



Daito Trust Construction Co., Ltd.

Securities code : 1878

47th Term

Six Months
(Consolidated)
ended

DAITO REPORT

FY2020 (April 1, 2020 ▶ September 30, 2020)

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TO OUR SHAREHOLDERS



Greeting

I would like to express my gratitude to our shareholders and investors for their continued support.

The consolidated operating results and activities of the Daito Group for the six months ended September 30, 2020 (from April 1 to September 30, 2020) are reported as below.

During the first half of the fiscal term, the Japanese economy made a transition from stagnation due to effects from COVID-19 in Japan and overseas to signs of a moderate recovery, but the outlook remains uncertain.

Under these economic conditions, in October we announced the start of measures regarding investment-type apartments through the acquisition of shares of INVALANCE Ltd. so that we can achieve the new Five-Year Plan, our medium-term management plan covering the period from the fiscal year ended March 2020 to the fiscal year ending March 2024. In addition, Daito Group's

environmental initiatives aimed at helping to realize a sustainable society were recognized and the company was certified as an Eco-First Program Members by the Ministry of the Environment. Going forward, we will steadily implement new measures while further reinforcing the rental housing business and so that we can grow into a comprehensive lifestyle support company that is essential for people and society with “a company that can grow sustainably, entrusted with dreams and the future,” the basic approach that underpins our new Five-Year Plan, as our slogan.

I look forward to your continued support in the future.

Katsuma Kobayashi

President and Representative Director,
Chief Executive Officer
Daito Trust Construction Co., Ltd.
November 2020

Q Please give a brief description of the business environment for the six months ended September 30, 2020.

During the period under review, even after the declaration of a state of emergency issued in response to the spread of COVID-19 was lifted, the housing industry was required to take careful measures such as conducting sales activities while taking into consideration prevention of the spread of infection. As the level of social activities has raised in stages, there have been signs of recovery, but the situation remains uncertain due to concerns regarding a second wave of COVID-19 and other factors.

However, it is expected that demand for highly convenient, safe, and comfortable rental properties will remain firm. In the rental housing sector, besides the need for sound rental building management expertise based on tenant demand, we also need to respond to tenants' increasingly diverse needs by supplying disaster-resilient rental housing, environmentally-friendly rental housing, and smart rental housing tailored to diverse lifestyles.

Q How were the business results for the first half against the backdrop of that business environment?

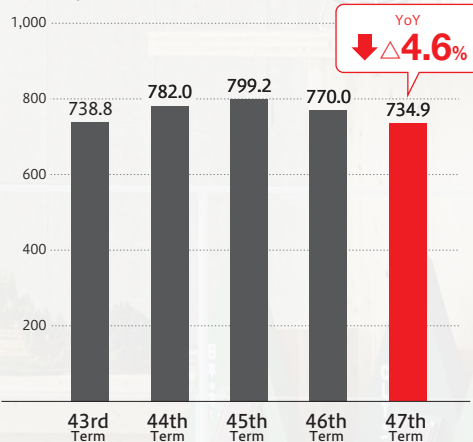
During the consolidated period under review, the Group reported net sales of 734.9 billion yen (down 4.6% year-on-year), operating income of 51.7 billion yen (down 13.7%), ordinary income of 54.0 billion yen (down 13.6%), and net income attributable to owners of the parent company of 36.9 billion yen (down 13.9%). During the first half, construction proceeded faster than anticipated, and some sales and administrative expenses were not expended due to self-imposed restraints on sales activities in conjunction with the COVID-19 pandemic, and accordingly, actual performance surpassed the initial forecast. With regard to the plan for the entire year, the previously-announced forecast remains unchanged at this time.

2nd quarter Financial Highlights (Consolidated)

(April 1, 2020 to September 30, 2020)

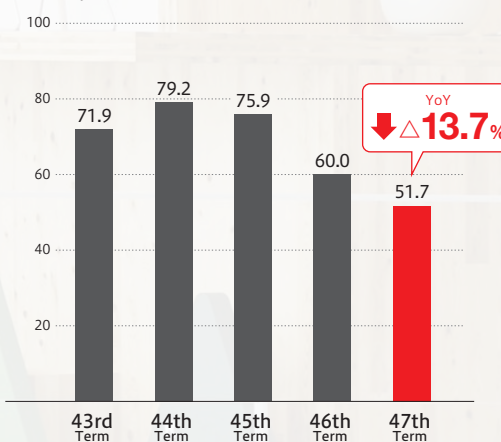
Net sales ¥734.9billion

(billions of yen)



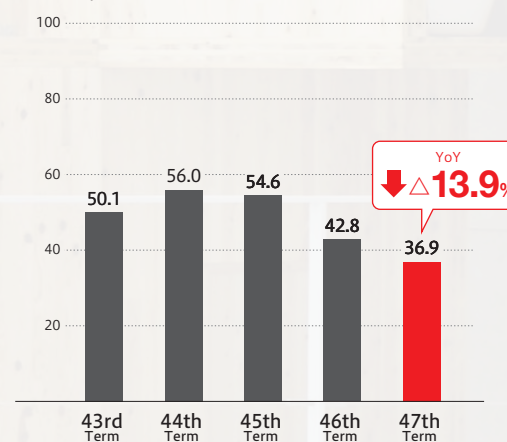
Operating income ¥51.7billion

(billions of yen)



Net income attributable to owners of the parent ¥36.9billion

(billions of yen)



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

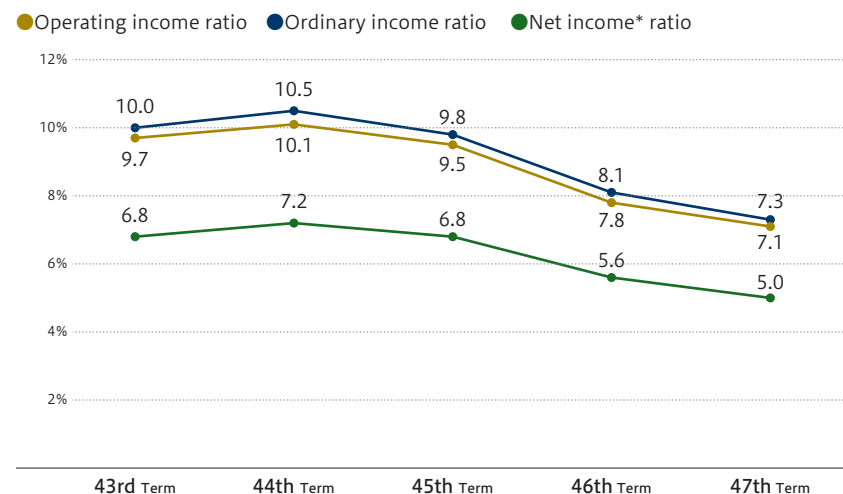
(Millions of yen)

Account Item	Preceding fiscal year (From April 1, 2019 to September 30, 2019)	Fiscal year (From April 1, 2020 to September 30, 2020)	Year-on-year change
Net sales	770,077	734,942	△4.6%
Completed construction contracts	254,490	204,062	△19.8%
Net sales, real estate business	487,200	502,588	+3.2%
Net sales, other businesses	28,385	28,291	△0.3%
Cost of sales	636,771	615,069	△3.4%
Gross profit	133,305	119,873	△10.1%
Gross profit, completed projects	74,237	54,832	△26.1%
Gross profit, real estate business	48,100	53,700	+11.6%
Gross profit, other businesses	10,967	11,340	+3.4%
Selling, general and administrative expenses	73,297	68,114	△7.1%
Operating income	60,008	51,758	△13.7%
Non-operating income	3,224	3,159	△2.0%
Non-operating expense	686	864	+25.9%
Ordinary income	62,545	54,053	△13.6%
Extraordinary income	5	220	—
Extraordinary loss	167	212	+26.9%
Profit before taxes and other adjustments	62,383	54,060	△13.3%
Income taxes	19,462	17,192	△11.7%
Net income	42,920	36,867	△14.1%
Net income attributable to non-controlling interests	35	△65	—
Net income attributable to owners of the parent	42,884	36,933	△13.9%

POINT

- 1 Decreased because of the decline in completed construction contracts and lower gross profit margin.
- 2 Rental income rose in conjunction with an increase in integrated rental properties using the Lease Management Trust System.
- 3 Increased because the operating rates in the hotel business in Malaysia declined due to effects from the COVID-19 pandemic and the number of LP gas supply customers increased.
- 4 Decreased because of unexpended sales promotion and other costs in conjunction with self-imposed restraints on some sales activities during the COVID-19 pandemic.

Changes in income ratios



*Net income=Net income attributable to owners of the parent

Consolidated balance sheet

(Millions of yen)

	Account Item	Preceding fiscal year (March 31, 2020)	Fiscal year (September 30, 2020)	Comparison with the End of Previous Term
Assets	Current assets	490,604	458,849	△6.5%
	Noncurrent assets	389,684	389,986	+0.1%
	Tangible fixed assets	175,304	172,586	△1.6%
	Intangible assets	28,282	27,038	△4.4%
	Investments and other assets	186,098	190,361	+2.3%
	Total assets	880,289	848,835	△3.6% 5
Liabilities	Current liabilities	318,519	277,984	△12.7%
	Noncurrent liabilities	275,609	271,494	△1.5%
	Total liabilities	594,128	549,478	△7.5% 6
Net assets	Shareholders' equity	295,929	310,447	+4.9%
	Capital stock	29,060	29,060	—
	Capital surplus	34,540	34,540	—
	Retained earnings	243,349	255,574	+5.0%
	Treasury stock	△11,021	△8,728	—
	Accumulated other comprehensive income	△13,412	△14,508	—
	Stock acquisition rights	482	373	△22.6%
	Non-controlling interests	3,161	3,044	△3.7%
	Total net assets	286,161	299,357	+4.6% 7
	Total liabilities and net assets	880,289	848,835	△3.6%

Cash flow statement

(Millions of yen)

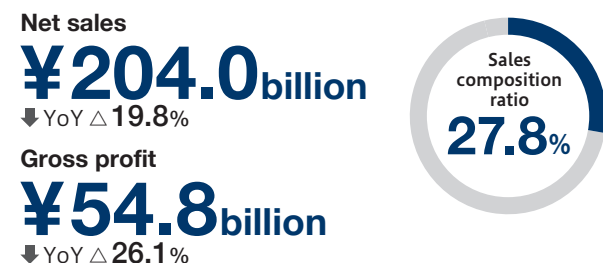
Account Item	Preceding fiscal year (From April 1, 2019 to September 30, 2019)	Fiscal year (From April 1, 2020 to September 30, 2020)	Year-on-year change
Cash flows from operating activities	55,223	27,793	△49.7% 8
Cash flows from investing activities	△5,310	△5,280	— 9
Cash flows from financing activities	△91,500	△34,770	— 10
Translation differences in accordance with the cash and cash equivalents	△299	△236	—
Increase or decrease in cash and cash equivalents	△41,887	△12,494	—
Cash and cash equivalents at beginning of year	187,614	159,902	△14.8%
Quarter-end balance of cash and cash equivalents	145,726	147,407	+1.2%

POINT

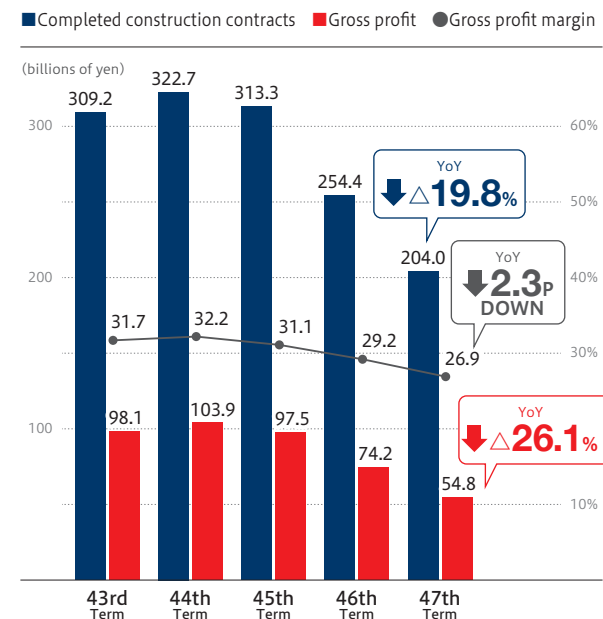
- 5** Decreased by 31.4 billion yen mainly due to lower completed construction accounts receivable and cash and deposits.
- 6** Decreased by 44.6 billion yen mainly due to an increase in provision for repairs on whole-building leases and decreases in construction accounts payable, unpaid corporate taxes, and long-term debts.
- 7** A dividend payment was made, but retained earnings increased, resulting in an increase of 13.1 billion yen.
- 8** Corporate income taxes were paid, but net income before taxes and other adjustments was reported and operating loans decreased, resulting in 27.7 billion yen in positive cash flows.
- 9** As a result of acquisition of tangible fixed assets including gas supply pipes and ROOFLAG (an exhibition hall) and intangible fixed assets including software, 5.2 billion yen was used.
- 10** Due to payment of dividends, repayment of long-term debts, and other factors, 34.7 billion yen was used.

BUSINESS SEGMENT (CONSOLIDATED)

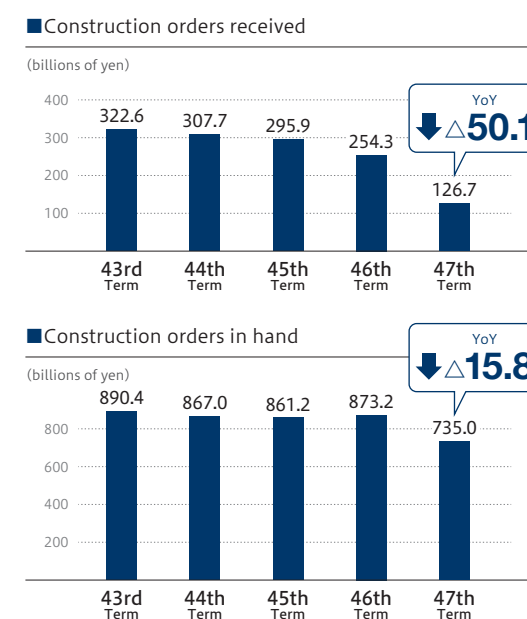
Construction Business



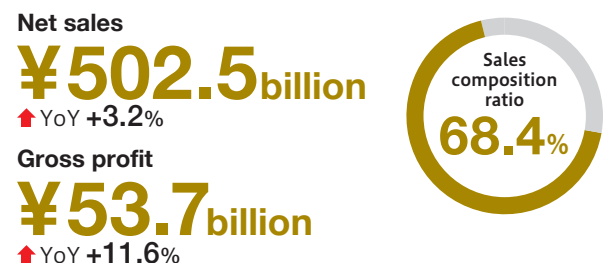
- Completed construction contracts decreased by 19.8% year-on-year to 204.0 billion yen mainly due to the effects of suspension of operation at worksites following the declaration of a state of emergency in April.
- Gross profit was 54.8 billion yen, down 26.1% year-on-year due to decreases in completed construction contracts and the completed construction contract profit rate.



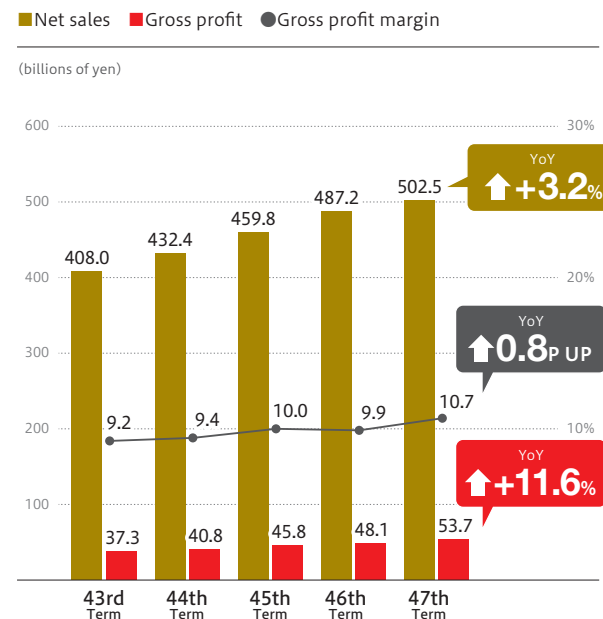
- Orders received decreased by 50.1% year-on-year to 126.7 billion yen mainly due to a suspension of sales activities under the declaration of a state of emergency in April and effects from self-imposed restraints on in-person sales after the declaration of a state of emergency was lifted in May. The construction order balance decreased by 15.8% year-on-year to 735.0 billion yen.



Real Estate Business

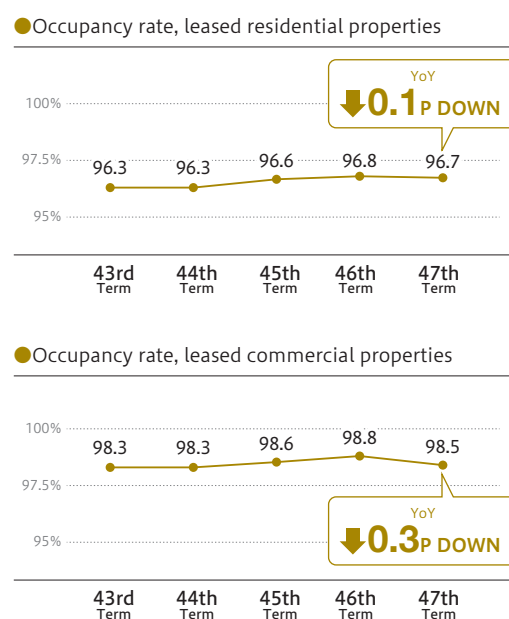


- Net sales increased by 3.2% year-on-year to 502.5 billion yen as a result of higher rental income.
- The number of tenant recruitment* fell by 1.0% year-on-year to 152,807 due to effects of store closures under the declaration of a state of emergency in April.

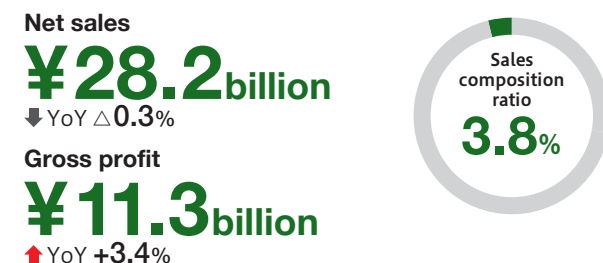


- The occupancy rate of leased residential properties in September decreased by 0.1 points to 96.7%.

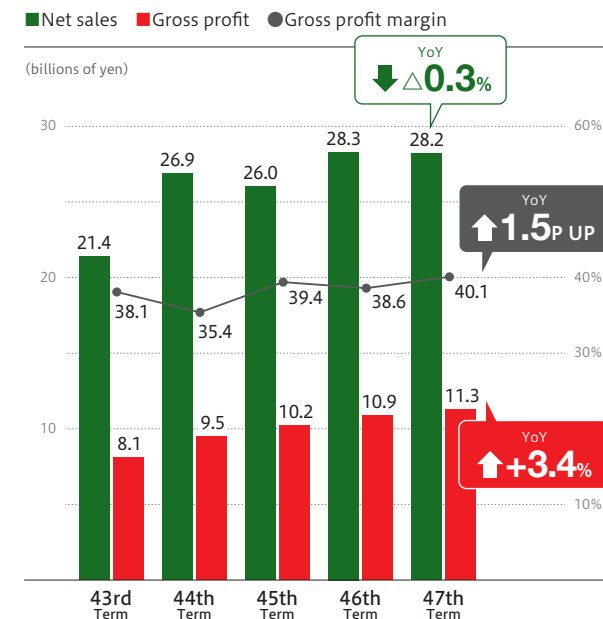
* Combined total for Daito Kentaku Partners Co., Ltd. and Daito Kentaku Leasing Co., Ltd. (includes properties managed by other companies)



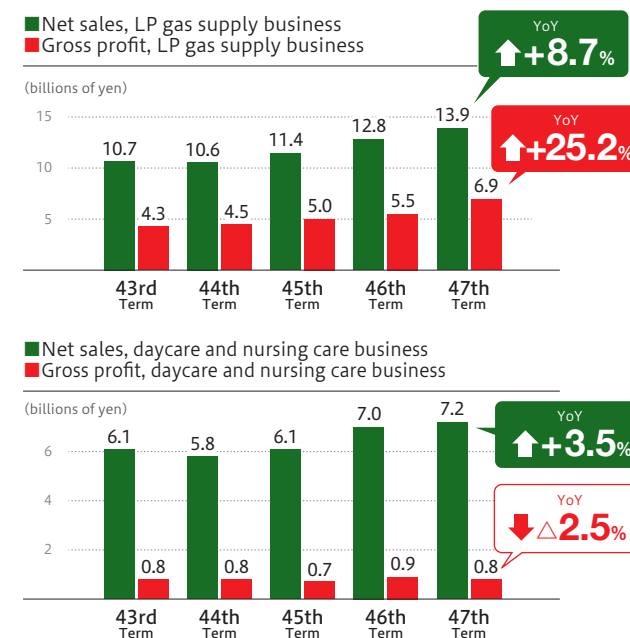
Other Businesses



- Net sales decreased by 0.3% year-on-year to 28.2 billion yen mainly because of lower operating rates in the hotel business in Malaysia due to effects from the COVID-19 pandemic.



- Net sales in the LP gas supply business increased 8.7% to 13.9 billion yen. Net sales in the day service and childcare business were up 3.5% to 7.2 billion yen.



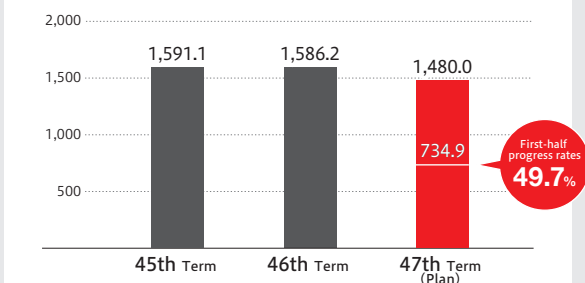
FINANCIAL FORECASTS

No changes have been made to figures in the plan for the 47th fiscal term (the fiscal year ending March 31, 2021) announced on July 30, 2020*1.

The Group plans to record net sales of 1,480 billion yen, gross profit of 232.3 billion yen, operating income of 80.0 billion yen, ordinary income of 84.0 billion yen, and net income attributable to owners of the parent of 56.0 billion yen. The entire Group is working together to achieve these results.

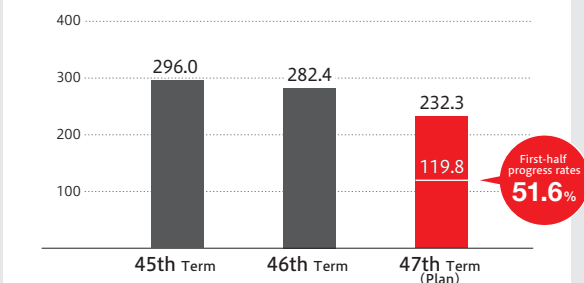
Net sales **¥1,480.0billion**

(billions of yen)



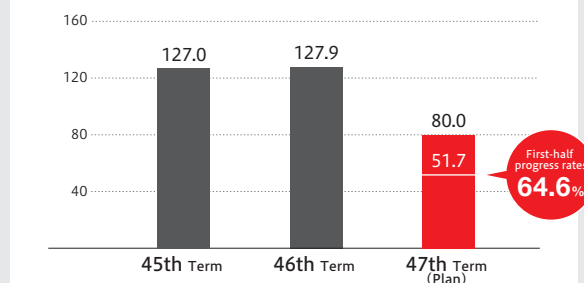
Gross profit **¥232.3billion**

(billions of yen)



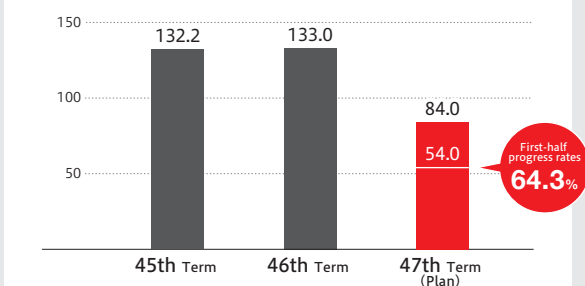
Operating income **¥80.0billion**

(billions of yen)



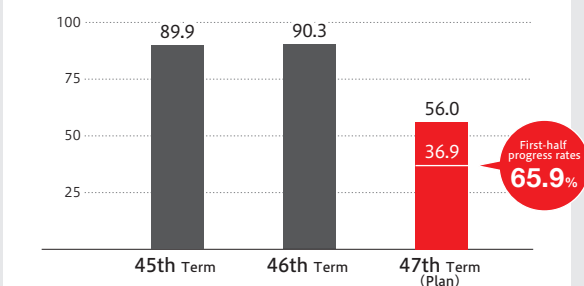
Ordinary income **¥84.0billion**

(billions of yen)



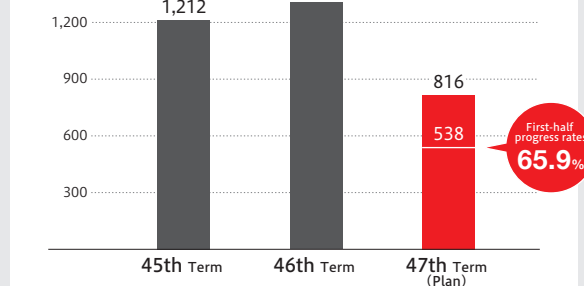
Net income*2 **¥56.0billion**

(billions of yen)



Net income per share*2 **¥816**

(yen)



*1 The plan for the 47th fiscal term assumes that social restrictions such as the issuance of another declaration of a state of emergency due to a second wave of COVID-19 will not be enforced and that conditions will gradually return to normal.

*2 Net income attributable to owners of the parent

SHAREHOLDER RETURNS

The Company recognizes profit returns to shareholders as the most important management matter and practices it.

Fundamental Policy

Payout ratio of **50%**

Dividend per share

Payout ratio of

50%

46th
Fiscal Term

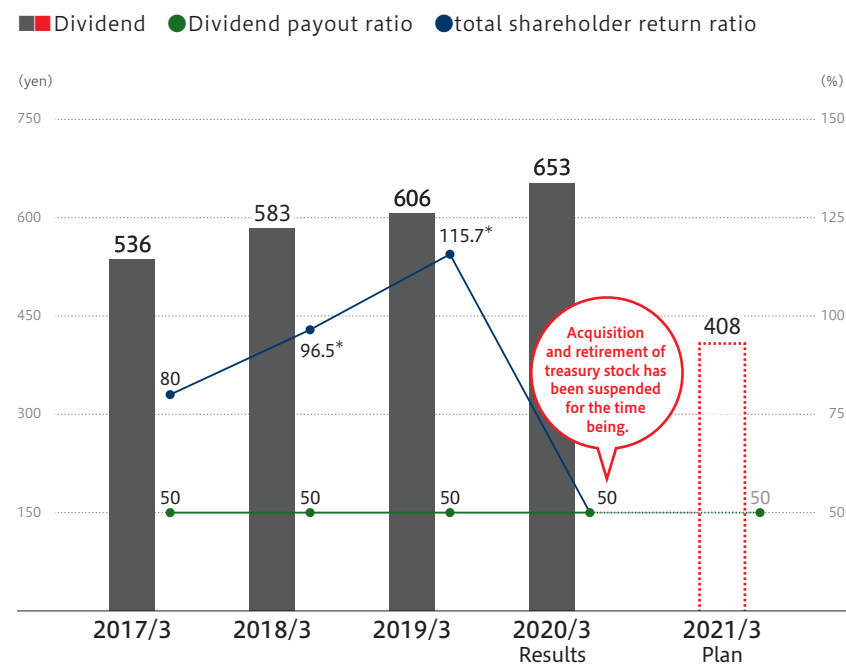
Results **¥653** (37 yen higher than the plan)

47th
Fiscal Term

Plan **¥408** (245 yen lower than the previous term)

Interim dividend of 204 yen + Year-end cash dividend of 204 yen

Dividend, dividend payout ratio and total shareholder return ratio



* In the fiscal year ending March 2020, we acquired treasury stock totaling 59.1 billion yen (4,167,000 shares). With the addition of the 40.9 billion yen (2,542,000 shares) of treasury stock that was acquired in the fiscal year ending March 2019, as of March 31, 2020 we had completed the retirement of treasury stock totaling approximately 100 billion yen (6,709,000 shares).

TOPICS 01

お部屋さがしは
いい部屋ネット

Results of 2020 e-Heya Net Neighborhood Livability Ranking (Tokyo Metropolitan Area Edition and Kansai Region Edition) Announced

2020
Tokyo
Metropolitan
Area Results



No. 1

Tokyo Metro Hanzomon Line
Hanzomon and Kojimachi G*
(unranked last year;
located in Chiyoda-ku, Tokyo)

No. 2

Tokyo Metro Hibiya Line
Tsukiji and Shintomicho A*
(ranked No. 8 last year;
located in Chuo-ku, Tokyo)

No. 3

Odakyu Line
Setagaya-Daita
(unranked last year;
located in Setagaya-ku, Tokyo)

No. 4

Tokyo Metro Hibiya Line
Hiroo
(ranked No. 1 last year;
located in Shibuya-ku, Tokyo)

No. 5

Tokyo Metro Namboku Line
Todaimae
(unranked last year;
located in Bunkyo-ku, Tokyo)



▲ Tokyo Metropolitan Area

Included for the first time in the rankings this year, Hanzomon and Kojimachi G, Setagaya-Daita and Todaimae ranked No. 1, No. 3 and No. 5 respectively. Hanzomon and Kojimachi G, which was in first place, is a high-end residential district, which also has many office buildings, is close to the Imperial Palace, and is home to the Supreme Court, the National Theatre, and several embassies. Tsukiji and Shintomicho A, which moved up from No. 8 to No. 2, is home to the Tsukiji Market and the Kabukiza Theatre, etc., and has convenient transportation links; it is within walking distance of the Ginza district.

2020
Kansai Region
Results



No. 1

JR Tozai Line
Minami-morimachi G*
(ranked No. 2 last year;
located in Osaka City, Osaka Prefecture)

No. 2

Hankyu Kobe Line
Shukugawa
(ranked No. 1 last year;
located in Nishinomiya City, Hyogo Prefecture)

No. 3

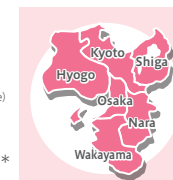
Hankyu Koyo Line
Kurakuenguchi
(unranked last year;
located in Nishinomiya City, Hyogo Prefecture)

No. 4

Kyoto Municipal Subway Karasuma Line
Karasuma G*
(unranked last year;
located in Kyoto City, Kyoto Prefecture)

No. 5

Osaka Metro Yotsubashi Line
Watanabebashi G*
(unranked last year;
located in Osaka City, Osaka Prefecture)



▲ Kansai Region

The top three this year were, in order: Minami-morimachi G, Shukugawa, and Kurakuen-guchi. Minami-morimachi G, which ranked at No. 1, has a high concentration of offices and shops, as well as numerous schools and colleges, and is also home to Japan's longest shopping street, the famous Tenjinbashi-ji. Shukugawa, which is the Kansai region's most renowned high-end residential district and is famous as a good place for viewing cherry blossom in spring, was pushed back from No. 1 to the No. 2 spot.

* In cases where a district has two nearby railway/subway stations, a "G" (for "Group") is placed after the station name that was selected for that district. In cases where a district has three or more nearby railway/subway stations, an "A" (for "Area") is placed after the station name.

This was the second time that this Neighborhood Livability Ranking survey had been implemented. The change in the number of cumulative respondents was accompanied by changes in the top-ranked neighborhoods, compared to the first survey. For more details, please visit the following website

Neighborhood
Livability Ranking >>

<https://www.eheya.net/sumicoco/>
(Japanese text only)

TOPICS 02

The Company Has Had the Highest Number of Units Under Management in the Rental Housing Management Rankings for 24 Consecutive Years, with 1,130,218 Units as of the End of March, 2020

The Daito Group had 1,130,218 rental housing units (for residential purposes) under management as of the end of March, 2020*, placing it in first place in the 2020 Rental Housing Management Rankings of 1,083 Companies announced by the weekly Zenkoku Chintai Jutaku Shimbun.

This is a ranking of 1,083 responding companies that manage 200 or more rental housing units based on a survey of approximately 3,800 real estate companies located nationwide conducted by the newspaper regarding the number of rental housing units under management as of the end of March 2020. The Group has been in the number one position of this ranking for 24 consecutive years since 1997.

2020 Rental Housing Management Rankings of 1,083 Companies (units under managed/top five)

1 Daito Group	1,130,218 units
2 Sekisui House Group	639,780 units
3 Starts Group	592,018 units
4 Daiwa Living Co., Ltd.	584,865 units
5 Leopalace21 Corporation	575,798 units

Source: Weekly Zenkoku Chintai Jutaku Shimbun (issued by Zenkoku Chintai Jutaku Shimbun Co., Ltd.), July 27, 2020
 * 1,149,804 units as of the end of September 2020

For 24
Consecutive
Years
No.1

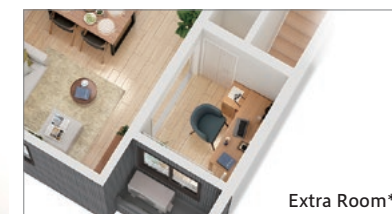
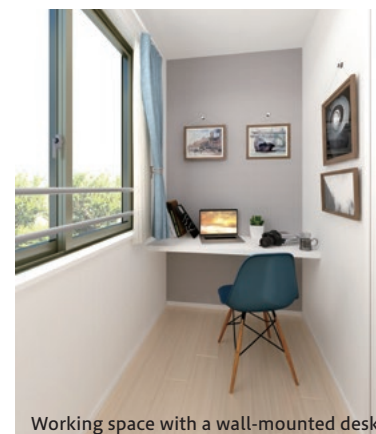
TOPICS 03

The Company Begins Sale of Rental Housing Units Designed for Teleworking



Responding to the increased demand for teleworking (telecommuting) that has resulted from the spread of the COVID-19 epidemic, in July 2020 the Company began the sale of rental housing products that feature a wall-mounted desk that can be used for working at home, or an Extra Room*1 with a wide range of potential uses.

In addition, starting from October 2020, the Company launched new rental housing products that make use of moveable fixtures to facilitate flexible workspace creation. In the future, the Company will continue to provide rental housing products that can be adapted flexibly to suit diverse lifestyles.



*1 This can be used for a variety of different purposes, including as a sunroom or space for drying clothes, as a teleworking space, as a child's bedroom, etc.

*2 This is a space that is suitable for use either as a bedroom or as a room for working in.

TOPICS 04

The Company Acquires Shares in INVALANCE Ltd., a Developer of Investment-type Apartments in Tokyo's 23 Special Wards



In October 2020, as one of the measures for implementing our Tokyo Metropolitan Area strategy so as to realize the Company's new Five-Year Plan, the Company acquired shares in INVALANCE Ltd., a developer that specializes in providing investment-type apartment properties in Tokyo's 23 Special Wards, making INVALANCE a consolidated subsidiary of the Company, and marking the Company's expansion into the investment-type apartment market.

According to the most recent data, INVALANCE had over 4,800 properties under management, and had maintained stable operational performance, with an occupancy rate of more than 98%. In the future, the Company will be collaborating with INVALANCE both to strengthen the Company's existing businesses and to realize a high degree of synergy within the supply chain.

The Company has also established a capital tie-up with ACCEL LAB, an IoT platform provider that supplies products and services for the properties managed by INVALANCE, and is working to strengthen the relationship with ACCEL LAB.

INVALANCE Ltd.



Address: 17F Shinjuku Maynds Tower
2-1-1 Yoyogi, Shibuya-ku, Tokyo

Authorized representative: Manabu Kogure
(Representative Director and President)

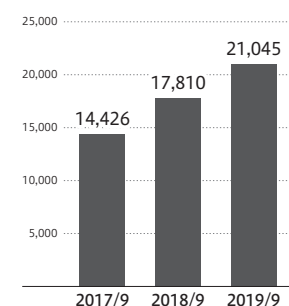
Business areas: Development and sale of
investment-type apartment properties

Capitalization: 100 million yen

Established: May 2004

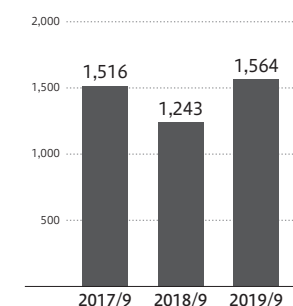
Net sales

(Millions of yen)



Operating income

(Millions of yen)



TOPICS 05

The Company Is Certified as an Eco-First Company by the Ministry of the Environment



On October 21, 2020, the Company was certified as an Eco-First Company under the Eco-First Program established by the Ministry of the Environment to promote environmental activities by business enterprises.

The Company submitted an Eco-First Commitment Sheet detailing the measures that it is taking in six areas—buildings, lifestyles, waste, enterprise, nature, and people—based on the Daito Environmental Vision 2050, which outlines the Company's long-term environmental goals. The Commitment Sheet was judged to display a forward-looking approach, originality, and significant potential spin-off benefits, and the Company was consequently able to receive certification. The Company will continue working to promote an across-the-board raising of the overall level of environmental measures in the industry as a whole.

Daito Trust Construction's Eco-First Commitment Sheet

- | | |
|--|--|
| 1
Buildings
We will promote increased environmental friendliness and reduced greenhouse gas emissions when constructing new buildings. | 2
Lifestyles
We will promote reduction of greenhouse gas emissions associated with the lifestyles of building residents. |
| 3
Waste
We will aim to ensure that all waste is recycled. | 4
Enterprise
We will promote the reduction of greenhouse gas emissions in our business activities. |
| 5
Nature
We will aim to carry out our business activities in harmony with the natural environment. | 6
People
We will aim to ensure that our people and our organization are environmentally-friendly. |



About the Eco-First Program

The Eco-First Program, which was established in 2008, is a system whereby business enterprises that submit a commitment to the Minister of the Environment regarding their environmental protection initiatives in relation to global warming countermeasures, waste and recycling measures, etc. can be certified by the Minister of the Environment as an Eco-First Company. An Eco-First Company is a company that is engaged in business activities which are forward-looking, original and industry-leading in environmental terms.

ESG Activities

Underpinning the Company's Corporate Value

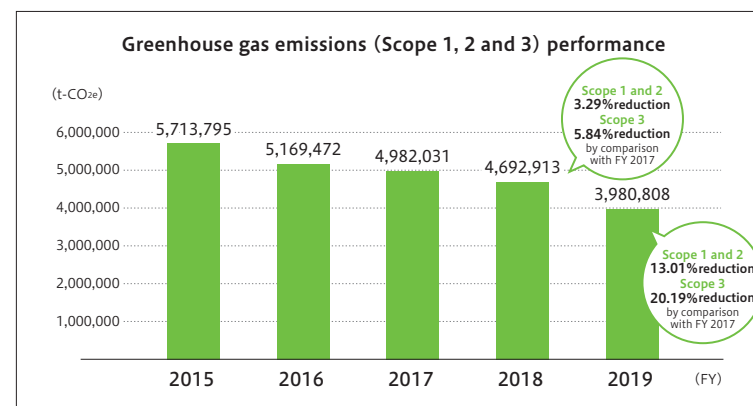
Daito Trust Construction believes that proactively addressing Environmental, Social and Governance (ESG) issues is closely linked to the realization of sustainable growth for the Daito Group, and the Company is implementing various measures in these areas. This section introduces some of these measures.

Environment

Measures aimed at helping to realize the post-carbon society

The Company is implementing various measures in order to contribute towards the realization of a sustainable society. With regard to greenhouse gas emissions reduction, the Company has had its targets approved by the SBT*, an international initiative, and is working to cut emissions. The SBT targets that the Company has set itself are more rigorous than those set by any other company in the construction industry in Japan. Besides making a further contribution towards protecting the environment, the Company is aiming to building a reputation as a firm that can be trusted with responsibility when it comes to environmental issues.

Approved greenhouse gas emissions reduction targets (by comparison with FY 2017)	CO ₂ emissions deriving from energy consumed in relation to business activities (Scope 1 and 2) 55% reduction (SBT 1.5°C pathway) → SBT approval: Re-certified in March 2020
	CO ₂ emissions emitted during the use of Daito's multi-unit rental housing (Scope 3) 16% reduction → SBT approval: Certified in January 2019



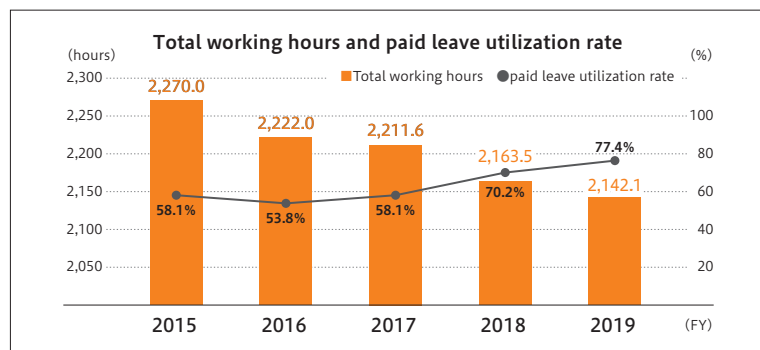
* SBT (Science Based Targets): A greenhouse gas emissions reduction target indicator. It refers to both the medium- and long-term greenhouse gas reduction targets that an enterprise sets, and the framework for promoting target setting that contributes towards the realization of within society of what the targets represent.

Building a workplace environment where everyone can work with peace of mind

In order to provide an appropriate, efficient working environment that enables all employees to maintain work-life balance, the Company is strengthening its measures aimed at reducing working hours. The Company is also working to build an environment in which it is easier for employees to take time off work when needed, through various systems tailored to specific life events. In the future, the Company aims to build a workplace environment that helps employees to fulfil their potential, while promoting flexible, productive workstyles.

List of newly established and adopted systems tailored to specific life events (summary)

FY 2017	<ul style="list-style-type: none"> Flextime system Commencement of teleworking pilot project
FY 2018	<ul style="list-style-type: none"> Taking at least 5 days of paid holiday a year made obligatory*1 Specified minimum rest intervals between working days or work shifts Taking at least 5 days of childcare leave made obligatory for male employees with young children
FY 2019	<ul style="list-style-type: none"> Volunteering leave system Family leave*2 Leave for receiving infertility treatment

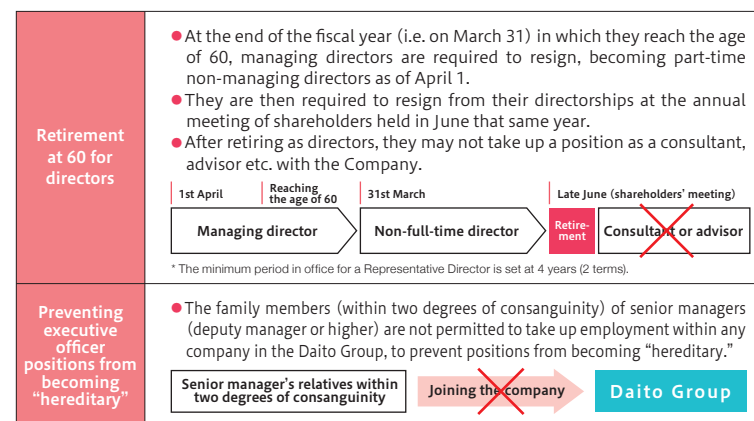


*1 This became a legal requirement starting from April 2019, pursuant to the Act on the Arrangement of Related Acts to Promote Work Style Reform. *2 Family leave can be taken for reasons of receiving infertility treatment, pregnancy, childcare, nursing care provision, providing care for family members, etc. The aim is to help employees balance their work responsibilities and family responsibilities.

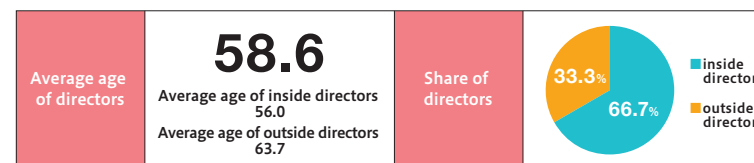
A directorship system that aims to ensure that business is conducted appropriately

The Company's fundamental strategy with respect to corporate governance is to maximize corporate value for the benefit of shareholders and all other stakeholders, and to enhance management transparency and efficiency. In addition, to ensure effective succession planning, a system has been put in place requiring directors to retire at 60, and steps are taken to prevent executive officer positions from becoming "hereditary." Under the current directorship system (as of September 30, 2020), the average age of the company's directors is 58.6, and 33.3% of directors are outside directors.

Management succession framework



Current management system (as of September 30, 2020)



SHAREHOLDER BENEFIT PLAN

The following benefits are available according to the number of shares held and the duration of holding.

Number of shares held as of end of September		All shareholders holding 100 or more shares				
All of ① through ⑤ (right) may be selected (twice a year)		① ¥300,000 rebate on a construction contract (Note 1,2,3)	② ¥300,000 rebate on the purchase of a condominium unit (Note 1,2,3)	③ 10% increase in referral awards When making referrals, please contact us at the following contact e-mail address. (Note 4)	④ Optional equipment service for building construction (equipment specified by the Company, maximum of ¥300,000) (Note 1,2)	⑤ One free ticket for lease brokerage commission (Note 5) * Shareholders who wish to receive their free ticket by postal mail: please contact us at the following contact e-mail address.
All of ① through ⑤ (right) may be selected (twice a year)		① ¥300,000 rebate on a construction contract (Note 1,2,3)	② ¥300,000 rebate on the purchase of a condominium unit (Note 1,2,3)	③ 10% increase in referral awards When making referrals, please contact us at the following contact e-mail address. (Note 4)	④ Optional equipment service for building construction (equipment specified by the Company, maximum of ¥300,000) (Note 1,2)	⑤ One free ticket for lease brokerage commission (Note 5) * Shareholders who wish to receive their free ticket by postal mail: please contact us at the following contact e-mail address.
Number of shares held and years of ownership as of end of March	All shareholders holding 100 or more shares					
	All of ① through ⑤ (right) may be selected (twice a year)		A Gift certificates Gift certificates are granted in accordance with the number of shares held as follows 100 to 299 shares ¥1,000 300 to 499 shares ¥3,000 500 to 999 shares ¥5,000 1,000 or more shares ... ¥10,000		B Donation to the Daito Group Mirai Fund* Donations can be made in accordance with the number of shares held as follows 100 to 299 shares ¥1,000 300 to 499 shares ¥3,000 500 to 999 shares ¥5,000 1,000 or more shares... ¥10,000	
	Either A or B (right) is available (once a year)		a Tea (350 ml X 24 bottles) Barley tea manufactured by Care Partner Co., Ltd. * Product designs are subject to change without notice.		b water (350 ml X 24 bottles) Natural spring water from Azumino in Shinshu * Product designs are subject to change without notice.	
	100 or more shares, with shares held for 1 year or longer Plus		c Gift certificates ¥1,000 * Same amount regardless of number of shares held		d Donation to the Daito Group Mirai Fund ¥1,000 * Same amount regardless of number of shares held	
	300 or more shares, with shares held for 3 years or longer Plus		1 50% discount ticket for one-night stay at The Strings By InterContinental Tokyo (Note 6)		3 Gift certificates ¥10,000 * Same amount regardless of number of shares held	
		2 50% discount ticket for three-night stay at Le Méridien Kuala Lumpur (Malaysia) (Note 6)		4 Donation to the Daito Group Mirai Fund ¥10,000 * Same amount regardless of number of shares held		

The benefit plan is available by submitting an application when using the Company services

The benefit plan is available by submitting an application using the postcard delivered at the end of June

For inquiries regarding the shareholder benefit plan

Daito Trust Construction
Shareholder Benefit Support Center

E - MAIL

keiki@kentak.co.jp

* Please provide us with your shareholder number, name, address, and telephone number when you contact us. Complimentary tickets will be sent to the registered address.
* If your address has changed, please perform the procedures specified by your securities company.

(Note 1) - Your name must be in the shareholders registry as of the contract date. - Shareholders as of March 31, 2020: Applicable to contracts concluded from April 1, 2020 to September 30, 2020
- Shareholders as of September 30, 2020: Applicable to contracts concluded from October 1, 2020 to March 31, 2021
(Note 2) - You will need to apply prior to the signing of the construction contract or contract of sale. (Note 3) - A refund is provided after payment of the amount due at the time of completion. (In the case of joint contracts, etc., the upper limit is 300,000 yen per contract)
(Note 4) - 1.1% of construction contract (compared with the normal rate of 1%) - Set at 12,000 yen, regardless of the rent charged (normally this would be 10,000 yen plus 1,000 yen [tax not included])
(Note 5) - Valid period for shareholders as of March 31, 2020: July 1–December 31, 2020 - Valid period for shareholders as of September 30, 2020: January 1–June 30, 2021
(Note 6) - Transport expenses to the hotel shall be borne by the shareholder - Room availability is subject to confirmation

FAQ related to the Shareholder Benefit Plan

Benefits available to shareholders as of both March 31 and September 30

Q Please explain how to receive benefits ① through ⑤ in shareholder benefit plan.

A

Benefits①,②and④

Shareholder who wishes to receive benefit

Staff in charge of sales at the Company

- Please inform staff in charge of sales at the Company of your wish to receive the benefit.
- You will be given a "Shareholder Benefit Application Form".
- Please fill out the "Shareholder Benefit Application Form", and submit it to the staff in charge of sales at the Company before concluding the construction contract (or in the case of ②, the purchase agreement).
- The optional construction for which the benefit can be used is determined; please inquire with your sales representative for details.

Benefits③

Shareholder who wishes to receive benefit

Daito Trust Construction Shareholder Benefit Support Center
* Please refer to the left page for contact information

- Please contact Daito Trust Construction Shareholder Benefit Support Center.
- Our staff in charge of sales will contact the referred customer (i.e., the person who will be entering into the contract).

Benefits⑤

Shareholder who wishes to receive benefit

Daito Trust Construction Shareholder Benefit Support Center
* Please refer to the left page for contact information

- Please contact Daito Trust Construction Shareholder Benefit Support Center to have the ticket sent.
- The ticket will be sent to the registered address.
- Please present the complimentary tickets when applying for housing at an office directly operated by Daito Kentaku Leasing Co., Ltd.. Preferential treatment will be applied with regard to the lease brokerage commission.

Q Am I entitled to only one of the benefits from among ① through ⑤ in shareholder benefit plan?

A You are entitled to all of ① through ⑤ in shareholder benefit plan. However, you cannot receive benefits ③ and ⑤ simultaneously for the same building lease agreement.

Q

We have a rental apartment currently under construction. We would like to receive the construction contract the ¥300,000 rebate under the shareholder benefit plan. Will we be eligible for these benefits if we purchase the Company's shares before the completion of the building?

A

Shareholders recorded in the register of shareholders at the time of contract execution are eligible for the shareholder benefit program (record dates: last day of March or September). Accordingly, the benefit cannot be used in the case discussed above.

Q

We would like to use the construction contract the ¥300,000 rebate. Can we use it for repair work at a building that has already been completed?

A

This benefit can be used when signing a new construction contract (for new construction) with the Company. Accordingly, the benefit cannot be used in the above case.

Benefits available to shareholders as of March 31

Q

Please explain how the holding period is calculated in reference to: one year or longer; and three years or longer.

A

Shareholders who have held shares for one year or longer

This refers to shareholders who have been stated or recorded in the shareholders registry as of March 31 and September 30 (i.e., the record dates of the shareholders registry of the Company) **at least three times in a row with the same shareholder number.**

ex.



The shareholder needs to be stated or recorded with the same shareholder number in the shareholders registry continuously for a period of one year.

A

Shareholders who have held shares for three years or longer

This refers to shareholders who have been stated or recorded in the shareholders registry as of March 31 and September 30 (i.e., the record dates of the shareholders registry of the Company) **at least seven times in a row with the same shareholder number.**

ex.



The shareholder needs to be stated or recorded with the same shareholder number in the shareholders registry continuously for a period of three years.

CORPORATE DATA / OFFICERS / MAIN GROUP COMPANIES

Corporate Data

(As of September 30, 2020)

Corporation Name	Daito Trust Construction Co., Ltd.
Established	June 20, 1974
Capital	29,060,991,263 yen
Head Office	2-16-1, Konan, Minato-ku, Tokyo 108-8211, Japan
Branch Offices	216
Employees	8,691
Business Activities	<p>①Design and construction of apartments, condominiums, rental retail buildings, factories, warehouses, and office buildings</p> <p>②Real estate brokerage such as tenant recruiting, building maintenance, and property management including contracting arrangements</p>

Officers

Directors

President and Representative Director, Chief Executive Officer	Katsuma Kobayashi
Managing Director	Shuji Kawai
Managing Director	Kei Takeuchi
Director	Kanitsu Uchida
Director	Kazuhiko Saito
Director	Koji Sato
Director (Outside)	Toshiaki Yamaguchi
Director (Outside)	Mami Sasaki
Director (Outside)	Takashi Shoda

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member (Outside)	Masayasu Uno
Audit & Supervisory Board Member (Outside)	Hideo Hachiya
Audit & Supervisory Board Member (Outside)	Kazuo Fujimaki

Executive Officers

Executive Officer	Takashi Suzuki
Executive Officer	Masafumi Tate
Executive Officer	Shouji Yamada
Executive Officer	Masayoshi Tanaka
Executive Officer	Kazunori Fukuda
Executive Officer	Yoshihiro Mori
Executive Officer	Eiji Kawahara
Executive Officer	Masayuki Koishikawa
Executive Officer	Kouichi Nakamura
Executive Officer	Jun Matsufuji
Executive Officer	Tetsuya Shibata
Executive Officer	Kazuhiro Izumi
Executive Officer	Takeshi Nakamura
Executive Officer	Takeshi Shirasaki
Executive Officer	Kunihiro Takenaka
Executive Officer	Tsukasa Okamoto

(As of September 30, 2020)

Group Companies

(As of September 30, 2020)

Company name	Address	Capital	Holdings	Main businesses
Daito Kentaku Partners Co., Ltd.	Minato-ku, Tokyo	1,000 million yen	100.0%	Whole-building leasing, building management, building renovation
Daito Kentaku Leasing Co., Ltd.	Minato-ku, Tokyo	100 million yen	100.0%	Rental apartment and condominium brokering, real estate business
Liangwu Business Consulting (Shanghai) Co., Ltd.	Shanghai, China	1,000,000 USD	100.0%	Rental apartment and condominium brokering
Daito Finance Co., Ltd.	Minato-ku, Tokyo	120 million yen	100.0%	Bridge financing of contracting expenses for general contractors
Housecom Corporation	Minato-ku, Tokyo	424 million yen	51.8%	Rental apartment and condominium brokering
HOUSECOM Technologies Co., Ltd.	Minato-ku, Tokyo	45 million yen	51.8%	Advertising business, etc.
SK Construction Materials Ltd.	Fujimi, Saitama	10 million yen	51.8%	Building renovation
Daito Steel Co., Ltd.	Yaizu, Shizuoka	100 million yen	100.0%	Ironwork and construction
Daito Construction Co., Ltd.	Kita-ku, Tokyo	400 million yen	100.0%	Design and construction of rental housing and other structures
Care Partner Co., Ltd.	Shinagawa-ku, Tokyo	100 million yen	100.0%	Operation of day service centers and childcare facilities
Gaspal Corporation	Shinagawa-ku, Tokyo	120 million yen	100.0%	LP gas supply and other business
Daito Corporate Service Co., Ltd.	Shinagawa-ku, Tokyo	100 million yen	100.0%	Document shipping, document destruction, printing, administrative services
House Leave Co., Ltd.	Minato-ku, Tokyo	120 million yen	100.0%	Rental housing tenant guarantor services
Daito Mirai Trust Co., Ltd.	Minato-ku, Tokyo	150 million yen	100.0%	Real estate management services, asset succession consulting
Houseguard SSI	Minato-ku, Tokyo	250 million yen	100.0%	Low-amount, short-term insurance
Daito Energy Co., Ltd.	Minato-ku, Tokyo	40 million yen	100.0%	Electric power business

Company name	Address	Capital	Holdings	Main businesses
House Payment Co., Ltd.	Minato-ku, Tokyo	120 million yen	100.0%	Credit card settlement services
Gaspal Kyushu Corporation	Fukuoka, Fukuoka	110 million yen	100.0%	LP gas supply business
Daito Gas Partner Corporation	Urasoe, Okinawa	40 million yen	100.0%	LP gas supply business
Gaspal Chugoku Corporation	Okayama, Okayama	110 million yen	100.0%	LP gas supply business
Gaspal Shikoku Corporation	Okayama, Okayama	40 million yen	100.0%	LP gas supply business
Gaspal Tohoku Corporation	Sendai, Miyagi	110 million yen	100.0%	LP gas supply business
Sakura Care Co., Ltd.	Setagaya-ku, Tokyo	10 million yen	100.0%	In-home nursing care and other care services
Ume Care Co., Ltd.	Setagaya-ku, Tokyo	5 million yen	100.0%	In-home nursing care and other care services
Daito Asia Development Pte. Ltd.	Robinson Road, Singapore	175,709,000 USD	100.0%	Real estate development
Daito Asia Development (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	86,529,000 MYR	100.0%	Hotel business
Daito Asia Development (Malaysia) II Sdb. Bhd.	Kuala Lumpur, Malaysia	79,034,000 MYR	100.0%	Hotel business
D.T.C. Reinsurance Limited	Bermuda (British territory)	3,001,000 USD	100.0%	Fire insurance re-insurance company
Daito Kentaku USA. LLC	Delaware, United States	41,229,000 USD	100.0%	Real estate development
JustCo DK (Japan) Co., Ltd.	Minato-ku, Tokyo	100 million yen	51.0%	Flexible workspace business

Note: The percentages given above include indirect holdings.

THE COMPANY'S STOCK / INFORMATION FOR SHAREHOLDERS

The Company's Stock

(As of September 30, 2020)

Number of shares and number of shareholders

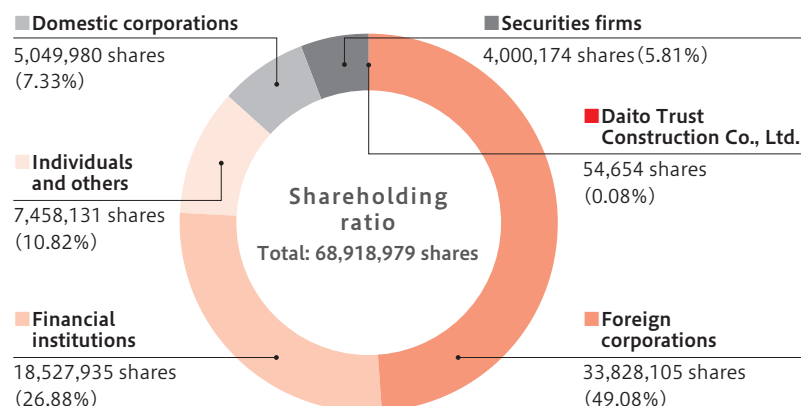
Number of shares authorized	329,541,100 shares
Number of shares issued	68,918,979 shares
Number of shareholders	21,184 shareholders

Major shareholders

Name of shareholder	Number of shares owned (shares)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust account)	5,771,100	8.38%
SSBTC CLIENT OMNIBUS ACCOUNT	4,289,146	6.23%
Custody Bank of Japan, Ltd.(Trust account)	3,501,600	5.08%
Sumitomo Realty & Development Co., Ltd.	1,606,700	2.33%
Co-op Suppliers' Stock Holding	1,572,005	2.28%
Custody Bank of Japan, Ltd.(Trust account 5)	1,427,700	2.07%
THE BANK OF NEW YORK MELLON 140044	1,272,291	1.85%
BNYM AS AGT/ CLTS 10 PERCENT	1,117,759	1.62%
STATE STREET BANK AND TRUST COMPANY 505103	1,084,377	1.57%
JP MORGAN CHASE BANK 385781	1,068,179	1.55%

Notes: Shareholding ratios are calculated after deducting treasury shares (54,654 shares).

Composition of shareholders



Information for Shareholders

Fiscal year	April 1 to March 31
General Meeting of Shareholders	June
Record date	Ex-rights Date: March 31 Year-end dividend: March 31 Interim dividend: September 30
Trading unit	100 shares
Stock exchange listing	Tokyo Stock Exchange (1st Section) Nagoya Stock Exchange (1st Section)
Securities code	1878
Transfer agent and special account management institution	1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation

Method of public notices

Public notices shall be electronically posted on the Company's website.
<https://www.kentaku.co.jp/corporate/ir/koukoku.html>
 However, in the case where electronic public notice is not available due to an accident or other unavoidable reasons, a notice shall be published in the Nihon Keizai Shimbun.

Share transfer procedures

Shareholders who hold shares in a securities account

For more information, please contact the securities company where you maintain an account.

Shareholders who do not conduct transactions with a securities company

For more information, please contact Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation.
 Mitsubishi UFJ Trust and Banking Corporation,
 Stock Transfer Agency Division
 1-1 Nikkocho, Fuchu, Tokyo, Japan

0120-232-711 Inquiries are accepted from 9:00 to 17:00 excluding Saturdays, Sundays and public holidays

Life is Built on Trust



Daito Trust Construction Co., Ltd.

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TEL: +81-3-6718-9111
<https://www.kentaku.co.jp>

