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Consolidated Financial Statements for the Third Quarter of the Period Ending March 2026 [Japanese Standard]

February 6, 2026

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: Yoji Sasaki, Director, Senior Executive Corporate Officer, CIO, Head of General Administration

Stock Exchange Listing:
Tokyo Stock Exchange Prime Market

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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 2026 (From April 1, 2025 to December 31, 2025)

(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 2026 | 180,189 | (3.0) | 26,525 | 61.7 | 27,553 | 62.3 | 19,176 | 58.6 |
| Third quarter of the period ending March 2025 | 185,850 | 33.2 | 16,400 | 158.6 | 16,977 | 146.7 | 12,088 | 136.3 |

(Note) Comprehensive income Third quarter of the period ending March 2026 20,161 Million yen 79.2%
Third quarter of the period ending March 2025 11,251 Million yen 77.3%

| | Profit per share | Diluted Profit per share |
|---|------------------|--------------------------|
| | Yen Sen | Yen Sen |
| Third quarter of the period ending March 2026 | 148.60 | — |
| Third quarter of the period ending March 2025 | 93.98 | — |

(Note) The Company conducted a 3-for-1 share split of shares of common stock, with an effective date of January 1, 2026. "Profit per share" is calculated assuming that the share 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 | % |
| Third quarter of the period ending March 2026 | 203,862 | 121,814 | 58.6 |
| Period ending March 2025 | 215,309 | 109,206 | 49.7 |

(Reference) Equity capital Third quarter of the period ending March 2026 119,536 Million yen
Period ending March 2025 107,020 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 2025 | — | 52.00 | — | 111.00 | 163.00 |
| Period ending March 2026 | — | 82.00 | — | | |
| Period ending March 2026 (Forecast) | | | | 45.00 | — |

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

2 The Company conducted a 3-for-1 share split of shares of common stock, with an effective date of January 1, 2026. Dividends before the third quarter of the fiscal year ending March 31, 2026, are the actual dividend amount before the share split. The period end dividend for the period ending March 31, 2026 (forecast) shown in the table above reflects the effect of the share split, and the total annual dividend is shown as "—". The total annual dividend per share as calculated before the share split will be 217 yen.

3. Estimate of consolidated performance for the period ending March 2026 (From April 1, 2025 to March 31, 2026)
 (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 | 260,000 | (1.0) | 32,000 | 38.9 | 32,300 | 37.6 | 23,100 | 32.4 | 179.01 | |

(Reference) Estimated net sales of construction contract orders 320,000 Million yen

(Note) 1 Presence of revision from estimate of performance published most recently: Yes

2 The consolidated financial results forecast for earnings per share for the fiscal year ending March 31, 2026, is presented in an amount after the share split. Not taking the share split into consideration, net income per share would be 537.02 yen.

* 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 2026 | 137,891,406 shares | Period ending March 2025 | 137,891,406 shares |
|---|--------------------|--------------------------|--------------------|

② Number of treasury shares at the end of period

| | | | |
|---|------------------|--------------------------|------------------|
| Third quarter of the period ending March 2026 | 8,511,162 shares | Period ending March 2025 | 9,232,455 shares |
|---|------------------|--------------------------|------------------|

③ Average number of shares in the period (quarter total)

| | | | |
|---|--------------------|---|--------------------|
| Third quarter of the period ending March 2026 | 129,046,175 shares | Third quarter of the period ending March 2025 | 128,625,897 shares |
|---|--------------------|---|--------------------|

(Note) 1 The Company conducted a 3-for-1 share split of shares of common stock, with an effective date of January 1, 2026.

“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 share 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 (977,724 shares for the period ending March 2025, 813,042 shares for the Third quarter of the period ending March 2026). In addition, the Company's shares held in the BIP Trust for Directors (478,879 shares for the Third quarter of the period ending March 2025, 869,541 shares for the quarter of the Third period ending March 2026) 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 2026 (From April 1, 2025 to March 31, 2026)

(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 | 235,000 | (5.5) | 32,000 | 39.1 | 32,300 | 38.8 | 23,100 | 31.9 | 179.01 | |

(Reference) Estimated net sales of construction contract orders 286,000 Million yen

(Note) 1 Presence of revision from estimate of performance published most recently: Yes

2 The individual financial results forecast for earnings per share for the fiscal year ending March 31, 2026, is presented in an amount after the share split. Not taking the share split into consideration, net income per share would be 537.02 yen.

○ 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) (Third Quarter Consolidated Cumulative Period)..... | 4 |
| (Consolidated Statements of Comprehensive Income) (Third Quarter Consolidated Cumulative Period)..... | 5 |
| (3) Annotation Items Concerning Quarterly Consolidated Financial Statements | 6 |
| (Basis of 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 regarding the Quarterly Consolidated statement of Cash Flows)..... | 6 |
| (Significant Subsequent Event) | 6 |
| 2. Supplementary Information | 8 |
| Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (consolidated) | 8 |

1. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

| | (Millions of yen) | |
|---|--|---|
| | Previous Consolidated Accounting Year (As of March 31, 2025) | Current Third Quarter Consolidated Accounting Period (As of December 31, 2025) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 51,761 | 68,782 |
| Notes receivable, accounts receivable from completed construction contracts and other | 90,747 | 66,738 |
| Electronically recorded monetary claims - operating | 11,267 | 8,329 |
| Costs on construction contracts in progress | 892 | 3,185 |
| Other | 10,849 | 4,730 |
| Allowance for doubtful accounts | (192) | (248) |
| Total current assets | <u>165,326</u> | <u>151,519</u> |
| Non-current assets | | |
| Property, plant and equipment | 7,952 | 7,928 |
| Intangible assets | | |
| Goodwill | 1,607 | 1,480 |
| Customer-related intangible assets | 2,675 | 2,339 |
| Other | 1,526 | 1,444 |
| Total intangible assets | <u>5,809</u> | <u>5,264</u> |
| Investments and other assets | | |
| Investment securities | 17,116 | 18,962 |
| Retirement benefit asset | 16,996 | 17,105 |
| Other | 2,212 | 3,188 |
| Allowance for doubtful accounts | (105) | (104) |
| Total investments and other assets | <u>36,220</u> | <u>39,151</u> |
| Total non-current assets | <u>49,982</u> | <u>52,343</u> |
| Total assets | <u>215,309</u> | <u>203,862</u> |

| | Previous Consolidated Accounting Year (As of March 31, 2025) | Current Third Quarter Consolidated Accounting Period (As of December 31, 2025) | (Millions of yen) |
|--|--|---|-------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Notes payable, accounts payable for construction contracts | 28,222 | 20,073 | 20,073 |
| Electronically recorded obligations - operating | 5,479 | 4,081 | 4,081 |
| Short-term borrowings | 22,927 | 2,751 | 2,751 |
| Income taxes payable | 5,445 | 3,778 | 3,778 |
| Advances received on construction contracts in progress | 6,937 | 8,467 | 8,467 |
| Provision for bonuses | — | 4,435 | 4,435 |
| Provision for bonuses for directors (and other officers) | — | 16 | 16 |
| Provision for share awards | 104 | 62 | 62 |
| Provision for warranties for completed construction | 114 | 150 | 150 |
| Provision for loss on construction contracts | 1,218 | 214 | 214 |
| Deposits received | 19,673 | 17,802 | 17,802 |
| Other | 10,399 | 12,801 | 12,801 |
| Total current liabilities | 100,523 | 74,637 | 74,637 |
| Non-current liabilities | | | |
| Long-term borrowings | 675 | 698 | 698 |
| Deferred tax liabilities | 3,882 | 5,634 | 5,634 |
| Retirement benefit liability | 967 | 957 | 957 |
| Long-term accounts payable - other | 2 | 2 | 2 |
| Other | 49 | 116 | 116 |
| Total non-current liabilities | 5,578 | 7,410 | 7,410 |
| Total liabilities | 106,102 | 82,048 | 82,048 |
| Net assets | | | |
| Shareholders' equity | | | |
| Share capital | 4,479 | 4,479 | 4,479 |
| Capital surplus | 5,349 | 5,959 | 5,959 |
| Retained earnings | 88,503 | 99,252 | 99,252 |
| Treasury shares | (3,578) | (3,251) | (3,251) |
| Total shareholders' equity | 94,754 | 106,440 | 106,440 |
| Accumulated other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 7,443 | 8,557 | 8,557 |
| Foreign currency translation adjustment | 512 | 463 | 463 |
| Remeasurements of defined benefit plans | 4,309 | 4,075 | 4,075 |
| Total accumulated other comprehensive income | 12,265 | 13,095 | 13,095 |
| Non-controlling interests | 2,186 | 2,278 | 2,278 |
| Total net assets | 109,206 | 121,814 | 121,814 |
| Total liabilities and net assets | 215,309 | 203,862 | 203,862 |

(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 | Current Third Quarter |
| | Consolidated Cumulative | Consolidated Cumulative |
| | Period | Period |
| | (From April 1, 2024 to December 31, 2024) | (From April 1, 2025 to December 31, 2025) |
| Net sales of completed construction contracts | 185,850 | 180,189 |
| Cost of sales of completed construction contracts | 156,775 | 138,518 |
| Gross profit on completed construction contracts | 29,074 | 41,671 |
| Selling, general and administrative expenses | 12,673 | 15,145 |
| Operating profit | 16,400 | 26,525 |
| Non-operating income | | |
| Interest income | 1 | 62 |
| Dividend income | 320 | 369 |
| Insurance fee income | 140 | 172 |
| Foreign exchange gains | 115 | 475 |
| Share of profit of entities accounted for using equity method | 135 | — |
| Rental income from real estate | 25 | 25 |
| Other | 37 | 79 |
| Total non-operating income | 776 | 1,183 |
| Non-operating expenses | | |
| Interest expenses | 166 | 79 |
| Guarantee commission | 0 | 10 |
| Rental expenses on real estate | 11 | 12 |
| Commitment fees | 15 | 15 |
| Other | 5 | 37 |
| Total non-operating expenses | 200 | 155 |
| Ordinary profit | 16,977 | 27,553 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 9 | 4 |
| Gain on sale of investment securities | 1,140 | 389 |
| Reversal of allowance for doubtful accounts | — | 0 |
| Gain on reversal of asset retirement obligations | 64 | — |
| Gain on extinguishment of tie-in shares | — | 113 |
| Total extraordinary income | 1,214 | 507 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | — | 2 |
| Loss on retirement of non-current assets | 3 | 1 |
| Loss on valuation of investment securities | 148 | — |
| Loss on step acquisitions | 241 | — |
| Total extraordinary losses | 393 | 3 |
| Profit before income taxes | 17,798 | 28,058 |
| Income taxes – current | 4,838 | 7,358 |
| Income taxes – deferred | 849 | 1,351 |
| Total income taxes | 5,687 | 8,709 |
| Profit | 12,110 | 19,348 |
| Profit attributable to non-controlling interests | 22 | 172 |
| Profit attributable to owners of parent | 12,088 | 19,176 |

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

| | (Millions of yen) | |
|--|---|--|
| | Previous Third Quarter Consolidated Cumulative Period (From April 1, 2024 to December 31, 2024) | Current Third Quarter Consolidated Cumulative Period (From April 1, 2025 to December 31, 2025) |
| Profit | 12,110 | 19,348 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (407) | 1,113 |
| Foreign currency translation adjustment | 75 | (66) |
| Remeasurements of defined benefit plans, net of tax | (343) | (234) |
| Share of other comprehensive income of entities accounted for using equity method | (183) | — |
| Total other comprehensive income | <u>(859)</u> | <u>812</u> |
| Comprehensive income | <u>11,251</u> | <u>20,161</u> |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 11,212 | 20,006 |
| Comprehensive income attributable to non-controlling interests | 38 | 154 |

(3) Annotation Items Concerning Quarterly Consolidated Financial Statements

(Basis of Quarterly Consolidated Financial Statements)

We prepare the quarterly consolidated financial statements in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and the accounting standards for quarterly financial statements generally recognized as fair and reasonable in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

(Notes to Going Concern Assumption)

None

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

None

(Notes regarding the Quarterly Consolidated statement of Cash Flows)

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

| | (Millions of yen) | |
|--------------------------|---|--|
| | Previous Third Quarter Consolidated Cumulative Period (From April 1, 2024 to December 31, 2024) | Current Third Quarter Consolidated Cumulative Period (From April 1, 2025 to December 31, 2025) |
| Depreciation | 688 | 1,017 |
| Amortization of goodwill | — | 108 |

(Significant Subsequent Event)

(Share Split)

Based on the resolution of the Board of Directors held on November 7, 2025, the Company conducted a 3-for-1 share split of shares of common stock, with an effective date of January 1, 2026.

(1) Purpose of share split

The Company aims to create a more accessible investment environment, enhance market liquidity, and expand its investor base by reducing the investment amount required per unit of its stock.

(2) Overview of share split

① Method of share split

The record date for the share split is set for Wednesday, December 31, 2025 (effectively Tuesday, December 30, 2025, since the shareholder registry administrator is closed on the record date). Shareholders listed on the final shareholder registry as of this date will receive three shares for every one share of the Company's common stock they hold.

② Number of shares to be increased by share split

| | |
|--|--------------------|
| Total number of issued shares before the share split | 45,963,802 shares |
| Number of shares to be increased by the share split | 91,927,604 shares |
| Total number of issued shares after the share split | 137,891,406 shares |
| Total number of shares authorized to be issued after the share split | 240,000,000 shares |

DAI-DAN Co., Ltd. (1980), Consolidated Financial Statements for the Third Quarter of the Period Ending March 2026

③ Timetable for the share split

| | |
|--|------------------------------|
| Date of public notice of the record date | Monday, December 15, 2025 |
| Record date | Wednesday, December 31, 2025 |
| Effective date | Thursday, January 1, 2026 |

④ Impact on per share information

The impact on per share information is presented under “Profit per share” in the summary.

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, 2024 to December 31, 2024) | | (From April 1, 2025 to December 31, 2025) | | | |
| | | Amount | Component ratio % | Amount | Component ratio % | Amount | Ratio % |
| Net sales of construction contract orders received | Air conditioning and plumbing installations | 173,328 | 84.2 | 178,199 | 72.7 | 4,870 | 2.8 |
| | Electrical installations | 32,442 | 15.8 | 66,760 | 27.3 | 34,317 | 105.8 |
| | Total | 205,770 | 100.0 | 244,959 | 100.0 | 39,188 | 19.0 |
| | (Industrial facilities) | 115,907 | 56.3 | 85,385 | 34.9 | (30,521) | (26.3) |
| | (Overseas operations) | 27,379 | 13.3 | 49,277 | 20.1 | 21,898 | 80.0 |
| | (Renovations) | 80,851 | 39.3 | 102,273 | 41.8 | 21,422 | 26.5 |
| Net sales of completed construction contracts | Air conditioning and plumbing installations | 162,051 | 87.2 | 146,206 | 81.1 | (15,844) | (9.8) |
| | Electrical installations | 23,798 | 12.8 | 33,982 | 18.9 | 10,184 | 42.8 |
| | Total | 185,850 | 100.0 | 180,189 | 100.0 | (5,660) | (3.0) |
| | (Industrial facilities) | 97,068 | 52.2 | 97,647 | 54.2 | 579 | 0.6 |
| | (Overseas operations) | 10,382 | 5.6 | 21,318 | 11.8 | 10,935 | 105.3 |
| | (Renovations) | 56,005 | 30.1 | 70,538 | 39.1 | 14,532 | 25.9 |
| Net sales of uncompleted construction contracts | Air conditioning and plumbing installations | 223,456 | 86.0 | 255,428 | 79.0 | 31,972 | 14.3 |
| | Electrical installations | 36,325 | 14.0 | 67,741 | 21.0 | 31,416 | 86.5 |
| | Total | 259,781 | 100.0 | 323,170 | 100.0 | 63,388 | 24.4 |
| | (Industrial facilities) | 138,332 | 53.2 | 132,314 | 40.9 | (6,018) | (4.4) |
| | (Overseas operations) | 31,397 | 12.1 | 62,651 | 19.4 | 31,254 | 99.5 |
| | (Renovations) | 63,375 | 24.4 | 95,104 | 29.4 | 31,729 | 50.1 |

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