



DAITO TRUST
CONSTRUCTION CO., LTD.

Securities code : 1878

49th

Fiscal Term 1H (Consolidated)

DAITO REPORT

April 1, ▶ September 30, 2022





Top Message

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, 2022 (from April 1 to September 30, 2022) are reported as below. During the first half of the fiscal term, the outlook for the Japanese economy remained uncertain due to soaring raw material prices and the ongoing depreciation of the yen, although efforts to balance measures against COVID-19 infection and socioeconomic activities were seen. Under these circumstances, in the fourth year of the New Five-Year Medium-Term Management Plan, the Daito Group has focused on creating new profit-earning opportunities. As part of such efforts, in the construction business, we worked to secure sales personnel and improve contract quality while expanding contracts that utilize networks with tax accountants and financial institutions, digital marketing and other new channels. And in the real estate business, we expanded outlets that undertake management contracts for other companies' buildings and handle real estate sales and purchases while maintaining occupancy rates. Going forward, we will endeavor to further strengthen our real estate trust beneficiary rights brokerage business and the purchase/renovation and resale business of existing income-producing real estate. We will continue to focus on our recurring revenue business, which leverages the more than 1.2 million rental housing units under management, while further strengthening our rental housing business and related businesses. At the same time, we will steadily promote new initiatives to expand business domains, aiming to become a total lifestyle support company that is close to people's lives and indispensable to society. I look forward to your continued support and encouragement in the future.

November 2022

Katsuma Kobayashi President and Representative Director,
Chief Executive Officer

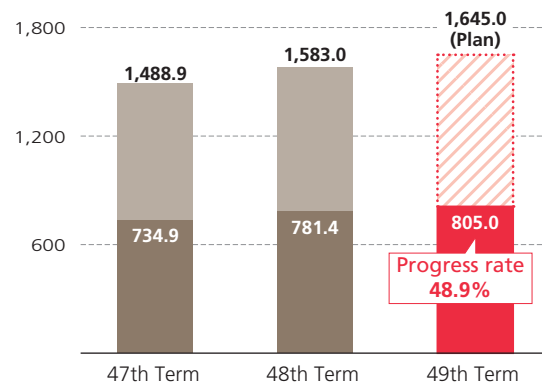
No changes have been made to the figures in the plan for the 49th fiscal term (fiscal year ending March 31, 2023) announced at the beginning of the fiscal year. Please check the Company's website for details.

<https://www.kentaku.co.jp/corporate/en/ir/kessan/FY2022.html>



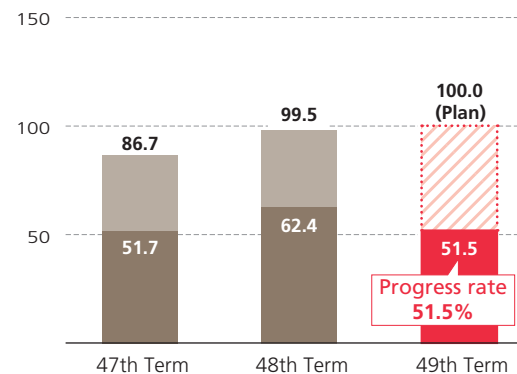
Net sales

■ Half year ■ Full year (billions of yen)



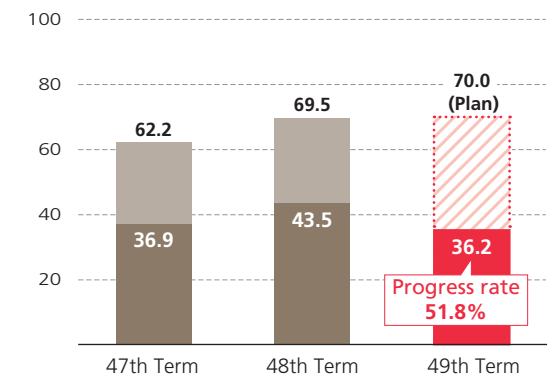
Operating income

■ Half year ■ Full year (billions of yen)



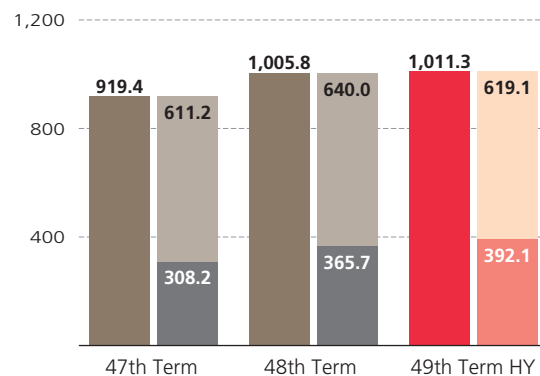
Net income attributable to owners of the parent

■ Half year ■ Full year (billions of yen)



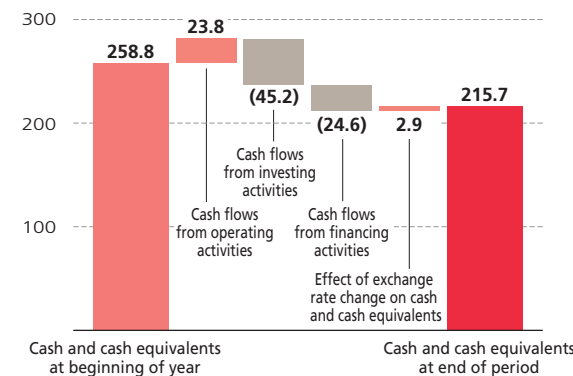
Assets/liabilities/net assets

■ Assets ■ Liabilities ■ Net assets (billions of yen)



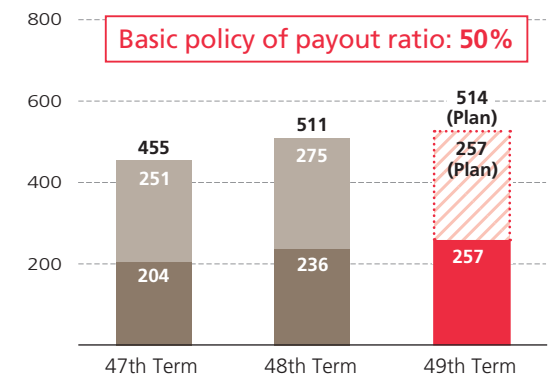
Cash flows

(billions of yen)



Dividend per share

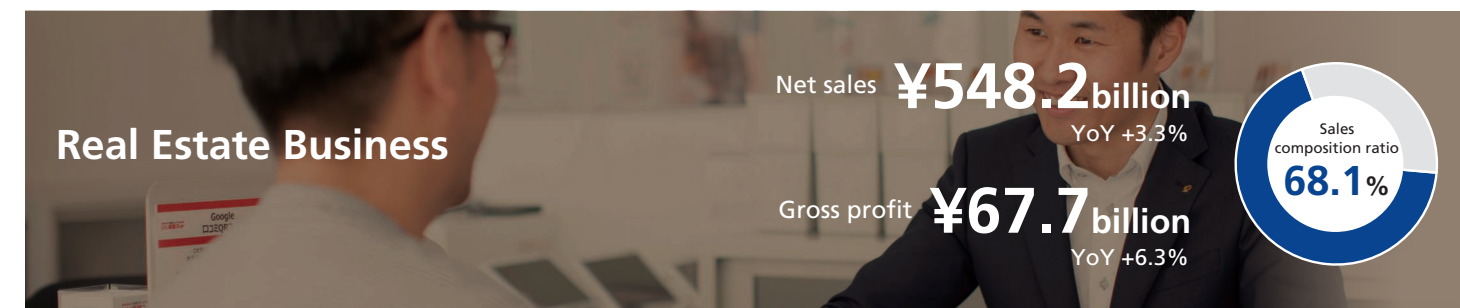
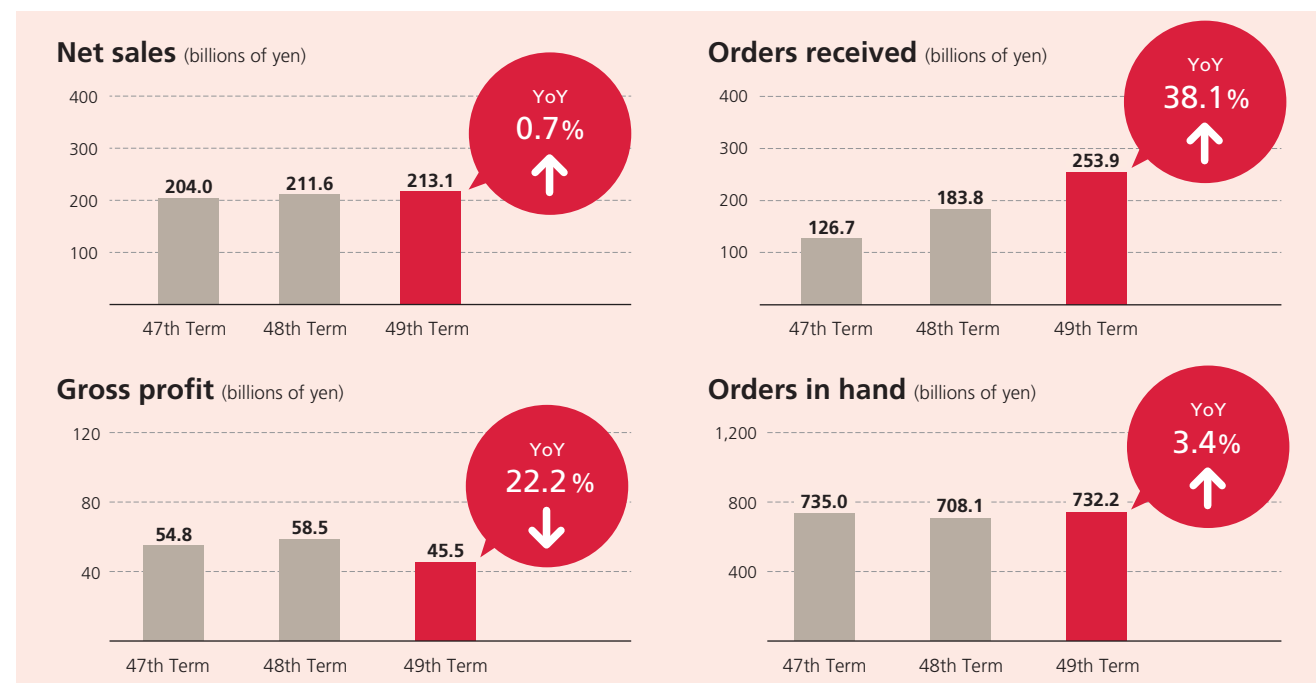
■ Half year ■ Full year (yen)





- ▶ Net sales increased by 0.7% year-on-year to ¥213,184 million mainly as a result of steady construction progress.
- ▶ Gross profit declined 22.2% year-on-year to ¥45,567 million due primarily to the impact of soaring imported lumber prices and material costs.

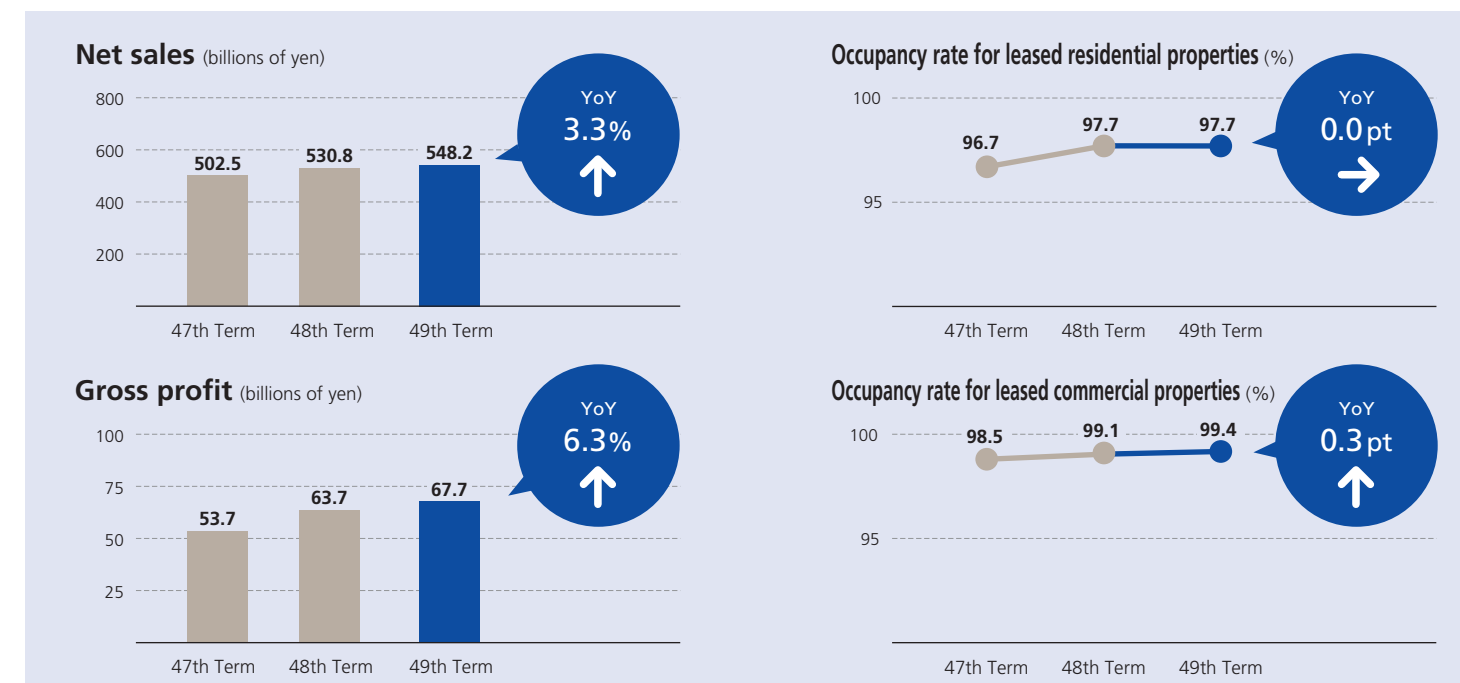
- ▶ Orders received increased 38.1% year-on-year to ¥253,906 million, mainly due to continued sales activities with measures against COVID-19 and strong sales of ZEH rental housings.
- ▶ The orders in hand increased 3.4% year-on-year to ¥732,287 million.



- ▶ Net sales increased 3.3% year-on-year to ¥548,224 million, mainly owing to higher rental income associated with an increase in whole-building lease properties and firm occupancy rates despite the COVID-19 pandemic, as well as an increase in revenue from joint guarantor-free services.

- ▶ The occupancy rate in September was 97.7% for leased residential properties, the same level as the same month last year, and 99.4% for leased commercial properties, up 0.3 points from the same month last year.

* Occupancy rate = 1 - (rent paid for vacant properties/total rent)

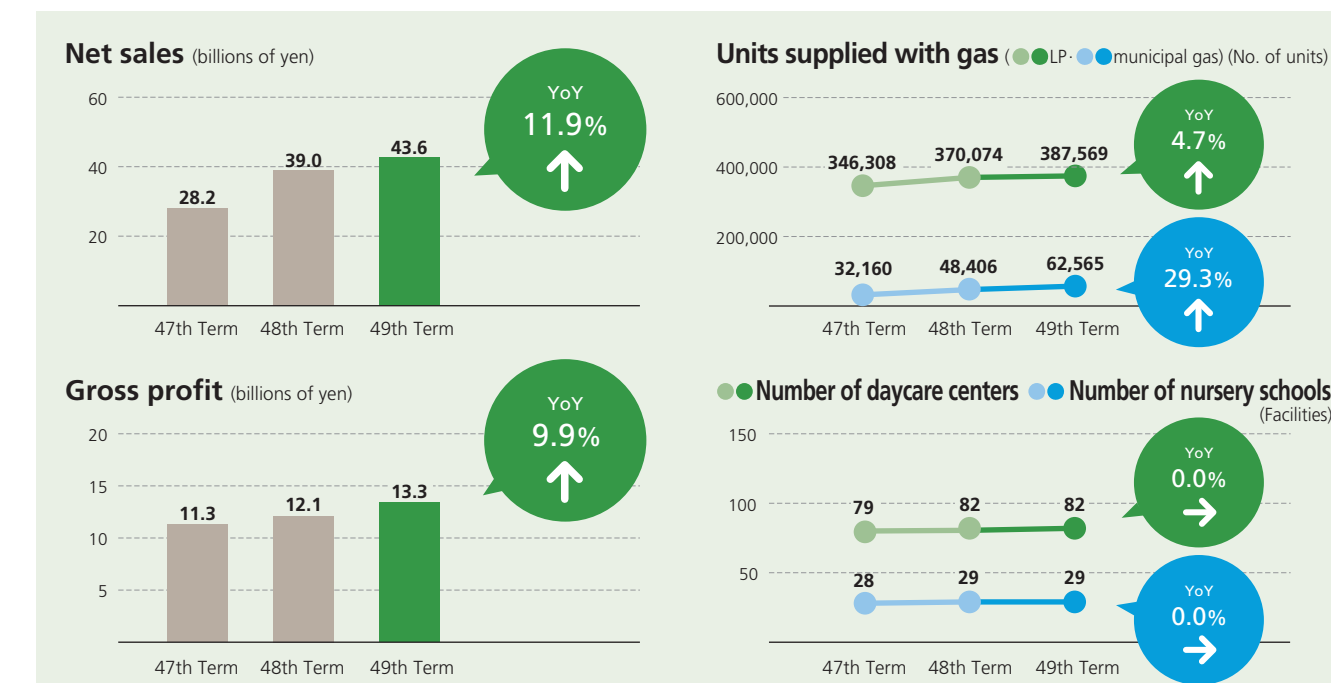


Please check the Company's website for details.
<https://www.kentaku.co.jp/corporate/en/ir/kessan/FY2022.html>



- ▶ Net sales increased 11.9% year-on-year to ¥43,663 million, primarily on account of an increase in the number of units supplied with LP gas and a greater number of units sold in the investment-purpose condominium business.

- ▶ The number of units supplied with LP gas increased by 4.7% year-on-year to 380 thousand units and the number of units supplied with municipal gas increased by 29.3% to 62 thousand units. The number of daycare centers and nursery schools both remained essentially unchanged year-on-year, at 82 and 29, respectively.



Notice Concerning Abolition of the Shareholder Benefit Plan

After careful consideration given to ensuring the fair return of profits to shareholders, and specifically considering the usage of this system, we have decided that it is more appropriate to concentrate on returning profits to shareholders through dividends. The Company will therefore abolish the shareholder benefit plan by providing it to shareholders who were listed as holding 100 shares or more in the shareholder registry as of September 30, 2022.

The Company considers the return of profits to its shareholders as an important management issue and will continue to work to improve its corporate value.

* Shareholder benefits for rights vested on September 30, 2022 can be used until March 31, 2023.

The Company has created a shareholder benefit plan based on the number of shares held.

Those shareholders stated or recorded in the shareholders registry as of **September 30, 2022** are eligible for the following shareholder benefits.

| | | | | |
|---|--|---|--|---|
| 1 ¥300,000 rebate on a construction contract Note 1 · Note 2 · Note 3 | 2 ¥300,000 rebate on the purchase of a condominium unit Note 1 · Note 2 · Note 3 | 3 10% increase in referral awards * When making referrals, please contact us using the contact details to the right. Note 4 | 4 Optional equipment service for building construction (equipment specified by the Company, maximum of ¥300,000) Note 1 · Note 2 | 5 One free complimentary ticket for lease brokerage commission * For shareholders who wish to receive complimentary tickets by mail, please contact us using the contact details to the right. Note 5 |
|---|--|---|--|---|

Shareholders holding 100 or more shares as of September 30

Shareholders holding 100 or more shares are eligible for all five of the benefits listed (1 to 5).

(A shareholder may not receive benefits 3 and 5 simultaneously for the same building lease agreement)

* Shareholders wishing to receive benefits are asked to please contact:

1 2 4 ▶ Please contact the Company's sales representative.

3 5 ▶ Daito Trust Construction Shareholder Benefit Support Center.

Please check the Company's website for details.

<https://www.kentaku.co.jp/corporate/ir/yutai.html>



- Note 1 The name of the person who will be entering into the contract must be in the shareholders registry as of the contract date.
[Contractual eligibility] ● Shareholder as of September 30 ▶ From October 1, 2022 to March 31, 2023
- Note 2 You will need to notify our staff in charge of sales prior to 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 or the full purchase price.
(In the case of joint contracts, etc., the upper limit is 300,000 yen per contract)
- Note 4 Shareholders who have introduced a landowner considering land utilization options or an individual who is looking for a residence to us are eligible to receive payment of an additional 10% as an honorarium if the Company ultimately concludes a contract with such landowner or individual.
● 1.1% of construction contract (compared with the normal rate of 1%)
● ¥12,000 regardless of the amount of rent (compared with the normal amount of ¥10,000+1,000 (tax not included))
* In certain cases a shareholder may be deemed ineligible for payment of honorarium pursuant to Company regulations.
You will not be eligible for the honorarium payment in the event that an individual you introduce has previously contacted us prior to your referral.
[Contractual eligibility] ● Shareholder as of September 30 ▶ From October 1, 2022 to March 31, 2023
- Note 5 [Period of validity] ● Shareholder as of September 30 ▶ From January 1, 2023 to March 31, 2023

FAQ Related to the Shareholder Benefit Plan



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

Benefits **1**, **2** and **4**

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.

Benefit **3**

Shareholder who wishes to receive benefit



Daito Trust Construction Shareholder Benefit Support Center*

- 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).

Benefit **5**

Shareholder who wishes to receive benefit



Daito Trust Construction Shareholder Benefit Support Center*

- Please contact Daito Trust Construction Shareholder Benefit Support Center to have the ticket sent.
 - Complimentary tickets 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.
- Lease brokerage commission will be waived.

*Please refer to the below contact details.



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

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



We have a rental apartment currently under construction. We would like to receive ¥300,000 rebate on a construction contract and optional equipment service for building construction 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?

Shareholders recorded in the register of shareholders at the time of contract execution are eligible for the shareholder benefit plan (record date: September 30, 2022). Accordingly, the benefits cannot be used in the case discussed above.



We would like to use ¥300,000 rebate on a construction contract and optional equipment service for building construction. Can we use it for repair work of a building that has already been completed?

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



**For inquiries regarding
the shareholder benefit plan**

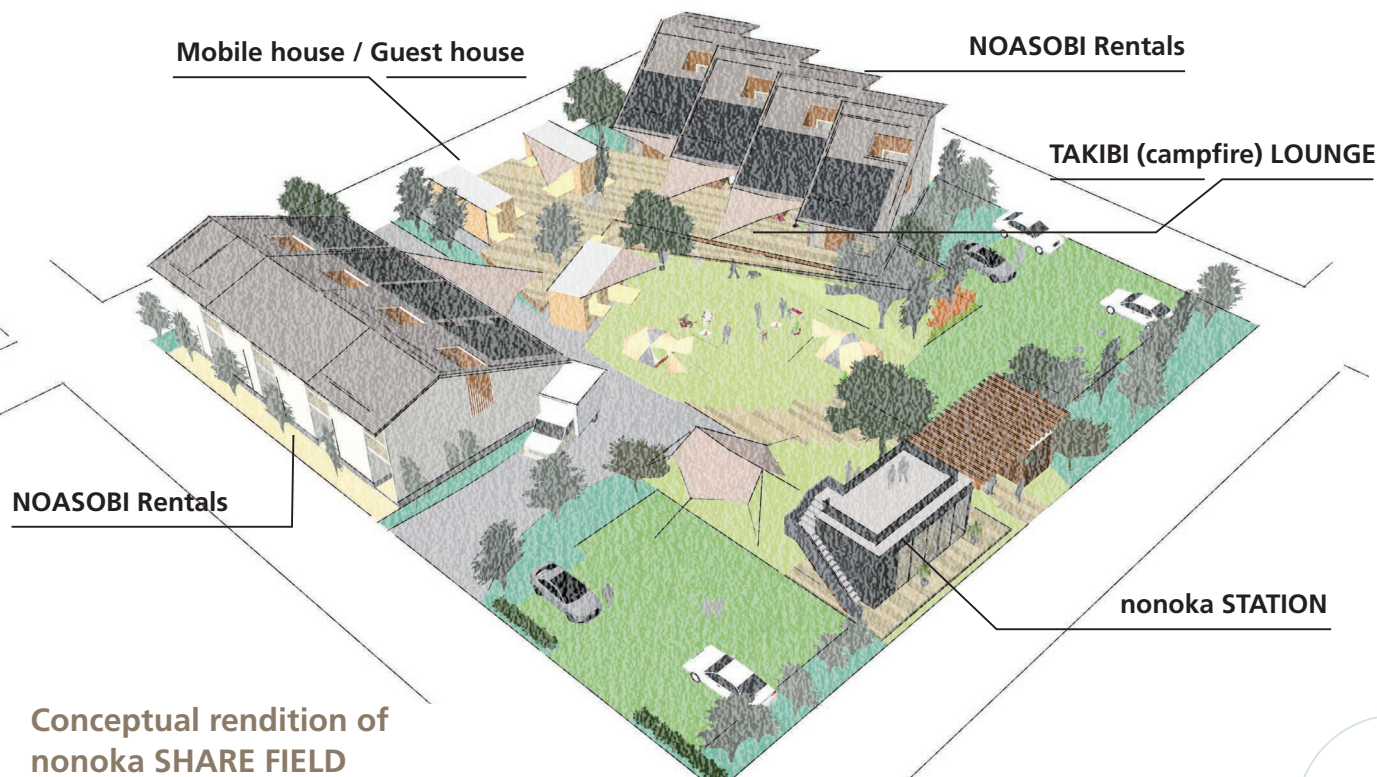
**Daito Trust Construction Shareholder Benefit
Support Center**

E-MAIL: keiki@kentaku.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.

PICK UP 1

A Creation by Snow Peak × Daito Trust Construction A new way to live and community development with "NOASOBI" (outdoor enjoyment) as disaster prevention



Conceptual rendition of
nonoka SHARE FIELD

* As this is a rendition, configuration and details of buildings may vary by region.

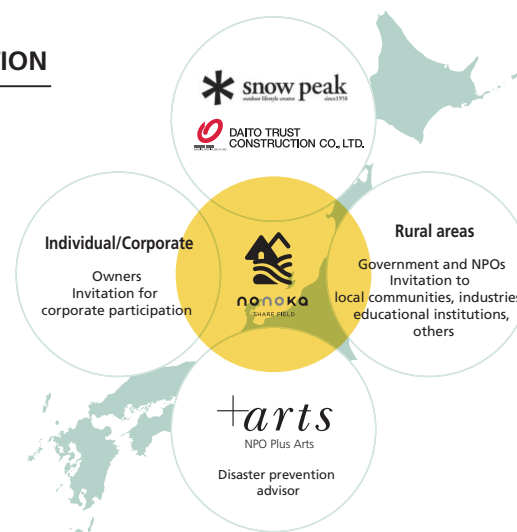


What is nonoka SHARE FIELD?

The "nonoka" (field house) SHARE FIELD, which incorporates "NOASOBI" (outdoor enjoyment) and also leads to disaster prevention, is a community that would facilitate actual communication, an essential component in bringing to life the shared vision of both companies, which is "building a culture in which the concept of disaster prevention transforms into outdoor enjoyment."

In July 2022, we launched the "NOASOBI (outdoor enjoyment) Rental Project" themed on "rental housings + outdoor enjoyment + disaster prevention" jointly with Snow Peak, Inc.

Daito Trust Construction, which is committed to "disaster-resistant rental housing," and Snow Peak, a company that seeks to create spaces that incorporate elements of outdoor enjoyment, set this project in motion as it offers a shared sense of both of their respective philosophies and initiatives. By FY2023, we plan to have developed "a mechanism to connect" communities and people by moving forward with the development of "nonoka SHARE FIELD" while creating a sustainable community.



CHECK !

nonoka HP



PICK UP 2



"Bo-Ku Lab Rental Housing niimo" Honored with Award of Excellence at the 5th EcoPro Awards



Our first disaster-prevention-conscious rental housing, "Bo-Ku Lab Rental Housing niimo," received the "Award of Excellence" at the 5th EcoPro Awards announced in September 2022. The product was highly regarded from the perspective of adapting to climate change and proposals for ways to live with nature that allow people to continue to live in their homes even in the event of disaster.

◀ Rendition of "Bo-Ku Lab Rental Housing niimo" exterior

PICK UP 3



Sales start for "Bo-Ku Lab Rental Housing yell"



In October 2022, we began sales of "Bo-Ku Lab Rental Housing yell" as the second product in our line of disaster-prevention-conscious rental housing.

The concept of this product is "stockpiling" in anticipation of lifeline outages and "community building" among residents that leads to "mutual aid" in times of emergency. The building also features a variety of items to support stockpiling and spaces that interact to encourage communication, and incorporates a disaster prevention option that allows for the installation of solar power generation equipment and storage batteries.

◀ Rendition of "Bo-Ku Lab Rental Housing yell" exterior

Introducing Two Options to Build Relationships with Communities through Disaster Prevention



DK-ZEH α

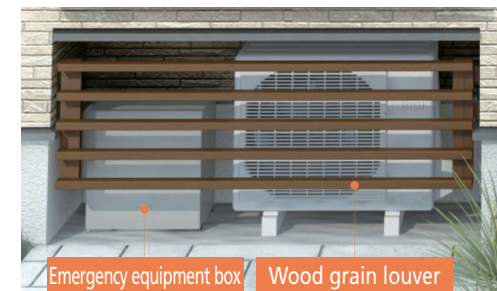
Installation of solar power generation equipment and storage batteries. When a disaster or other trouble strikes to cause a power failure, this will be useful in relevant regions as an emergency power source.

*Conditions apply with regions, etc.



Bo-Ku Lab option

Installation of emergency equipment boxes and wood grain louvers. The box contains emergency items such as work gloves and blue tarpaulin sheets that can be used by local residents and that are useful in case of emergency.



Emergency equipment box Wood grain louver

2022 Neighborhood Livability Municipality Ranking (Nationwide Edition)

The Company conducted one of the largest-ever resident satisfaction surveys and compiled the results as the “2022 e-Heya Net Neighborhood Livability Municipality Ranking (Nationwide Edition).” Few large-scale surveys have been conducted that concern how people actually feel about the towns in which they live.

The Company has put together the survey based on the belief that there is a strong demand among people looking for a new residence to know how local residents feel about the town in which they live, and that provision of such information would contribute to achieving happier residential life.



Nagakute City, Aichi

Developed as a Nagoya commuter town, Nagakute City has a growing population and is famous for having the youngest average age of residents in the country.



© Provided by Nagakute City



Bunkyo-ku, Tokyo

Bunkyo-ku, an area rich in greenery, is well known for its quietness and safety that offers an ideal educational environment with many universities and integrated junior and senior high schools.



©Bunkyo Plum Blossom Festival (1): Bunkyo-ku, Creative Commons Attribution 4.0 International License



Chuo-ku, Fukuoka City, Fukuoka

Chuo-ku, Fukuoka City, is home to Tenjin, known as one of Kyushu's largest downtown areas. Being at the center of Fukuoka City, Chuo-ku encompasses areas including Oori Koen, Yakuin, and Ropponmatsu, and is also popular for the Josui Street and the municipal zoo.

© Provided by Fukuoka City



Tennoji-ku, Osaka City, Osaka

Situated almost directly in the center of Osaka City, Tennoji-ku has a concentrated commercial zone. In recent years, the population has been growing due in part to the supply of tower condominiums as a result of redevelopment.



Chuo-ku, Tokyo

Chuo-ku is home to both nationally renowned commercial centers and towns that retain a traditional downtown atmosphere, and is one of the most iconic areas of Tokyo.

**No. 1 ranking nationwide
for 26 consecutive years**

2022 Rental Housing Units Under Management Ranking 1,083 companies

We conducted a survey of rental management companies nationwide regarding their numbers of rental housing units under management in FY2021, and the results were compiled from 1,083 companies based on their respective declarations. The Daito Group took the top spot for an increase of 27,981 units from the same period of the previous year.

(No. of units under management)

| | |
|--|------------------|
| ① Daito Group | 1,202,245 |
| ② Sekisui House Group | 674,125 |
| ③ Starts Group | 652,017 |
| ④ Daiwa Living Co., Ltd. | 618,231 |
| ⑤ Leopalace21 Corporation | 567,314 |
| ⑥ Token Corporation | 260,611 |
| ⑦ House Mate Group | 237,788 |
| ⑧ Tokyu Housing Lease Corporation | 116,619 |
| ⑨ Asahi Kasei Realty & Residence Corporation | 111,050 |
| ⑩ Japan Property Management Center Co., Ltd. | 106,943 |

Source: Zenkoku Chintai Jutaku Shimbun, No. 1520 (issued on August 15, 2022)

**No. 1 ranking nationwide
for 12 consecutive years**

2022 Rental Housing Unit Brokerage Ranking 404 companies

We were ranked number one in the 2022 Rental Housing Unit Brokerage Ranking of 404 Companies, announced by the Weekly Zenkoku Chintai Jutaku Shimbun. This marks the 12th consecutive year that the Daito Group has achieved the top ranking.

(No. of rental housing unit brokerage)

| | |
|--------------------------|----------------|
| ① Daito Group | 239,427 |
| ② Token Corporation | 72,300 |
| ③ House Mate Group | 67,399 |
| ④ Townhousing Co., Ltd. | 61,708 |
| ⑤ Taisei Housy Holdings | 48,364 |
| ⑥ Relo Partners, Ltd. | 42,670 |
| ⑦ Starts Group | 36,555 |
| ⑧ JOGUCHI ATOM Co., Ltd. | 31,579 |
| ⑨ BIG Co., Ltd. | 27,219 |
| ⑩ J.S.B. Co., Ltd. | 25,034 |

Source: Zenkoku Chintai Jutaku Shimbun, No. 1491 (issued on January 3, 2022)

Large-scale house manufacturer division

**No. 1 ranking nationwide
for 2 consecutive years**

2022 Construction Companies Strong in Rental Housing Annual Number of Units Completed Ranking 116 companies

(This ranking was started in 2021.)

Zenkoku Chintai Jutaku Shimbun Co., Ltd. conducted a survey of construction companies concerning their number of completed rental housing units. Based on the statements of 116 companies that responded, Daito Trust Construction was number one among seven large-scale house manufacturers.

(No. of properties completed)

| | |
|--|---------------|
| ① Daito Trust Construction Co., Ltd. | 39,060 |
| ② Daiwa House Industry Co., Ltd. | 31,202 |
| ③ Sekisui House, Ltd. | 25,170 |
| ④ Token Corporation | 9,115 |
| ⑤ Asahi Kasei Realty & Residence Corporation | 6,859 |
| ⑥ Panasonic Homes Co., Ltd. | 5,473 |
| ⑦ SEKISUI CHEMICAL CO., LTD. | 2,270 |

Source: Zenkoku Chintai Jutaku Shimbun, No. 1514 (issued on June 27, 2022)

Corporate Data (As of September 30, 2022)

| | |
|---|--|
| Company Name | Daito Trust Construction Co., Ltd. |
| Established | June 20, 1974 |
| Capital | ¥29,060,991,263 |
| Head Office | 2-16-1, Konan, Minato-ku, Tokyo 108-8211, Japan |
| Employees | 8,278 (non-consolidated) / 17,958 (consolidated) |
| Business Activities (Including the Group) | Planning of building leasing business and relevant construction, real estate brokerage and management, and related businesses such as gas supply |

Officers (As of September 30, 2022)

| | | |
|-----------------------------------|--|--------------------|
| Directors | President and Representative Director, Chief Executive Officer | Katsuma Kobayashi |
| | Managing Director | Shuji Kawai |
| | Managing Director | Kei Takeuchi |
| | Managing Director | Koji Sato |
| | Director | Kanitsu Uchida |
| | Director | Masafumi Tate |
| | Director | Yoshihiro Mori |
| | Director (Outside) | Toshiaki Yamaguchi |
| | Director (Outside) | Mami Sasaki |
| | Director (Outside) | Takashi Shoda |
| Director (Outside) | Atsushi Iritani | |
| Audit & Supervisory Board Members | Standing Audit & Supervisory Board Member (Outside) | Masayasu Uno |
| | Audit & Supervisory Board Member (Outside) | Masa Matsushita |
| | Audit & Supervisory Board Member (Outside) | Kenji Kobayashi |

Notice regarding change in sector classification to which our stock belongs

As of October 3, 2022, the sector classification to which the Company's stock belongs at Tokyo Stock Exchange and Nagoya Stock Exchange was changed from "Construction Business" to "Real Estate Business." The securities code (1878) will remain unchanged.

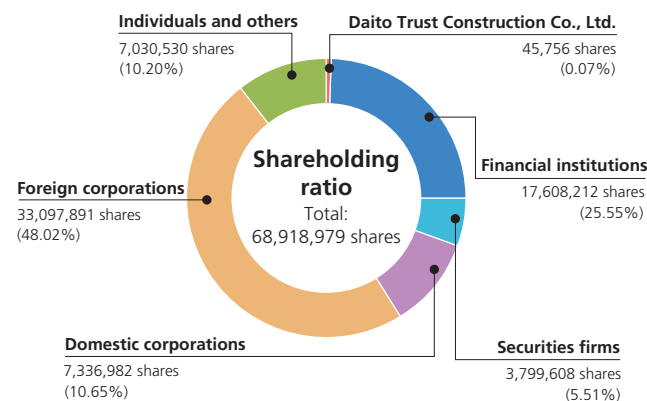
* The stock section of newspapers, etc. has also been changed to "Real Estate Business."

The Company's Stock (As of September 30, 2022)

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 | 20,903 shareholders |

Composition of shareholders (As of September 30, 2022)



Information for Shareholders

| | |
|---|---|
| Fiscal year | April 1 to March 31 |
| General Meeting of Shareholders | June |
| Record date | Record date for voting rights at the Ordinary General Meetings of Shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30 |
| Trading unit | 100 shares |
| Stock exchange listing | Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market) |
| 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 Please contact the securities company where you maintain an account. Shareholders who do not conduct transactions with a securities company Please contact Stock Transfer Agency Division, 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 |

Owned Media/Official SNS Accounts

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DAITO TRUST CONSTRUCTION CO., LTD.

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健康経営優良法人
Health and productivity
ホワイト500

