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## Brief Report on the Third Quarter Financial Statements for the Period Ending March 2023 [Japanese Standard] (Consolidated)

February 8, 2023

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

Tel. (06) 6447 - 8003

Date scheduled to submit Quarterly report:

February 8, 2023

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 2023 (From April 1, 2022 to December 31, 2022)

(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 2023 | 130,088     | 20.2  | 5,171            | 27.4   | 5,851           | 33.0   | 3,999                                   | 30.7   |
| Third quarter of the period ending March 2022 | 108,257     | (2.6) | 4,060            | (43.6) | 4,399           | (42.1) | 3,059                                   | (41.1) |

(Note) Comprehensive income Third quarter of the period ending March 2023 3,969 Million yen 78.1%  
Third quarter of the period ending March 2022 2,229 Million yen (66.9%)

|   | Profit per share |     | Diluted Profit per share |     |
|---|------------------|-----|--------------------------|-----|
|   | Yen              | Sen | Yen                      | Sen |
| Third quarter of the period ending March 2023 | 186.86           | —   | —                        | —   |
| Third quarter of the period ending March 2022 | 143.04           | —   | —                        | —   |

(2) Consolidated financial position

|   | Total assets | Net assets  | Equity capital ratio |
|---|--------------|-------------|----------------------|
|   | Million yen  | Million yen | %                    |
| Third quarter of the period ending March 2023 | 139,380      | 79,310      | 56.8                 |
| Period ending March 2022                      | 139,099      | 77,242      | 55.4                 |

(Reference) Equity capital Third quarter of the period ending March 2023 79,150 Million yen  
Period ending March 2022 77,081 Million yen

2. Dividends

|                                     | Annual dividends per share |       |                       |       |              |
|-------------------------------------|----------------------------|-------|-----------------------|-------|--------------|
|                                     | End of first quarter       |       | End of second quarter |       | Through year |
|                                     | Yen                        | Sen   | Yen                   | Sen   | Yen          |
| Period ending March 2022            | —                          | 45.00 | —                     | 45.00 | 90.00        |
| Period ending March 2023            | —                          | 45.00 | —                     | —     | —            |
| Period ending March 2023 (Forecast) | —                          | —     | —                     | —     | 100.00       |

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

2 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 2023 (From April 1, 2022 to March 31, 2023)

(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 | 180,000   | 10.5 | 8,500            | 12.1 | 8,700           | 7.5 | 6,000                                   | 3.8 | 280.46           |

(Reference) Estimated net sales of construction contract orders 193,000 Million yen

(Note) Presence of revision from estimate of performance published most recently: None

\* 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 2023            | 22,981,901 shares                             | Period ending March 2022 | 22,981,901 shares                             |
| ② Number of treasury shares at the end of period         | Third quarter of the period ending March 2023 | 1,572,017 shares         | Period ending March 2022                      |
| ③ Average number of shares in the period (quarter total) | Third quarter of the period ending March 2023 | 21,404,017 shares        | Third quarter of the period ending March 2022 |
|  |   |                          | 21,386,600 shares                             |

(Note) The number of treasury shares at the end of the period includes the Company's shares held in the BIP Trust for Directors (107,302 shares for the period ending March 2022, 90,207 shares for the third quarter of the period ending March 2023). In addition, the Company's shares held in the BIP Trust for Directors (114,080 shares for the third quarter of the period ending March 2022, 96,257 shares for the quarter of the third period ending March 2023) 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.

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

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

(Reference) Estimate of individual performance  
Estimate of individual performance for the period ending March 2023 (From April 1, 2022 to March 31, 2023)

(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 | 175,000   | 8.6 | 8,500            | 10.3 | 8,700           | 5.9 | 6,000    | 2.3 | 280.46           |     |

(Reference) Estimated net sales of construction contract orders 182,000 Million yen  
(Note) Presence of revision from estimate of performance published most recently: None

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## 1. Consolidated Financial Statements and Major Notes

## (1) Consolidated Balance Sheets

|  | (Millions of yen)  |   |
|--|--|---|
|  | Previous Consolidated<br>Accounting Year<br>(As of March 31, 2022) | Current Third Quarter<br>Consolidated Accounting<br>Period<br>(As of December 31, 2022) |
| <b>Assets</b>  |  |   |
| Current assets   |  |   |
| Cash and deposits  | 16,065   | 17,531  |
| Notes receivable, accounts receivable from<br>completed construction contracts and other | 68,903   | 61,491  |
| Electronically recorded monetary claims - operating                                      | 15,002   | 20,665  |
| Costs on construction contracts in progress  | 464  | 1,475   |
| Other  | 4,416  | 2,572   |
| Allowance for doubtful accounts  | (6)  | (126)   |
| Total current assets   | 104,846  | 103,610   |
| Non-current assets   |  |   |
| Property, plant and equipment  | 5,893  | 7,003   |
| Intangible assets  | 409  | 802   |
| Investments and other assets   |  |   |
| Investment securities  | 15,837   | 15,810  |
| Retirement benefit asset   | 10,628   | 10,672  |
| Other  | 1,622  | 1,612   |
| Allowance for doubtful accounts  | (138)  | (131)   |
| Total investments and other assets   | 27,949   | 27,964  |
| Total non-current assets   | 34,253   | 35,770  |
| Total assets   | 139,099  | 139,380   |

DAI-DAN Co., Ltd. (1980), Brief Report on the Third Quarter Financial Statements for the Period Ending March 2023

(Millions of yen)

|  | Previous Consolidated<br>Accounting Year<br>(As of March 31, 2022) | Current Third Quarter<br>Consolidated Accounting<br>Period<br>(As of December 31, 2022) |
|--|--|---|
| <b>Liabilities</b>   |  |   |
| <b>Current liabilities</b>                                 |  |   |
| Notes payable, accounts payable for construction contracts | 24,025   | 18,401  |
| Electronically recorded obligations - operating            | 12,047   | 12,566  |
| Short-term borrowings                                      | 3,229  | 2,578   |
| Income taxes payable                                       | 701  | 450   |
| Advances received on construction contracts in progress    | 2,058  | 3,393   |
| Provision for bonuses                                      | —  | 1,820   |
| Provision for directors' bonuses                           | —  | 21  |
| Provision for share awards                                 | 26   | 17  |
| Provision for warranties for completed construction        | 70   | 84  |
| Provision for loss on construction contracts               | 615  | 428   |
| Deposits received  | 8,703  | 10,542  |
| Other  | 6,004  | 4,402   |
| <b>Total current liabilities</b>                           | <b>57,483</b>  | <b>54,709</b>   |
| <b>Non-current liabilities</b>                             |  |   |
| Long-term loans payable                                    | 675  | 1,021   |
| Deferred tax liabilities                                   | 2,419  | 3,052   |
| Retirement benefit liability                               | 1,251  | 1,233   |
| Long-term accounts payable - other                         | 5  | 5   |
| Other  | 22   | 46  |
| <b>Total non-current liabilities</b>                       | <b>4,374</b>   | <b>5,360</b>  |
| <b>Total liabilities</b>                                   | <b>61,857</b>  | <b>60,069</b>   |
| <b>Net assets</b>  |  |   |
| <b>Shareholders' equity</b>                                |  |   |
| Capital stock  | 4,479  | 4,479   |
| Capital surplus  | 4,837  | 4,837   |
| Retained earnings  | 63,946   | 66,011  |
| Treasury shares  | (3,166)  | (3,132)   |
| <b>Total shareholders' equity</b>                          | <b>70,097</b>  | <b>72,195</b>   |
| <b>Accumulated other comprehensive income</b>              |  |   |
| Valuation difference on available-for-sale securities      | 6,079  | 6,166   |
| Foreign currency translation adjustment                    | 34   | 117   |
| Remeasurements of defined benefit plans                    | 870  | 670   |
| <b>Total accumulated other comprehensive income</b>        | <b>6,984</b>   | <b>6,954</b>  |
| <b>Non-controlling interests</b>                           | <b>160</b>   | <b>160</b>  |
| <b>Total net assets</b>                                    | <b>77,242</b>  | <b>79,310</b>   |
| <b>Total liabilities and net assets</b>                    | <b>139,099</b>   | <b>139,380</b>  |

(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<br>Consolidated Cumulative<br>Period<br>(From April 1, 2021<br>to December 31, 2021) | Current Third Quarter<br>Consolidated Cumulative<br>Period<br>(From April 1, 2022<br>to December 31, 2022) |
| Net sales of completed construction contracts     | 108,257   | 130,088  |
| Cost of sales of completed construction contracts | 94,694  | 114,612  |
| Gross profit on completed construction contracts  | 13,562  | 15,476   |
| Selling, general and administrative expenses      | 9,502   | 10,305   |
| Operating profit                                  | 4,060   | 5,171  |
| Non-operating income                              |   |  |
| Interest income                                   | 7   | 7  |
| Dividend income                                   | 299   | 367  |
| Rental income from real estate                    | 25  | 23   |
| Insurance fee income                              | 122   | 128  |
| Foreign exchange gains                            | 16  | 205  |
| Other   | 9   | 42   |
| Total non-operating income                        | 481   | 775  |
| Non-operating expenses                            |   |  |
| Interest expenses                                 | 82  | 53   |
| Guarantee commission                              | 4   | 8  |
| Rental expenses on real estate                    | 9   | 9  |
| Arrangement Fees                                  | 35  | —  |
| Commitment Fees                                   | 0   | 15   |
| Other   | 11  | 8  |
| Total non-operating expenses                      | 142   | 95   |
| Ordinary profit                                   | 4,399   | 5,851  |
| Extraordinary income                              |   |  |
| Gain on sale of non-current assets                | —   | 3  |
| Gain on sale of investment securities             | 248   | 270  |
| Total extraordinary income                        | 248   | 274  |
| Extraordinary losses                              |   |  |
| Loss on retirement of non-current assets          | 82  | 16   |
| Loss on valuation of investment securities        | 4   | —  |
| Total extraordinary losses                        | 87  | 16   |
| Profit before income taxes                        | 4,560   | 6,108  |
| Income taxes - current                            | 301   | 1,444  |
| Income taxes - deferred                           | 1,239   | 682  |
| Total income taxes                                | 1,541   | 2,126  |
| Profit  | 3,019   | 3,982  |
| Loss attributable to non-controlling interests    | (39)  | (17)   |
| Profit attributable to owners of parent           | 3,059   | 3,999  |

DAI-DAN Co., Ltd. (1980), Brief Report on the Third Quarter Financial Statements for the Period Ending March 2023

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

|  | (Millions of yen)   |  |
|--|---|--|
|  | Previous Third Quarter<br>Consolidated Cumulative<br>Period<br>(From April 1, 2021<br>to December 31, 2021) | Current Third Quarter<br>Consolidated Cumulative<br>Period<br>(From April 1, 2022<br>to December 31, 2022) |
| Profit   | 3,019   | 3,982  |
| Other comprehensive income                                     |   |  |
| Valuation difference on available-for-sale securities          | (615)   | 86   |
| Foreign currency translation adjustment                        | (24)  | 100  |
| Remeasurements of defined benefit plans                        | (149)   | (199)  |
| Total other comprehensive income                               | (789)   | (12)   |
| Comprehensive income   | 2,229   | 3,969  |
| Comprehensive income attributable to                           |   |  |
| Comprehensive income attributable to owners of parent          | 2,281   | 3,969  |
| Comprehensive income attributable to non-controlling interests | (52)  | (0)  |



(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, 2021 to December 31, 2021)             |                   | (From April 1, 2022 to December 31, 2022)            |                   |                     |         |
|  |   |                                | Amount  | Component ratio % | Amount   | Component ratio % | Amount              | Ratio % |
| Net sales of construction contract orders received | Electrical installations                    |                                | 18,347  | 12.2              | 24,212   | 14.6              | 5,864               | 32.0    |
|  | Air conditioning and plumbing installations | Air conditioning installations | 98,247  | 65.5              | 104,530  | 63.1              | 6,283               | 6.4     |
|  |   | Plumbing installations         | 33,523  | 22.3              | 36,840   | 22.3              | 3,317               | 9.9     |
|  |   | subtotal                       | 131,770   | 87.8              | 141,370  | 85.4              | 9,600               | 7.3     |
|  | Total                                       |                                | 150,118   | 100.0             | 165,583  | 100.0             | 15,464              | 10.3    |
|  | (Renovations)                               |                                | 72,060  | 48.0              | 66,240   | 40.0              | (5,820)             | (8.1)   |
|  | (Industrial facilities)                     |                                | 58,567  | 39.0              | 76,196   | 46.0              | 17,629              | 30.1    |
|  | (Overseas operations)                       |                                | 10,241  | 6.8               | 15,020   | 9.1               | 4,779               | 46.7    |
| Net sales of completed construction contracts      | Electrical installations                    |                                | 16,621  | 15.4              | 21,921   | 16.8              | 5,300               | 31.9    |
|  | Air conditioning and plumbing installations | Air conditioning installations | 64,967  | 60.0              | 78,786   | 60.6              | 13,819              | 21.3    |
|  |   | Plumbing installations         | 26,668  | 24.6              | 29,380   | 22.6              | 2,711               | 10.2    |
|  |   | subtotal                       | 91,636  | 84.6              | 108,167  | 83.2              | 16,531              | 18.0    |
|  | Total                                       |                                | 108,257   | 100.0             | 130,088  | 100.0             | 21,831              | 20.2    |
|  | (Renovations)                               |                                | 56,129  | 51.8              | 57,717   | 44.4              | 1,588               | 2.8     |
|  | (Industrial facilities)                     |                                | 46,869  | 43.3              | 51,928   | 39.9              | 5,058               | 10.8    |
|  | (Overseas operations)                       |                                | 6,674   | 6.2               | 11,602   | 8.9               | 4,928               | 73.8    |
| Net sales of uncompleted construction contracts    | Electrical installations                    |                                | 23,611  | 12.8              | 25,753   | 12.9              | 2,141               | 9.1     |
|  | Air conditioning and plumbing installations | Air conditioning installations | 119,217   | 64.5              | 131,378  | 65.9              | 12,160              | 10.2    |
|  |   | Plumbing installations         | 42,074  | 22.7              | 42,144   | 21.2              | 70                  | 0.2     |
|  |   | subtotal                       | 161,292   | 87.2              | 173,522  | 87.1              | 12,230              | 7.6     |
|  | Total                                       |                                | 184,904   | 100.0             | 199,276  | 100.0             | 14,372              | 7.8     |
|  | (Renovations)                               |                                | 48,785  | 26.4              | 45,419   | 22.8              | (3,366)             | (6.9)   |
|  | (Industrial facilities)                     |                                | 51,953  | 28.1              | 69,528   | 34.9              | 17,574              | 33.8    |
|  | (Overseas operations)                       |                                | 15,434  | 8.3               | 16,257   | 8.2               | 823                 | 5.3     |

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

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