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Consolidated Financial Statements for the Third Quarter of the Period Ending March 2024 [Japanese Standard]

February 8, 2024

Name of listed company: DAI-DAN Co., Ltd.

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

Representative of Company: Ichiro Fujisawa, Representative Director, President

Inquiries to be addressed to: Yasuo Kamei, Director, Executive Corporate Officer,
Head of General Administration

Stock Exchange Listing:
Tokyo Stock Exchange Prime Market

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Date scheduled to submit Quarterly report: February 8, 2024

Date scheduled for dividend payment commencement: —

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 Third quarter of the period ending March 2024 (From April 1, 2023, to December 31, 2023)

(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	%
Third quarter of the period ending March 2024	139,504	7.2	6,342	22.7	6,882	17.6	5,115	27.9
Third quarter of the period ending March 2023	130,088	20.2	5,171	27.4	5,851	33.0	3,999	30.7

(Note) Comprehensive income Third quarter of the period ending March 2024 6,347 Million yen 59.9%
Third quarter of the period ending March 2023 3,969 Million yen 78.1%

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
Third quarter of the period ending March 2024	119.41	—	—	—
Third quarter of the period ending March 2023	93.43	—	—	—

(Note) The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. "Profit per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	Million yen	Million yen	%
Third quarter of the period ending March 2024	150,353	86,440	57.3
Period ending March 2023	148,544	82,424	55.4

(Reference) Equity capital Third quarter of the period ending March 2024 86,206 Million yen
Period ending March 2023 82,242 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	
Period ending March 2023	—	—	45.00	—	—	—	55.00	100.00
Period ending March 2024	—	—	55.00	—	—	—	—	—
Period ending March 2024 (Forecast)	—	—	—	—	—	—	30.00	—

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

2 The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. Dividends before the second quarter of the fiscal year ending March 31, 2024, are the actual dividend amount before the stock split. The period end dividend for the period ending March 31, 2024 (forecast) shown in the table above reflects the effect of the stock split, and the total annual dividend is shown as "—". Without considering the stock split, the Company plans to pay a period end dividend of 60 yen per share for the fiscal year ending March 31, 2024.

3 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 2024 (From April 1, 2023, to March 31, 2024)

(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	195,000	4.9	9,000	6.8	9,400	1.2	7,100	7.1		165.68

(Reference) Estimated net sales of construction contract orders 240,000 Million yen

(Note) 1 Presence of revision from estimate of performance published most recently: Yes

2 The consolidated financial results forecast for earnings per share for the fiscal year ending March 31, 2024, is presented in an amount after the stock split.

* 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)

Third quarter of the period ending March 2024	45,963,802 shares	Period ending March 2023	45,963,802 shares
Third quarter of the period ending March 2024	3,111,380 shares	Period ending March 2023	3,144,134 shares
Third quarter of the period ending March 2024	42,840,925 shares	Third quarter of the period ending March 2023	42,808,033 shares

② Number of treasury shares at the end of period

③ Average number of shares in the period (quarter total)

(Note) 1 The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023.

“Number of issued shares at the end of period,” “Number of treasury shares at the end of period” and “Average numbers of shares in the period” are calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

2 The number of treasury shares at the end of the period includes the Company's shares held in the BIP Trust for Directors (180,414 shares for the period ending March 2023, 147,252 shares for the Third quarter of the period ending March 2024). In addition, the Company's shares held in the BIP Trust for Directors (192,514 shares for the Third quarter of the period ending March 2023, 158,879 shares for the Third quarter of the period ending March 2024) 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

(Caution regarding forward-looking statements and others)

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.

(About the Stock Split)

The Company conducted to conduct a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023.

(How to obtain supplementary explanatory materials for quarterly financial results)

Supplementary explanatory materials for quarterly financial results will be available on TDnet and Company's website.

(Reference) Estimate of individual performance

Estimate of individual performance for the period ending March 2024 (From April 1, 2023 to March 31, 2024)

(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	185,000	3.0	9,000	5.4	9,400	(0.3)	7,100	4.8		165.68

(Reference) Estimated net sales of construction contract orders 230,000 Million yen

- (Note) 1 Presence of revision from estimate of performance published most recently: Yes
2 The individual financial results forecast for earnings per share for the fiscal year ending March 31, 2024, is presented in an amount after the stock split.

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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, 2023)	Current Third Quarter Consolidated Accounting Period (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	25,379	20,264
Notes receivable, accounts receivable from completed construction contracts and other	69,625	65,906
Electronically recorded monetary claims - operating	9,487	14,573
Costs on construction contracts in progress	671	2,039
Other	3,092	4,442
Allowance for doubtful accounts	(136)	(145)
Total current assets	108,120	107,081
Non-current assets		
Property, plant and equipment	7,516	8,138
Intangible assets	1,178	1,405
Investments and other assets		
Investment securities	18,790	20,679
Retirement benefit asset	11,459	11,505
Other	1,611	1,650
Allowance for doubtful accounts	(133)	(107)
Total investments and other assets	31,728	33,728
Total non-current assets	40,424	43,272
Total assets	148,544	150,353

DAI-DAN Co., Ltd. (1980), Consolidated Financial Statements for the Third Quarter of the Period Ending March 2024

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2023)	Current Third Quarter Consolidated Accounting Period (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	23,294	16,883
Electronically recorded obligations - operating	12,109	12,773
Short-term borrowings	2,901	9,826
Income taxes payable	2,258	432
Advances received on construction contracts in progress	1,899	2,174
Provision for bonuses	—	1,865
Provision for directors' bonuses	—	18
Provision for share awards	26	16
Provision for warranties for completed construction	48	62
Provision for loss on construction contracts	516	693
Deposits received	9,307	11,623
Other	9,169	2,252
Total current liabilities	61,532	58,621
Non-current liabilities		
Long-term loans payable	720	409
Deferred tax liabilities	2,660	3,685
Retirement benefit liability	1,148	1,139
Long-term accounts payable - other	5	5
Other	51	51
Total non-current liabilities	4,587	5,291
Total liabilities	66,119	63,913
Net assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,837	4,837
Retained earnings	68,638	71,389
Treasury shares	(3,132)	(3,099)
Total shareholders' equity	74,822	77,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,116	7,155
Foreign currency translation adjustment	112	404
Remeasurements of defined benefit plans	1,191	1,039
Total accumulated other comprehensive income	7,419	8,600
Non-controlling interests	182	233
Total net assets	82,424	86,440
Total liabilities and net assets	148,544	150,353

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

	(Millions of yen)	
	Previous Third Quarter Consolidated Cumulative Period (From April 1, 2022 to December 31, 2022)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2023 to December 31, 2023)
Net sales of completed construction contracts	130,088	139,504
Cost of sales of completed construction contracts	114,612	122,031
Gross profit on completed construction contracts	15,476	17,472
Selling, general and administrative expenses	10,305	11,129
Operating profit	5,171	6,342
Non-operating income		
Interest income	7	9
Dividend income	367	330
Insurance fee income	128	156
Foreign exchange gains	205	37
Share of profit of entities accounted for using equity method	—	4
Rental income from real estate	23	25
Other	42	58
Total non-operating income	775	621
Non-operating expenses		
Interest expenses	53	46
Guarantee commission	8	4
Rental expenses on real estate	9	10
Commitment fees	15	15
Other	8	5
Total non-operating expenses	95	81
Ordinary profit	5,851	6,882
Extraordinary income		
Gain on sale of non-current assets	3	1
Gain on sales of investment securities	270	802
Total extraordinary income	274	804
Extraordinary losses		
Loss on retirement of non-current assets	16	8
Total extraordinary losses	16	8
Profit before income taxes	6,108	7,678
Income taxes - current	1,444	1,892
Income taxes - deferred	682	632
Total income taxes	2,126	2,525
Profit	3,982	5,152
Profit (loss) attributable to non-controlling interests	△17	36
Profit attributable to owners of parent	3,999	5,115

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

(Millions of yen)

	Previous Third Quarter Consolidated Cumulative Period (From April 1, 2022 to December 31, 2022)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2023 to December 31, 2023)
Profit	3,982	5,152
Other comprehensive income		
Valuation difference on available-for-sale securities	86	1,039
Foreign currency translation adjustment	100	64
Remeasurements of defined benefit plans	(199)	(151)
Share of other comprehensive income of entities accounted for using equity method	—	242
Total other comprehensive income	(12)	1,194
Comprehensive income	3,969	6,347
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,969	6,296
Comprehensive income attributable to non-controlling interests	(0)	51

(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 Third Quarter Consolidated Cumulative Period		Current Third Quarter Consolidated Cumulative Period		Increase (decrease)	
		(From April 1, 2022 to December 31, 2022)		(From April 1, 2023 to December 31, 2023)		Amount	Ratio %
		Amount	Component ratio %	Amount	Component ratio %		
Net sales of construction contract orders received	Electrical installations	24,212	14.6	32,438	15.1	8,226	34.0
	Air conditioning and plumbing installations	141,370	85.4	182,009	84.9	40,638	28.7
	Total	165,583	100.0	214,448	100.0	48,864	29.5
	(Renovations)	66,240	40.0	62,820	29.3	(3,419)	(5.2)
	(Industrial facilities) (Overseas operations)	76,196 15,020	46.0 9.1	132,418 13,120	61.7 6.1	56,222 (1,899)	73.8 (12.6)
Net sales of completed construction contracts	Electrical installations	21,921	16.8	21,860	15.7	(60)	(0.3)
	Air conditioning and plumbing installations	108,167	83.2	117,643	84.3	9,475	8.8
	Total	130,088	100.0	139,504	100.0	9,415	7.2
	(Renovations)	57,717	44.4	52,980	38.0	(4,736)	(8.2)
	(Industrial facilities) (Overseas operations)	51,928 11,602	39.9 8.9	63,487 12,464	45.5 8.9	11,558 862	22.3 7.4
Net sales of uncompleted construction contracts	Electrical installations	25,753	12.9	29,902	11.5	4,149	16.1
	Air conditioning and plumbing installations	173,522	87.1	229,199	88.5	55,676	32.1
	Total	199,276	100.0	259,102	100.0	59,825	30.0
	(Renovations)	45,419	22.8	46,142	17.8	722	1.6
	(Industrial facilities) (Overseas operations)	69,528 16,257	34.9 8.2	129,499 16,652	50.0 6.4	59,970 395	86.3 2.4

(Note) 1. The “Air conditioning and plumbing installations” category has been set as a total of air conditioning installations and plumbing installations.

2. Renovations and Industrial facilities, Overseas operations are aggregated for each type of construction. These includes duplicated construction.