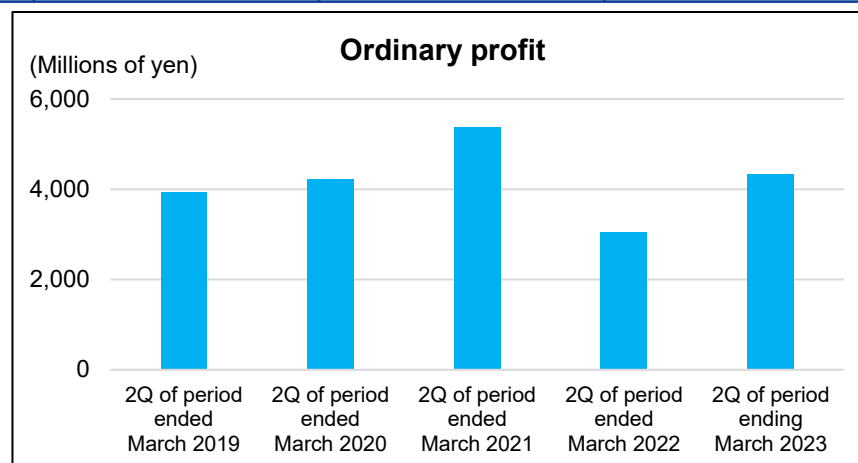
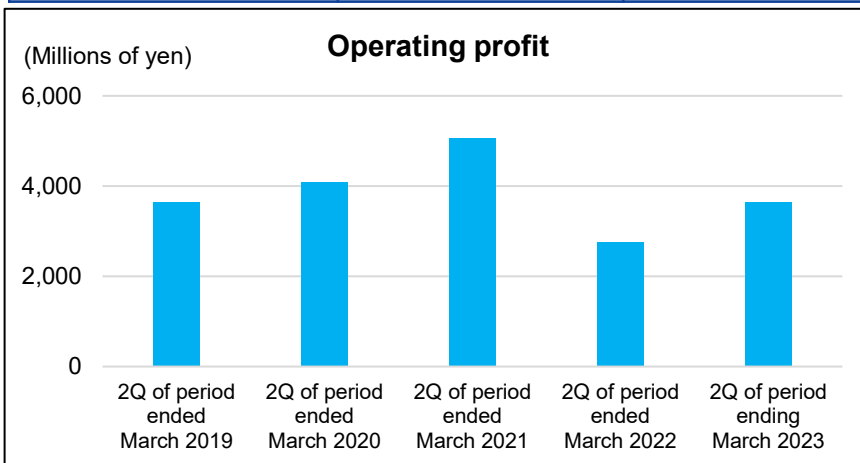
Percentage of net sales of completed construction contracts by division



Consolidated operating/ordinary/net profits (Second quarter)

(Millions of yen)

	Second quarter of period ended March 2019	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ending March 2023
Operating profit	3,649	4,091	5,070	2,768	3,650
Ordinary profit	3,939	4,230	5,366	3,044	4,330
Net profit	2,645	2,897	3,654	2,077	3,045



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:

Corporate Communications Dept., Corporate Planning Office Tel: +81-3-5276-4568

2-15-10 Fujimi, Chiyoda-ku, Tokyo 102-8175