



DAITO TRUST CONSTRUCTION CO., LTD.

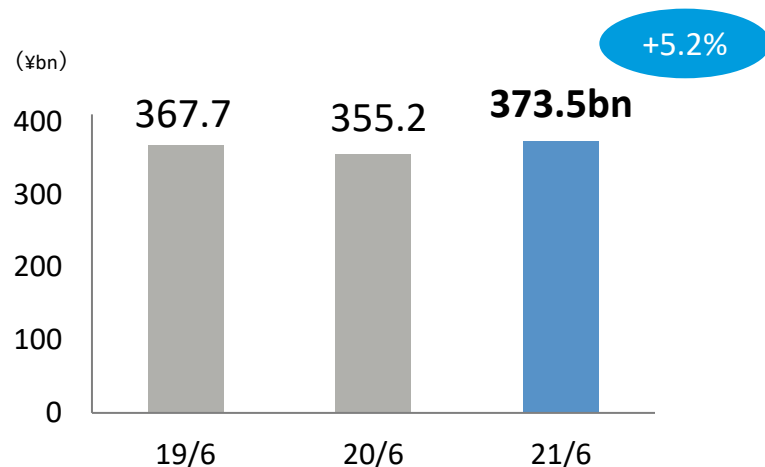
Report on Settlement of 1Q for FY ending in March 31, 2022

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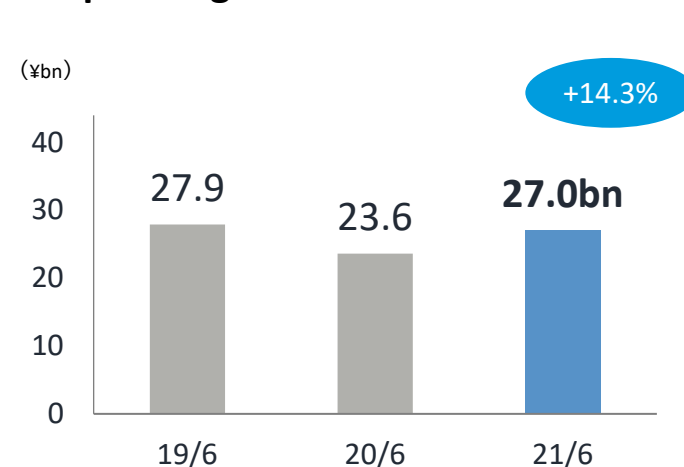
I . Results in 1Q FY ending in March 31, 2022

PL (Consolidated PL)

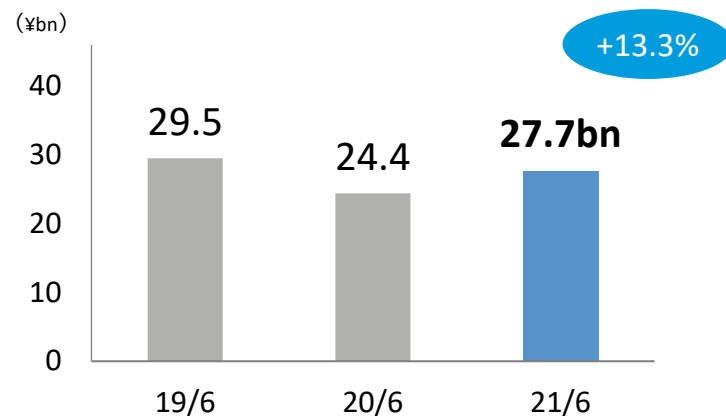
■ Net sales



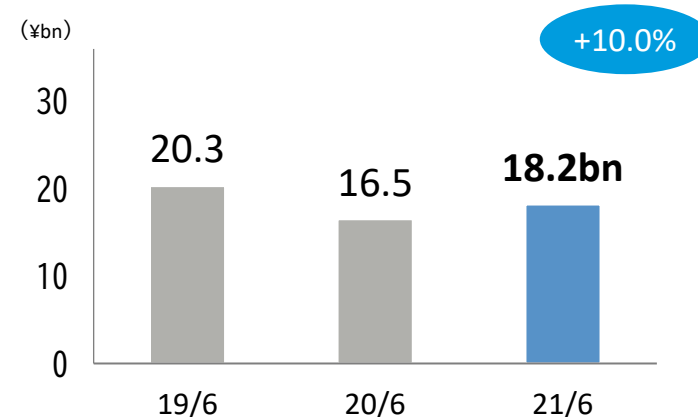
■ Operating income



■ Ordinary income



■ Net income attributable to owners of parent



PL (Factors of fluctuation in operating income) <YoY>

Major factors of fluctuation (Operating income +¥3.4bn)

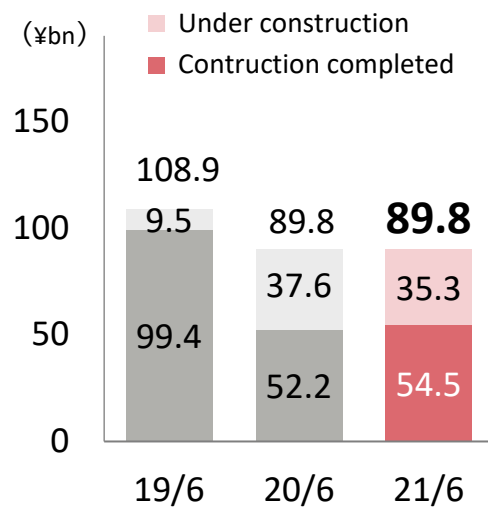
Gross profit on completed construction contracts <+¥1.2bn>	<ul style="list-style-type: none"> Increase in gross profit margin (26.1%→27.5%) 	+¥1.25bn
Gross profit on real estate business <+¥5.6bn>	<ul style="list-style-type: none"> Increase in profit from whole-building lease business Increase in profit from brokerage of rental estate business Increase in profit from rent guarantee business Increase in restoration to original condition or repairing construction Decrease in profit from electricity business Increase in profit from monthly leasing business, etc. 	+¥3.31bn +¥1.18bn +¥0.71bn +¥0.40bn △¥0.11bn +¥0.11bn
Gross profit on the other businesses <△¥0.2bn>	<ul style="list-style-type: none"> Profit recording from INVALANCE Ltd., Decrease in profit from gas business Decrease in profit from financial business Decrease in profit from overseas hotel business Increase in profit from the other businesses 	+¥0.55bn △¥0.33bn △¥0.07bn △¥0.40bn +¥0.04bn
SG&A expenses <△¥3.2bn>	<ul style="list-style-type: none"> Increase in personnel expenses Decrease in advertising & general publicity expenses Increase in recruitment fee/training fee Increase in other expenses. (Purchase of PCs, etc.) 	△¥2.69bn +¥0.13bn △¥0.13bn △¥0.58bn

Profit & Loss by segment (Construction business-1)

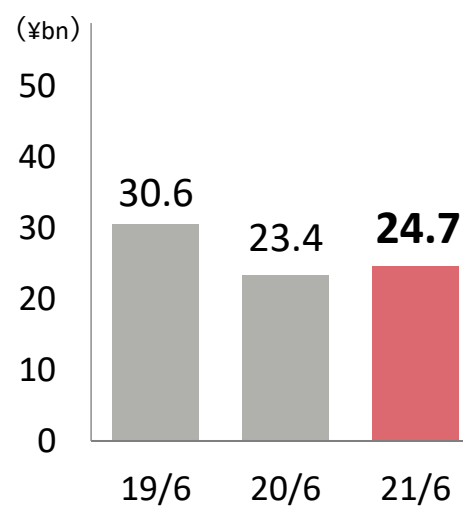
(¥bn)

	2020/6	2021/6	(YoY)
Net sales	89.8	89.8	(△0.1%)
Gross profit	23.4	24.7	(+5.3%)
Operating income	7.0	7.0	(+1.1%)

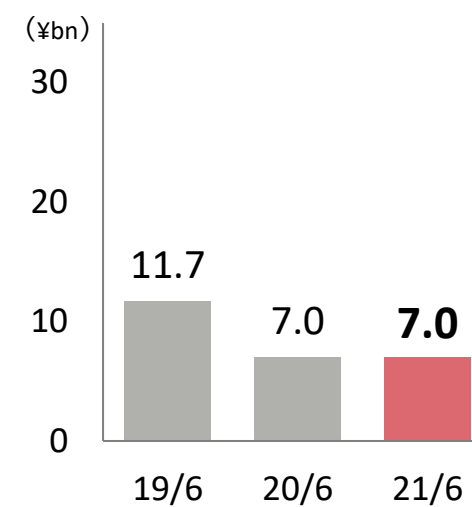
■ **Net sales** (Percentage of completion method)



■ **Gross profit**



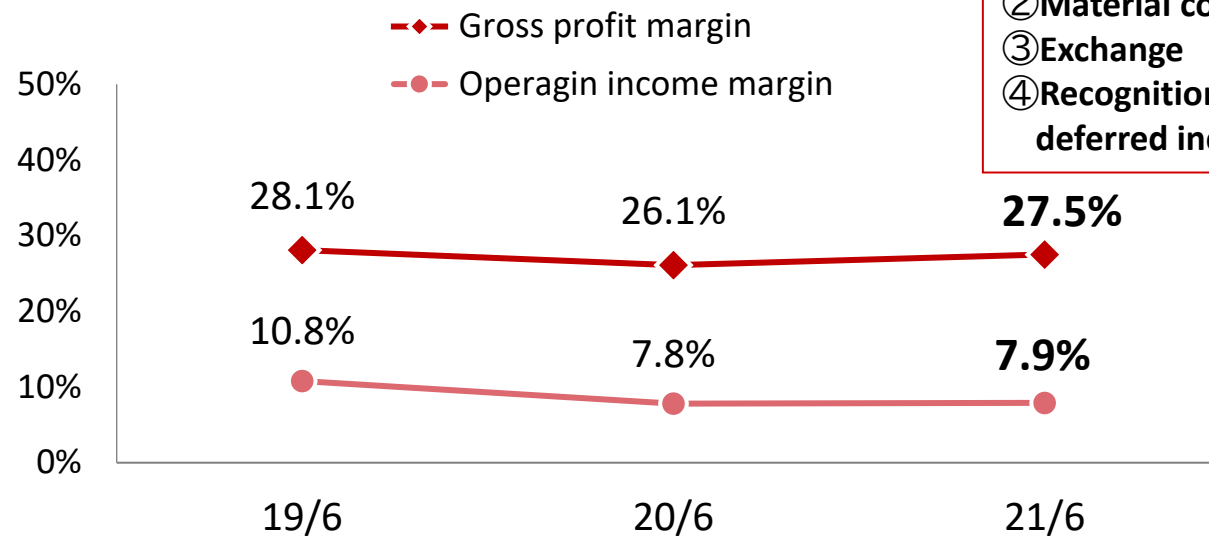
■ **Operating income**



Profit & Loss by segment (Construction business-2)

	2020/6	2021/6	(YoY)
Gross profit margin	26.1%	27.5%	(+1.4p)
Operating income margin	7.8%	7.9%	(+0.1p)

■ Gross profit margin / Operating income margin

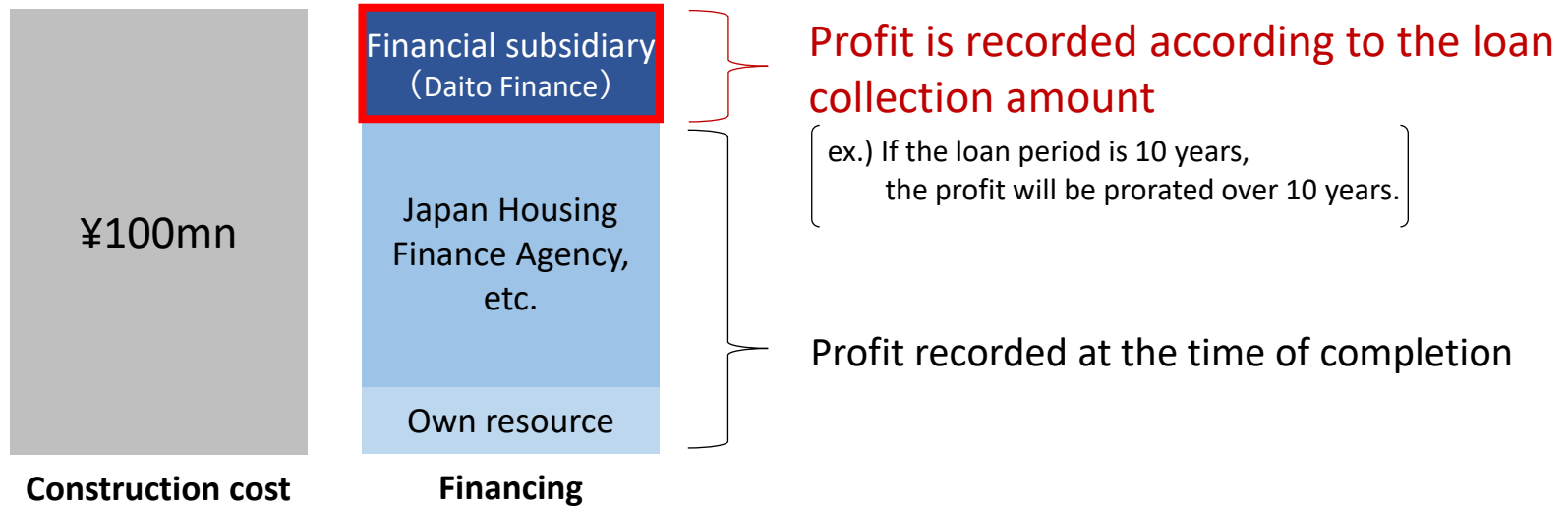


Major breakdown of the variance (+1.4p)

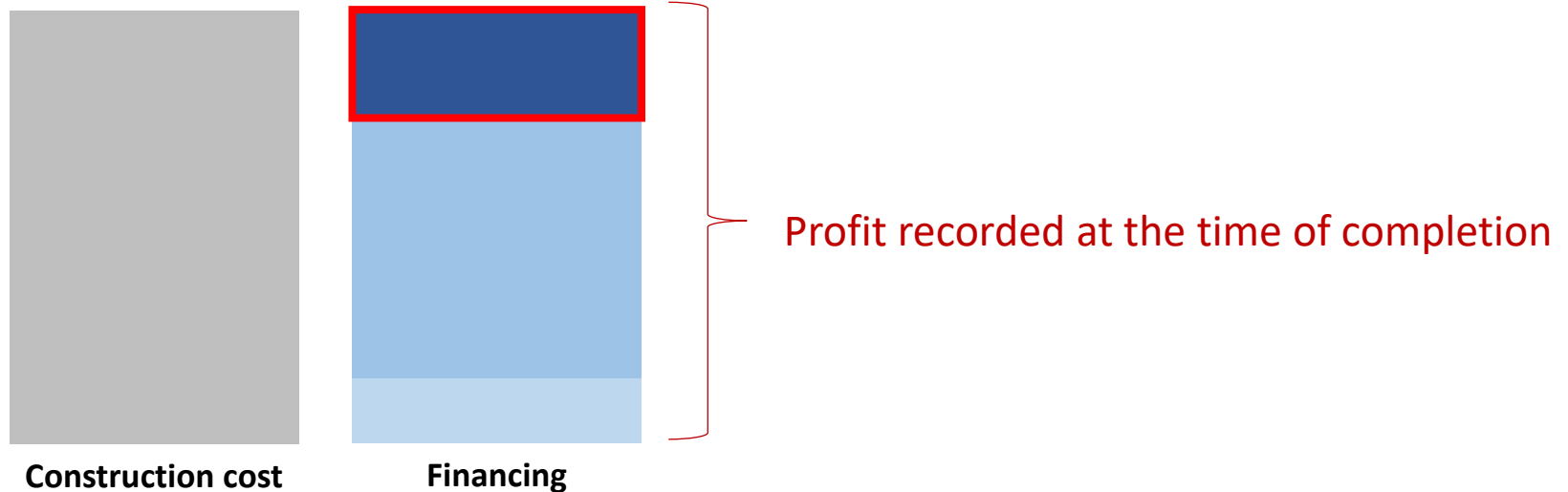
① Labor cost	± 0.0p
② Material cost	△ 0.2p
③ Exchange	△ 0.3p
④ Recognition of deferred income	+1.9p

Impact of the new accounting standards (Accounting Standard for Revenue Recognition) on construction business

Traditional revenue recognition standard



New revenue recognition standard

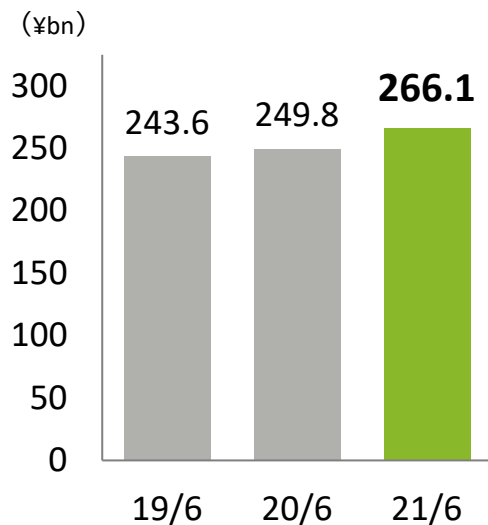


Profit & Loss by segment (Real estate business-1)

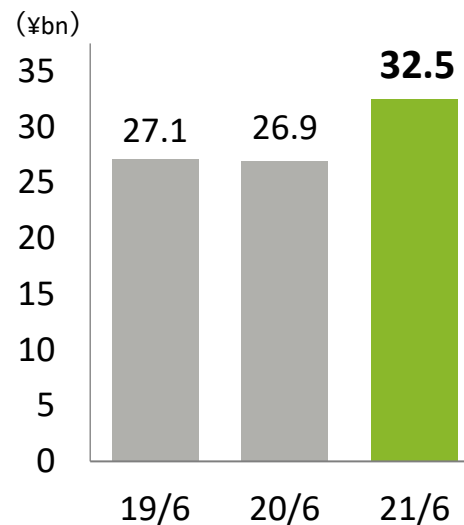
(¥bn)

	2020/6	2021/6	(YoY)
Gross profit margin	249.8	266.1	(+6.5%)
Gross profit	26.9	32.5	(+20.8%)
Operating income	17.4	22.4	(+28.7%)

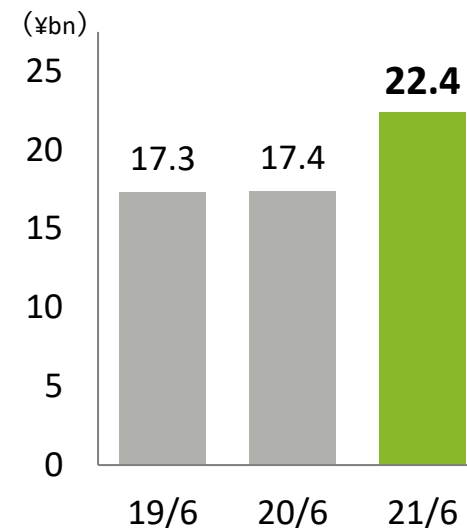
■ Net sales



■ Gross profit



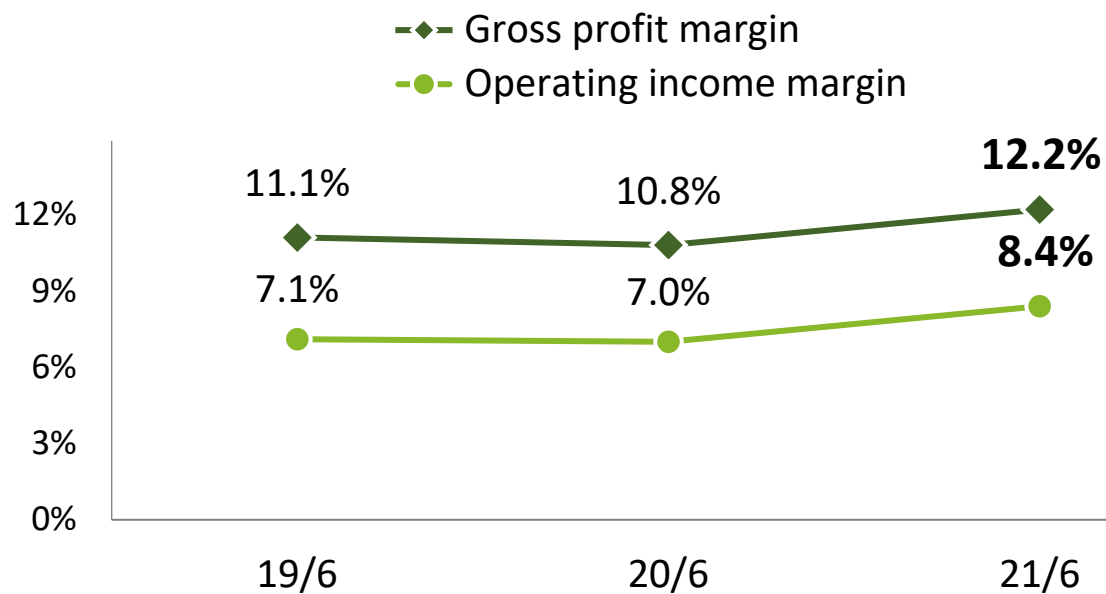
■ Operating income



Profit & Loss by segment (Real estate business-2)

	2020/6	2021/6	(YoY)
Gross profit margin	10.8%	12.2%	(+1.4p)
Operating income margin	7.0%	8.4%	(+1.4p)

■ Gross profit margin / Operating income margin

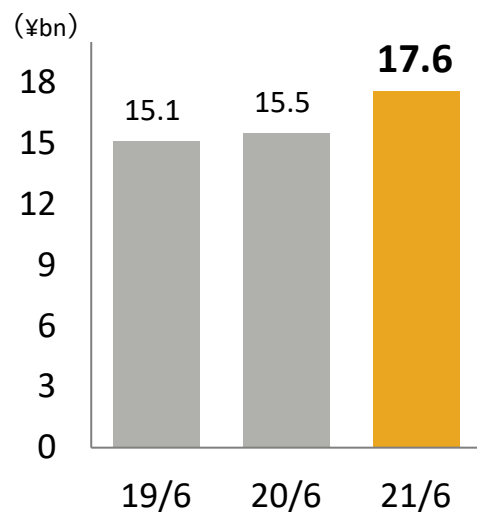


Profit & Loss by segment (Other businesses)

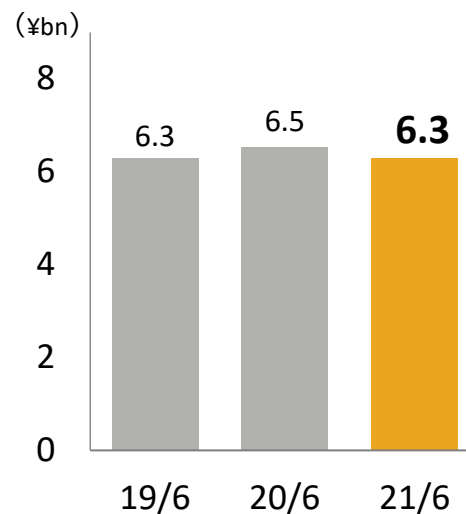
(¥bn)

	2020/6	2021/6	(YoY)
Net sales	15.5	17.6	(+13.4%)
Gross profit	6.5	6.3	(△3.2%)
Operating income	3.4	1.8	(△48.4%)

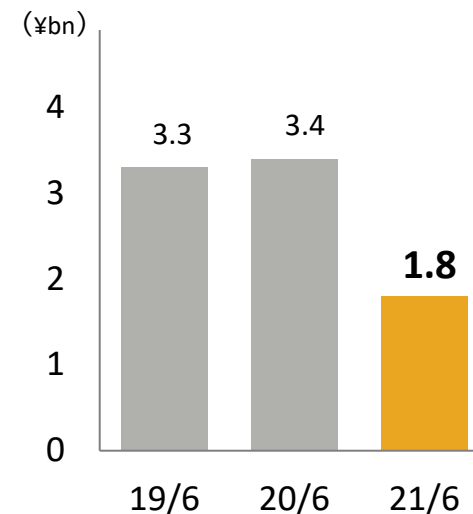
■ Net sales



■ Gross profit



■ Operating income



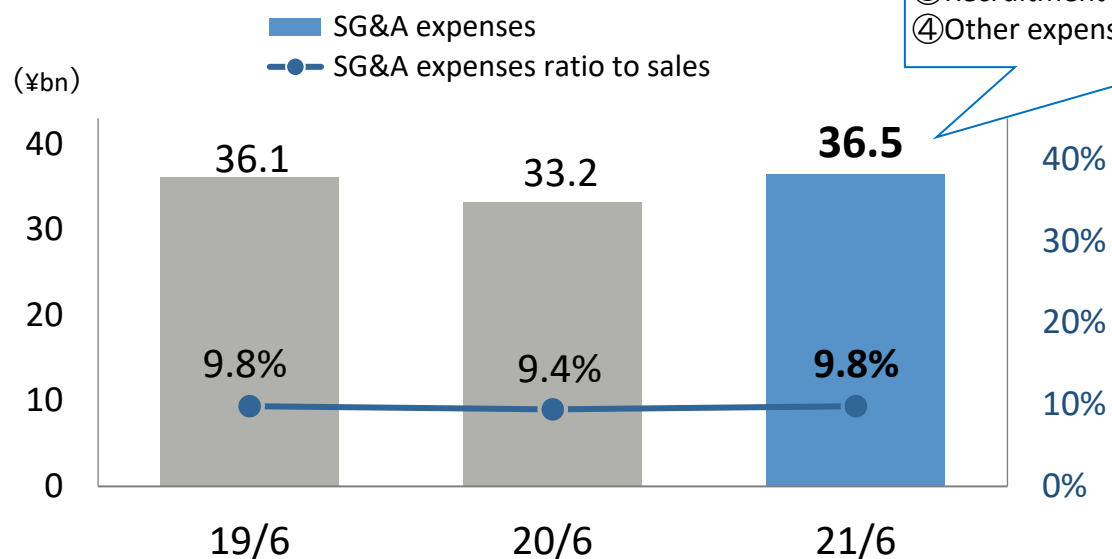
Transition of selling, general and administrative expenses

(¥bn)

	2020/6	2021/6	(YoY)
SG&A expenses	33.2	36.5	(+9.8%)
SG&A expenses ratio to sales	9.4%	9.8%	[+0.4p]

[] : Difference from same period in previous year

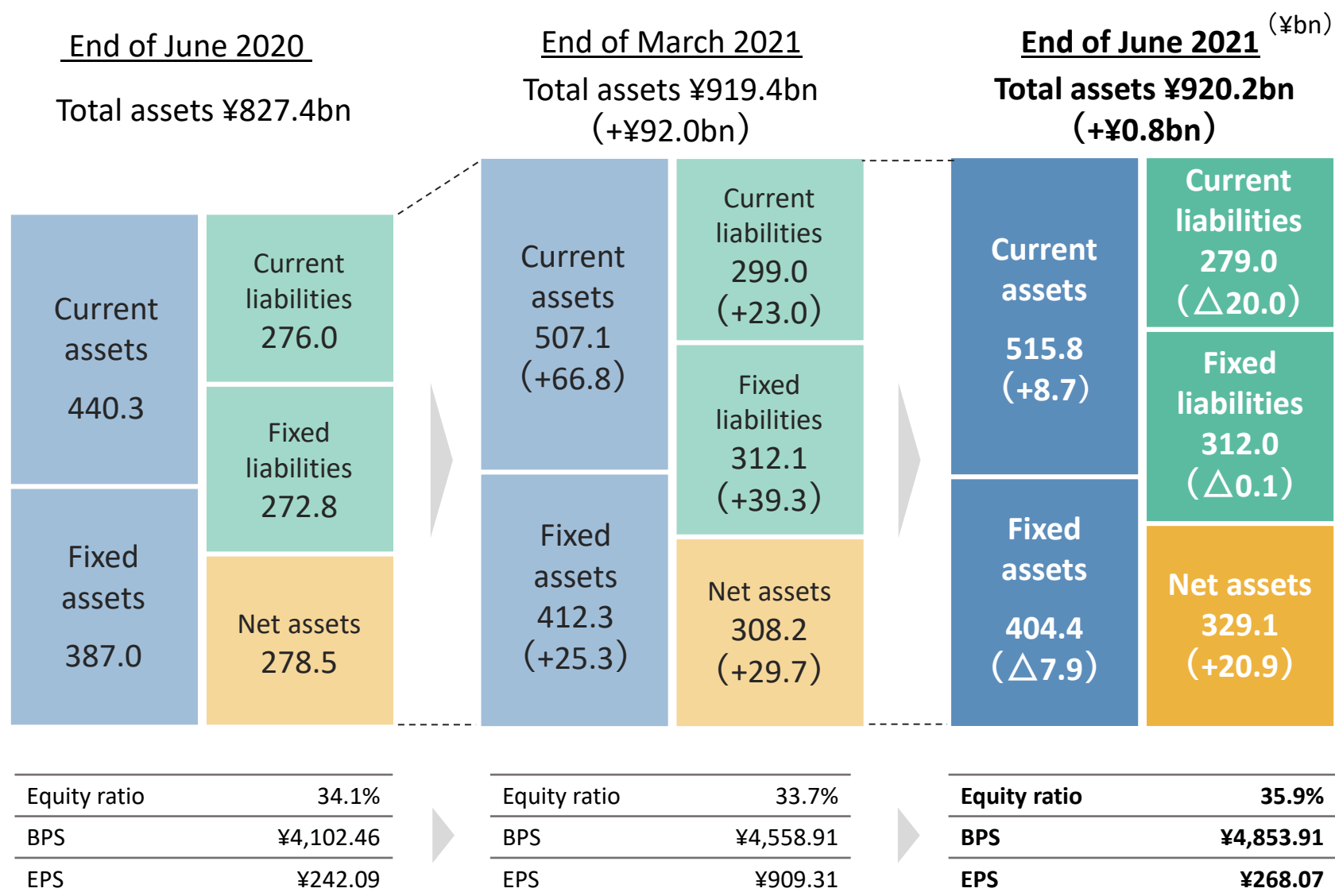
SG&A expenses • SG&A expenses ratio to sales



Major breakdown of the variance (+¥3.2bn)

- ① Labor cost +¥2.6bn
- ② Advertising & general publicity expenses Δ ¥0.1bn
- ③ Recruitment and training expenses +¥0.1bn
- ④ Other expenses +¥0.6bn

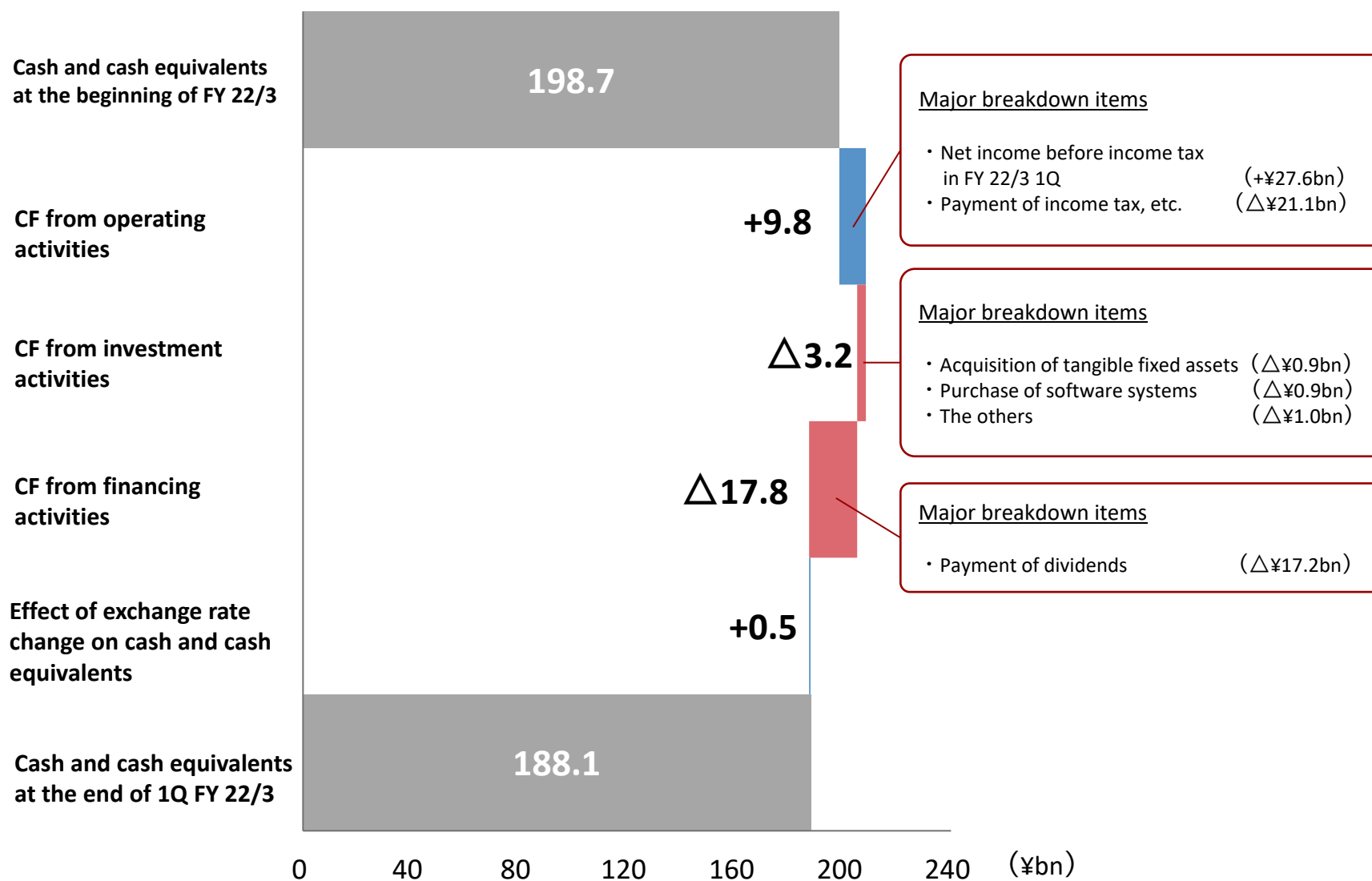
Financial review (Consolidated BS)



※BPS : Net assets per share

※EPS : Quarterly (current year) net income per share

Financial review (Consolidated CF)

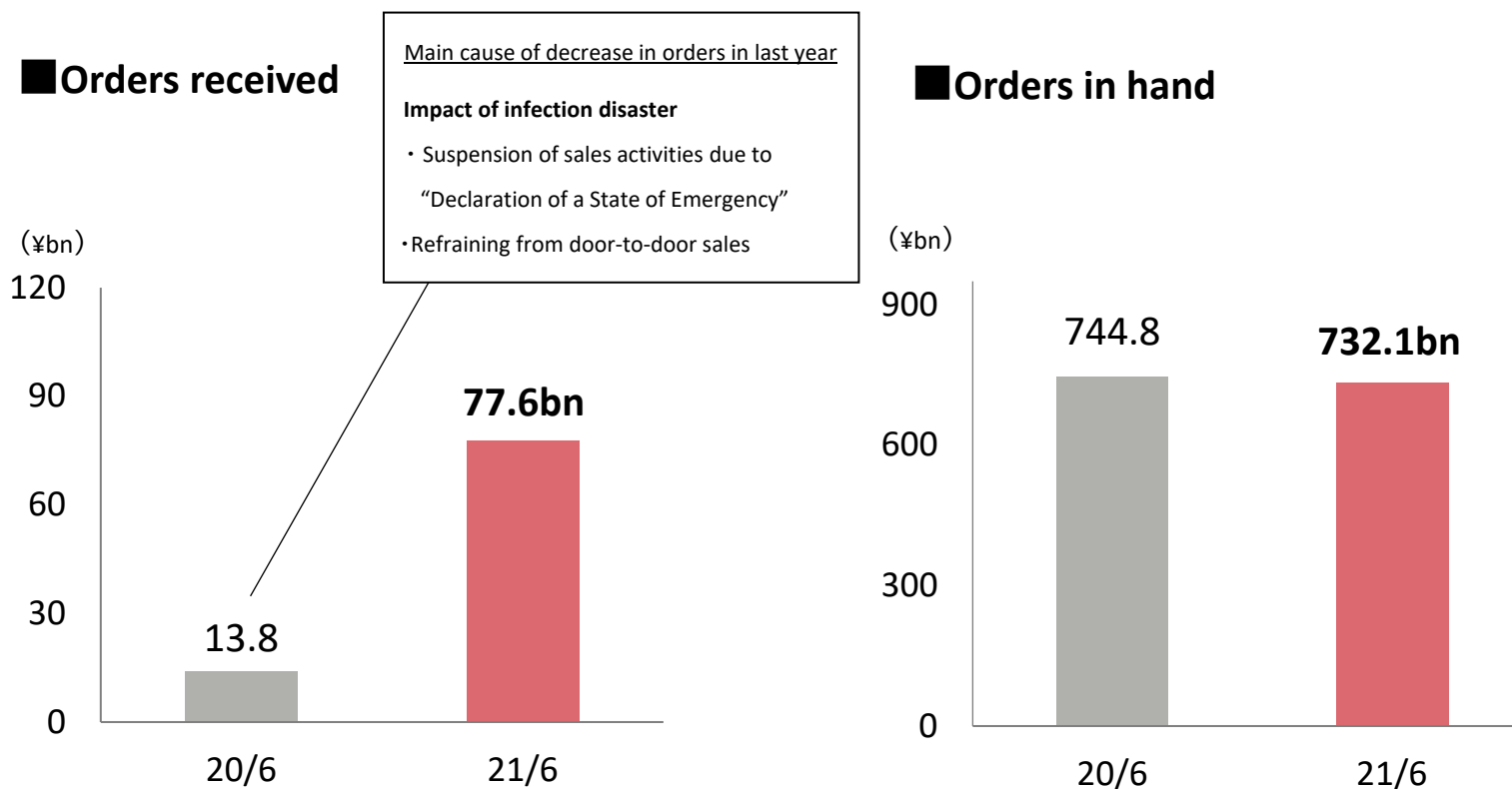


Ⅱ . Key Figures

Orders received

Orders received **¥77.6bn (+459.3% YoY)**

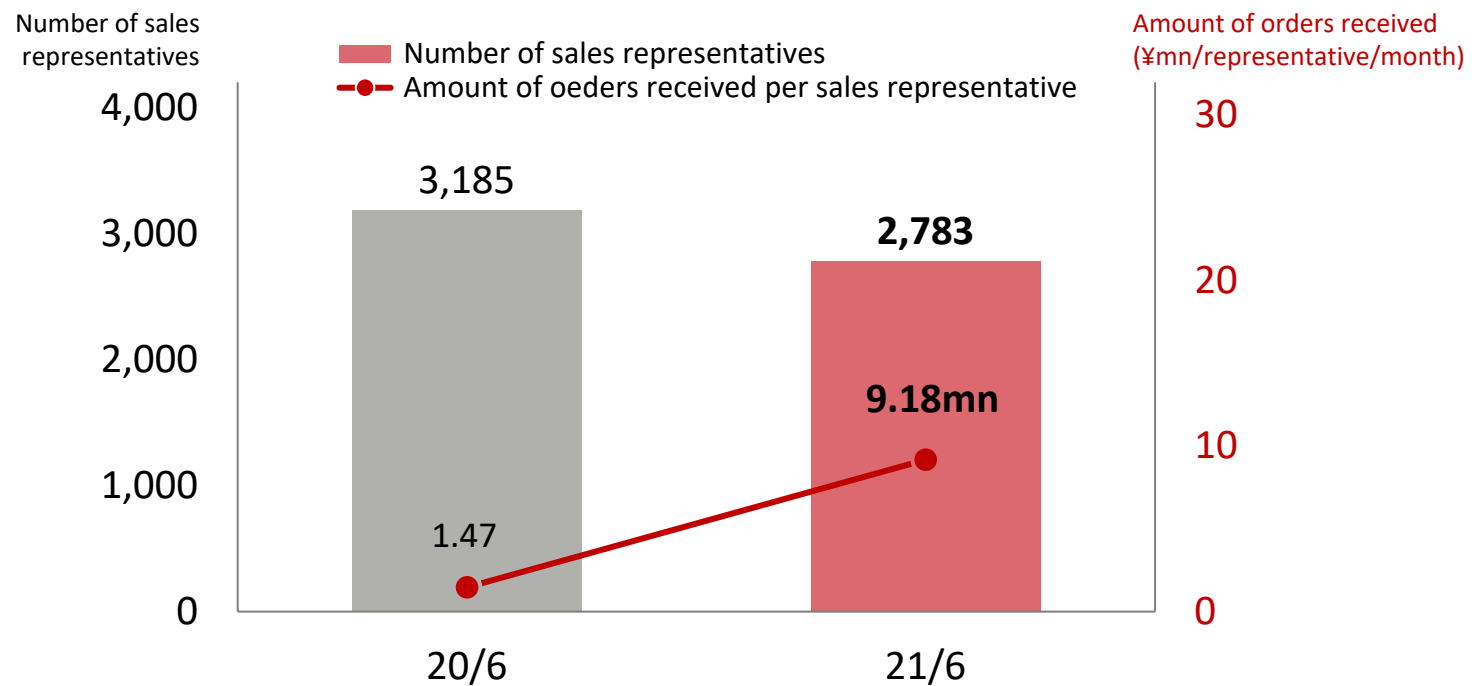
Orders in hand **¥732.1bn (△1.7% YoY)**



Orders received (Efficiency in receiving orders)

Number of sales representatives <end of June> 2,783 (Δ402 YoY)

**Amount of orders received per sales representative
¥9.18mn/month (+¥7.71mn YoY)**



Orders received (Mid-rise ratio and rebuild ratio)

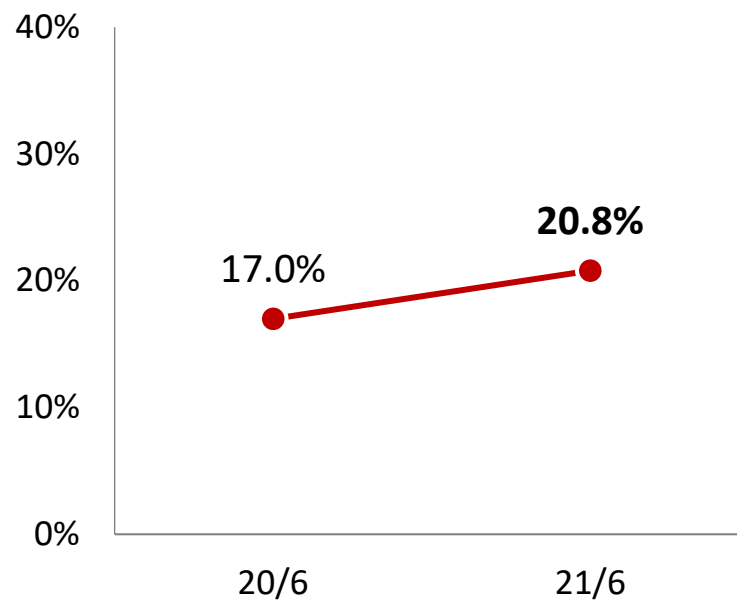
Mid-rise ratio

20.8% (+3.8p YoY)

Rebuild ratio

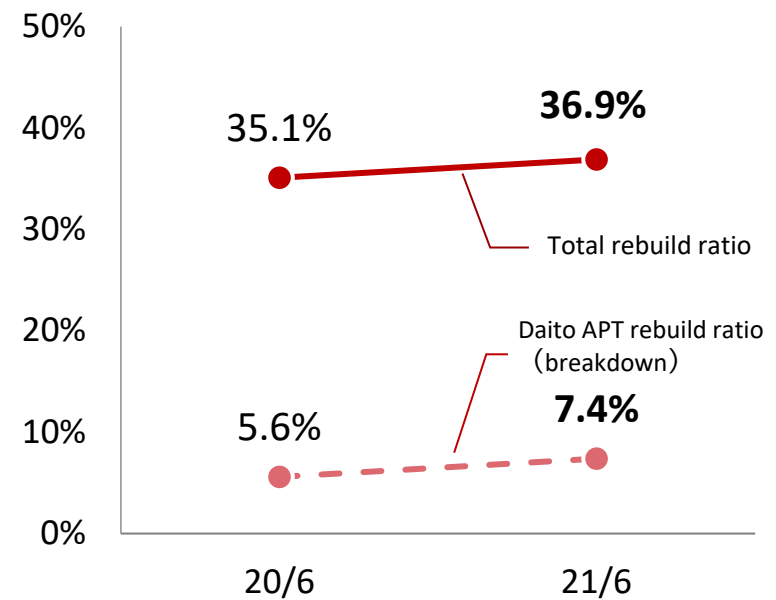
36.9% (+1.8p YoY)

■ Mid-rise ratio※1



※1 Mid-rise ratio = Number of orders received for APT house with 3 or more stories / Total number of orders received

■ Rebuild ratio※2



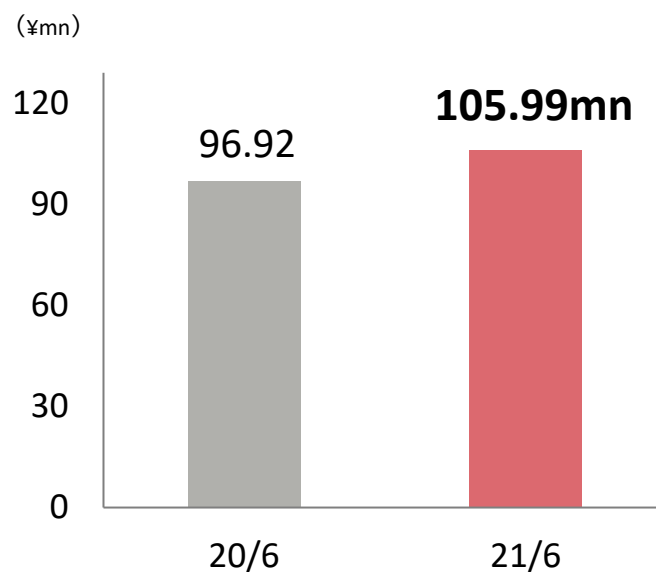
※2 Total rebuild ratio = Number of orders received for rebuilding APT / Total number of orders received
Daito APT rebuild ratio = Number of orders received for rebuilding APT built by Daito / Total number of orders received

Orders received (Average price of orders received and cancellation ratio)

Average price of order received 105.99mn (+9.07mn YoY)

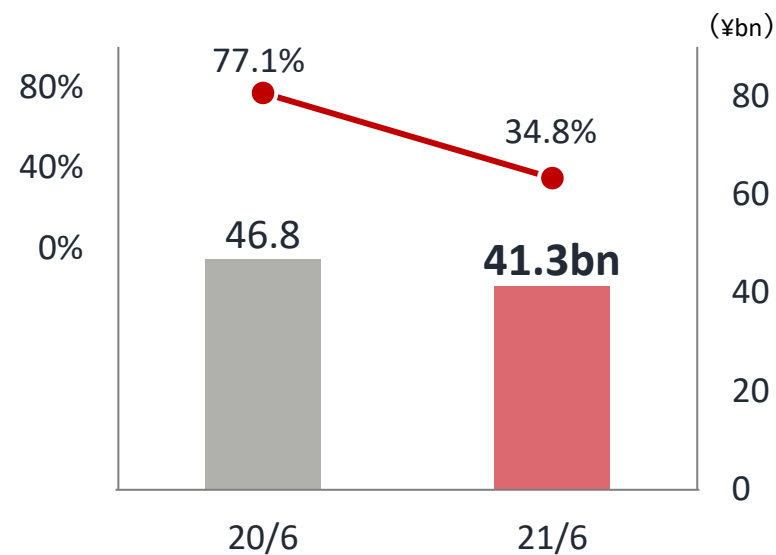
Cancellation ratio 34.8% (Δ42.3p YoY)

■ Average price of orders received※1



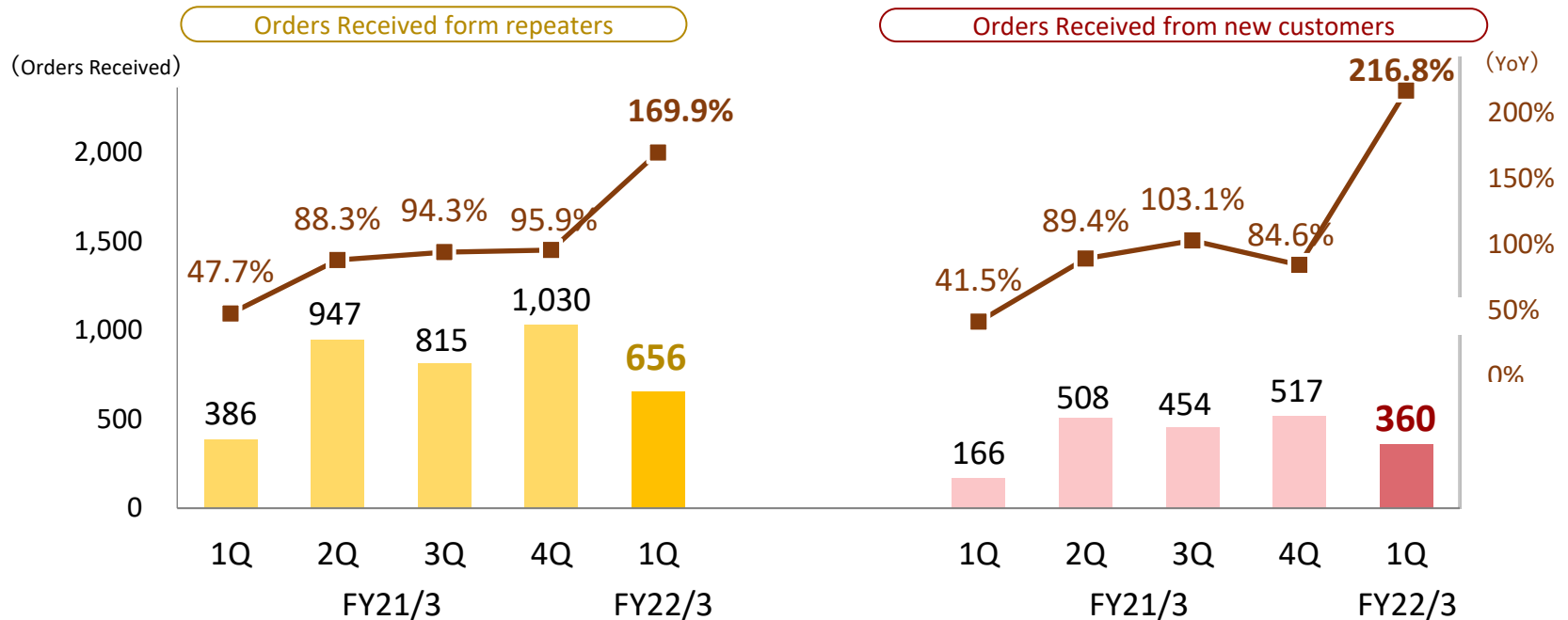
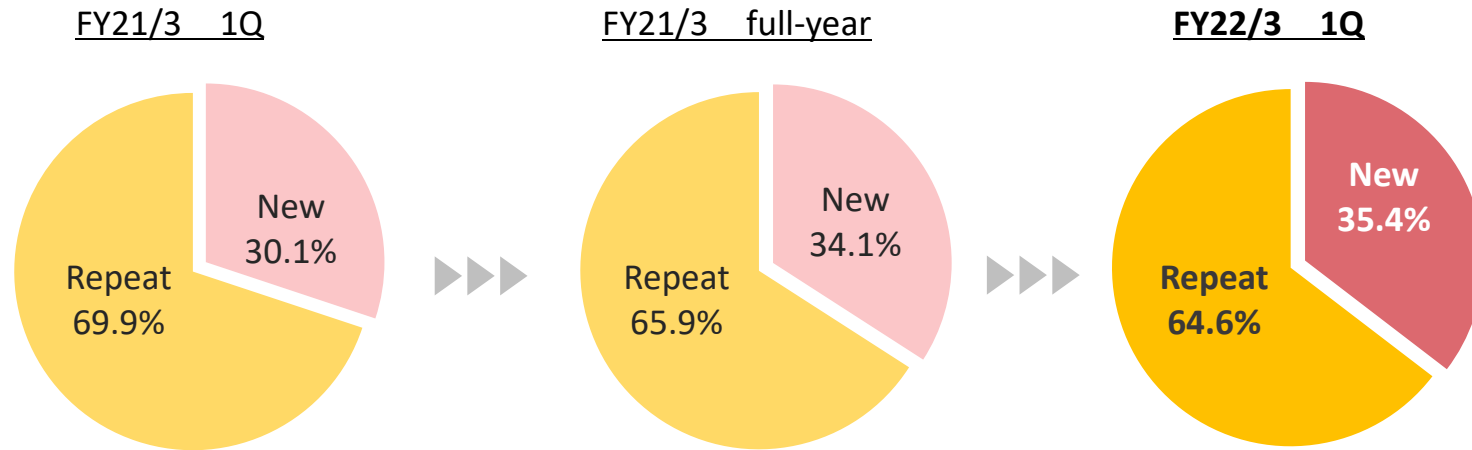
※1 Average price of order received = Amount of new orders received / Number of orders received

■ Cancellation ratio※2 / Amount of cancellation



※2 Cancellation ratio = Amount of cancellation / Amount of new orders received
 Orders received = Amount of new orders received – Amount of cancellation

Orders received (Number of orders received & their channels)

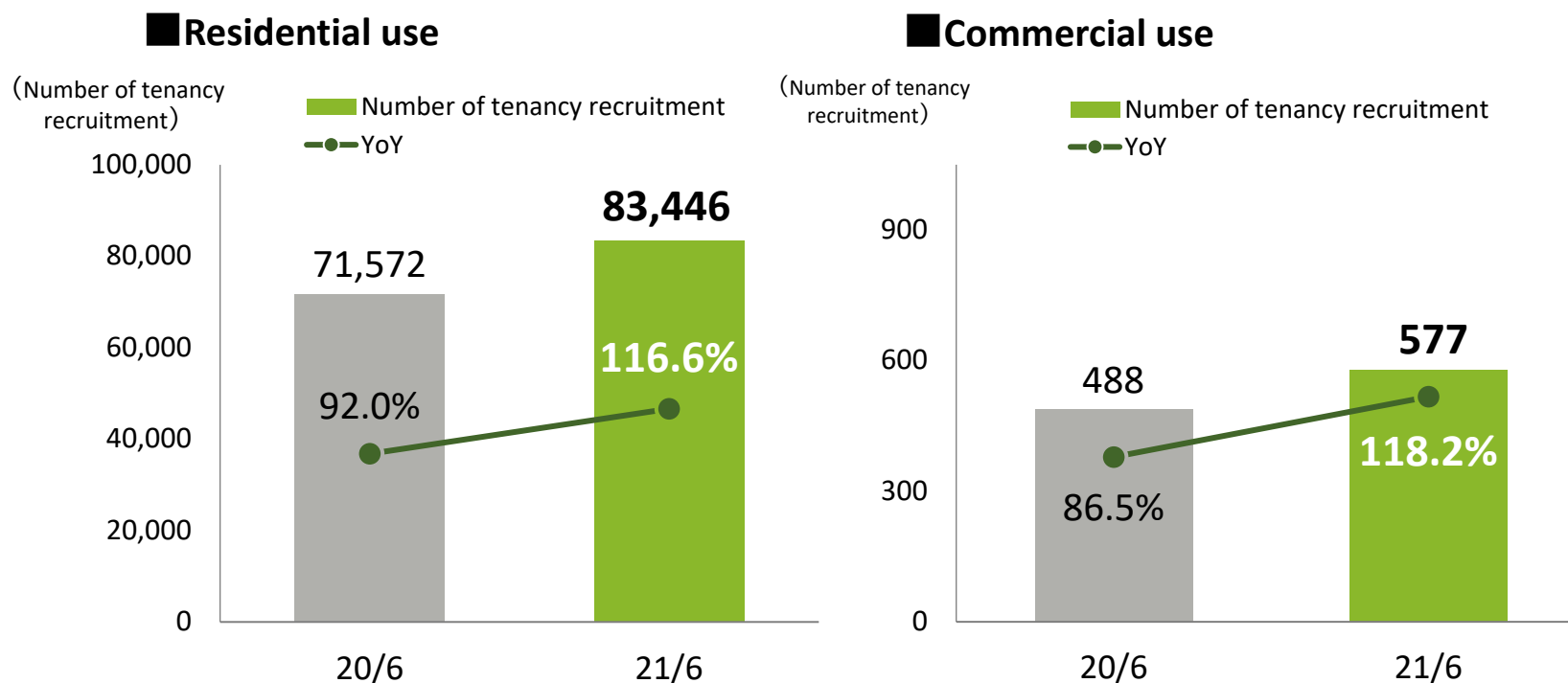


Tenancy recruitment (Number of recruitment)

Number of tenancy recruitment **84,023 (+16.6% YoY)**

Residential use **83,446 (+16.6% YoY)**

Commercial use **577 (18.2% YoY)**



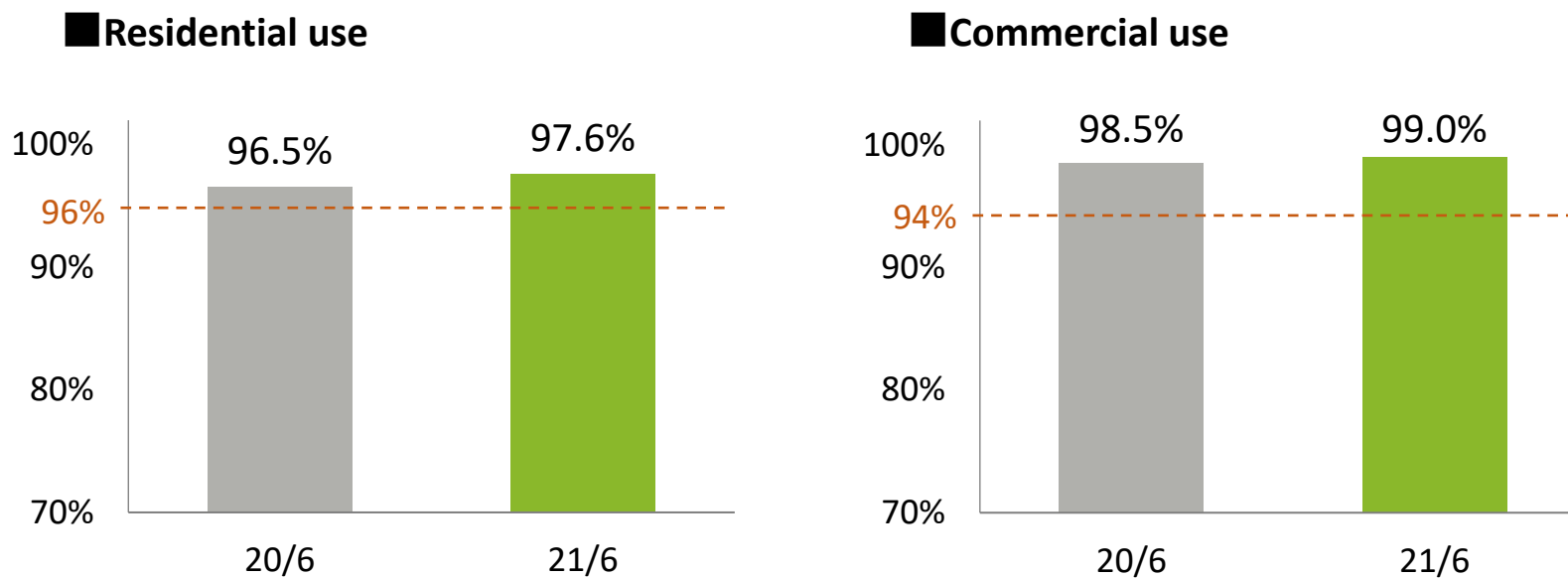
※Including the number of tenant recruitment for units managed by other companies

Tenancy recruitment (Rent-based occupancy rate※)

Continuously maintains sound level of occupancy
(residential use : 96% / commercial use : 94%)

Residential use **97.6% (+1.1p YoY)**

Commercial use **99.0% (+0.5p YoY)**



※Rent-based as occupancy rate = 100% - (Lease fee payment for vacant units / Aggregate amount of rent [%])

Tenancy recruitment (Number-based occupancy rate※)

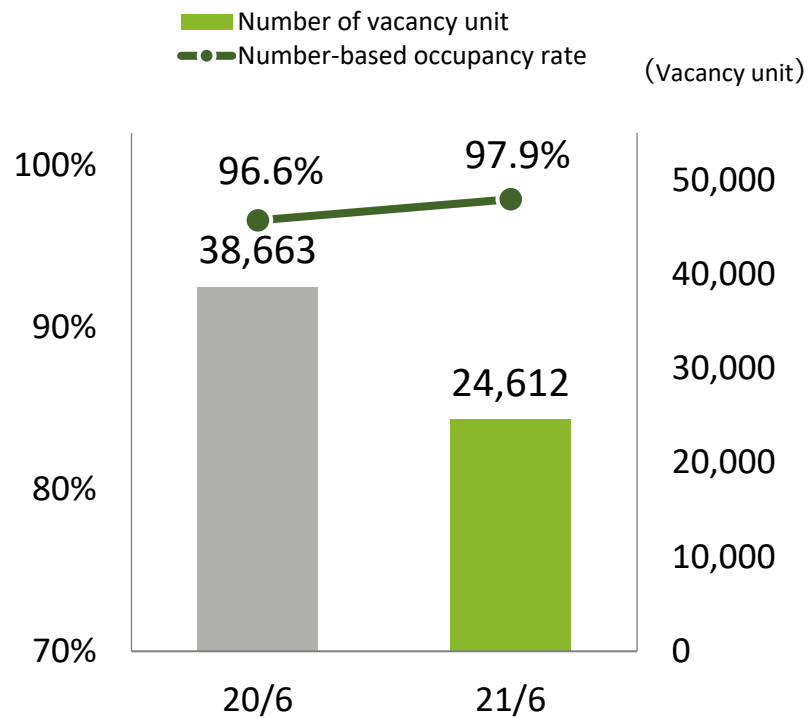
Residential use units

97.9% (+1.3p YoY)

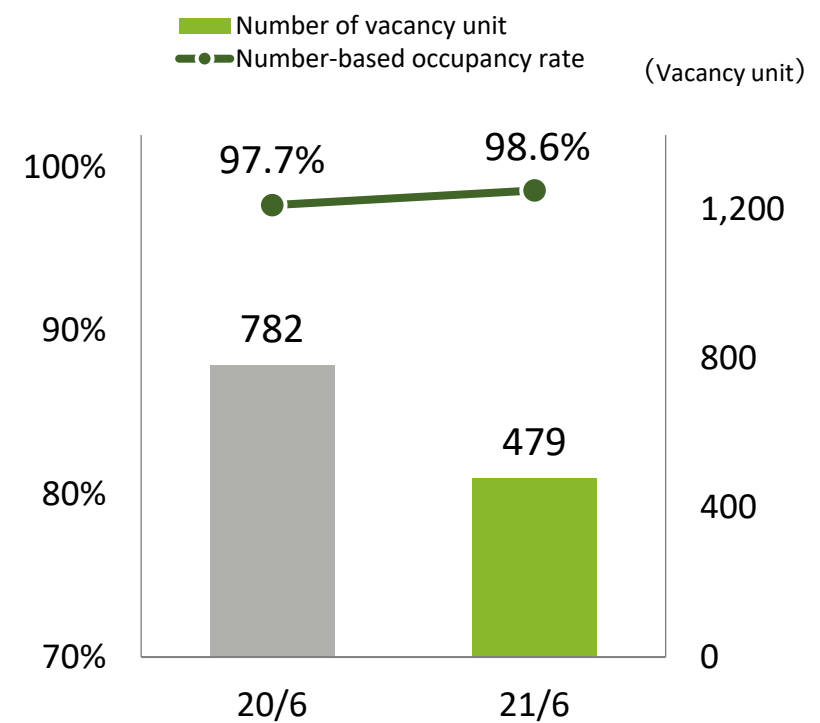
Commercial use units

98.6% (+0.9p YoY)

Residential use



Commercial use



※Number-based occupancy rate = (Number of occupancy units) / (Number of units under management)

Ⅲ. Topics

Open the “e-heya” online store for foreigners

Available in 6 languages with the stationed staff

- ✓ Capturing inbound demand after COVID-19.
- ✓ Supporting for stores nationwide with 6 languages.



Image of the poster of this service

‘e-heya.net’ International Store in Shinjuku

- ✓ Store Name: ‘e-heya.net’ International Store
- ✓ Address: 1-14-15 Okubo Shinjuku-ku, Tokyo
- ✓ Location: 5 min walk from JR Shin-okubo station
- ✓ Open date: June 1st, 2021



Started an in-company system that considers sexual minorities

Build a comfortable working environment regardless of gender identity or sexual orientation



Main initiatives (started in July 2021)

Start of Family ship system

- ✓ Recognize relationships with same-sex partners as “marriage equivalent”.
- ✓ Recognize a same-sex partner’s parents and children as a “family” under company regulations.
- ✓ Approve use of a part of the benefits system .
(Congratulation or Condolence leave, Childcare/elderly care support, Single transfer allowance, etc.)

Use of business name

- ✓ Using a business name other than family register name is available.
Ex.) Family register name : Taro YAMADA
Business name : Hanako YAMADA
- ✓ Transgender can work without pretending to be their own sex.

<Other initiatives>

- Revision of the “Daito Trust construction Code of conduct” (clarified that discriminatory behavior regarding gender identity or sexual orientation will not be performed).
- Publication of diversity website (<https://www.kentaku.co.jp/diversity/>)
- Establishment of consultation desk • Implementation of diversity training etc.

Flexible workspace “JustCo” originating from Singapore will open in January 2022.

Start recruitment of tenant companies of “JustCo Shibuya Hikarie” from July 2021

What is “JustCo”?

- ✓ Asia’s largest operating company based in Singapore that provides flexible workspace.
- ✓ Providing co-working spaces in more than 40 locations in 9 countries in the Asia-Pacific region and which have more than 100,000 members.
- ✓ Established a joint venture “JustCo DK Japan Co., Ltd.” with Daito Trust Construction Co., Ltd. in November 2019.



Image of JustCo in Singapore

Images of “JustCo Shibuya Hikarie”



Business communication between users



Sharing equipment they needed for works, users don't have their specific address.

Environmental Initiatives

To achieve RE100

Completed Japan's first LCCM rental housing

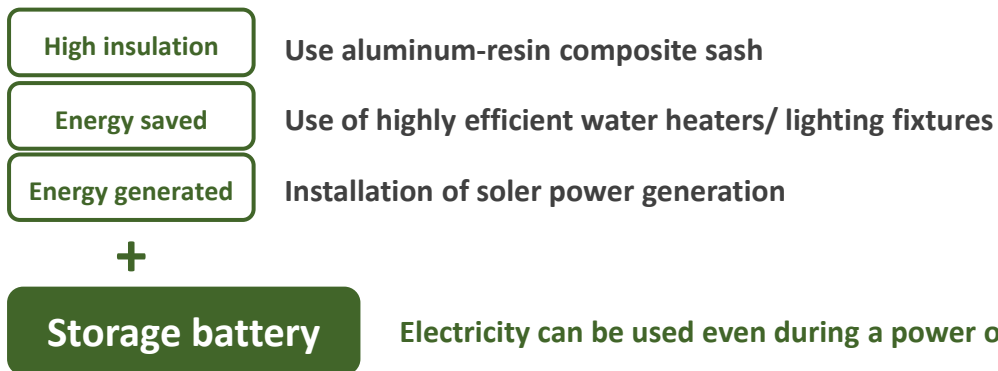


LCCM (Life Cycle Carbon Minus) housing is the decarbonized housing that offset CO2 emissions from building construction to disposal by the energy generated.

- ✓ Improved energy-saving performance by strengthening heat insulation performance.
- ✓ Equipped with maximum solar panels

Started sales of "Storage battery-equipped" ZEH rental housing

What is "Storage battery-equipped" ZEH rental housing ?



Electricity can be used even during a power outage such as a disaster.



IV. Appendix

Profit & Loss of each segment <FY22/3>

(¥mn)

《 Construction business 》	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Net sales	89,881	89,823	△0.1%	430,000
Gross profit	23,450	24,702	+5.3%	112,800
(Gross profit margin)	26.1%	27.5%	+1.4p	26.0%
Operating income	7,021	7,098	+1.1%	40,000
(Operating income margin)	7.8%	7.9%	+0.1p	9.3%

《 Real estate business 》	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Net sales	249,862	266,145	+6.5%	1,055,000
Gross profit	26,952	32,556	+20.8%	113,000
(Gross profit margin)	10.8%	12.2%	+1.4p	10.7%
Operating income	17,425	22,431	+28.7%	65,000
(Operating income margin)	7.0%	8.4%	+1.4p	6.2%

《 Other businesses 》	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Net sales	15,542	17,630	+13.4%	85,000
Gross Profit	6,521	6,312	△3.2%	29,000
(Gross profit margin)	42.0%	35.8%	△6.2p	34.1%
Operating income	3,489	1,800	△48.4%	14,000
(Operating income margin)	22.5%	10.2%	△12.3p	16.5%

Profit & Loss (Non-consolidated) <FY22/3>

(¥mn)

	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Net sales	90,610	90,704	+0.1%	432,000
Construction	90,035	90,189	+0.2%	430,000
Real estate & others	575	515	△10.5%	2,000
Gross profit	25,357	24,835	△2.1%	114,200
Construction	24,943	24,493	△1.8%	112,800
Real estate & others	414	342	△17.4%	1,400
SG&A expenses	23,054	23,939	+3.8%	104,200
Operating income	2,302	895	△61.1%	10,000
Ordinary income	41,129	42,331	+2.9%	55,000
Net income	39,648	41,017	+3.5%	48,000

Sales structure of real estate business <FY22/3>

(¥mn)

	20/3 1Q		21/3 1Q		22/3 1Q			22/3(plan)
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY	
Lease up of rental housing units ^{※1}	218,640	(89.7%)	226,773	(90.7%)	238,357	(89.6%)	+5.1%	954,000
Building and repairs	11,354	(4.7%)	9,115	(3.6%)	11,404	(4.3%)	+25.1%	32,500
Brokerage of rental estate	4,515	(1.8%)	4,014	(1.6%)	5,467	(2.0%)	+36.2%	23,600
Rental guarantee business	3,430	(1.4%)	3,645	(1.5%)	4,430	(1.7%)	+21.5%	18,500
Electricity business	2,090	(0.9%)	2,218	(0.9%)	2,109	(0.8%)	△4.9%	7,600
Leasing business ^{※2}	1,552	(0.6%)	1,650	(0.7%)	1,634	(0.6%)	△1.0%	6,800
Others	2,108	(0.9%)	2,444	(1.0%)	2,741	(1.0%)	+12.2%	12,000
Total	243,693	(100.0%)	249,862	(100.0%)	266,145	(100.0%)	+6.5%	1,055,000

※1 Sub-lease contract in Lease Management Trust System by Daito Kentaku Partners.

※2 Mainly Shinagawa East One Tower

Profit & Loss of major subsidiaries (Construction business) <FY22/3>

(¥mn)

Construction Business								
	Daito Construction				Daito Steel			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	21/3 plan
Net sales	1,000	1,020	+2.0%	7,303	792	933	+17.8%	4,235
Gross profit	29	50	+71.2%	410	28	42	+48.5%	157
SG&A expenses	33	31	△6.8%	185	20	21	+2.4%	85
Operating income	△4	19	—	225	8	21	+163.8%	72
Ordinary income	10	29	170.7%	291	7	21	+185.6%	69
Net income	6	20	200.8%	202	4	14	+217.9%	48

Profit & Loss of major subsidiaries (Real estate businesses-1) <FY22/3>

(¥mn)

	Real estate business							
	Daito Kentaku Partners				Daito Kentaku Leasing			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan
Net sales	240,372	254,749	+6.0%	1,004,010	5,978	7,795	+13.7%	28,152
Gross profit	21,149	25,255	+19.4%	79,404	2,618	2,928	+11.8%	12,206
SG&A expenses	5,088	5,257	+3.3%	23,369	1,581	1,977	+25.1%	10,150
Operating Income	16,061	19,998	+24.5%	56,035	1,037	950	△8.4%	2,055
Ordinary income	16,299	20,271	+24.4%	56,972	1,067	996	△6.6%	3,017
Net income	11,438	14,117	+23.4%	39,295	703	649	△7.7%	1,803

Profit & Loss of major subsidiaries (Real estate businesses-2) <FY22/3>

(¥mn)

Real estate business								
	House Leave				Housecom Group			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan
Net sales	3,645	4,430	+21.5%	18,500	2,639	3,473	+31.6%	14,630
Gross profit	3,521	4,236	+20.3%	17,822	2,318	3,215	+38.7%	12,736
SG&A expenses	791	1,139	+43.9%	4,822	2,580	3,211	+24.5%	12,242
Operating income	2,729	3,097	+13.5%	13,000	△261	2	—	493
Ordinary income	2,732	3,099	+13.4%	13,008	△246	8	—	656
Net income	1,897	2,155	+13.6%	9,025	△217	29	—	486

Profit & Loss of major subsidiaries (Financial businesses) <FY22/3>

(¥mn)

Other businesses (Financial business)												
	Daito Finance				House Guard				D.T.C			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan
Net sales	662	521	△21.3%	2,300	1,073	1,075	+0.2%	4,501	822	4,331	+427.8%	16,790
Gross profit	568	387	△31.9%	1,755	426	503	+18.0%	1,924	325	697	+114.1%	1,719
SG&A expenses	71	105	+47.3%	268	327	365	+11.6%	1,510	3	8	+116.7%	25
Operating income	496	281	△43.3%	1,487	98	137	+39.5%	413	321	689	+114.1%	1,694
Ordinary income	501	△197	—	1,015	98	137	+39.5%	413	321	690	+114.5%	1,694
Net income	338	△135	—	1,058	72	98	+36.2%	287	321	690	+114.5%	1,694

Profit & Loss of major subsidiaries (Other businesses-1) <FY22/3>

(¥mn)

Other businesses (Energy, Care, Investment condominium business)												
	Gaspal Group				Care Partner				INVALANCE			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan
Net sales	7,938	8,026	+1.1%	33,802	3,516	3,720	+5.8%	15,300	—	2,713	—	19,887
Gross profit	4,084	3,794	△7.1%	16,846	364	480	+31.8%	1,816	—	482	—	3,206
SG&A expenses	1,871	2,176	+16.3%	8,496	296	276	△6.9%	1,316	—	591	—	2,631
Operating income	2,212	1,617	△26.9%	8,350	68	204	+200.3%	500	—	△109	—	575
Ordinary income	2,046	1,461	△28.6%	7,608	63	194	+208.4%	480	—	△112	—	552
Net income	1,407	1,008	△28.3%	5,278	△30	127	—	331	—	△104	—	382

Profit & Loss of major subsidiaries (Other businesses-2) <FY22/3>

(¥mn)

Other businesses (Overseas business)								
	DAITO ASIA DEVELOPMENT (MALAYSIA) SDN.BHD.				DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN.BHD.			
	21/3 1Q	22/3 1Q	YoY	22/3 plan	21/3 1Q	22/3 1Q	YoY	22/3 plan
Net sales	412	96	△76.7%	1,359	578	163	△71.7%	1,808
Gross profit	88	△90	—	264	149	△68	—	287
SG&A expenses	195	119	△39.0%	657	252	185	△26.5%	844
Operating Income	△107	△210	—	△393	△102	△254	—	△557
Ordinary income	△370	△406	—	△413	△393	△466	—	△571
Net income	△370	△408	—	△413	△393	△470	—	△571

Amount of orders received, and amount from construction completed <FY22/3>

■ Amount of orders received

(¥mn)

	20/3 1Q	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Residential use	96,138	8,149	66,254	+713.0%	464,500
Rental housing	95,728	7,710	66,062	+756.8%	462,000
Detached housing	409	439	191	△56.3%	2,500
Commercial use	164	△97	3,127	—	13,000
Building and repairs	7,870	5,823	8,232	+41.4%	42,500
Total	104,172	13,876	77,614	+459.3%	520,000

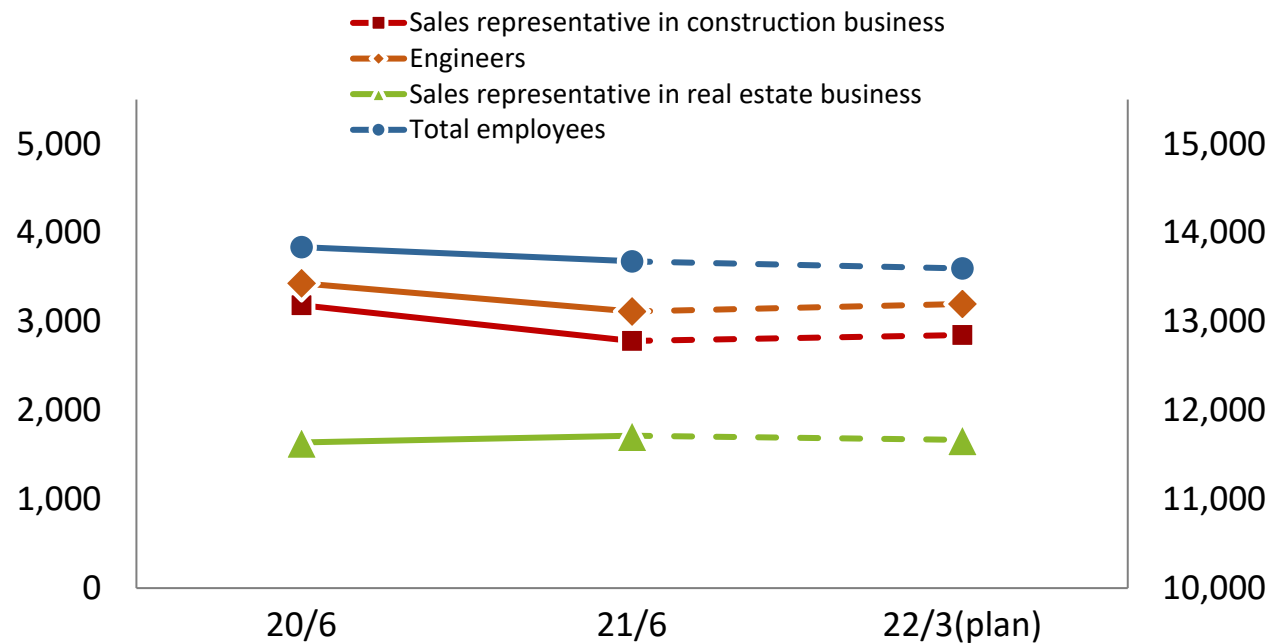
■ Net income from completed construction

(¥mn)

	20/3 1Q	21/3 1Q	22/3 1Q	YoY	22/3(plan)
Residential use	106,996	86,462	86,702	+0.3%	413,000
Rental housing	106,571	86,152	86,048	△0.1%	410,500
Detached housing	425	310	654	+110.9%	2,500
Commercial use	847	1,190	1,791	+50.4%	7,000
Building and repairs	12,485	11,343	12,734	+12.3%	42,500
Total	120,329	98,997	101,228	+2.3%	462,500

Transition of number of employees in each business section (Major 3 companies)

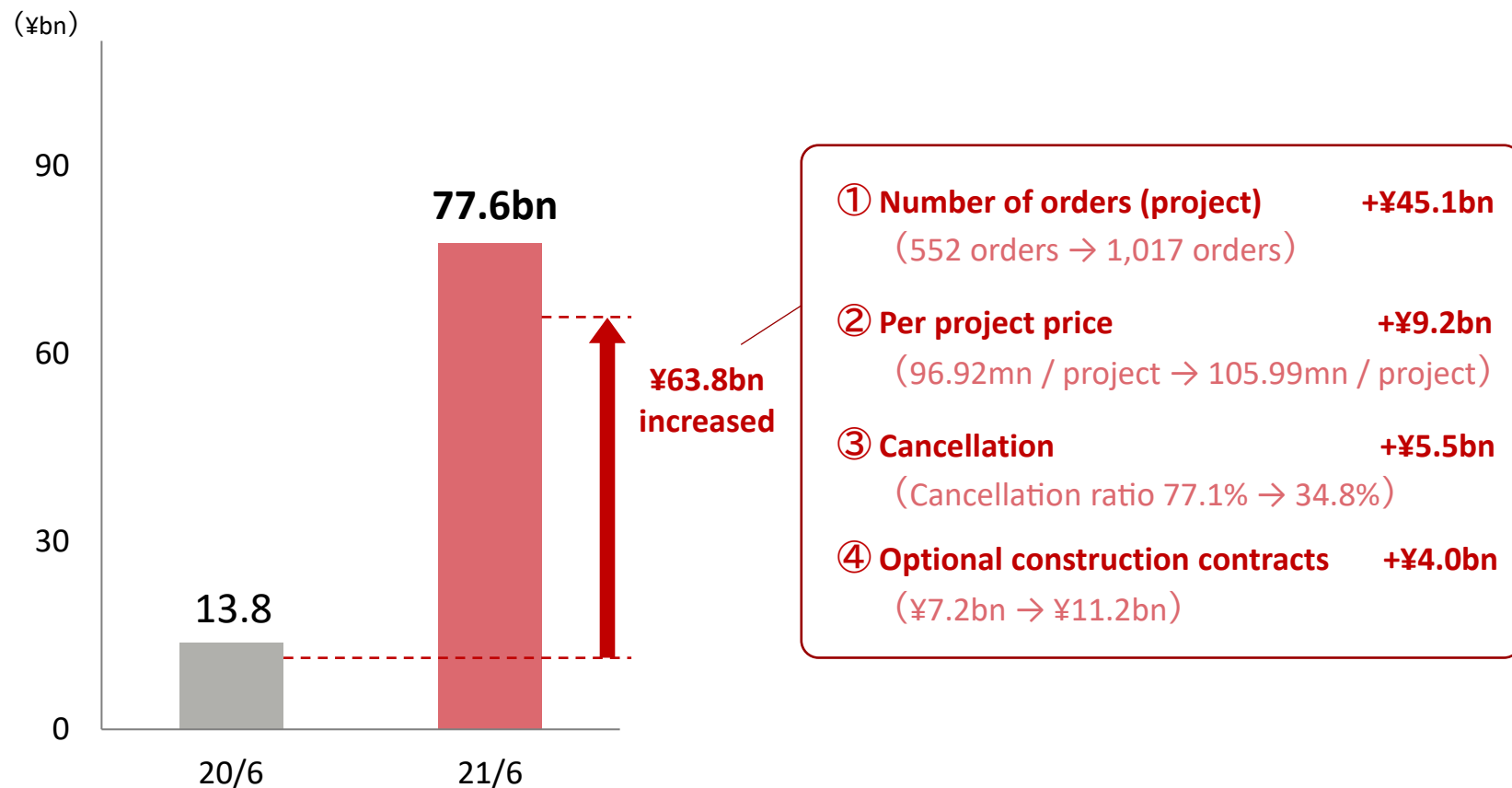
	20/6	21/6	YoY	22/3(plan)
Total employees	13,839	13,679	△160	13,600
Sales representative in construction business ※	3,185	2,783	△402	2,850
Engineers	3,431	3,114	△317	3,200
Sales representative in real estate business	1,641	1,717	+76	1,670



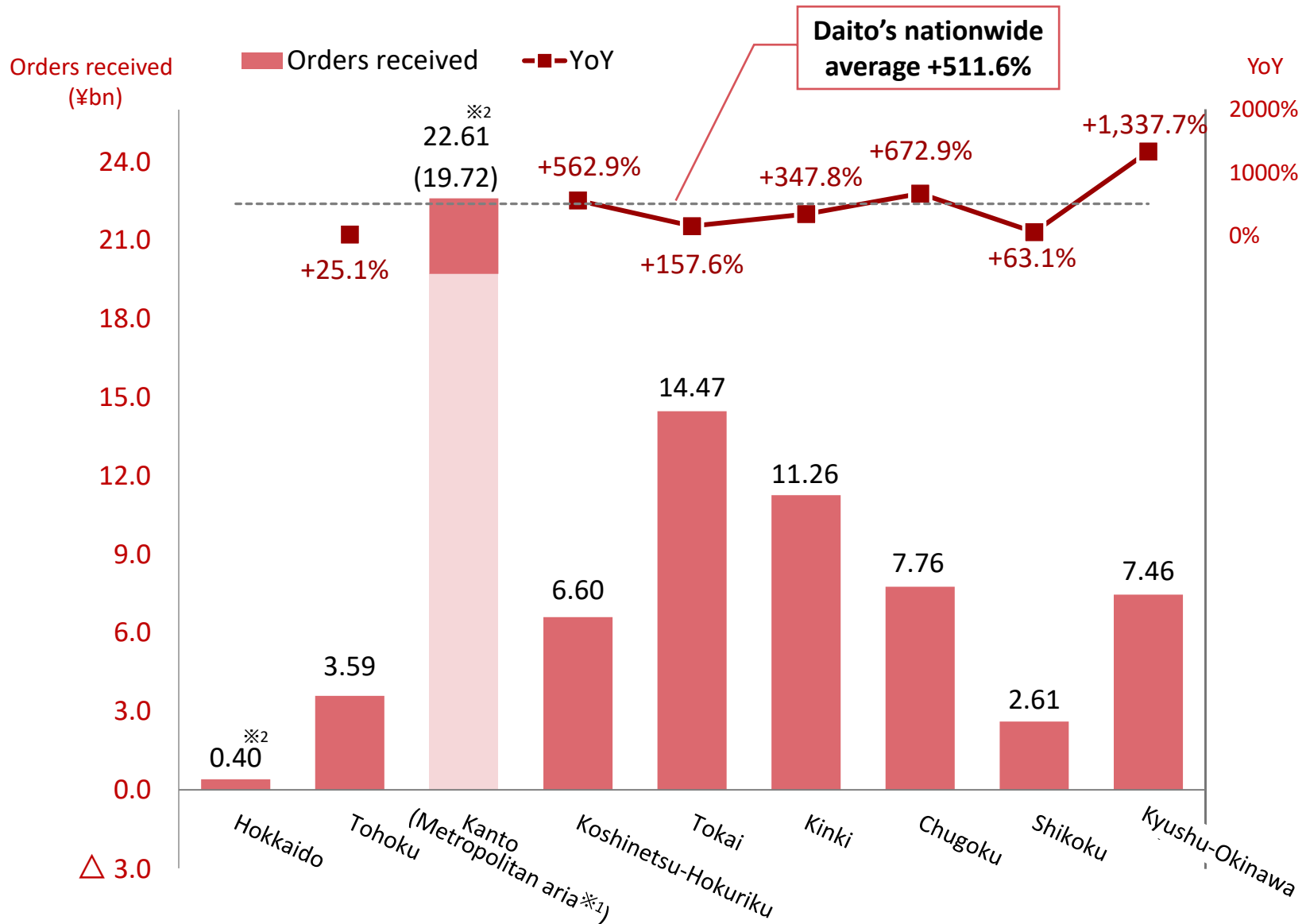
※ Including customer support division

Orders received compared with FY21/3 1Q

■ 1Q comparison



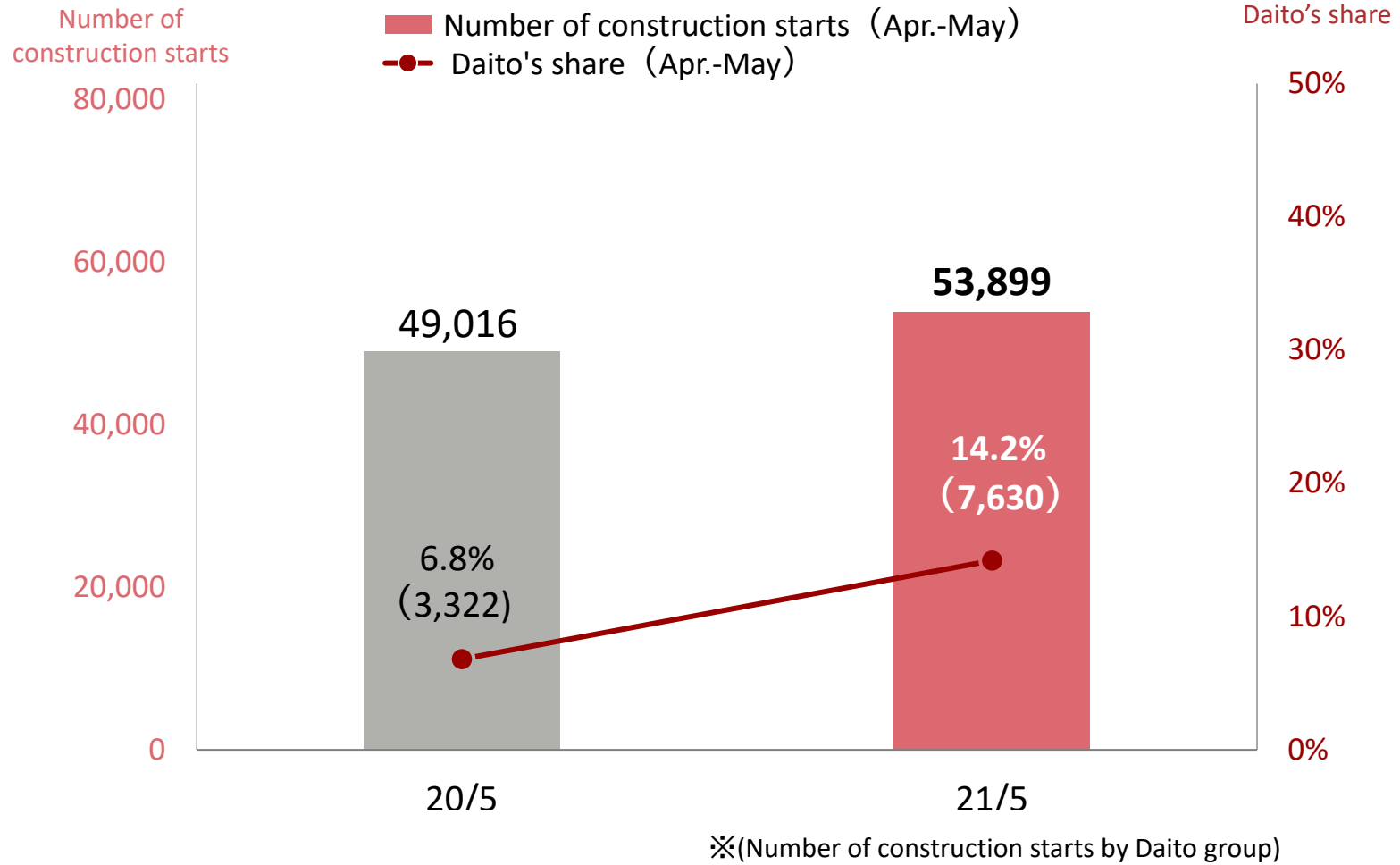
Amount of orders received in each region



※1 Metropolitan area ... Tokyo, Kanagawa, Chiba, Saitama Prefecture

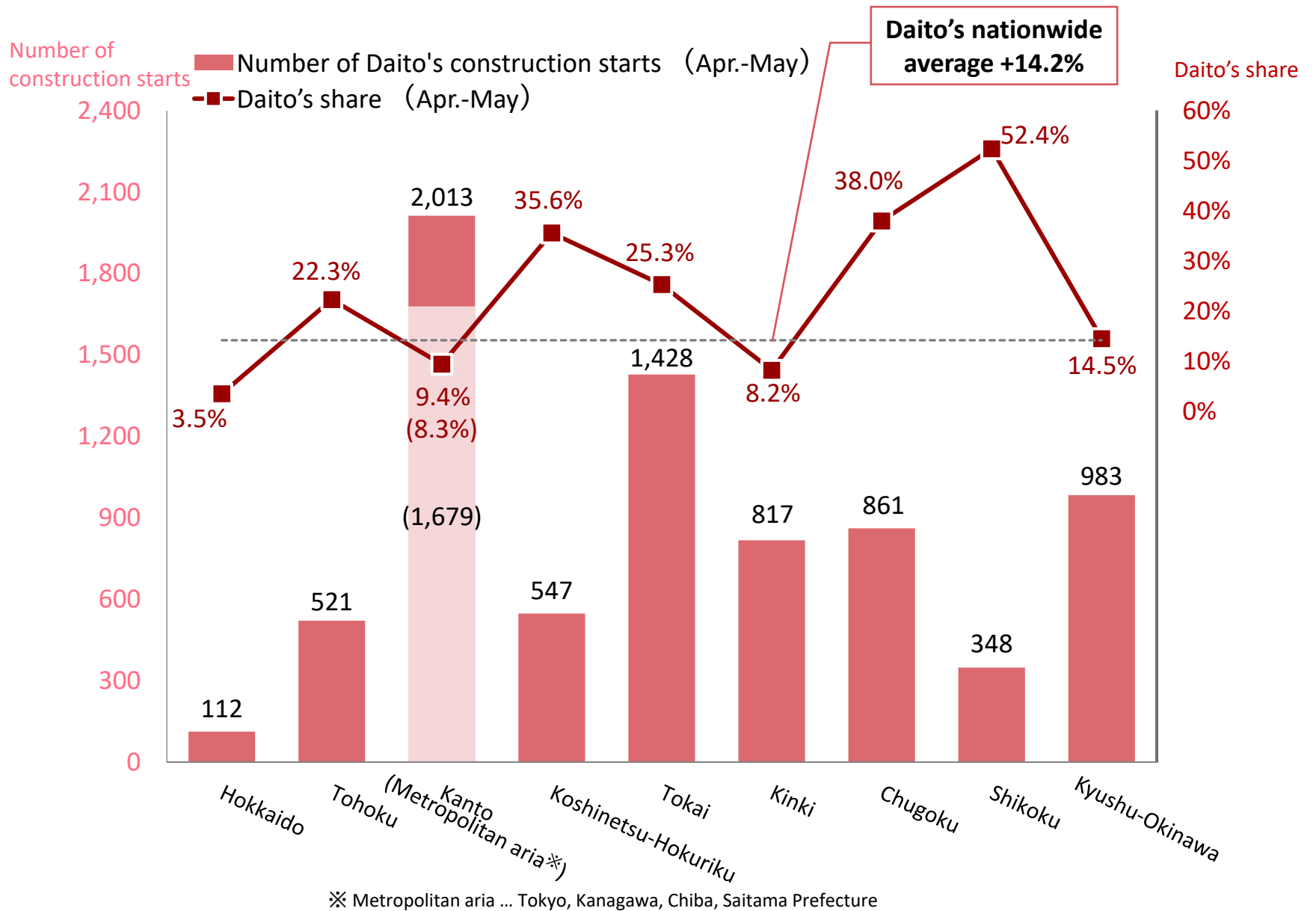
※2 The YoY ratio is not determined because the result of previous year was negative

Number of construction starts & Daito's share <YoY>



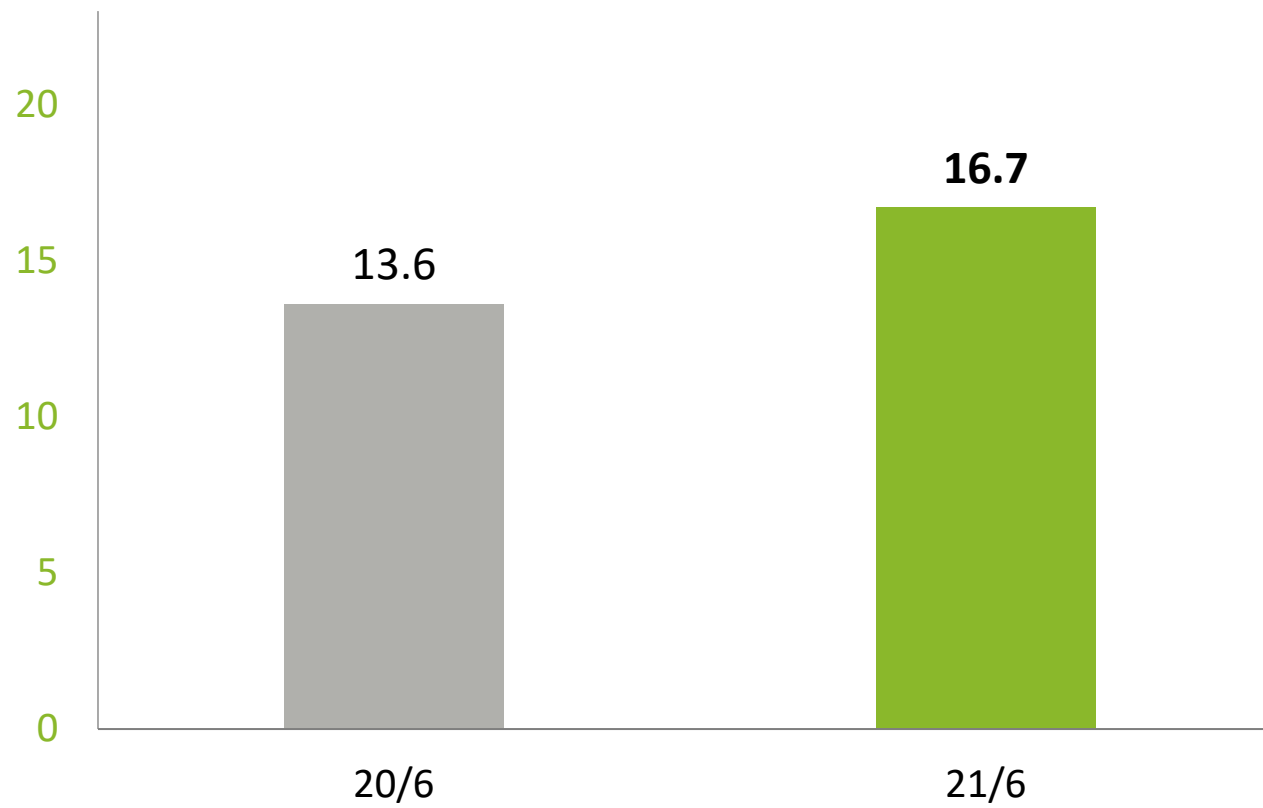
(Ministry of Land, Infrastructure, Transport and Tourism :“Housing Starts Statistics”)

Number of Daito's construction starts in each region & Daito's share



Transition of the number of tenant recruitment per sales representatives <YoY>

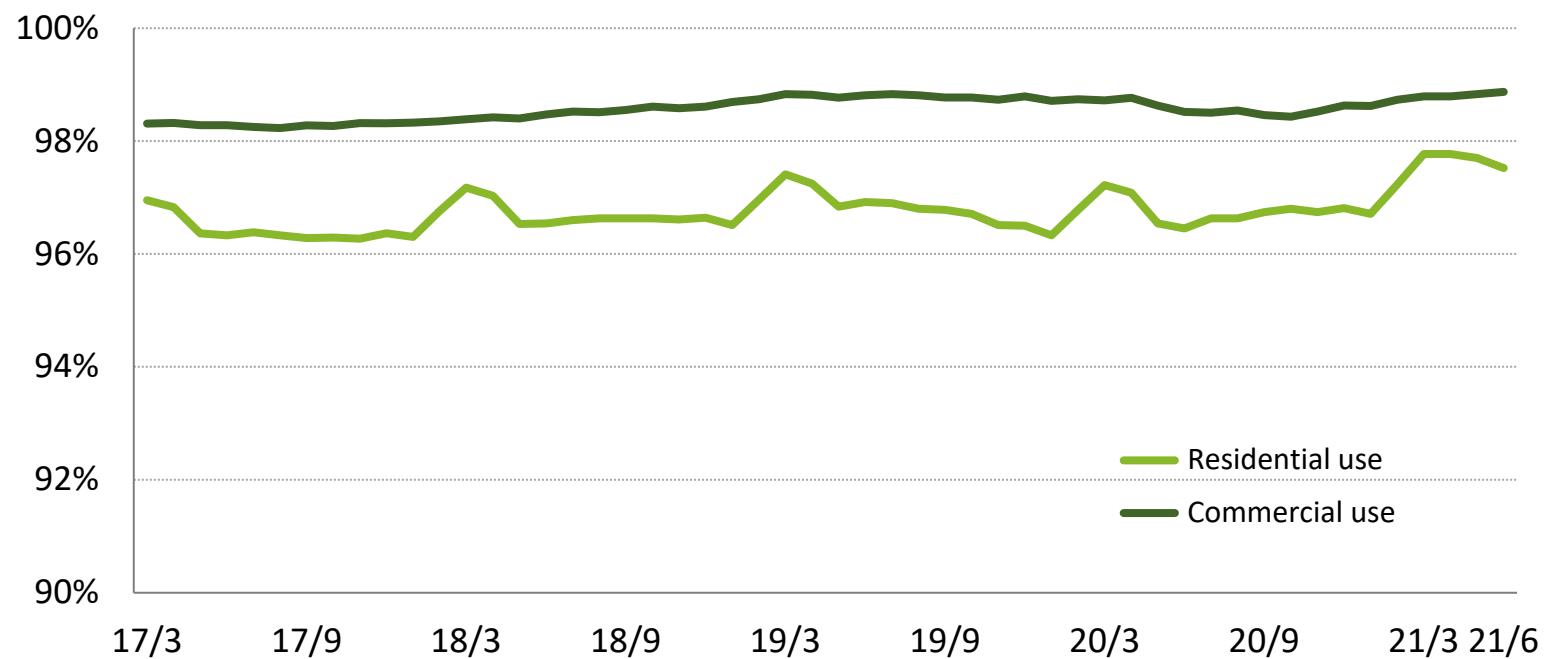
Number of tenant recruitment /
representatives / month



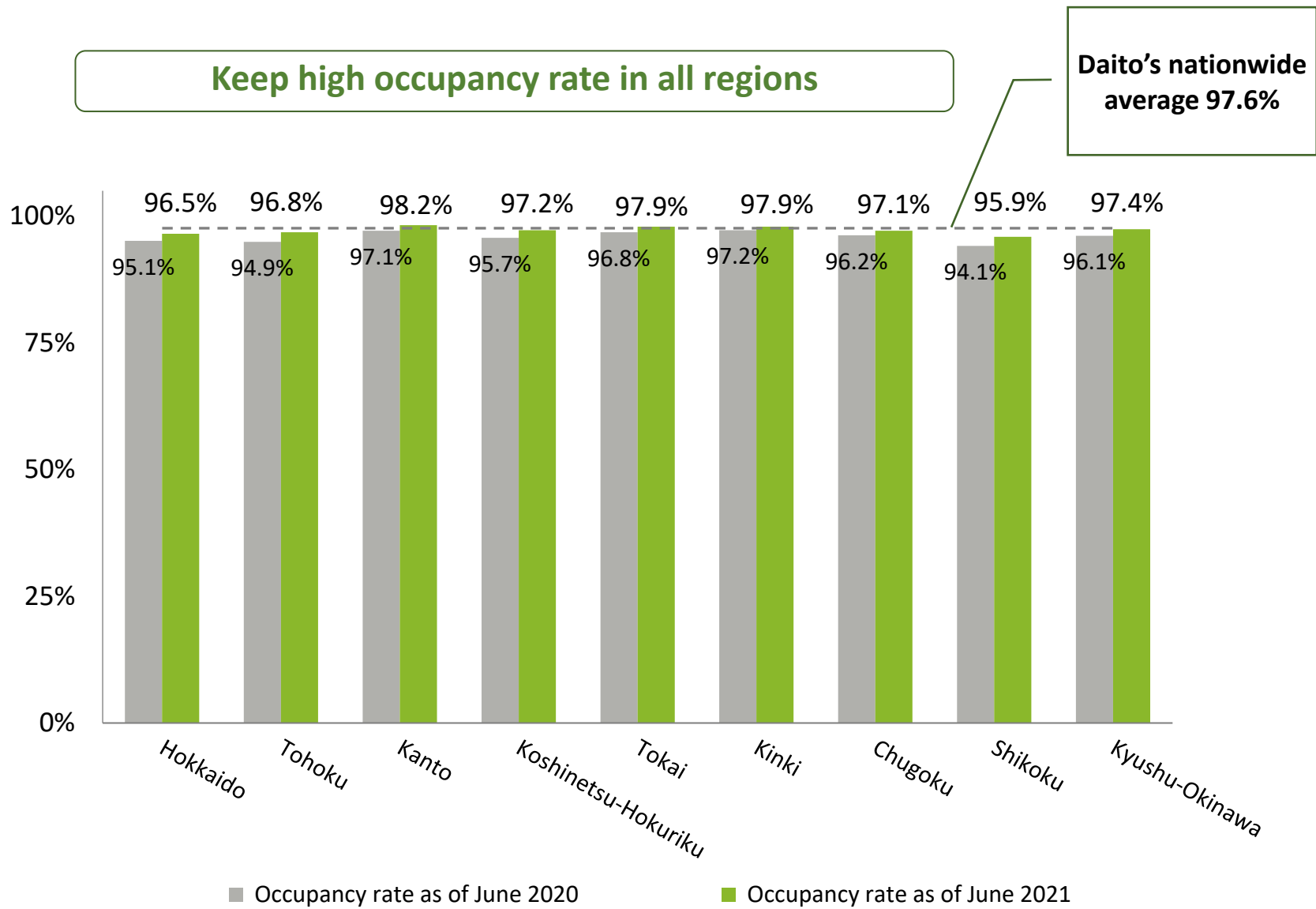
Transition of rent-based occupancy rate

Rent-based occupancy rate	17/6	18/6	19/6	20/6	21/6	YoY
Residential use (%)	96.3%	96.5%	96.9%	96.5%	97.6%	+1.1p
Commercial use (%)	98.3%	98.5%	98.8%	98.5%	99.0%	+0.5p

Rent-based occupancy rate

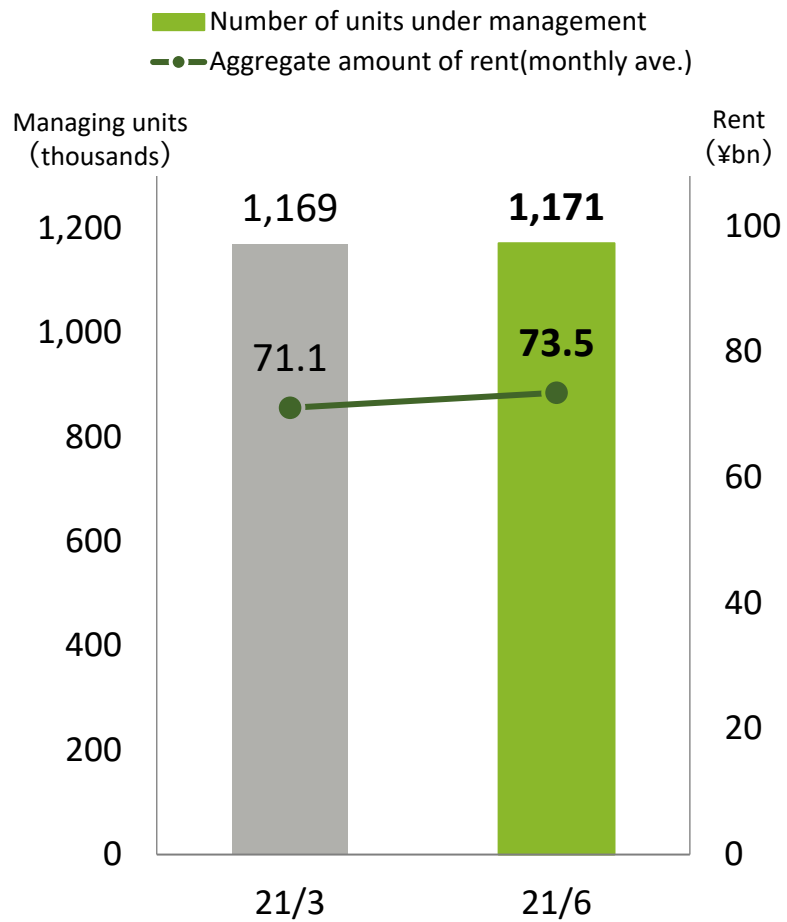


Rent-based occupancy rate in each region (as of June : Residential use)

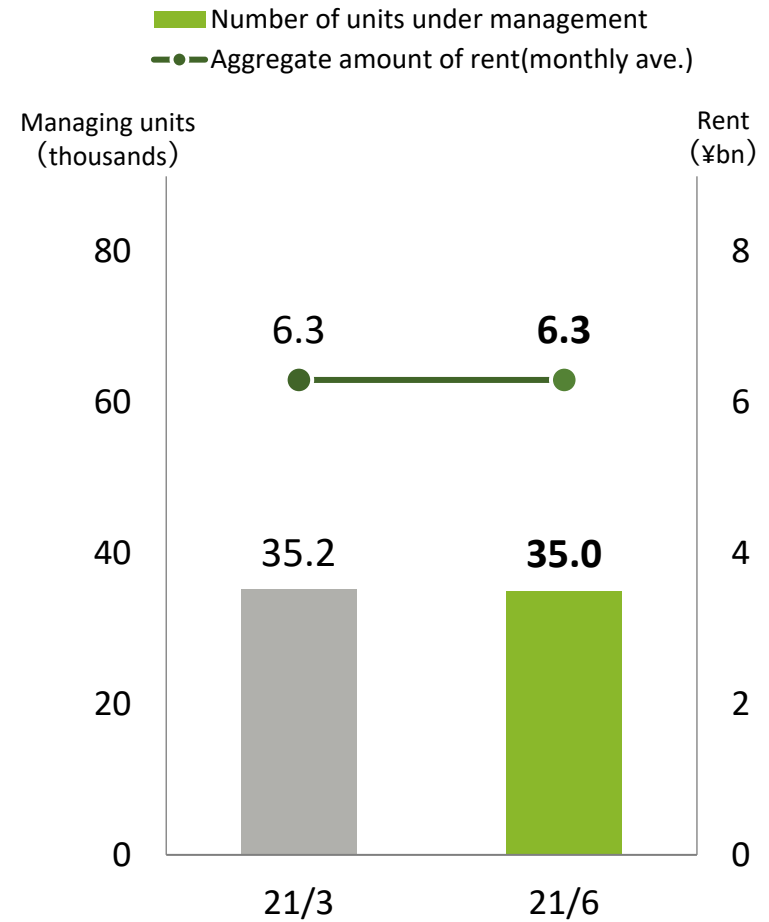


Number of units under management & aggregate amount of rent

Residential use

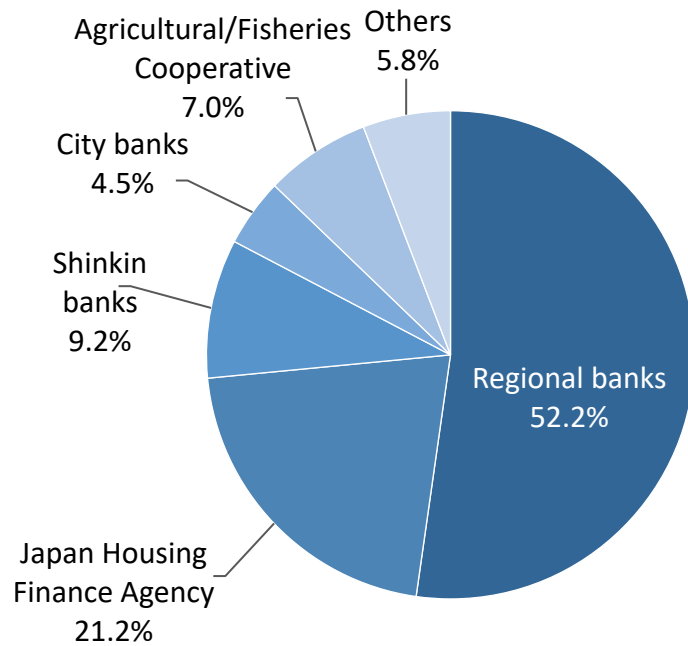


Commercial use

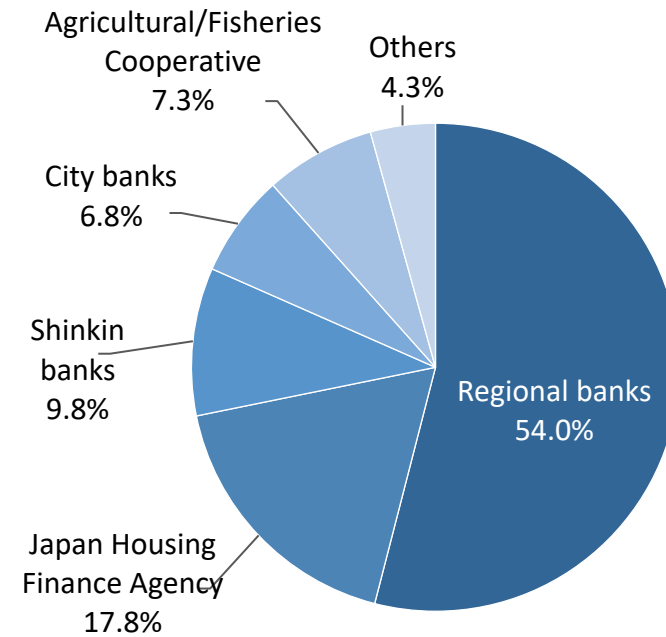


Customer's funds route

FY21/3 full-year



FY22/3 1Q



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