

**FY ended March 31, 2023**  
**Q&A Summary on disclosure of settlement of accounts**

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**About orders received**

**Q1. Please tell us the factors behind the improvement in the cancellation rate.**  
**(Presentation slide P20)**

A1. We believe that the fact that the number of cancellations due to poor financing has decreased due to the change in the recording standard two years ago to recording after the loan has been finalized has contributed to the improvement in the overall cancellation rate.

**Q2. Please tell us about the outlook for orders of 540 billion yen for the fiscal year ending March 31, 2024. (Presentation slide P28)**

A2. We believe that we can achieve 540 billion yen by normalizing sales activities due to the easing of restrictions on COVID-19, expanding sales channels that we have worked on during the pandemic, and increasing the unit price of orders due to sales price revisions.

**Q3. Please tell us about the countermeasures that the sales price revision is affecting the acquisition of orders in the suburbs.**

A3. We are striving to secure yields by absorbing the impact of price revisions through rent assessments using AI and reviews of appropriate rents against the backdrop of high occupancy rates.

**About the net sales and the gross profit on completed construction work**

**Q4. Please tell us about the outlook for the gross profit margin on completed construction work and any further sales price revisions going forward. (Presentation slide P27)**

A4. In the medium term, we aim to achieve a gross profit margin of 28% for completed construction projects, and we will continue to revise sales prices at appropriate times in light of rising material and labor costs.

**Q5. Please tell us about the use of wood in mid-to-high-rise properties.**

A5. We sell wooden 4-story rental housing products using our original CLT construction method.

**Q6. Please tell us the factors behind the decline in Mid-rise ratio.  
(Presentation slide P19)**

A6. This is mainly due to strong sales of ZEH rental apartments, which are two-story products.

**About real estate business**

**Q7. The number of foreigners is increasing. Please tell me how many of Daito Trust's tenants are foreigners. What kind of services are there for foreign residents?**

A7. About 17,000 of our contracts are with foreign nationals, about 2% of the total. Currently, the tenant recruitment site and support center are available in 6 languages. We will strive to expand services for foreign residents in preparation for future increases in needs.

**Q8. Please tell us about your efforts to utilize IT in tenant recruitment and managing properties.**

A8. Regarding tenant recruitment, we have built a system that enable our staffs to complete on-site guidance with a smartphone. We will continue to work on the utilization of IT for the maintenance of buildings.

**Q9. Please tell us how much rent has risen nationwide.**

A9. Last fiscal year, rent increased by about 150 yen/month per unit, and rent income increased by about 2 billion yen.

**About SG&A expenses**

**Q10. Please explain why the SG&A expenses plan for the fiscal year ending March 31, 2024 has increased from the previous fiscal year.**

A10. This is to resume sales promotion activities for customers that could not be carried out due to restrictions on COVID-19 until the previous term.

**Others**

**Q11. Please tell us about shareholder returns and capital policies to achieve ROE of 20%.  
(Presentation slide P37)**

A11. We would like to consider various methods such as buying back our own shares and selling our holdings and assets.

**Q12. Please tell us about new business investments and future M&A initiatives.**

A12. We will continue to consider capital investment and M&A in businesses and companies that can complement our group in the construction business and real estate business.

**Q13. Please tell us about the results for the fiscal year ended March 31, 2023 and the plan for the fiscal year ending March 31, 2024 for Building and land set sales, purchases-renovations-resales. (Presentation slide P31)**

A13. The actual amount for the fiscal year ended March 31, 2023 is approximately 20 billion yen, and the plan for the fiscal year ending March 31, 2024 is 37 billion yen.

**Q14. Please tell us the criteria for purchases-renovations-resales, and how many of the properties your company manages are available for purchase? (Presentation slide P31)**

A14. We purchase properties constructed by our company from owners who intend to sell them. We estimate that our company purchases about 1,000 properties per year.

End