

50th DAITO REPORT

April 1, 2023 ▶ September 30, 2023



Kei Takeuchi

Representative Director,
 Chief Executive Officer

Firstly, I would like to report on the consolidated operating results and activities of the Daito Group for the six months ended September 30, 2023 (from April 1 to September 30, 2023).

During the first half of the fiscal term, the Japanese economy showed signs of gradual recovery. However, the situation continues to require close monitoring due to the impact of soaring material prices and the depreciation of yen.

Under these circumstances, for the six months ended September 30, 2023, the Daito Group recorded net sales of ¥837,124 million, up 4.0% year-on-year, operating income of ¥52,030 million, up 0.9% year-on-year, and net income attributable to owners of the parent of ¥38,989 million, up 7.5% year on year. Accordingly, the interim dividend per share will be ¥267, as initially planned. Furthermore, we also plan to pay an annual dividend of ¥535 per share (an increase of ¥19 per share from the previous fiscal year).

Holding aloft the Purpose “Link the Trust to Make a Better Future.” as our banner, we are now forging a vision for where we want to be in 2030. In consideration of various issues that we may encounter in the future, including changes in our external environment and social issues, we will engage in discussion to set out concrete plans and incorporate them into our next Medium-Term Management Plan.

As we firmly embrace our Purpose, we will continue to grow through innovation and challenges so that we can live up to our stakeholders’ trust and expectations to make a better future together over the next 50 and 100 years.

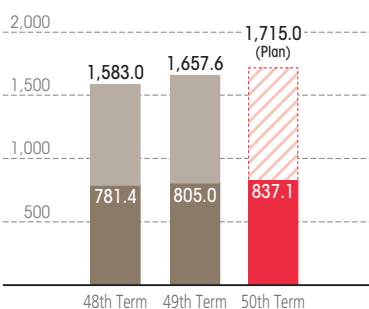
I would like to express our hope for continued and heightened encouragement and support from our shareholders and all other stakeholders in the future.

Financial Highlights (Consolidated)

Net sales

■ Half year ■ Full year

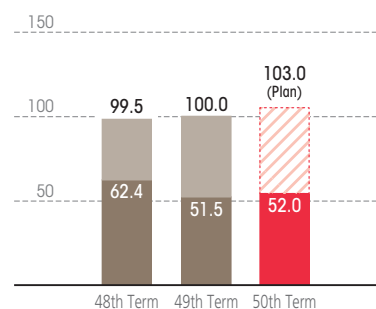
(billions of yen)



Operating income

■ Half year ■ Full year

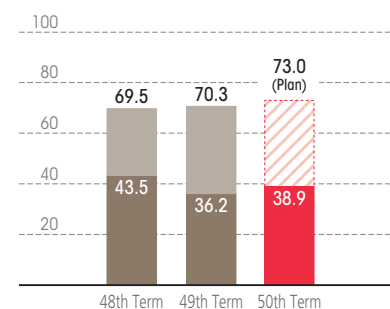
(billions of yen)



Net income attributable to owners of the parent

■ Half year ■ Full year

(billions of yen)



Entering the Biomass Power Generation Business



Asago Biomass Power Station

In July 2023, we entered the biomass power generation business by concluding a business transfer agreement for Asago Biomass Power Station with Kanden Energy Solution Co., Inc. and the Hyogo Prefectural Federations of Forest Owners' Cooperative Associations.

Although this power station is currently out of operation, with the aim to restart in FY2024, we established DAITO BIO ENERGY CO., LTD. in September 2023 to operate the power station and have begun procuring fuel wood in collaboration with forestry stakeholders and others. Once the power station reoperates, it will supply electricity to our Group's offices in Western Japan. We anticipate this will increase our Group's domestic renewable energy adoption rate to 50%.

In the future, we intend to reduce greenhouse gas emissions by meeting our business's electricity need through renewable energy and contribute to the promotion of renewable energy usage across society.

Promotion of ZEH Rental Housing

Since completing Japan's first rental housing that meets the "ZEH standards for detached housing," we have been promoting the construction of ZEH rental housing. As of the end of September 2023, the cumulative number of contracted units of ZEH rental housing exceeded 60,000. We will continue to promote the sale of ZEH rental housing with the aim of achieving a low-carbon society.



Exterior image of ZEH rental housing

*ZEH: Housing whose actual energy consumption is kept to zero or less through the use of high insulation, solar power generation, etc.

Efforts Toward Issuing Rental Housing IDs

 大東建託パートナーズ ×  Daiwa Living ×  ZENRIN

In June 2023, Daito Kenta Partners Co., Ltd., which develops rental housing management business, established Real Estate Information Management Organization., Ltd. in collaboration with Daiwa Living Co., Ltd., to issue and manage rental housing IDs.

Moving forward, by utilizing rental housing IDs using the nationwide building database owned by ZENRIN CO., LTD., which has increased its investment in us, Rental Housing Information Management Organization, Inc. will simplify the management of property listings on real estate information websites, thus driving the digital transformation (DX) of the real estate industry.

*Rental housing ID: A building ID that makes it possible to identify individual rental housing nationwide

Launch of New TV Commercial "DK SELECT"



We launched a new TV commercial for our rental housing brand "DK SELECT" in July 2023. The commercial is based on the new concepts of "environment," "disaster prevention," and "lifestyle."

The commercial presents the building's allure and the comfortable living it offers through unique cinematography creating a sense of high quality. It features actor Kouhei Matsushita, who delivers a wonderful performance full of the unclouded charm befitting this commercial.

WEB

Rental housing brand
TV commercial "DK SELECT"



Franchise Membership Exceeds 100 Stores

DAITOKENTAKU LEASING CO., LTD., which operates in real estate rental brokerage and mediation, began its franchise operations in January 2021. By October 2023, the number of franchise applications surpassed 100 stores.

We will continue to work with the franchisees to enhance the recognition of the "e-hey.net" brand and enhance our strengths in rental brokerage. Through expanding our franchise network, we are dedicated to improving convenience and services for our customers.



e-hey.net store image

No. 1 for 27 Consecutive Years in 2023 Rental Housing Number of Units Under Management Ranking

This ranking was compiled based on the declarations of 1,093 companies that responded to a survey of rental management companies nationwide regarding their number of rental housing units under management in FY2022. The Daito Group took the top spot for 27 consecutive years with an increase of 28,094 units from the same period of the previous year.

① Daito Group	1,230,339 units
② Sekisui House Group	691,635 units
③ Daiwa Living Co., Ltd.	637,815 units
④ Leopalace21 Corporation	561,231 units
⑤ Token Corporation	266,477 units

Source: Zenkoku Chintai Jutaku Shimbun, No. 1567 (issued on August 7, 2023)

No. 1 for 3 Consecutive Years in 2023 Construction Companies Strong in Rental Housing Annual Number of Units Completed Ranking

This ranking was compiled based on the declarations of 129 companies that responded to a survey of construction companies nationwide regarding their number of completed rental housing units in FY2022. Daito Trust Construction was number one among nine large-scale house manufacturers.

① Daito Trust Construction Co., Ltd.	41,238 units
② Daiwa House Industry Co., Ltd.	32,224 units
③ Sekisui House, Ltd.	26,085 units
④ Token Corporation	8,979 units
⑤ Asahi Kasei Homes Corporation	6,645 units

Source: Zenkoku Chintai Jutaku Shimbun, No. 1562 (issued on June 26, 2023)

2023 Neighborhood Livability Municipality Ranking (Nationwide Edition)

The Company conducted the large-scale resident satisfaction survey and compiled the result as the “2023 Neighborhood Livability Municipality Ranking (Nationwide Edition)” for the fifth time.

The purpose of this survey is to clarify the level of satisfaction among people actually living in each area, with a view to helping people choose the best housing for their needs. The top five places nationwide for FY2023 were as follows.



No. 1 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.

Comments from residents

It is a safe and secure city with well-developed infrastructure. The city is steeped in history and it is fun to stroll in the streets. There are major department stores within walking distance, so shopping is also enjoyable. Attractions like Ginza and Tsukiji are nearby, so one would never get bored.



No. 2 Nagakute City, Aichi



© Provided by Nagakute City

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.

Comments from residents

Supermarkets and drugstores are within walking distance from my home, so I never have any trouble with shopping. The sidewalks are wide, which makes it safe and easy to go shopping with my child in a stroller.



No. 3 Ashiya City, Hyogo



© Provided by Ashiya City

Ashiya is home to many cultural facilities, such as the Tanizaki Junichiro Memorial Museum of Literature, Ashiya, and is designated as a city of international tourism and culture, attracting visitors from outside the city.

Comments from residents

A short walk reveals trendy bakeries, cake shops, cafes, restaurants, and more, and its proximity to the sea, mountains, and rivers means nature is never far away. The local area is serene, contributing to a pleasant living environment.



No. 4 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.

Comments from residents

The city is conveniently located for access to anywhere. With cultural facilities within walking distance and there are many independent stores, life is enjoyable. The area is rich in greenery, and the high education standards ensure a well-developed educational environment.



No. 5 Chuo-ku, Fukuoka City, Fukuoka

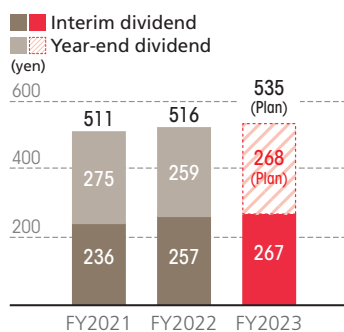
Chuo-ku, Fukuoka City, is home to Tenjin, known as one of Kyushu's largest downtown areas. Being at the center of Fukuoka City, Chuo-ku encompasses areas including Ohori Koen, Yakuin, and Ropponmatsu, and is also popular for the Josui Street and the municipal zoo.

Comments from residents

The size of the city is just right, offering the convenience of having almost everything you might need. With the sea and mountains close by, and numerous parks, it's easy to immerse yourself in nature.

Shareholder Returns

The Company implements shareholder returns based on the recognition that they are an important management issue. Our basic policy is to maintain a payout ratio of 50% of its consolidated net income.



Information

Information on the publication of the Integrated Report and Sustainability Report



Details of the Integrated Report are available here.



Details of the Sustainability Report are available here.

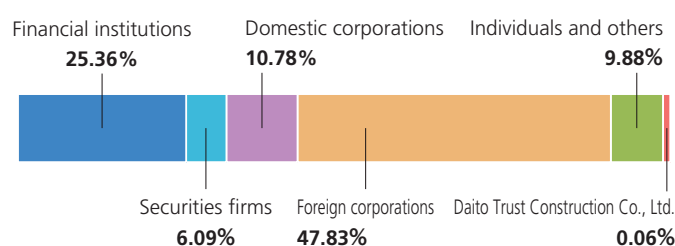


Company Profile

Corporate Data (As of September 30, 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	8,156 (non-consolidated)/ 18,122 (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

Composition of shareholders (As of September 30, 2023)



Officers (As of September 30, 2023)

Representative Director, Chief Executive Officer	Kei Takeuchi
Director, Managing Executive Officer	Yoshihiro Mori
Director, Senior Executive Officer	Masafumi Tate
Director, Senior Executive Officer	Tsukasa Okamoto
Director, Senior Executive Officer	Yutaka Amano
Director, Senior Executive Officer	Yoshimasa Tanaka
Outside Director	Atsushi Iritani
Outside Director	Mami Sasaki
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 September 30, 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	19,458 shareholders

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	Please contact the securities company where you maintain an account.
Procedures for shares recorded in special accounts	Please contact Stock Transfer Agency Division, 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

Website/Official SNS Accounts, etc.



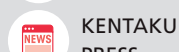
Website



YouTube



Facebook



KENTAKU PRESS



X (Former Twitter)



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