



## **Daito Trust Construction Co., Ltd.**

Financial Results Briefing for the Fiscal Year Ended March 2025

May 2, 2025

## Event Summary

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[Company Name]	Daito Trust Construction Co., Ltd.	
[Company ID]	1878-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2025	
[Fiscal Period]	FY2025 Annual	
[Date]	May 2, 2025	
[Time]	15:30 – 17:07	
[Venue]	Webcast	
[Number of Speakers]	2	
	Kei Takeuchi	President, Representative Director, CEO
	Tsukasa Okamoto	Director, Senior Executive Officer, CFO, General Manager of Corporate Management Headquarter

## Presentation

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**Moderator:** The time has come, so we will now begin the Daito Trust Construction Co., Ltd. Financial Results Briefing for the Fiscal Year Ended March 2025.

This briefing is being streamed remotely, and the content will be posted on our website at a later date.

For today's schedule, after the overview of the financial results for the fiscal year ended March 2025 is presented by Okamoto, Director, Senior Executive Officer, CFO, and General Manager of Corporate Management Headquarter, the performance of key indicators will be explained by Takeuchi, President, Representative Director, CEO. We will then move on to the Q&A session. The session is scheduled to end at 16:30.

Now, let's begin. Mr. Okamoto, please proceed.

**Okamoto:** Good afternoon, everyone. Thank you for taking the time out of your busy schedules to attend our financial results briefing, especially considering the less-than-ideal weather.

Without further ado, I will now move on to the explanation of our performance for the previous fiscal year. Unless otherwise noted, the explanation will be based on consolidated results.

I would like to mention that we made an upward revision to our forecast on October 23 last year. In order to convey the changes from our initial plan and assumptions, this presentation has been prepared with a comparison to the original plan, and I will explain it in that context.

## Highlights ( FY2025 ending March )

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Results of FY ended March 31, 2025	Achieved higher sales and profits (YoY) and landed on a higher-than-planned performance.
Key Figures	Orders received : ¥596.9bn (+1.1% YoY) Occupancy rate (rent basis) : 97.8% as of March (△0.1p YoY)
Management Index	ROE : 21.5% (+3.1p YoY)
Shareholder Return	Annual dividend : ¥714 (+¥159 YoY) Payout ratio : 50%

Please turn to page four. I will explain three key points regarding the financial results for the fiscal year ended March 2025.

The first point is profit and loss. Both sales and profits at each stage have increased, with results significantly surpassing the initial plan for the fiscal year.

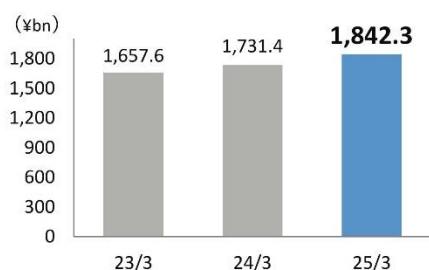
The second point is key performance indicators. The order received increased by 1.1% YoY, reaching JPY596.9 billion. As for the occupancy rate based on rent in March, it remained almost unchanged from the same month last year, at a high level of 97.8%.

The third point is ROE and shareholder returns. ROE stands at 21.5%, achieving the target of 20% for the first time in two years. As for shareholder returns, subject to approval at the general meeting of shareholders scheduled for June 26, the dividend has been significantly increased by JPY159 from the previous fiscal year, to JPY714. The reason for the substantial dividend increase will be explained later.

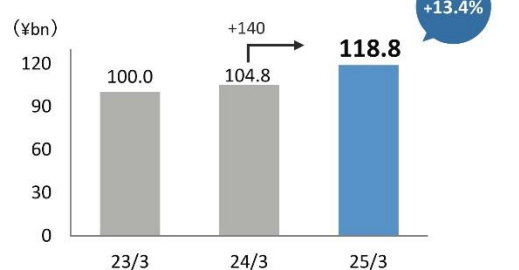
## PL (Consolidated PL)

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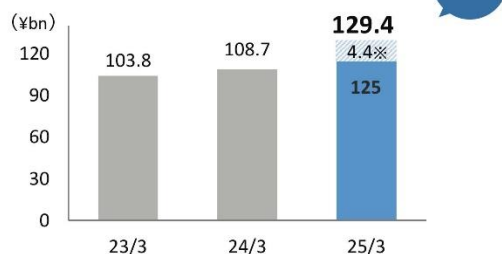
### Net sales



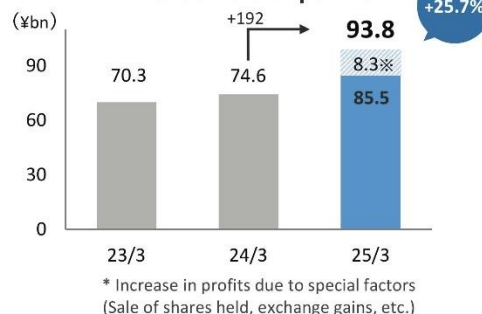
### Operating income



### Ordinary income



### Net income attributable to owners of parent



Please turn to page five. I will now explain the P&L situation for this period.

Net sales increased by 6.4% YoY, reaching JPY1,842.3 billion. Operating income increased by 13.4% YoY, totaling JPY118.8 billion. As for net income, it rose by 25.7% YoY, reaching JPY93.8 billion.

Not only did sales increase, but net income also reached the highest value ever.

The significant increase in net income can be attributed to factors, such as the sale of holdings and foreign exchange gains, which also contributed to the substantial dividend increase mentioned earlier.

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

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### Profit & Loss by segment



### Major factors of fluctuation <+¥14bn YoY>

Construction +¥21.3bn	Completed construction (¥492.4bn→¥540.9bn)	+¥11.38bn
	Gross profit margin (23.5%→25.3%)	+¥10.01bn
Real estate leasing +¥1.2bn	Real estate management business	+¥0.10bn
	Guarantee business	△¥0.21bn
	Restoration to original condition or repairing construction	+¥0.72bn
	Leasing business	△¥0.83bn
Real estate development +¥5.4bn	Investment condominium business	+¥1.63bn
	Renovation and resale, development business	+¥3.84bn
Other businesses +¥3.0bn	Overseas hotel business	+¥1.22bn
	Flexible workspace business	+¥0.45bn
	Gas business	+¥0.69bn
SG&A expenses △¥17.0bn	Personnel expenses	△¥7.86bn
	System maintenance expenses	△¥1.98bn
	Advertising & general publicity expenses	△¥1.96bn
	Sales promotion expenses	△¥1.03bn
	Other expenses	△¥4.18bn

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Please turn to page six.

Operating income for this period amounted to JPY118.8 billion, exceeding the previous fiscal year's JPY104.8 billion by JPY14 billion.

The breakdown is as follows. The completed construction gross profit increased by JPY21.3 billion, the real estate leasing business gross profit increased by JPY1.2 billion, the real estate development business gross profit increased by JPY5.4 billion, other business gross profit increased by JPY3 billion, and an increase in SG&A expenses led to a decrease of JPY17 billion.

The JPY21.3 billion increase in completed construction gross profit is due to an increase in completed construction sales and an improvement in gross profit margin.

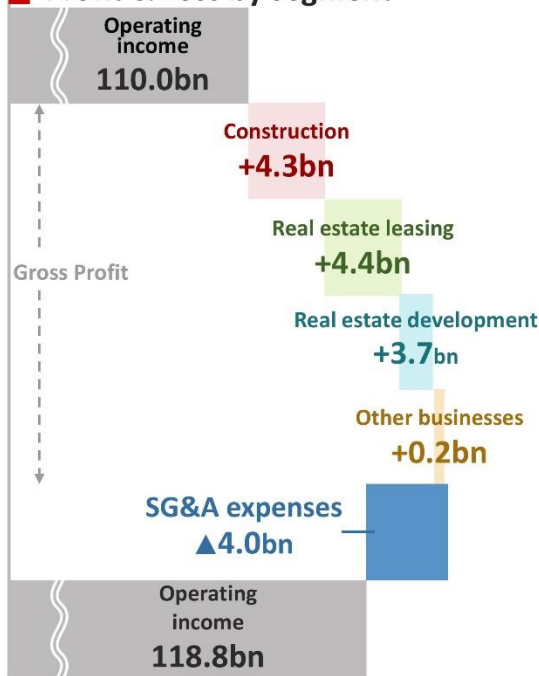
The JPY1.2 billion increase in the gross profit of the real estate leasing business is attributed to an increase in repair work.

The JPY5.4 billion increase in the gross profit of the real estate development business is due to the continued smooth progress of sales in income-generating real estate, such as investment condominiums and purchased-renovated resales.

Furthermore, the increase of JPY3 billion in other business gross profit is attributed to the increase in the number of managed units, the increase in the number of gas supply customers, and the smooth progress of the hotel business in Malaysia.

Finally, the increase of JPY17 billion in SG&A expenses is due to an increase in the performance-based bonuses, as the results were solid, and the granting of RS to employees.

### Profit & Loss by segment



### Major factors of fluctuation <+¥8.8bn YoY>

Construction +4.3bn	Completed construction (¥530.0bn→¥540.9bn)	+¥2.74bn
	Gross profit margin (25.0%→25.3%)	+¥1.60bn
Real estate leasing +¥4.4bn	Real estate management business	+¥3.55bn
	Restoration to original condition or repairing construction	+¥0.92bn
Real estate development +¥3.7bn	Investment condominium business	+¥1.10bn
	Renovation and resale, development business	+¥2.60bn
Other businesses +¥0.2bn	Overseas hotel business	+¥0.69bn
	Care business	△¥0.17bn
	Others	△¥0.23bn
SG&A expenses △¥4.0bn	Personnel expenses	△¥3.03bn
	Advertising & general publicity expenses	△¥0.14bn
	Other expenses	△¥0.84bn

Please turn to page seven. Next, I will explain the comparison with the initial plan.

Operating income was JPY118.8 billion, which exceeded the initial plan of JPY110 billion by JPY8.8 billion.

The breakdown is as follows. Completed construction gross profit increased by JPY4.3 billion, the real estate leasing business gross profit increased by JPY4.4 billion, the real estate development business gross profit increased by JPY3.7 billion, other business gross profit increased by JPY0.2 billion, and SG&A expenses increased, leading to a decrease of JPY4 billion.

It should be noted that compared to the operating income forecast of JPY120 billion announced in October, there was a decrease of JPY1.2 billion, which was due to an increase in performance-based bonuses.

The JPY4.3 billion increase in completed construction gross profit was due to completed construction sales and gross profit margin exceeding the plan.

The JPY4.4 billion increase in the gross profit of the real estate leasing business was driven by the increase in managed properties and the smooth progress of the lease-up business due to high occupancy rates.

The JPY3.7 billion increase in the gross profit of the real estate development business is attributable to the continued success of income-generating real estate sales, such as investment condominiums and purchased-renovated resales, exceeding the plan.

The JPY0.2 billion increase in other business gross profit was due to the smooth progress of the hotel business in Malaysia, which also exceeded the plan.

As for SG&A expenses, similar to the previous explanation, there was an increase in personnel costs due to performance-based bonuses, as well as higher advertising and promotional expenses, such as event sponsorships and new property referrals, and increased system maintenance costs.

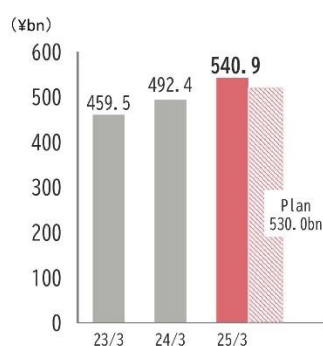
## Profit & Loss by segment (Construction business - 1)

8

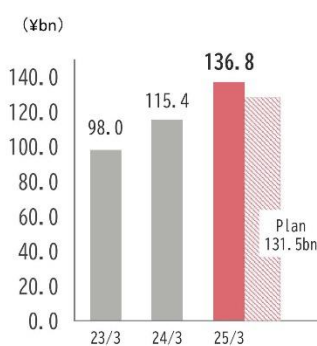
(¥bn)

	2024/3	2025/3	(YoY)
<b>Net sales</b>	492.4	<b>540.9</b>	(+9.9%)
<b>Gross profit</b>	115.4	<b>136.8</b>	(+18.5%)
<b>Operating income</b>	28.9	<b>47.1</b>	(+63.1%)

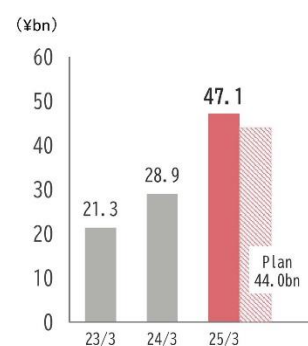
■ Net sales



■ Gross profit



■ Operating income



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Please turn to page eight. This is the construction segment.

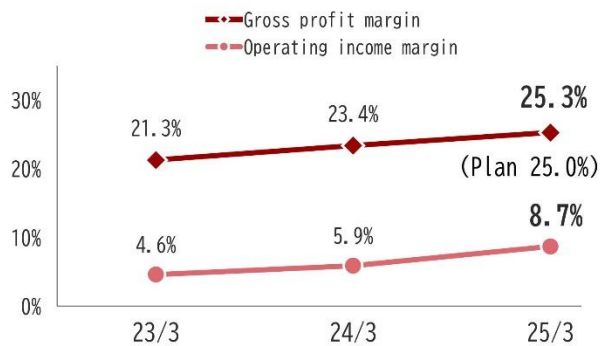
Completed construction net sales increased by 9.9% YoY, reaching JPY540.9 billion, and operating income rose by 63.1% YoY, totaling JPY47.1 billion.

## Profit & Loss by segment (Construction business - 2)

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	2024/3	2025/3	(YoY)
Gross profit margin	23.4%	25.3%	(+1.9p)
Operating income margin	5.9%	8.7%	(+2.8p)

### Gross profit margin / Operating income margin



#### Major breakdown of the variance (+1.9p YoY)

① Price revision	+3.5p
② Labor cost	△1.0p
③ Material cost	△1.6p
④ Imported materials	+1.0p

#### Major breakdown of the variance (+0.3p for plan)

① Price revision	+0.5p
② Labor cost	+0.2p
③ Material cost	△0.7p
④ Imported materials	+0.3p

Please turn to page nine.

The gross profit margin increased by 1.9 percentage points compared to the previous fiscal year, reaching 25.3%. The breakdown of the increase in gross profit margin is listed on the slide, but due to factors, such as the so-called logistics 2024 issue and inflation, the cost of construction materials and labor costs have continued to rise. Compared to the plan, the gross profit margin increased by 0.3 percentage points, and the breakdown is also listed in the materials.



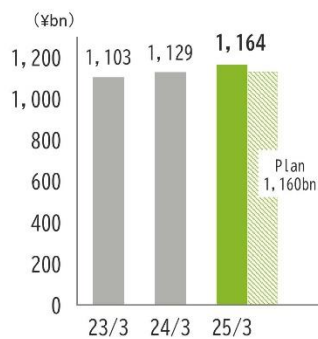
## Profit & Loss by segment (Real estate leasing business - 1)

10

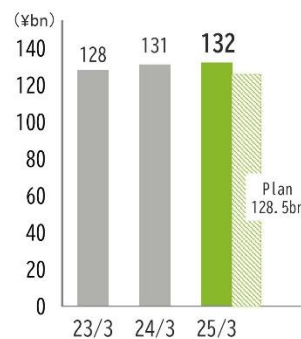
(¥bn)

	2024/3	2025/3	(YoY)
<b>Net sales</b>	1,129.1	<b>1,164.6</b>	(+3.1%)
<b>Gross profit</b>	131.7	<b>132.9</b>	(+0.9%)
<b>Operating income</b>	82.0	<b>80.3</b>	(△2.1%)

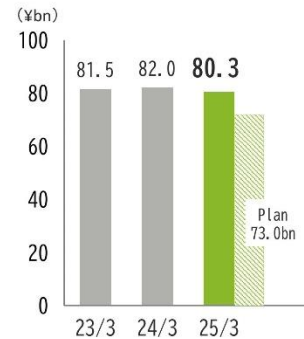
■ Net sales



■ Gross profit



■ Operating income



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Please turn to page 10. This is the real estate leasing segment.

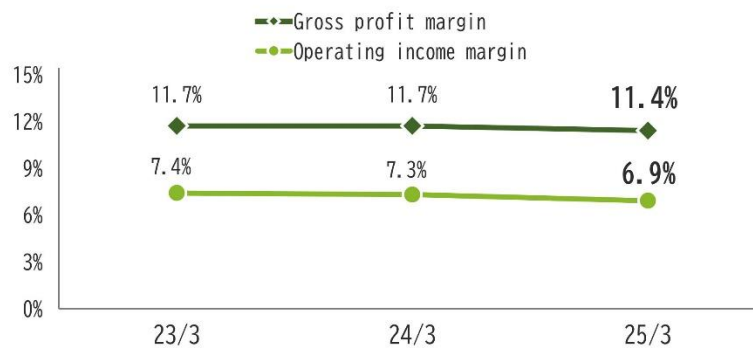
Net sales increased by 3.1% YoY, reaching JPY1,164.6 billion, while operating income decreased by 2.1% YoY, totaling JPY80.3 billion.

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

11

	2024/3	2025/3	(YoY)
Gross profit margin	11.7%	11.4%	(△0.3p)
Operating income margin	7.3%	6.9%	(△0.4p)

### Gross profit margin / Operating income margin



Please turn to page 11.

The gross profit margin and operating income margin decreased by 0.3 percentage points and 0.4 percentage points, respectively, compared to the previous fiscal year due to a slight decline in occupancy rates and the use of occupancy promotion expenses. However, compared to the profit margins before corona started spreading, the current levels remain high.

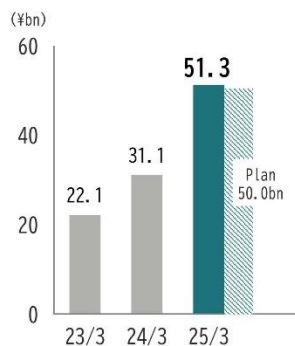
## Profit & Loss by segment (Real estate development business - 1)

12

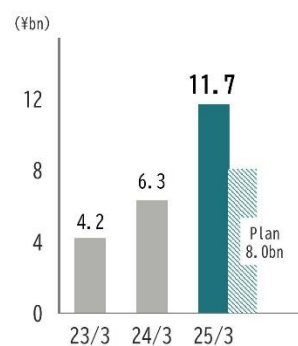
(¥bn)

	2024/3	2025/3	(YoY)
<b>Net sales</b>	31.1	<b>51.3</b>	(+64.8%)
<b>Gross profit</b>	6.3	<b>11.7</b>	(+86.2%)
<b>Operating income</b>	2.1	<b>5.1</b>	(+142.0%)

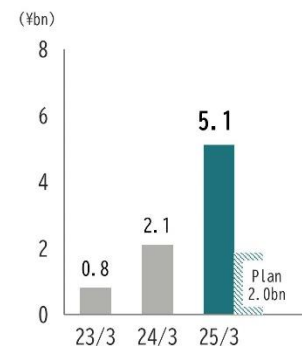
■ Net sales



■ Gross profit



■ Operating income



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Please turn to page 12. This is the real estate development segment.

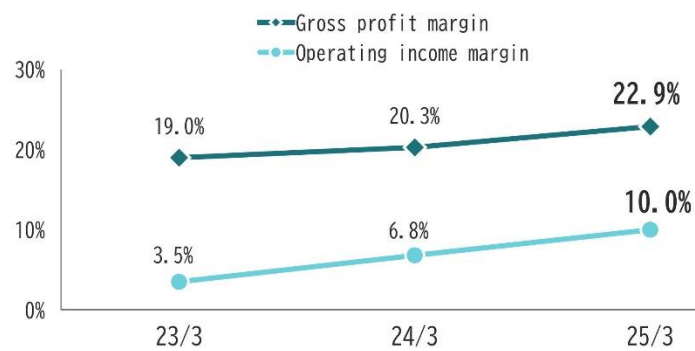
As a new focus area in the medium-term management plan, the real estate development segment has seen smooth progress in the sales of investment condominiums and development properties. Net sales increased by 64.8% YoY, reaching JPY51.3 billion, and operating income increased by 142% YoY, totaling JPY5.1 billion, marking a significant rise.

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

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	2024/3	2025/3	(YoY)
Gross profit margin	20.3%	<b>22.9%</b>	(+2.6p)
Operating income margin	6.8%	<b>10.0%</b>	(+3.2p)

### Gross profit margin / Operating income margin



Please turn to page 13.

The gross profit margin and operating income margin improved to 22.9% and 10%, respectively.

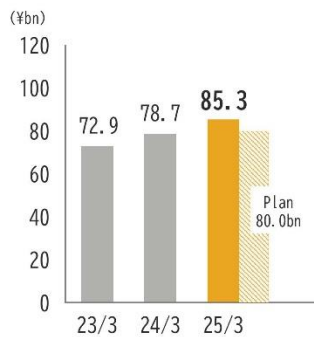
## Profit & Loss by segment (Other businesses)

14

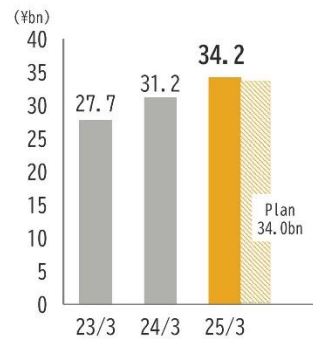
(¥bn)

	2024/3	2025/3	(YoY)
<b>Net sales</b>	78.7	85.3	(+8.5%)
<b>Gross profit</b>	31.2	34.2	(+9.7%)
<b>Operating income</b>	18.3	19.8	(+8.3%)

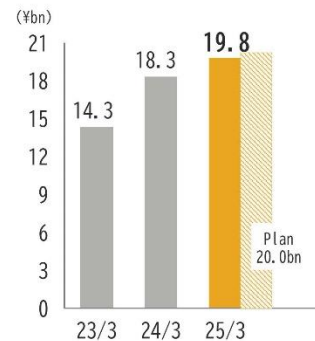
■ Net sales



■ Gross profit



■ Operating income



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Please turn to page 14. This is the other business segment.

Due to the increase in unit prices at the Malaysia hotel and the rise in occupancy rates at serviced offices, net sales increased by 8.5% YoY, reaching JPY85.3 billion, and operating income increased by 8.3% YoY, totaling JPY19.8 billion.

## Profit & Loss (Selling, general and administrative expenses)

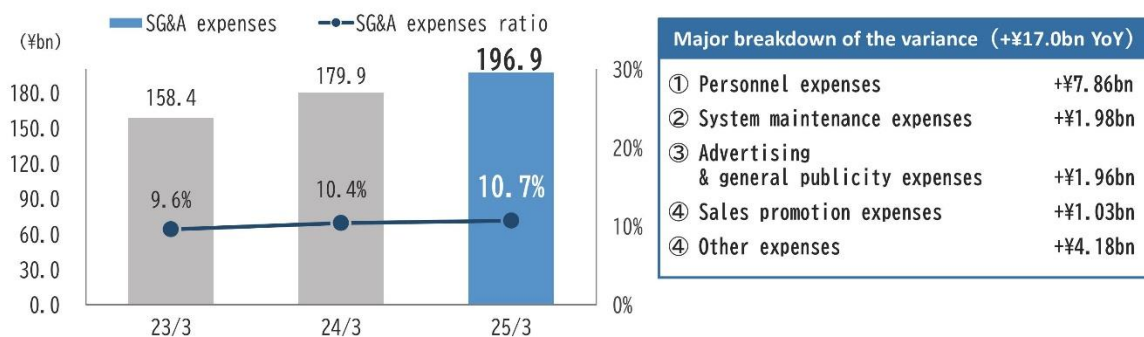
15

(¥bn)

	2024/3	2025/3	(YoY)
SG&A expenses	179.9	196.9	(+9.5%)
SG&A expenses ratio	10.4%	10.7%	[+0.3p]

[ ] : Difference from same period in previous year

### SG&A expenses / SG&A expenses ratio

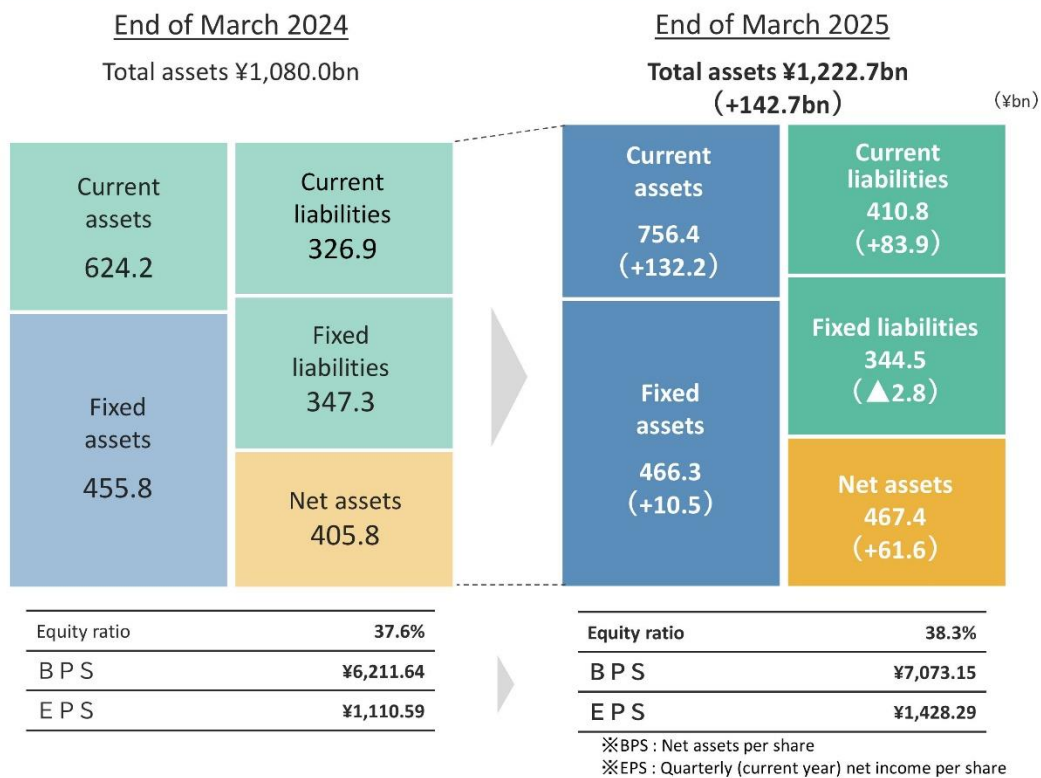


Please turn to page 15.

SG&A expenses increased by JPY17 billion YoY, totaling JPY196.9 billion. As a result, the sales-to-SG&A expense ratio increased by 0.3 percentage points YoY, reaching 10.7%.

## Financial review (Consolidated BS)

16



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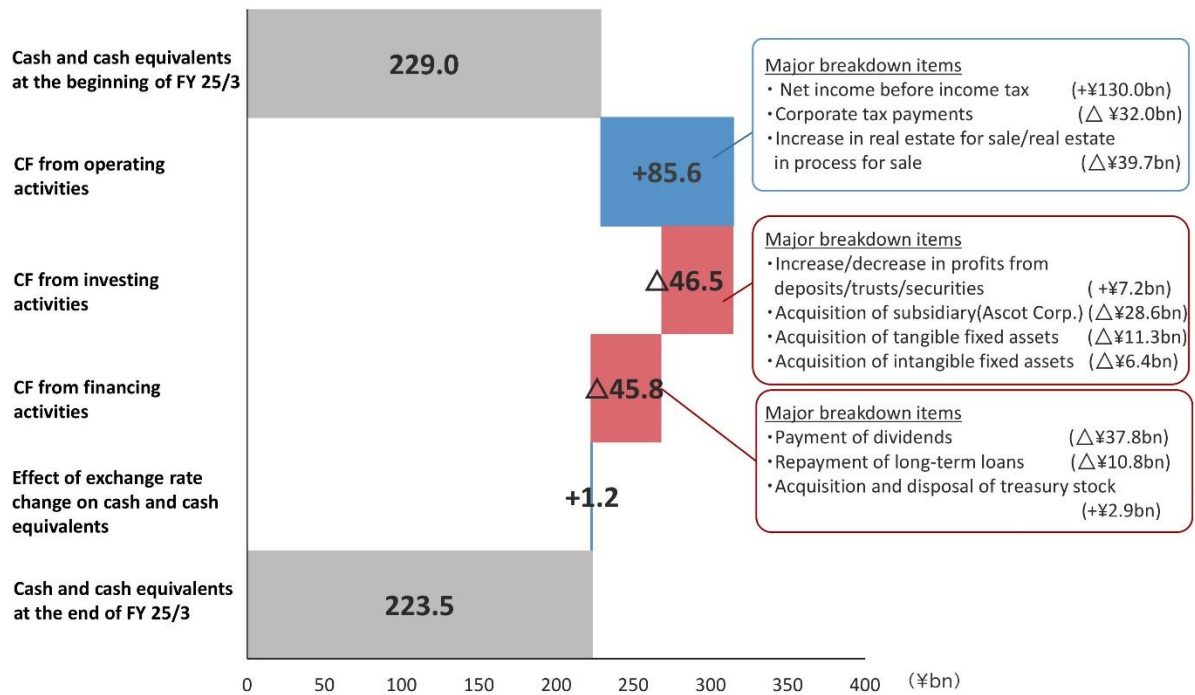
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Please turn to page 16. This is the financial review.

The consolidated balance sheet is as shown.

The balance sheet of Ascot Corp., which was acquired at the end of March, has been consolidated. Approximately JPY90 billion in total assets and JPY60 billion in liabilities have been newly recorded.

There is no impact on the P&L for this fiscal year's results.



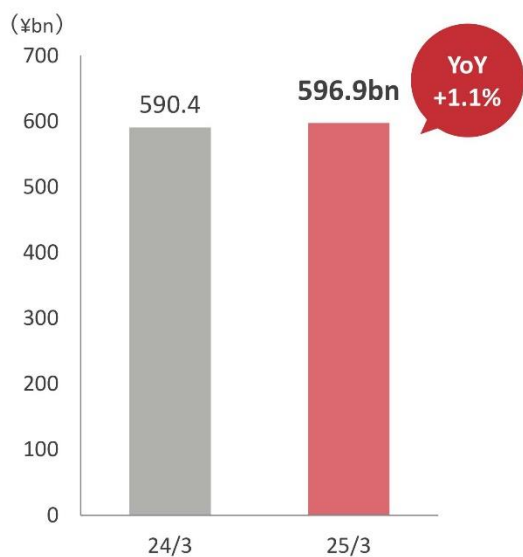
Please turn to page 17.

As for the reasons for the changes in the consolidated cash flow, they are as shown on the slide.

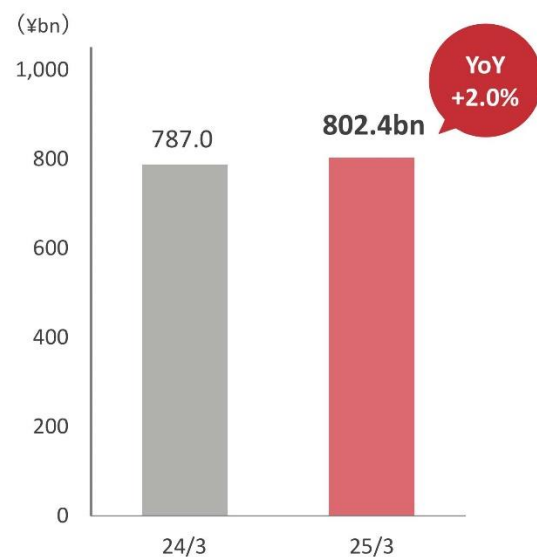
That concludes the explanation of the previous fiscal year's results.



## Orders received



## Orders in hand



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**Takeuchi:** Thank you very much for taking the time to attend our financial results briefing today despite the inclement weather and your busy schedules. I am Takeuchi, the President. I would like to explain the performance of the key indicators.

First, please turn to page 19.

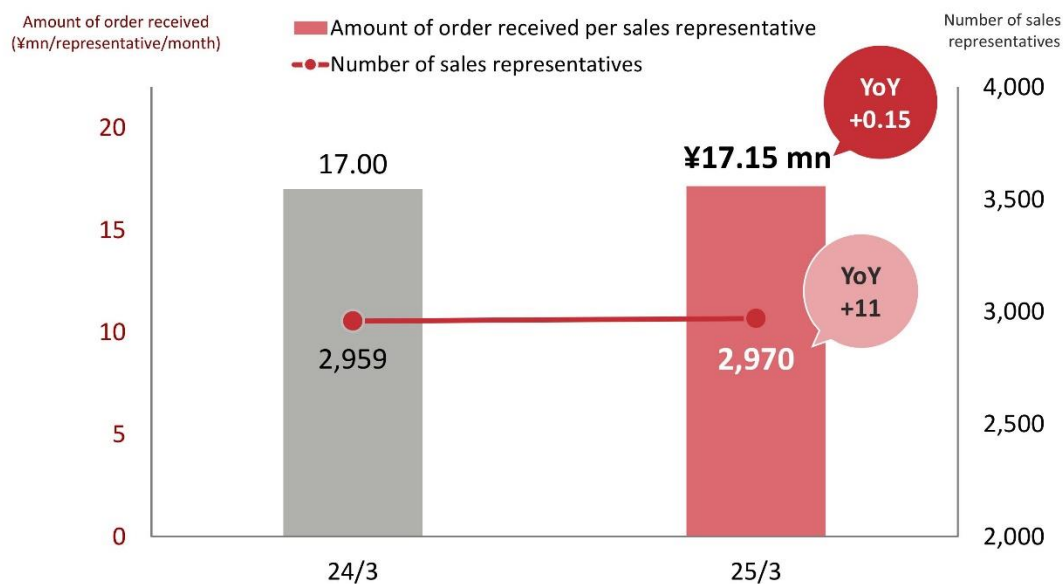
To begin, the orders received for this period increased by 1.1% YoY, reaching JPY596.9 billion, due to a favorable lending environment and the effective implementation of sales promotion measures.

The orders in hand increased by 2% YoY, totaling JPY802.4 billion.

## Orders received (Efficiency in receiving orders)

20

- Amount of order received per sales representative
- Number of sales representatives



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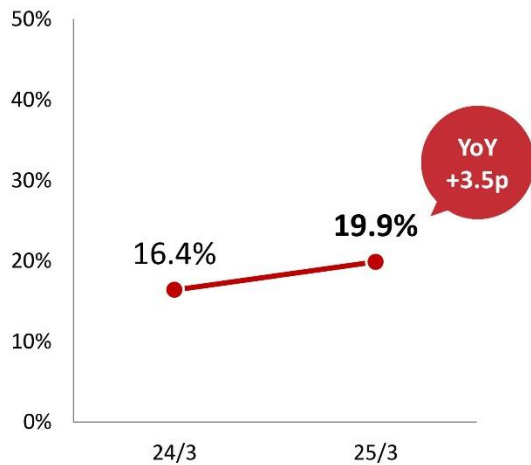
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Please turn to page 20.

As of the end of March, the number of sales representatives increased by 11 compared to the previous fiscal year, reaching 2,970. As of the beginning of April, including the new graduates for this year, the number is expected to be 3,050. We will continue to maintain a workforce of 3,000 sales representatives.

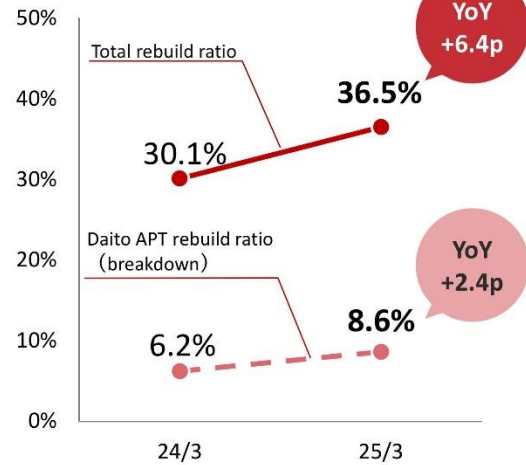
Additionally, the order received per sales representative increased by JPY150,000, reaching JPY17.15 million.

### Mid-rise ratio<sup>※1</sup>



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

### Rebuild ratio<sup>※2</sup>



※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

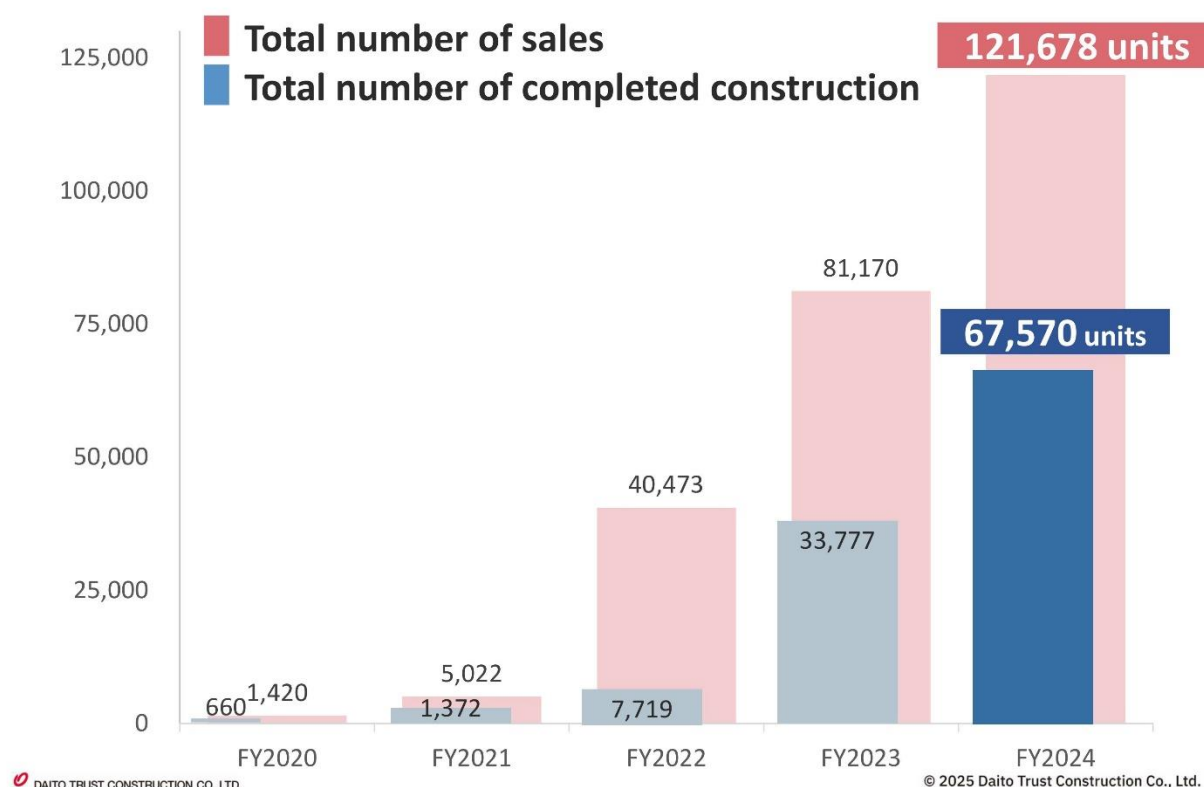
Please turn to page 21.

The sales of three-story ZEH homes have been growing, and the proportion of midrise homes increased by 3.5 percentage points YoY, reaching 19.9%.

As outlined in our medium-term management plan, driven by efforts to acquire more redevelopment projects for properties that have aged, the ratio of redevelopment projects has increased by 6.4 percentage points YoY to 36.5%.

## Orders received (ZEH rental housing)

22



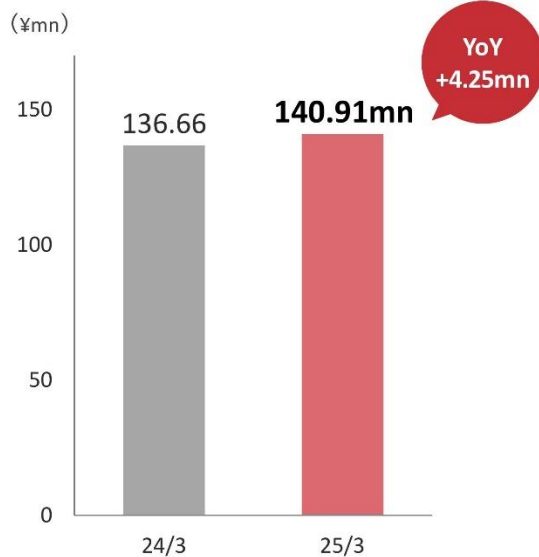
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Since we began sales in 2016, the total number of ZEH rental homes sold has surpassed 120,000 units. Additionally, the number of completed units has reached 60,000, and we will continue to promote sales moving forward.

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

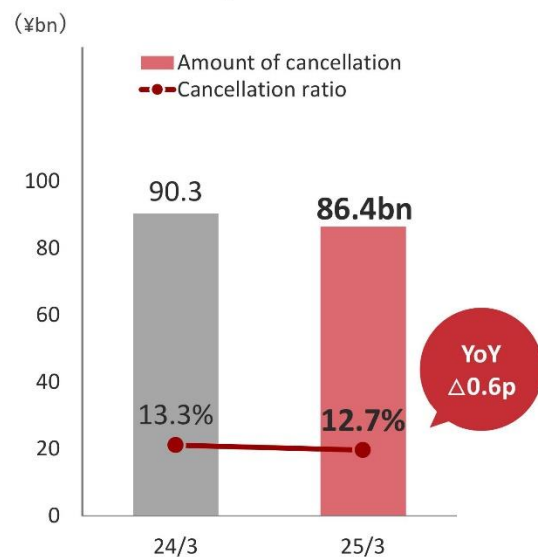
23

### ■ Average price of orders received※1



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

### ■ Amount of cancellation / Cancellation ratio※2



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

Please turn to page 23.

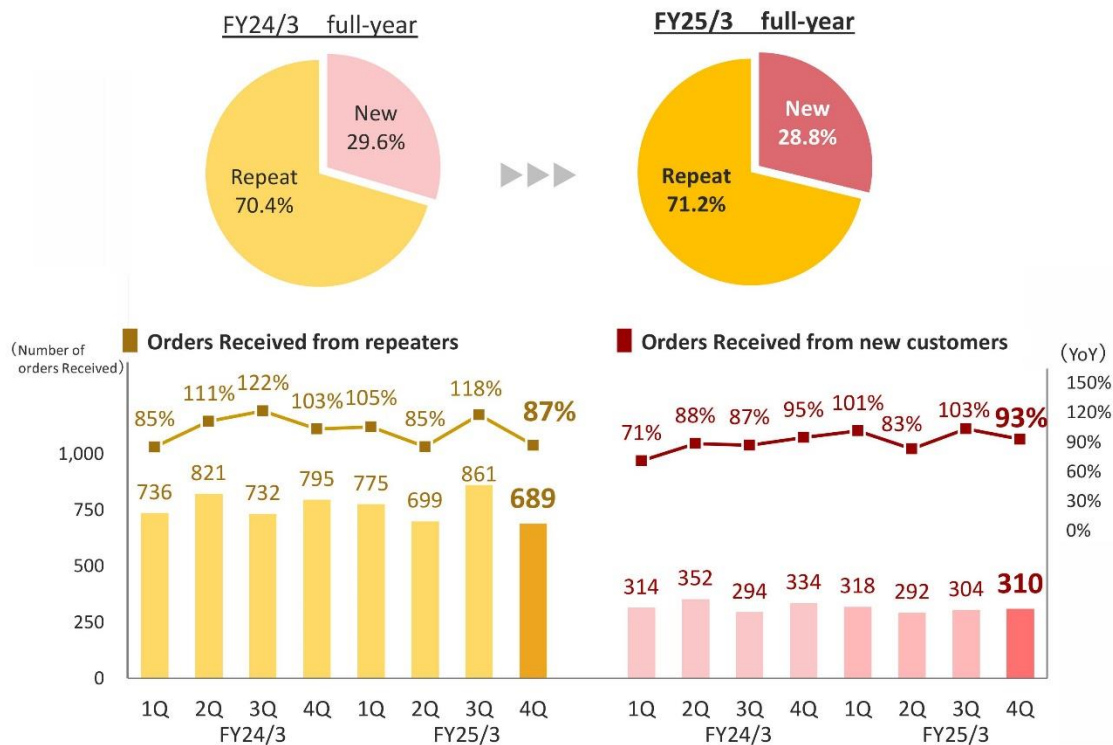
This is the situation regarding the order unit price and cancellation rate.

The graph on the left shows the trend in order unit prices, which increased by JPY4.25 million YoY, reaching JPY140.91 million.

The graph on the right shows the trend in cancellation rates, which decreased by 0.6 percentage points YoY, reaching 12.7%. We will continue to work on preventing cancellations by thoroughly confirming financing at the time of contract.

## Orders received (Number of orders received & their channels)

24



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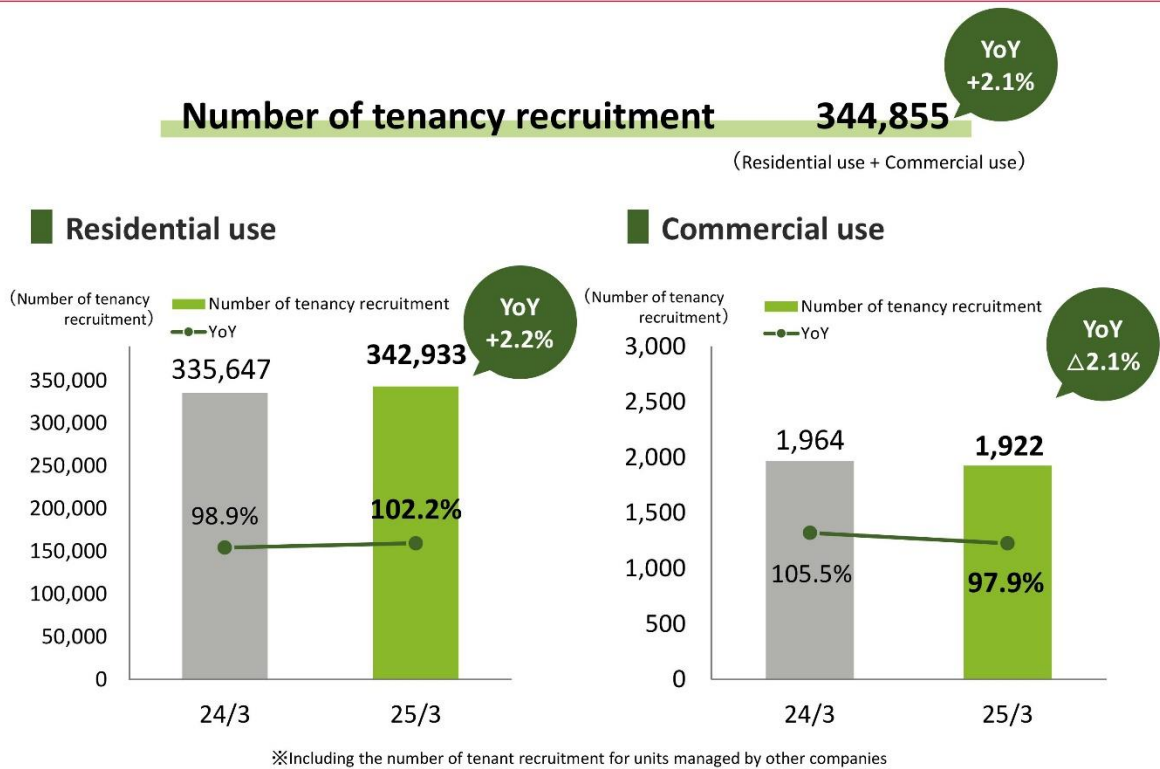
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The repeat customer ratio for this period increased by 0.8 percentage points YoY, reaching 71.2%. This increase is due to our strengthened visit activities targeting cash-rich customers, in response to the rise in construction costs, as well as efforts to promote redevelopment, which have contributed to the growth in repeat contracts.

## Tenancy recruitment (Number of tenancy recruitment)

25



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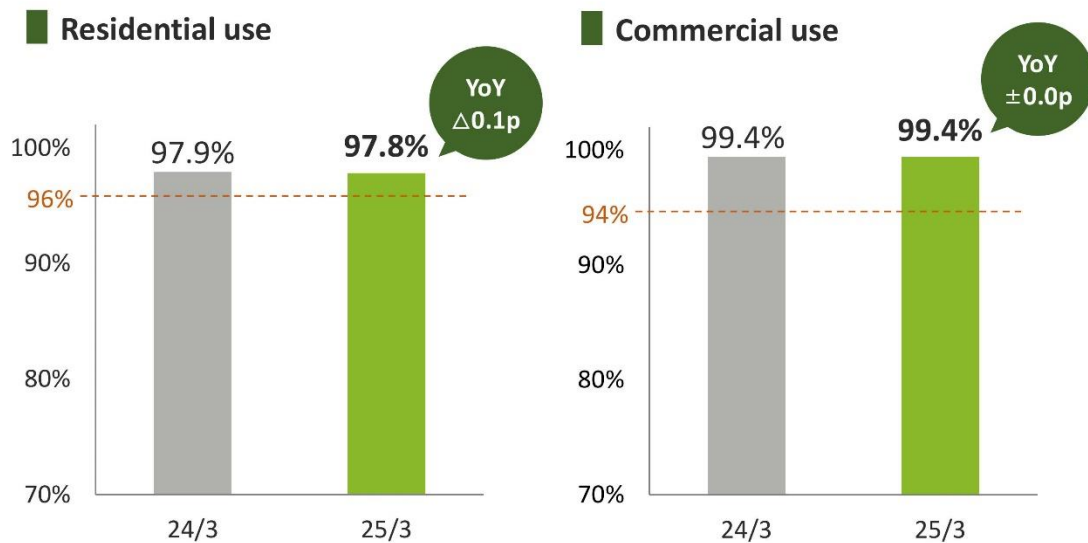
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Please turn to page 25.

The number of tenancy recruitments increased by 2.1% YoY, reaching 344,855 cases.

### Continuously maintains sound level of occupancy

(Residential use : 96% / Commercial use : 94%)



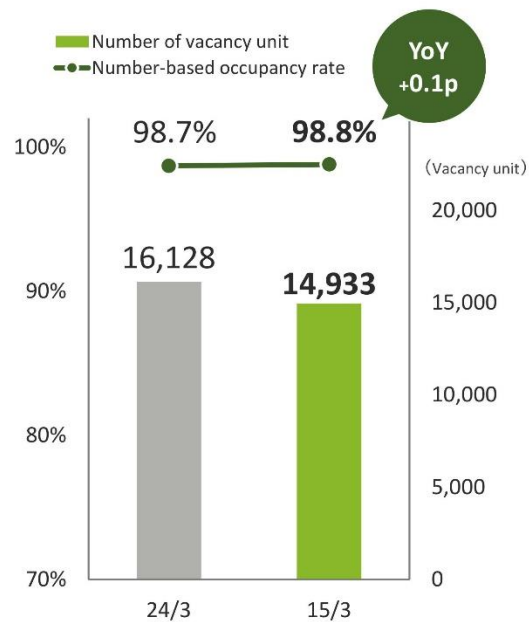
※Rent-based occupancy rate = 100% - (Lease fee payment for vacant units / Aggregate amount of rent [%])

Please turn to page 26.

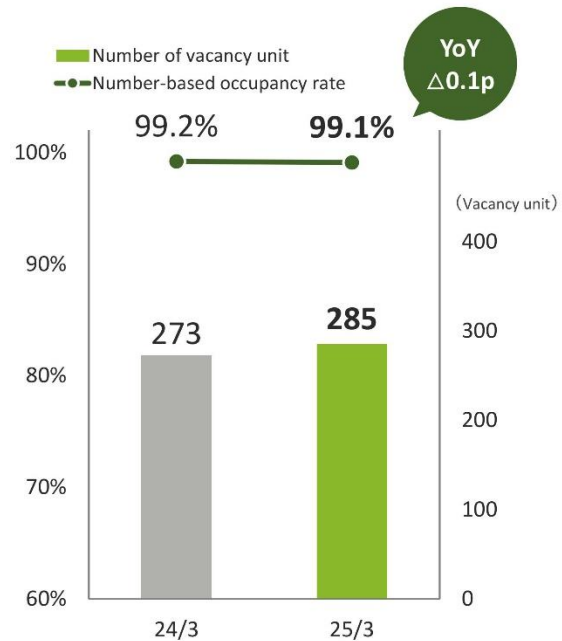
The occupancy rate based on rent remained at 97.8%, the same level as the previous year. The occupancy rate before COVID-19 in 2019 was 96.5%, so we are maintaining an occupancy rate higher than the pre-pandemic level.



## Residential use



## Commercial use



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

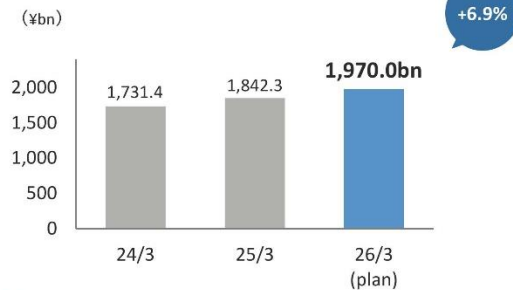
Please turn to page 27.

The occupancy rate for residential units increased by 0.1 percentage points YoY, reaching 98.8%.

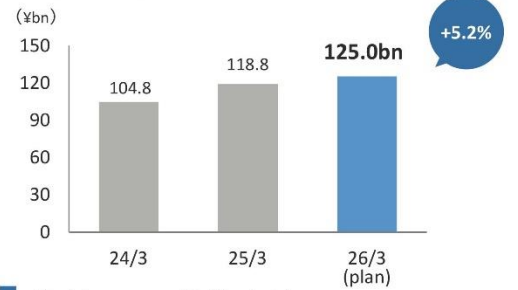
## Forecasts for FY ending in March 2026 (Consolidated PL)

29

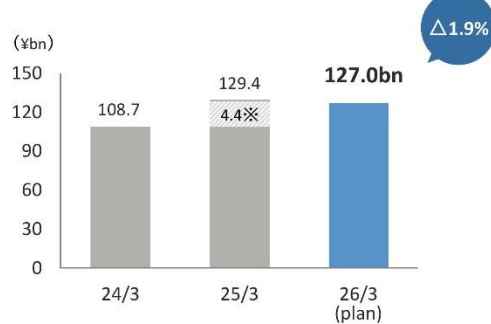
### Net sales



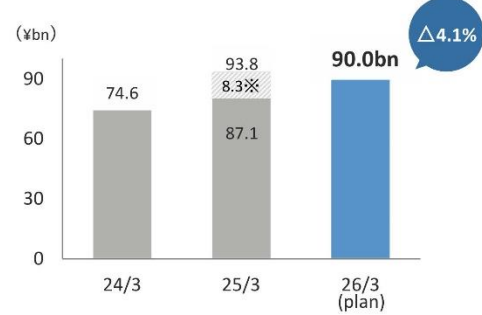
### Operating income



### Ordinary income



### Net income attributable to owners of parent



※ Sales of stocks held, exchange gains, etc.

Next, I will explain the forecast for this period.

Please turn to page 29.

Regarding profit and loss, we forecast net sales to increase by 6.9% YoY, reaching JPY1,970 billion, operating income to increase by 5.2% YoY, totaling JPY125 billion, ordinary income to decrease by 1.9% YoY, amounting to JPY127 billion, net income to decrease by 4.1% YoY, reaching JPY90 billion.

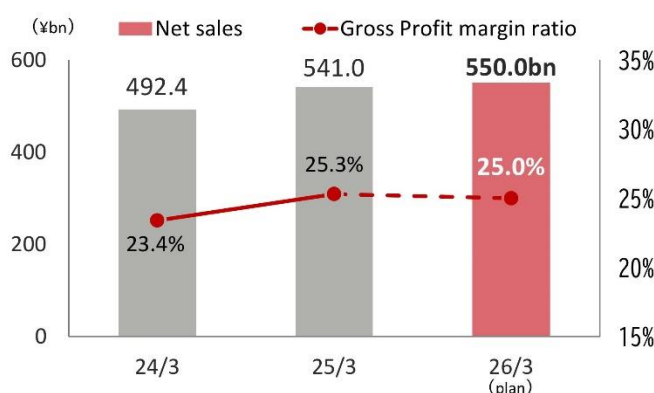
However, with a net income of JPY90 billion, we will not meet the ROE target of 20% set in the medium-term management plan. Therefore, we will continue to focus on asset management and share buybacks to achieve the 20% ROE target.

## Forecasts for FY ending in March 2026 (Forecast of completion)

30

	2025/3	2026/3(plan)	(YoY)
Net sales	541.0	550.0	(+1.7%)
Gross profit	136.8	137.5	(+0.5%)
Gross Profit margin ratio	25.3%	25.0%	[△0.3p]

### Net sales / Gross Profit margin ratio



[ ] : Difference from same period in previous year

### Major breakdown of the variance(△0.3p)

- ① Increased sales /Price revision +2.2p
- ② Labor cost △0.6p
- ③ Material cost △1.5p
- ④ Exchange △0.4p

Please turn to page 30.

This is the completion forecast. Completed construction sales are forecast to increase by 1.7% YoY, reaching JPY550 billion, completed construction gross profit to increase by 0.5% YoY, totaling JPY137.5 billion, completed construction gross profit margin to decrease by 0.3 percentage points YoY, reaching 25%.

The breakdown of the gross profit margin is as follows. An increase in profit due to price revisions is expected to contribute plus 2.2 percentage points rise in order unit prices. An increase in labor costs will contribute to a decrease of minus 0.6 percentage points. Impact of the 2024 logistics issue, along with increased transportation and material costs, will contribute to a decrease of minus 1.5 percentage points. Impact of material costs from North America and the depreciation of the Japanese yen will contribute to a decrease of minus 0.4 percentage points.

For this period, the exchange rate has settled at JPY133, but for the next fiscal year, we have booked a rate of JPY147.

While there is an increase in sales and the effect of price revisions, we have factored in the rising costs of raw materials, labor, and materials, which have resulted in a gross profit margin in line with the previous year.

Additionally, there is no direct impact from the increase in US tariffs.

## Forecasts for FY ending in March 2026 (Forecast of orders received)

31

**Forecast of amount of orders received** **¥620.0 (+3.9% YoY)**

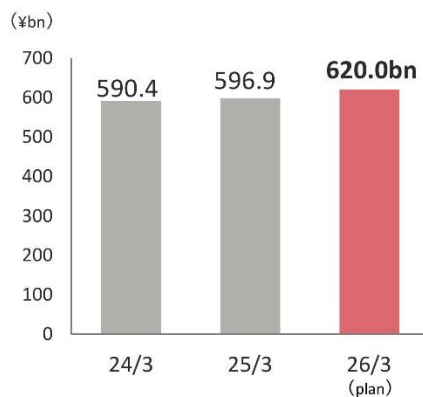
**Number of sales representatives <at the end of Mar. 2026 forecast>**

**3,000 (+30 YoY)**

**Amount of orders received per sales representative**

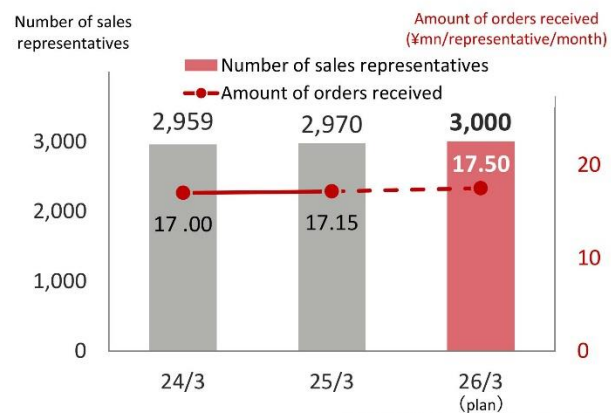
**¥17.50mn/month (+0.35mn YoY)**

■ Amount of orders received



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■ Number of sales representatives  
/ Amount of orders received per sales representative



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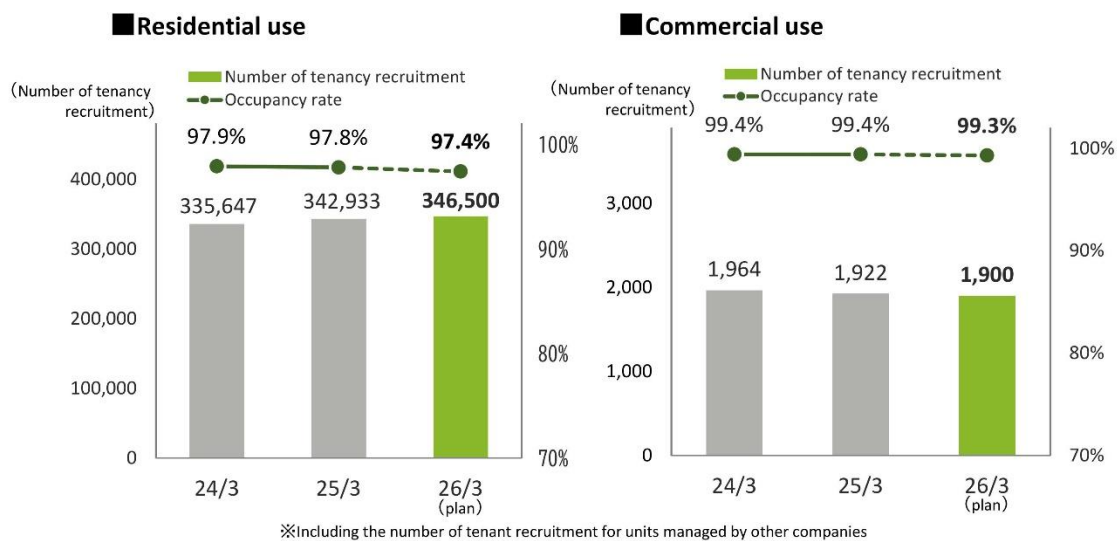
Please turn to page 31.

The order received is forecast to increase by 3.9% YoY, reaching JPY620 billion, the number of sales representatives to increase by 30, reaching 3,000 people, and the order intake per sales representative to increase by JPY350,000, reaching JPY17.5 million.

## Forecasts for FY ending in March 2026 (Forecast of tenancy recruitment)

32

Number of tenancy recruitment	348,400 (+1.0%YoY)
Residential use	346,500 (+1.0%YoY)
Commercial use	1,900 (△1.1%YoY)



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Please turn to page 32.

The number of tenancy recruitment is forecast to increase by 1% YoY, reaching 348,400 cases, the occupancy rate for residential units is 97.4%, and for commercial units, 99.3%.

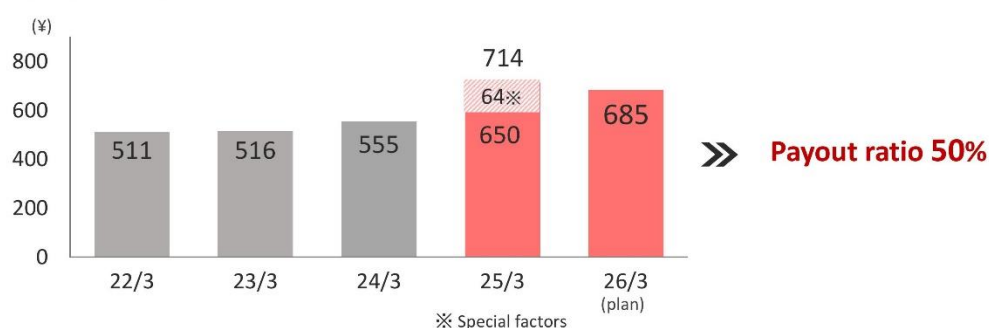
## Shareholder Return (Annual dividend per share)

34

**FY25/3** plan **¥575** ▶ **result ¥714** (mid¥287 + end¥427)  
 ※ Including dividend from special factors of ¥64

**FY26/3** plan **¥685** (mid¥342 + end¥343)

### ■ Annual dividend



31

Next, I will move on to shareholder returns.

Please turn to page 34.

Regarding dividends, for the fiscal year ended March 2025, subject to approval at the general meeting of shareholders scheduled for June 26, we plan a substantial increase in dividends, from the originally planned JPY575 to JPY714, an increase of JPY139, due to special factors such as stock sale gains. For the fiscal year ending March 2026, we plan a dividend payout ratio of 50%, with a dividend of JPY685.

As shown in the table, JPY64 of this increase comes from gains on stock sales and foreign exchange differences, and excluding this, the dividend will be JPY650. For this fiscal year, we plan to maintain a dividend payout ratio of 50%.

As mentioned earlier, since the current ROE has not yet reached 20%, we will continue to consider share buybacks as part of our strategy to achieve this target.

### Three Pillars of the Medium-Term Management Plan (FY2024-FY2026)

1	<b>Promotion of human capital management</b> 【Ease of work】 × 【Job satisfaction】 ➡ Maximizing the power of employees ▪ Granting stock to employees   ▪ Solving social issues   ▪ A work environment where everyone can thrive.
2	<b>Establish a strong core business</b> ▪ Responding to major social changes   ▪ Maintain and expand construction volume ▪ Virtuous circle from Stock to Flow
3	<b>Tackling on Focus Areas of this Medium-Term Management Plan</b> ▪ Expansion of real estate development business   ▪ Starting overseas business ▪ Regional development that is unique to Daito Group.

### Target in FY2026

Net Sales	2tn yen	Operating income	140bn yen	ROE	20%
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Finally, I will explain the progress of our medium-term management plan.

Please turn to page 36.

In the medium-term management plan that we started last year, we have set three key pillars, promoting human capital management, establishing a strong core business, and tackling focus areas.

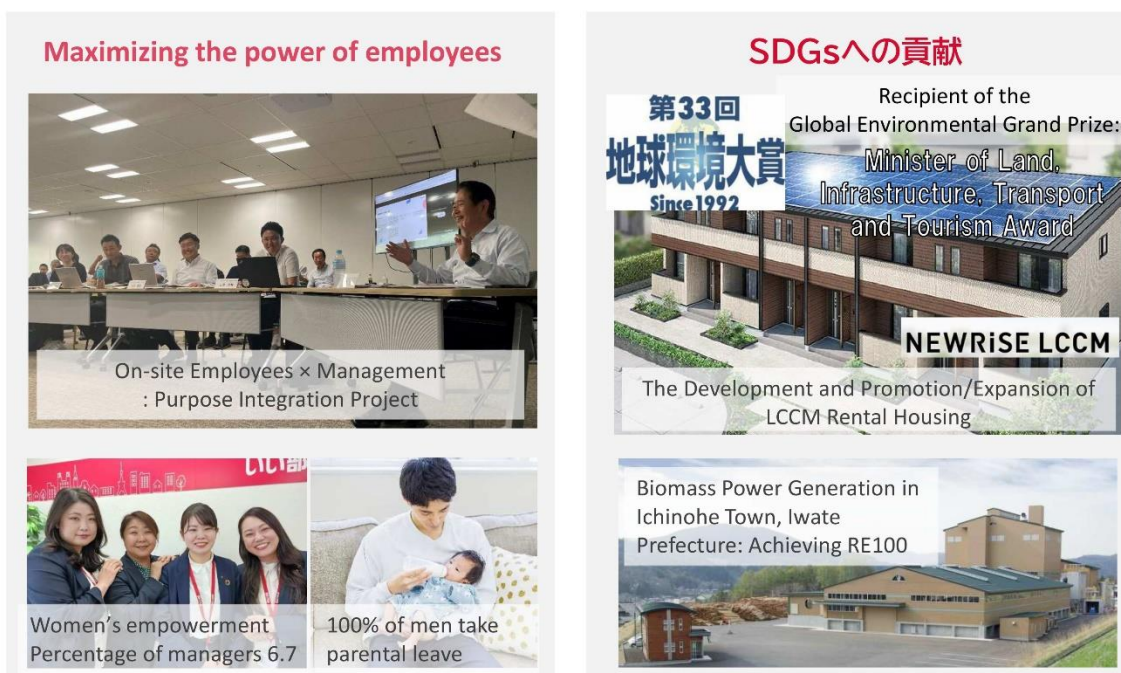
As our goals for the final year, we have set net sales of JPY2 trillion, operating income of JPY140 billion, and an ROE of 20%. In the following pages, I will explain the progress of each of these initiatives.



## 1

### Promotion of human capital management

【Ease of work】×【Job satisfaction】➡Maximizing the power of employees



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Please turn to page 37. First, I will explain the promotion of human capital management.

Over the past year, in addition to granting RS, we have made various efforts.

One of the major initiatives is the purpose integration project. This project, led mainly by frontline employees, involved a total of 5,000 hours and 193 individuals. Employees created a set of action guidelines based on the Company's purpose, to encourage self-reflection and action. This year, we will focus on spreading this initiative.

Along with the spread of these voluntary efforts, we aim to maximize the potential of our employees by increasing the proportion of female managers and accelerating the uptake of paternity leave for men.

Our contributions to the SDGs are also progressing smoothly. The development, popularization, and expansion of LCCM rental housing have been recognized, and we were honored with the Minister of Land, Infrastructure, Transport and Tourism Award at the Global Environment Awards.

Furthermore, we are making arrangements to launch the second biomass power plant in Ichinohe Town, Iwate Prefecture. This will enable the Daito Trust Group to move toward 100% renewable energy, or RE100, which we are currently preparing for.



## 1

### Promotion of human capital management

【Ease of work】 × 【Job satisfaction】 ➡ Maximizing the power of employees



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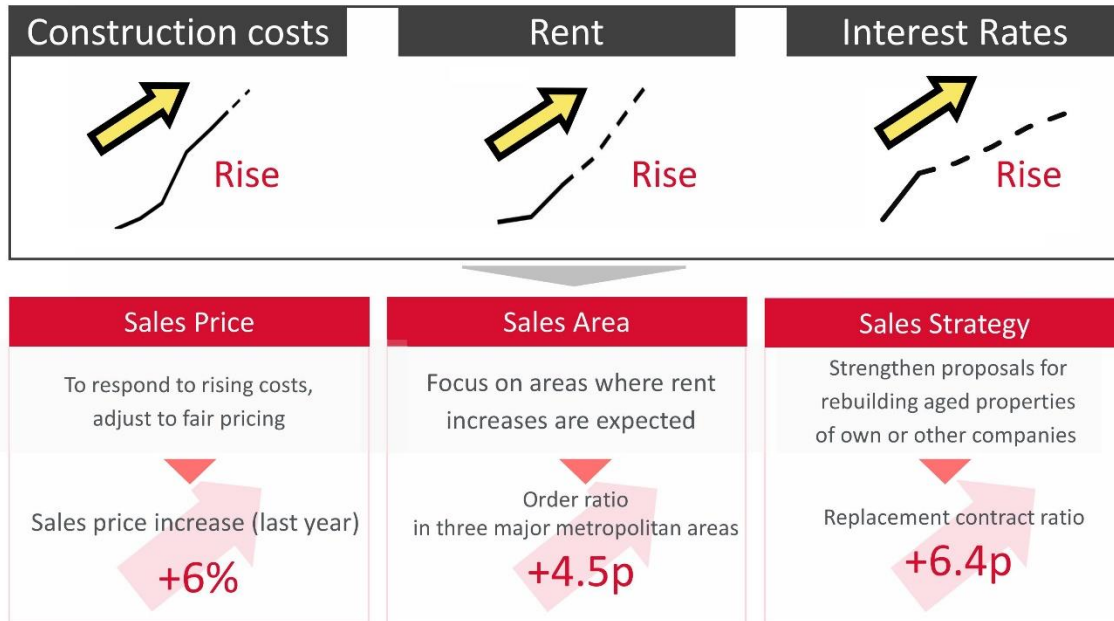
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Please turn to page 38.

As a result of these efforts, our employee engagement target was set at 62 points, but we have already surpassed 63 points.

Moving forward, we aim to enhance the work environment and job satisfaction of motivated employees, while creating an environment in which all employees across the Group can fully demonstrate their abilities, thereby improving corporate value.

## 2 Establish a strong core business



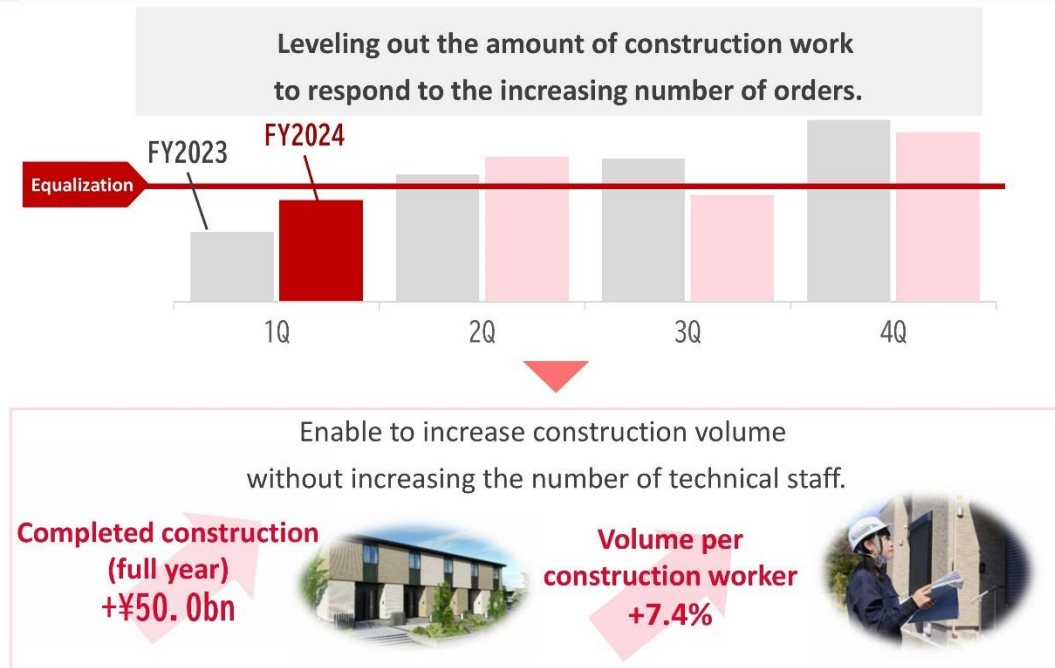
Please turn to page 39.

The second pillar, establishing a strong core business, focuses on the three key elements of the rental business, construction costs, rent, and interest rates. All of these elements are showing an upward trend.

In this business environment, last year, we implemented a 6% price revision, shifted to sales areas with promising rent prospects, and strengthened redevelopment projects. As a result, we were able to increase orders and redevelopment contracts in the three major metropolitan areas.

We will continue to adapt our structure to respond effectively to changes in the business environment and work on securing orders.

## 2 Establish a strong core business



Please turn to page 40.

As a measure to address the issue of construction engineers, we have worked on standardizing the monthly construction volumes, which had previously shown significant fluctuations.

The bar graph here shows the construction volumes for each quarter in 2023 and 2024. While there is still some variability, we have made efforts to bridge the gap between peak seasons, such as September and March, and the off-season.

As a result, we were able to increase completed construction sales by JPY50 billion, without significantly increasing the number of engineers.

## 3

### Tackling on Focus Areas of this Medium-Term Business Plan

Expansion of real estate development business

Investment  
Condominiums

Acquisition, Renovation, and Resale  
/ In-house Development  
Investment Condominiums

Strengthening the  
Metropolitan Area  
/ Expanding Assets



Entry into  
Real Estate Development  
Business

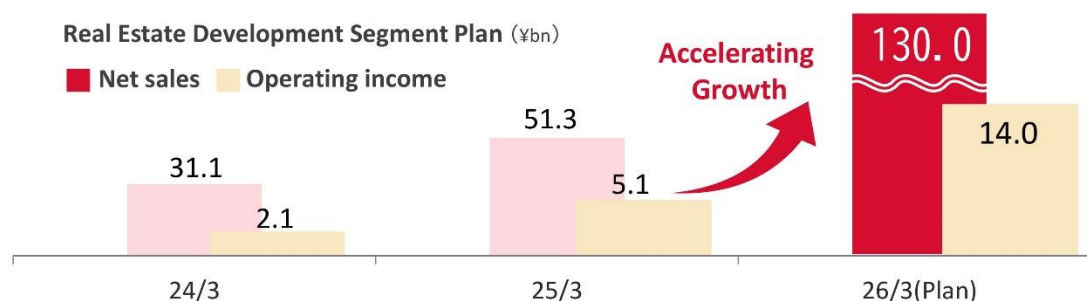


Expansion of  
Real Estate Development  
Business



Real Estate Development Segment Plan (¥bn)

Net sales Operating income



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Please turn to page 41.

The third pillar, addressing focus areas, involves expanding the real estate development business that we have been cultivating.

To grow this business further, we have incorporated Ascot Corp., a company with strengths in the five central wards of the Tokyo metropolitan area. As a result, for this period, we are expecting real estate development net sales of JPY130 billion and operating income of JPY14 billion.

We aim to position real estate development as the second pillar of our core business and accelerate its growth further.

## 3

### Tackling on Focus Areas of this Medium-Term Business Plan

Expansion of real estate development business

#### Residential real estate



#### Hotel



Planned for development in Yufuin, Oita Prefecture.

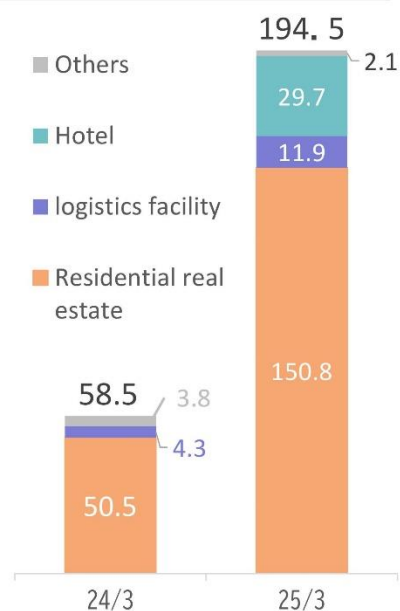
#### logistics facility



Under construction in Kanuma City, Tochigi Prefecture.

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#### Real Estate Investment Balance (¥bn)



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Please turn to page 42.

On the left side, you can see examples of projects we are currently working on, including income-generating real estate, hotels, and logistics facilities.

On the right side, the bar graph shows the breakdown of assets listed on the balance sheet.

Currently, residential properties make up the majority, but moving forward, we plan to gradually increase our investments in logistics and hotels, aiming to create a larger total value. As of the fiscal year ended March 2025, the investment balance has reached JPY194.5 billion.

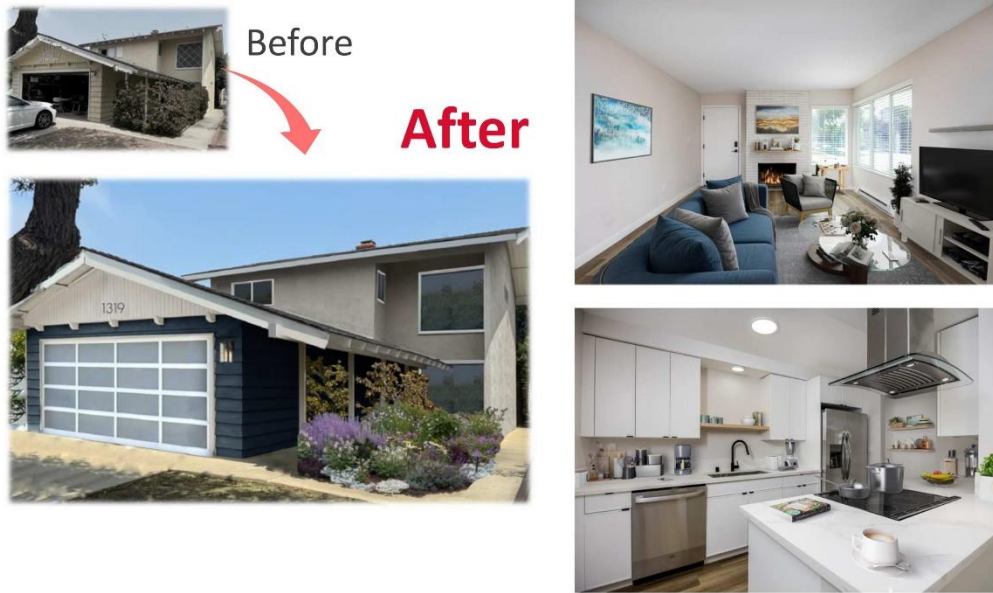


### 3

#### Tackling on Focus Areas of this Medium-Term Business Plan

Starting overseas business

We are currently renovating and selling our first project in the United States sequentially (two buildings have been sold for 700 million yen).



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Please turn to page 43.

Regarding the progress of our overseas business, the first project we acquired in the United States last year has been renovated in collaboration with a local management company, and the sale has been completed. This time, we acquired eight buildings, of which, two buildings, valued at JPY700 million, have already been sold.

Moving forward, we aim to deepen our collaboration with local companies, to enhance building management and expand the renovation and resale efforts.

## 3

### Tackling on Focus Areas of this Medium-Term Business Plan

Regional development that is unique to Daito Group

Construction of facilities  
aimed at solving social issues

Promotion of community development projects  
with local governments



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Please turn to page 44.

The final initiative of our medium-term management plan is community development, specifically focused on addressing social issues such as the aging society. As part of our community development efforts, we are concentrating on the expansion of senior care facilities.

We have successfully acquired 67 residential-type elderly care facilities, totaling JPY14.7 billion, for the full year. This is a significant increase from the previous year when we had only four facilities valued at JPY700 million.

Additionally, as shown on the right side, in addition to the ZEH Town Project in Chiba, we are also advancing a project in Takaoka City, Toyama Prefecture. We are progressing with these projects in collaboration with local governments and various industries.

### Other Topics

- At the Osaka-Kansai Expo, a pavilion constructed by our group company, Shima Corporation, has been completed (engaged in the construction of pavilions for four countries: Canada, the United States, the United Kingdom, and Australia).
- DAITO TRUST CONSTRUCTION CO.,LTD. also provided an event stage built from CLT as a supplier.



- Representation of Canada's natural phenomenon "ice jam"



- Visually expressing American innovation and originality.



- A distinctly British design inspired by toy building blocks.

CLT  
provided by Daito



- Used as storage and dressing rooms (to be reused at construction sites after the expo concludes).



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Finally, please turn to page 45.

This is the pavilion for the Osaka-Kansai Expo, which was completed with the involvement of our group company, SHIMA CO., in its construction. We are now unveiling it.

As you can see at the entrance, there is CLT from Canada, the United States, and the United Kingdom. This CLT, used at the outdoor stage, is provided by our company, so if you have the chance to visit the Expo, please take a look.

That concludes my explanation.

**Moderator:** Thank you, Takeuchi.



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