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

November 8, 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

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Date scheduled to submit semi-annual report:

November 8, 2024

Date scheduled for dividend payment commencement:

December 2, 2024

Creating supplements to the financial statement:

Yes

Holding a briefing session on the financial statement:

Yes (for instituted investors and analysts)

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

1. Consolidated business results for the second quarter of the period ending March 2025 (From April 1, 2024, to September 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	%
Second quarter of the period ending March 2025	105,591	15.6	6,783	123.7	6,999	94.7	5,454	126.2
Second quarter of the period ending March 2024	91,306	10.4	3,031	(16.9)	3,595	(17.0)	2,411	(20.8)

(Note) Comprehensive income Second quarter of the period ending March 2025 5,105 Million yen 34.1%
Second quarter of the period ending March 2024 3,807 Million yen 38.6%

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
Second quarter of the period ending March 2025	127.24		—	
Second quarter of the period ending March 2024	56.29		—	

(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	%
Second quarter of the period ending March 2025	180,950	97,063	53.5
Period ending March 2024	160,553	93,987	58.4

(Reference) Equity capital Second quarter of the period ending March 2025 96,812 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
Period ending March 2024	—	55.00	—	48.00	—
Period ending March 2025	—	52.00			
Period ending March 2025 (Forecast)			—	71.00	123.00

(Note) 1 Presence of revision from dividend forecast published most recently: Yes

2 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	17,500	60.9	17,800	49.3	13,000	43.1	303.37	

(Reference) Estimated net sales of construction contract orders 260,000 Million yen

(Note) Presence of revision from estimate of performance published most recently: Yes

* 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 semi-annual 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 (4) Annotation Items Concerning Semi-annual Consolidated Financial Statements (Notes on Changes in accounting policies)” on page 8 of the attachments.

(4) Number of issued shares (common stock)

① Number of issued shares at the end of period (including treasury shares)	Second 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	Second quarter of the period ending March 2025	3,077,277 shares	Period ending March 2024	3,111,494 shares
③ Average number of shares in the period (semi-annual total)	Second quarter of the period ending March 2025	42,869,753 shares	Second quarter of the period ending March 2024	42,835,176 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, 112,908 shares for the second quarter of the period ending March 2025). In addition, the Company's shares held in the BIP Trust for Directors (164,692 shares for the second quarter of the period ending March 2024, 129,736 shares for the second 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.

* Brief report on semi-annual 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 semi-annual financial results)

Supplementary explanatory materials for semi-annual 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	17,500	65.5	17,800	54.6	13,000	47.7	303.37	

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

(Note) Presence of revision from estimate of performance published most recently: Yes

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1. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

	Previous Consolidated Accounting Year (As of March 31, 2024)	Current Semi-annual Consolidated Accounting Period (As of September 30, 2024)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	22,696	35,845
Notes receivable, accounts receivable from completed construction contracts and other	74,901	83,842
Electronically recorded monetary claims - operating	11,499	6,824
Costs on construction contracts in progress	726	1,486
Other	2,366	5,342
Allowance for doubtful accounts	(99)	(9)
Total current assets	112,090	133,332
Non-current assets		
Property, plant and equipment	8,396	8,332
Intangible assets	1,390	1,394
Investments and other assets		
Investment securities	21,160	20,277
Retirement benefit asset	15,997	16,039
Other	1,625	1,681
Allowance for doubtful accounts	(107)	(107)
Total investments and other assets	38,675	37,890
Total non-current assets	48,462	47,617
Total assets	160,553	180,950

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

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2024)	Current Semi-annual Consolidated Accounting Period (As of September 30, 2024)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	21,449	23,082
Electronically recorded obligations - operating	11,961	5,357
Short-term borrowings	2,788	22,801
Income taxes payable	3,336	2,361
Advances received on construction contracts in progress	1,531	2,505
Provision for bonuses	—	3,424
Provision for bonuses for directors (and other officers)	—	32
Provision for share awards	28	11
Provision for warranties for completed construction	36	39
Provision for loss on construction contracts	696	1,131
Asset retirement obligations	99	99
Deposits received	9,894	13,958
Other	9,072	3,289
Total current liabilities	60,895	78,095
Non-current liabilities		
Long-term borrowings	369	499
Deferred tax liabilities	4,153	4,139
Retirement benefit liability	1,101	1,091
Long-term accounts payable - other	2	2
Other	43	58
Total non-current liabilities	5,670	5,791
Total liabilities	66,565	83,886
Net assets		
Shareholders' equity		
Share capital	4,479	4,479
Capital surplus	4,837	4,837
Retained earnings	75,360	78,751
Treasury shares	(3,099)	(3,065)
Total shareholders' equity	81,577	85,002
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,754	7,049
Foreign currency translation adjustment	308	874
Remeasurements of defined benefit plans	4,144	3,885
Total accumulated other comprehensive income	12,177	11,810
Non-controlling interests	232	251
Total net assets	93,987	97,063
Total liabilities and net assets	160,553	180,950

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 (Consolidated Statements of Income)
 (Semi-annual Consolidated Cumulative Period)

	(Millions of yen)	
	Previous Semi-annual Consolidated Cumulative Period (From April 1, 2023 to September 30, 2023)	Current Semi-annual Consolidated Cumulative Period (From April 1, 2024 to September 30, 2024)
Net sales of completed construction contracts	91,306	105,591
Cost of sales of completed construction contracts	80,822	90,732
Gross profit on completed construction contracts	10,483	14,859
Selling, general and administrative expenses	7,452	8,076
Operating profit	3,031	6,783
Non-operating income		
Interest income	6	1
Dividend income	209	210
Insurance fee income	136	139
Foreign exchange gains	205	—
Share of profit of entities accounted for using equity method	36	21
Rental income from real estate	16	16
Other	10	30
Total non-operating income	623	420
Non-operating expenses		
Interest expenses	32	102
Guarantee commission	3	0
Rental expenses on real estate	10	10
Foreign exchange losses	—	79
Other	13	11
Total non-operating expenses	59	204
Ordinary profit	3,595	6,999
Extraordinary income		
Gain on sale of non-current assets	1	7
Gain on sales of investment securities	94	1,140
Total extraordinary income	95	1,148
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	3,689	8,076
Income taxes - current	1,068	2,219
Income taxes - deferred	167	397
Total income taxes	1,235	2,617
Profit	2,454	5,459
Profit attributable to non-controlling interests	42	5
Profit attributable to owners of parent	2,411	5,454

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

(Consolidated Statements of Comprehensive Income)
(Semi-annual Consolidated Cumulative Period)

(Millions of yen)

	Previous Semi-annual Consolidated Cumulative Period (From April 1, 2023 to September 30, 2023)	Current Semi-annual Consolidated Cumulative Period (From April 1, 2024 to September 30, 2024)
Profit	2,454	5,459
Other comprehensive income		
Valuation difference on available-for-sale securities	1,565	(704)
Foreign currency translation adjustment	(111)	226
Remeasurements of defined benefit plans, net of tax	(101)	(229)
Share of other comprehensive income of entities accounted for using equity method	—	353
Total other comprehensive income	1,352	(354)
Comprehensive income	3,807	5,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,750	5,087
Comprehensive income attributable to non-controlling interests	56	18

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Semi-annual Consolidated Cumulative Period (From April 1, 2023 to September 30, 2023)	Current Semi-annual Consolidated Cumulative Period (From April 1, 2024 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,689	8,076
Depreciation	329	454
Increase (decrease) in allowance for doubtful accounts	31	(90)
Increase (decrease) in retirement benefit liability	(3)	(11)
Interest and dividend income	(216)	(211)
Interest expenses	32	102
Share of loss (profit) of entities accounted for using equity method	(36)	(21)
Loss (gain) on valuation of investment securities	—	68
Loss (gain) on sales of investment securities	(94)	(1,140)
Loss (gain) on sale of non-current assets	(1)	(7)
Loss on retirement of non-current assets	1	3
Decrease (increase) in trade receivables	277	(4,265)
Decrease (increase) in costs on construction contracts in progress	(1,229)	(760)
Decrease (increase) in other current assets	(1,248)	(2,809)
Decrease (increase) in other non-current assets	0	(0)
Decrease (increase) in retirement benefit asset	(178)	(370)
Increase (decrease) in trade payables	(3,499)	(4,971)
Increase (decrease) in advances received on construction contracts in progress	351	974
Increase (decrease) in other current liabilities	(488)	2,072
Increase (decrease) in other non-current liabilities	(4)	15
Subtotal	(2,287)	(2,893)
Interest and dividends received	216	211
Interest paid	(31)	(208)
Income taxes refund (paid)	(2,052)	(3,114)
Net cash provided by (used in) operating activities	(4,155)	(6,004)

(Millions of yen)

	Previous Semi-annual Consolidated Cumulative Period (From April 1, 2023 to September 30, 2023)	Current Semi-annual Consolidated Cumulative Period (From April 1, 2024 to September 30, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(687)	(176)
Proceeds from sale of property, plant and equipment	2	7
Purchase of investment securities	(201)	(2)
Proceeds from sale and redemption of investment securities	151	1,316
Purchase of shares of subsidiaries and associates	(311)	—
Proceeds from collection of loans receivable	0	—
Other payments	(659)	(263)
Other proceeds	10	37
Net cash provided by (used in) investing activities	(1,695)	920
Cash flows from financing activities		
Proceeds from short-term borrowings	10,600	33,900
Repayments of short-term borrowings	(10,600)	(13,900)
Proceeds from long-term borrowings	—	500
Repayments of long-term borrowings	(357)	(357)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,182)	(2,063)
Net cash provided by (used in) financing activities	(1,540)	18,077
Effect of exchange rate change on cash and cash equivalents	205	154
Net increase (decrease) in cash and cash equivalents	(7,185)	13,148
Cash and cash equivalents at beginning of period	25,348	22,665
Cash and cash equivalents at end of period	18,162	35,814

(4) Annotation Items Concerning Semi-annual 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 semi-annual 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 semi-annual 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 semi-annual consolidated accounting period under review. This change in accounting policy is being applied retroactively, and semi-annual consolidated financial statements and consolidate financial statements for the previous semi-annual consolidated accounting period and the previous consolidated fiscal year, respectively, reflect its retroactive application. This change in accounting policy had no impact on the semi-annual consolidated financial statements for the previous semi-annual consolidated accounting period or on the consolidated financial statements for the previous consolidated fiscal year.

(Notes regarding Semi-annual Consolidated statement of cash flows)

Reconciliation of interim ending balance of cash and cash equivalents with account balances per consolidated balance sheet

	(Millions of yen)	
	Previous Semi-annual Consolidated Cumulative Period (From April 1, 2023 to September 30, 2023)	Current Semi-annual Consolidated Cumulative Period (From April 1, 2024 to September 30, 2024)
Cash and deposits	18,193	35,845
Time deposits with maturity over 3 months	(30)	(30)
Cash and cash equivalents	18,162	35,814

2. Supplementary Information

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

(Millions of yen)

		Previous Semi-annual Consolidated Cumulative Period		Current Semi-annual Consolidated Cumulative Period		Increase (decrease)	
		(From April 1, 2023 to September 30, 2023)		(From April 1, 2024 to September 30, 2024)		Amount	Ratio %
		Amount	Component ratio %	Amount	Component ratio %		
Net sales of construction contract orders received	Air conditioning and plumbing installations	104,787	81.5	119,428	86.6	14,640	14.0
	Electrical installations	23,735	18.5	18,438	13.4	(5,297)	(22.3)
	Total	128,523	100.0	137,866	100.0	9,343	7.3
	(Renovations)	41,737	32.5	51,628	37.4	9,891	23.7
	(Industrial facilities)	65,764	51.2	81,246	58.9	15,482	23.5
	(Overseas operations)	7,149	5.6	10,128	7.3	2,978	41.7
Net sales of completed construction contracts	Air conditioning and plumbing installations	77,036	84.4	91,974	87.1	14,937	19.4
	Electrical installations	14,269	15.6	13,617	12.9	(652)	(4.6)
	Total	91,306	100.0	105,591	100.0	14,284	15.6
	(Renovations)	31,698	34.7	32,684	31.0	986	3.1
	(Industrial facilities)	42,983	47.1	49,903	47.3	6,920	16.1
	(Overseas operations)	9,040	9.9	6,117	5.8	(2,922)	(32.3)
Net sales of uncompleted construction contracts	Air conditioning and plumbing installations	192,583	87.0	239,634	88.1	47,050	24.4
	Electrical installations	28,791	13.0	32,502	11.9	3,710	12.9
	Total	221,375	100.0	272,136	100.0	50,761	22.9
	(Renovations)	46,341	20.9	57,473	21.1	11,132	24.0
	(Industrial facilities)	83,348	37.7	150,836	55.4	67,488	81.0
	(Overseas operations)	14,105	6.4	18,411	6.8	4,305	30.5

- (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.