

Financial Results Material for the Period Ended March 2024

May 9, 2024



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Reference: DATA FILE (Full Year)



**Full-Year Financial Results for
the Period Ended March 2024**

**Consolidated
Performance
Summary**

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

(Millions of yen)

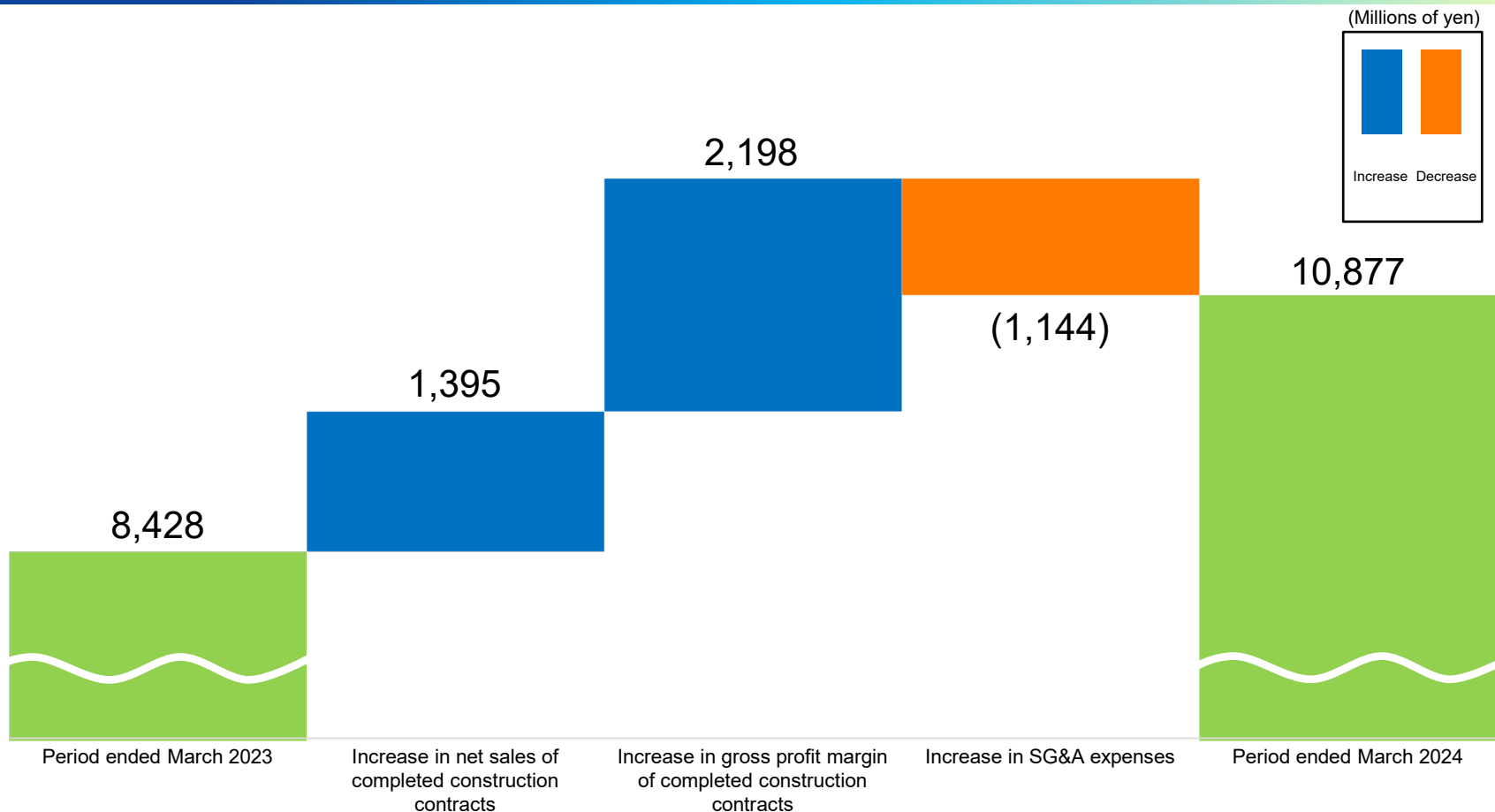
	Period ended March 2023	Period ended March 2024	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	163,782	184,158	20,375	12.4%
Net sales of construction contract orders received	206,337	253,134	46,796	22.7%
Net sales of completed construction contracts	185,961	197,431	11,469	6.2%
Gross profit on completed construction contracts	22,624	26,217	3,593	15.9%
Gross profit margin of completed construction contracts (%)	12.2%	13.3%	1.1p	—
Operating profit	8,428	10,877	2,449	29.1%
Operating profit margin (%)	4.5%	5.5%	1.0p	—
Ordinary profit	9,288	11,918	2,630	28.3%
Ordinary profit margin (%)	5.0%	6.0%	1.0p	—
Net profit attributable to owners of parent	6,626	9,087	2,460	37.1%
Net profit margin (%)	3.6%	4.6%	1.0p	—
Earnings per share (EPS)	154.78* yen	212.10* yen	57.32 yen	37.0%
Price earnings ratio (PER)	7.7 times	11.7 times	4.1 times	—
Return on equity (ROE)	8.3%	10.3%	2.0p	—

* The Company executed a 2-for-1 stock split of its common stock as of October 1, 2023. Earnings per share (EPS) are calculated on the assumption that the stock split was executed at the beginning of the previous consolidated fiscal year.

Business environment and the Company's performance summary

- 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.
- In addition to the increase in net sales of completed construction contracts, order receipts at appropriate prices enabled by the understanding of our customers about rising material prices and labor shortages caused the gross profit margin of completed construction contracts to increase; 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,” “business activities associated with recent business expansion,” etc.

Trends in consolidated net sales by construction type

(Millions of yen)

		Period ended March 2023	Period ended March 2024	Increase (Decrease)	Change rate
Orders received	Electrical installations	28,741	39,236	10,495	36.5%
	Air conditioning and plumbing installations	177,596	213,897	36,300	20.4%
	Total	206,337	253,134	46,796	22.7%
Net sales (completed)	Electrical installations	32,879	30,880	(1,998)	-6.1%
	Air conditioning and plumbing installations	153,082	166,550	13,467	8.8%
	Total	185,961	197,431	11,469	6.2%
Net sales (uncompleted)	Electrical installations	19,324	27,681	8,356	43.2%
	Air conditioning and plumbing installations	164,833	212,179	47,346	28.7%
	Total	184,158	239,861	55,702	30.2%

- Orders received for both electrical installations and air conditioning and plumbing installations increased significantly year-on-year, hitting a record high.
- 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 significantly, 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	Period ended March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	82,424	93,987	11,562	14.0%	Increases in retained earnings and valuation difference on available-for-sale securities
Total assets	148,544	160,553	12,009	8.1%	Recording of receivables and payables associated with sales growth
Book value per share (BPS)	1,920.67 [*] yen	2,187.86 [*] yen	267.19 yen	13.9%	PBR improvement to over 1x as stock price rises (Reference) Closing stock price as of Mar. 31, 2023: 1,184 yen Closing stock price as of Mar. 31, 2024: 2,491 yen
Price book-value ratio (PBR)	0.62 times	1.14 times	–	–	
Equity capital ratio	55.4%	58.4%	3.0p	–	

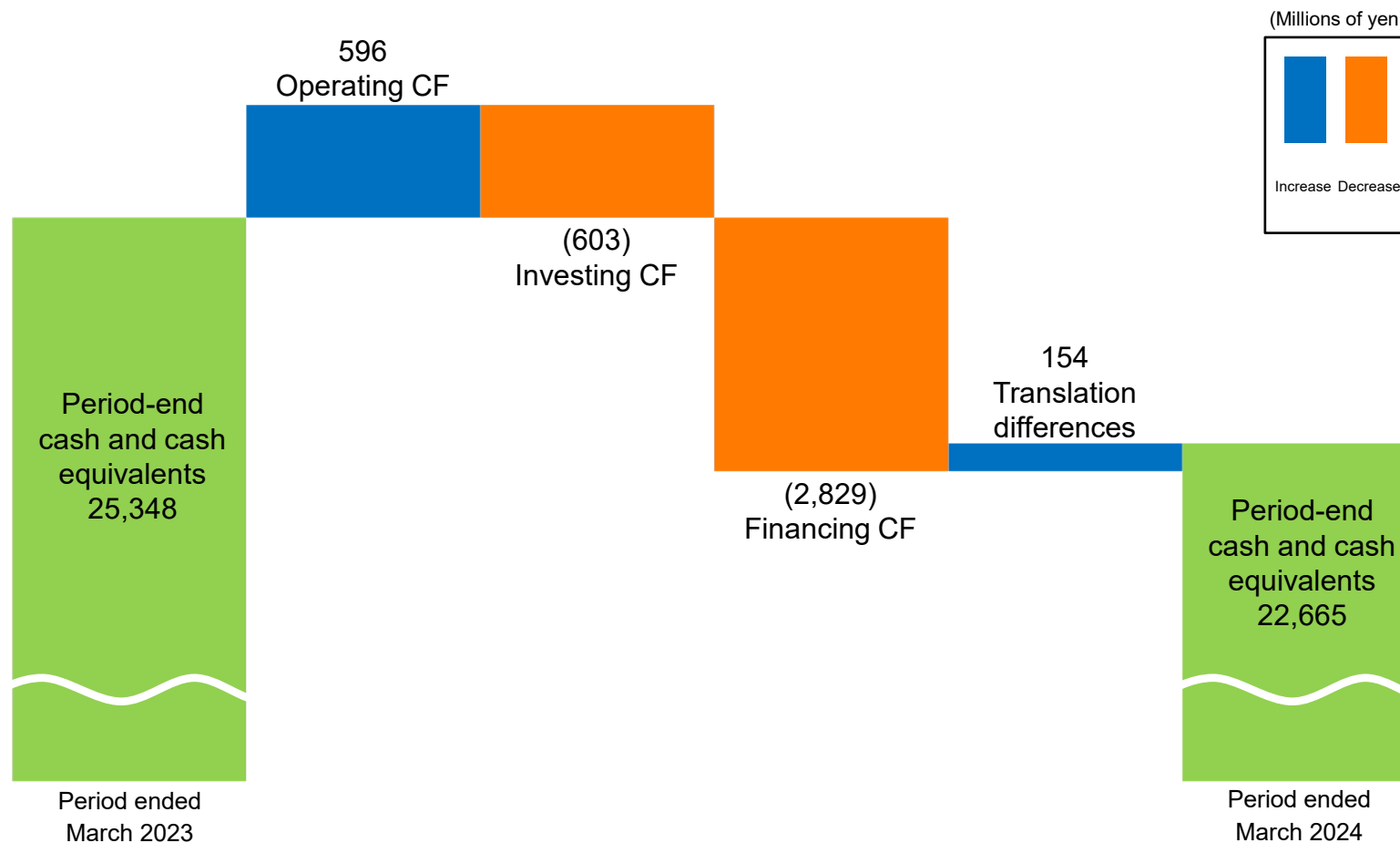
* The Company executed a 2-for-1 stock split of its common stock as of October 1, 2023. Book value per share (BPS) is calculated on the assumption that the stock split was executed at the beginning of the previous consolidated fiscal year.

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

(Millions of yen)

	Period ended March 2023	Period ended March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	15,941	596	(15,344)	–	Advance payment of construction costs associated with sales growth
Cash flows from investing activities	(4,729)	(603)	4,125	–	Used: Reconstruction of Niigata Branch Construction of offsite facilities Provided: Sale of investment securities
Cash flows from financing activities	(2,218)	(2,829)	(611)	–	Payment of dividends
Cash and cash equivalents at beginning of period	16,037	25,348	9,310	58.1%	
Increase/decrease in cash and cash equivalents	9,310	(2,682)	(11,993)	–	
Cash and cash equivalents at end of year	25,348	22,665	(2,682)	-10.6%	

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 over three categories are attributable to different factors: Operating CF (advance payment of construction costs associated with sales growth), Investing CF (Used: reconstruction of Niigata Branch and construction of offsite facilities, Provided: Sale of investment securities), and Financing CF (Payment of dividends).
- We have signed commitment credit line agreements with three banks for efficient working capital financing.



**Full-Year Financial Results for
the Period Ended March 2024**

Full-Year Financial Closing Highlights

Renovations, direct orders, and public works

(Millions of yen)

	Period ended March 2023			Period ended March 2024			Year-on-year change	
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate
Renovations	49,121	34,569	83,691	41,737	42,259	83,997	305	0.4%
Ratio of renovations (%)	39.3%	42.5%	40.6%	32.5%	33.9%	33.2%	-7.4p	–
Mid-to-large renovations	23,578	15,440	39,018	18,626	19,286	37,912	(1,105)	-2.8%
Small-scale renovations	25,543	19,129	44,673	23,111	22,972	46,084	1,410	3.2%
General construction works	75,844	46,801	122,646	86,785	82,351	169,137	46,490	37.9%
Total orders received	124,966	81,371	206,337	128,523	124,610	253,134	46,796	22.7%
Of which, direct orders	55,333	34,959	90,293	49,358	67,030	116,389	26,095	28.9%
Ratio of direct orders (%)	44.3%	43.0%	43.8%	38.4%	53.8%	46.0%	2.2p	–
Of which, public works	12,381	7,449	19,830	18,097	12,543	30,640	10,809	54.5%
Ratio of public works (%)	9.9%	9.2%	9.6%	14.1%	10.1%	12.1%	2.5p	–

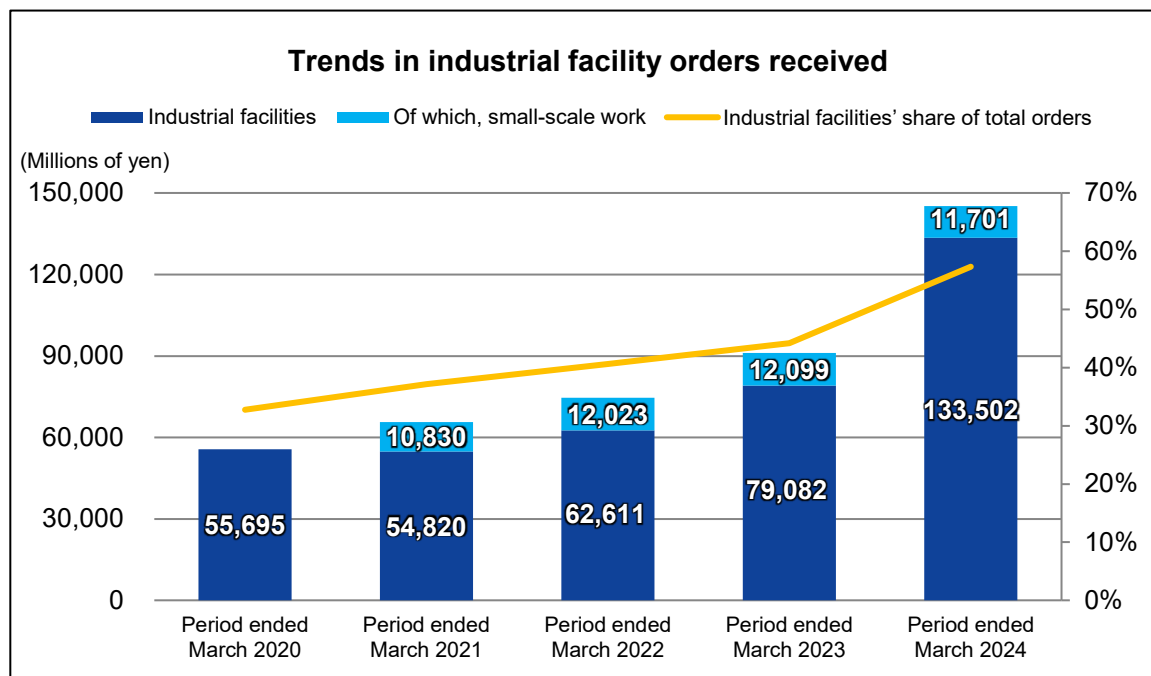
- Renovations were in line with the initial plan and on a par with the previous period.
- General construction work increased significantly thanks to orders received mainly for industrial facilities.
- Direct orders were significantly boosted by large-scale semiconductor plant projects received.
- Public work grew substantially thanks to large-scale project orders received.

Industrial facilities

(Millions of yen)

	Period ended March 2023			Period ended March 2024			Year-on-year change	
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate
Total industrial facilities	53,744	37,436	91,181	65,764	79,439	145,203	54,022	59.2%
(Share of total orders: %)	43.0%	46.0%	44.2%	51.2%	63.7%	57.4%	13.2p	–
Total orders received	124,966	81,371	206,337	128,523	124,610	253,134	46,796	22.7%

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



- Orders received for industrial facility construction increased significantly from large-scale semiconductor plants and automotive battery plants; industrial facilities' share of total orders was well above our target of 50%.

Overseas operations

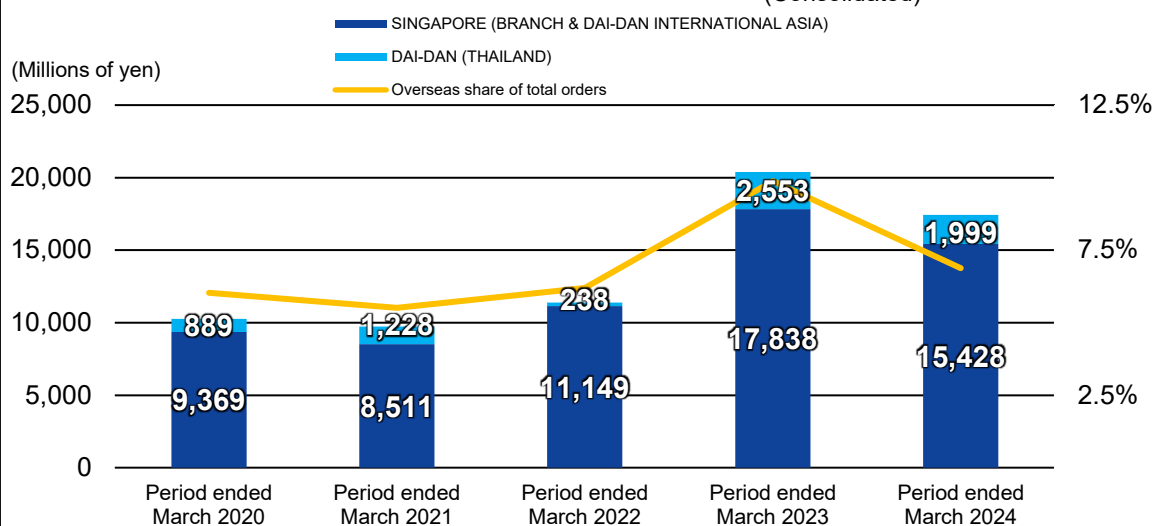
- Singapore (Branch and DAI-DAN INTERNATIONAL ASIA PTE. LTD.), Thailand (DAI-DAN (THAILAND) CO., LTD.), Vietnam (DAI-DAN (VIETNAM) CO., LTD. (non-consolidated)), and Taiwan (DAI-DAN Taiwan Co., Ltd. (non-consolidated)) are the bases of our overseas operations.

(Millions of yen)

	Period ended March 2023			Period ended March 2024			Year-on-year change	
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate
Total overseas orders received (consolidated)	13,486	6,904	20,390	7,149	10,277	17,426	(2,964)	-14.5%
(Share of total orders: %)	10.8%	8.5%	9.9%	5.6%	8.2%	6.9%	-3.0p	—
Total orders received	124,966	81,371	206,337	128,523	124,610	253,134	46,796	22.7%

Trends in overseas construction orders received

(Consolidated)



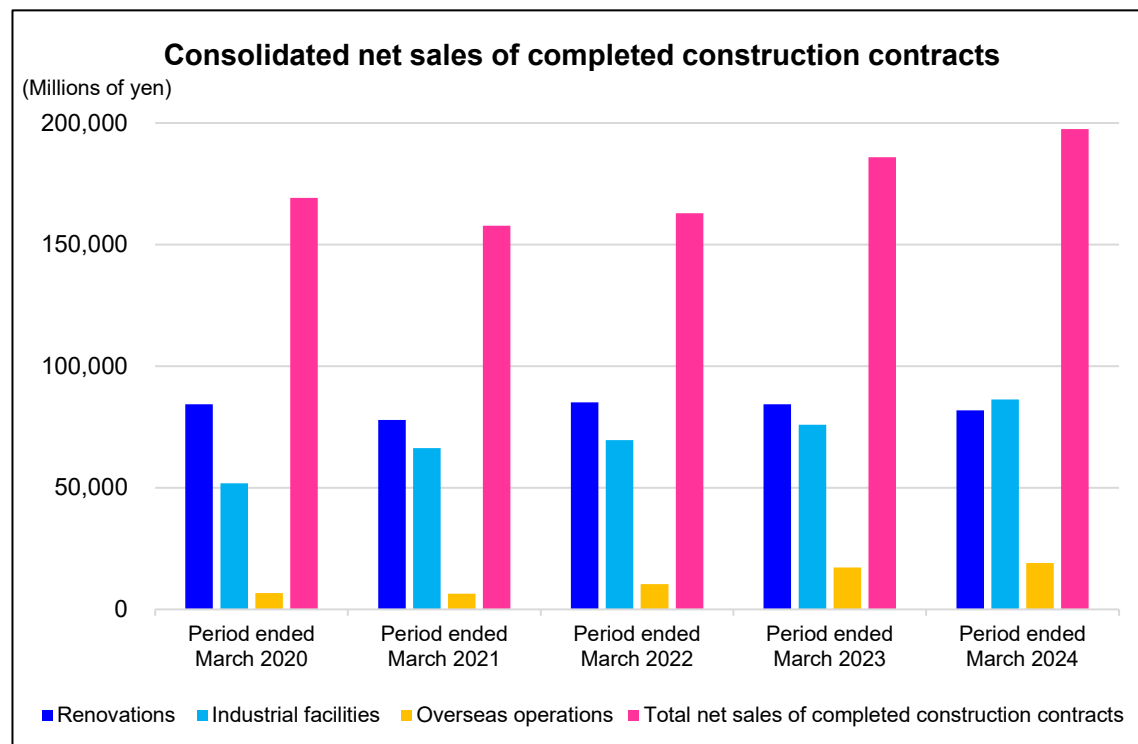
- Singapore saw a significant year-on-year decrease due to the lack of large project orders in the first half of the year; however, order receipts for large projects were favorable in the second half, bringing the full-year total to approx. 85% of the previous period's level when the largest amount in recent years was recorded.
- Construction orders received in Thailand decreased from the previous period when orders for factory projects were strong, and yet achieved a high level again at approx. 2 billion yen for the current period.

Status of completed construction contracts

(Millions of yen)

	Period ended March 2023		Period ended March 2024		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Total net sales of completed construction contracts	185,961	100.0%	197,431	100.0%	11,469	6.2%
Of which; (Renovations)	84,285	45.3%	81,769	41.4%	(2,515)	-3.0%
(Industrial facilities)	75,874	40.8%	86,277	43.7%	10,402	13.7%
(Overseas operations)	17,233	9.3%	19,023	9.6%	1,789	10.4%

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



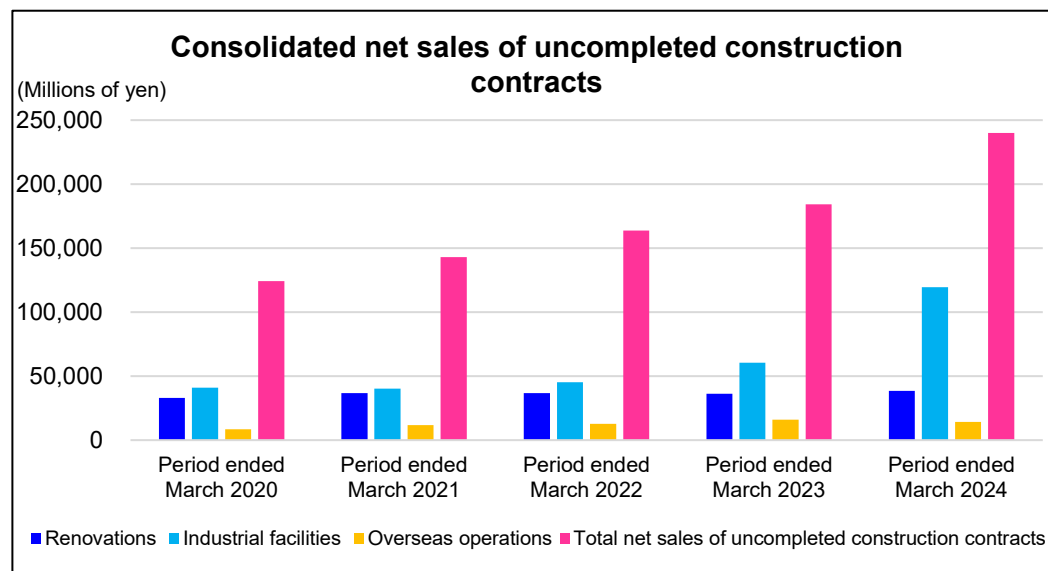
- Renovations decreased with the increase in order intake for general construction projects.
- Industrial facility construction work increased primarily due to progress in large-scale construction projects for factories and data centers.
- In addition to the above, progress in projects for airports and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

Status of uncompleted construction contracts

(Millions of yen)

	Period ended March 2023		Period ended 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	206,337	—	253,134	—	46,796	22.7%
Net sales of completed construction contracts	185,961	—	197,431	—	11,469	6.2%
Net sales of uncompleted construction contracts	184,158	100.0%	239,861	100.0%	55,702	30.2%
Of which; (Renovations)	36,302	19.7%	38,529	16.1%	2,227	6.1%
(Industrial facilities)	60,567	32.9%	119,493	49.8%	58,926	97.3%
(Overseas operations)	15,996	8.7%	14,400	6.0%	(1,596)	-10.0%

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



- Uncompleted construction contracts for the current period increased significantly compared to the previous period due to a substantial year-on-year increase in net sales of construction contract orders received, which exceeded net sales of completed construction contracts.
- A sufficient volume of unfinished construction projects has been secured, especially for industrial facilities, which will contribute to the future value of work done.
- In view of this, in the next period, progress with uncompleted construction contracts is expected to make a significant contribution as a huge boost to net sales of completed construction contracts.

Quarterly operating results

(Millions of yen)

		Period ended March 2023	Period ended 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%
	January–March	40,754	38,685	(2,067)	-5.1%
	April–December	206,337	253,134	46,797	22.7%
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%
	January–March	55,873	57,927	2,054	3.7%
	April–March	185,961	197,431	11,470	6.2%
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%
	January–March	3,257	4,534	1,277	39.2%
	April–March	8,428	10,877	2,449	29.1%

- Net sales of construction contract orders received increased considerably from the previous period thanks to orders for large-scale industrial facilities received in the period from October to December.
- Net sales of completed construction contracts posted growth with steady progress mainly in industrial facilities and redevelopment projects.
- Operating profit also showed a year-on-year increase, reflecting improvement in profit from unfinished construction projects in the period from October to March.



**Full-Year Financial Results for
the Period Ended March 2024**

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

Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2024	Period ending March 2025	Year-on-year change, full year	
	Full year	Recent forecast [Full year]	Increase (Decrease)	Change rate
Net sales of construction contract orders received	253,134	250,000	(3,134)	-1.2%
Net sales of completed construction contracts	197,431	250,000	52,569	26.6%
Gross profit on completed construction contracts	26,217	33,000	6,783	25.9%
Gross profit margin of completed construction contracts (%)	13.3%	13.2%	-0.1p	—
Operating profit	10,877	15,000	4,123	37.9%
Operating profit margin (%)	5.5%	6.0%	0.5p	—
Ordinary profit	11,918	15,300	3,382	28.4%
Ordinary profit margin (%)	6.0%	6.1%	0.1p	—
Net profit attributable to owners of parent	9,087	11,000	1,913	21.1%
Net profit margin (%)	4.6%	4.4%	-0.2p	—
Return on equity (ROE)	10.3%	11.3%	1.0p	—

Preconditions for earnings forecast

- The Stage 2030 Mid-Term Management Plan Phase 2 «Refining Stage» (FY2024 – FY2026) announced today is positioned as the three-year period for bolstering overall group capabilities. Regarding earnings forecast for the period ending March 2025, net sales of construction contract orders received are expected at the same level as the previous period, which was the highest ever, and net sales of completed construction contracts are expected to hit a new high, as the Company has secured uncompleted construction contracts brought forward.
- While gross profit margin on completed construction contracts is expected to remain at the same level as the previous period, considerable growth with net sales of completed construction contracts is expected to push operating profit to a record high as well.

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.
- As announced today in the Stage 2030 Mid-Term Management Plan Phase 2 «Refining Stage», aiming to further promote profit return to shareholders and implement a more stable dividend policy, we have adopted a new dividend policy of “**Dividend payout ratio of 40% or higher** (Dividend payout ratio +5pt compared to) **and a minimum DOE of 4%** (DOE: newly set)” starting from the period ending March 31, 2025.

Dividend status

	Full-year dividend			Total dividend (Total sum)	Dividend ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of second quarter	End of period	Total			
	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%
Period ended March 2023	45.00	55.00	100.00	2,150	32.3%	2.7%
Period ended March 2024 (On the pre-stock split basis)	55.00	48.00 (96.00)	— (151.00)	3,246	35.6%	3.7%
Period ending March 2025 (Forecast)	52.00	52.00	104.00	4,472	40.5%	4.6%

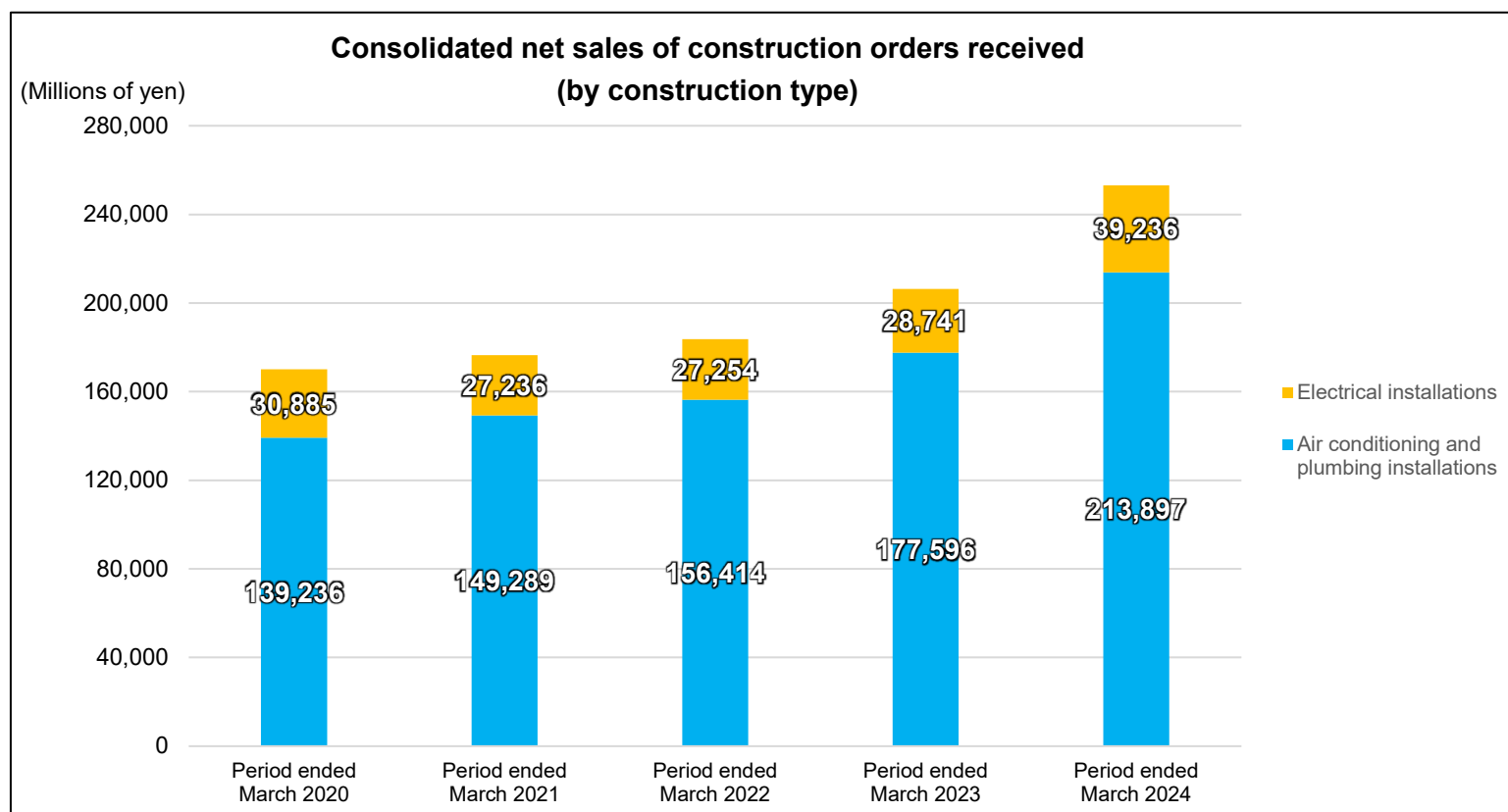


**Reference:
DATA FILE
(Full Year)**

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

(Millions of yen)

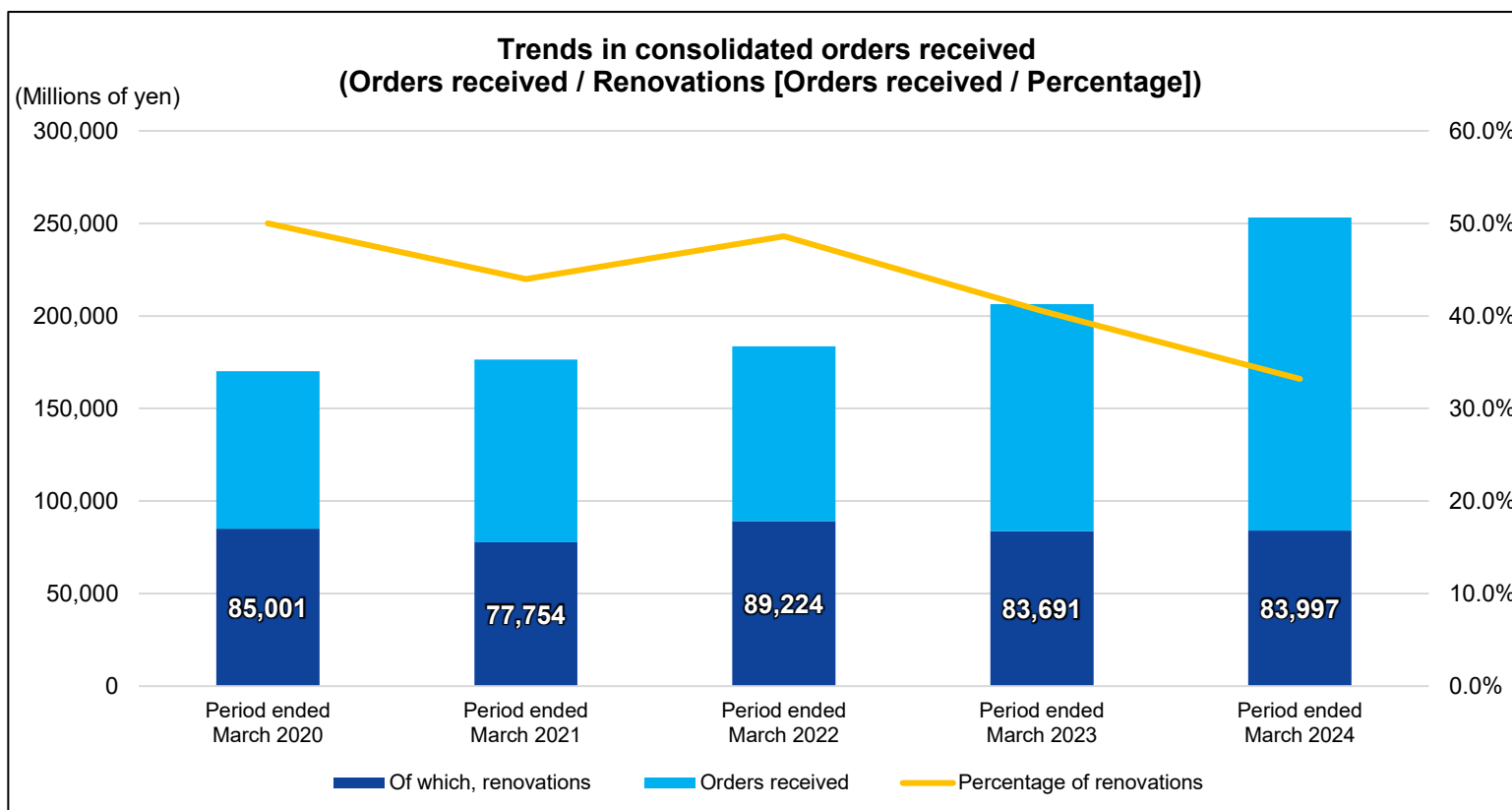
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Electrical installations	30,885	27,236	27,254	28,741	39,236
Air conditioning and plumbing installations	139,236	149,289	156,414	177,596	213,897
Total	170,121	176,526	183,668	206,337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



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

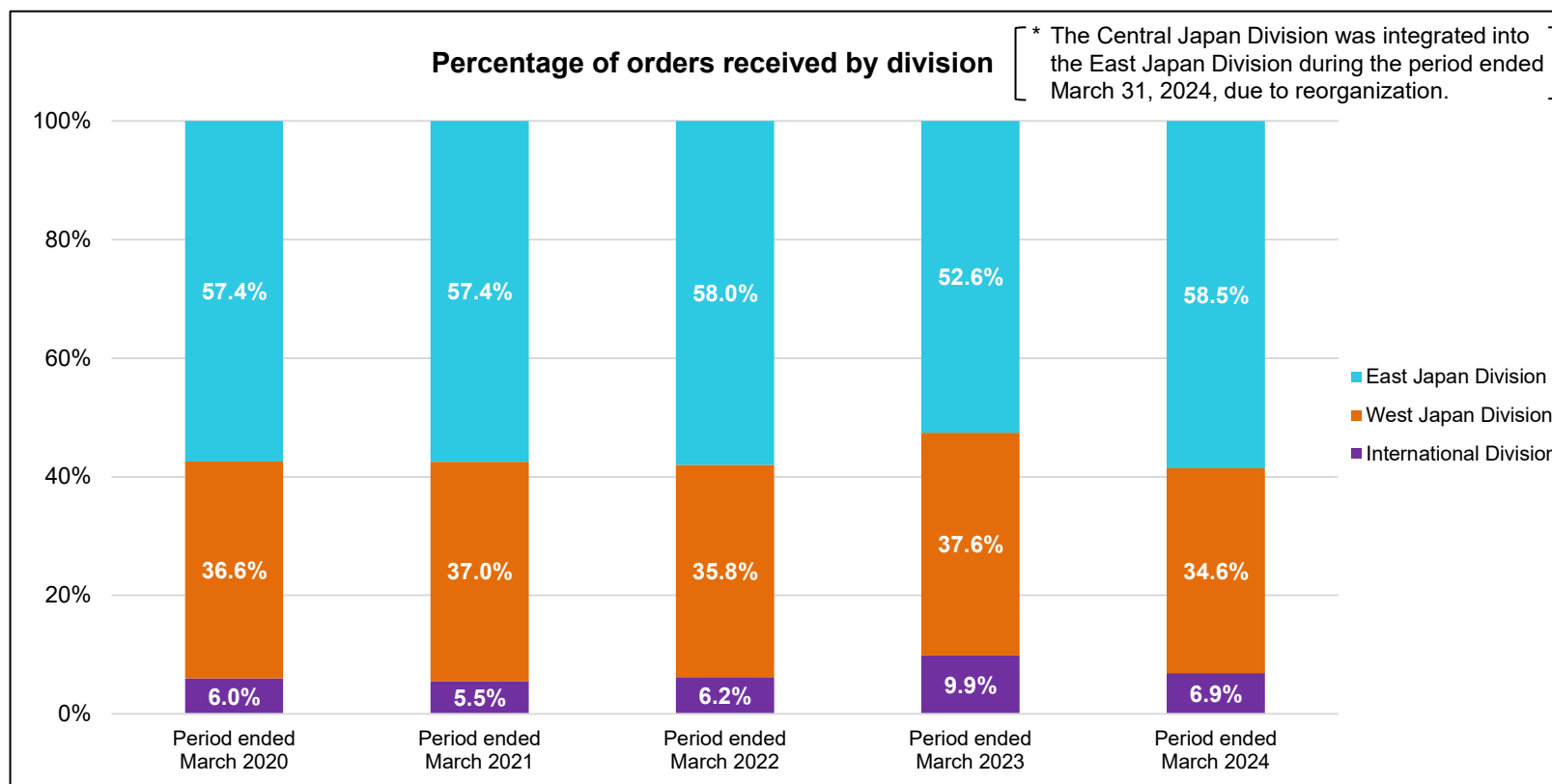
(Millions of yen)

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



Percentage of consolidated orders received by division (Full year)

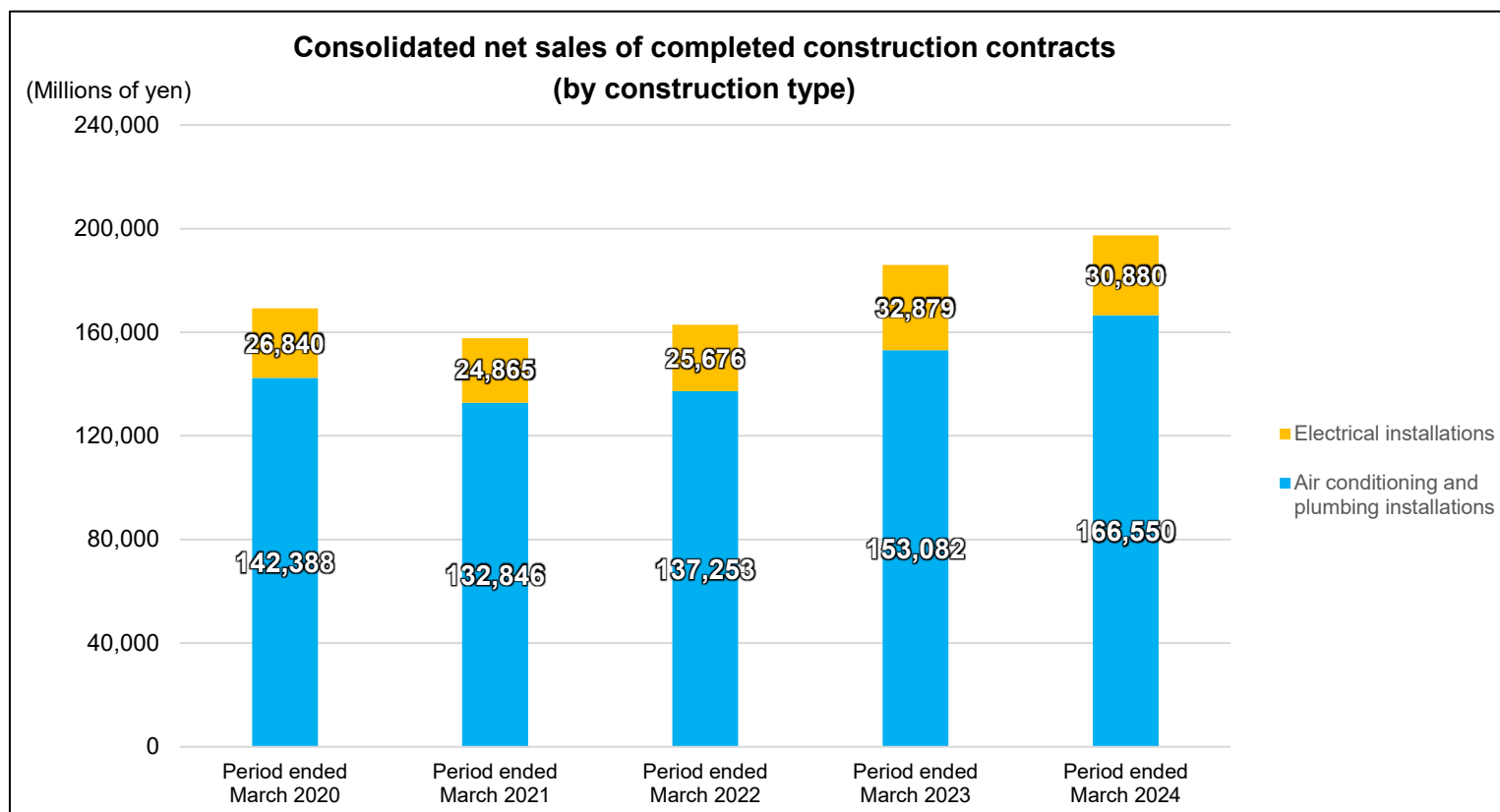
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
East Japan Division	57.4%	57.4%	58.0%	52.6%	58.5%
West Japan Division	36.6%	37.0%	35.8%	37.6%	34.6%
International Division	6.0%	5.5%	6.2%	9.9%	6.9%



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

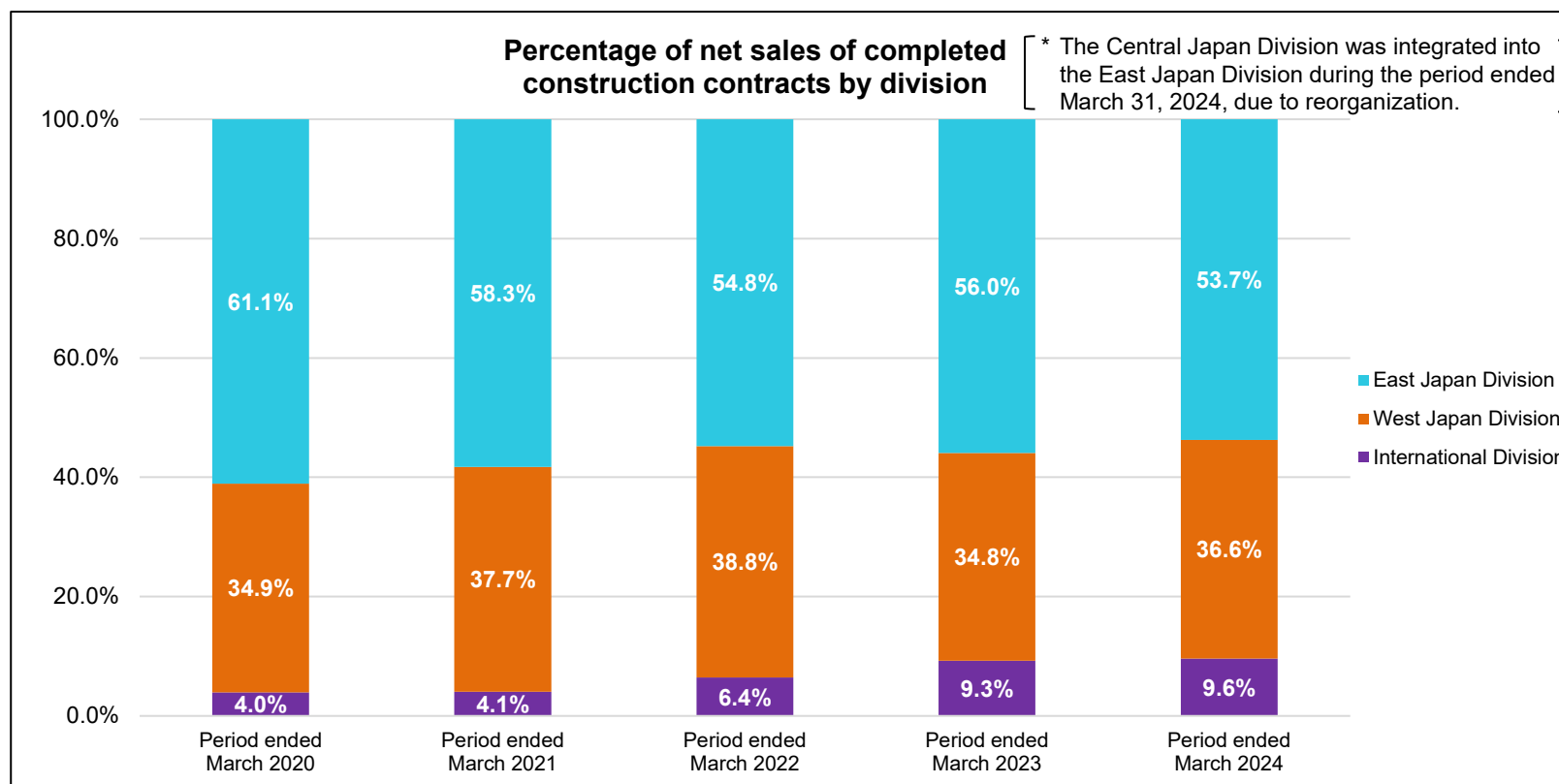
(Millions of yen)

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



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

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



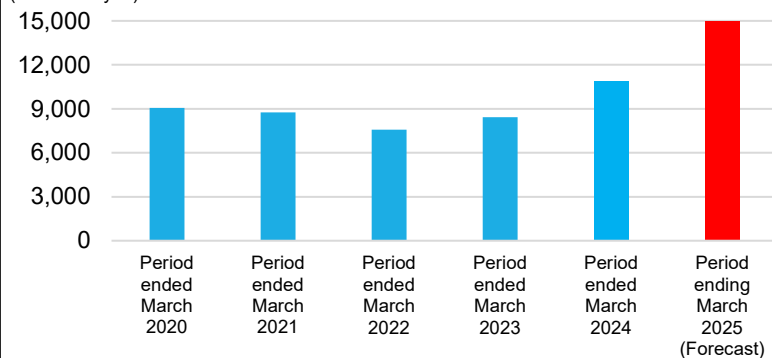
Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

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

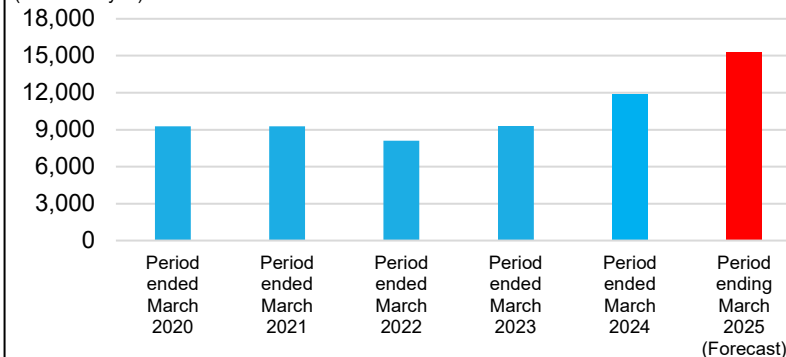
Operating profit

(Millions of yen)



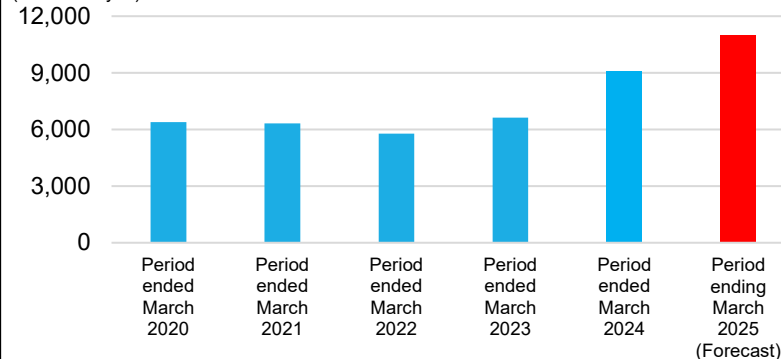
Ordinary profit

(Millions of yen)



Net profit

(Millions of yen)



Disclaimer

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

IR-related inquiries:

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