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July 31, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)



Company name: Daito Trust Construction Co., Ltd.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 1878
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	478,250	7.4	34,100	0.7	35,095	(0.5)	24,103	(0.7)
June 30, 2024	445,143	9.1	33,871	40.3	35,283	33.9	24,281	31.4

Note: Comprehensive income For the three months ended June 30, 2025: ¥20,553 million [(19.6)%]
 For the three months ended June 30, 2024: ¥25,553 million [16.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	363.61	363.59
June 30, 2024	371.63	370.93

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	1,226,653	459,077	37.6	6,955.46
March 31, 2025	1,221,992	467,365	38.4	7,073.15

Reference: Equity
 As of June 30, 2025: ¥461,305 million
 As of March 31, 2025: ¥468,766 million

(Notes)

In the first quarter of the fiscal year ending March 2026, the provisional accounting treatment related to the business combination has been finalized. The figures for the fiscal year ended March 2025 have been adjusted to reflect the finalized provisional accounting treatment.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	287.00	—	427.00	714.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		342.00	—	68.60	—

(Notes)

- Revisions to the forecast of cash dividends most recently announced: None
- The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025. The amount of the final dividend per share forecast for FY2025 takes into account the effect of the split, and the total annual dividend is shown as “—”. If the stock split were not taken into account, the year-end dividend forecast for FY2025 would be ¥343 and the total annual dividend would be ¥685.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	940,000	3.6	58,000	(18.4)	59,000	(20.1)	42,000	(17.8)	630.00
Full year	1,970,000	6.9	125,000	5.2	127,000	(1.9)	90,000	(4.1)	274.00

(Notes)

- Revisions to the forecast of financial results most recently announced: None
- The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025. The impact of the split is taken into account in the basic earnings per share forecast for FY2025. Basic earnings per share excluding the effect of the stock split would be ¥1,370.00.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies

Excluded: - companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	68,918,979 shares
As of March 31, 2025	68,918,979 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	2,596,235 shares
As of March 31, 2025	2,644,922 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	66,287,943 shares
Three months ended June 30, 2024	65,336,609 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts and other special matters

- The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results and outcomes may differ materially due to various factors. For information on the assumptions for the earnings forecasts and notes on the use of the earnings forecasts, please refer to 1. Overview of Operating Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information on page 3 of the Attachments.
- The Company is scheduled to hold a financial results briefing for institutional investors and securities analysts on Thursday, July 31, 2025. The materials used in this briefing, the presentation (audio), and the Q&A notes will be posted on the Company's website promptly after the briefing.
- In the consolidated balance sheet at the end of the previous fiscal year and the end of the three months ended June 30, 2025, the Company's shares held by a Japanese version of the Employee Stock Ownership Plan (J-ESOP) Trust, the Employee Stock Ownership Plan (ESOP) Trust, and Directors' Compensation Board Incentive Plan (BIP) Trust are recorded as treasury shares. However, the Company's shares held by the trusts that the Company entered into agreements with prior to March 31, 2014 are not considered to be treasury shares when calculating basic earnings per share, diluted earnings per share, equity-to-asset ratio, net assets per share, equity, number of treasury shares at the end of the period, and average number of shares outstanding during the period (cumulative from the beginning of the fiscal year).

At the end of the previous fiscal year and the end of the three months ended June 30, 2025, the Company's shares held by the J-ESOP Trust that the Company entered into an agreement with prior to March 31, 2014 are as follows:

End of the previous fiscal year:	220,741 shares, ¥2,376 million
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End of the three months ended June 30, 2025:	181,032 shares, ¥1,948 million
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(Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm)

After completing the review, the Company plans to disclose a financial results report to which a review report (voluntary) will be attached.

Planned disclosure date: August 8, 2025

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Three Months Ended June 30, 2025

During the three months ended June 30, 2025, the Japanese economy saw a gradual recovery, with increased capital investment due to a recovery in corporate earnings and a pick-up in private consumption due to the spread of wage increases. However, the outlook remains uncertain, with ongoing concerns over rising prices, as well as concerns about the impact of geopolitical risks and trade policies, such as U.S. tariffs, on the domestic economy.

New housing starts decreased by 30.2% year-on-year to 99,425 on a cumulative basis for the period from April 2025 to May 2025. This is due to the impact of the April 2025 revision to the Building Standards Act and the enforcement of the Building Energy Efficiency Act. In the field of rental housing on which the Daito Group is focused, housing starts of rental residential properties also decreased by 29.1% year-on-year to 43,832 for the same period.

In this environment, the Company promoted its business activities based on the medium-term management plan (FY2024 to FY2026) in line with the basic policy of “New Challenges as a Group,” with the aim of achieving neighborhood and regional revitalization under the vision for 2030, “DAITO Group VISION 2030.”

(Overview of the three months ended June 30, 2025)

The Company recorded net sales of 478,250 million yen (up 7.4% year-on-year), operating profit of 34,100 million yen (up 0.7% year-on-year), ordinary profit of 35,095 million yen (down 0.5% year-on-year), and profit attributable to owners of parent of 24,103 million yen (down 0.7% year-on-year).

(Overview by segment)

1) Construction Business

In the Construction Business, net sales of completed construction contracts increased by 0.4% year-on-year to 126,582 million yen and gross profit on completed construction contracts decreased by 3.4% year-on-year to 30,939 million yen, mainly due to the equalization of construction processes and steady progress in construction. The gross profit margin for completed construction contracts decreased by 1.0 points year-on-year to 24.4% due to an increase in reinforced concrete buildings and rising costs caused by the 2024 issue in the transportation industry. Operating profit decreased by 21.9% year-on-year to 8,462 million yen.

Orders received decreased by 11.7% year-on-year to 130,062 million yen, largely due to the optimization of the sales area considering the rising construction costs and the tenant placement situation, and orders in hand as of June 30, 2025 decreased by 0.5% year-on-year to 796,273 million yen.

2) Real Estate Leasing Business

In the Real Estate Leasing Business, sales in real estate lease business increased by 3.1% year-on-year to 296,412 million yen and operating profit increased by 5.6% year-on-year to 23,785 million yen. This is mainly due to an increase in rental revenues from Daito Kentaku Partners Co., Ltd., which handles whole-building lease operations, resulting from an increase in whole-building lease properties under our Lease Management Trust System and high occupancy rates, and increased revenue at House Leave Co., Ltd., which handles services that do not require a guarantor.

The number of tenant recruitment (Note 1) increased by 0.4% year-on-year to 84,624 due to an increase in properties managed by the Company. The rent basis occupancy rate (Note 2) of our leased residential properties as of June 30, 2025 remained flat year-on-year at 97.4%, and the rent basis occupancy rate of our leased commercial properties remained flat year-on-year at 99.4%.

(Notes) 1. The total for Daito Kentaku Leasing Co., Ltd. and Daito Kentaku Partners Co., Ltd. (including properties managed by other companies)

2. Rent basis occupancy rate = $1 - (\text{rent guarantee for vacant rooms} / \text{total rent})$

3) Real Estate Development Business

In the Real Estate Development Business, sales in real estate development business increased by 190.7% year-on-year to 33,537 million yen mainly due to the consolidation of Ascot Corp. as a subsidiary and the increase in the number of

income-generating properties sold (development and sale) . Operating profit increased by 94.5% year-on-year to 2,772 million yen.

4) Other Business

In the Other Business, sales in other businesses increased by 8.1% year-on-year to 21,717 million yen, and operating profit increased by 7.6% year-on-year to 3,350 million yen. This is mainly attributable to an increase in the total number of operating meters in the gas supply business.

(2) Overview of Financial Position for the Three Months Ended June 30, 2025

Total assets at the end of the three months ended June 30, 2025 amounted to 1,226,653 million yen, an increase of 4,660 million yen compared to the end of the previous fiscal year. This is mainly due to an increase of 4,875 million yen in accounts receivable from completed construction contracts and other.

Liabilities amounted to 767,575 million yen, an increase of 12,948 million yen compared to the end of the previous fiscal year. This is mainly due to an increase of 57,228 million yen in short-term borrowings, and offset by decreases of 21,396 million yen in provision for bonuses and 19,208 million yen in income taxes payable.

Net assets amounted to 459,077 million yen, a decrease of 8,287 million yen compared to the end of the previous fiscal year. This mainly reflects an increase of 24,103 million yen stemming from the profit attributable to owners of parent, a decrease of 28,424 million yen resulting from dividends of surplus, and a decrease of 3,305 million yen in foreign currency translation adjustment.

As a result, the equity-to-asset ratio was 37.6%, down 0.8 points from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The first half and full-year earnings forecasts remain unchanged from those announced on May 2, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

Millions of yen

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	235,890	232,454
Accounts receivable from completed construction contracts and other	69,842	74,718
Securities	3,006	3,007
Real estate for sale	90,694	93,164
Real estate for sale in process	101,168	99,808
Costs on construction contracts in progress	17,007	19,065
Real estate for sale and development projects in progress	8,631	8,712
Other inventories	8,567	9,821
Prepaid expenses	81,748	82,381
Operating loans	108,449	110,568
Other	29,390	29,449
Allowance for doubtful accounts	(536)	(567)
Total current assets	753,861	762,584
Non-current assets		
Property, plant and equipment	184,280	183,470
Intangible assets		
Goodwill	14,281	14,016
Other	22,655	22,645
Total intangible assets	36,936	36,661
Investments and other assets		
Investment securities	44,160	44,498
Subordinated bonds and subordinated trust beneficiary right	3,436	3,424
Money held in trust	44,072	44,206
Deferred tax assets	114,215	111,143
Other	48,446	48,283
Allowance for doubtful accounts	(7,418)	(7,619)
Total investments and other assets	246,914	243,936
Total non-current assets	468,131	464,068
Total assets	1,221,992	1,226,653

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	53,216	47,419
Short-term borrowings	9,311	66,540
Current portion of long-term borrowings	58,681	58,440
Income taxes payable	28,393	9,185
Advances received on construction contracts in progress	49,751	42,269
Advances received	120,180	120,738
Provision for bonuses	28,654	7,257
Provision for loss on construction contracts	1,308	1,261
Deposits received	10,198	16,954
Other	51,135	51,416
Total current liabilities	410,833	421,484
Non-current liabilities		
Bonds payable	11,100	11,100
Long-term borrowings	44,530	46,233
Provision for repairs on whole-building lease	229,105	231,270
Retirement benefit liability	13,939	12,576
Long-term guarantee deposits	30,102	30,116
Other	15,016	14,793
Total non-current liabilities	343,793	346,090
Total liabilities	754,626	767,575
Net assets		
Shareholders' equity		
Share capital	29,060	29,060
Capital surplus	32,621	32,485
Retained earnings	445,821	441,499
Treasury shares	(43,217)	(42,292)
Total shareholders' equity	464,286	460,754
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	269	215
Deferred gains or losses on hedges	81	(63)
Revaluation reserve for land	(7,584)	(7,584)
Foreign currency translation adjustment	9,407	6,102
Remeasurements of defined benefit plans	(71)	(68)
Total accumulated other comprehensive income	2,103	(1,397)
Share acquisition rights	56	56
Non-controlling interests	918	(335)
Total net assets	467,365	459,077
Total liabilities and net assets	1,221,992	1,226,653

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Three months ended June 30

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	126,042	126,582
Sales in real estate lease business	287,467	296,412
Sales in real estate development business	11,538	33,537
Sales in other businesses	20,096	21,717
Total net sales	445,143	478,250
Cost of sales		
Cost of sales of completed construction contracts	93,997	95,642
Cost of sales in real estate lease business	253,276	260,962
Cost of sales in real estate development business	8,772	27,438
Cost of sales in other businesses	12,483	13,635
Total cost of sales	368,529	397,679
Gross profit		
Gross profit on completed construction contracts	32,045	30,939
Gross profit - real estate lease business	34,191	35,449
Gross profit - real estate development business	2,765	6,099
Gross profit - other business	7,612	8,081
Total gross profit	76,614	80,570
Selling, general and administrative expenses	42,742	46,470
Operating profit	33,871	34,100
Non-operating income		
Interest income	202	261
Dividend income	388	15
Commission income	793	812
Share of profit of entities accounted for using equity method	199	215
Foreign exchange gains	—	120
Miscellaneous income	553	489
Total non-operating income	2,138	1,914
Non-operating expenses		
Interest expenses	135	597
Foreign exchange losses	436	—
Commission expenses	73	186
Miscellaneous expenses	80	135
Total non-operating expenses	726	919
Ordinary profit	35,283	35,095
Extraordinary income		
Gain on sale of non-current assets	61	16
Gain on sale of investment securities	29	—
Total extraordinary income	91	16
Extraordinary losses		
Loss on sale and retirement of non-current assets	63	31
Impairment losses	—	30
Loss on disaster	12	—
Loss on sale of investment securities	21	—
Total extraordinary losses	97	61
Profit before income taxes	35,276	35,049

	Three months ended June 30, 2024	Three months ended June 30, 2025
Income taxes - current	7,365	8,248
Income taxes - deferred	3,647	2,746
Total income taxes	11,013	10,995
Profit	24,263	24,054
Loss attributable to non-controlling interests	(17)	(49)
Profit attributable to owners of parent	24,281	24,103

Quarterly Consolidated Statement of Comprehensive Income

Three months ended June 30

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	24,263	24,054
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,588)	(54)
Deferred gains or losses on hedges	(380)	(144)
Foreign currency translation adjustment	3,203	(3,305)
Remeasurements of defined benefit plans, net of tax	54	2
Total other comprehensive income	1,289	(3,501)
Comprehensive income	25,553	20,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,570	20,602
Comprehensive income attributable to non-controlling interests	(16)	(49)

(3) Quarterly Consolidated Statement of Cash Flows

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	35,276	35,049
Depreciation	4,255	4,432
Impairment losses	–	30
Amortization of goodwill	233	308
Increase (decrease) in allowance for doubtful accounts	148	232
Increase (decrease) in provision for bonuses	(16,530)	(21,399)
Increase (decrease) in provision for repairs on whole-building lease	2,755	2,165
Increase (decrease) in retirement benefit liability	(1,355)	(1,351)
Interest and dividend income	(591)	(276)
Interest expenses	135	597
Loss (gain) on sale of investment securities	(8)	–
Share of loss (profit) of entities accounted for using equity method	(199)	(215)
Decrease (increase) in trade receivables	(3,874)	(4,681)
Decrease (increase) in real estate for sale	3,869	(2,550)
Decrease (increase) in real estate for sale in process	(5,936)	1,360
Decrease (increase) in costs on construction contracts in progress	(2,332)	(2,058)
Decrease (increase) in other inventories	(667)	(797)
Decrease (increase) in prepaid expenses	(127)	(437)
Decrease (increase) in operating loans receivable	(481)	(2,118)
Increase (decrease) in trade payables	(4,036)	(5,842)
Increase (decrease) in advances received on construction contracts in progress	(6,451)	(7,482)
Increase (decrease) in advances received	(544)	565
Increase (decrease) in long term guarantee deposits	(48)	14
Other, net	2,253	6,583
Subtotal	5,743	2,127
Interest and dividends received	887	521
Interest paid	(140)	(496)
Income taxes paid	(20,161)	(27,275)
Net cash provided by (used in) operating activities	(13,670)	(25,122)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	10,000	4,238
Payments into time deposits	(24,280)	(5,544)
Decrease in money held in trust	–	123
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(119)	(820)
Purchase of shares of associates	–	(2,002)
Purchase of property, plant and equipment	(3,044)	(4,850)
Purchase of intangible assets	(1,618)	(1,745)
Purchase of investment securities	(1,527)	(675)
Proceeds from sale and redemption of investment securities	1,195	1,643
Other, net	(1,345)	809
Net cash provided by (used in) investing activities	(20,740)	(8,824)

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	57,228
Proceeds from long-term borrowings	–	10,234
Repayments of long-term borrowings	(2,859)	(9,597)
Proceeds from disposal of treasury shares	643	824
Purchase of treasury shares	(6)	(0)
Dividends paid	(18,942)	(28,432)
Dividends paid to non-controlling interests	(32)	–
Other, net	(85)	(78)
Net cash provided by (used in) financing activities	(21,283)	30,178
Effect of exchange rate change on cash and cash equivalents	1,209	(973)
Net increase (decrease) in cash and cash equivalents	(54,483)	(4,742)
Cash and cash equivalents at beginning of period	229,038	223,573
Cash and cash equivalents at end of period	174,554	218,831

(4) Notes to Quarterly Consolidated Financial Statements

(Note on the assumption as a going concern)

Not applicable.

(Note on substantial changes in the amount of shareholders' equity)

Not applicable.

(Changes in presentation)

(Quarterly consolidated statement of cash flows)

“Decrease (increase) in real estate for sale in process,” which was included in “decrease (increase) in real estate for sale” under “cash flows from operating activities” in the three months ended June 30, 2024, has been presented as a separate item as the amount became material. To reflect this change in presentation, the figures for the three months ended June 30, 2024 have been reclassified.

As a result, (2,067) million yen presented in “decrease (increase) in real estate for sale” under “cash flows from operating activities” in the quarterly consolidated statement of cash flows for the three months ended June 30, 2024 has been reclassified to “decrease (increase) in real estate for sale” of 3,869 million yen and “decrease (increase) in real estate for sale in process” of (5,936) million yen.

(Additional Information)

(Stock Split and Ensuing Partial Amendment to the Articles of Incorporation)

The Company announces that at a meeting of the Board of Directors held on March 19, 2025, the Company resolved to conduct a stock split and make partial amendment to the articles of incorporation in conjunction with this split.

1. Purpose of stock split

The purpose of implementing the stock split and lowering the investment unit price of common stock is to further expand our investor base and to improve the liquidity of stock by making investing more accessible for investors.

2. Overview of stock split

(1) Method of the stock split

With a record date of September 30, 2025, common stock held by shareholders on that date will be split at a ratio of 5-for-1.

(2) Number of shares to be increased by the stock split

Total number of shares issued before the stock split	68,918,979 shares
Number of shares to be increased by this stock split	275,675,916 shares
Total number of shares issued after the stock split	344,594,895 shares
Total number of authorized shares after the stock split	1,378,000,000 shares

(3) Schedule

Announcement of record date (Scheduled)	Friday, September 12, 2025
Record date	Tuesday, September 30, 2025
Effective date	Wednesday, October 1, 2025

(4) Other

(i) Company's capital

The stock split will not result in any change in the Company's capital.

(ii) Interim dividend for the fiscal year ending March 2026

The stock split will be effective on October 1, 2025. Therefore, the interim dividend for the fiscal year ending March 31, 2026, which considers September 20, 2025, as the record date, will be based on the number of shares before the stock split.

(iii) Adjustment of Exercise Price for Stock Options

Due to the stock split effective from October 1, 2025, the exercise price per share of the stock options will be adjusted as follows. Additionally, the number of shares per stock option unit not yet exercised will be adjusted from 100 shares to 500 shares.

Stock options (issue resolution date)	Exercise price (yen)	
	Before adjustment	After adjustment
2-A Series Stock Options (May 21, 2013)	1	1 (Note)
3-A Series Stock Options (May 21, 2014)	1	1 (Note)
4-A Series Stock Options (May 20, 2015)	1	1 (Note)
5-A Series Stock Options (May 20, 2016)	1	1 (Note)
6-A Series Stock Options (May 22, 2017)	1	1 (Note)
7-A Series Stock Options (May 21, 2018)	1	1 (Note)
8-A Series Stock Options (May 20, 2019)	1	1 (Note)
8-B Series Stock Options (May 20, 2019)	1	1 (Note)

Note: No adjustment will be made to the exercise price

3. Partial amendments to the Articles of Incorporation

(1) Reason for amendment

In accordance with aforementioned stock split, based on the provisions of Article 184, Paragraph 2 of the Companies Act of Japan, the Company will make the following partial amendment to the total number of authorized shares as stipulated in Article 6 of the Articles of Incorporation, effective Wednesday October 1, 2025.

(2) Amendment to the Articles of Incorporation

Amendment details are as follows.

Before the Amendment	After the Amendment
(Total Number of Authorized Shares) Article 6. The total number of shares that can be issued by the Company shall be 329,541,100.	(Total Number of Authorized Shares) Article 6. The total number of shares that can be issued by the Company shall be 1,378,000,000.

(3) Schedule

Board Resolution Date	Wednesday, March 19, 2025
Effective date	Wednesday, October 1, 2025

(Business combinations)

(Finalization of provisional accounting treatment for business combination)

As the allocation of the acquisition cost for Ascot Corp., which the Company acquired on March 26, 2025, had not been completed at the end of the previous fiscal year, the Company conducted provisional accounting treatment, and this was finalized in the three months ended June 30, 2025.

As a result of the finalization of this provisional accounting treatment, comparative information included in the consolidated financial statements for the three months ended June 30, 2025 reflects a significant revision to the initial allocation of the acquisition cost.

As a result, in the consolidated balance sheet at the end of the previous fiscal year, real estate for sale in process increased by 1,167 million yen, other under current assets increased by 72 million yen, intangible assets increased by 205 million yen, and land increased by 3 million yen. Meanwhile, real estate for sale decreased by 3,821 million yen, deferred tax liabilities decreased by 723 million yen, and non-controlling interests decreased by 67 million yen. Additionally, the goodwill increased by 1,581 million yen to 3,262 million yen from 1,681 million yen.

The amortization period for goodwill and intangible assets (customer-related intangible assets) is 12 years and 4 years, respectively, and they will be amortized in equal amounts.

(Notes on segment information)

(Segment information)

1. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and profit by reportable segment and disaggregation of revenue

Millions of yen

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal				
Net sales									
Net sales of completed construction contracts	126,042	8,351	—	—	134,393	—	134,393	—	134,393
Brokerage business income	—	5,369	—	—	5,369	—	5,369	—	5,369
Electricity business income	—	2,667	—	—	2,667	—	2,667	—	2,667
Energy business income	—	—	—	—	—	9,790	9,790	—	9,790
Care and nursery school business income	—	—	—	—	—	3,984	3,984	—	3,984
Hotel business income	—	—	—	—	—	2,202	2,202	—	2,202
Investment condominium business income	—	—	7,234	—	7,234	—	7,234	—	7,234
Renovation and resale, development business income	—	—	3,021	—	3,021	—	3,021	—	3,021
Other	—	5,322	4	37	5,365	846	6,211	—	6,211
(Revenue from contracts with customers)	126,042	21,711	10,260	37	158,051	16,824	174,875	—	174,875
Whole-building leases business income	—	257,171	—	—	257,171	—	257,171	—	257,171
Guarantee business income	—	5,087	—	—	5,087	—	5,087	—	5,087
Lease business income	—	1,348	—	—	1,348	—	1,348	—	1,348
Insurance business income	—	—	—	2,445	2,445	—	2,445	—	2,445
Investment condominium business income	—	—	1,196	—	1,196	—	1,196	—	1,196
Renovation and resale, development business income	—	—	81	—	81	—	81	—	81
Other	—	2,149	—	563	2,713	224	2,937	—	2,937
(Other revenue)	—	265,756	1,278	3,009	270,044	224	270,268	—	270,268
Net sales to external customers	126,042	287,467	11,538	3,047	428,095	17,048	445,143	—	445,143
Inter-segment sales or transfers	3,796	1,416	—	4,423	9,636	150	9,787	(9,787)	—
Total	129,838	288,883	11,538	7,471	437,732	17,199	454,931	(9,787)	445,143
Segment profit	10,830	22,529	1,425	439	35,224	2,674	37,898	(4,027)	33,871

- Notes: 1. The “Other” segment is a business segment not included in the reportable segments and includes the LP gas and other supply business and the care business for the elderly.
2. The (4,027) million yen adjustment to segment profit includes (208) million yen in elimination of transactions between segments and (3,818) million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly related to the Company’s head office’s personnel, general affairs, and other administrative divisions.

3. Segment profit is reconciled to operating profit in the quarterly consolidated statement of income.

2. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on net sales and profit by reportable segment and disaggregation of revenue

Millions of yen

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal				
Net sales									
Net sales of completed construction contracts	126,582	8,479	—	—	135,061	—	135,061	—	135,061
Brokerage business income	—	4,948	—	—	4,948	—	4,948	—	4,948
Electricity business income	—	3,080	—	—	3,080	—	3,080	—	3,080
Energy business income	—	—	—	—	—	10,922	10,922	—	10,922
Care and nursery school business income	—	—	—	—	—	4,418	4,418	—	4,418
Hotel business income	—	—	—	—	—	2,199	2,199	—	2,199
Investment condominium business income	—	—	10,665	—	10,665	—	10,665	—	10,665
Renovation and resale, development business income	—	—	11,960	—	11,960	—	11,960	—	11,960
Other	—	6,688	9,064	32	15,785	859	16,644	—	16,644
(Revenue from contracts with customers)	126,582	23,196	31,690	32	181,501	18,399	199,901	—	199,901
Whole-building leases business income	—	264,000	—	—	264,000	—	264,000	—	264,000
Guarantee business income	—	5,309	—	—	5,309	—	5,309	—	5,309
Lease business income	—	1,466	—	—	1,466	—	1,466	—	1,466
Insurance business income	—	—	—	2,563	2,563	—	2,563	—	2,563
Investment condominium business income	—	—	1,436	—	1,436	—	1,436	—	1,436
Renovation and resale, development business income	—	—	402	—	402	—	402	—	402
Other	—	2,438	9	580	3,028	141	3,169	—	3,169
(Other revenue)	—	273,215	1,847	3,143	278,207	141	278,348	—	278,348
Net sales to external customers	126,582	296,412	33,537	3,176	459,708	18,541	478,250	—	478,250
Inter-segment sales or transfers	6,166	2,364	53	4,583	13,168	440	13,609	(13,609)	—
Total	132,748	298,777	33,591	7,759	472,877	18,981	491,859	(13,609)	478,250
Segment profit	8,462	23,785	2,772	610	35,630	2,740	38,371	(4,270)	34,100

- Notes:
1. The “Other” segment is a business segment not included in the reportable segments and includes the LP gas and other supply business and the care business for the elderly.
 2. The (4,270) million yen adjustment to segment profit includes (370) million yen in elimination of transactions between segments and (3,899) million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly related to the Company’s head office’s personnel, general affairs, and other administrative divisions.
 3. Segment profit is reconciled to operating profit in the quarterly consolidated statement of income.

3. Supplementary Information

(1) Financial Summary

Millions of yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Net sales	408,042	445,143	9.1%	478,250	7.4%
Gross profit	65,565	76,614	16.9%	80,570	5.2%
Operating profit	24,139	33,871	40.3%	34,100	0.7%
Ordinary profit	26,342	35,283	33.9%	35,095	(0.5)%
Profit attributable to owners of parent	18,480	24,281	31.4%	24,103	(0.7)%

(2) By Segment

1) Construction Business

Millions of yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Net sales	104,241	126,042	20.9%	126,582	0.4%
Residential use	100,830	120,503	19.5%	118,069	(2.0)%
Rental housing	100,101	119,989	19.9%	117,686	(1.9)%
Detached housing	729	514	(29.5)%	383	(25.5)%
Commercial use	1,682	3,795	125.6%	5,434	43.2%
Other	1,728	1,743	0.9%	3,078	76.6%
Gross profit	22,332	32,045	43.5%	30,939	(3.4)%
Gross profit margin	21.4%	25.4%	4.0 p	24.4%	(1.0) p
Operating profit	680	10,830	1,491.8%	8,462	(21.9)%
Operating profit margin	0.7%	8.6%	7.9 p	6.7%	(1.9) p

2) Real Estate Leasing Business

Millions of yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Net sales	279,230	287,467	2.9%	296,412	3.1%
Whole-building lease	251,791	257,171	2.1%	264,000	2.7%
Repairing construction	7,590	8,351	10.0%	8,479	1.5%
Brokerage of real estate	5,372	5,369	(0.0)%	4,948	(7.9)%
Rent guarantee business	4,854	5,087	4.8%	5,309	4.4%
Electricity business	2,718	2,667	(1.9)%	3,080	15.5%
Leasing business	1,747	1,348	(22.9)%	1,466	8.8%
Other	5,155	7,471	44.9%	9,126	22.2%
Gross profit	34,516	34,191	(0.9)%	35,449	3.7%
Gross profit margin	12.4%	11.9%	(0.5) p	12.0%	0.1 p
Operating profit	23,451	22,529	(3.9)%	23,785	5.6%
Operating profit margin	8.4%	7.8%	(0.6) p	8.0%	0.2 p

3) Real Estate Development Business

Millions of yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Net sales	5,623	11,538	105.2%	33,537	190.7%
Investment condominium	3,596	7,068	96.6%	10,479	48.3%
Purchase and resale	791	2,165	173.6%	3,694	70.6%
Development and sale	–	820	–	8,049	881.5%
Other	1,235	1,484	20.1%	11,313	662.1%
Gross profit	1,308	2,765	111.3%	6,099	120.6%
Gross profit margin	23.3%	24.0%	0.7 p	18.2%	(5.8) p
Operating profit	389	1,425	266.3%	2,772	94.5%
Operating profit margin	6.9%	12.4%	5.5 p	8.3%	(4.1) p

4) Other Businesses

Millions of yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Net sales	18,947	20,096	6.1%	21,717	8.1%
Financial Business	2,887	3,047	5.6%	3,176	4.2%
Other	16,060	17,048	6.2%	18,541	8.8%
Gross profit	7,406	7,612	2.8%	8,081	6.2%
Gross profit margin	39.1%	37.9%	(1.2) p	37.2%	(0.7) p
Operating profit	2,862	3,113	8.8%	3,350	7.6%
Operating profit margin	15.1%	15.5%	0.4 p	15.4%	(0.1) p

(3) Indicators

Items marked with “*” in the tables below indicate figures as of the end of the quarter.

1) Construction Business

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Orders received (millions of yen) (Note 1)	126,464	147,296	16.5%	130,062	(11.7)%
Orders in hand (millions of yen) (Note 1)*	736,810	799,975	8.6%	796,273	(0.5)%

Note: 1. Repairing construction in the Real Estate Leasing Business is included.

2) Real Estate Leasing Business

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Number of tenant recruitment (cases) (Note 1)	83,150	84,249	1.3%	84,624	0.4%
Residential properties	82,686	83,785	1.3%	84,108	0.4%
Commercial properties	464	464	—	516	11.2%
Rent basis occupancy rate (June) (Note 2)					
Residential properties	97.5%	97.4%	(0.1) p	97.4%	—
Commercial properties	99.5%	99.4%	(0.1) p	99.4%	—
Number-based occupancy rate (Note 3)*					
Residential properties	97.8%	97.6%	(0.2) p	97.7%	0.1 p
Commercial properties	99.2%	99.0%	(0.2) p	99.1%	0.1 p
Number of buildings under management*	189,148	192,813	1.9%	196,363	1.8%
Residential properties	170,432	174,311	2.3%	178,072	2.2%
Commercial properties	18,716	18,502	(1.1)%	18,291	(1.1)%
Number of housing units under management*	1,264,651	1,295,081	2.4%	1,327,027	2.5%
Residential properties	1,230,248	1,260,992	2.5%	1,293,267	2.6%
Commercial properties	34,403	34,089	(0.9)%	33,760	(1.0)%

Notes: 1. The total for Daito Kentaku Partners Co., Ltd. and Daito Kentaku Leasing Co., Ltd.

2. Rent basis occupancy rate = 1 - (rent guarantee for vacant rooms / total rent)

3. Number-based occupancy rate = 1 - (number of vacancy units / number of housing units under management)

3) Real Estate Development Business

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Number of investment-purpose condominiums sold	136	239	75.7%	349	46.0%
Number of income-generating properties sold					
Purchase and resale	4	13	225.0%	17	30.8%
Development and sale	—	3	—	23	666.7%

4) Other Businesses

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year % change	Three months ended June 30, 2025	Year-on-year % change
Number of housing units with gas supply*					
LP gas	400,785	416,689	4.0%	437,525	5.0%
Town gas	73,265	78,449	7.1%	81,551	4.0%
Number of day care service facilities*	82	82	–	83	1.2%
Number of nursery schools*	30	27	(10.0)%	27	–
Number of home care and nursing care facilities*	23	24	4.3%	23	(4.2)%
Average occupancy rate of hotels in Malaysia (Note 1)					
Le Meridien	67.1%	76.8%	9.7 p	74.8%	(2.0) p
Hilton	68.4%	80.8%	12.4 p	74.8%	(6.0) p

Note: 1. Since the fiscal year-end of DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD., which owns Le Meridien, and DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN. BHD., which owns Hilton, is December 31, the average occupancy rate for each is presented for the period from January to March.