

# Financial Results Material for the Third Quarter of the Period Ending March 2024

February 8, 2024



**DAI-DAN**



# Contents

**Consolidated Performance Summary**  
**Third Quarter Financial Closing Highlights**  
**Full-Year Earnings Forecast**  
**Reference: DATA FILE**



**Third Quarter Financial Results  
for the Period Ending March 2024**

# **Consolidated Performance Summary**

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

(Millions of yen)

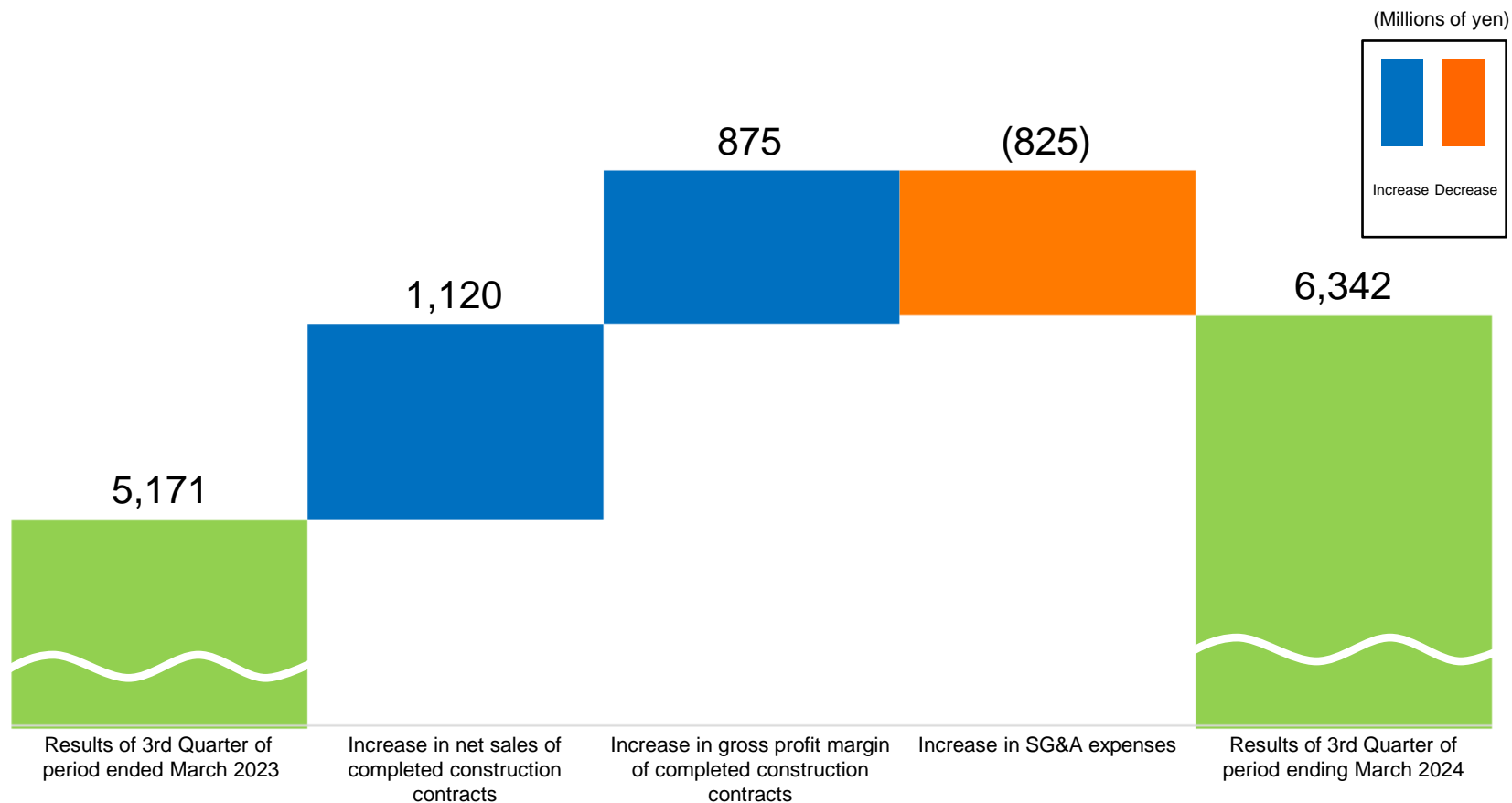
	3rd Quarter of period ended March 2023	3rd Quarter of period ending March 2024	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	163,782	184,158	20,375	12.4%
Net sales of construction contract orders received	165,583	214,448	48,864	29.5%
Net sales of completed construction contracts	130,088	139,504	9,415	7.2%
Gross profit on completed construction contracts	15,476	17,472	1,995	12.9%
Gross profit margin of completed construction contracts (%)	11.9%	12.5%	0.6p	—
Operating profit	5,171	6,342	1,171	22.7%
Operating profit margin (%)	4.0%	4.5%	0.6p	—
Ordinary profit	5,851	6,882	1,030	17.6%
Ordinary profit margin (%)	4.5%	4.9%	0.4p	—
Net profit attributable to owners of parent	3,999	5,115	1,116	27.9%
Net profit margin (%)	3.1%	3.7%	0.6p	—

## Business environment and the Company's performance summary

Our operating results through profitability-focused order-taking activities are as follows.

- Net sales of construction contract orders received grew substantially compared to the previous period thanks to orders for large-scale semiconductor plants and automotive battery plants.
- Net sales of completed construction contracts increased as measures taken mainly for securing large-scale general construction projects encouraged steady progress with uncompleted construction contracts.
- Gross profit margin of completed construction contracts turned upward due to improved profits resulting from an increase in net sales of completed construction contracts as well as passing increases in material and labor costs onto contract amounts; this pushed up both gross profit on completed construction contracts and operating profit.

## Breakdown of increase/decrease in consolidated operating profit



- Net sales of completed construction contracts increased significantly due to steady progress with the large amount of construction work carried over from the previous period.
- As shown in the previous page, gross profit margin of completed construction contracts increased due to improved profits.
- The increase in SG&A expenses is attributable to expenses for “DX investments, including investment in raising efficiency in field operation and office work,” “R&D and depreciation in new businesses and construction efficiency improvement,” and “business activities associated with recent business expansion.”

## Trends in consolidated net sales by construction type

(Millions of yen)

		3rd Quarter of period ended March 2023	3rd Quarter of period ending March 2024	Increase (Decrease)	Change rate
Orders received	Electrical installations	24,212	32,438	8,226	34.0%
	Air conditioning and plumbing installations	141,370	182,009	40,638	28.7%
	<b>Total</b>	<b>165,583</b>	<b>214,448</b>	<b>48,864</b>	<b>29.5%</b>
Net sales (completed)	Electrical installations	21,921	21,860	(60)	-0.3%
	Air conditioning and plumbing installations	108,167	117,643	9,475	8.8%
	<b>Total</b>	<b>130,088</b>	<b>139,504</b>	<b>9,415</b>	<b>7.2%</b>
Net sales (uncompleted)	Electrical installations	25,753	29,902	4,149	16.1%
	Air conditioning and plumbing installations	173,522	229,199	55,676	32.1%
	<b>Total</b>	<b>199,276</b>	<b>259,102</b>	<b>59,825</b>	<b>30.0%</b>

- With increases in electrical installations with orders for industrial facilities, overall orders received increased significantly year-on-year.
- Net sales (completed) increased thanks to steady progress in large-scale construction projects including industrial facilities and airports as well as heat source construction work for overseas resort facilities.
- Net sales (uncompleted) increased, supported by construction contracts carried over from the previous period and orders for large-scale projects such as industrial facilities, medical facilities, and redevelopment projects.



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

(Millions of yen)

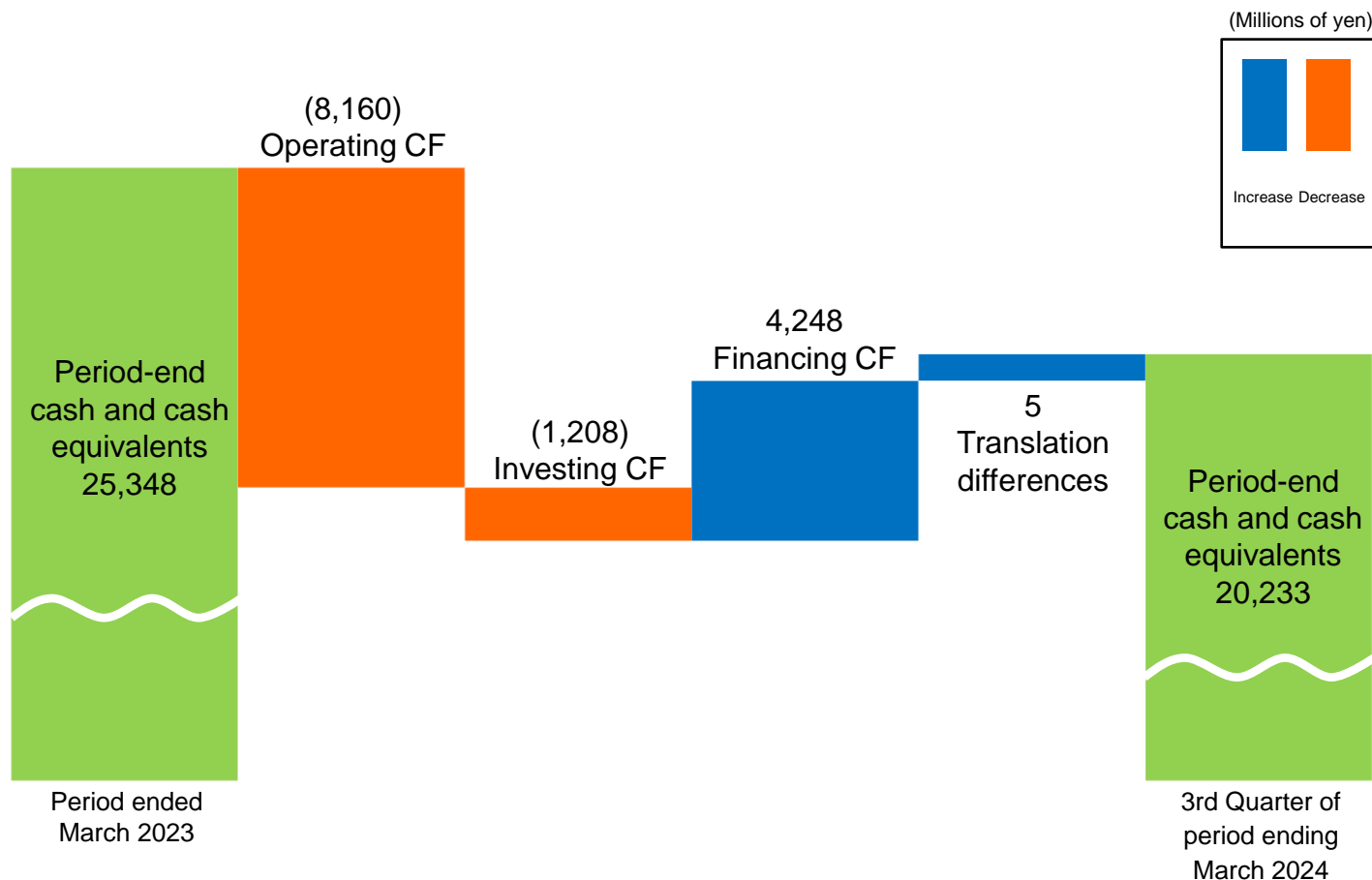
	Period ended March 2023	3rd Quarter of period ending March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	82,424	86,440	4,015	4.9%	Increases in retained earnings and valuation difference on available-for-sale securities
Total assets	148,544	150,353	1,809	1.2%	Recording of receivables and payables as construction progresses
Book value per share (BPS)	1,920.67 yen*	2,011.71 yen*	91.04 yen	4.7%	* (Reference) Closing stock price as of Mar. 31, 2023: 1,184 yen Closing stock price as of Dec. 31, 2023: 1,425 yen * The value represents the stock price after the stock split executed as of October 1, 2023.
Price book-value ratio (PBR)	0.62 times	0.71 times	—	—	
Equity capital ratio	55.4%	57.3%	2.0p	—	—

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

(Millions of yen)

	3rd Quarter of period ended March 2023	3rd Quarter of period ending March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	4,325	(8,160)	(12,485)	—	Advance payment of construction costs
Cash flows from investing activities	(850)	(1,208)	(358)	—	Reconstruction of Niigata Branch and construction of offsite facilities
Cash flows from financing activities	(2,240)	4,248	6,489	—	Borrowing of short-term loans
Cash and cash equivalents at beginning of period	16,037	25,348	9,310	58.1%	—
Increase/decrease in cash and cash equivalents	1,462	(5,115)	(6,577)	—	—
Cash and cash equivalents at end of quarter	17,500	20,233	2,733	15.6%	—

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



- Regarding the breakdown of cash flows, increases or decreases in net cash in three categories is attributable to different factors: Operating CF (advance payment of construction costs), Investing CF (reconstruction of Niigata Branch and construction of offsite facilities), and Financing CF (borrowing of short-term loans as working capital in response to advance cost payment with the progress of large-scale construction projects).
- We have signed commitment credit line agreements with three banks for efficient working capital financing.





**Third Quarter Financial Results  
for the Period Ending March 2024**

# **Third Quarter Financial Closing Highlights**

## Renovations, direct orders, and public works

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First to third quarter	Fourth quarter	Full year	First to third quarter	Increase (Decrease)	Change rate
Renovations	66,240	17,451	83,691	62,820	(3,419)	-5.2%
Ratio of renovations (%)	40.0%	42.8%	40.6%	29.3%	-10.7p	–
Mid-to-large renovations	31,913	7,105	39,018	29,068	(2,844)	-8.9%
Small-scale renovations	34,327	10,345	44,673	33,752	(574)	-1.7%
General construction works	99,342	23,303	122,646	151,627	52,284	52.6%
Total orders received	165,583	40,754	206,337	214,448	48,864	29.5%
Of which, direct orders	70,540	19,753	90,293	98,637	28,097	39.8%
Ratio of direct orders (%)	42.6%	48.5%	43.8%	46.0%	3.4p	–
Of which, public works	15,296	4,534	19,830	23,131	7,835	51.2%
Ratio of public works (%)	9.2%	11.1%	9.6%	10.8%	1.5p	–

- Renovations decreased as we focused on receiving large-scale general construction project orders to increase order receipts.
- General construction work increased thanks to orders received mainly for industrial facilities.
- Direct orders were significantly boosted by large-scale semiconductor plant projects received.
- Public work grew substantially thanks to large-scale project orders received.

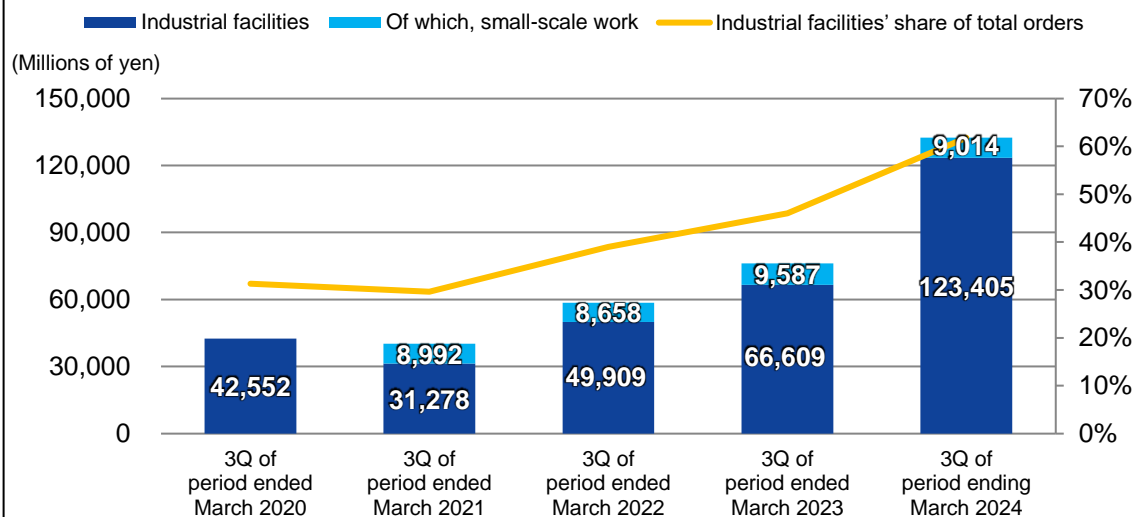
## Industrial facilities

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First to third quarter	Fourth quarter	Full year	First to third quarter	Increase (Decrease)	Change rate
<b>Total industrial facilities</b>	76,196	14,984	91,181	132,418	56,222	73.8%
(Share of total orders: %)	46.0%	36.8%	44.2%	61.7%	15.7p	—
<b>Total orders received</b>	165,583	40,754	206,337	214,448	48,864	29.5%

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

### Trends in industrial facility orders received



- In the 3rd quarter, orders received for industrial facility construction increased significantly from large-scale semiconductor plants and automotive battery plants; industrial facilities' share of total orders is well above our target of 50%, currently standing at over 60%.

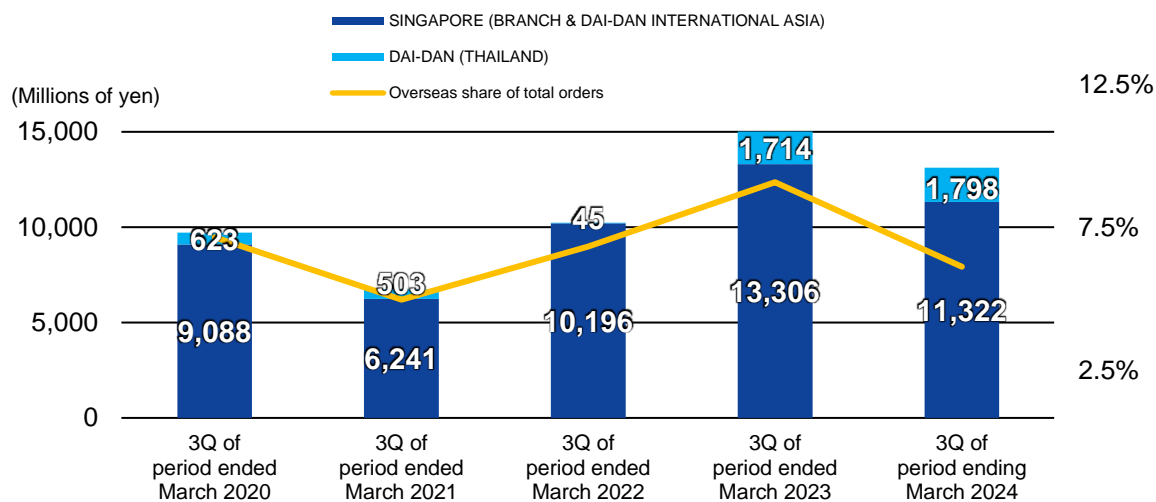
## Overseas operations

- 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.
- In February 2023, we acquired 40% of shares of Presico Engineering Pte. Ltd., a Singaporean company, and made it an equity method applied affiliate.

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First to third quarter	Fourth quarter	Full year	First to third quarter	Increase (Decrease)	Change rate
Total overseas orders received (consolidated)	15,020	5,370	20,390	13,120	(1,899)	-12.6%
(Share of total orders: %)	9.1%	13.2%	9.9%	6.1%	-3.0p	—
Total orders received	165,583	40,754	206,337	214,448	48,864	29.5%

**Trends in overseas construction orders received**  
(Consolidated)



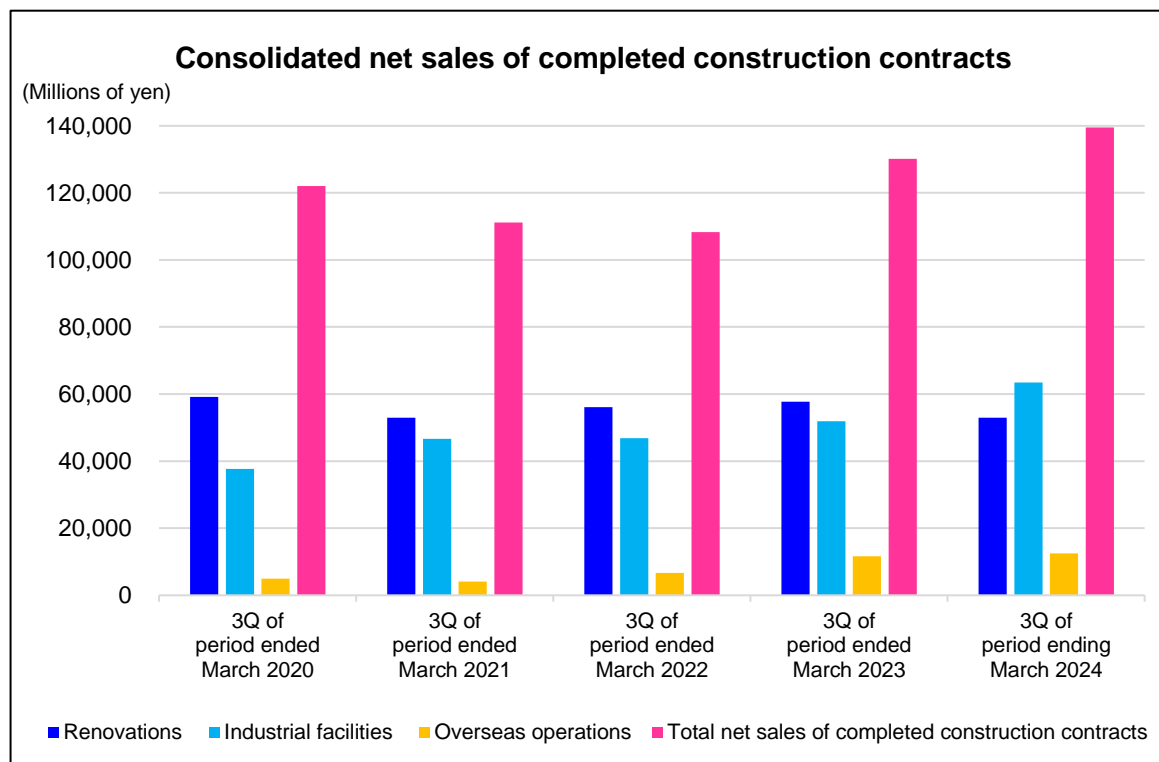
- Singapore received several large project orders that had been postponed from the second quarter to the third quarter, bringing the total to 85% of the previous period's level, when a sharp increase in orders for large projects was recorded.
- Orders received in Thailand were on a par with the previous period as orders for factory projects were similarly strong.

# Status of completed construction contracts

(Millions of yen)

	Third quarter of period ended March 2023		Third quarter of period ending March 2024		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
<b>Total net sales of completed construction contracts</b>	130,088	100.0%	139,504	100.0%	9,415	7.2%
<b>Of which;</b>						
<b>(Renovations)</b>	57,717	44.4%	52,980	38.0%	(4,736)	-8.2%
<b>(Industrial facilities)</b>	51,928	39.9%	63,487	45.5%	11,558	22.3%
<b>(Overseas operations)</b>	11,602	8.9%	12,464	8.9%	862	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.



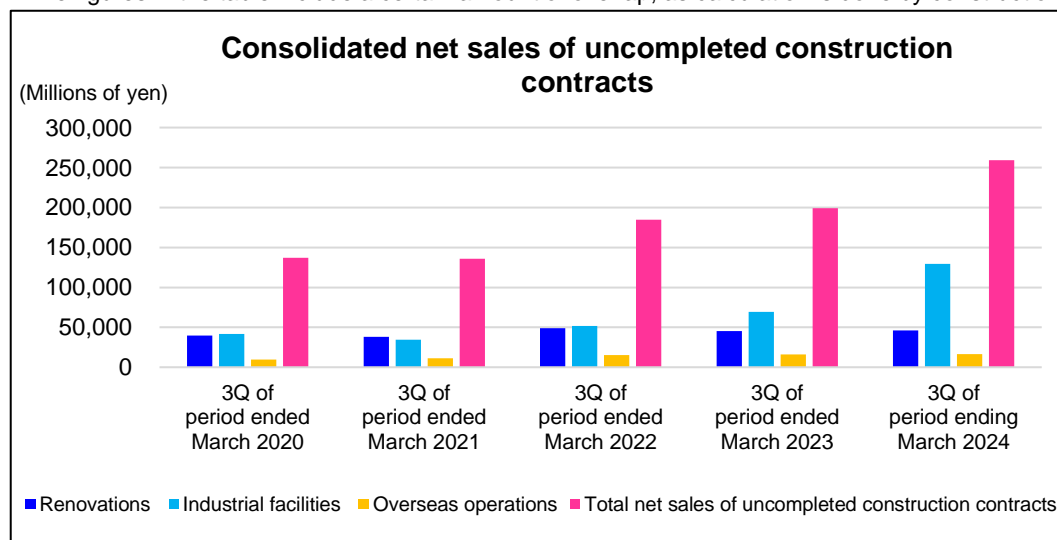
- Renovations decreased with the increase in order intake for general construction projects.
- Industrial facility construction work increased primarily due to progress in large-scale construction projects for factories and data centers.
- In addition to the above, progress with redevelopment projects pushed up net sales of completed construction contracts as a whole.

# Status of uncompleted construction contracts

(Millions of yen)

	Third quarter of period ended March 2023		Third quarter of period ending March 2024		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	163,782	—	184,158	—	20,375	12.4%
Net sales of construction contract orders received	165,583	—	214,448	—	48,864	29.5%
Net sales of completed construction contracts	130,088	—	139,504	—	9,415	7.2%
<b>Net sales of uncompleted construction contracts</b>	<b>199,276</b>	<b>100.0%</b>	<b>259,102</b>	<b>100.0%</b>	<b>59,825</b>	<b>30.0%</b>
Of which; (Renovations)	45,419	22.8%	46,142	17.8%	722	1.6%
(Industrial facilities)	69,528	34.9%	129,499	50.0%	59,970	86.3%
(Overseas operations)	16,257	8.2%	16,652	6.4%	395	2.4%
Of these, contracts to be completed in the fourth quarter of the current period	47,345	—	51,247	—	3,902	8.2%
Of these, contracts to be completed in the next period onward	151,931	—	207,855	—	55,924	36.8%

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



- 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.
- A sufficient volume of unfinished construction projects has been secured, especially for large-scale projects such as industrial facilities and medical facilities, and these will contribute to the future value of work done.
- There has been a trend over the past year where material equipment and labor costs increased due to inflation and were passed onto contracted amounts

# Quarterly operating results

(Millions of yen)

		Period ended March 2023	Period ending March 2024	Increase (Decrease)	Change rate
Net sales of construction contract orders received	April–June	66,712	67,005	292	0.4%
	July–September	58,253	61,518	3,265	5.6%
	October–December	40,617	85,924	45,307	111.5%
	April–December	165,583	214,448	48,864	29.5%
Net sales of completed construction contracts	April–June	35,342	40,731	5,389	15.2%
	July–September	47,348	50,574	3,226	6.8%
	October–December	47,398	48,197	799	1.7%
	April–December	130,088	139,504	9,415	7.2%
Operating profit	April–June	818	691	(126)	-15.5%
	July–September	2,832	2,340	(492)	-17.4%
	October–December	1,521	3,311	1,790	117.8%
	April–December	5,171	6,342	1,171	22.7%

- For the period from October to December, net sales of construction contract orders received doubled from the previous period thanks to orders received for large-scale semiconductor plants and automotive battery plants. Net sales of completed construction contracts posted growth with steady progress in industrial facilities and redevelopment projects. In addition, through profitability-focused order-taking activities, operating profit also showed a significant year-on-year increase.





**Third Quarter Financial Results  
for the Period Ending March 2024**

**Full-Year Earnings  
Forecast for the  
Period Ending  
March 2024**

## Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2023			Period ending March 2024			Year-on-year change, full year		
	First to third quarter	Fourth quarter	Full year	Full year (Previous forecast)	First to third quarter	Fourth quarter (Forecast)	Full year (Recent forecast)	Increase (Decrease)	Change rate
Net sales of construction contract orders received	165,583	40,754	206,337	240,000	214,448	25,552	240,000	33,663	16.3%
Net sales of completed construction contracts	130,088	55,873	185,961	200,000	139,504	55,496	195,000	9,039	4.9%
Gross profit on completed construction contracts	15,476	7,148	22,624	24,400	17,472	7,228	24,700	2,076	9.2%
Gross profit margin of completed construction contracts (%)	11.9%	12.8%	12.2%	12.2%	12.5%	13.0%	12.7%	0.5p	–
Operating profit	5,171	3,257	8,428	8,500	6,342	2,658	9,000	572	6.8%
Operating profit margin (%)	4.0%	5.8%	4.5%	4.3%	4.5%	4.8%	4.6%	0.1p	–
Ordinary profit	5,851	3,437	9,288	8,900	6,882	2,518	9,400	112	1.2%
Ordinary profit margin (%)	4.5%	6.2%	5.0%	4.5%	4.9%	4.5%	4.8%	-0.2p	–
Net profit attributable to owners of parent	3,999	2,627	6,626	6,500	5,115	1,985	7,100	474	7.1%
Net profit margin (%)	3.1%	4.7%	3.6%	3.3%	3.7%	3.6%	3.6%	0.1p	–
Return on equity (ROE)	–	–	8.3%	7.7%	–	–	8.4%	0.1p	–

## Preconditions for earnings forecast

- Net sales of completed construction contracts are forecast to decrease by 5,000 million yen to 195,000 million yen, due mainly to the fact that the construction projects that will contribute to the value of work done for the current period did not make progress as initially planned. On the other hand, gross profit on completed construction contracts is expected to increase by 300 million yen to 24,700 million yen, due mainly to better-than-expected improvement in profits from uncompleted construction contracts carried over from the previous period.
- Operating profit is expected to be 9,000 million yen, up 500 million yen from our most recent announcement, reflecting the increase in gross profit on completed construction contracts and our cost reduction efforts.
- Net sales of construction contract orders received remain unchanged from our most recent announcement.

## Revision of dividend forecast

- The year-end dividend forecast for the period ending March 31, 2024 will be determined in a timely manner based on our future performance trends in accordance with the shareholder return policy as described below, and will be announced as soon as it is determined.

	Full-year dividend			Total dividend	Dividend ratio	Dividend on equity ratio
	End of second quarter	End of period	Total	(Total sum)	(Consolidated)	(Consolidated)
	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%
Period ended March 2022	45.00	45.00	90.00	1,935	33.3%	2.5%
Period ended March 2023	45.00	55.00	100.00	2,150	32.3%	2.7%
Period ending March 2024 (Forecast) (On the pre-stock split basis)	55.00	30.00 (60.00)	– (115.00)	–	34.7%	–

## 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.
- Aiming to further promote profit returns to shareholders, we have set a new dividend policy of a dividend payout ratio of 35% or more for the period ending March 2024 and onward.

## Purchase of treasury shares

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

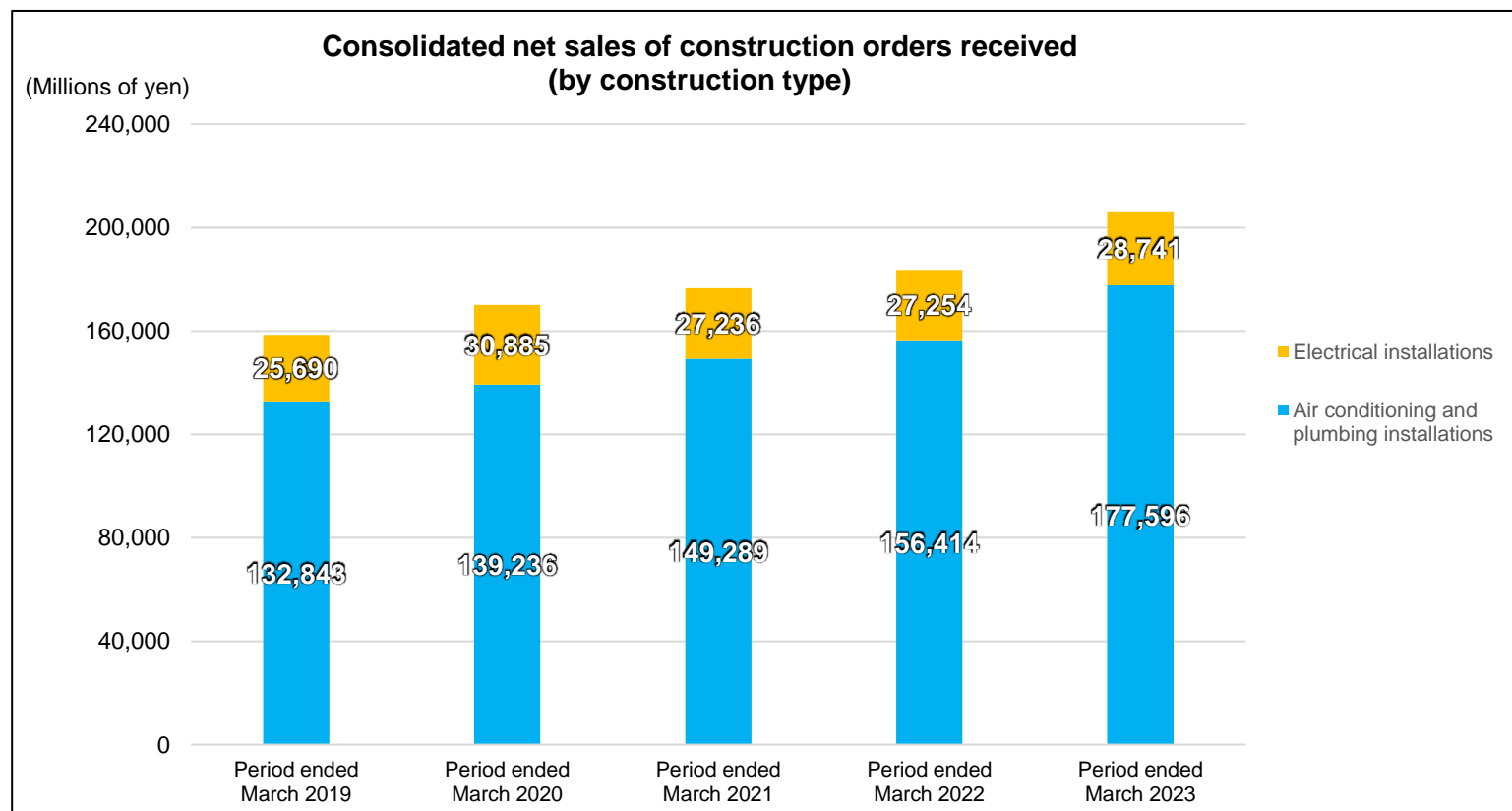


**Reference:  
DATA FILE  
(Full Year)**

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

(Millions of yen)

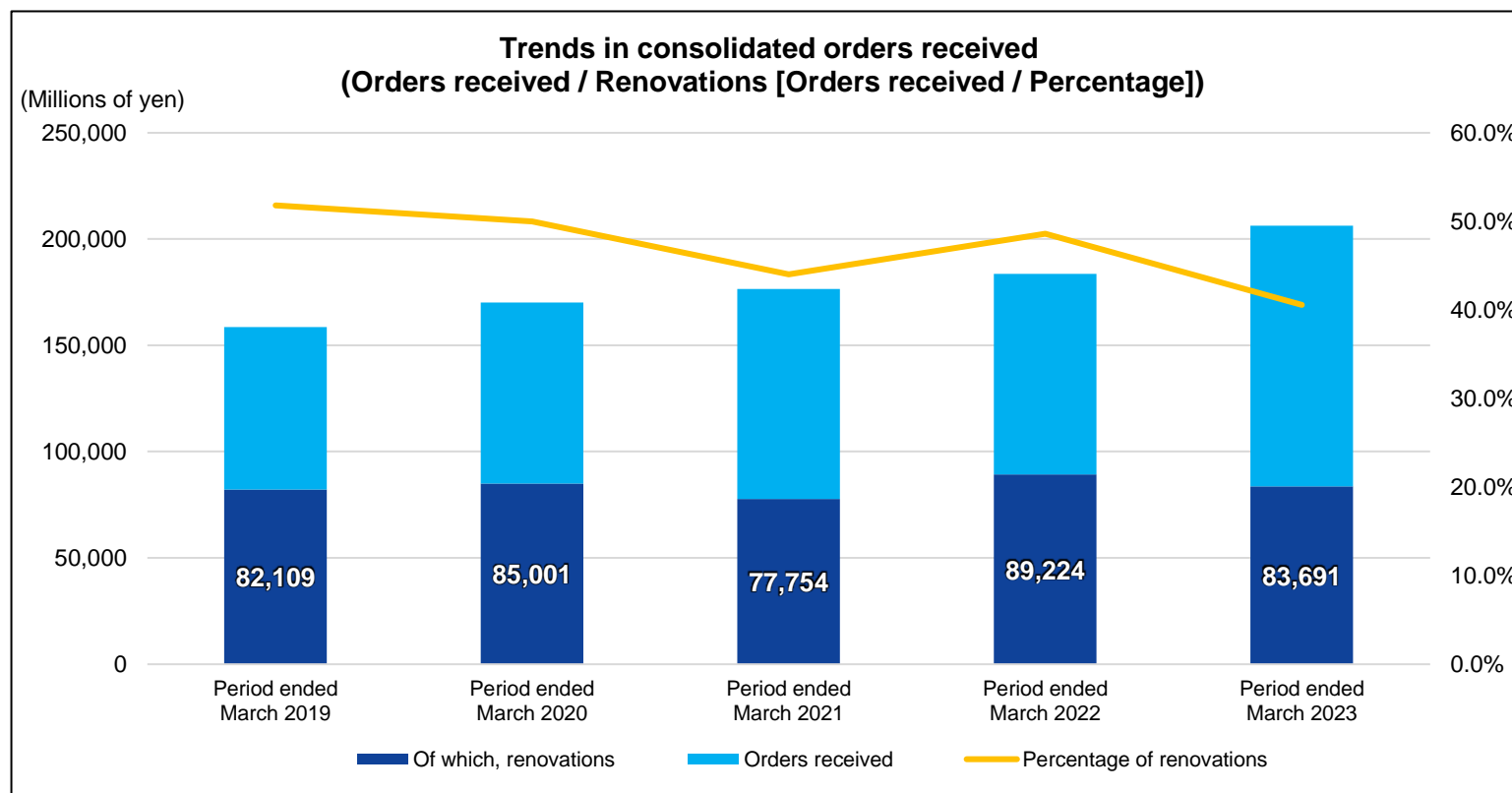
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
Electrical installations	25,690	30,885	27,236	27,254	28,741
Air conditioning and plumbing installations	132,843	139,236	149,289	156,414	177,596
<b>Total</b>	<b>158,533</b>	<b>170,121</b>	<b>176,526</b>	<b>183,668</b>	<b>206,337</b>



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

(Millions of yen)

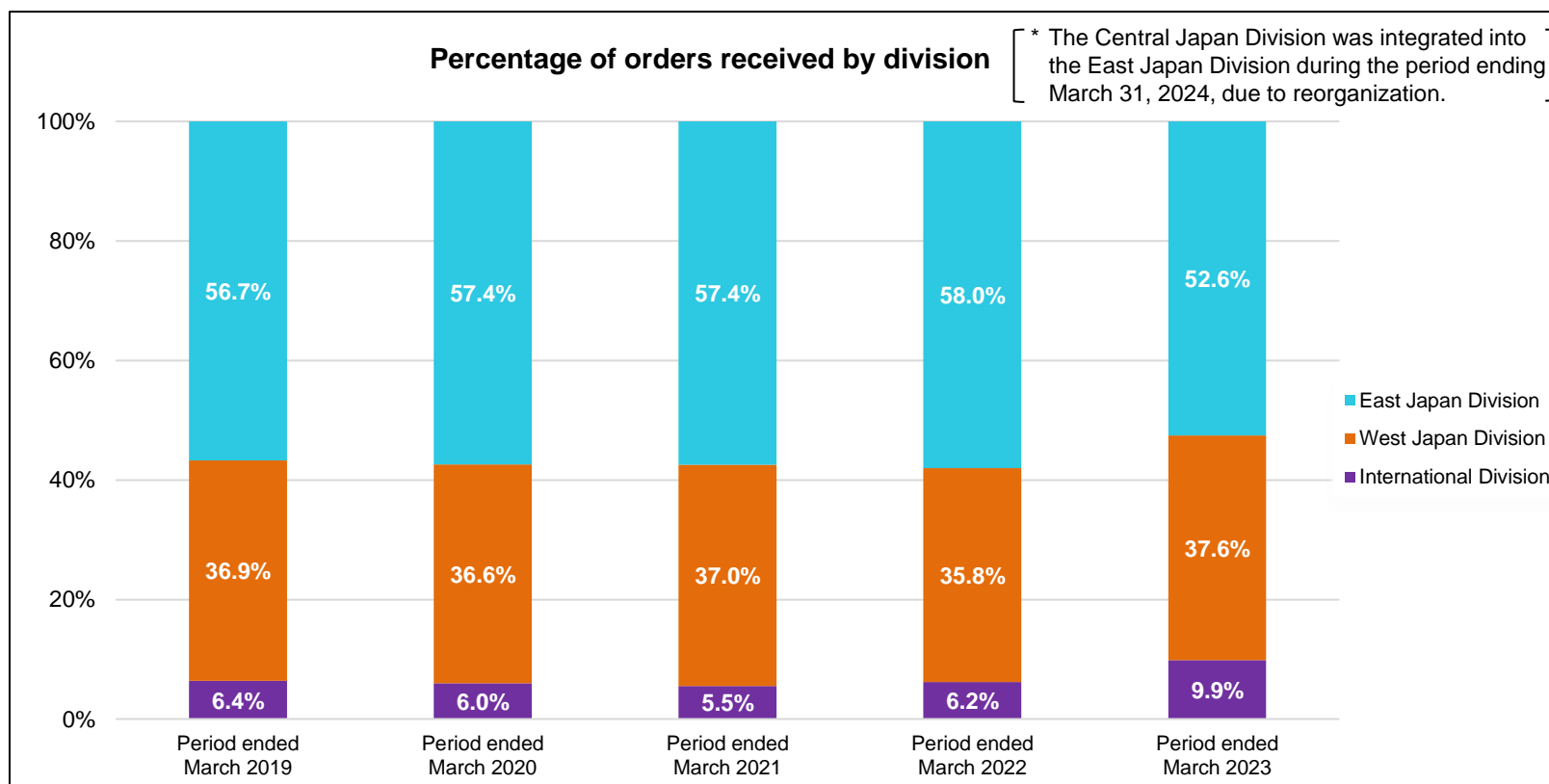
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
<b>Net sales of construction contract orders received</b>	158,533	170,121	176,526	183,668	206,337
<b>Renovations</b>	82,109	85,001	77,754	89,224	83,691
<b>Percentage of renovations</b>	51.8%	50.0%	44.0%	48.6%	40.6%



# Percentage of consolidated orders received by division (Full year)

## Percentage of orders received

	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
East Japan Division	56.7%	57.4%	57.4%	58.0%	52.6%
West Japan Division	36.9%	36.6%	37.0%	35.8%	37.6%
International Division	6.4%	6.0%	5.5%	6.2%	9.9%

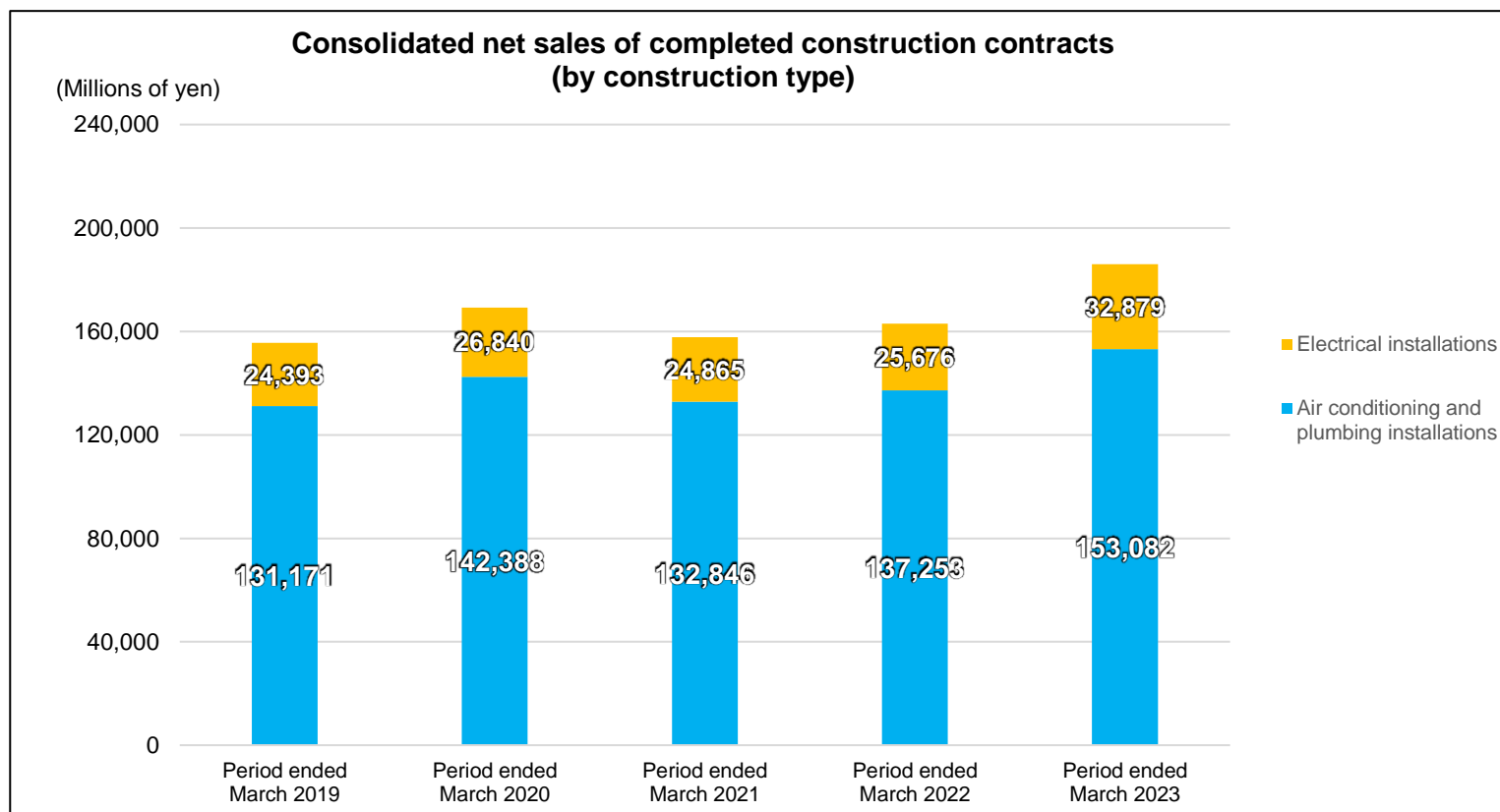




# Consolidated net sales of completed construction contracts by construction type (Full year)

(Millions of yen)

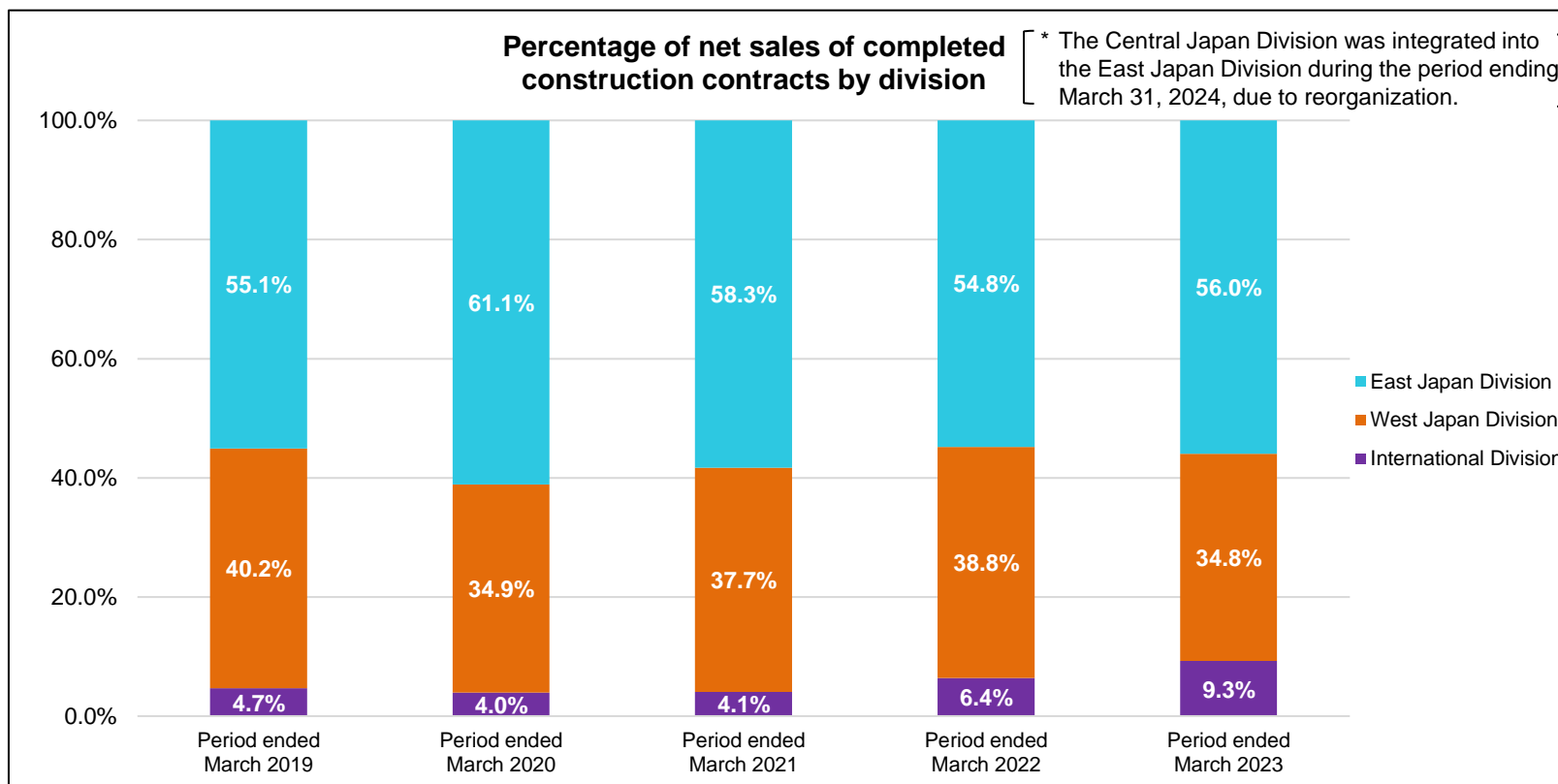
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
Electrical installations	24,393	26,840	24,865	25,676	32,879
Air conditioning and plumbing installations	131,171	142,388	132,846	137,253	153,082
<b>Total</b>	<b>155,565</b>	<b>169,229</b>	<b>157,712</b>	<b>162,929</b>	<b>185,961</b>



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

## Percentage of net sales of completed construction contracts

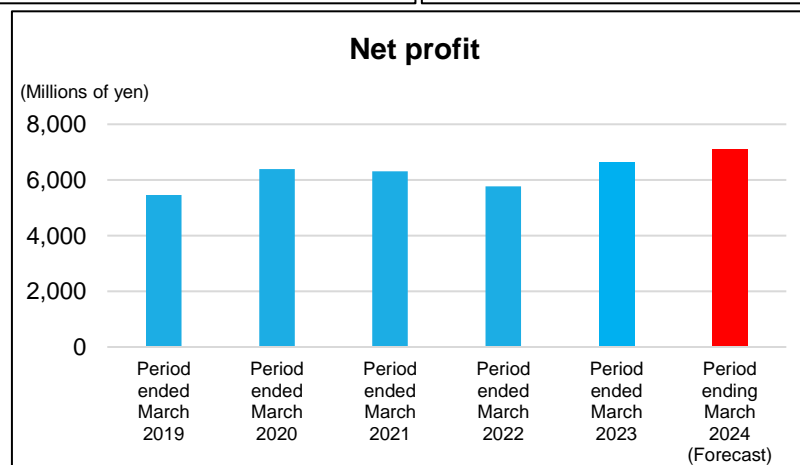
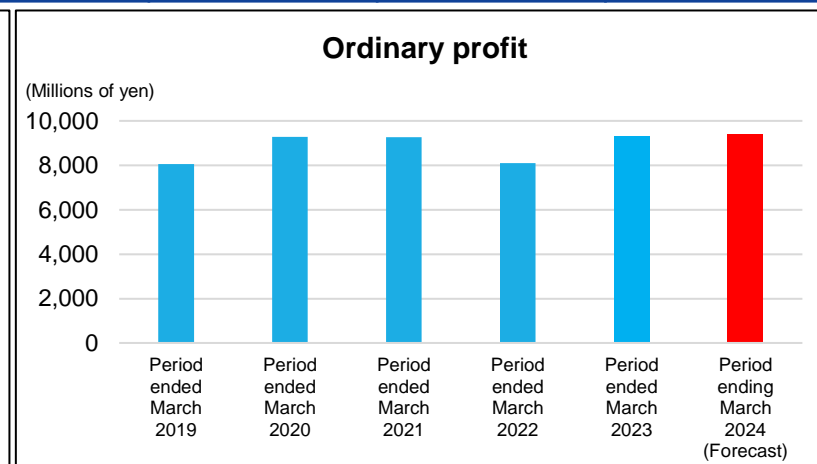
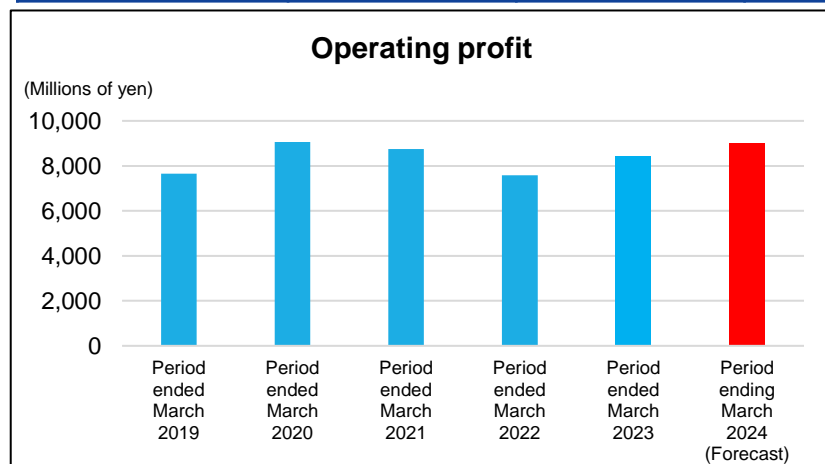
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
East Japan Division	55.1%	61.1%	58.3%	54.8%	56.0%
West Japan Division	40.2%	34.9%	37.7%	38.8%	34.8%
International Division	4.7%	4.0%	4.1%	6.4%	9.3%



# Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ending March 2024 (Forecast)
<b>Operating profit</b>	7,661	9,063	8,754	7,584	8,428	9,000
<b>Ordinary profit</b>	8,057	9,282	9,262	8,095	9,288	9,400
<b>Net profit</b>	5,464	6,399	6,318	5,778	6,626	7,100



## 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 Division Tel: +81-3-5276-4568

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