



# 49<sup>th</sup> | **DAITO REPORT**

April 1, 2022 ▶ March 31, 2023



**DAITO TRUST  
CONSTRUCTION CO., LTD.**

Securities code: 1878



# Top Message

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

From this term, which marks the 50th anniversary since our founding, I have been appointed Representative Director, Chief Executive Officer. We would like to thank all stakeholders for supporting us. We will maintain our attitude and values in order to take on upcoming challenges, and devote ourselves to the Daito Group's further expansion.

As COVID-19 restrictions on activities have been eased, our business activities are gradually returning to the normal state. However, due to societal changes worldwide, our business environment is also dramatically different. Differences such as rising construction costs will have to be contended with. This volatile era that we find ourselves in must be navigated carefully and with all employees working towards the same future.

For 50 years, the Daito Group has been standing side by side with the customers and tenants, proudly supporting them and their futures. They have counted on all of us to provide the best services possible.

Going forward, we will retain a mission to hand over our trust to the next generation, and continue operating at our high standard in perpetuity. Never forget that our existence has great value to the customers and the local community, and we should be proud of our commitments to them. In order to achieve this mission, we have formulated a "Purpose."

**Daito Group's Purpose:**

**"Link the Trust to Make a Better Future."**

With this Purpose, we will continue to fulfill our responsibilities to all our stakeholders, including owners, tenants, and business partners, and work to improve our corporate value.

I look forward to your continued support and encouragement in the future.

June 2023

**Kei Takeuchi**

Representative Director, Chief Executive Officer



## Please tell us about your business environment for the 49th term (FY2022).

During the 49th term, the Japanese economy showed signs of recovery as Japan eased COVID-19 restrictions, and social activities gradually returned to a near-normal state.

However, there is still some uncertainty in the housing industry due to soaring material and energy prices.

Even in this situation, we will strive to increase orders by expanding sales channels and increasing our sales personnel. We will also continue to further strengthen the rental housing business and related businesses, such as the stock business, by using more than 1.2 million rental housing units under management.

In addition, we will promote new initiatives outside the rental housing business.



## Against the backdrop of this business environment, how were your financial results for the 49th term?

For the 49th term, the Daito Group recorded net sales of ¥1,657.6 billion, up 4.7% year-on-year, operating income of ¥100.0 billion, up 0.4% year-on-year, ordinary income of ¥103.8 billion, up 0.2% year-on-year, and net income attributable to owners of the parent of ¥70.3 billion, up 1.1% year-on-year. We increased both sales and profit for the second consecutive year and exceeded our goals.

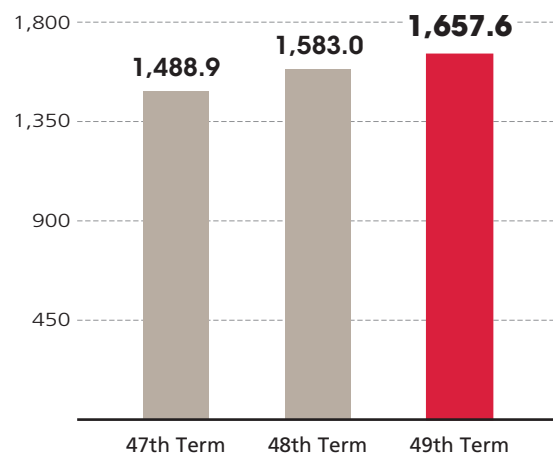
We would like to thank all our stakeholders, including owners, tenants, and business partners. With their support, we were able to surpass the previous fiscal year's results, despite the soaring raw material and energy prices having a significant impact on our business.

### Financial highlights (Consolidated) April 1, 2022 To March 31, 2023

#### Net sales

**¥1,657.6 billion**

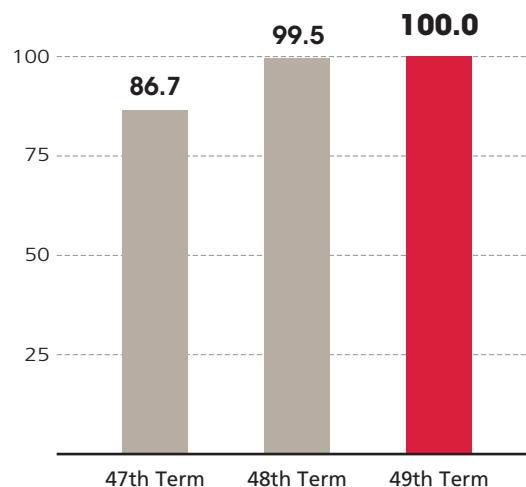
YoY  
↑ **+4.7%**



#### Operating income

**¥100.0 billion**

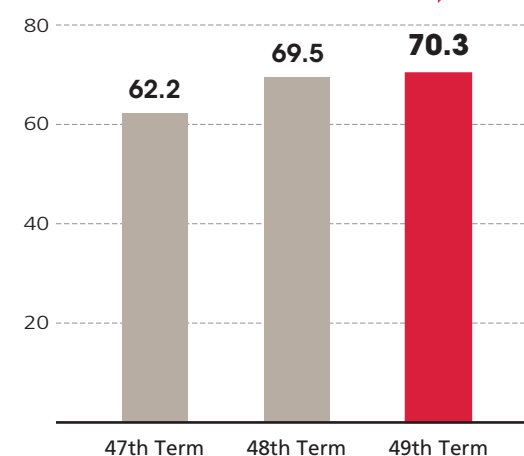
YoY  
↑ **+0.4%**



#### Net income attributable to owners of the parent

**¥70.3 billion**

YoY  
↑ **+1.1%**

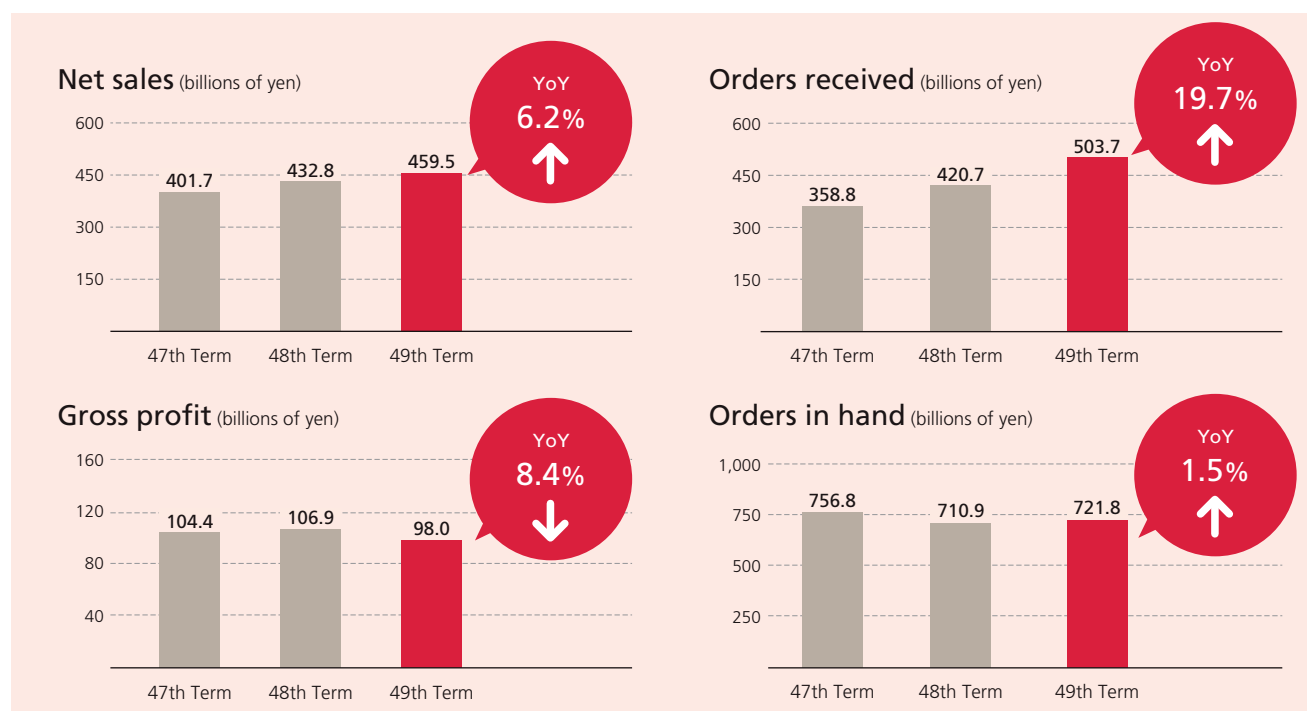






- ▶ Net sales increased by 6.2% year-on-year to ¥459.5 billion, mainly as a result of steady construction progress.
- ▶ Gross profit declined 8.4% year-on-year to ¥98.0 billion due to soaring material and energy prices and the depreciation of Japanese yen.

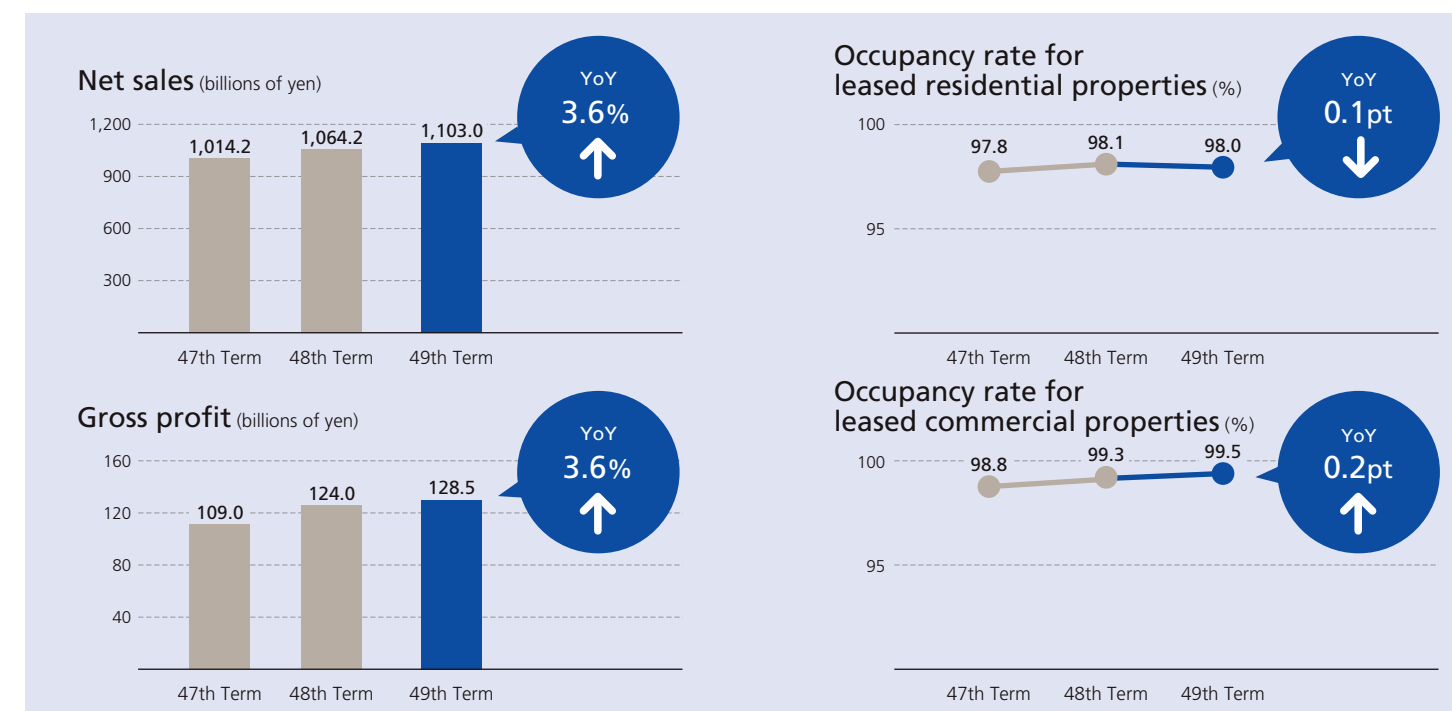
- ▶ Orders received increased 19.7% year-on-year to ¥503.7 billion due to eased restrictions on sales activities after the convergence of COVID-19.
- ▶ The orders in hand increased by 1.5% year-on-year to ¥721.8 billion.



- ▶ Net sales increased 3.6% year-on-year to ¥1,103.0 billion, mainly owing to higher rental income associated with an increase in whole-building lease properties and record-high level occupancy rates, as well as an increase in revenue from joint guarantor-free services.

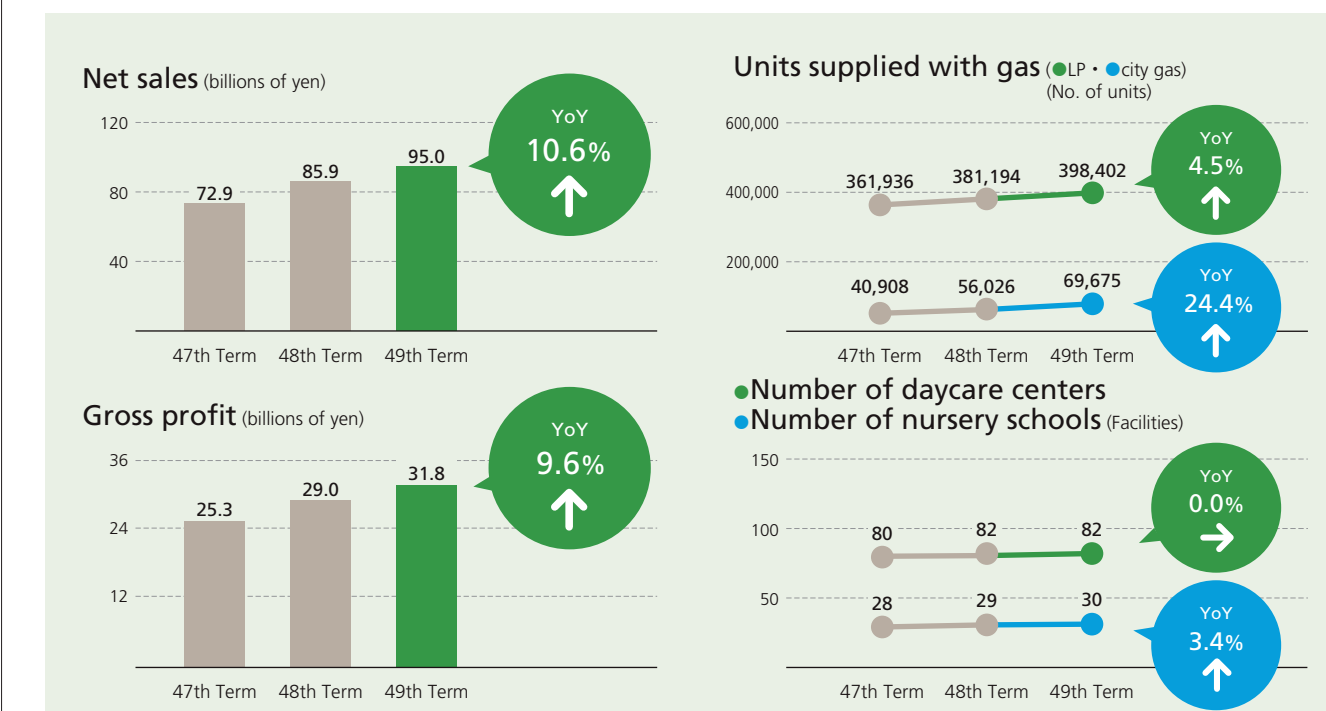
- ▶ The occupancy rate for leased residential properties in March was 98.0%, down 0.1 percentage points year-on-year, and that for leased commercial properties was 99.5%, up 0.2 percentage points year-on-year.

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



- ▶ Net sales increased 10.6% year-on-year to ¥95.0 billion, mainly due to an improvement in the Malaysian hotel occupancy rate due to easing of restrictions caused by the COVID-19 and an increase in the total number of meters in operation in the gas supply business.

- ▶ The number of units supplied with LP gas increased 4.5% year-on-year to 398,402 units, and the number of units supplied with city gas increased 24.4% year-on-year to 69,675 units. The number of daycare centers remained essentially unchanged year-on-year at 82, and the number of nursery schools increased 3.4% year-on-year to 30.



Special Feature 1

# VISION My TAG, a 50th anniversary special product

We have developed a 50th anniversary special product through industry-academia collaborative research with Tama Art University.

For this product, we challenged ourselves to develop next-generation rental housing that has never existed before. During development, we were not bound by stereotypes, as we wanted to create real communication between the community and tenants.



“VISION MyTAG” Concept

Recently, there has been a tendency to share personal lifestyles, hobbies, likes, and more on social media to form communities, especially among the younger generation.  
“VISION MyTAG” is rental housing that allows them to express themselves in their daily lives while creating real communication.



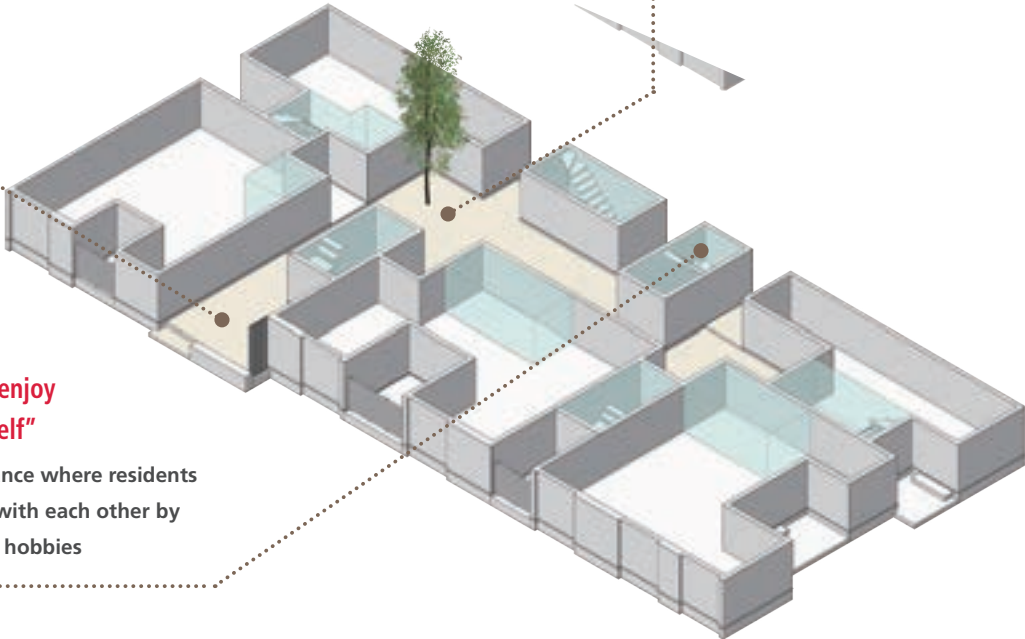
**Link spot**  
“A place to enjoy a connection with the community”  
An open entrance where neighbors are welcome to visit



**Hello spot**  
“A place to enjoy a connection with other residents”  
A common backyard where you can see each housing unit’s “my spot” and build a visual connection








**My spot**  
“A place to enjoy being yourself”  
A large entrance where residents can interact with each other by sharing their hobbies



Special Feature 2

# New initiatives toward diversity

As one of the initiatives we would like to start from our 50th anniversary, the Daito Group has started the “Open Room Project -Support the livings of ten people, ten colors-” project with the goal of providing rental housing where everyone can live safely and peacefully regardless of sexuality, nationality, age, etc. The Daito Group will work on this project to realize a “society where no one is left behind.”

Category	Details	Start date
 <b>LGBTQ</b>	<ul style="list-style-type: none"><li>● We removed the gender field from our application form.</li></ul> <small>*We are a LGBTQ friendly company.</small>	Started
 <b>Elderly and people with disabilities</b>	<ul style="list-style-type: none"><li>● We will explain and provide a safety check service.</li></ul>	July 2023 (tentative)
 <b>Single mothers and fathers</b>	<ul style="list-style-type: none"><li>● To single-parent families that have children in elementary school, we will provide a GPS monitoring device.</li></ul>	July 2023 (tentative)
 <b>Foreigners</b>	<ul style="list-style-type: none"><li>● We will create a guarantee plan for those who do not have a guarantor in Japan.</li></ul>	November 2023 (tentative)
	<ul style="list-style-type: none"><li>● We will start a call center available in over 20 languages and launch an FAQ website supporting six languages.</li></ul>	Started
 <b>Living support led by our employees</b>	<ul style="list-style-type: none"><li>● We will make donations to the Japan Children’s Home Foundation in accordance with the number of rental brokerage contracts concluded in FY2022.</li></ul>	Started
	<ul style="list-style-type: none"><li>● We will donate leftover unused food products from employees’ home to food bank organizations such as local welfare groups and facilities.</li></ul>	December 2023 (tentative)

The initiatives described in the table above are services applied to the buildings managed by Daito Kentaku Partners Co., Ltd.



## Topic 1

## No. 1 in Rental Housing Unit Brokerage Ranking for the 13th Consecutive year



"2023 Rental Housing Unit Brokerage Ranking of 399 Companies"

(based on a survey conducted by Zenkoku Chintai Jutaku Shimibun Co., Ltd.)

The Daito Group was ranked number one in the 2023 Rental Housing Unit Brokerage Ranking of 399 Companies, announced by the Weekly Zenkoku Chintai Jutaku Shimibun. This marks the 13th consecutive year that the Daito Group has achieved the top ranking. (Period covered: October 2021 to September 2022)

We will continue to provide high-quality rental properties and value-added services that will continue to be the preferred choice of tenants.

The total number of units brokered by Daito Kentaku Leasing Co., Ltd. and Housecom Corporation

### 2023 Rental Housing Unit Brokerage Ranking of 399 Companies

(Number of rental housing units / Top five companies)

① Daito Group	251,031
② House Mate Group	67,149
③ Token Corporation	66,628
④ Townhousing Co., Ltd.	65,647
⑤ Taisei Housy Holdings	48,585

Reference Publication: Weekly Zenkoku Chintai Jutaku Shimibun  
(issued by Zenkoku Chintai Jutaku Shimibun Co., Ltd.)  
Publication No: No. 1539 Publication date: January 2, 2023  
Title: 2023 Rental Housing Unit Brokerage Ranking of 399 Companies

## Topic 2

## Received the Forestry Agency Commissioner Award for Efforts to Promote the Usage of Domestic Timber



Japan Council for Advancement of Timber Utilization "2022 Contest for Excellent Facilities using Timber"

We received the "Forestry Agency Commissioner's Award" in the "Domestic Timber Usage Promotion Section" of the "2022 Contest for Excellent Facilities using Timber (hosted by Japan Council for Advancement of Timber Utilization)" announced on October 18, 2022.

The "Domestic Timber Usage Promotion Section" was established in this fiscal year to commend construction companies actively working on expanding the usage of domestic timber. We received the award after getting positive reviews on our business activities related to the procurement and usage of domestic timber.



### Award Highlight 1

Promoted the usage of domestic timber that can lead to sustainable forest management

Formulated timber procurement guidelines and released reports on the usage of domestic timber by sustainability reports, etc.

### Award Highlight 2

Promoted dissemination activities to encourage the usage of domestic timber

Provided examples of initiatives related to the usage of domestic timber and showed the domestic timber mark on the temporary enclosure at work sites

### Award Highlight 3

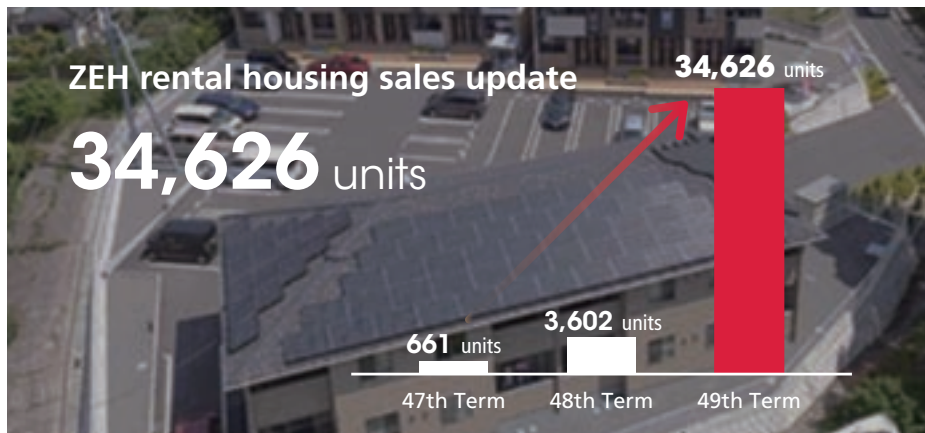
Promoted planned and sustainable use of domestic timber

Introduced domestic timber for buildings built by 2x4 or CLT construction and continued purchasing domestic timber from local factories

## Promotion of environmentally friendly ZEH rental housing

Since the Daito Group completed Japan's first ZEH rental housing, we have been focusing on the development and promotion of environmentally friendly rental housing. For the 49th term, the number of ZEH rental housing units sold was 34,626 units.

We will constantly keep working on the development of environmentally friendly housing and contribute to realizing a decarbonized society.

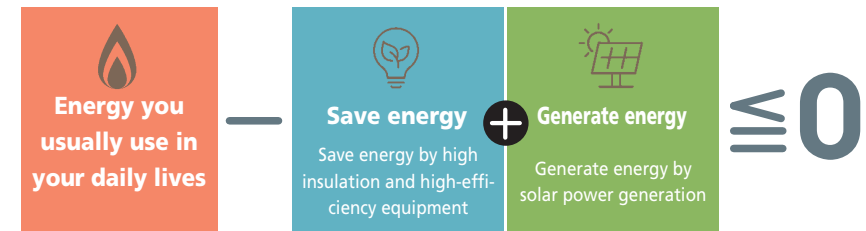


### What is ZEH\*?

ZEH is housing that aims to reduce annual energy consumption to almost zero by reducing energy consumption through using insulation and energy-saving equipment and by generating energy through solar power generation.

\*ZEH stands for Net Zero Energy House.

### How ZEH rental housing works



### What are the advantages of living in ZEH?

#### Owners



- Increase asset value by owning high-quality rental housing
- Higher tenant satisfaction, leading to stable occupancy rates

#### Tenants



- Comfortable living environment that is warm in winter and cool in summer
- Reduced utility costs

\*Costs will change depending on the usage status for each unit.

# Daito Group Mirai Fund FY 2022 Activity Report



The Daito Group Mirai Fund was established as a successor to the Daito Group Ashinaga Fund, which was created in May 2012 to support recovery from the Great East Japan Earthquake. The Fund, which was established in 2015, provides support for recovery from earthquakes and other disasters and has expanded the scope of its support to regional revitalization efforts.

Below is a report on how the goodwill of the Group's many shareholders who support the purposes of the fund were put to good use during the fiscal year.

Please note that on March 31, 2023, we stopped accepting donation applications due to the abolishment of the shareholder benefit plan.

We thank you for your support.

**Donations from shareholders**



**306** shareholders **Total of ¥851,000**  
As of the end of March 2023

## Supported organizations

Supported organizations	Details of supported activities
Approved Certified NPO Japan Rescue Association	Training and dispatching rescue dogs and therapy dogs
ARTS for HOPE	Supporting emotionally traumatized children through art activities
PIIF Aso Green Stock	Environmental preservation and hands-on agricultural program in the Aso Region of Kumamoto
NPO Compass-no-Kai	Providing work opportunities and support for the intellectually challenged
NPO Niwatori-no-Kai	Supporting children growing up in a multilingual environment
NPO Japan Adventure Playground Association	Supporting the development of adventure playgrounds throughout Japan
NPO Minato Rugby School	Sound upbringing of children and community development activities through rugby
NPO STARS	Support for people with disabilities and after-school daycare services
Yuriage Kamome	Passing on lessons from the Great East Japan Earthquake and spreading the necessity of disaster prevention education
NPO Heart Space	Creating thoughtful space for people with and without disabilities to lead happy lives together
NPO Plus Arts	Providing support to make disaster prevention activities take root in the community
NPO Free the Children Japan	Conducts educational programs for children to free children from poverty and discrimination
KyuShu Guide Dog Association	Raising and training of guide dogs
NPO ACE	Supporting children and youths to shape their own lives and build a society

**Daito Group Mirai Fund**

Please check the Company's website for details.



## Activity result (summary)

### Approved Certified NPO Japan Rescue Association

We conducted online dog therapy activities to cheer up children who are in long-term hospital care.

We conducted online dog therapy twice a month to reduce pain and mental load from medical procedures.



### NPO Free the Children Japan

Conducted CHANGE MAKER FES 2023 to support young people who are proactive in working to solve social issues.

Invited special guests and young people of the same generation to celebrate social actions\* and achievements and gain more "power to change the world" while enjoying the event.



\*All activities that work for the people and Earth, like picking up trash, fundraising/charity, ethical consumerism, and SDGs actions.



## | Corporate Data (As of March 31, 2023)

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	8,128 (non-consolidated) / 17,851 (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 June 27, 2023)

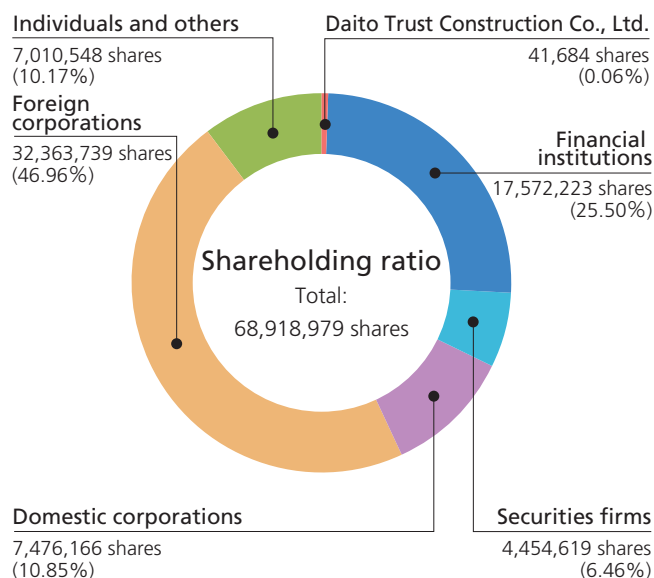
Representative Director	Kei Takeuchi
Director	Yoshihiro Mori
Director	Masafumi Tate
Director	Tsukasa Okamoto
Director	Yutaka Amano
Director	Yoshimasa Tanaka
Outside Director	Mami Sasaki
Outside Director	Atsushi Iritani
Director (Standing Audit & Supervisory Committee Member)	Shuji Kawai
Outside Director (Standing Audit & Supervisory Committee Member)	Masa Matsushita
Outside Director (Audit & Supervisory Committee Member)	Takashi Shoda
Outside Director (Audit & Supervisory Committee Member)	Kenji Kobayashi

## | The Company's Stock (As of March 31, 2023)

### 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	20,130 shareholders

## | Composition of shareholders (As of March 31, 2023)



## | 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. <a href="https://www.kentaku.co.jp/corporate/ir/koukoku.html">https://www.kentaku.co.jp/corporate/ir/koukoku.html</a> 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	<b>Shareholders who hold shares in a securities account</b> Please contact the securities company where you maintain an account.  <b>Shareholders who do not conduct transactions with a securities company</b> Please contact Stock Transfer Agency Division, Mitsubishi UFJ, Trust and Banking Corporation. Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division TEL: 0120-232-711 Inquiries are accepted from 9:00 to 17:00 excluding Saturdays, Sundays and public holidays

## | Owned Media / Official SNS Accounts

The latest news and topics are available through the sites listed to the right.



Website



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