

Financial Results Material for the Third Quarter of the Period Ending March 2025

February 7, 2025



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Reference: DATA FILE

**Third Quarter Financial Results
for the Period Ending March 2025**

Consolidated Performance Summary

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

(Millions of yen)

	3rd Quarter of period ended March 2024	3rd Quarter of period ending March 2025	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	184,158	239,861	55,702	30.2%
Net sales of construction contract orders received	214,448	205,770	(8,677)	-4.0%
Net sales of completed construction contracts	139,504	185,850	46,346	33.2%
Gross profit on completed construction contracts	17,472	29,074	11,602	66.4%
Gross profit margin of completed construction contracts (%)	12.5%	15.6%	3.1p	—
Operating profit	6,342	16,400	10,057	158.6%
Operating profit margin (%)	4.5%	8.8%	4.3p	—
Ordinary profit	6,882	16,977	10,094	146.7%
Ordinary profit margin (%)	4.9%	9.1%	4.2p	—
Net profit attributable to owners of parent	5,115	12,088	6,972	136.3%
Net profit margin (%)	3.7%	6.5%	2.8p	—

* Net sales of construction contract orders received include net sales of uncompleted construction contracts carried forward, as of September 30, 2024, from the overseas consolidated subsidiary acquired on October 1, 2024.

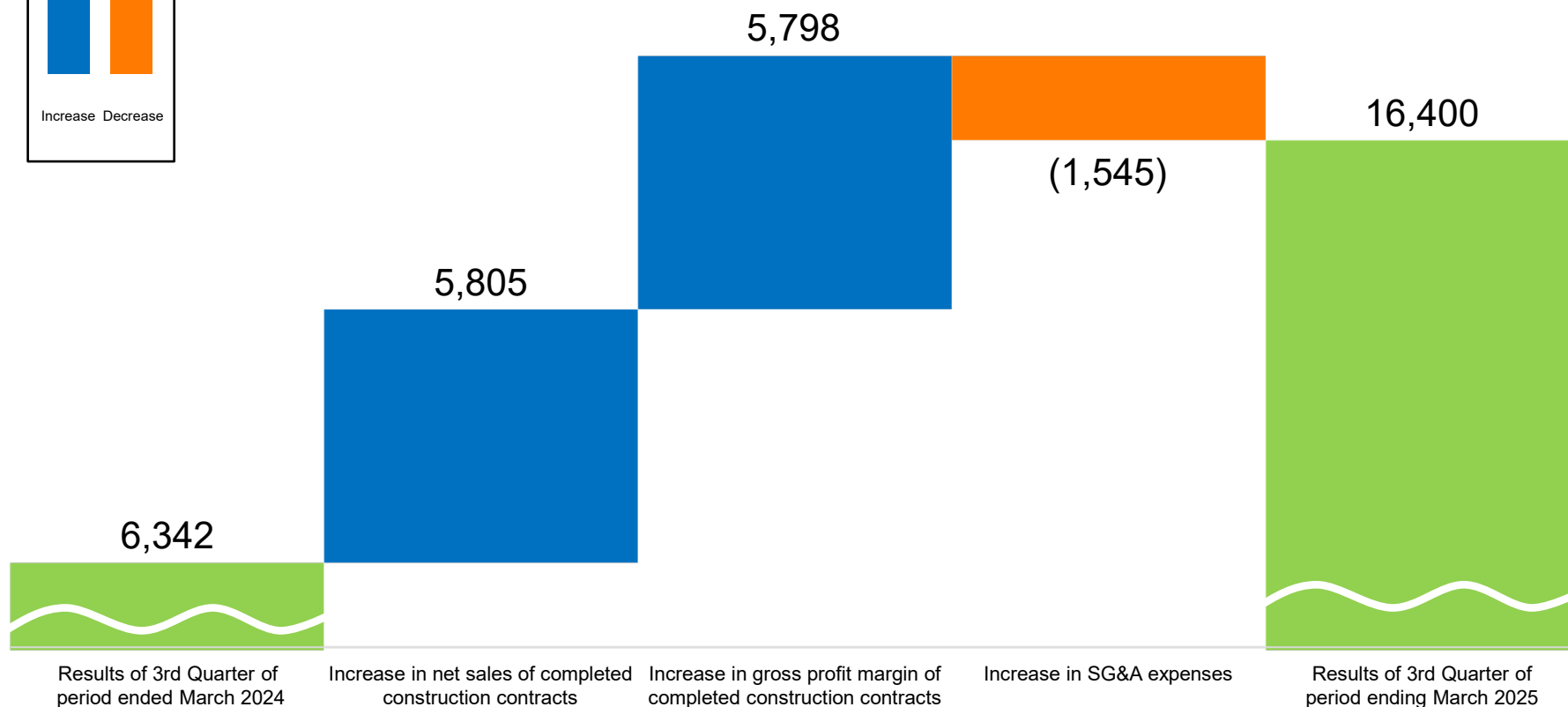
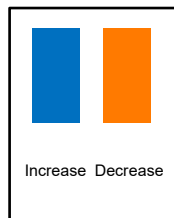
Business environment and the Company's performance summary

- Net sales of construction contract orders received showed a reactionary decline from the previous period when orders for large-scale semiconductor factories and automotive battery factories were received, despite continued strong orders for factories, data centers, medical facilities, etc.
- Net sales of completed construction contracts increased with progress in uncompleted construction contracts for large-scale industrial facilities carried over from the previous period.
- Gross profit on completed construction contracts posted growth backed by higher net sales of completed construction contracts and the steady progress of unfinished construction projects whose profitability improved with a favorable turnaround in the order environment.

As a result of the above, both sales and profits increased.

Breakdown of increase/decrease in consolidated operating profit

(Millions of yen)



- Consolidated operating profit increased with an increase in the net sales of completed construction contracts and a higher gross profit margin of completed construction contracts.
- Net sales of completed construction contracts increased due to steady progress on a large number of uncompleted construction contracts carried over from the previous period.
- Gross profit margin of completed construction contracts increased thanks to a favorable turnaround in the order environment.
- SG&A expenses increased due mainly to “an increase in employee salaries accompanying base salary increases,” “DX investments, including investment in raising efficiency in field operation and office work,” and “an increase in production of new commercials and ad placement to strengthen recruitment.”

Trends in consolidated net sales by construction type

(Millions of yen)

		3rd Quarter of period ended March 2024	3rd Quarter of period ending March 2025	Increase (Decrease)	Change rate
Orders received	Air conditioning and plumbing installations	182,009	173,328	(8,681)	-4.8%
	Electrical installations	32,438	32,442	4	0.0%
	Total	214,448	205,770	(8,677)	-4.0%
Net sales (completed)	Air conditioning and plumbing installations	117,643	162,051	44,408	37.7%
	Electrical installations	21,860	23,798	1,937	8.9%
	Total	139,504	185,850	46,346	33.2%
Net sales (uncompleted)	Air conditioning and plumbing installations	229,199	223,456	(5,743)	-2.5%
	Electrical installations	29,902	36,325	6,422	21.5%
	Total	259,102	259,781	679	0.3%

- Air conditioning and plumbing installations

- ✓ Orders received showed a reactionary decline from the previous period when orders for large-scale projects were received, despite large-scale construction contracts secured mainly for factories, data centers, and medical facilities.
- ✓ While net sales (completed) increased substantially with steady progress on unfinished construction projects, a decrease in orders received pushed down net sales (uncompleted).

- Electrical installations

- ✓ Orders received remained at the same level as the previous period.
- ✓ While net sales (completed) increased with steady progress on unfinished construction projects, orders received exceeded net sales (completed), pushing up net sales (uncompleted).

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

(Millions of yen)

	Period ended March 2024	3rd Quarter of period ending March 2025	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	93,987	102,159	8,171	8.7%	Retained earnings increased.
Total assets	160,553	206,247	45,694	28.5%	<ul style="list-style-type: none"> Changes in payment terms for subcontractors and increase in borrowing to secure future working capital Recording of receivables and payables as construction progresses
Book value per share (BPS)	2,187.86 yen	2,349.79 yen	161.93	7.4%	PBR improved as stock price rose.
Price book-value ratio (PBR)	1.14 times	1.64 times	—	—	(Reference) Closing stock price as of end of Mar. 2024: 2,491 yen Closing stock price as of end of Dec. 2024: 3,860 yen
Equity capital ratio	58.4%	48.9%	-9.5p	—	

* Net assets and total assets include amounts as of September 30, 2024 for the overseas consolidated subsidiary acquired on October 1, 2024.

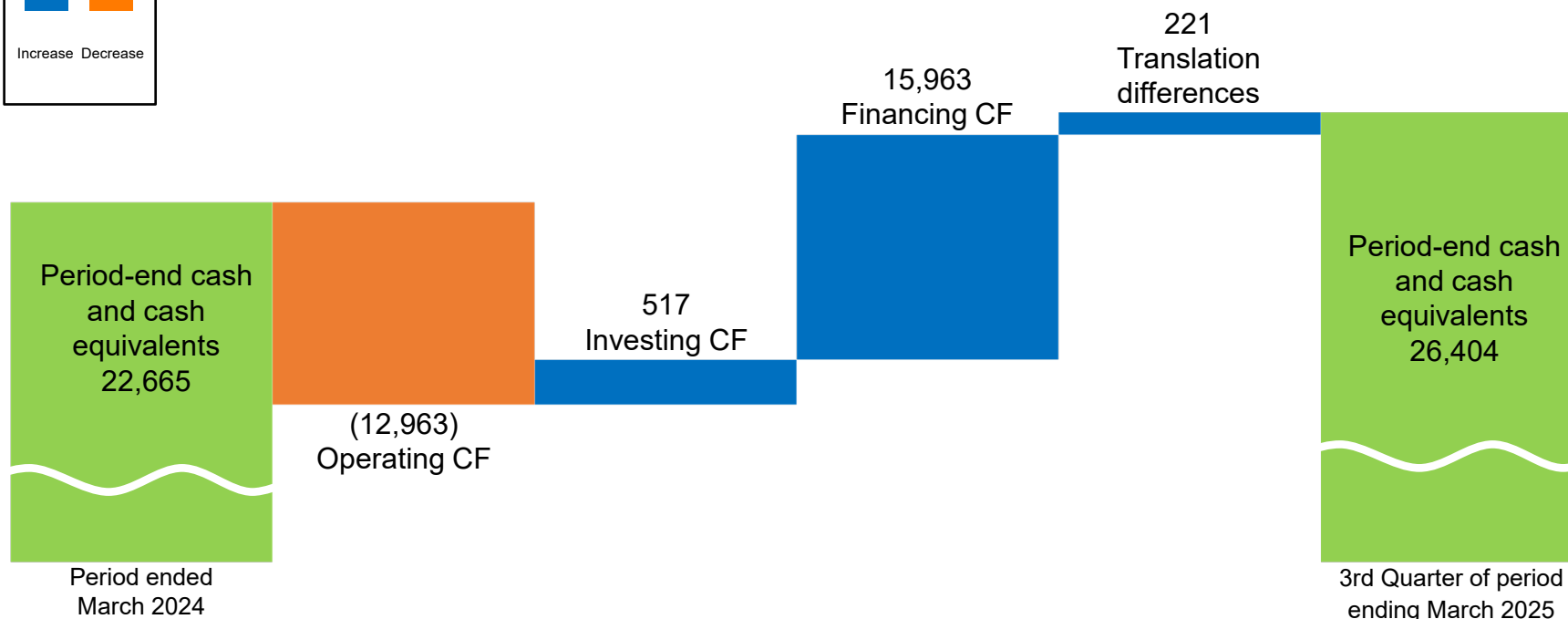
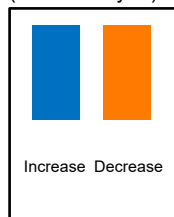
Overview of consolidated management indicators, etc. (cash flows)

(Millions of yen)

	3rd Quarter of period ended March 2024	3rd Quarter of period ending March 2025	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	(8,160)	(12,963)	(4,803)	—	<ul style="list-style-type: none"> Increase in cash payments due to changes in payment terms for subcontractors Advance payment of construction charges
Cash flows from investing activities	(1,208)	517	1,726	—	Proceeds from sales of investment securities
Cash flows from financing activities	4,248	15,963	11,714	—	Changes in payment terms for subcontractors and increase in borrowing to secure future working capital
Cash and cash equivalents at beginning of period	25,348	22,665	(2,682)	-10.6%	
Increase/decrease in cash and cash equivalents	(5,115)	3,738	8,853	—	
Cash and cash equivalents at end of quarter	20,233	26,404	6,171	30.5%	

Breakdown of cash flows (Trends in period-end balance of cash and cash equivalents)

(Millions of yen)



- We have announced our Partnership Building Declaration aimed at coexistence and co-prosperity with our business partners and have recently decided to settle payments in cash for some of our subcontractors (effective for payment on June 20, 2024 and beyond) based on criteria in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. We will continue to promote various initiatives to strengthen relationships with business partners and fulfill our social responsibilities throughout the supply chain.
- Respective factors contributing to increases and decreases in cash flow in connection to the above are as follows: Operating CF (increase in cash payments due to changes in payment terms for subcontractors and advance payment of construction charges), Investing CF (proceeds from sales of investment securities), and Financing CF (changes in payment terms for subcontractors and increase in borrowing to secure future working capital).
- In addition to the borrowing listed above, we have signed commitment credit line agreements with three banks for efficient working capital financing.

**Third Quarter Financial Results
for the Period Ending March 2025**

**Third Quarter
Financial Closing
Highlights**

Renovations and direct orders

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First to third quarters	Fourth quarter	Full year	First to third quarters	Increase (Decrease)	Change rate
Renovations	62,820	21,176	83,997	80,851	18,030	28.7%
Ratio of renovations (%)	29.3%	54.7%	33.2%	39.3%	10.0p	—
Mid-to-large renovations	29,068	8,844	37,912	36,974	7,905	27.2%
Small-scale renovations	33,752	12,331	46,084	43,876	10,124	30.0%
New construction	151,627	17,509	169,137	124,919	(26,707)	-17.6%
Total orders received	214,448	38,685	253,134	205,770	(8,677)	-4.0%
Of which, direct orders	98,637	17,751	116,389	105,286	6,648	6.7%
Ratio of direct orders (%)	46.0%	45.9%	46.0%	51.2%	5.2p	—

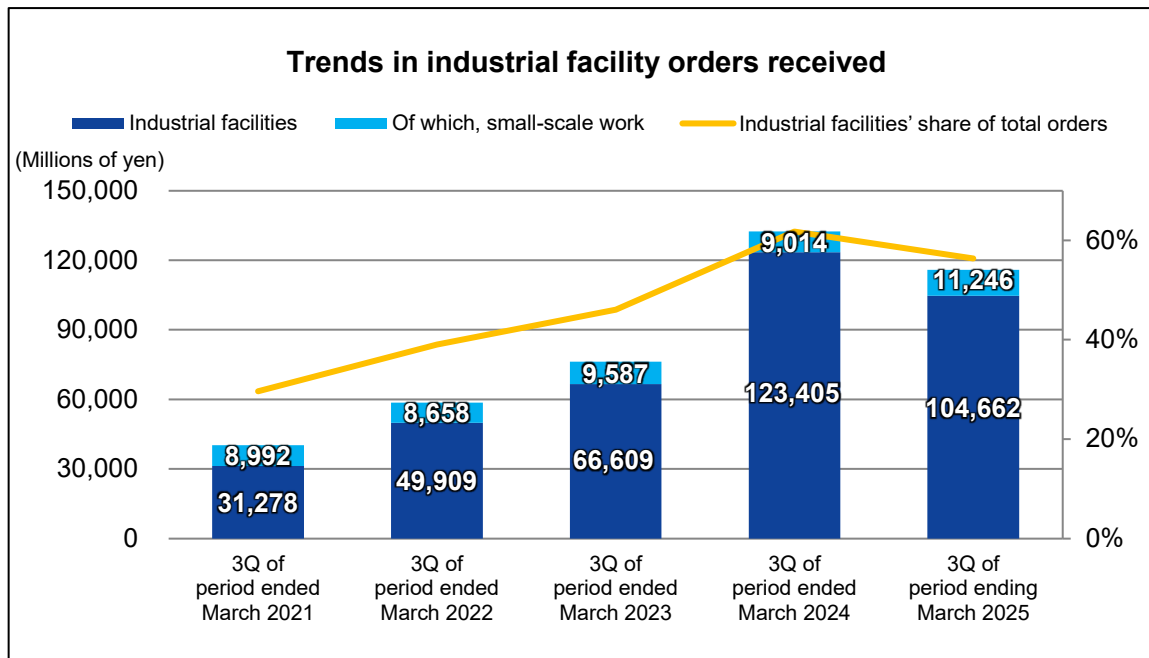
- Orders received for renovations increased from the previous period with orders received for renovation work primarily for large-scale office buildings and industrial facilities, in addition to steady orders for small-scale renovation work.
- New construction orders received suffered a reactionary decline from the previous period when orders for industrial facility projects were received.
- Direct orders posted growth thanks to orders for large-scale projects and increased orders for renovation work with a high percentage of direct orders, resulting in a direct order ratio of 51.2%.

Status of industrial facilities

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First to third quarters	Fourth quarter	Full year	First to third quarters	Increase (Decrease)	Change rate
Total industrial facilities	132,418	12,784	145,203	115,907	(16,510)	-12.5%
(Share of total orders: %)	61.7%	33.0%	57.4%	56.3%	-5.4p	—
Total orders received	214,448	38,685	253,134	205,770	(8,677)	-4.0%

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



- Orders received for industrial facility construction showed a reactionary decline from the previous period when orders for large-scale semiconductor factories and automotive battery factories were received. In the share of total orders, orders for industrial facilities remain high, at 56.3%.

Overseas operations

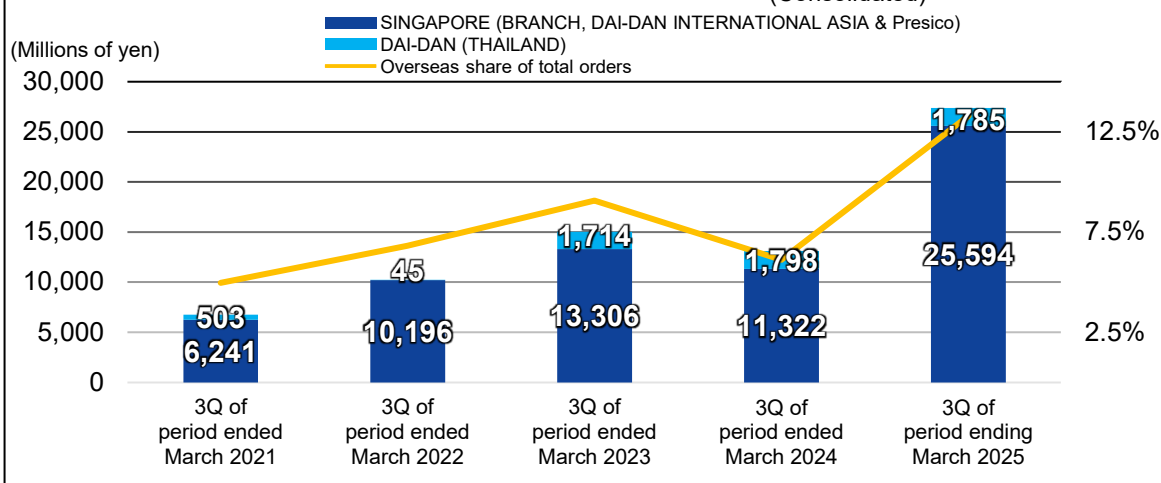
- Singapore (Branch and DAI-DAN INTERNATIONAL ASIA PTE. LTD.), Thailand (DAI-DAN (THAILAND) CO., LTD.), Vietnam (DAI-DAN (VIETNAM) CO., LTD. (non-consolidated)), and Taiwan (DAI-DAN Taiwan Co., Ltd. (non-consolidated)) are the bases of our overseas operations.
- On October 1, 2024, we acquired an additional 30.0% of the outstanding shares of Presico Engineering Pte. Ltd. of Singapore (“Presico”), increasing our voting rights from 40.0% to 70.0%. As a result, Presico became our consolidated subsidiary in the third quarter of the current fiscal year.

(Millions of yen)

	Period ended March 2024			Period ending March 2025	Year-on-year change	
	First to third quarters	Fourth quarter	Full year	First to third quarters	Increase (Decrease)	Change rate
Total overseas orders received (consolidated)	13,120	4,306	17,426	27,379	14,258	108.7%
(Share of total orders: %)	6.1%	11.1%	6.9%	13.3%	7.2p	–
Total orders received	214,448	38,685	253,134	205,770	(8,677)	-4.0%

Trends in overseas construction orders received

(Consolidated)



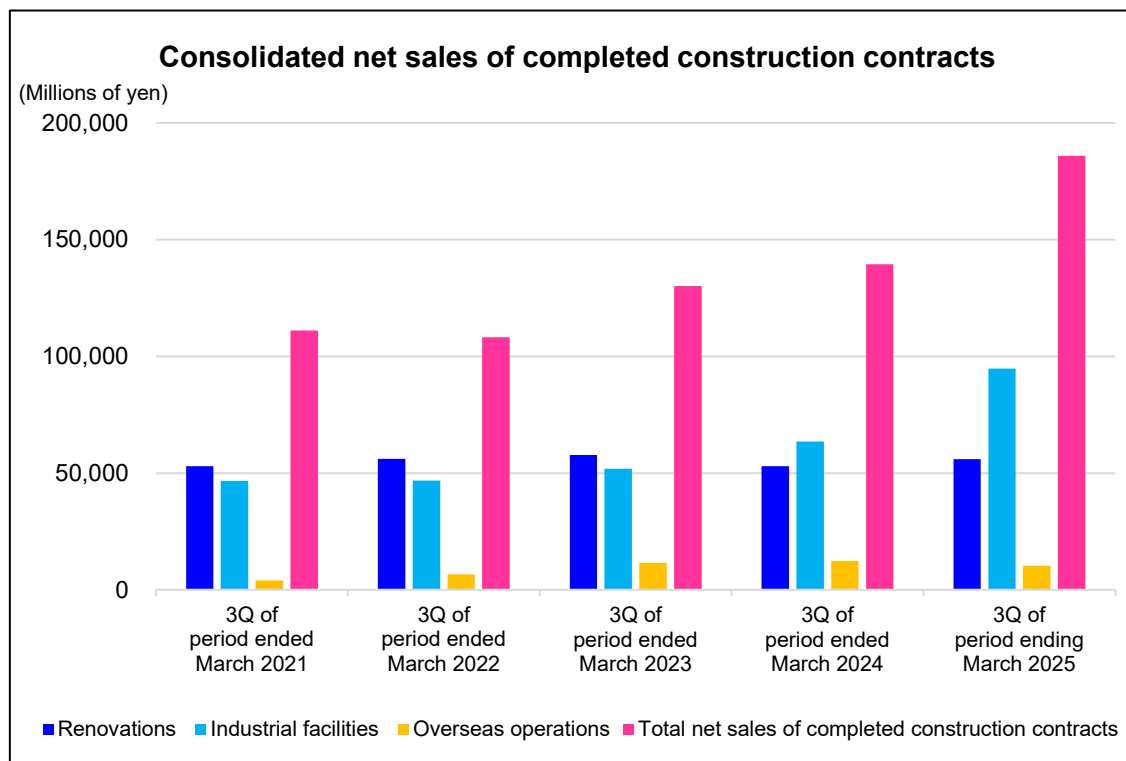
- Singapore saw a significant overall increase due to orders for large-scale research facility projects and the inclusion of Presico as our consolidated subsidiary.
- As a result of the above, orders received increased by 14,258 million yen from the previous period to 27,379 million yen.

Status of completed construction contracts

(Millions of yen)

	Third quarter of period ended March 2024		Third quarter of period ending March 2025		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Total net sales of completed construction contracts	139,504	100.0%	185,850	100.0%	46,346	33.2%
Of which, (Renovations)	52,980	38.0%	56,005	30.1%	3,024	5.7%
(Industrial facilities)	63,487	45.5%	97,068	52.2%	33,581	52.9%
(Overseas operations)	12,464	8.9%	10,382	5.6%	(2,081)	-16.7%

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



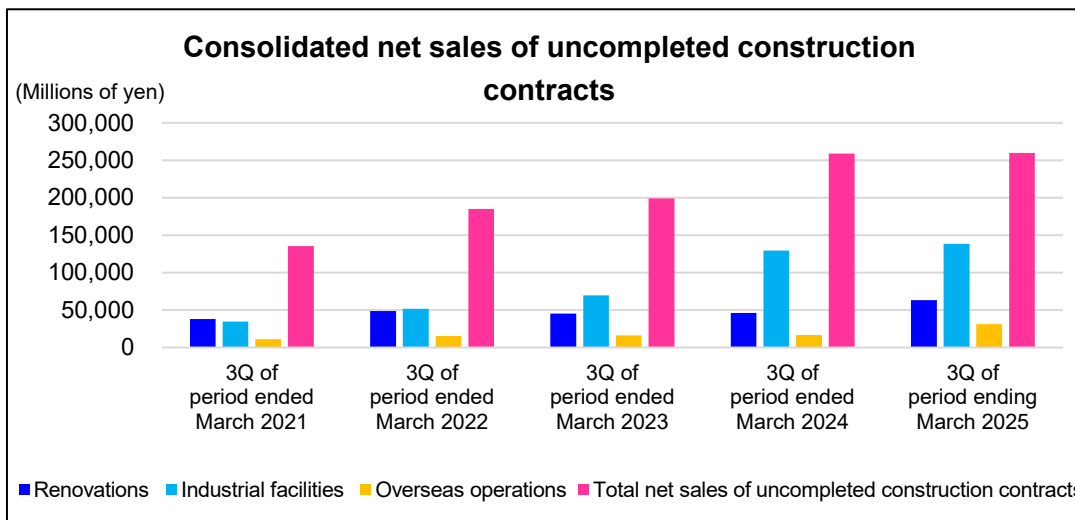
- Progress in large-scale construction projects for medical facilities and industrial facilities such as factories and data centers contributed to the substantial increase in net sales of completed construction contracts.

Status of uncompleted construction contracts

(Millions of yen)

	Third quarter of period ended March 2024		Third quarter of period ending March 2025		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	184,158	—	239,861	—	55,702	30.2%
Net sales of construction contract orders received	214,448	—	205,770	—	(8,677)	-4.0%
Net sales of completed construction contracts	139,504	—	185,850	—	46,346	33.2%
Net sales of uncompleted construction contracts	259,102	100.0%	259,781	100.0%	679	0.3%
Of which, (Renovations)	46,142	17.8%	63,375	24.4%	17,232	37.3%
(Industrial facilities)	129,499	50.0%	138,332	53.2%	8,833	6.8%
(Overseas operations)	16,652	6.4%	31,397	12.1%	14,744	88.5%

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



- Reflecting continued strong orders and a significant increase in net sales of uncompleted construction contracts at the beginning of the period, net sales of uncompleted construction contracts for the third quarter stood at almost the same level as the previous period.

(Millions of yen)

		Period ended March 2024	Period ending March 2025	Increase (Decrease)	Change rate
Net sales of construction contract orders received	April–June	67,005	74,864	7,859	11.7%
	July–September	61,518	63,001	1,483	2.4%
	October–December	85,924	67,903	(18,020)	-21.0%
	April–December	214,448	205,770	(8,677)	-4.0%
Net sales of completed construction contracts	April–June	40,731	44,325	3,593	8.8%
	July–September	50,574	61,266	10,691	21.1%
	October–December	48,197	80,258	32,061	66.5%
	April–December	139,504	185,850	46,346	33.2%
Operating profit	April–June	691	1,725	1,033	149.4%
	July–September	2,340	5,058	2,717	116.2%
	October–December	3,311	9,617	6,305	190.4%
	April–December	6,342	16,400	10,057	158.6%

**Third Quarter Financial Results
for the Period Ending March 2025**

**Full-Year Earnings
Forecast for the
Period Ending
March 2025**

Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2024			Period ending March 2025			Year-on-year change, full year		[Reference] Progress compared to full-year forecast (Third quarter/ Current forecast)	
	First to third quarters	Fourth quarter	Full year	Full year (Previous forecast)	First to third quarters	Fourth quarter (Forecast)	Full year (Current forecast)	Increase (Decrease)		Change rate
Net sales of construction contract orders received	214,448	38,686	253,134	260,000	205,770	59,230	265,000	11,866	4.7%	77.6%
Net sales of completed construction contracts	139,504	57,927	197,431	250,000	185,850	69,150	255,000	57,569	29.2%	72.9%
Gross profit on completed construction contracts	17,472	8,745	26,217	35,500	29,074	10,926	40,000	13,783	52.6%	72.7%
Gross profit margin of completed construction contracts (%)	12.5%	15.1%	13.3%	14.2%	15.6%	15.8%	15.7%	2.4p	—	—
Operating profit	6,342	4,535	10,877	17,500	16,400	5,600	22,000	11,123	102.2%	74.5%
Operating profit margin (%)	4.5%	7.8%	5.5%	7.0%	8.8%	8.1%	8.6%	3.1p	—	—
Ordinary profit	6,882	5,036	11,918	17,800	16,977	5,323	22,300	10,382	87.1%	76.1%
Ordinary profit margin (%)	4.9%	8.7%	6.0%	7.1%	9.1%	7.7%	8.7%	2.7p	—	—
Net profit attributable to owners of parent	5,115	3,972	9,087	13,000	12,088	3,912	16,000	6,913	76.1%	75.6%
Net profit margin (%)	3.7%	6.9%	4.6%	5.2%	6.5%	5.7%	6.3%	1.7p	—	—
Return on equity (ROE)	—	—	10.3%	12.5%	—	—	16.2%	5.9p	—	—

Revision of the consolidated earnings forecast (differences from the previous forecast)

- Taking into account orders received in Japan, which continue to be healthy, net sales of construction contract orders received are expected to increase by 5,000 million yen to 265,000 million yen.
- Net sales of completed construction contracts are expected to reach 255,000 million yen, up 5,000 million yen from the previously announced 250,000 million yen.
- Gross profit on completed construction contracts is expected to increase by 4,500 million yen to 40,000 million yen, mainly because the improvement in profits from unfinished construction work is likely to surpass our most recent forecast. Operating profit is also expected to increase by 4,500 million yen to 22,000 million yen, reflecting higher gross profit on completed construction contracts.
- Consequently, all items in the above table are expected to reach record-high levels.

Shareholder return policy

- In addition to striving to build a sound financial structure, we are committed to returning profits to shareholders, which is our most important management policy.
- As stated in the Stage 2030 Mid-Term Management Plan Phase 2 «Refining Stage» announced on May 9, 2024, aiming to further promote profit return to shareholders and implement a more stable dividend policy, we have adopted a new dividend policy of “**Dividend payout ratio of 40% or higher** (Dividend payout ratio +5pt compared to) **and a minimum DOE of 4%** (DOE: newly set)” starting from the period ending March 31, 2025.
- Based on the above policy, and taking into consideration the fact that the earnings forecast for the period ending March 31, 2025 exceeds the most recently announced dividend forecast, the year-end dividend has been revised upward from the previously announced 71 yen per ordinary share to 98 yen per ordinary share, an increase of 27 yen. Accordingly, the annual dividend has been revised from 123 yen to 150 yen.

Dividend status

	Full-year dividend			Total dividend (Total sum)	Dividend ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of second quarter (Interim end)	End of period	Total			
	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%
Period ended March 2024	27.50 [*]	48.00	75.50	3,246	35.6%	3.7%
Period ending March 2025 (Forecast)	52.00	98.00	150.00	6,450	40.2%	6.5%

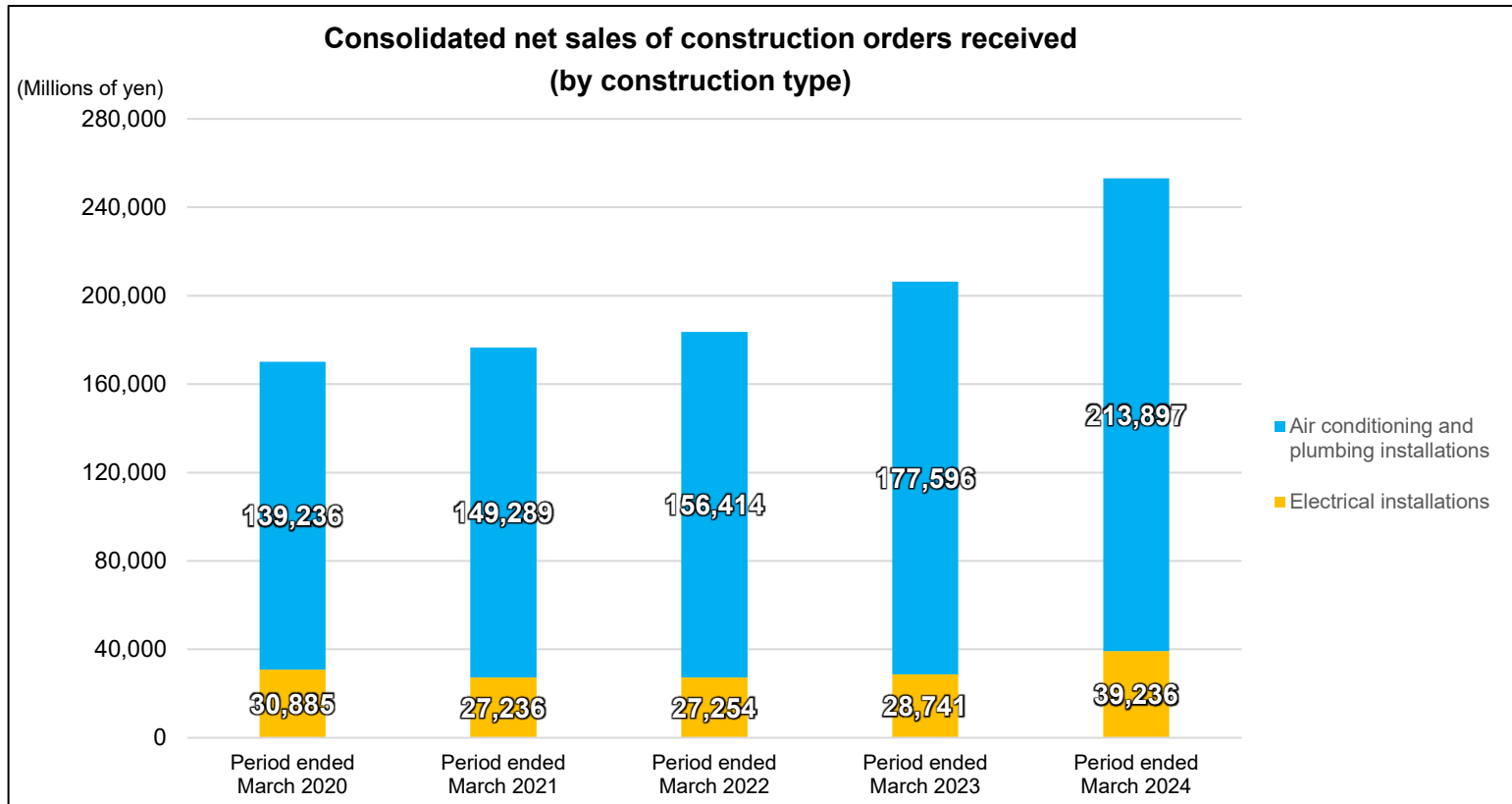
* The Company executed a 2-for-1 stock split of its common stock as of October 1, 2023. The dividend at the end of the second quarter of the period ended March 2024 was calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

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

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

(Millions of yen)

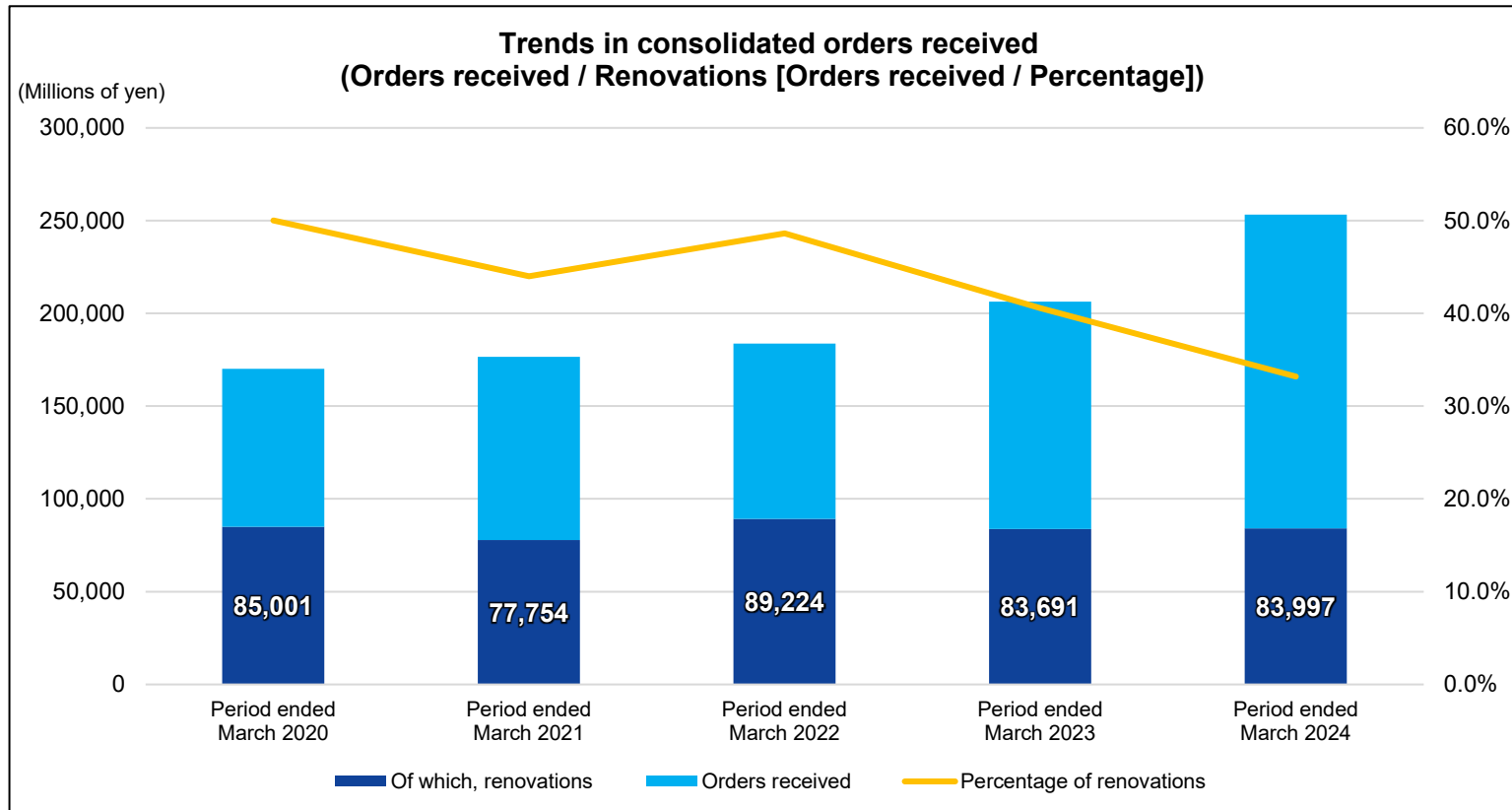
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Air conditioning and plumbing installations	139,236	149,289	156,414	177,596	213,897
Electrical installations	30,885	27,236	27,254	28,741	39,236
Total	170,121	176,526	183,668	206,337	253,134



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

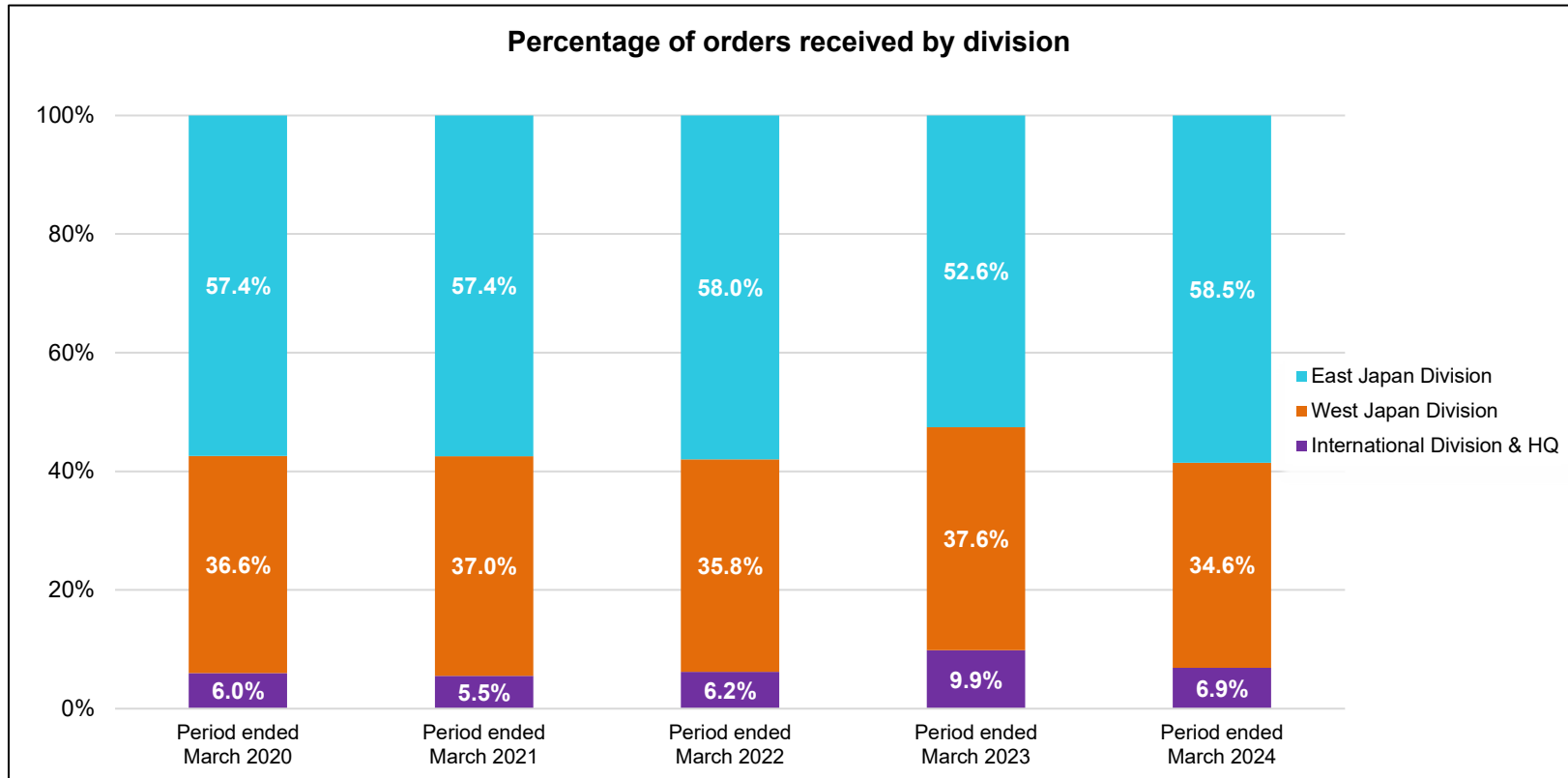
(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Net sales of construction contract orders received	170,121	176,526	183,668	206,337	253,134
Renovations	85,001	77,754	89,224	83,691	83,997
Percentage of renovations	50.0%	44.0%	48.6%	40.6%	33.2%



Percentage of consolidated orders received by division (Full year)

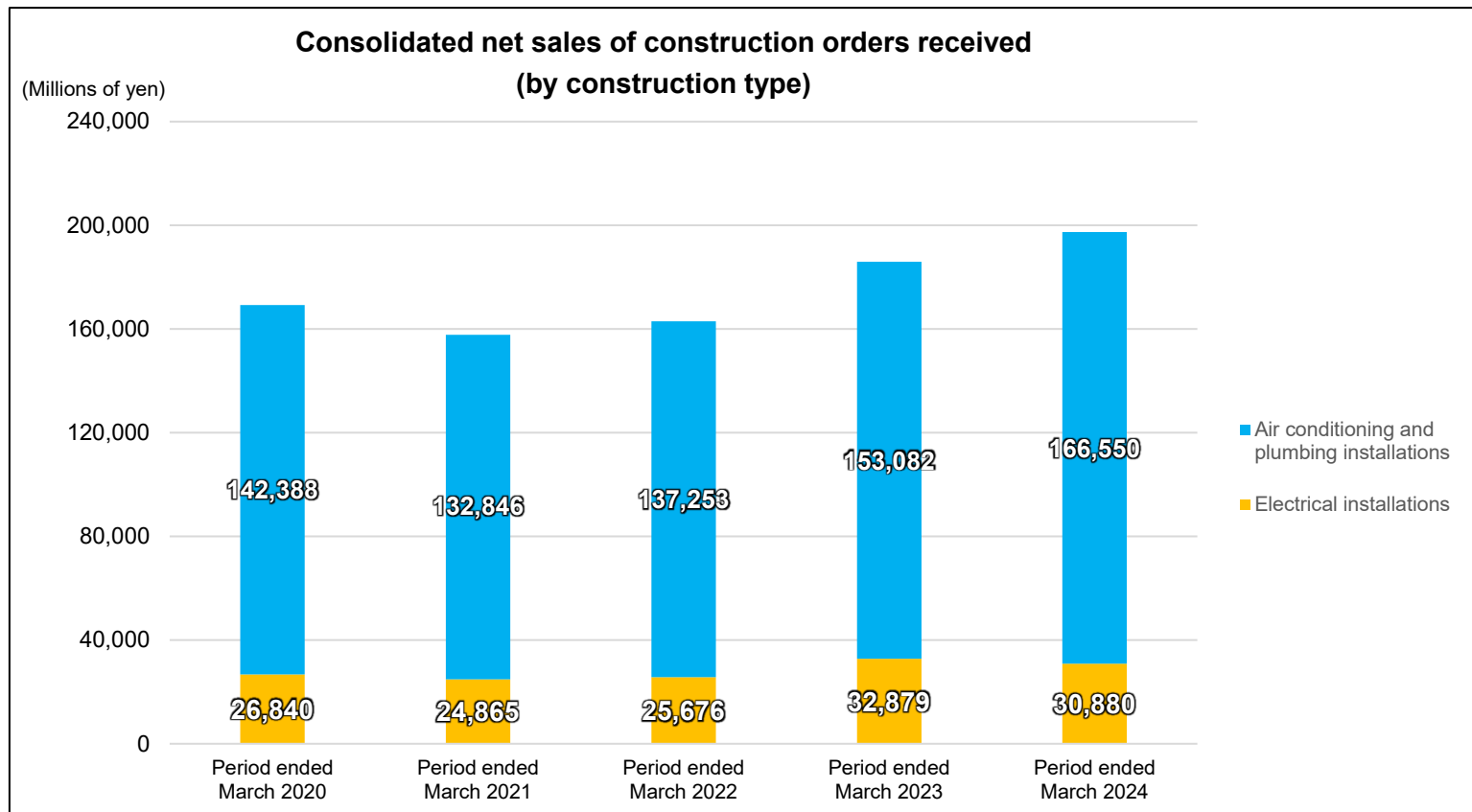
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
East Japan Division	57.4%	57.4%	58.0%	52.6%	58.5%
West Japan Division	36.6%	37.0%	35.8%	37.6%	34.6%
International Division & HQ	6.0%	5.5%	6.2%	9.9%	6.9%



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

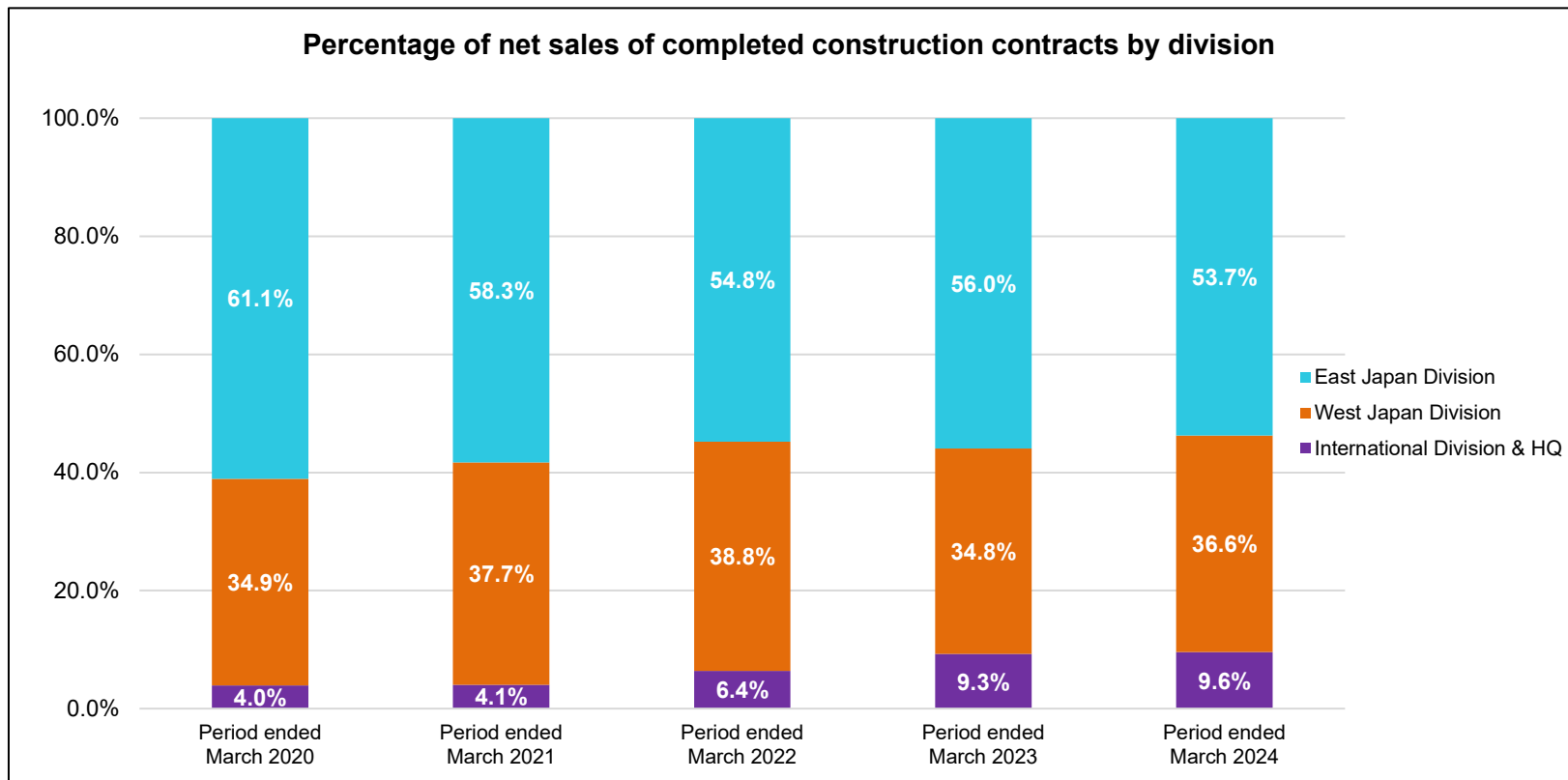
(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Air conditioning and plumbing installations	142,388	132,846	137,253	153,082	166,550
Electrical installations	26,840	24,865	25,676	32,879	30,880
Total	169,229	157,712	162,929	185,961	197,431



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

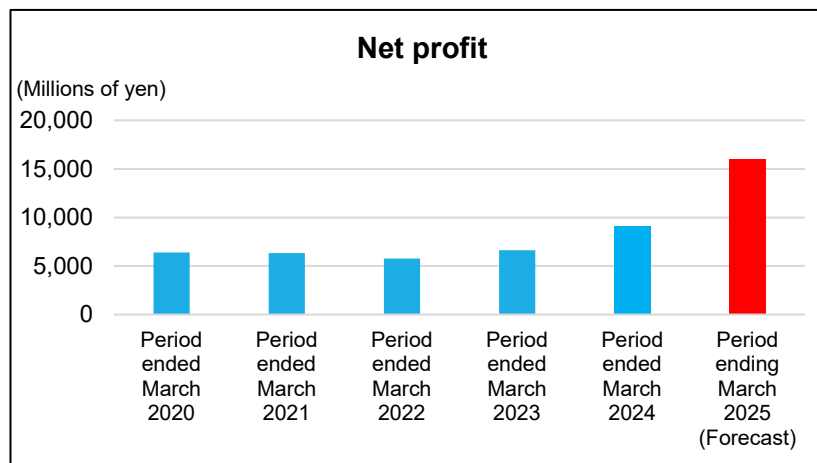
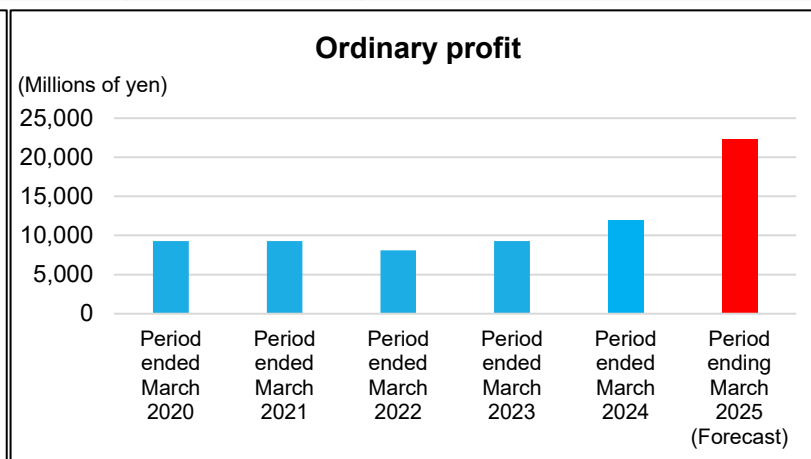
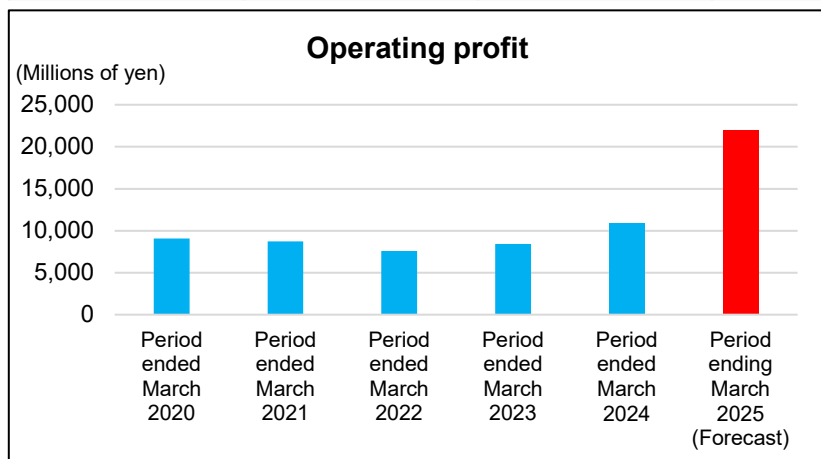
	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
East Japan Division	61.1%	58.3%	54.8%	56.0%	53.7%
West Japan Division	34.9%	37.7%	38.8%	34.8%	36.6%
International Division & HQ	4.0%	4.1%	6.4%	9.3%	9.6%



Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024	Period ending March 2025 (Forecast)
Operating profit	9,063	8,754	7,584	8,428	10,877	22,000
Ordinary profit	9,282	9,262	8,095	9,288	11,918	22,300
Net profit	6,399	6,318	5,778	6,626	9,087	16,000



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.

IR-related inquiries:

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