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Consolidated Financial Statements for the First Quarter of the Period Ending March 2025 [Japanese Standard]

August 6, 2024

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

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

Representative of Company: Yasuhiro Yamanaka, Representative Director, President

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

Stock Exchange Listing:

Tokyo Stock Exchange Prime Market

Tel. (06) 6447 - 8003

Creating supplements to the financial statement: Yes

Holding a briefing session on the financial statement: None

Yes

None

(Amounts are indicated with figures less than 1 million yen discarded)

1. Consolidated business results for the first quarter of the period ending March 2025 (From April 1, 2024 to June 30, 2024)

(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 | % |
| First quarter of the period ending March 2025 | 44,325 | 8.8 | 1,725 | 149.4 | 2,125 | 86.2 | 1,306 | 73.1 |
| First quarter of the period ending March 2024 | 40,731 | 15.2 | 691 | (15.5) | 1,141 | (12.8) | 755 | (12.5) |

(Note) Comprehensive income First quarter of the period ending March 2025 1,631 Million yen (11.3%)
First quarter of the period ending March 2024 1,840 Million yen 143.6%

| | Profit per share | | Diluted Profit per share | |
|---|------------------|-----|--------------------------|-----|
| | Yen | Sen | Yen | Sen |
| First quarter of the period ending March 2025 | 30.50 | | — | |
| First quarter of the period ending March 2024 | 17.63 | | — | |

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

(2) Consolidated financial position

| | Total assets | Net assets | Equity capital ratio |
|---|--------------|-------------|----------------------|
| | Million yen | Million yen | % |
| First quarter of the period ending March 2025 | 167,036 | 93,572 | 55.9 |
| Period ending March 2024 | 160,553 | 93,987 | 58.4 |

(Reference) Equity capital First quarter of the period ending March 2025 93,338 Million yen
Period ending March 2024 93,754 Million yen

2. Dividends

| | Annual dividends per share | | | | | | | | | |
|-------------------------------------|----------------------------|-----|-----------------------|-----|----------------------|-----|------------|-----|--------------|-----|
| | End of first quarter | | End of second quarter | | End of third quarter | | Period end | | Through year | |
| | Yen | Sen | Yen | Sen | Yen | Sen | Yen | Sen | Yen | Sen |
| Period ending March 2024 | — | | 55.00 | | — | | 48.00 | | — | |
| Period ending March 2025 | — | | | | | | | | | |
| Period ending March 2025 (Forecast) | | | 52.00 | | — | | 52.00 | | 104.00 | |

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

The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. Dividends at the end of the second quarter of the fiscal year ending March 31, 2024, are the actual dividend amount before the stock split. The period end dividend for the period ending March 31, 2024 shown in the table above reflects the effect of the stock split, and the total annual dividend is shown as "—". If the stock split had been implemented at the beginning of the fiscal year ending March 31 2024, interim dividend per share is 27.50 yen, the year-end dividend per share is 48.00 yen, and annual dividend per share is 75.50 yen.

3. Estimate of consolidated performance for the period ending March 2025 (From April 1, 2024 to March 31, 2025)

(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 | 250,000 | 26.6 | 15,000 | 37.9 | 15,300 | 28.4 | 11,000 | 21.1 | | 256.70 |

(Reference) Estimated net sales of construction contract orders 250,000 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.: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement: None

(Note) For details, please see "1. Consolidated Financial Statements and Major Notes (3) Annotation Items Concerning Quarterly Consolidated Financial Statements (Notes on Changes in accounting policies)" on page 6 of the attachments.

(4) Number of issued shares (common stock)

① Number of issued shares at the end of period (including treasury shares)

| | | | | |
|--|---|--------------------------|---|-------------------|
| First quarter of the period ending March 2025 | 45,963,802 shares | Period ending March 2024 | 45,963,802 shares | |
| ② Number of treasury shares at the end of period | First quarter of the period ending March 2025 | 3,094,774 shares | Period ending March 2024 | 3,111,494 shares |
| ③ Average number of shares in the period (quarter total) | First quarter of the period ending March 2025 | 42,855,869 shares | First quarter of the period ending March 2024 | 42,821,537 shares |

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

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

2 The number of treasury shares at the end of the period includes the Company's shares held in the BIP Trust for Directors (147,252 shares for the period ending March 2024, 130,496 shares for the first quarter of the period ending March 2025). In addition, the Company's shares held in the BIP Trust for Directors (178,465 shares for the first quarter of the period ending March 2024, 143,661 shares for the first quarter of the period ending March 2025) are also included in treasury shares, which is deducted in the calculation of the average number of shares outstanding during the period.

* Review of the accompanying quarterly consolidated financial statements by CPA or an audit corporation : Yes (voluntary)

* 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 2025 (From April 1, 2024 to March 31, 2025)

(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 | 240,000 | 28.4 | 15,000 | 41.8 | 15,300 | 32.9 | 11,000 | 25.0 | | 256.70 |

(Reference) Estimated net sales of construction contract orders 235,000 Million yen

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

○ Contents of Information

| | |
|---|---|
| 1. Consolidated Financial Statements and Major Notes | 2 |
| (1) Consolidated Balance Sheets | 2 |
| (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income | 4 |
| (Consolidated Statements of Income) | |
| (First Quarter Consolidated Cumulative Period) | 4 |
| (Consolidated Statements of Comprehensive Income) | |
| (First Quarter Consolidated Cumulative Period) | 5 |
| (3) Annotation Items Concerning Quarterly Consolidated Financial Statements | 6 |
| (Notes to Going Concern Assumption) | 6 |
| (Notes in Case of Significant Changes in the Amount of Shareholders' Equity) | 6 |
| (Notes on Changes in accounting policies) | 6 |
| (Notes regarding the Quarterly Consolidated statement of cash flows) | 6 |
| 2. Supplementary Information | 7 |
| Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (consolidated) | 7 |

1. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

| | (Millions of yen) | |
|--|--|---|
| | Previous Consolidated Accounting Year (As of March 31, 2024) | Current First Quarter Consolidated Accounting Period (As of June 30, 2024) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,696 | 41,281 |
| Notes receivable, accounts receivable from completed construction contracts and other | 74,901 | 62,726 |
| Electronically recorded monetary claims - operating | 11,499 | 10,505 |
| Costs on construction contracts in progress | 726 | 1,220 |
| Other | 2,366 | 2,545 |
| Allowance for doubtful accounts | (99) | (81) |
| Total current assets | 112,090 | 118,198 |
| Non-current assets | | |
| Property, plant and equipment | 8,396 | 8,318 |
| Intangible assets | 1,390 | 1,371 |
| Investments and other assets | | |
| Investment securities | 21,160 | 21,567 |
| Retirement benefit asset | 15,997 | 16,018 |
| Other | 1,625 | 1,670 |
| Allowance for doubtful accounts | (107) | (107) |
| Total investments and other assets | 38,675 | 39,148 |
| Total non-current assets | 48,462 | 48,838 |
| Total assets | 160,553 | 167,036 |

DAI-DAN Co., Ltd. (1980), Consolidated Financial Statements for the First Quarter of the Period Ending March 2025

(Millions of yen)

| | Previous Consolidated Accounting Year (As of March 31, 2024) | Current first Quarter Consolidated Accounting Period (As of June 30, 2024) |
|--|--|---|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts | 21,449 | 16,971 |
| Electronically recorded obligations - operating | 11,961 | 6,546 |
| Short-term borrowings | 2,788 | 22,796 |
| Income taxes payable | 3,336 | 42 |
| Advances received on construction contracts in progress | 1,531 | 2,350 |
| Provision for bonuses | — | 1,682 |
| Provision for bonuses for directors (and other officers) | — | 16 |
| Provision for share awards | 28 | 18 |
| Provision for warranties for completed construction | 36 | 41 |
| Provision for loss on construction contracts | 696 | 1,093 |
| Asset retirement obligations | 99 | 99 |
| Deposits received | 9,894 | 11,758 |
| Other | 9,072 | 3,497 |
| Total current liabilities | 60,895 | 66,914 |
| Non-current liabilities | | |
| Long-term borrowings | 369 | 482 |
| Deferred tax liabilities | 4,153 | 4,921 |
| Retirement benefit liability | 1,101 | 1,091 |
| Long-term accounts payable - other | 2 | 2 |
| Other | 43 | 51 |
| Total non-current liabilities | 5,670 | 6,549 |
| Total liabilities | 66,565 | 73,464 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,479 | 4,479 |
| Capital surplus | 4,837 | 4,837 |
| Retained earnings | 75,360 | 74,603 |
| Treasury shares | (3,099) | (3,082) |
| Total shareholders' equity | 81,577 | 80,837 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 7,754 | 7,958 |
| Foreign currency translation adjustment | 308 | 542 |
| Remeasurements of defined benefit plans | 4,114 | 4,000 |
| Total accumulated other comprehensive income | 12,177 | 12,501 |
| Non-controlling interests | 232 | 233 |
| Total net assets | 93,987 | 93,572 |
| Total liabilities and net assets | 160,553 | 167,036 |

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

(Millions of yen)

| | Previous First Quarter Consolidated Cumulative Period (From April 1, 2023 to June 30, 2023) | Current First Quarter Consolidated Cumulative Period (From April 1, 2024 to June 30, 2024) |
|--|---|--|
| Net sales of completed construction contracts | 40,731 | 44,325 |
| Cost of sales of completed construction contracts | 36,272 | 38,593 |
| Gross profit on completed construction contracts | 4,459 | 5,731 |
| Selling, general and administrative expenses | 3,767 | 4,006 |
| Operating profit | 691 | 1,725 |
| Non-operating income | | |
| Interest income | 2 | 0 |
| Dividend income | 142 | 139 |
| Insurance fee income | 133 | 136 |
| Foreign exchange gains | 163 | 119 |
| Share of profit of entities accounted for using equity method | 41 | 31 |
| Rental income from real estate | 8 | 8 |
| Other | 6 | 23 |
| Total non-operating income | 499 | 459 |
| Non-operating expenses | | |
| Interest expenses | 30 | 42 |
| Guarantee commission | 1 | 0 |
| Rental expenses on real estate | 9 | 10 |
| Other | 7 | 6 |
| Total non-operating expenses | 49 | 59 |
| Ordinary profit | 1,141 | 2,125 |
| Extraordinary income | | |
| Gain on sale of non-current assets | — | 0 |
| Total extraordinary income | — | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 1 | 3 |
| Loss on valuation of investment securities | — | 68 |
| Total extraordinary losses | 1 | 71 |
| Profit before income taxes | 1,139 | 2,055 |
| Income taxes - current | (3) | 20 |
| Income taxes - deferred | 362 | 728 |
| Total income taxes | 359 | 749 |
| Profit | 780 | 1,306 |
| Profit (loss) attributable to non-controlling interests | 25 | (0) |
| Profit attributable to owners of parent | 755 | 1,306 |

DAI-DAN Co., Ltd. (1980), Consolidated Financial Statements for the First Quarter of the Period Ending March 2025

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

(Millions of yen)

| | Previous First Quarter Consolidated Cumulative Period (From April 1, 2023 to June 30, 2023) | Current First Quarter Consolidated Cumulative Period (From April 1, 2024 to June 30, 2024) |
|--|---|--|
| Profit | 780 | 1,306 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,110 | 203 |
| Foreign currency translation adjustment | (14) | 87 |
| Remeasurements of defined benefit plans, net of tax | (37) | (114) |
| Share of other comprehensive income of entities accounted for using equity method | — | 148 |
| Total other comprehensive income | 1,059 | 325 |
| Comprehensive income | 1,840 | 1,631 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,809 | 1,630 |
| Comprehensive income attributable to non-controlling interests | 30 | 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

(Notes on Changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes" and other relevant Accounting Standards Board of Japan (ASBJ) regulations)

The Company began applying the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations during the first quarterly consolidated accounting period under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan). This change in accounting policies has had no impact on the Company's quarterly consolidated financial statements.

Concerning revisions related to a review of how gains and losses incurred as a result of the sale of assets such as shares of subsidiaries between consolidated companies shown on consolidated financial statements when deferred for tax reasons, the Company began applying the 2022 revised Implementation Guidance during the first quarterly consolidated accounting period under review. This change in accounting policy is being applied retroactively, and quarterly consolidated financial statements and consolidate financial statements for the previous quarter and the previous consolidated fiscal year, respectively, reflect its retroactive application. This change in accounting policy had no impact on the quarterly consolidated financial statements for the previous quarter or on the consolidated financial statements for the previous consolidated fiscal year.

(Notes regarding the Quarterly Consolidated statement of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the first quarter of the fiscal year under review. Depreciation (including amortization of intangible assets) for the first quarter of the fiscal year under review are as follows.

| | (Millions of yen) | |
|--------------|---|---|
| | Previous First Quarter Consolidated Cumulative Period (From April 1, 2023 to June 30, 2023) | Current First Quarter Consolidated Cumulative Period (From April 1, 2024 to June 30,2024) |
| Depreciation | 147 | 226 |

2. Supplementary Information

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (consolidated)

(Millions of yen)

| | | Previous First Quarter Consolidated Cumulative Period | | Current First Quarter Consolidated Cumulative Period | | Increase (decrease) | |
|---|---|---|----------------------|--|----------------------|------------------------|---------|
| | | (From April 1, 2023 to June 30, 2023) | | (From April 1, 2024 to June 30, 2024) | | | |
| | | Amount | Component ratio % | Amount | Component ratio % | Amount | Ratio % |
| Net sales of construction contract orders received | Air conditioning and plumbing installations | 56,046 | 83.6 | 66,248 | 88.5 | 10,202 | 18.2 |
| | Electrical installations | 10,959 | 16.4 | 8,616 | 11.5 | (2,342) | (21.4) |
| | Total | 67,005 | 100.0 | 74,864 | 100.0 | 7,859 | 11.7 |
| | (Renovations) | 21,668 | 32.3 | 29,798 | 39.8 | 8,129 | 37.5 |
| | (Industrial facilities) | 32,843 | 49.0 | 39,972 | 53.4 | 7,129 | 21.7 |
| | (Overseas operations) | 4,331 | 6.5 | 2,277 | 3.0 | (2,054) | (47.4) |
| Net sales of completed construction contracts | Air conditioning and plumbing installations | 34,571 | 84.9 | 38,395 | 86.6 | 3,824 | 11.1 |
| | Electrical installations | 6,160 | 15.1 | 5,929 | 13.4 | (231) | (3.8) |
| | Total | 40,731 | 100.0 | 44,325 | 100.0 | 3,593 | 8.8 |
| | (Renovations) | 14,307 | 35.1 | 14,290 | 32.2 | (17) | (0.1) |
| | (Industrial facilities) | 19,498 | 47.9 | 18,094 | 40.8 | (1,403) | (7.2) |
| | (Overseas operations) | 3,585 | 8.8 | 3,089 | 7.0 | (496) | (13.8) |
| Net sales of uncompleted construction contracts | Air conditioning and plumbing installations | 186,308 | 88.5 | 240,033 | 88.8 | 53,724 | 28.8 |
| | Electrical installations | 24,122 | 11.5 | 30,367 | 11.2 | 6,244 | 25.9 |
| | Total | 210,431 | 100.0 | 270,400 | 100.0 | 59,969 | 28.5 |
| | (Renovations) | 43,663 | 20.7 | 54,037 | 20.0 | 10,374 | 23.8 |
| | (Industrial facilities) | 73,913 | 35.1 | 141,372 | 52.3 | 67,459 | 91.3 |
| | (Overseas operations) | 16,742 | 8.0 | 13,588 | 5.0 | (3,153) | (18.8) |

- (Note) 1. The “Air conditioning and plumbing installations” category has been set as a total of air conditioning installations and plumbing installations.
 2. Renovations and Industrial facilities, Overseas operations are aggregated for each type of construction. These includes duplicated construction.