



# Financial Briefing Material for the Period Ended March 2022

May 11, 2022

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

# Contents

**Consolidated Performance Summary**

**Full-Year Financial Closing Highlights**

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

**Progress Status of Mid-Term  
Management Plan**

**Our Sustainability Initiatives**

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

The background features a diagonal split. The upper-left portion is a dark blue triangle containing abstract, painterly splashes of green and lighter blue. The lower-right portion is a light gray triangle. The text is positioned within these two areas.

**Full-Year Financial Results for  
the Period Ended March 2022**

# **Consolidated Performance Summary**

# Consolidated Performance Summary

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

(Millions of yen)

	Period ended March 2021	Period ended March 2022	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net sales of uncompleted construction contracts at beginning of period	124,228	143,043	18,814	15.1%	
Net sales of construction contract orders received	176,526	183,668	7,141	4.0%	Increase in orders received mainly for large-scale construction contracts
Net sales of completed construction contracts	157,712	162,929	5,217	3.3%	The increase is attributable to the progress of construction work due primarily to increased orders received in the 4th quarter.
Gross profit on completed construction contracts	21,521	20,723	(798)	-3.7%	Decrease in gross profit margin of completed construction contracts
Gross profit margin of completed construction contracts (%)	13.6%	12.7%	-0.9p		
Operating profit	8,754	7,584	(1,169)	-13.4%	Decrease in gross profit on completed construction contracts
Operating profit margin (%)	5.6%	4.7%	-0.9p		
Ordinary profit	9,262	8,095	(1,167)	-12.6%	Decrease in operating profit
Ordinary profit margin (%)	5.9%	5.0%	-0.9p		
Net profit attributable to owners of parent	6,318	5,778	(540)	-8.6%	
Net profit margin (%)	4.0%	3.5%	-0.5p		
Earnings per share (EPS)	291.96 yen	270.16 yen	(21.80) yen	-7.5%	
Price earnings ratio (PER)	10.1 times	7.8 times	-2.3 times	—	(Reference) Closing stock price as of Mar. 31, 2021: 2,963 yen Closing stock price as of Mar. 31, 2022: 2,099 yen
Return on equity (ROE)	8.9%	7.6%	-1.3p	—	
Return on assets (ROA)	7.3%	6.0%	-1.3p	—	

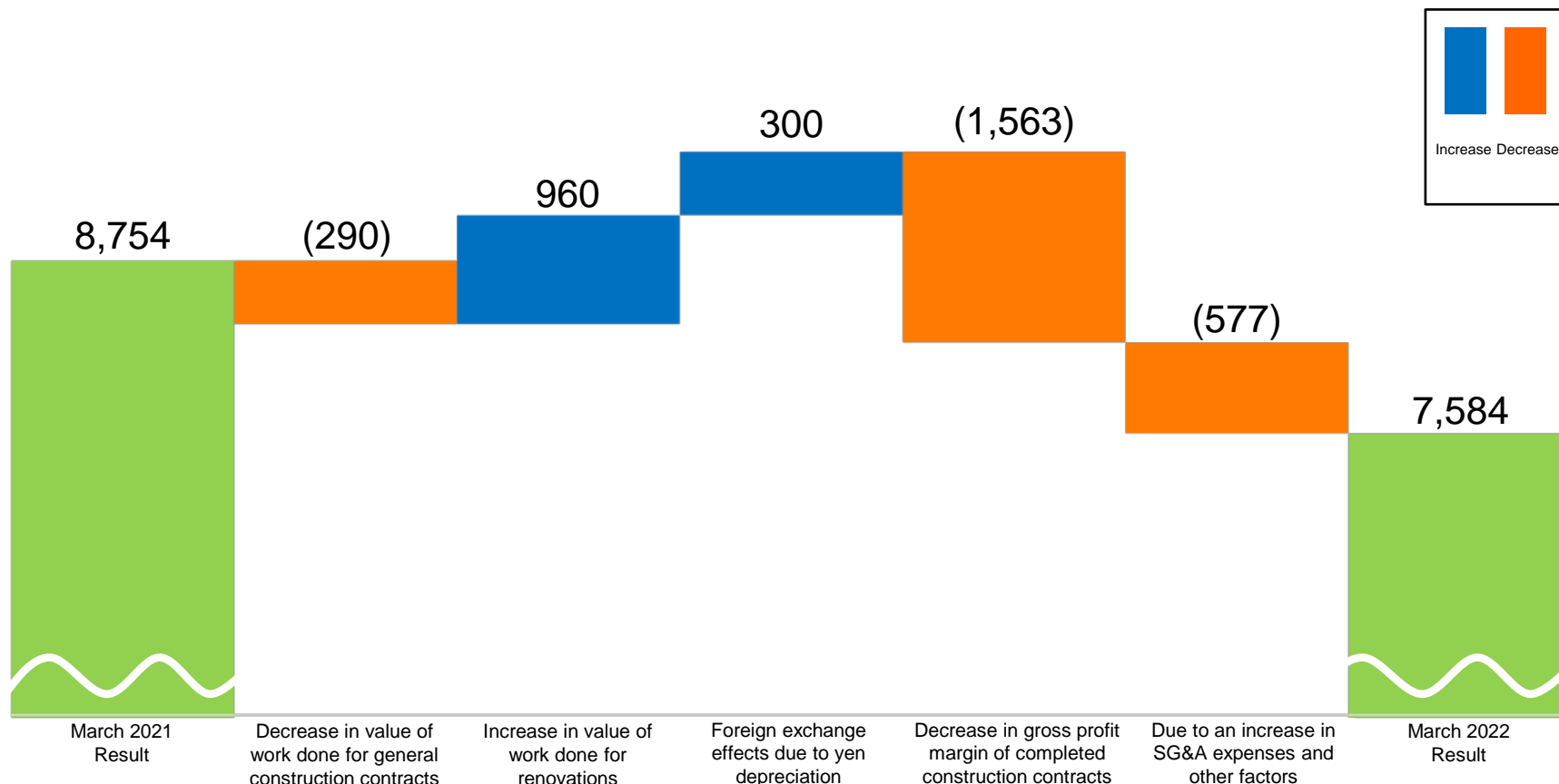
## Business environment

- Net sales of construction contract orders received decreased for renovations as a whole in the previous fiscal year due to the effects of the Covid-19 pandemic. In the current fiscal year, large-scale construction orders remained at a high level mainly for medical facilities, Tokyo metropolitan area redevelopment projects, and industrial facilities. Additionally, orders for mid- to large-scale renovations were favorable and net sales of completed construction contracts increased as well.
- Please see the next page for the operating profit breakdown.

# Consolidated Performance Summary

## Breakdown of decrease in consolidated operating profit

(Millions of yen)



- The decrease in profit from general construction is attributable to decreased net sales of completed construction contracts of large-scale construction projects compared to the previous year. Meanwhile, the increase in profit from renovations is attributable to increased net sales of completed construction contracts especially for mid- to large-scale factory projects.
- The profit margin of completed construction contracts decreased due mainly to intensifying competition for order acquisition and soaring prices of materials and equipment. Additionally, in unfinished construction work, there were only a small number of projects that were to be completed during the current year, which did not improve profit very much just before completion. Additional construction work also decreased.

# Consolidated Performance Summary

## Trends in consolidated net sales by construction type

(Millions of yen)

			Period ended March 2021	Period ended March 2022	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Orders received	Electrical installations		27,236	27,254	17	0.1%	
	Air conditioning and plumbing installations	Air conditioning installations	104,878	117,966	13,087	12.5%	Increase in orders received for office, hospital, and industrial facilities
		Plumbing installations	44,410	38,447	(5,963)	-13.4%	A series of air conditioning installation orders were received for large-scale construction work.
		Sub total	149,289	156,414	7,124	4.8%	
	Total		176,526	183,668	7,141	4.0%	See Pages 10-12 for the factors behind the increase.
Net sales (completed)	Electrical installations		24,865	25,676	810	3.3%	
	Air conditioning and plumbing installations	Air conditioning installations	96,526	98,270	1,744	1.8%	
		Plumbing installations	36,320	38,982	2,662	7.3%	
		Sub total	132,846	137,253	4,406	3.3%	
	Total		157,712	162,929	5,217	3.3%	See Page 13 for the factors behind the increase.
Net sales (uncompleted)	Electrical installations		21,884	23,462	1,577	7.2%	
	Air conditioning and plumbing installations	Air conditioning installations	85,938	105,634	19,696	22.9%	
		Plumbing installations	35,220	34,685	(535)	-1.5%	
		Sub total	121,158	140,319	19,161	15.8%	
	Total		143,043	163,782	20,738	14.5%	Increased net sales of uncompleted construction contracts as at the end of FY2021, and an increase in orders received for FY2022

- Both orders received and net sales of completed construction contracts increased. In particular, orders received exceeded 180 billion yen for the first time in 24 years. (See Page 9 onward for details.)
- Compared to the previous year, the increase in orders received exceeded that of net sales (completed). Meanwhile, net sales (uncompleted) recorded a significant increase.
- The “Air conditioning and plumbing installations” category has been set as a total of air conditioning installations and plumbing installations.

# Consolidated Performance Summary

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

(Millions of yen)

	Period ended March 2021	Period ended March 2022	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	74,837	77,242	2,404	3.2%	Recording of retained earnings and other reasons
Total assets	132,210	139,099	6,889	5.2%	Increase in notes receivable, accounts receivable from completed construction contracts and other
Book value per share (BPS)	3,491.84 yen	3,603.11 yen	111.27 yen	3.2%	As per the increase in Net assets stated above
Price book-value ratio (PBR)	0.85 times	0.58 times	—	—	(Reference) Closing stock price as of Mar. 31, 2021: 2,963 yen Closing stock price as of Mar. 31, 2021: 2,099 yen
Equity capital ratio	56.4%	55.4%	-1.0p	—	

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

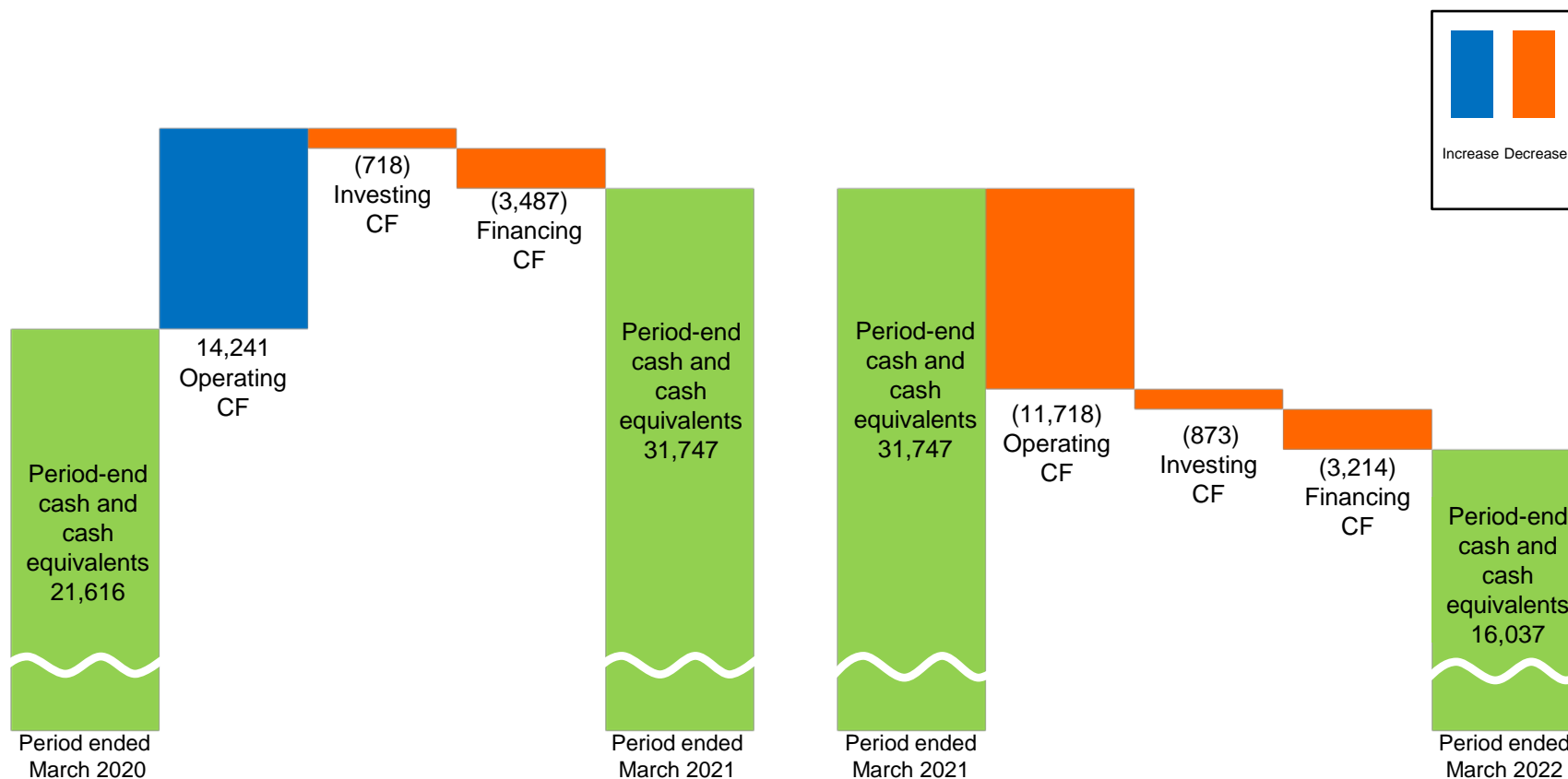
(Millions of yen)

	Period ended March 2021	Period ended March 2022	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	14,241	(11,718)	(25,960)	—	Net profit decreased year-on-year, and factors for fund decrease, such as an increase in trade receivables, exceeded those for fund increase.
Cash flows from investing activities	(718)	(873)	(154)	—	Reconstruction of Hokkaido Branch and Hokuriku Branch Investment in new businesses
Cash flows from financing activities	(3,487)	(3,214)	272	—	Dividend payment
Cash and cash equivalents at beginning of period	21,616	31,747	10,131	46.9%	
Increase/decrease in cash and cash equivalents	10,131	(15,710)	(25,841)	—	
Cash and cash equivalents at end of year	31,747	16,037	(15,710)	-49.5%	

# Consolidated Performance Summary

## Cash flow comparison with the previous period (Trends in period-end balance of cash and cash equivalents)

(Millions of yen)



- There were few projects that were to be completed and delivered among unfinished construction work for the current fiscal year. Payment was made before completion, resulting in negative operating cash flows.
- We have signed commitment credit line agreements with three banks for efficient working capital financing.



## **Full-Year Financial Results for the Period Ended March 2022**

# **Full-Year Financial Closing Highlights**

# Status of construction orders received

## Renovations, direct orders and public works

(Millions of yen)

	Period ended March 2021			Period ended March 2022			Year-on-year change		Major factors behind increase/decrease and annotation items
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate	
Renovations	39,731	38,022	77,754	49,326	39,898	89,224	11,470	14.8%	Due mainly to orders for mid- to large-scale factory projects
Ratio of renovations (%)	46.9%	41.4%	44.0%	45.9%	52.3%	48.6%			
Mid-to-large renovations	23,805	21,830	45,635	33,014	21,591	54,605	8,969	19.7%	
Small-scale renovations	15,926	16,192	32,118	16,312	18,307	34,619	2,500	7.8%	
General construction work	44,924	53,846	98,771	58,096	36,346	94,443	(4,328)	-4.4%	
Total orders received	84,656	91,869	176,526	107,423	76,245	183,668	7,141	4.0%	
Of which, direct orders	30,097	38,639	68,736	50,524	36,460	86,985	18,249	26.5%	Orders for large-scale hospitals and factories
Ratio of direct orders (%)	35.6%	42.1%	38.9%	47.0%	47.8%	47.4%			
Of which, public works	10,590	15,718	26,309	21,127	10,275	31,403	5,093	19.4%	Orders for the above-mentioned hospital projects
Ratio of public works (%)	12.5%	17.1%	14.9%	19.7%	13.5%	17.1%			

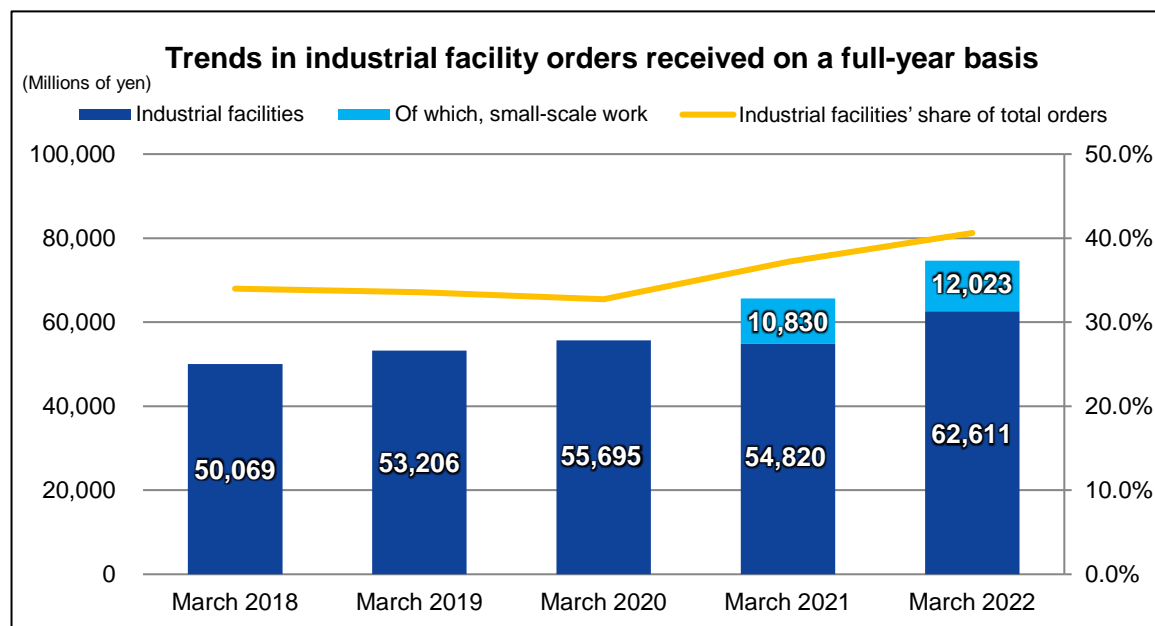
- Renovations decreased in the previous year due to the effects of the Covid-19 pandemic but increased in the current fiscal year, supported by strong orders received for mid- to large-scale factory projects.
- Direct orders were received for large-scale hospital and factory projects. Since the large-scale hospital projects were public works, both direct orders and public works increased remarkably year-on-year.
- For the 5-year transition of renovations, see Page 34.

## Industrial facilities

(Millions of yen)

	Period ended March 2021			Period ended March 2022			Year-on-year change		Major factors behind increase/decrease and annotation items
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate	
<b>Total industrial facilities</b>	27,434	38,215	65,649	37,090	37,543	74,633	8,984	13.7%	Orders received for large-scale factory and logistics facility projects
<b>(Share of total orders: %)</b>	32.4%	41.6%	37.2%	34.5%	49.2%	40.6%			
<b>Total orders received</b>	84,656	91,869	176,526	107,423	76,245	183,668	7,141	4.0%	

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



- Industrial facility orders reached a record high since the start of the disclosure of our financial results in 2015.
- Following the recovery in capital investment with the growth in demand for semiconductors and electric commerce, orders received for large-scale factory and logistics facility projects, in particular, contributed to the year-on-year increase.

\* As a result of reviewing the construction classification from the current period, part of small-scale construction work has been included in “Industrial facilities.” The previous fiscal year also indicates the value after retrospectively applying the revision of the construction classification.

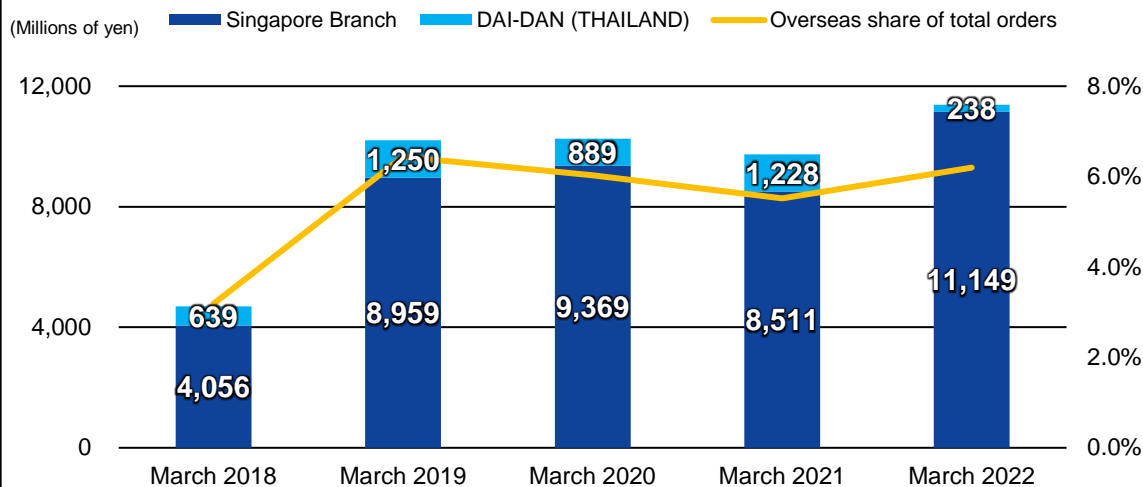
## Overseas operations

- Singapore Branch and DAI-DAN (THAILAND) are the pillars of our overseas operation.
- As our new overseas bases, we established DAI-DAN (VIETNAM) CO., LTD. in Vietnam in fiscal 2020, DAI-DAN INTERNATIONAL ASIA PTE. LTD. in Singapore in fiscal 2021, and DAI-DAN Taiwan Co., Ltd. in fiscal 2022.

(Millions of yen)

	Period ended March 2021			Period ended March 2022			Year-on-year change		Major factors behind increase/decrease and annotation items
	First half year	Second half year	Full year	First half year	Second half year	Full year	Increase (Decrease)	Change rate	
Total overseas orders received	5,043	4,695	9,738	6,449	4,937	11,386	1,647	16.9%	Increase in orders received for overseas industrial facilities
(Share of total orders: %)	6.0%	5.1%	5.5%	6.0%	6.5%	6.2%			
Total orders received	84,656	91,869	176,526	107,423	76,245	183,668	7,141	4.0%	

**Trends in overseas construction orders received on a full-year basis**



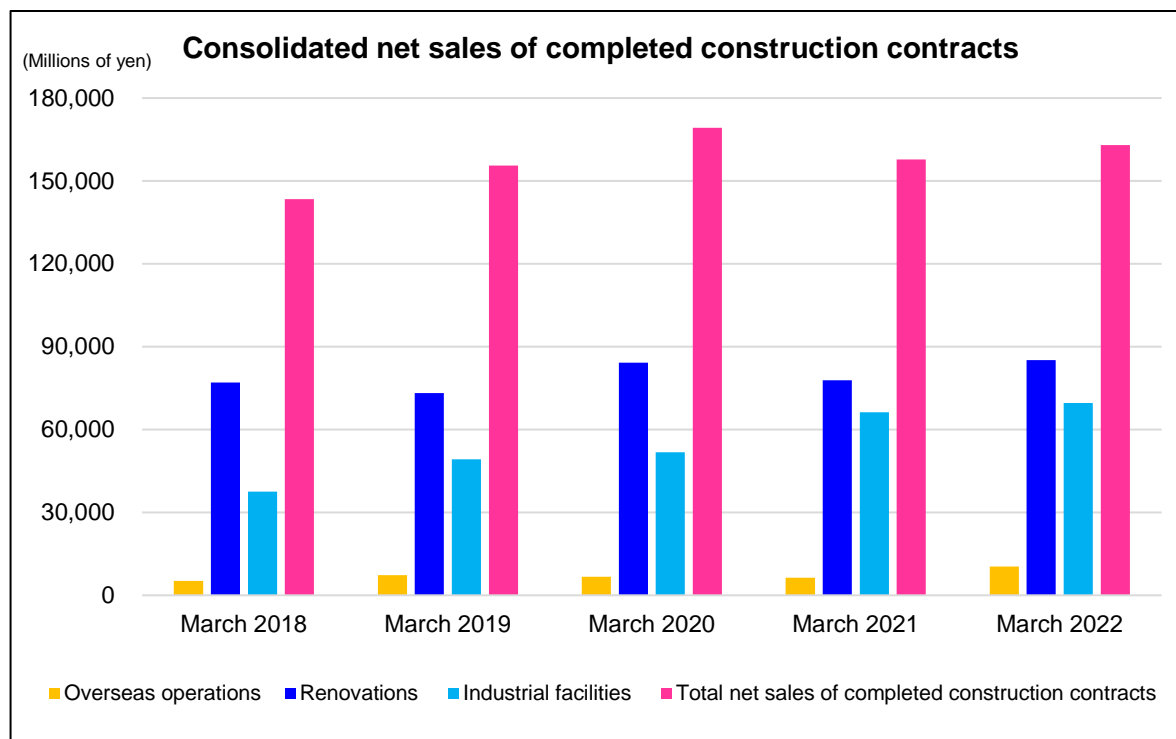
- In Singapore, movement restriction to prevent the spread of Covid-19 has been relaxed since the end of 2021 in line with the government's "coexisting with Covid-19" policy. Now order receiving activities and the operation of construction sites are returning to the pre-pandemic condition. As a result, net sales of construction contract orders received posted growth compared to last year.
- In Thailand, orders received declined substantially. The large-scale construction orders received last year were canceled because the customers had stopped construction at their convenience.

# Status of completed construction contracts

(Millions of yen)

	Period ended March 2021		Period ended March 2022		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>	157,712	100.0%	162,929	100.0%	5,217	3.3%
<b>Of which, (Industrial facilities)</b>	66,327	42.1%	69,629	42.7%	3,302	5.0%
(Renovations)	77,844	49.4%	85,183	52.3%	7,338	9.4%
(Overseas operations)	6,423	4.1%	10,414	6.4%	3,990	62.1%

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



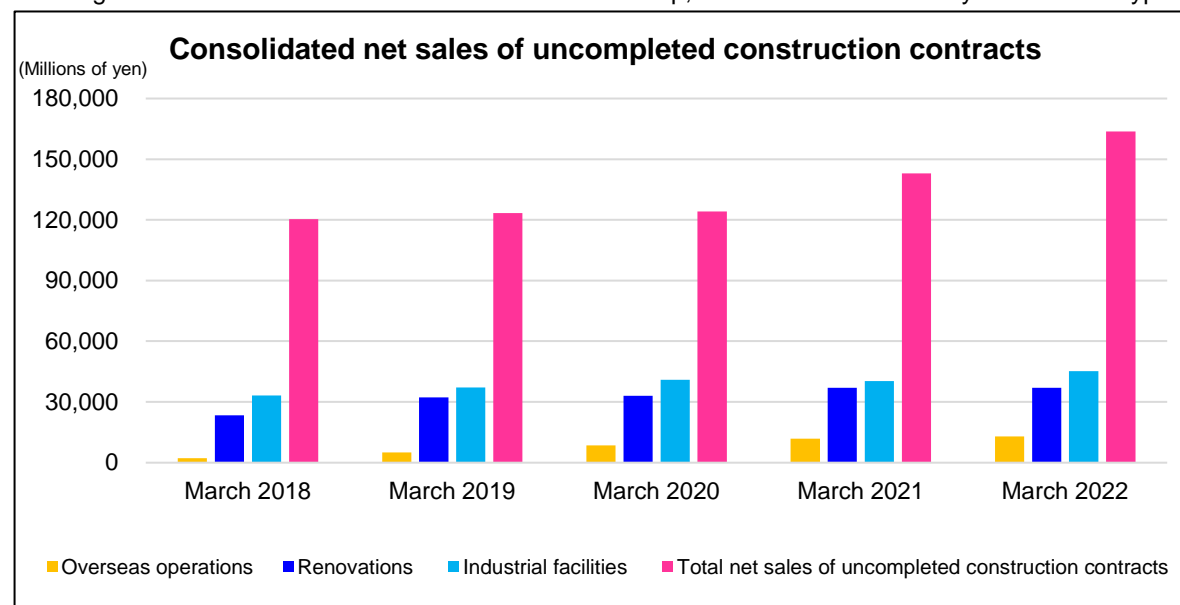
- Looking at net sales of completed construction contracts for the current fiscal year, overall net sales of completed construction contracts increased due primarily to the progress of factory renovation projects.
- Following this, industrial facilities, renovations, and overseas operations posted growth.
- Net sales of completed construction contracts for industrial facilities reached the highest level since the start of the disclosure of our financial results in 2015.
- Net sales of completed construction contracts for overseas operations exceeded 10 billion yen for the first time in 14 years.
- Moreover, large-scale airport and medical facility construction projects have also contributed to the net sales of completed construction contracts.

# Status of uncompleted construction contracts

(Millions of yen)

	Period ended March 2021		Period ended March 2022		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	124,228	—	143,043	—	18,814	15.1%
Net sales of construction contract orders received	176,526	—	183,668	—	7,141	4.0%
Net sales of completed construction contracts	157,712	—	162,929	—	5,217	3.3%
Net sales of uncompleted construction contracts	143,043	100.0%	163,782	100.0%	20,738	14.5%
Of which, (Industrial facilities)	40,256	28.1%	45,260	27.6%	5,004	12.4%
(Renovations)	32,854	23.0%	36,896	22.5%	4,041	12.3%
(Overseas operations)	11,866	8.3%	12,839	7.8%	972	8.2%
Of which, those to be completed in the next fiscal year	91,326	—	102,837	—	11,511	12.6%

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



- As for net sales of uncompleted construction contracts for the current fiscal year, net sales of construction contract orders received exceeded net sales of completed construction contracts, posting year-on-year growth. Construction contract orders to be completed in the next fiscal year increased especially and are expected to contribute to the earnings for the next fiscal year.
- 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 work has been secured.

# Quarterly operating results

(Millions of yen)

		Period ended March 2021	Period ended March 2022	Increase (Decrease)	Change rate
Net sales of construction contract orders received	April–June	36,167	44,698	8,531	23.6%
	July–September	48,489	62,725	14,236	29.4%
	October–December	37,906	42,695	4,790	12.6%
	January–March	53,965	33,550	(20,415)	-37.8%
	April–March	176,526	183,668	7,141	4.0%
Net sales of completed construction contracts	April–June	34,816	27,257	(7,559)	-21.7%
	July–September	37,918	38,523	605	1.6%
	October–December	38,365	42,477	4,112	10.7%
	January–March	46,613	54,672	8,059	17.3%
	April–March	157,712	162,929	5,217	3.3%
Operating profit	April–June	2,281	528	(1,752)	-76.8%
	July–September	2,789	2,240	(549)	-19.7%
	October–December	2,135	1,292	(843)	-39.5%
	January–March	1,549	3,524	1,975	127.5%
	April–March	8,754	7,584	(1,170)	-13.4%

- Net sales of construction contract orders received posted an increase on a full year basis, spurred by the increase from April to December.
- Net sales of completed construction contracts posted an increase on a full year basis as construction work progressed toward the second half year.
- Operating profit decreased on a full year basis due to the slowdown from April to December.



## **Full-Year Financial Results for the Period Ended March 2022**

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

## Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2022	Period ending March 2023	Year-on-year change, full year	
	Full year	Current forecast [Full year]	Increase (Decrease)	Change rate
Net sales of construction contract orders received	183,668	193,000	9,332	5.1%
Net sales of completed construction contracts	162,929	175,000	12,071	7.4%
Gross profit on completed construction contracts	20,723	23,000	2,277	11.0%
Gross profit margin of completed construction contracts (%)	12.7%	13.1%	0.4p	
Operating profit	7,584	8,500	916	12.1%
Operating profit margin (%)	4.7%	4.9%	0.2p	
Ordinary profit	8,095	8,700	605	7.5%
Ordinary profit margin (%)	5.0%	5.0%	0.0p	
Net profit attributable to owners of parent	5,778	6,000	222	3.8%
Net profit margin (%)	3.5%	3.4%	-0.1%	
Return on equity (ROE)	7.6%	7.6%	0.0p	

## Preconditions for earnings forecast

- In response to the extended top-line targets in the Stage 2030 Phase 1 “Preparation Stage” of the Mid-Term Management Plan, both net sales of construction contract orders received and net sales of completed construction contracts are expected to increase.
- The gross profit margin of completed construction contracts is expected to rise as serial completion of unfinished construction work will improve profit.
- With the rise of gross profit margin of completed construction contracts and the increase in net sales of completed construction contracts, operating profit is expected to increase as well.
- We will achieve our earnings forecast in the second year of the Phase 1 “Preparation Stage” and link it to the final year of Phase 1, or the fiscal year ending March 2024.

## 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	%	%
<b>Period ended March 2021</b>	45.00	45.00	90.00	1,949	30.8%	2.7%
<b>Period ended March 2022</b>	45.00	45.00	90.00	1,935	33.3%	2.5%
<b>Period ending March 2023 (Forecast)</b>	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 so far, 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 next fiscal year.

## Purchase of treasury shares

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



**Financial Briefing Material for  
the Period Ended March 2022**

# **Progress Status of Mid-Term Management Plan**

**“Preparation Stage” FY2021–2023**

# Strategies and measures for the Mid-Term Management Plan

## “Preparation Stage”

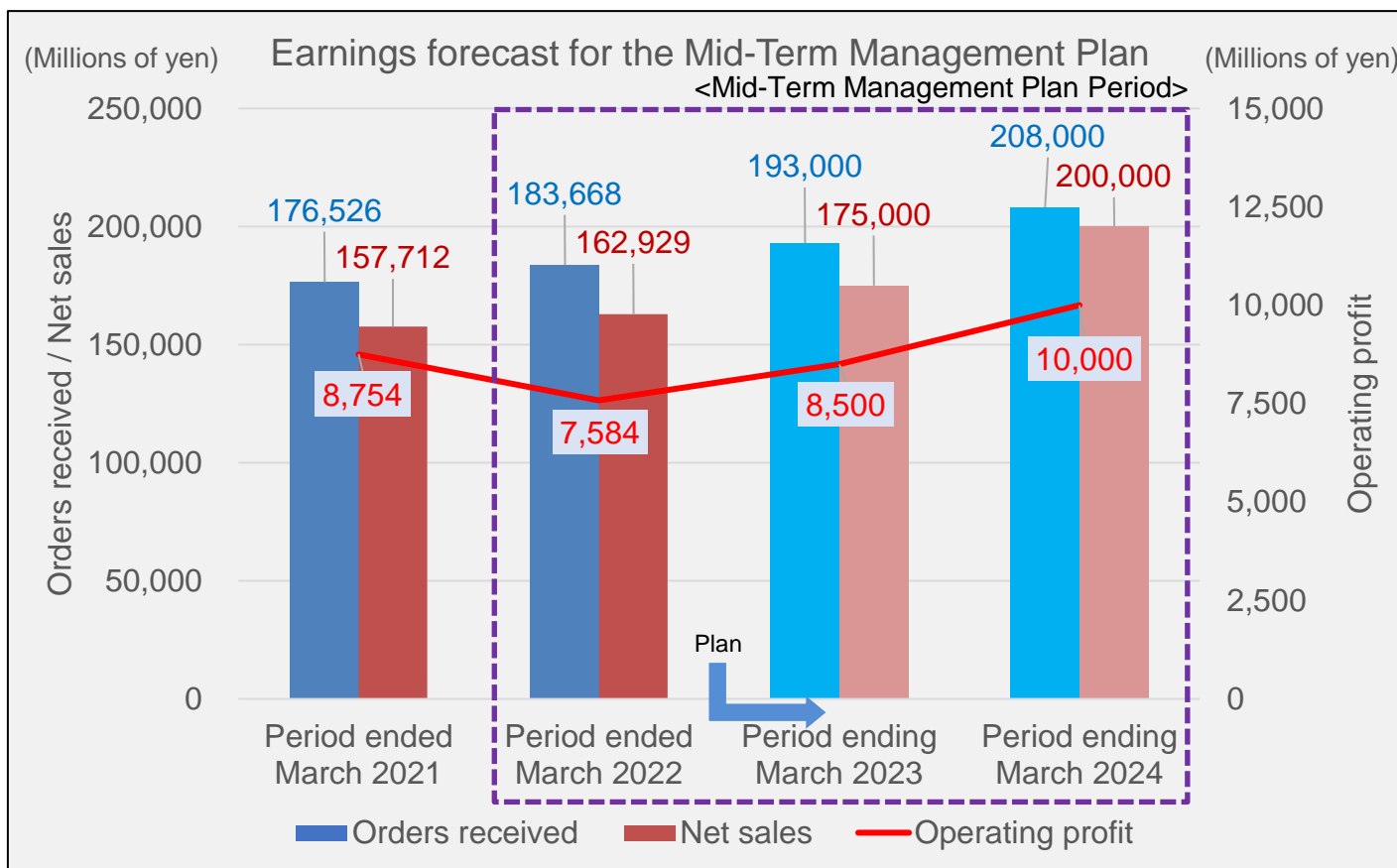
- A “Preparation Stage” to improve and strengthen our domestic and overseas foundations toward the Long-term Vision 2030.
- Take on the challenges of entering new businesses and establish a group structure to expand consolidated sales.
- Aiming to become a “company that creates space value,” and deliver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

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

# Progress of the Mid-Term Management Plan

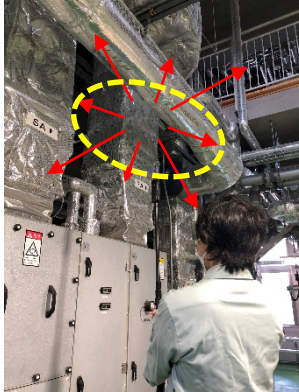
## <Orders received / Net sales / Operating profit>

- The targets in the Mid-Term Management Plan “Preparation Stage” are expected to be achieved. Aiming to achieve the **targets of net sales of 200 billion yen and operating profit of 10 billion yen in fiscal year ending March 2024**, or the final year, we will accumulate orders, continue to hire about 100 persons, and promote DX, thereby improving productivity and achieving sales.



## Construction Visualizer 4D

**Easy** recording of 3D data that realistically captures the status at worksites



Shooting at a worksite with an omnidirectional camera



This enables recording of omnidirectional video centered on the camera at once.

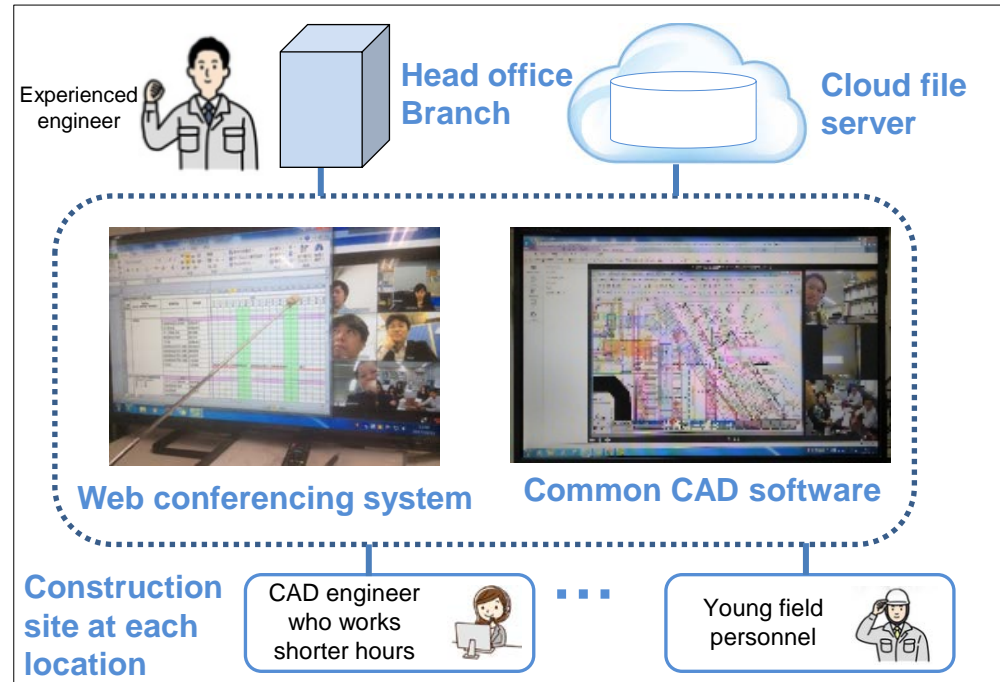
Processing of video data with dedicated software

3D modeling of the video that recorded the current status



Utilized for construction planning even for **renovation projects, drawings of which no longer exist.**

## Remote field support team



For the purpose of providing efficient support from the head office and branches to construction sites in various locations, we provide multifaceted support such as process management and mutual creation of drawings between construction sites using web conferencing tools, cloud file servers, and common CAD software.

Last year's results: 339 projects

**Utilized for about 70% of medium and large projects**

# Key measures for the Mid-Term Management Plan

## <Increase industrial installations>

- In recent years, the number of electronic device factories, data centers, and logistics facilities have been increasing remarkably.
- The Engineering Division was established in April 2022 to increase and train engineers who can handle sophisticated equipment and to strengthen the construction system specializing in industrial facilities.

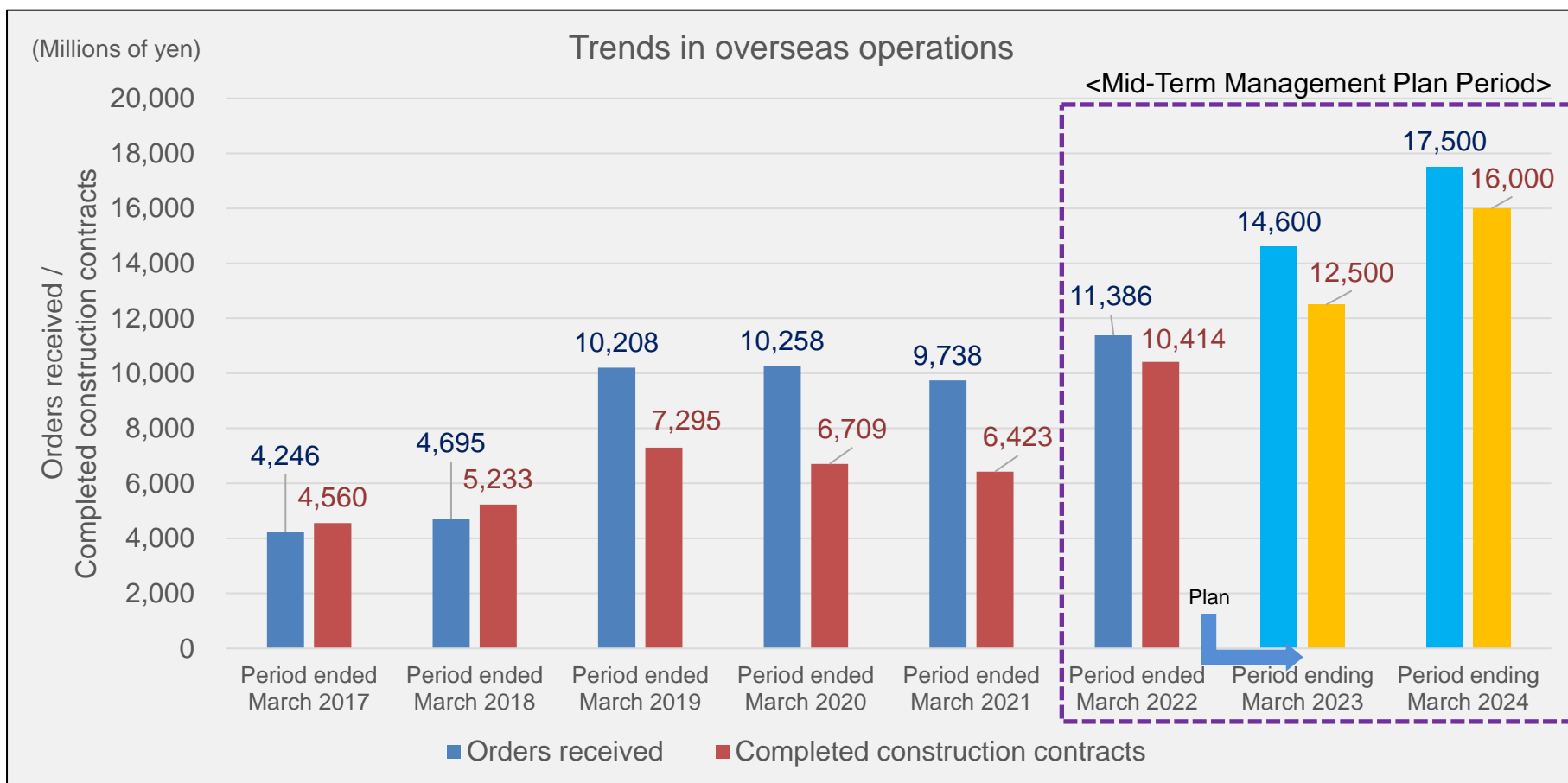


\* With the revision of the construction classification, industrial facility-related small-scale construction work has been added since the fiscal year ended March 2021.

# Key measures for the Mid-Term Management Plan

## <Reinforce overseas operations>

- While operating business mainly in Singapore and Thailand, we established local subsidiaries in Vietnam in October 2020 and in Taiwan in April 2022.
- Following the relaxation of movement restrictions as measures to prevent the spread of Covid-19, net sales of completed construction contracts are expected to increase steadily.
- Net sales of completed construction contracts planned for the 2nd year of Mid-Term Management Plan (period ending March 2023) 12.5 billion yen ⇒ Final year (plan) 16 billion yen





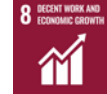








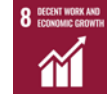






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# **Financial Briefing Material for the Period Ended March 2022**

## **Our Sustainability Initiatives**

Aiming for a CSV business that creates new businesses focusing on social issues, we report on promotion items in the global environment area and life science area, which have a high affinity with our technology.

Our materiality items	Specific measures	SDGs
<b>Contribute to a decarbonized society</b>	Expansion of ZEB-related construction work	 
<b>Keep up with changes in business environment through DX</b>	Adoption of ICT utilization technology at construction sites	   
<b>Realize a high-quality medical environment</b>	Initiatives in the regenerative medicine field	
<b>Achieve innovation and improve productivity through research and fostering of human resources</b>	Increase in intellectual rights possession	   
<b>Health and safety conscious work environment that makes employees feel their work is rewarding</b>	Improvement in employee satisfaction	   
<b>Partnership with subcontractors and suppliers</b>	Improvement in retention rate of Meisters	  

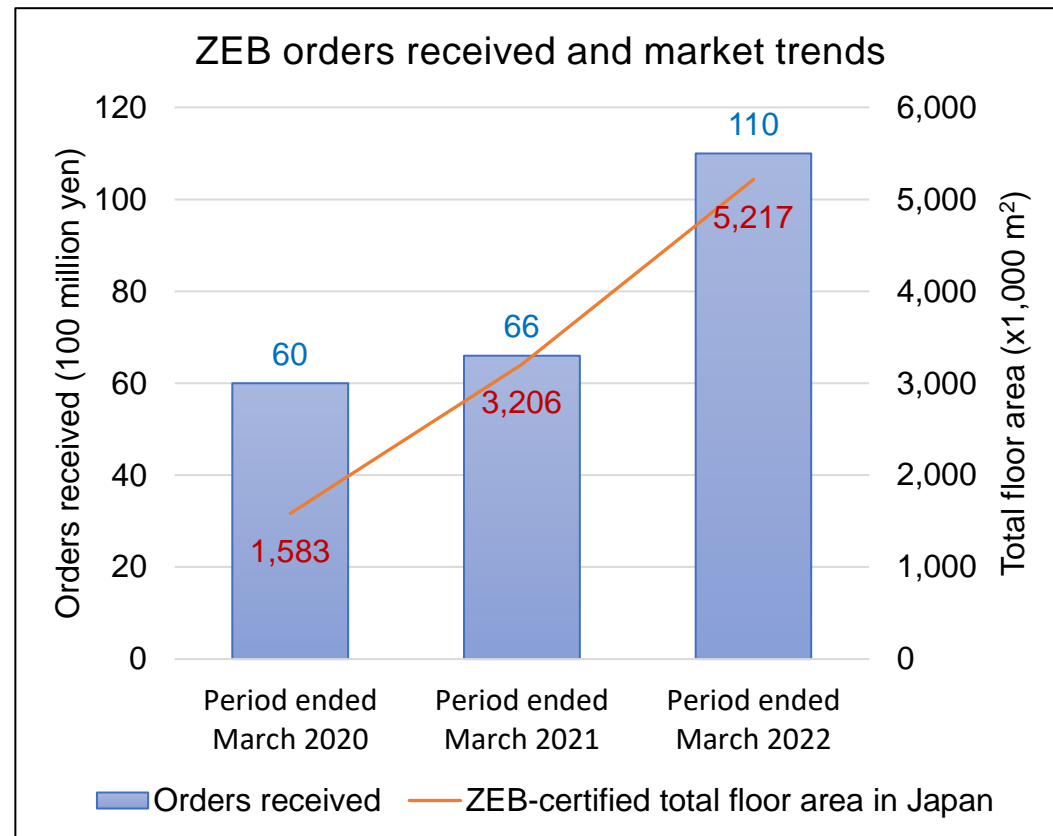
### ■ Acceleration toward 2050

#### carbon neutrality

- Due to the instability of the international situation, expectations for ZEB, which contributes to the leveling of energy supply, will increase.
- Trends in ZEB policy
  - The government declared that, in principle, ZEB Oriented will be introduced for joint government buildings designed by the Ministry of Land, Infrastructure, Transport and Tourism.
  - Gradual strengthening of energy saving standards for buildings is being considered.

### ■ ZEB orders actually received

DAI-DAN's efforts toward ZEB, such as our Enefice series buildings, are highly regarded, establishing a corporate image with **ZEB as DAI-DAN's strength**. As a result, orders are increasing with the growth of the market.



### ■ Completion of Hokuriku Branch, following Enefice Hokkaido (Hokkaido Branch)

- Accumulation of know-how over the **life cycle of ZEB**, from design to operation
  - Building that pursues sustainability as well as design using **wood (Cross Laminated Timber or CLT)**
  - Development of **wellness offices** that promote user health and comfort and contributes to improving intellectual productivity
- Acquisition of CASBEE-Smart Wellness Office S-rank

### ■ Promoting verification using our own buildings to disseminate ZEB, which contributes to solving environmental issues

- Enefice Shikoku (Winner of Carbon Neutral Award)
  - Enefice Hokkaido (complete realization of ZEB in cold regions)
  - New Hokuriku Branch (completed in May)
- Theme: “Innovative offices in harmony with traditional townscapes”



Appearance of Hokuriku Branch completed in May 2022  
The design theme is “in harmony with traditional townscapes.”



Office interior  
Pursuing wellness with the use of wood

# Realization of a high quality medical environment Regenerative medicine initiatives



## ■ Build new CPF\* concept

\*CPF: Clean room for processing cells for regenerative medicine



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



Cuorips  
(Cardiac muscle)



Mie University  
(Cancer (CAR-T))



We propose facilities that will meet customer needs based on our construction achievements of well-known projects in the field of regenerative medicine and the engineering capabilities that we have cultivated so far.

## ■ Prepare prominent peripheral services and form an alliance

We have **built a CPF for contract manufacturing in Cellab Tonomachi** in preparation for contract manufacturing of cells for cancer treatment developed by GAIA BioMedicine, Inc. (GBM). In addition, our subsidiary is building a manufacturing system by hiring specialized staff for cell manufacturing.



**Increase of inquiries** as users with communicative skills highly evaluate CPF, and also through word-of-mouth

Approach fields where **early expansion** is expected, such as cancer and retina.

**Firmly establish a position as the share leader in the CPF** market, worth one trillion yen.

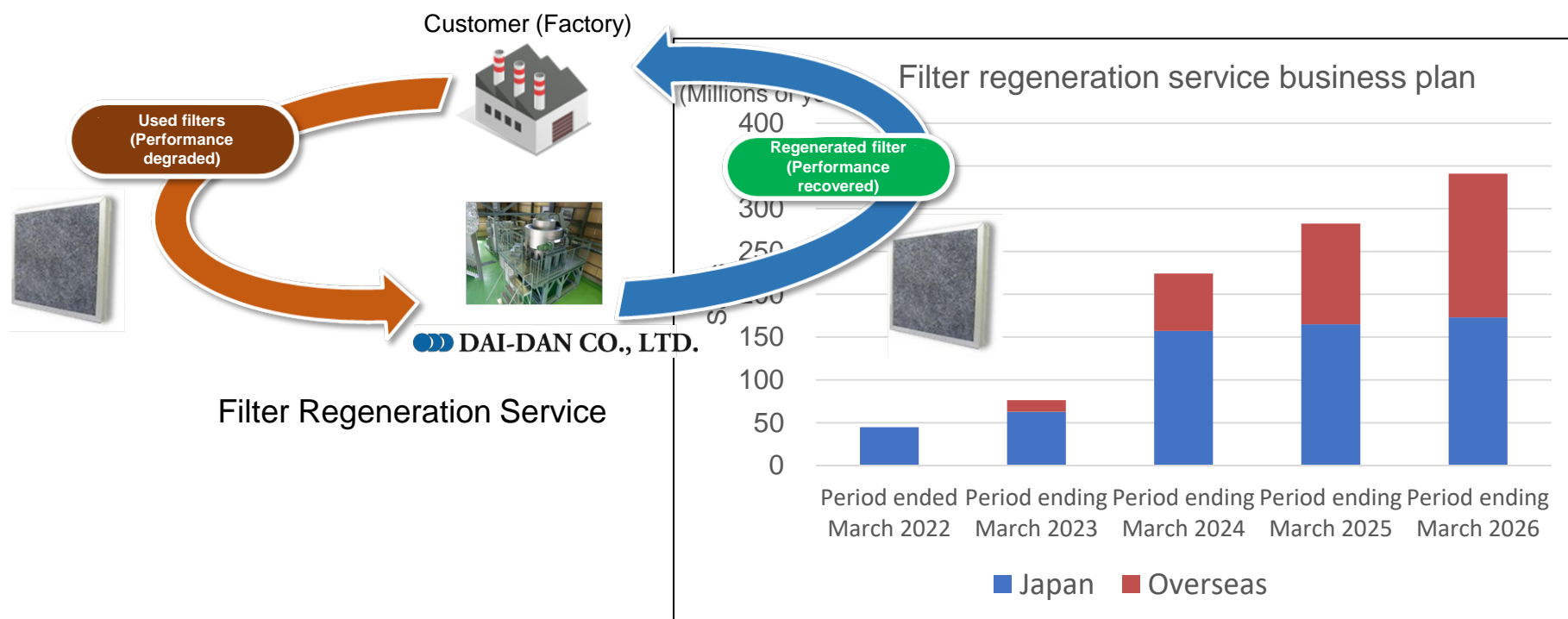
**Expand business fields** through solid cooperation with **venture companies**

Enter the field of **cell preparation contract manufacturing service** for regenerative medicine

Aim to achieve **15 billion yen in 2030** with **CPF, equipment and service**

## Waste reduction: Filter Regeneration Business

- To create a CSV business aiming to solve environmental issues, we will draw on our unique technology, “supercritical CO2 regeneration technology,” to expand the regeneration service business of air filters for semiconductor manufacturing equipment.
- Contribute to waste reduction and CO2 emissions reduction not only in Japan but also overseas. A local subsidiary was established in Taiwan in April 2022.



## Environment

- Support for TCFD recommendations

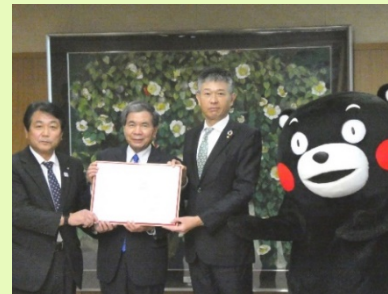


- Selected as a component of the FTSE Blossom Japan Relative Index.



**FTSE Blossom  
Japan Sector  
Relative Index**

- “Dai-Dan Forest Management” agreement concluded



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Forest Management  
agreement concluded in  
(as of March 31, 2022):

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

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



## Social

- Recognized as an Outstanding Health and Productivity Management Organization 2022 (large enterprise category).



- Acquired two stars in the “Eruboshi” certification program (awarded to excellent companies in promoting women’s advancement).



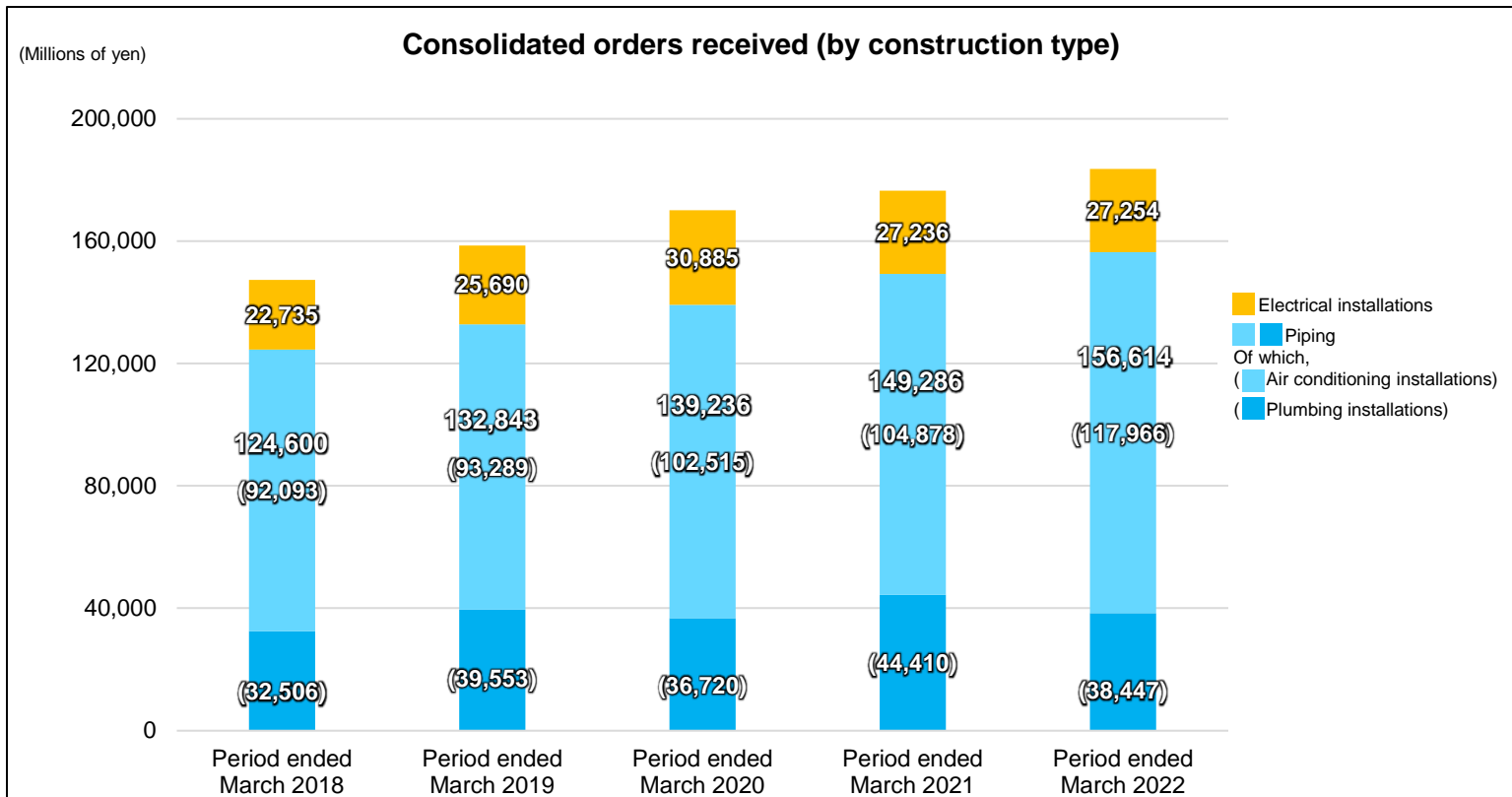
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# **Reference: DATA FILE (Full Year)**

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

(Millions of yen)

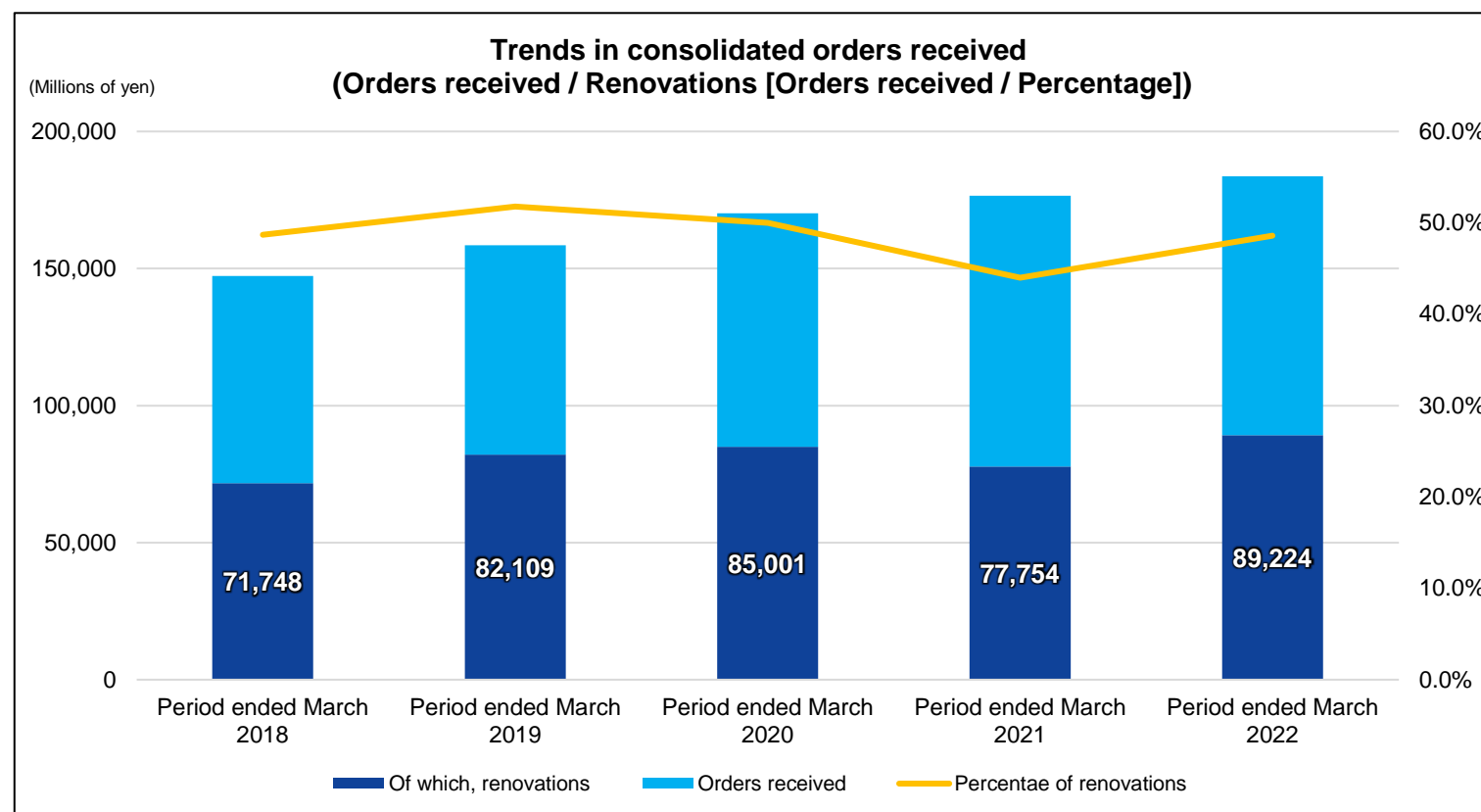
		Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
<b>Electrical installations</b>		22,735	25,690	30,885	27,236	27,254
<b>Air conditioning and plumbing installations</b>	Air conditioning installations	92,093	93,289	102,515	104,878	117,966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



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

(Millions of yen)

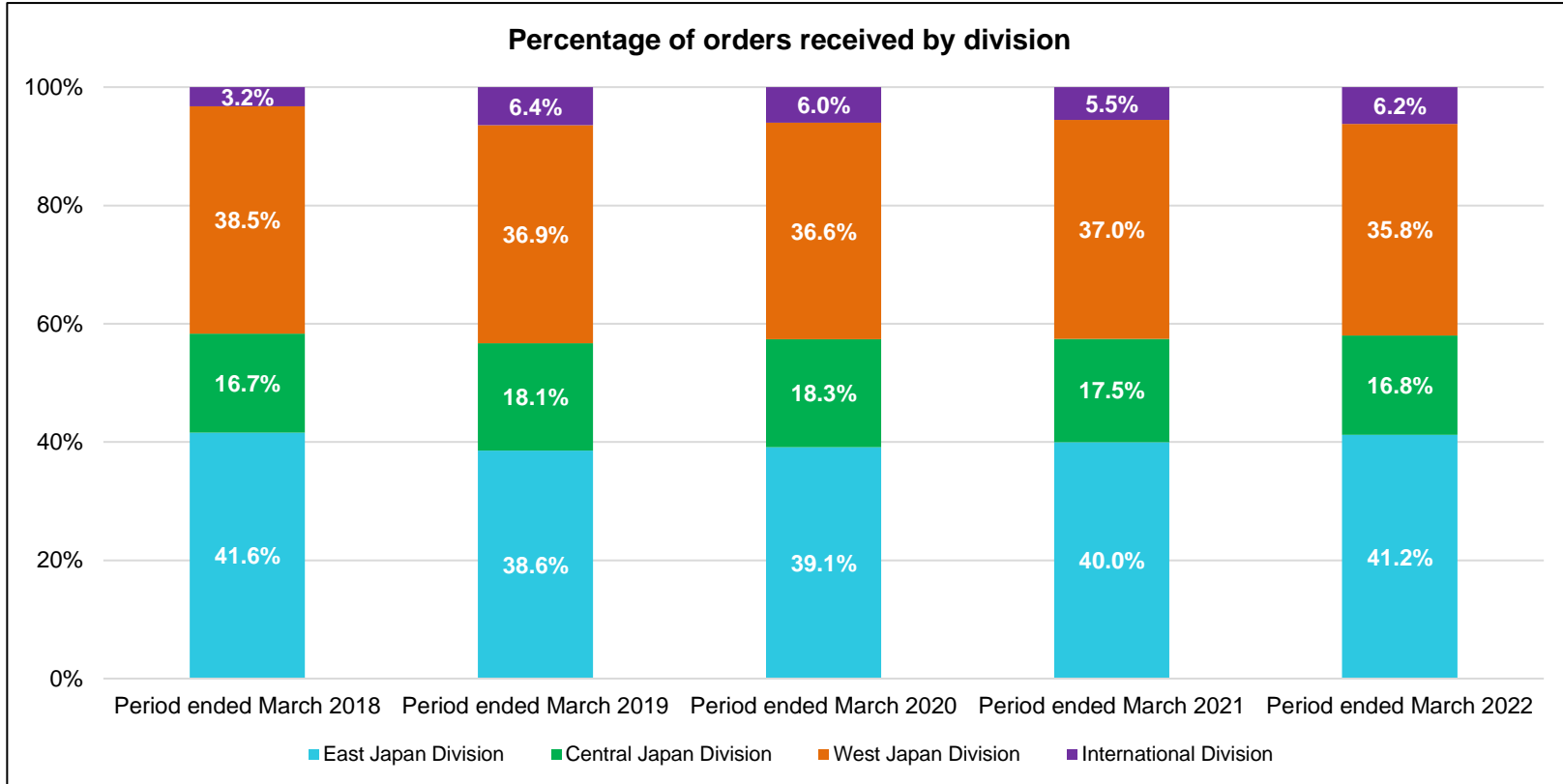
	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
Net sales of construction contract orders received	147,335	158,533	170,121	176,526	183,668
Renovations	71,748	82,109	85,001	77,754	89,224
Percentage of renovations	48.7%	51.8%	50.0%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



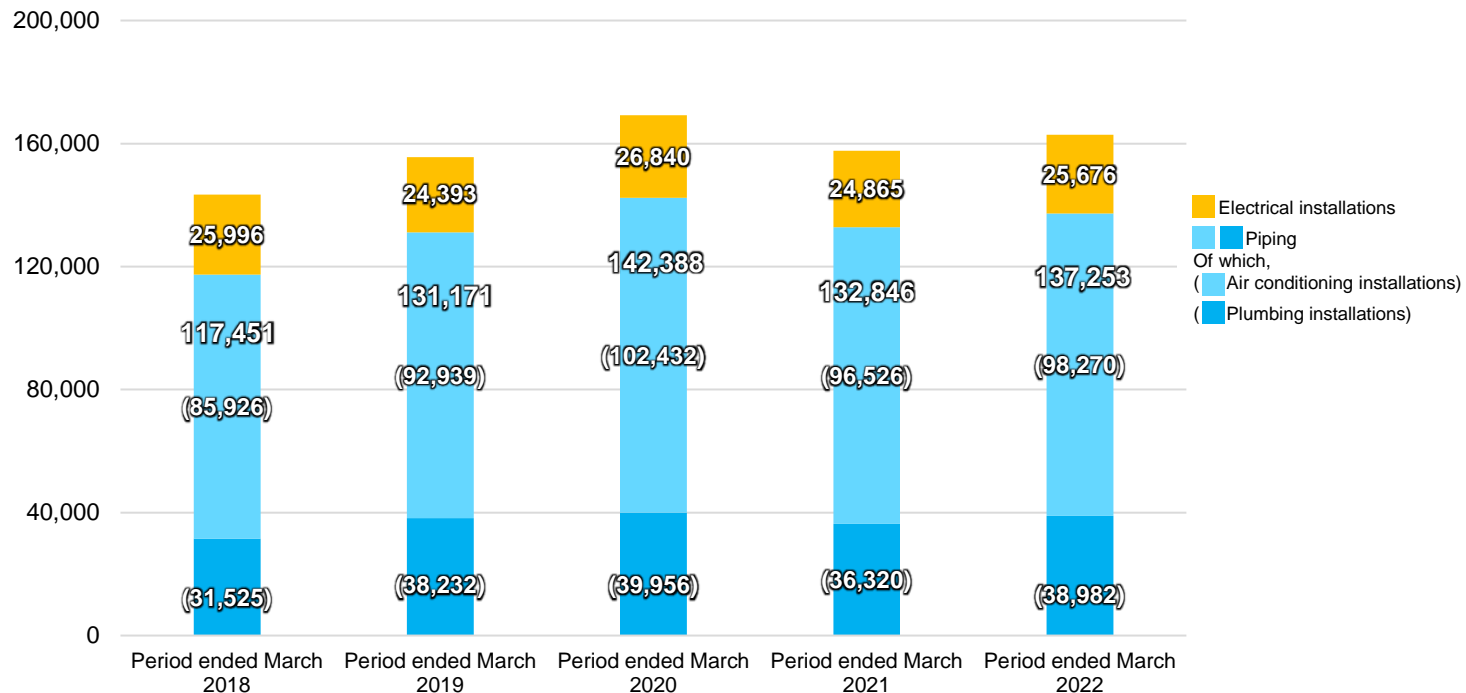
# Consolidated net sales of completed construction contracts by construction type (Full year)

(Millions of yen)

		Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022
<b>Electrical installations</b>		25,996	24,393	26,840	24,865	25,676
<b>Air conditioning and plumbing installations</b>	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
	<b>Sub total</b>	117,451	131,171	142,388	132,846	137,253
<b>Total</b>		143,448	155,565	169,229	157,712	162,929

**Consolidated net sales of completed construction contracts (by construction type)**

(Millions of yen)

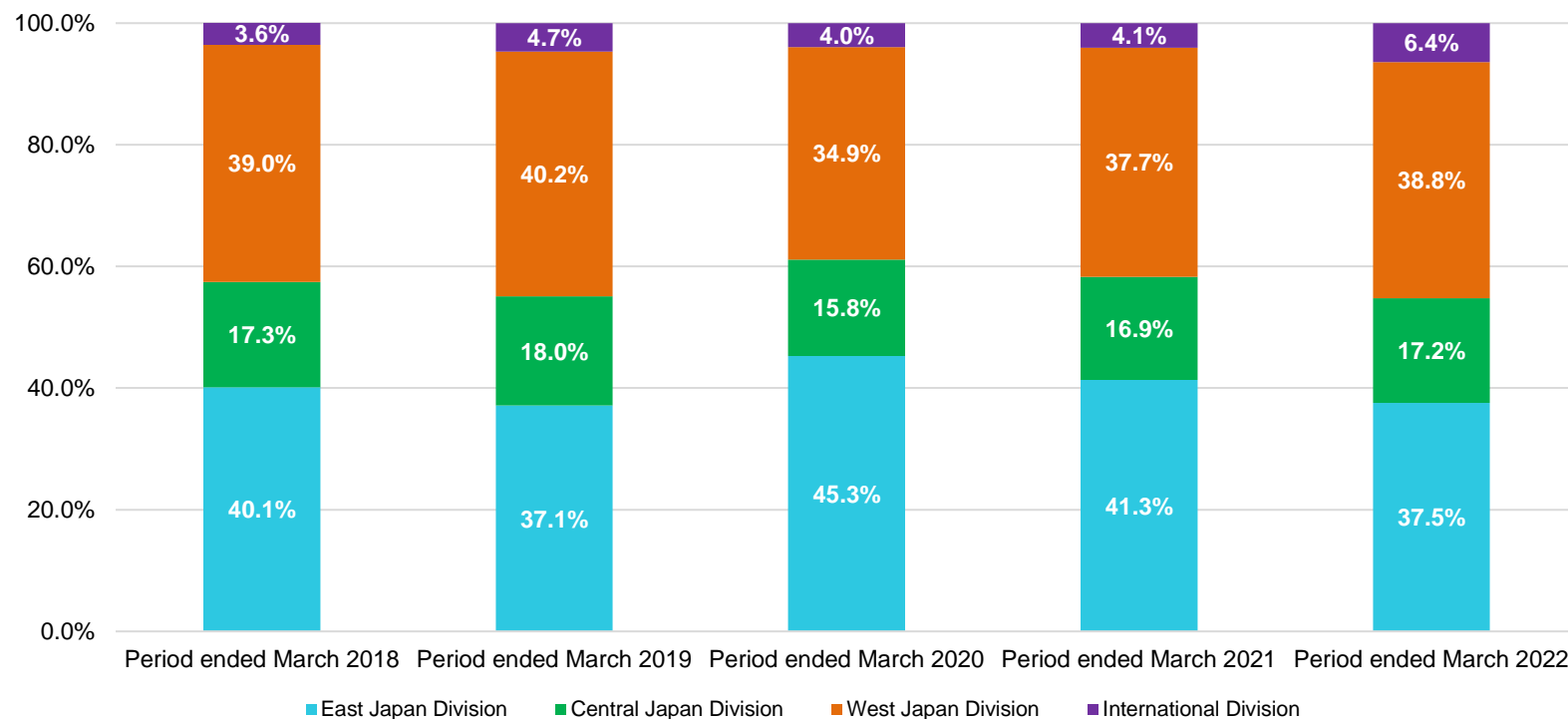


# Percentage of consolidated net sales of completed construction contracts by division (Full year)

## 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



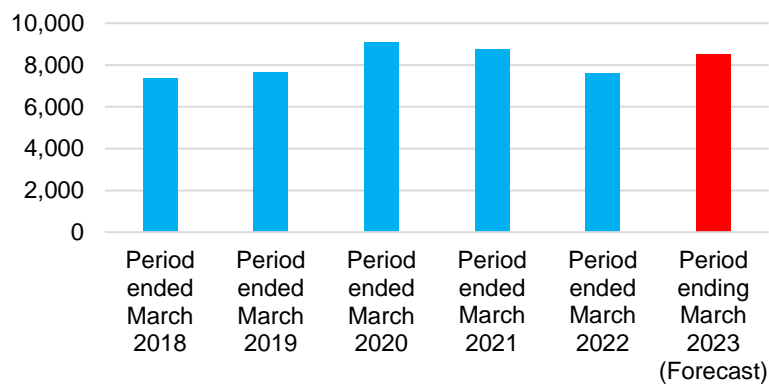
# Consolidated operating/ordinary/net profits (Full year)

(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

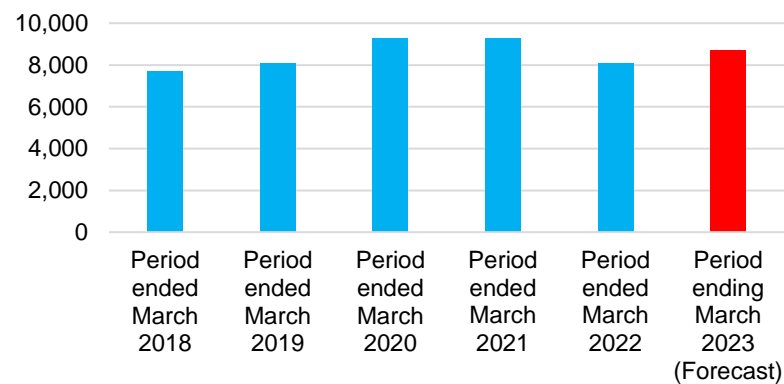
(Millions of yen)

## Operating profit



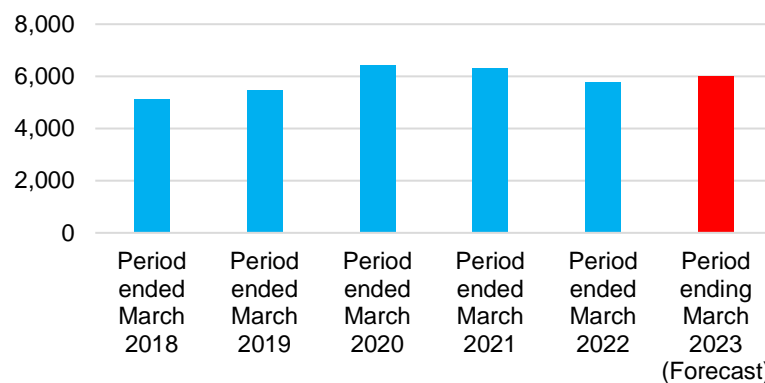
(Millions of yen)

## Ordinary profit



(Millions of yen)

## Net profit



## 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.

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