



Life is Built on Trust.

FACTBOOK 2021

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About this Fact Book

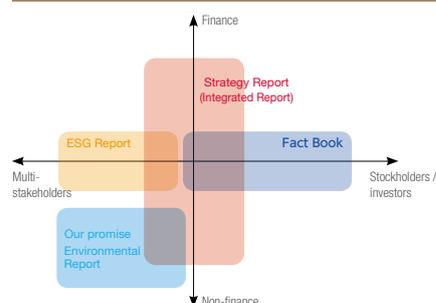
Editorial Policy

This book reports facts on Daito Trust Construction Group's business details, performance, position within the industry, market environment and business schemes using various indices and in an easily understandable manner.

Target Readers

The main target readers are shareholders, investors and securities analysts.

The Group's Communication Tools



Indicators

Unless otherwise indicated, the figures in this report are for FY2019, or are true as of the end of March 31, 2020

Report Period

FY2020 (the fiscal year ended March 31, 2021)

Published

August 2021

For convenience, corporate names are abbreviated as follows in this document. Note: According to a definition by the Japanese Ministry of Land, Infrastructure, Transport and

- Daito Trust Construction Group → Daito Group
- Daito Trust Construction Co., Ltd. → Daito Trust

Tourism (MLIT), "apartment" refers to buildings of two or three stories constructed with iron, concrete, and wood, while "condominium" refers to buildings of three or more stories constructed with iron and concrete or steel-reinforced concrete.

Corporate Philosophy and Business Overview

▶ Business Philosophy

“Contributing to society by realizing extensive and effective use of limited land.”

▶ Brand Message

“Life is Built on Trust.”

A new brand message has been released in March 2017; “Life is Built on Trust.”, which was born based on our desire to be close to the life of our customers and evolve into a company that is entrusted various needs beyond the framework of rental housing, although our core business is lease management trust business.

▶ Business Overview

The Daito Group is engaged in a wide range of businesses that bring stable earnings, centered on the construction and management of apartments and condominiums as well as peripheral businesses related to rental housing.

Core Businesses



Other Businesses



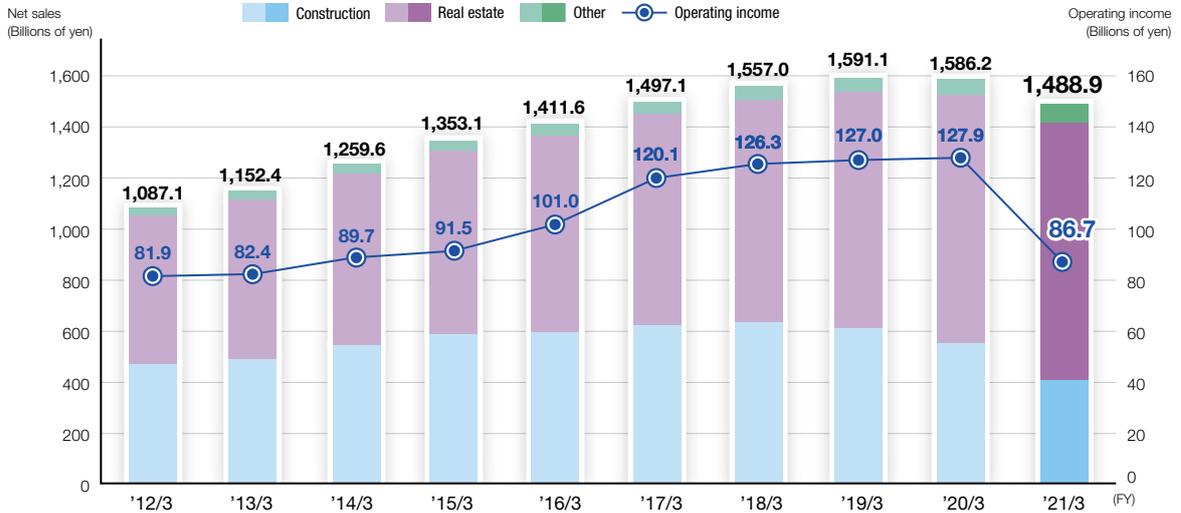
▶ Corporate Profile

Head office:	2-16-1, Konan, Minato-ku, Tokyo 108-8211, Japan
Established:	June 20, 1974
Capital:	¥29,060.99 million
Stock exchange listing:	Tokyo Stock Exchange (First Section) Nagoya Stock Exchange (First Section) (Ticker code: 1878)
Number of shares outstanding:	68,918,979 shares
Share unit:	100 shares
Number of employees:	17,422 (entire group; as of March 31, 2021)

Head office in Shinagawa, Tokyo



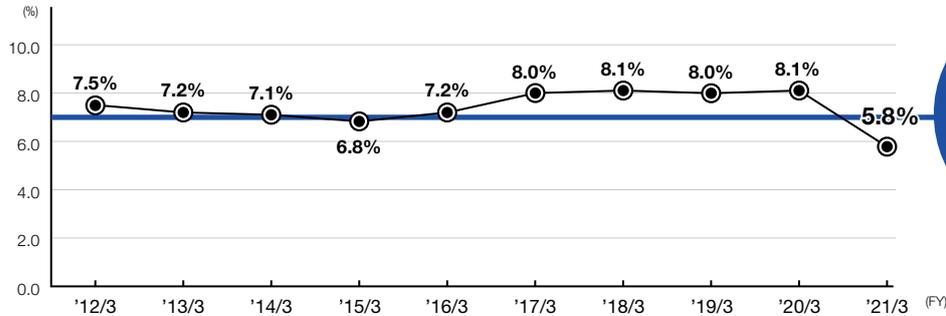
► Consolidated Business Results for the Past 10 Years



Source: Company's earnings data

► Target Management Indicators

Operating Income Margin

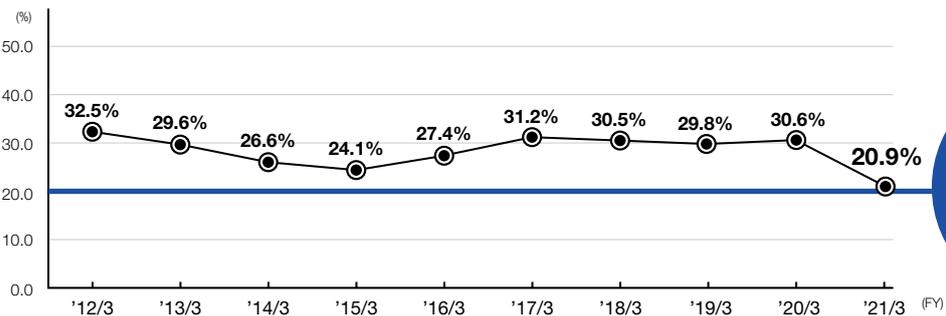


Source: Company's earnings data

Operating income margin of at least **7%**

ROE (return on equity)

ROE maintaining above a 20%



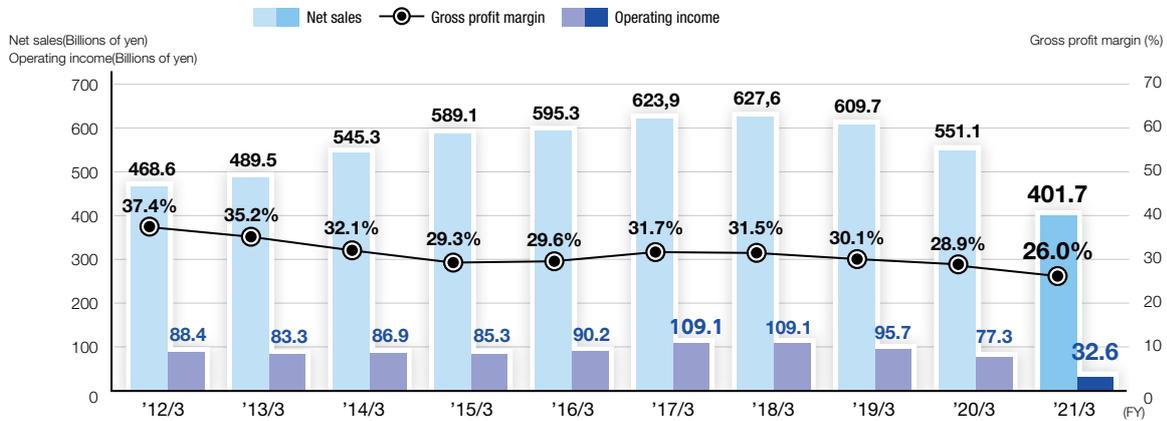
Source: Company's earnings data

ROE Maintaining above a **20%**
Target is over **30%**

Business Results for the Past 10 Years by Segment

Construction Business

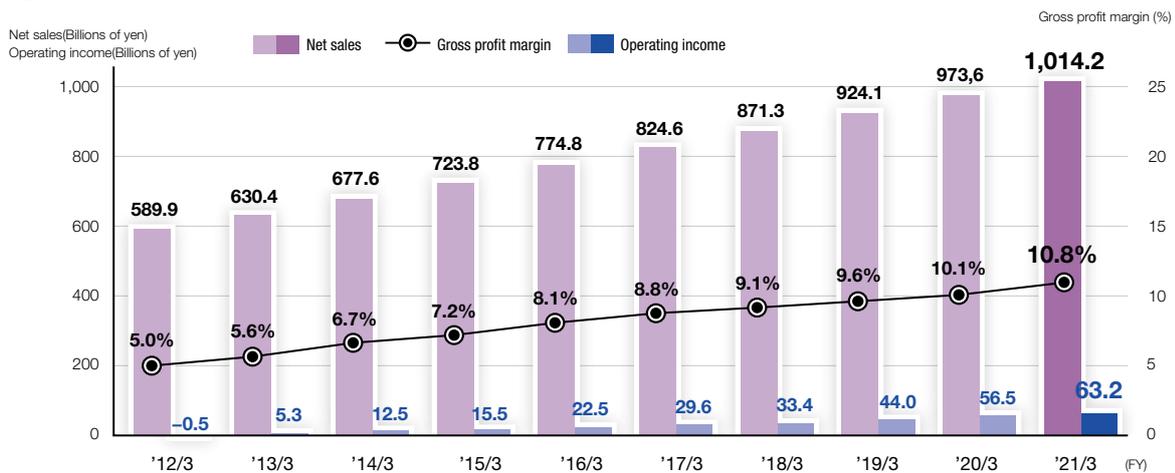
Sales and profit is decrease because of decreasing construction starts.



Source: Company's earnings data

Real Estate Business

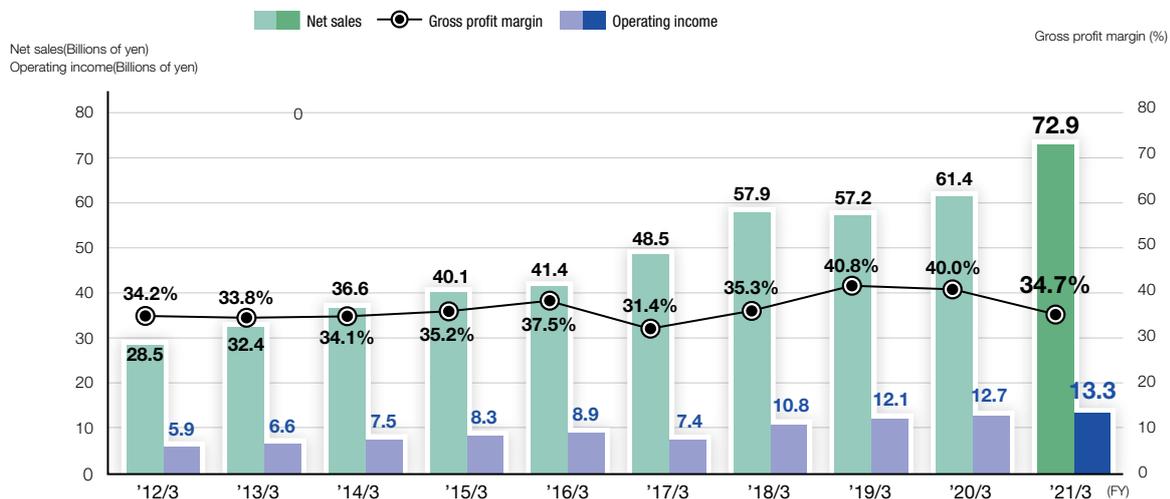
Improve profitability by increasing rental revenues and maintaining high occupancy rate



Source: Company's earnings data

Other Businesses

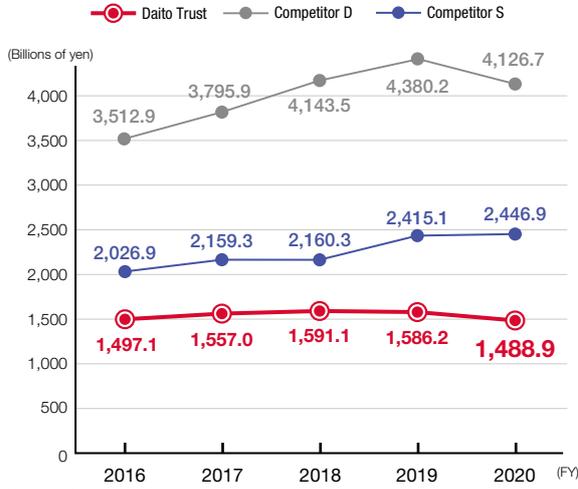
Continued expansion in peripheral businesses such as LP gas supply and day-care services



Source: Company's earnings data

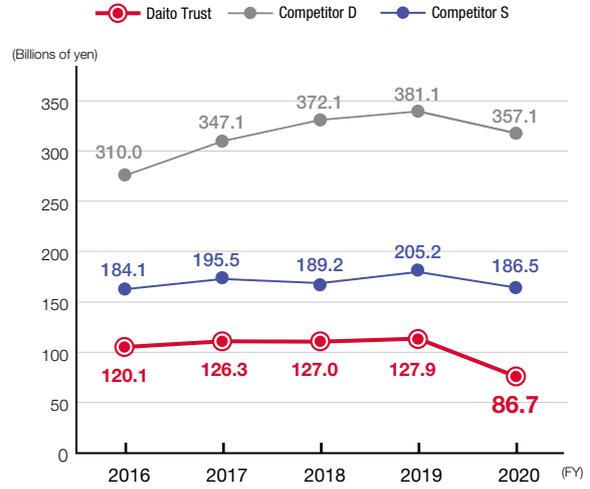
Financial Indicators – Comparison with Industry Rivals

Net Sales



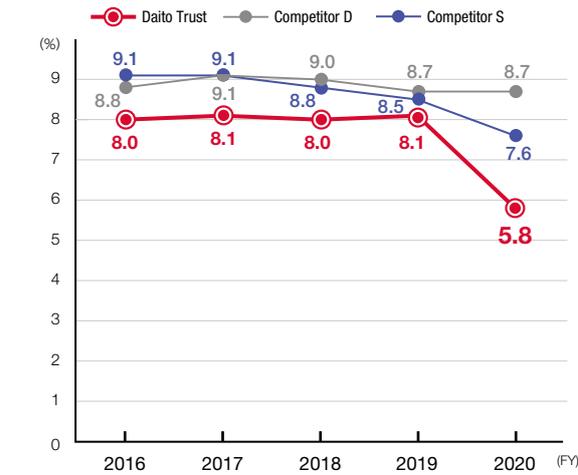
Source: Data from each company

Operating Income



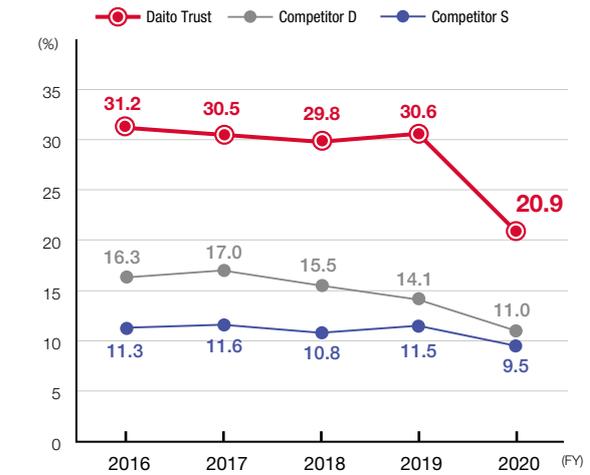
Source: Data from each company

Operating Income Margin



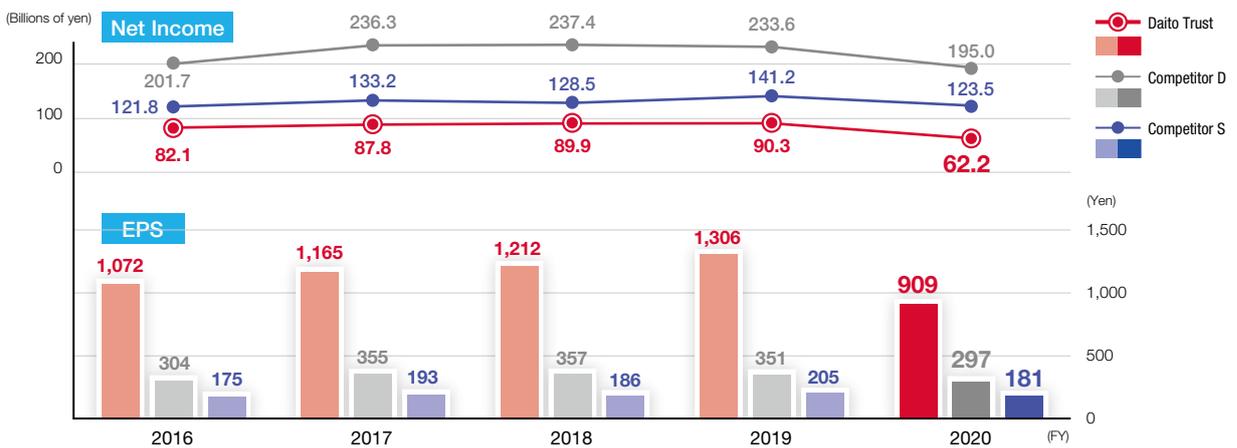
Source: Data from each company

ROE



Source: Data from each company

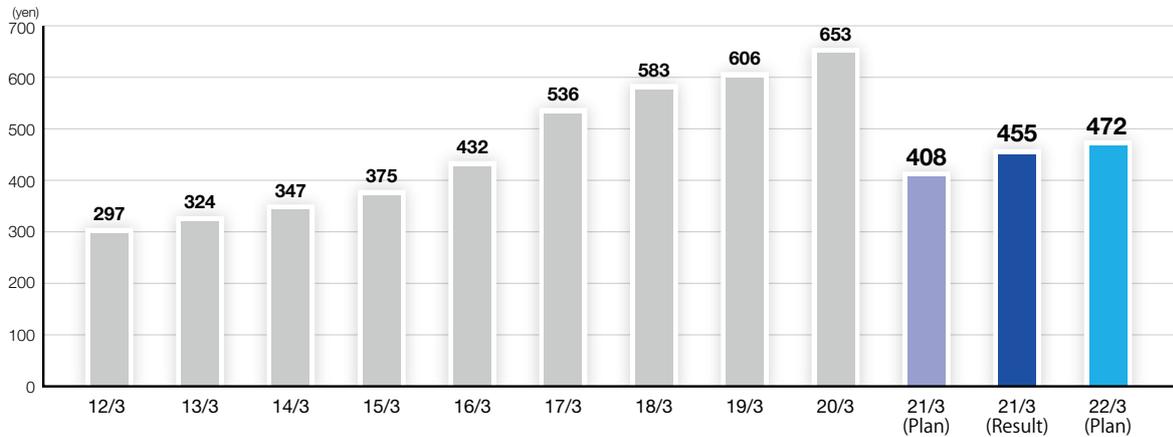
Net Income and EPS



Source: Data from each company

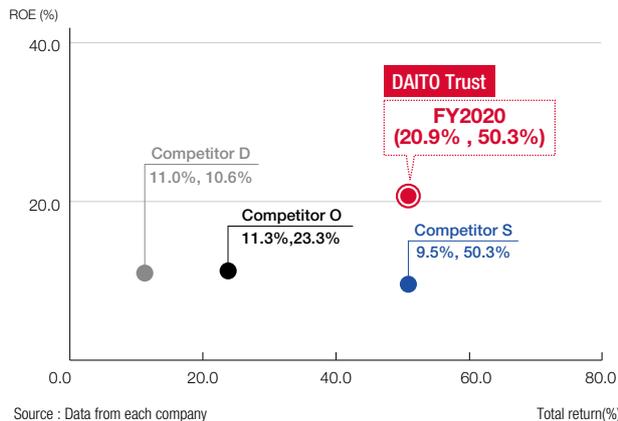
Annual Dividend

Annual dividend exceeded the plan and payout ratio maintain over 50%.



ROE and Total Return Ratio

After FY2020, we realize high standard capital efficiency and shareholder return as in the past.



Source : Data from each company

Total return(%)

	ROE	Total return ratio
Daito Trust	20.9%	50.3%
Competitor D	11.0%	10.6%
Competitor S	9.5%	50.3%
Competitor O (a general construction company)	11.3%	23.3%

Source: ROE data from each company

Total return ratio data estimate from each company data

FY2009 vs FY2019

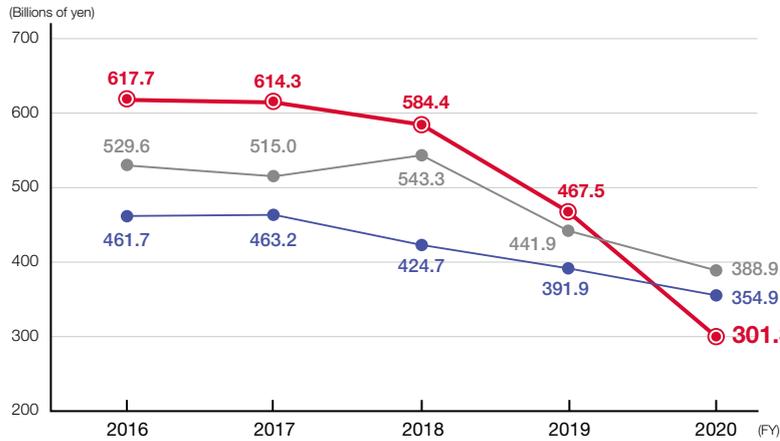
Company name	Net sales	Operating Income	Employees	Operating income per employee	Earnings per share (PER)	Stock price	Market capitalization	Number of outstanding shares
Daito Trust	+63.1%	+79.9%	+37.6%	+30.7%	+238.2%	+123.2%	+30.9%	-41.4%
	Completed construction contract	Gross profit margin	New orders (Yen/man-month)	New order ratio	New orders	Construction sales	House rent vacancy rate	Number of managed units
	+25.2%	-1.6p	+5.0%	-27.4p	+19.3%	+11.0%	-2.6p	+82.7%

Company name	Net sales	Operating Income	Employees	Operating income per employee	Earnings per share (PER)	Stock price	Market capitalization	Number of outstanding shares
Competitor D	+172.1%	+507.7%	+77.6%	+242.2%	+965.9%	+166.4%	+195.9%	+11.1%
Competitor S	+78.5%	+629.6%	+0.9%	+624.8%	+575.0%	+176.1%	+181.8%	+2.0%
Competitor O (a general construction company)	+54.5%	+344.5%	+30.6%	+287.1%	+312.4%	+123.1%	+123.1%	+0.0%
Competitor L	+131.1%	-22.7%	-17.9%	-49.5%	+37.0%	-45.2%	-15.8%	+53.5%
Competitor T	+46.0%	+146.3%	+0.7%	+144.6%	+123.4%	+199.0%	+199.0%	+0.0%

Source: Data from each company

Comparison with Other Companies in the Construction Business

Orders Received for Rental Housing



Source: Data from each company

Number of people in charge of construction sales

2,813

Note: As of March 31, 2021

Owners

88,866

Note: As of April 3, 2021

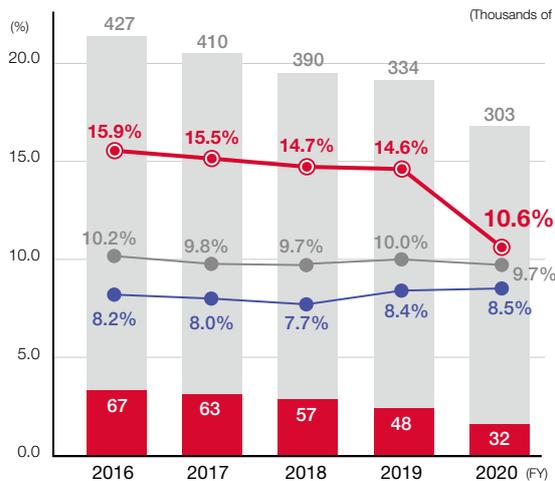
Rate of Repeat Contracts

65.9%

Note: FY2020

Share of Rental Housing Construction Starts

Maintaining the top market share.

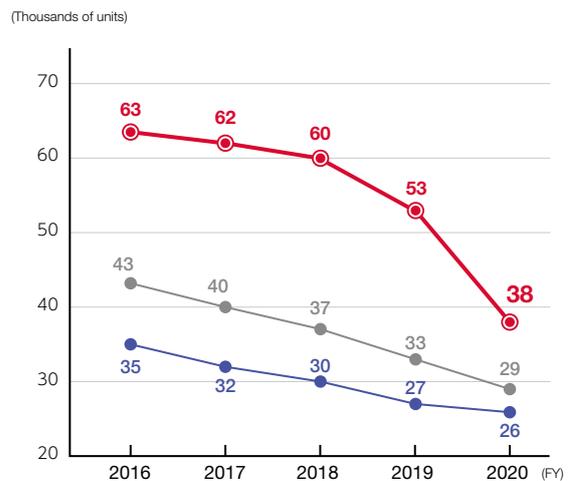


Source: Estimate from each company data

Legend: Daito Trust (Red), Competitor D (Grey), Competitor S (Blue), Construction starts in Japan (Total), Construction starts by Daito Trust (Red segment)

Rental Housing Supply (number of completed units)

Maintaining design and construction capabilities



Source: Estimate from each company data

Legend: Daito Trust (Red), Competitor D (Grey), Competitor S (Blue)

Lease Contract Comparison

Offering a lease system on a stable, long-term basis

	Daito Trust	Competitor D	Competitor S
Lease period	35 years	2, 10, 20, or 30 years	10, 20, or 30 years
Period of fixed lease fee	10 years; subsequently renewed every 5 years	2 years; subsequently renewed every 2 years	2 years; subsequently renewed every 2 years
Lease rate	Full-package plan: 84.50% Standard plan: 89.75%	90%	85% to 92% depending on area and plan
Expenses for restoration to original state	Borne by Daito Group	Borne by owner (Optionally borne by company)	Borne by owner (Optionally borne by company)
Repair expenses	Full-package plan: Borne by Daito Group Standard plan: Borne by owner	Borne by owner (Optionally borne by company)	Borne by owner (Optionally borne by company)

Source: Data from each company (See pages 25 to 26 for more information.)

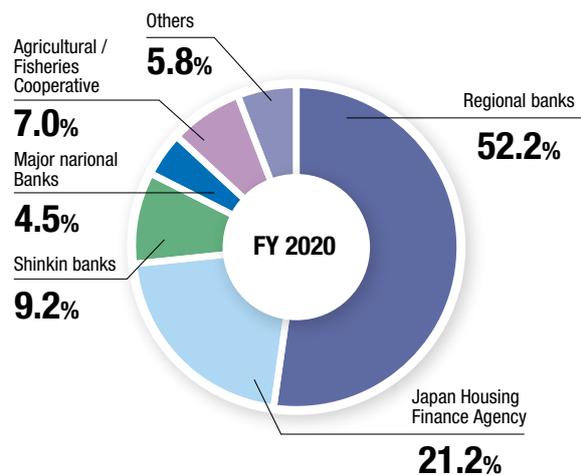
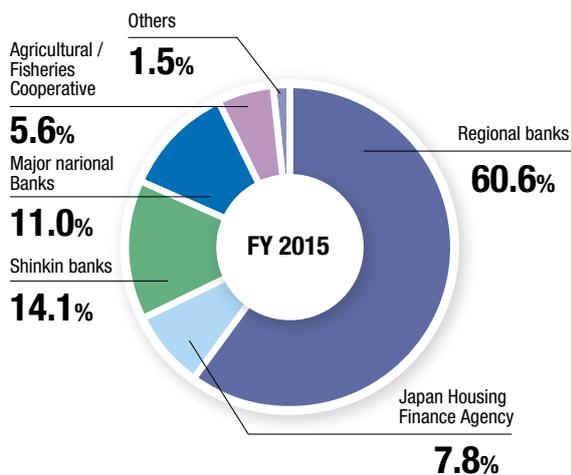
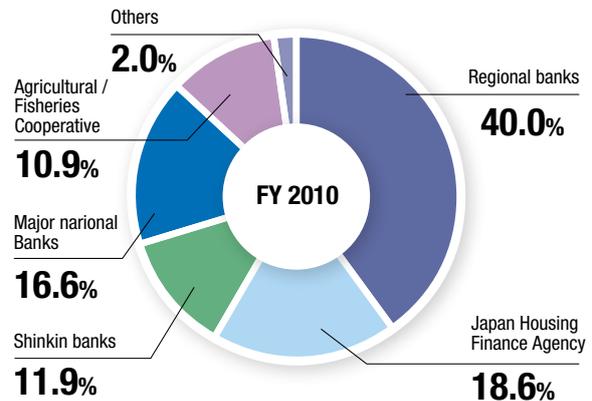
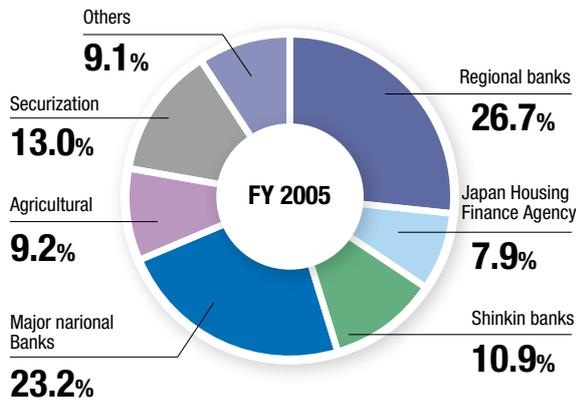
Housing Supplier Ranking Leader in Housing Supply

Rank	Company	Units
1	Daito Trust Construction Co., Ltd.	60,429
2	Daiwa House Industry Co., Ltd.	46,621
3	Sekisui House Co., Ltd.	41,137
4	Asahi Kasei Homes Corporation	16,590
5	Toyota Housing Corporation	15,286



Source: Market Economy Research Institute Co., Ltd. July 2019 (FY2018 result : detached house and rental housing)

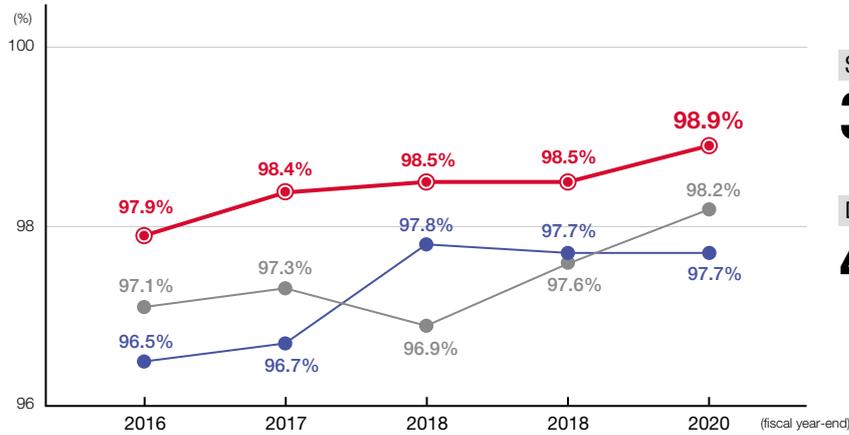
Resources of finance for construction Rising funds according to financial market environment.



Source: Daito Group data

► Comparison with Other Companies in the Real Estate Business

Rental Housing Number-based Occupancy Rate Maintaining a high occupancy rate



Staff specializing in brokerage services

3,153

Note: As of March 31, 2021

Dedicated brokerage outlet

431

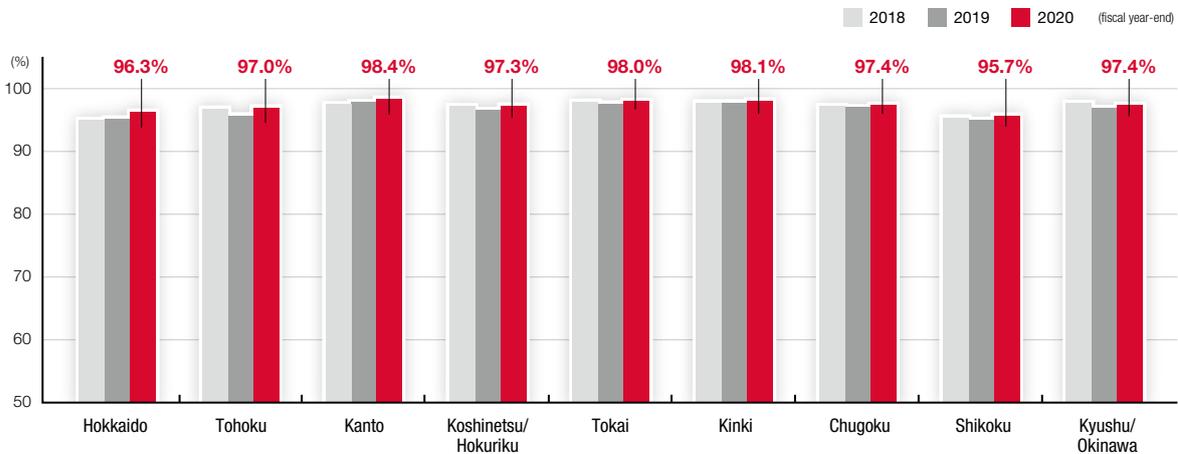
Note: As of March 31, 2021
(See pages 35 more information.)

Source: Data from each company

● Daito Group ● Competitor D ● Competitor S

Note: Occupancy rate = (Number of occupied units) ÷ (Number of units under management)

Rental Housing Rent-based Occupancy Rate by Region Maintain high occupancy rate in all regions



Source: Daito Group Data

Note: Occupancy rate = 100% - [(Lease fee payment for vacant rental housing) ÷ (Aggregate amount of rent [%])]

Ranking in Number of Rental Brokerage Our group secures the top of the ranking.

Rank	Company	Units
1	Daito Group	227,706
2	MiniMini Corporation	145,496
3	Token Corporation	75,437
4	Housemate group	67,324
5	Town Housing Inc.	55,529

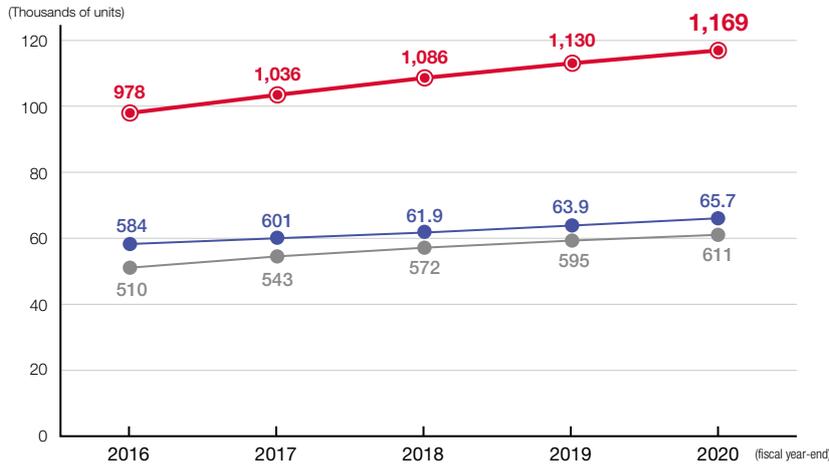
For 11 consecutive years

No. 1

Source: Zenkoku Chintai Jutaku Shimbun, January 2021 (Period: October 2019 to the end of September 2020)

Number of Rental Housing Units under Management

August 2017: The number of housing units under management has reached 1 million



Source: Data from each company

Staff specializing in management

1,969

Note: As of March 31, 2021

*Excluding manager

Rate of rent delinquency

0.080%

Note: FY2020
(See pages 37 more information.)

Ranking in Number of Rental Housing Units under Management

Consolidate unrivaled No. 1 position

Rank	Company	Units
1	Daito Group	1,130,218
2	Sekisui House Group	639,780
3	Starts Group	592,018
4	Daiwa Living Co., Ltd.	584,865
5	Leopalace21 Corporation	575,798

Source: Zenkoku Chintai Jutaku Shimbun, July 2020 (FY2019 result)

For 24
consecutive
years

No. 1

Tenant Recruitment and Building Management System

Taking a group-wide approach

	Daito Group	Competitor D	Competitor S
Tenant Recruitment Structure	Daito Kentaku Leasing: 40.1% Local real estate agencies: 55.5% Housecom Co., Ltd.: 4.3% FY2020	Subsidiaries/local real estate agencies: 100%	Subsidiaries/local real estate agencies: 100%
Building Management System	Daito Kentaku Partners	Outsourced to subsidiaries and local real estate agencies	Outsourced to subsidiaries and local real estate agencies

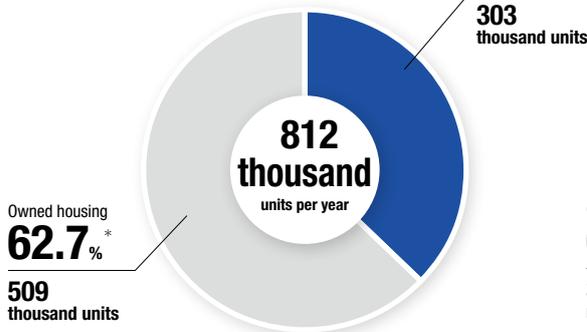
Source: Data from each company (See pages 35 to 38 for more information.)

Rental Housing versus Owned Housing (in Japan)

The proportion of rental housing in Japan remains at a constant level.

Number of Housing Starts (FY2020)

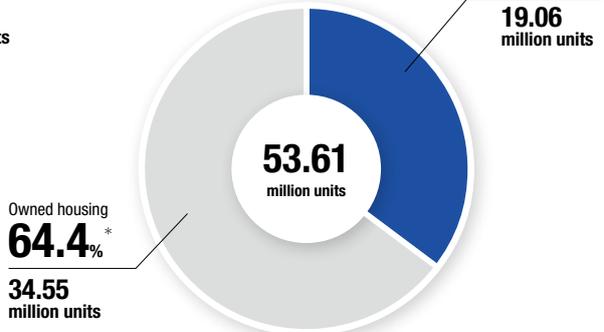
40% of housing starts were for rental housing



Source: "Housing Starts Statistics FY2020", MLIT
*Unknown data is included

Housing Stock (2018)

One-third of people in Japan live in rental housing

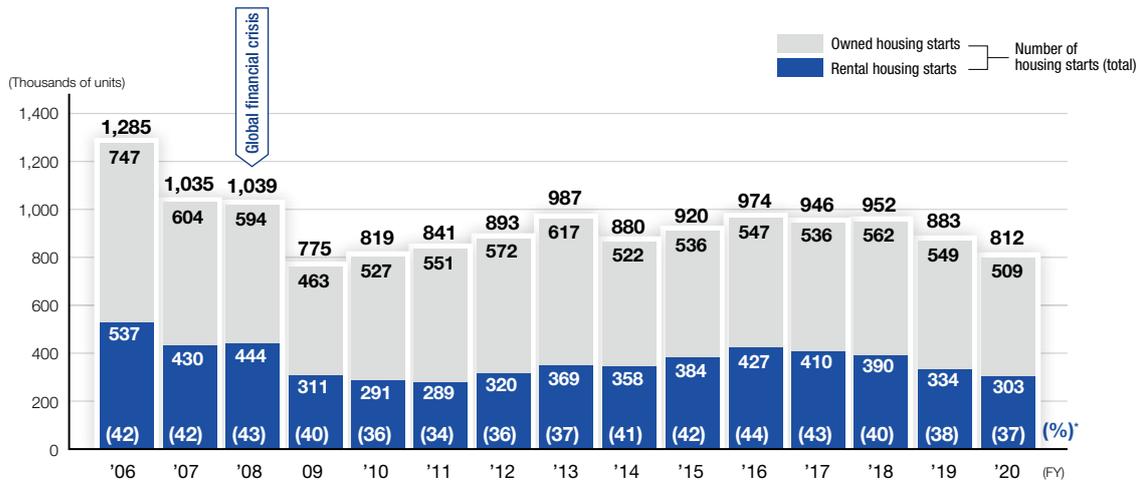


Source: "2018 Housing and Land Survey, Ministry of Internal Affairs and Communications", MIC, Japan (survey conducted every five years) *Unknown data is included

Trends in the Number of Housing Starts in Japan

Trends in the Number of Rental and Owned Housing Starts

FY2020 was 8.1% decrease from the previous year.

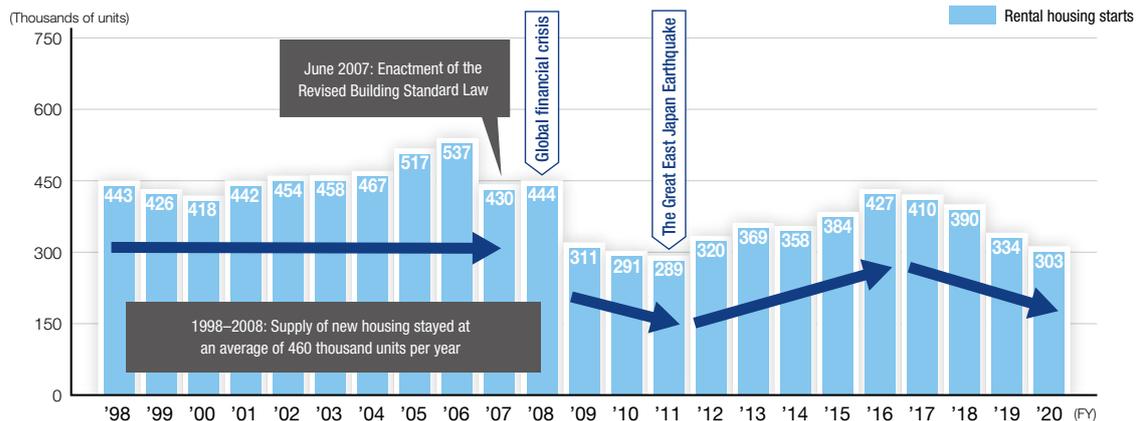


Source: "Housing Starts Statistics", MLIT

*Percentage of rental housing starts *Unknown and residence for employees are exception.

Trends in the Number of Rental Housing Starts

After dropping in the wake of the global financial crisis, the number of rental housing starts is on the rise



Source: "Housing Starts Statistics", MLIT

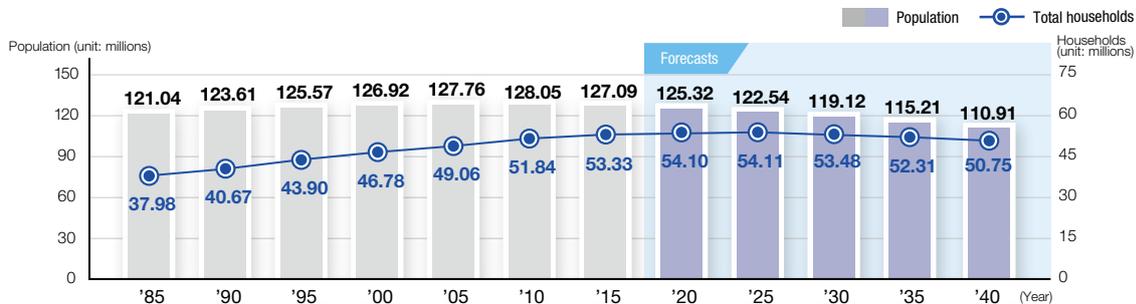
Forecast for Population and Total Households

The total number of households is expected to remain roughly at the same level.

- It is forecasted that the population will decrease from 127.09 million in 2015 to 110.91 million in 2040, a decrease of 12.7%.
- In 2018, the estimated number of households was reviewed, and the rate of decrease will slow down. It is estimated that the total number of households will be 54.18 million in 2023, reaching its peak, and decrease to 50.75 million in 2040 (a decrease of 4.8% from 2015). The number of single-person households will continue to grow until reaching its peak at 20.29 million in 2032, then start to decrease slowly.
- The number of persons per household is estimated to decrease from the current level of 2.2 to 2.0 in 2040.

Trends in Population and Total Households (actual data and forecasts)

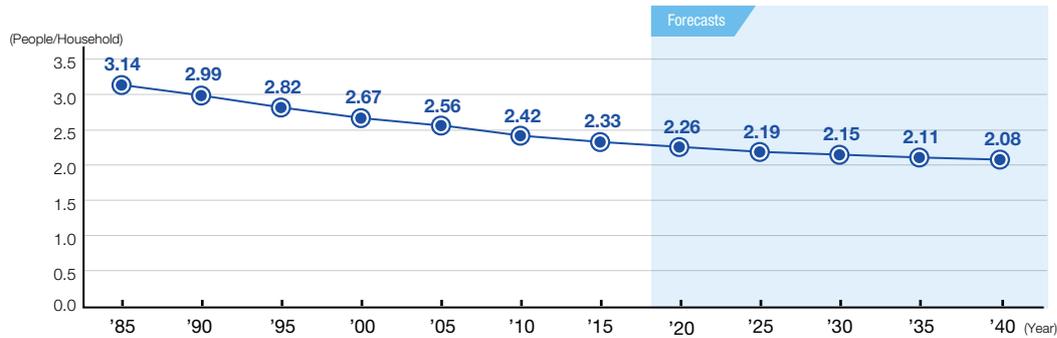
It is expected that the number of households will reach to its peak by 2023, and then decline gradually.



Sources: "Household Projection for Japan (2017)", "Population Projection for Japan (2018)"
National Institute of Population and Social Security Research,

Trends in the Average Number of Household Members (actual data and forecasts)

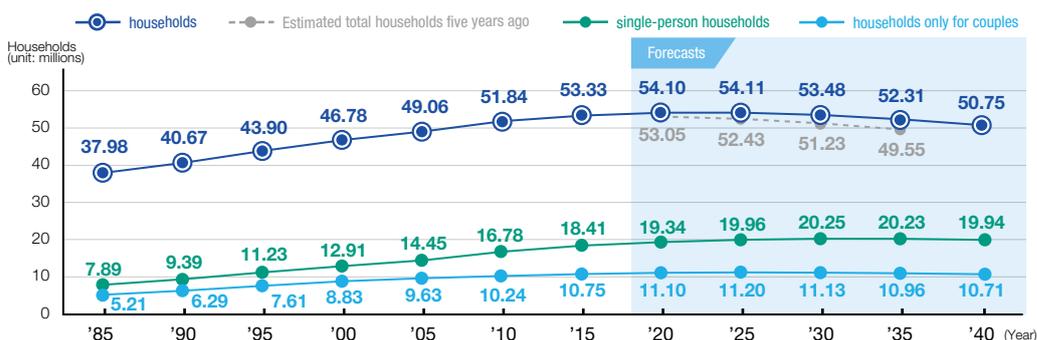
The number of persons per household is decreasing



Sources: "Household Projection for Japan (2018)", National Institute of Population and Social Security Research,

Trend in the number of single-person households and couple households (actual data and forecasts)

The number of single-person households will remain on the almost same level after 2030



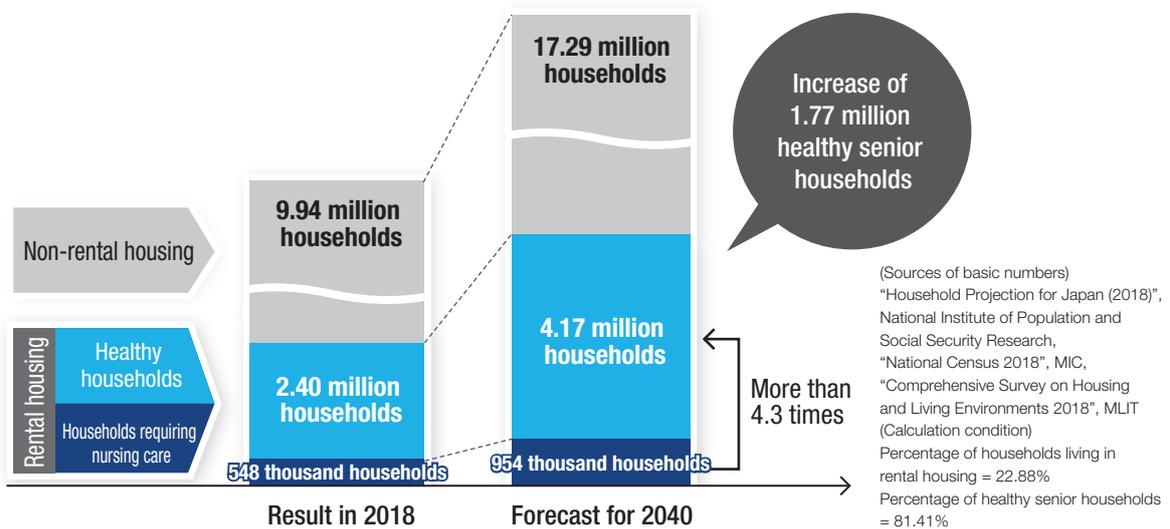
Sources: "Household Projection for Japan (2013 and 2018)", National Institute of Population and Social Security Research,

► Forecasts for an Aging Society

The population of healthy and active seniors is projected to grow.

- The National Institute of Population and Social Security Research forecasts that between 2015 and 2040 the number of households headed by a person aged 65 or older will grow from 19.17 million to 22.42 million, an increase of approximately 17%.
- Most people would imagine that an aging society means a high percentage of people in need of nursing care—but we don't see it that way.
- In 2018, 81.4% of households consisted of healthy members with no disabilities, while households with members requiring nursing care accounted for less than One-fourth of this: 18.6%.
- Assuming that this percentage does not change significantly in the period up to 2040, the number of households of healthy seniors living by themselves in rental housing can be expected to increase by 1.77 million.

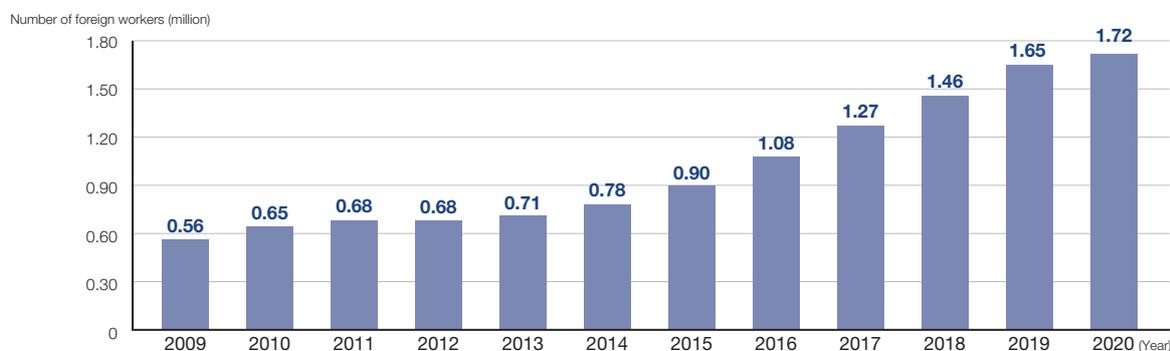
Number of Senior Households (aged 65 or older) Increase in healthy households



► Trends in Foreign Residents in Japan

- In Japan, there are concerns about a long-term decrease of population and the shortage of productive workers. Under these circumstances, there is an expectation for accepting foreign workers as a measure for securing workforce.
- The number of foreign workers was 1.72million as of end of October, 2020. This is about 3 times as much as 0.56 million of 2009.
- The number of foreign residents was 2.88 million as of the end of June, 2021 decreasing 1.6% from previous year.
- It is expected that, if foreign workers would increase, the number of foreigners who stays in Japan living in rental housing will increase on a mid-and long-term basis.

Trends in the number of foreign workers



Source: "State of Notification of Employment of Foreign Workers" (end of October 2020), MHLW

Trends in the number of foreign residents



Source: "Changes in the number of foreign residents by nationality and region"(end of June 2020),MOJ

Amended Inheritance Tax Law in Effect as of January 1, 2015

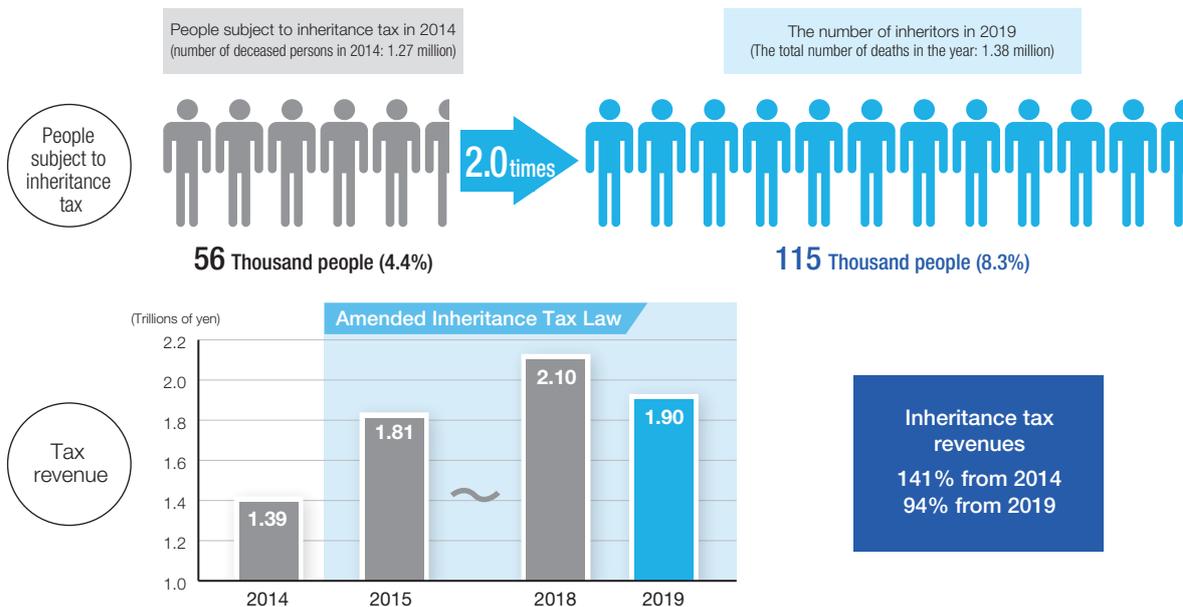
Key Points of the Amendment

Tax rates will be refined from six to eight stages and the amount of basic exemption reduced

	Previous taxation (until December 31, 2014)	Current taxation (from January 1, 2015)
Tax rate structure	<p>Tax rate structure (Previous): 6 steps. Taxable value after basic tax exemption ranges from 10 million yen to 300 million yen.</p>	<p>Tax rate structure (Current): 8 steps. Taxable value after basic tax exemption ranges from 10 million yen to 600 million yen.</p>
Basic tax exemption	Standard tax deduction: 50 million yen...① Proportional tax deduction based on the number of legal heirs: 10 million yen × number of legal heirs...②	Standard tax deduction: 30 million yen...④ Proportional tax deduction based on the number of legal heirs: 6 million yen × number of legal heirs...⑤
Example	(Scenario: Value of inherited property is 500 million yen and number of legal heirs is two) Basic tax exemption = ① 50 million yen + ② 10 million yen × 2 = 70 million yen...③ Amount of Inheritance Tax Paid per Capita = (500 million yen - ③ 70 million yen) ÷ 2 = 215 million yen Tax rate: 40%	(Scenario: Value of inherited property is 500 million yen and number of legal heirs is two) Basic tax exemption = ④ 30 million yen + ⑤ 6 million yen × 2 = 42 million yen...⑥ Amount of Inheritance Tax Paid per Capita = (500 million yen - ⑥ 42 million yen) ÷ 2 = 229 million yen Tax rate: 45%

In this example, the tax rate will rise from 40% to 45%.

Trends in the Number of People Subject to Inheritance Tax / Tax Revenue

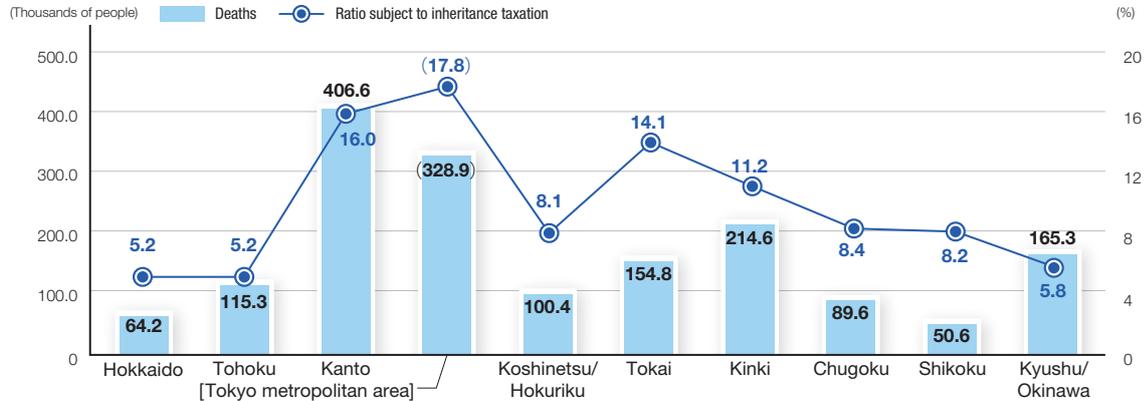


Source: The Report on the declaration for inheritance tax by the National Tax Agency 2014 to 2017

▶ Status of Inheritance Taxation by Region

Ratio Subject to Inheritance Taxation

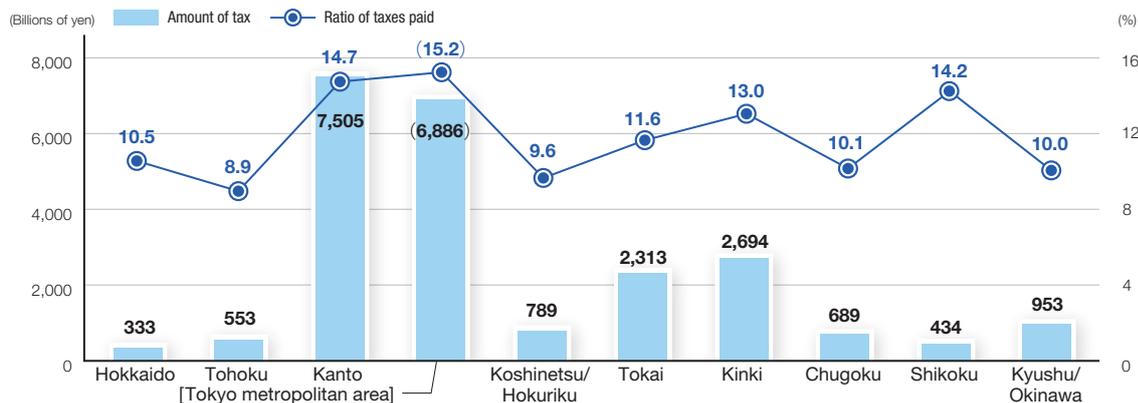
Many of those taxable are in the Kanto region, especially the Tokyo metropolitan area



Source: Demographic Survey for FY2018 by Ministry of Health, Labor and Welfare, The Report on the Imposition of Inheritance Tax FY2018 by Regional Tax Offices

Ratio of Taxes Paid

A higher payment rate can be seen in Kanto area (Tokyo metropolitan area).

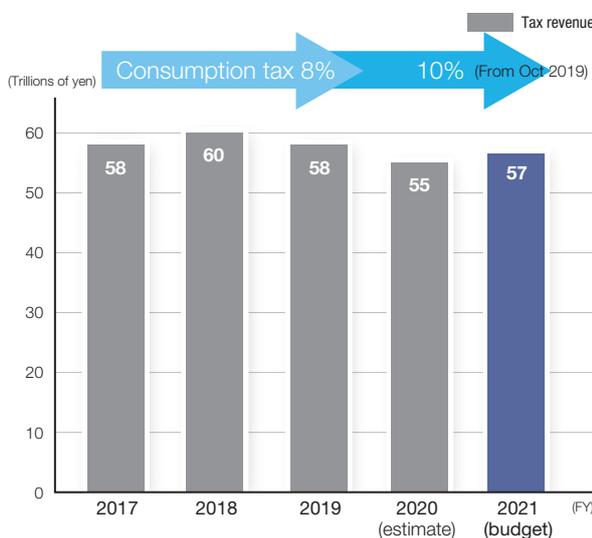


Source: The Report on the Imposition of Inheritance Tax FY2018 by Regional Tax Offices

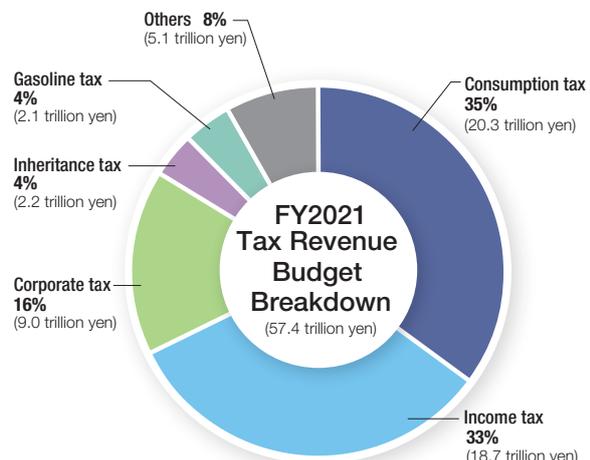
▶ Trends in Tax Revenue

Trends in Tax Revenue

Tax revenue in Japan is increasing due to economic recovery and a raise in the consumption tax.



Source: "General Account Budget" Ministry of Finance



Source: "Tax and Stamp Revenues FY2021" Ministry of Finance

► Tax Advantages in Constructing Rental Housing: Inheritance Tax

Lowering the amount of inheritance tax is the most effective way to conserve the asset value passed on from parents to children.

- If rental housing is constructed on the land, the land leasehold rate × the house leasehold rate will be deducted from the appraised value of the land in inheritance tax appraisal value. In addition, the house leasehold rate will be deducted from the cost of construction × 60% in appraising the value of the building (fixed asset tax appraisal).
- The inheritance tax rate will also incrementally decrease along with the lowering of the inheritance tax appraisal value amount, which together will lead to a significant reduction of inheritance tax (see page 17 for details).

Ways to Lower Inheritance Tax Appraised Value and Protect Assets

		Vacant land	Rental housing constructed
Calculation conditions		Land area: 1,000 m ²	Land area: 1,000 m ² House leasehold rate: 30% Land leasehold rate: 60%
	Appraised value of land	100 million yen	82 million yen 100 million yen × (1 - 60% × 30%)
	Appraised value of building	0 yen	42 million yen 100 million yen × 60% × (1 - 30%)
Constructing on debt payable	Debt payable	0 yen	-100 million yen
	Inheritance tax appraisal value amount	① 100 million yen	② 24 million yen 82 million yen + 42 million yen - 100 million yen
Constructing on cash reserves	Cash	100 million yen	0 yen
	Inheritance tax appraisal value amount	③ 200 million yen	④ 124 million yen 82 million yen + 42 million yen



Constructing rental housing on vacant land will lead to ① - ② or ③ - ④ = 76 million yen reduction in appraised value

► Tax Advantages in Constructing Rental Housing: Fixed Asset Tax

Constructing rental housing will lead to a reduced fixed asset tax, thereby providing an advantage in terms of annual cash flow.

- Both the land and building used for rental housing will be subject to a fixed asset tax deduction. Specifically, "housing land of 200 m² or less (small-scale residential land) will be taxed at 1/6 of the standard tax rate."
- The threshold of 200 m² is applied with respect to land space used per house or unit. So, regardless of how large the land space is, building rental housing on it with a sufficient number of apartment units can lead to a reduction in the fixed asset tax to 1/6 of the standard rate.

Ways to Reduce Fixed Asset Tax

	Vacant land	Rental housing constructed
	Land area: 1,000 m ² Appraised value of fixed assets: 60 million yen	Land area: 1,000 m ² Appraised value of fixed assets: 60 million yen Acquisition value of the building: 75 million yen Land leasehold rate: 60%
Fixed asset tax (land)	① 840 thousand yen 60 million yen × 1.4%	③ 140 thousand yen 60 million yen × 1.4% × 1/6
Fixed asset tax (building)	② 0 yen	④ 315 thousand yen 75 million yen × 60% × 1.4% × 1/2



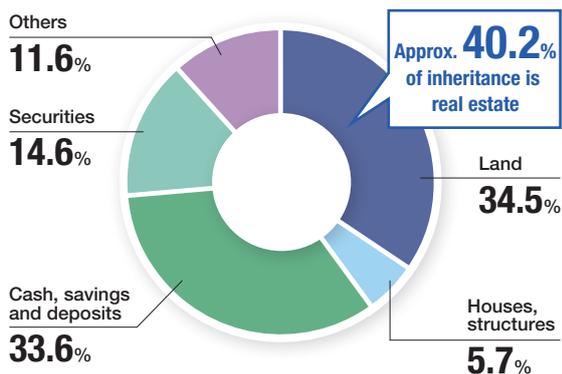
Constructing rental housing on vacant land will lead to (① + ②) - (③ + ④) = Annual tax savings of 385 thousand yen

► Reasons for Land Utilization

In Japan, a large bulk of inheritance comes in the form of real estate—mostly land. Dealing with inherited property therefore involves dealing with real estate and making effective use of land.

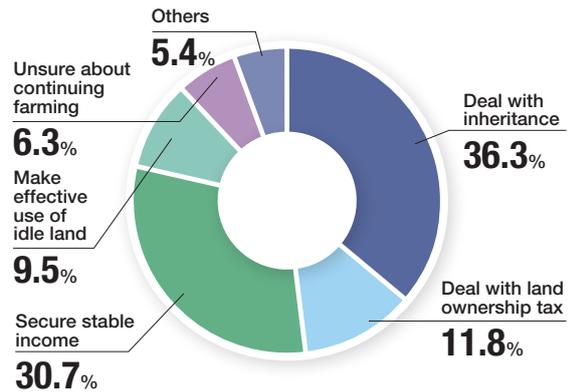
The main reason our owners want to utilize land is to make effective use of their inheritance.

Breakdown of Assets Subject to Inheritance Tax



Source: Annual Statistics Report, National Tax Agency (2019)

Purpose of Land Utilization



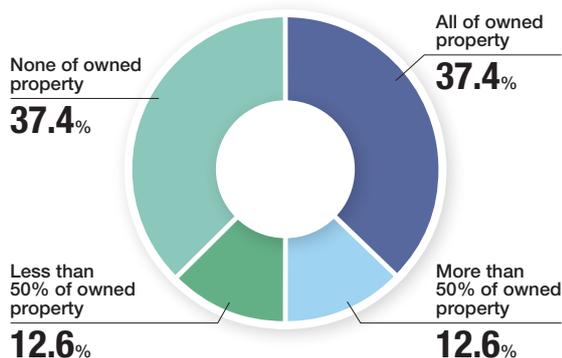
Source: FY2020 Daito Trust data

► Rental Housing Management

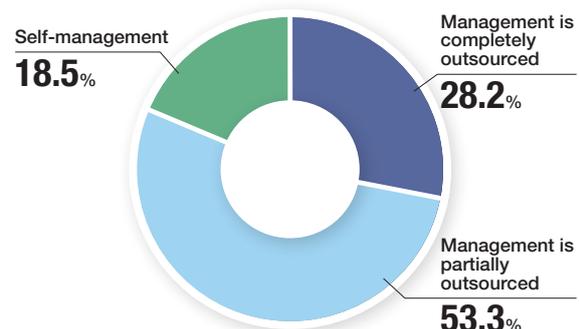
Many of owners outsource management of rental housing to professional company.

- 62.6% of rental housing owners own sub-lease property.
- 81.5% of rental housing owners who does not own sub-lease property outsource all or part of management work to professional lease management company.

Presence/absence of sub-lease property



Management of rental housing except sub-lease real estate



Reason why people chose sub-lease contract

1	To save the all management task	48.3%
2	To secure stable income	47.5%
3	Agree to good proposal	26.3%
4	To save the labor as much as possible	25.9%
5	To save the labor, even just a little	23.6%

Reason why people entrust management works

1	To avoid trouble accompanied by the lease contract	52.2%
2	Having no professional skill or expertise	50.2%
3	Entrustment of support for building trouble	44.3%
4	To avoid trouble with tenant	40.8%
5	Having no time for management	40.3%

Source: Questionnaire about rental housing management task(December 2019),MLIT

Trends in Interest Rates

Trends in Interest Rates Interest rates in Japan remain at roughly the same low level.



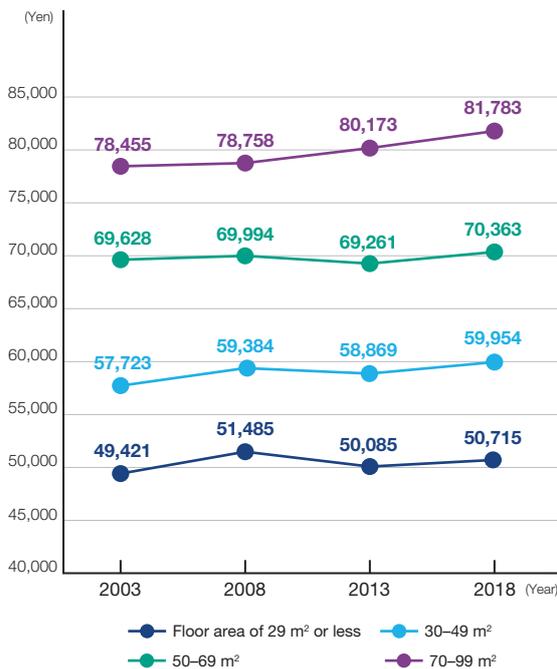
Sources: Bank of Japan, Japan Housing Finance Agency
FRED Economic Data, The Bank of England

Japan Housing Finance Agency
Long-term prime lending rate
Basic loan rate
Mortgage rates in US
Mortgage rates in UK

Trends in Rent

Trends in Rent by Building Footprint

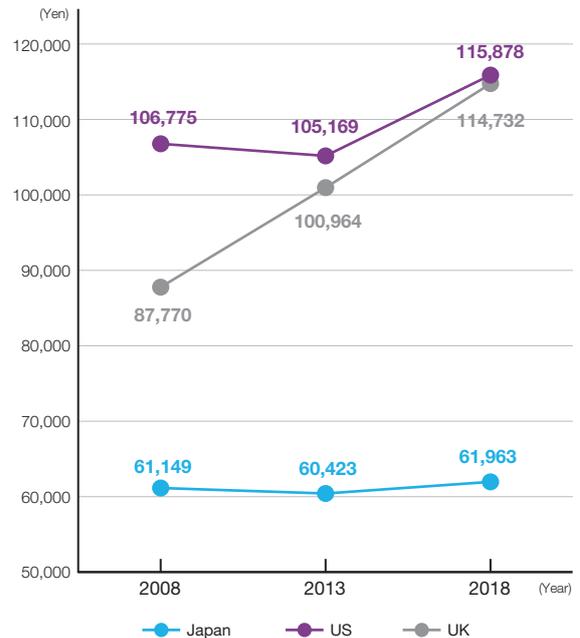
Rent in Japan is on the upward trend.



Source: Housing and Land Survey, MIC

Change of house rent fee in each country

Other countries are showing an upward trend.



Source: Japan: Housing and Land Survey, MIC
US: United States Census Bureau, "American Housing Survey"
UK: Office for National Statistics "Inflation and price indices"

▶ Land Available for Building Rental Housing

In Japan, there are over 6 million plots of land each over 100 m² in area on which rental housing can be built.

Old wooden-frame apartment



Residence with shop space

Source: Daito Trust data



Parking lot



Arable lands in residential areas



▶ Changes in the areas designated as productive green land

- The area of agricultural land designated as productive green land increased from 710.9ha when the Productive Green Land Act was amended to 12,332.3ha (17.3 times).
- In 2022, the Productive Green Land Act will be amended. It is likely that the Act will be revised to maintain green land instead of converting it into housing land.
- There is a concern about the shortage of younger successors of agriculture. Daito Trust Construction recognizes that the amendment of this Act will cause the increase in owners of agricultural land who thinks about quitting agriculture or selling agricultural land or converting it into housing land.

As of the end of March 1991

Region	Area (ha)	Number of district	Area percentage
Nationwide	710.9	1,331	100.0%
Kanto	609.3	1,094	85.7%
Chubu	43.0	129	6.0%
Kinki	52.7	107	7.4%
Tokyo metropolitan area	597.8	1,082	84.1%
(Tokyo)	487.6	1,006	68.6%
(Kanagawa)	—	—	—
(Chiba)	56.6	33	8.0%
(Saitama)	53.6	43	7.5%

As of the end of March 2020

Area (ha)	Number of district	Area percentage
12,332.3	59,201	100.0%
7,075.0	30,319	57.4%
1,418.9	10,718	11.5%
3,825.6	18,140	31.0%
6,985.7	29,954	56.6%
3,017.9	11,036	24.5%
1,276.4	8,236	10.4%
1,054.7	3,870	8.6%
1,636.7	6,812	13.3%

17.3 times

11.6 times

**Annual Report on City Planning 1991* As of March 31, 1991. (Construction Ministry)

*Total of Category 1 and Category 2 productive green land

**2016 Survey on City Planning* As of March 31, 2020. (MLIT)



Equivalent to 151 × Tokyo Domes



Equivalent to 2 × New York Central Park



Equivalent to 2,633 × Tokyo Domes

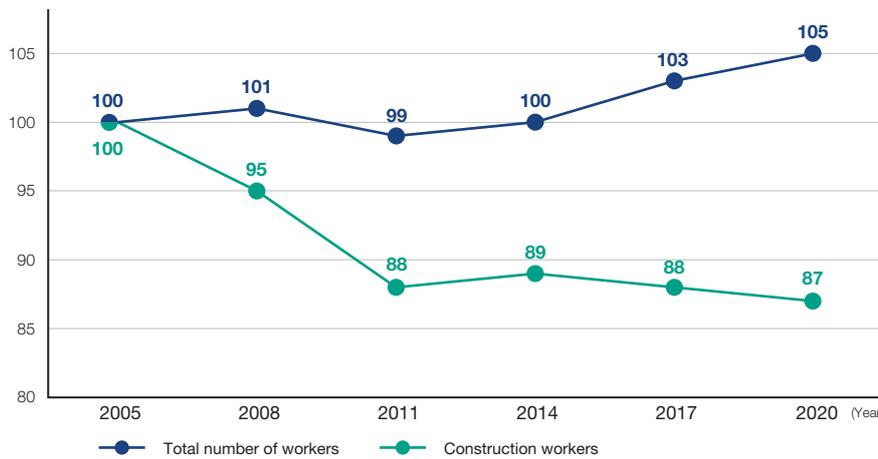


Equivalent to 36 × New York Central Park

► Trends in the Construction Industry in Japan

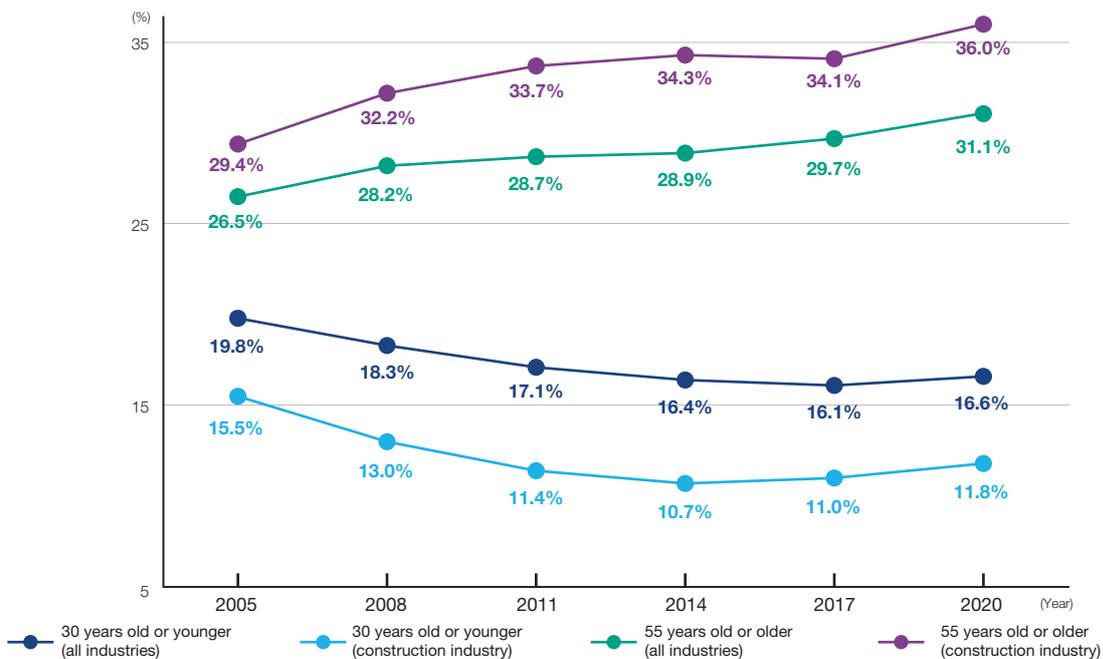
While the number of workers has been on the decline due to aging, labor costs has been increasing because of the Great East Japan Earthquake and the Tokyo Olympics / Paralympics in 2020.

Number of Construction Workers (2005 average = 100) Declining number of construction workers



Source: "Labor Force Survey: Long-term Time-series Data", MIC

Age Composition of Construction Workers Rising proportion of aged workers, dropping proportion of young workers

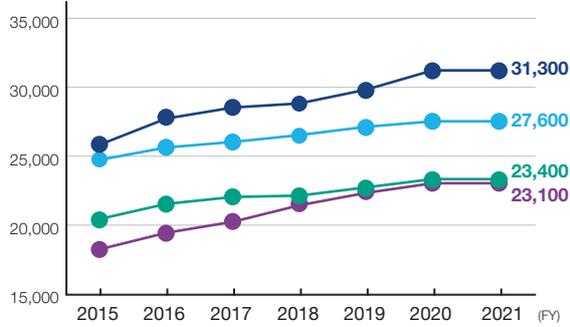


Source: Labor Force Survey, MIC

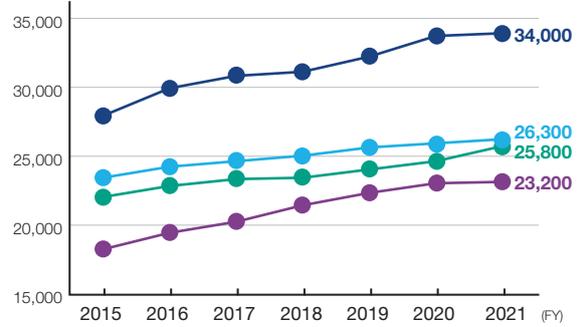
Trends in Labor Costs

Rising labor costs in all types of work, notably in Miyagi Prefecture in the Tohoku region and Tokyo in the Kanto region

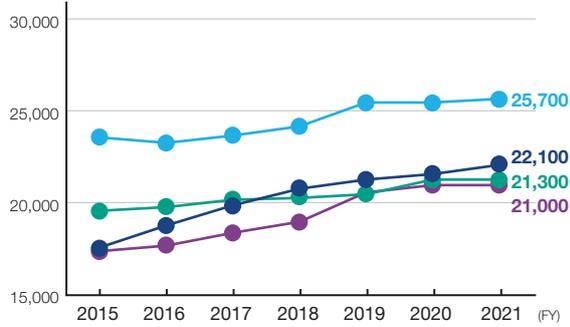
Rebar placers (Unit: yen/person)



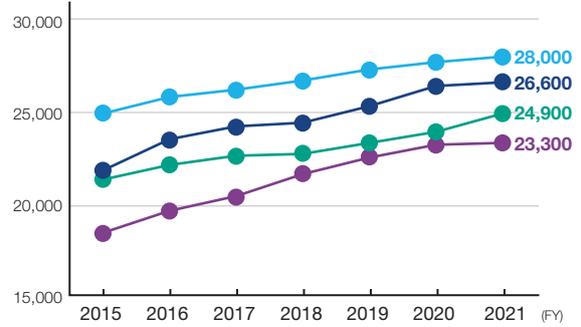
Shuttering carpenters (Unit: yen/person)



Electricians (Unit: yen/person)



Interior finish carpenters (Unit: yen/person)



● Miyagi Prefecture ● Tokyo ● Osaka Prefecture ● Fukuoka Prefecture

Source: Public works labor costs, by MLIT

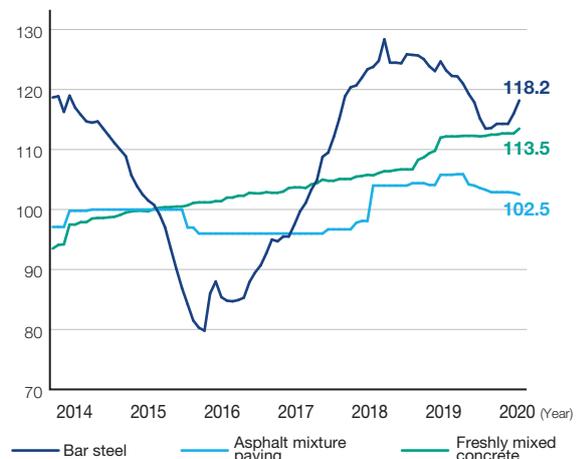
Construction Material Costs (2015 average = 100)

The prices of construction materials have been gradually increasing until expansion of COVID-19.

Wood



Steel and others



Source: Corporate Goods Price Index, Bank of Japan

Business Model

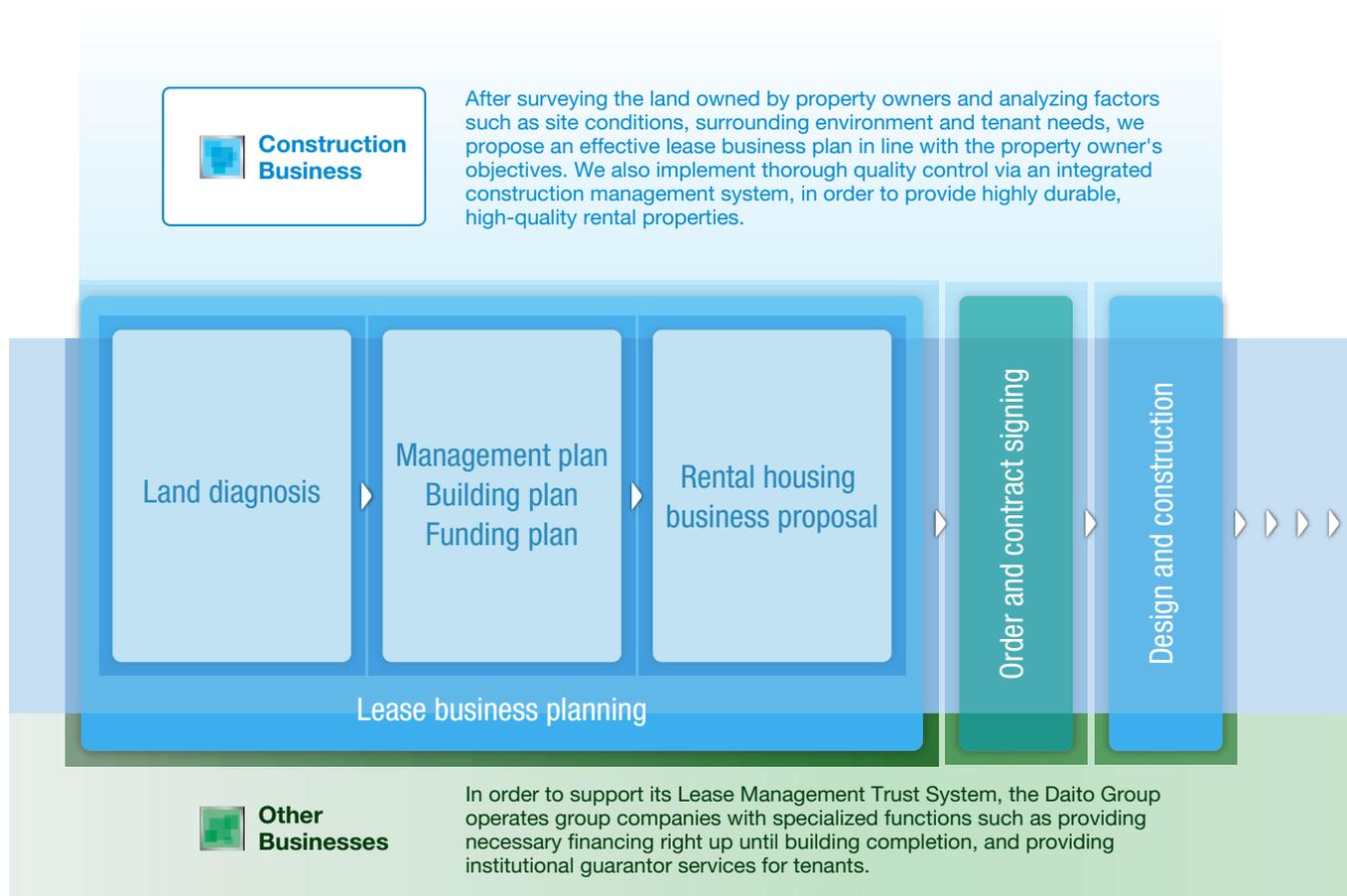
▶ Three main company structure

We will solidify our Lease Management Trust System through strong integration and cooperation between companies.

- In view of the diversification of its business operations beyond rental property management to include rental property business support for property owners and services for tenants, in April 2017, Daito Building Management Co., Ltd. changed its name to Daito Kentaku Partners Co., Ltd.
- In May 2017, for the purpose of improving expertise in the tenant recruitment business, Daito Kentaku Leasing Co., Ltd. was launched as an independent entity by separation of Daito Trust Construction Co., Ltd.'s own managed property agency business.
- Along with this change, the three main-company structure was launched in May 2017, in order to make the Lease Management Trust System more solid and sustainable.

▶ Lease Management Trust System

We reduce various burdens related to rental property management by performing services on behalf of property owners.





***35-year whole-building lease**

Lease agreements may be terminated or canceled based on various conditions. For details, see page 54 ("Points for attention when signing specific rental agreements"). A legitimate reason is required when a customer requests to cancel a lease agreement, since Article 28 of the Act on Land and Building Leases (Requirements for Refusing to Renew a Building Lease Contract, etc.) applies.



Real Estate Business

The Group has established a special department to provide tenant recruitment and referral services utilizing various media and recruitment channels. We also provide unique tenant services in order to maintain high occupancy rates. We also offer leasing business management and operation services and support to enable stable property leasing business operations.

35-year whole-building lease*

Start of leasing business

Tenant recruitment

Management and operation service

Handling of fluctuation risks

Maximization of lease efficiency

Return of profits

Operation with landowner participation (Daito Owner Forum)

▶ 35-Year Whole-Building Lease

We offer support to ensure safe, secure and stable management after commencing leasing business operations.

35-year whole-building lease

We provide tenant recruitment, management and operation services for the leasing business, as well as support from a property owner's standpoint, such as response to fluctuations in income and expenditure that accompany leasing business operations.

The contract period for a 35-year whole-building lease agreement is 35 years. Lease agreements may be terminated or canceled based on various conditions. For details, see page 54 ("Points for attention when signing specific rental agreements"). A legitimate reason is required when a customer requests to cancel a lease agreement, since Article 28 of the Act on Land and Building Leases (Requirements for Refusing to Renew a Building Lease Contract, etc.) applies.

Four Support Features

S Standard plan **F** Full-package plan

Vacancies and rent delinquency

Rent income is also obtained during vacancies and rent delinquency.

Whole-building lease

S F

During the term of the lease agreement, lease fees are paid to the property owner in accordance with the whole-building lease agreement, so there is no impact due to vacancies or rent delinquency.

*The start date for payment of lease fees is the day after the date upon which three months have elapsed since the day following the date of final settlement of the building contract fee, or the start date of the whole-building lease agreement, whichever is later.

*When a tenant vacates the property, a lease fee payment exemption period of up to a maximum of 15 days is given as a period of preparation for the next tenant to move in.

Normal wear and tear (at time of vacating)

Restoration to original condition

S F

The Daito Group will carry out work to restore the property to its original condition during the 35-year period of the lease agreement.

The Daito Group will reduce the cost burden to property owners for the restoration of each housing unit to its original condition arising each time a tenant vacates the property by carrying out repairs associated with tenants moving out as specified in advance.

*For a list of repairs carried out by the Daito Group, please refer to page 53 ("List of Repair Items"). Costs of restoration to original condition for items that are not applicable are borne by property owners.

Rent fluctuations

Long-term fixed lease fee

S F

Lease fees are fixed for the first 10 years, and renewed every 5 years thereafter (residential use)

Lease fees are fixed for the first 10 years, and for a period of 5 years for each subsequent renewal (residential use). This ensures peace of mind because the fees are fixed for a long period of time, even if surrounding market rent rates fluctuate.

*When renewing the lease fees, they are reviewed in consideration of factors such as surrounding market rent rates and building facilities.

*Even during the period of fixed lease fee, lease fees may be reduced in accordance with the provisions of Article 32, Paragraph 1 of the Act on Land and Building Leases ((Right to) Request Increase or Decrease in Rent).

Deterioration over time

Repair service

F

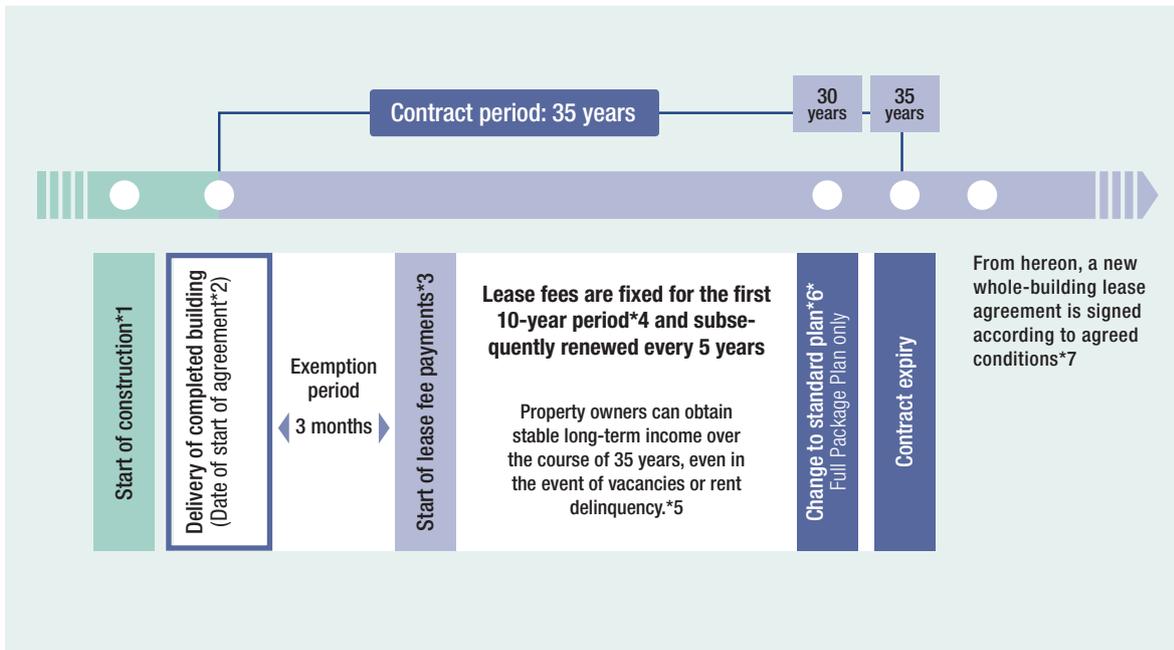
The Daito Group will carry out repairs to the property for a 30-year period during the lease agreement.

The Daito Group will reduce the cost burden to property owners in terms of repair costs for maintaining the building as a rental building as chosen by tenants by carrying out repairs to the main building, building facilities and room facilities as specified in advance.

*For a list of repairs carried out by the Daito Group, please refer to page 53 ("List of Repair Items"). Costs of restoration to original condition for items that are not applicable are borne by property owners.

*<30-year Full Package + 5-year Standard> Plan

Contract period for whole-building lease agreements <30-year Full Package + 5-year Standard> Plan



*1: In some cases, the agreement may be canceled based on various conditions. For details, see separate explanation ("Points for attention when signing specific rental agreements"). A legitimate reason is required when a customer requests to cancel a lease agreement, since Article 28 of the Act on Land and Building Leases (Requirements for Refusing to Renew a Building Lease Contract, etc.) applies.

*2: The start data for a whole-building lease agreement is the day after the date of delivery of the completed building, the day after the date of completion of the local government inspection (or date of completion of the inspection for provisional use application), or the day after the date of completion of the development inspection, whichever is latest.

*3: The start date for payment of lease fees is the day after a date within which three months (residential use) have elapsed since the day following the date of final settlement of the building contract fee, or the start date of the whole-building lease agreement, whichever is later.

*4: The first 10 years is the 10-year period commencing with the start of the whole-building lease agreement, and includes the exemption period for the start of payment of lease fees.

*5: When a tenant vacates the property, a lease fee payment exemption period of up to a maximum of 15 days is given as a period of preparation for the next tenant to move in. When renewing the lease fees, lease fees are reviewed in consideration of factors such as surrounding market rent rates and building facilities. Even during the period of fixed lease fee, lease fees may be reduced in accordance with the provisions of Article 32, Paragraph 1 of the Act on Land and Building Leases ((Right to) Request Increase or Decrease in Rent).

*6: As of the 31st year onward, the actual costs pertaining to building repairs shall be borne by the property owner.

*7: After the expiry of the 35-year term of contract, costs for restoration to original condition and costs of repairs for a whole-building lease agreement shall be borne by the property owner.

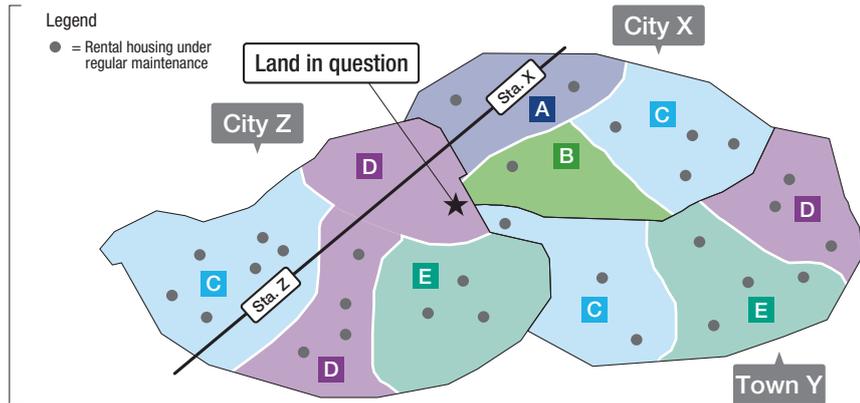
► Rent Appraisal System (Land Surveys)

Specialized market research staff formulates rental housing supply plans that reflect actual demand.

Flow of Appraisal Formulation and implementation of supply plan based on Daito Group's proprietary appraisal system

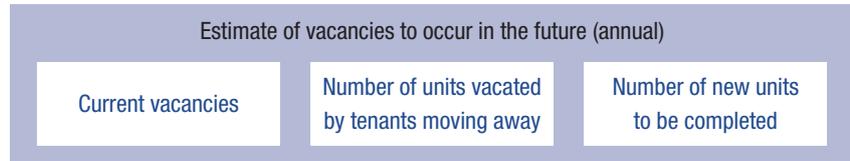
Country is divided into 4,677 areas

Note: As of May 31, 2020



Area-based supply plan meeting

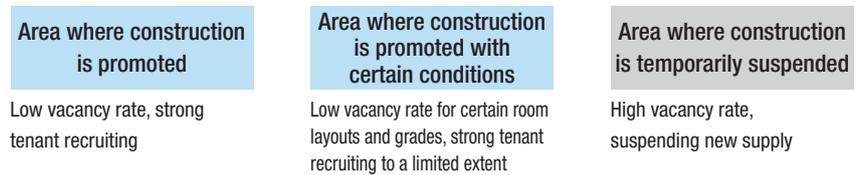
reviewed every six months



Number of annual brokerage cases

Estimate the vacancy rate for one year later

Implementation of supply plan



Appraisal of individual rental housing units



* Regular Maintenance properties: Houses of other companies that are used to compare to determine house rent fees.

Appraisal System

Fair appraisal carried out by specialized staff from the Daito Group

Marketing staff for rental housing

1,037

Number of marketing base

155 offices

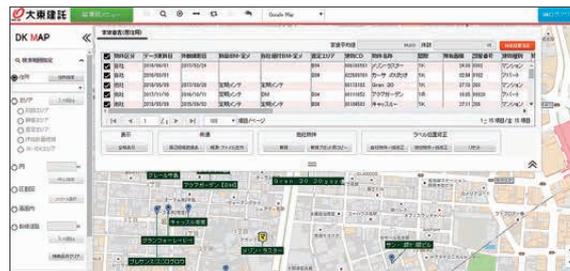
Note: As of June 1, 2021

- Fair supply plans, rent, and other conditions are achieved independently and are unaffected by factors such as requests from the construction sales division.

DK MAP

Realization of improved efficiency and accuracy of rent appraisal service

- A system to manage land information (copies of land/property ownership registrations and public figures) nationwide owned by Daito Trust was launched in April 2017.
- The land/property search function allows you to find necessary data instantly from an enormous amount of data.
- This system is equipped with the “area marketing report function”, which automatically converts information on demographic statistics and properties (owned by our company or other companies) around supply plan areas.
- The “GIS marketing function” was added in May 2018 which allows you to simultaneously view the fluctuations in rent and the trends of supply of in-house controlled buildings on maps of a supply plan area.
- This system is available on tablets and can be used nationwide.
- Data on average rent has been accumulated.

**Market Research and Data Accumulation**

Possess a massive amount of market data

Data on own rental housing:

About **181** thousand units

Data on other companies' rental housing:

About **800** thousand units

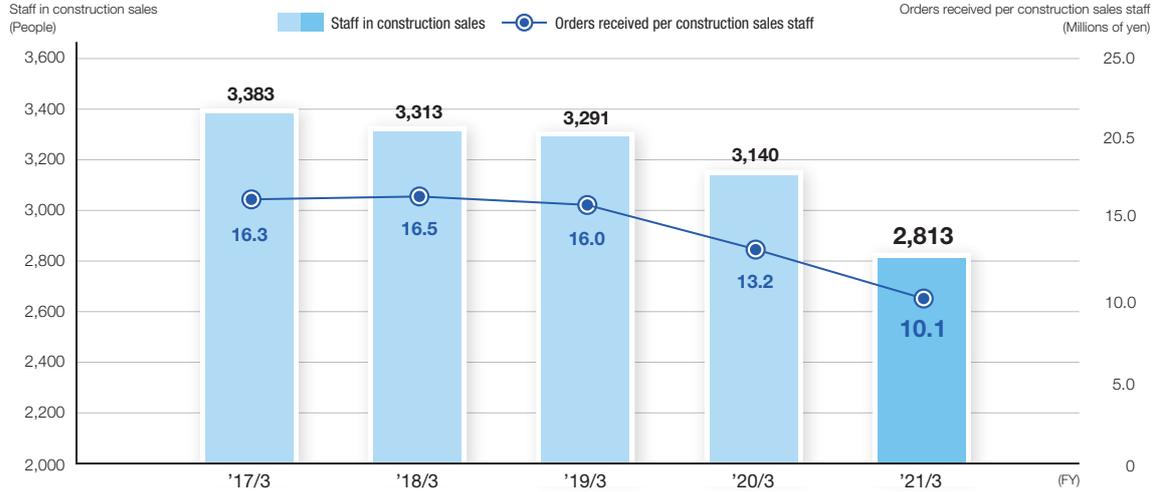
Note: As of May 31, 2020

► Construction Sales Structure

Earned trust through a firm structure and direct sales.

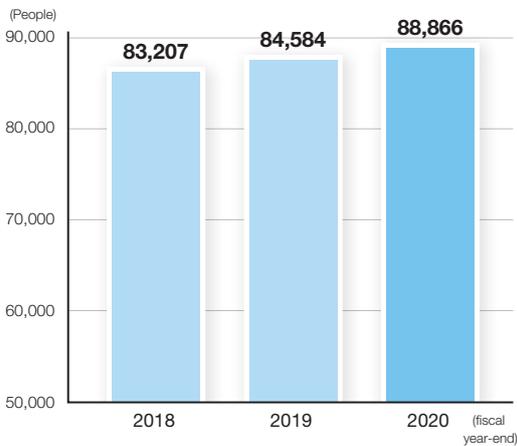
Orders Received per Construction Sales Staff

Established sales section what focus on proposal for commercial buildings and renovation business from FY2019



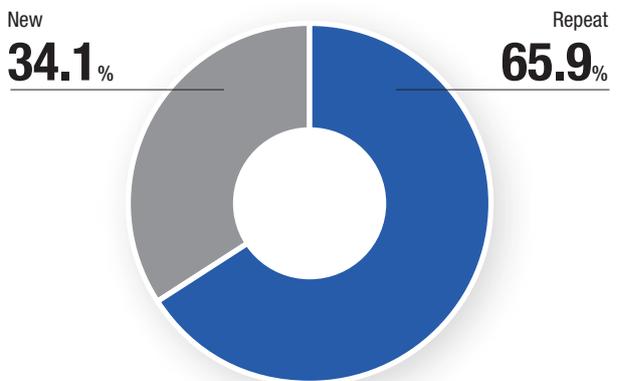
Source: Daito Trust Data

Owners Steadily acquire new customers



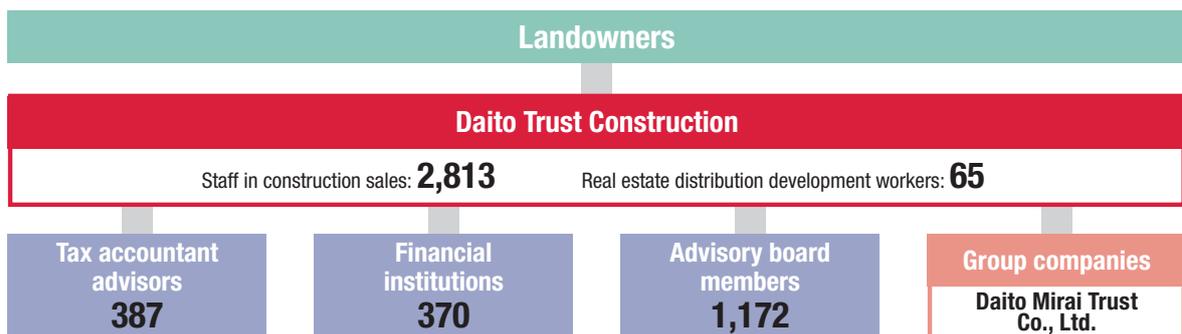
Rate of Repeat Contracts

High evaluation from existing customers



Source: Daito Group Data (FY2020)

Construction Sales Structure Build a system enabling integrated proposals to landowners



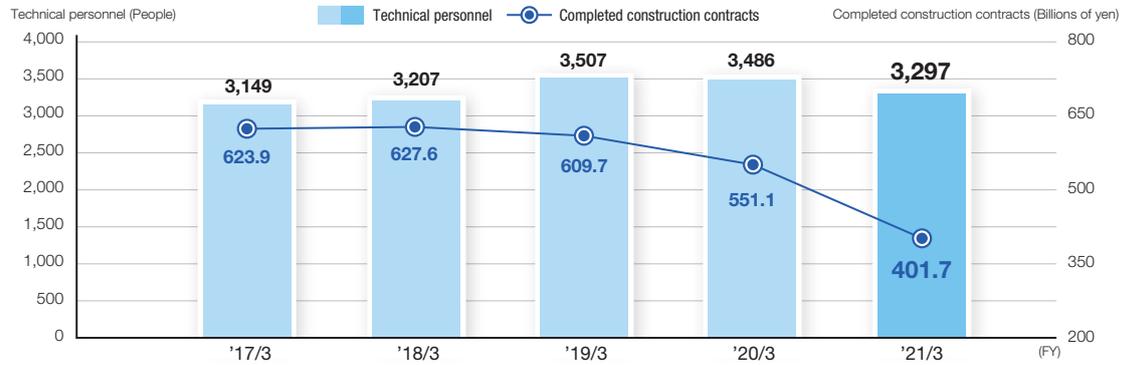
Note: As of March 31, 2021

► Design and Construction Structure

Diverse structure reinforcement supports our position as the industry's No. 1 supplier.

Technicians and Net Sales from Completed Construction Contracts

Increasing technical personnel secures completed construction contracts



Source: Daito Trust Data

Strengthen the Construction System

Strengthen the construction system externally as well as internally

Affiliated panel factories

27

Note: As of March 31, 2021

Non-Japanese technical interns accepted

910

Note: Cumulative total as of March 31, 2021



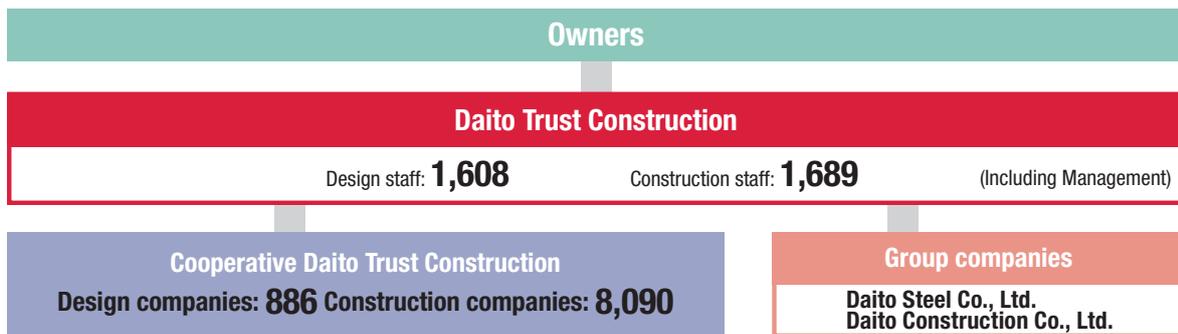
Panel production line



Training in Vietnam

Design and Construction Structure

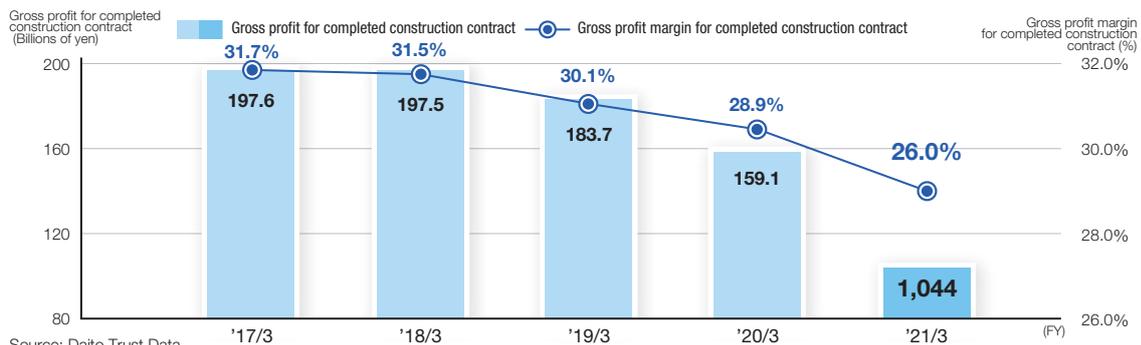
Secure design and construction quality through a system including cooperating companies and group companies



Note: As of March 31, 2021

Gross profit for completed construction contract and gross profit margin for completed construction contract

Securing of high profit margins by direct order to partner companies



Source: Daito Trust Data

▶ Enhancing Product Power

Developing products tailored to the needs of the times and society.

Detached rental housing

- In August 2018 we launched a detached rental housing leasing business targeting the child-rearing generation (in their 30s or 40s) on a trial basis.
- In February 2020 we launched sales of LIBERTE DUPLÉ, a two-by-four wood-built detached rental housing product.
- In November 2020 we launched sales of cocoDaTe One's, our first bungalow-type detached rental housing product, in response to growing needs for bungalows (single-story detached housing).



cocoDaTe One's bungalow-type detached rental housing

Rental housing which satisfies the ZEH standard

- In November 2017 we completed construction of the first rental housing complex in Japan to satisfy the ZEH (net zero energy house)* standard.
- In April 2019 we launched sales of SOLEIL, our ZEH-M (net zero energy mansion) type rental housing product in partnership with Looop Inc., which plans and develops products that use natural energy.
- In April 2021 we launched sales of our own original storage-cell equipped ZEH-M rental housing, equipped with Kyocera home-use storage cells (5kW capacity).

*Housing for which the net total annual primary energy consumption is zero.



The first detached rental housing in Japan to satisfy the ZEH standard

Forterb

- Rental housing product constructed by original CLT* method. It is the first Commercialization and industrialization of CLT rental housing in Japan.
- CLT is getting a lot of attention as a building material that has both high strength comparable to that of concrete and the lightness of wood material. Meanwhile, it is expected to contribute to environmental and social problem such as CO₂ reduction, shorten the construction period, promotion of use of wood material, and so on.
- As a result of these effort has been evaluated, we were presented by the Ministry of the Environment with the Environment Minister's Award for Global Warming Prevention Activity (Technological Development and Commercialization Section).

* Cross laminated timber is a wood panel product made from gluing layers of solid-sawn lumber together.



Forterb



DK SELECT Reform

- As of 2019, we launched a remodeling service business specialized toward rental buildings managed by other companies in 32 of Japan's prefectures.
- With a view to full-scale participation in the remodeling business as of FY2019, we began to offer service plans—such as planned repair and restoration to original condition—based on four basic remodeling / reform packages.
- We also offer our own unique additional service plans such as a tenant recruitment / referral set and whole-building lease set.
- Through our remodeling proposals, we aim to create rental housing business proposal opportunities for property owners.

DK SELECT

Reform



Illustrative example of property after Premium Package Plan remodeling

▶ Product Lineup

Leverage the know-how of specialist rental companies and prepare a variety of products.

Apartments Products with excellent design and room layout that cater to various lifestyles.



LUTAN SOLEIL



LUTAN LACHIC



Living room image



Living room image

Condominiums Stately mid-to-high-rise buildings (three or more floors), special-order building, tenatable housing, and more.



Owner's room of tenatable housing



Entrance of special-order building



Exterior of special-order building



Owner's room of tenatable housing



Entrance of special-order building

Examples of Large-Scale Developments Construction of rental housing helps revitalize the community.



Moriyama Ward, Nagoya



In Kyoto



In Karuizawa

► Construction technologies

These technologies have been introduced to reduce maintenance costs.

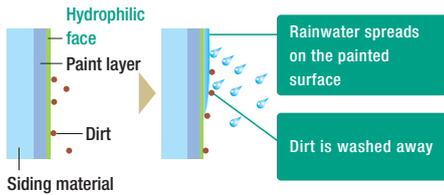
Exterior Technologies Materials that preserve views



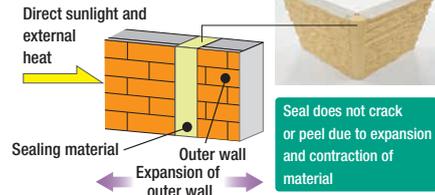
1 Outdoor fixtures that retain their luster and resist discoloration



2 Fade-reduced siding materials that let rain wash away dirt

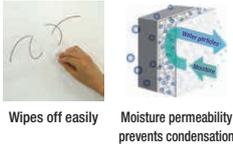


3 Exterior sealing with enhanced weather resistance



Interior Technologies Materials that hold down restoration costs

Eco-barrier wallpaper that resists aging, fading, dirt, and mold



Scratch-resistant flooring that can be replaced one section at a time



Internal fittings that are resistant to scratches and discoloration



We supply buildings with fundamental features that boast a high level of performance.

Characteristics of basic performance

① Earthquake resistance

<p>Earthquake resistance grades</p>	<p>Grade 3: Earthquake resistance performance established in the Building Standards Act x 1.5 times Grade 2: Earthquake resistance performance established in the Building Standards Act x 1.25 times Grade 1: Earthquake resistance performance established in the Building Standards Act</p>		<p>Development of "DK SELECT High Earthquake Resistance Grade G3 Series" based on the high earthquake resistance specifications (earthquake-resistant grade 3) Promoting earthquake resistant construction of rental housing (earthquake resistance grade 3)</p>		
<p>Features</p>	<p>[2 x 4 construction]</p>  <p>Monocoque structure in which the roof, the wall and the floor are united</p>	<p>[Conventional construction]</p>  <p>Eco-precut construction method using assembly materials and joint hardware and face material bearing wall</p>	 <p>2 x 4 construction High-proof stress hold-down hardware</p>	 <p>Brace structure of steel frame systems</p>	 <p>Eco-precut construction method Performance test for vibration control damper</p>

② Energy efficiency

Insulation performance class	Grade 4: Conforms to Japan's Energy Saving Standard 2016 Grade 3: Conforms to Japan's Energy Saving Standard 1992 Grade 2: Conforms to Japan's Energy Saving Standard 1980 Grade 1: Other	Primary Energy Consumption Grade	Grade 5: Conforms to low-carbon standards Grade 4: Conforms to Japan's Energy Saving Standard 2016 Grade 1: Other
Features	Highly energy-efficient materials enable buildings to pass Energy Saving Standard 2016	Features	Grade 5 is realized by satisfying certain conditions for some wooden houses.

③ Air quality

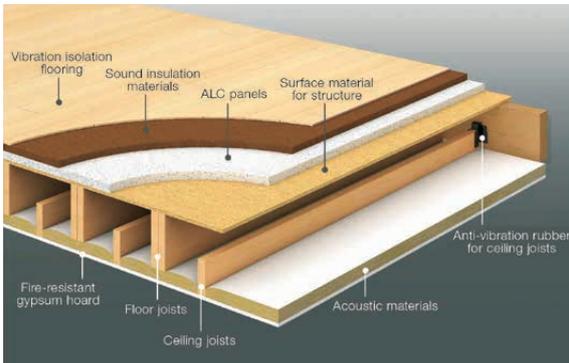
Formaldehyde emission grades	Grade 3: All surface materials have a rating of four stars or more Grade 2: All surface materials have a rating of three stars or more Grade 1: Conforms to Japan's Building Standards Act	<p>"Filters for air supply outlets", our original products, have been developed to prevent pollen and PM2.5 from entering houses</p>  <p>[Expected Value] Removal rate of pollen*1: 90% or more Removal rate of PM2.5*2: 68% or more *1 Based on the assumption of particles of 20µm~40µm of pollen from Japanese cedar trees *2 Based on the assumption of particles of less than 2.5µm of PM2.5</p>
Features	Comfortable indoor environments thanks to 24-hour ventilation and interior materials that emit a minimum of chemicals	

④ Sound insulation

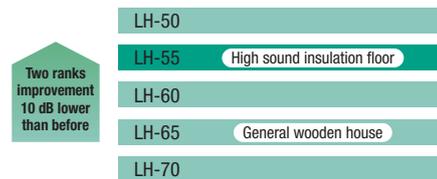
New "High sound insulation floor"

Sound transmitted from the upper floor is reduced up to 15db (compared to the existing specifications) in the range of sound easily picked up by the human ear.

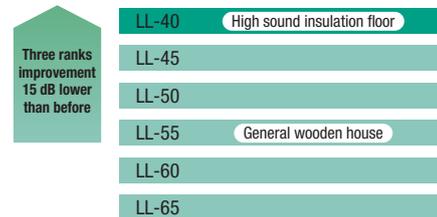
* This performance measurement was obtained in tests done by the Japan Testing Center for Construction Materials. It is not a guarantee of performance in an actual building.



Heavy floor impact sound



Light floor impact sound



* Sound insulation grade LH: Heavy impact sound LL: Light impact noise

Additional values suited to these times are provided

Creation of evolving "New living"

Development of original CLT method towards to commercializing wooden fireproof building.



Laboratory for original CLT construction method.



Fire resistive cover integrated industrial panel.

What is CLT?



Cross laminated timber is a wood panel product made from gluing layers of solid-sawn lumber together.

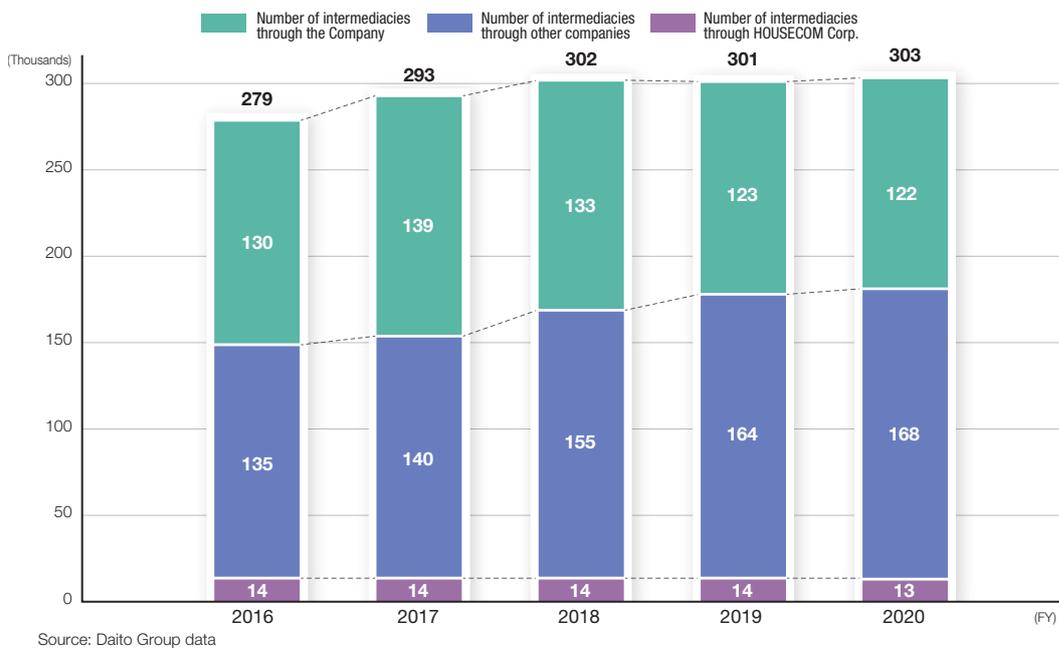
► Tenant Recruitment Structure

The collaboration among the three main companies has contributed to lower vacancy rate and higher rent.

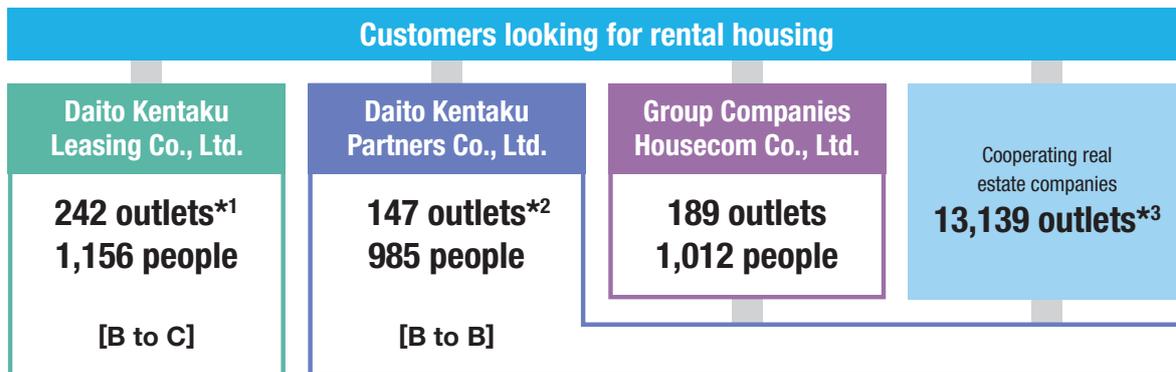
Tenant recruitment structure of in-house controlled buildings Improved efficiency by the share of business

	Daito Kentaku Leasing Co., Ltd.	Daito Kentaku Partners Co., Ltd.
Direct brokerage business	○	
Indirect brokerage business		○
Market survey and rent appraisal		○

Trends in number of intermediaries Both direct and indirect brokage businesses are progressing increase.



Tenant Recruitment Structure A structure comprising group and outside companies



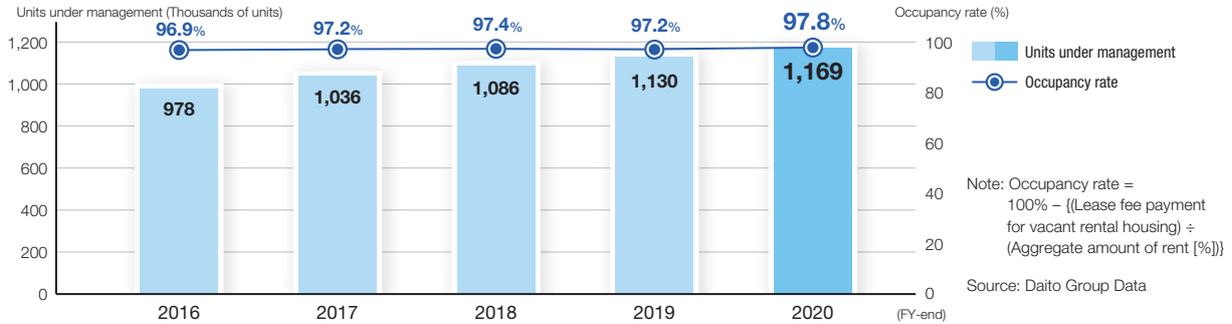
*1 Including 3 franchise outlets
 *2 Only offices that offer customer service
 *3 Number of cooperating real estate companies introducing one or more rental housing units to the Daito Group in FY2020

Note: As of March 31, 2021

Daito Group's original rental housing brokerage network is one of the best in the industry.

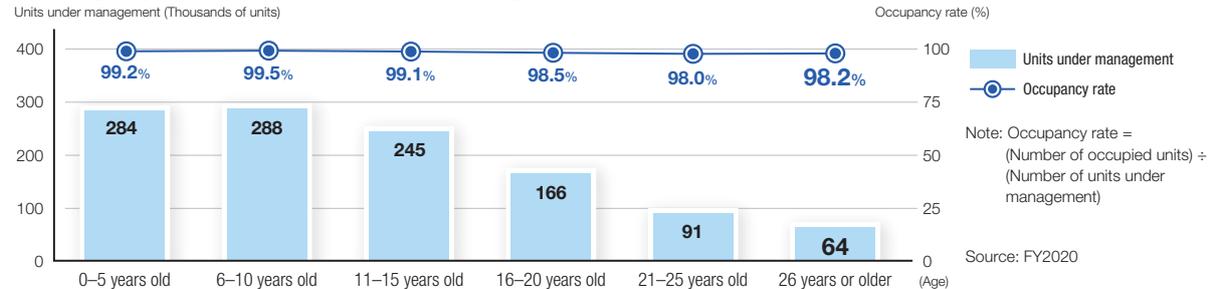
Number of rental housing units under management and occupancy rate based on rent

Maintaining a high occupancy rate even with the increasing number of units under management



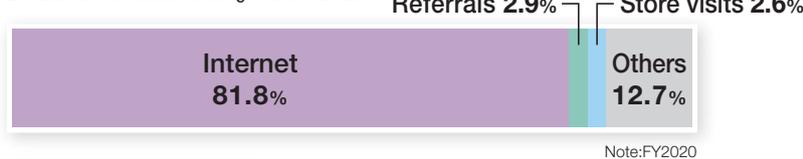
Number of Rental Housing Units in Different Ages under Our Management and the Occupancy Rate

Maintaining a high occupancy rate even for old rental housing units



Active Tenant Recruiting Active tenant recruiting through the E-heya Net brand

Breakdown of rental housing search media



Expanding Services Responding to tenant needs



- Reducing initial costs when moving in and ensuring transparent account settlements when moving out

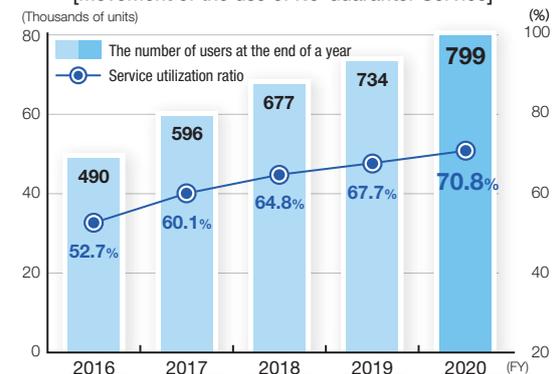
- Eliminating the hassle of securing a guarantor makes it easier for tenants to sign contracts and move in

Fees for agreement

Usual agreement	Usual agreement	Usual agreement
Rent fee	50,000 yen	50,000 yen
Communal charge	3,000 yen	3,000 yen
Parking fee	5,400 yen	5,400 yen
Deposit (equivalent to rent fees for 2 months)	100,000 yen	0 yen
Cleaning fee	0 yen	32,400 yen
Agent fee	54,000 yen	54,000 yen
Parking operation fee	5,400 yen	5,400 yen
Total	217,800 yen	150,200 yen

Initial expenses reduced by as much as 67,600 yen!

[Movement of the use of No-Guarantor Service]

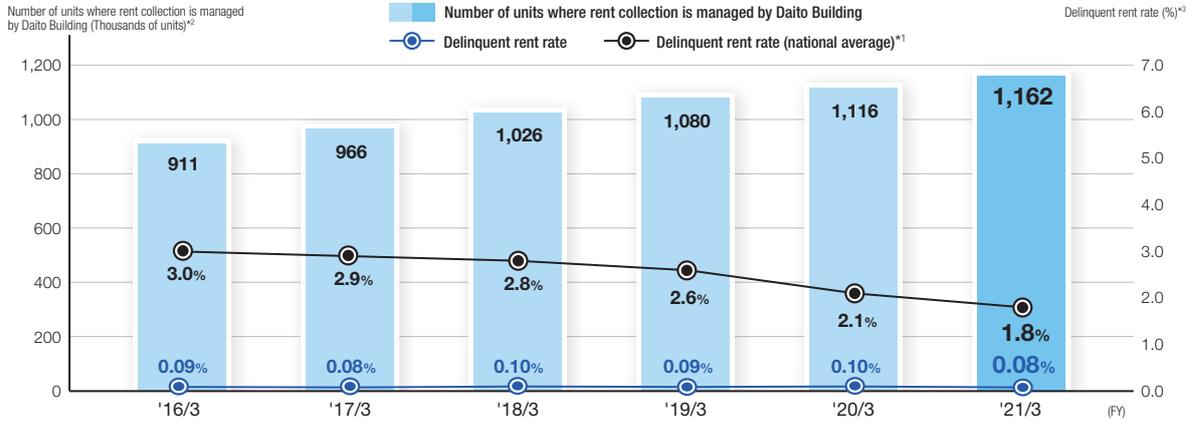


Rental Housing Management Structure

We have a low default (uncollected rent) rate.

Rent Management Capability

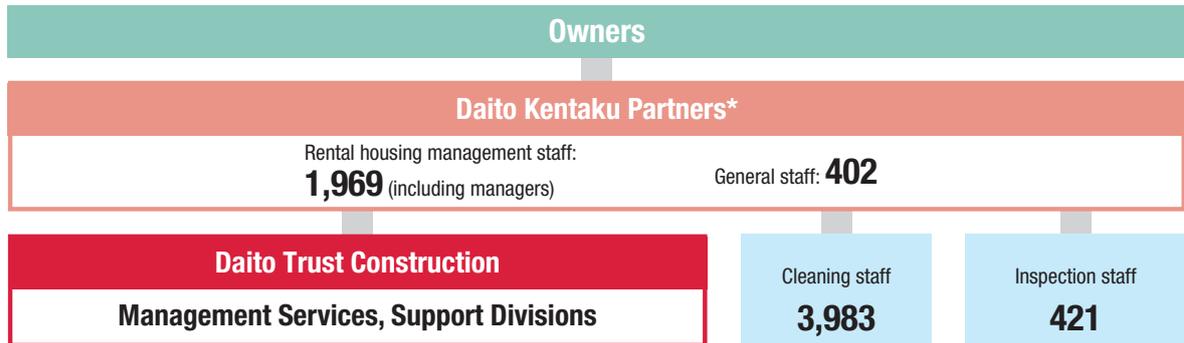
Secure rent collection through specialized rent management staff



Source: Daito Group data *1: National average. "Survey on Sentiment of Rental Housing Market" (second half of 2014 - 2018 and first half of 2019), Japan Property Management Association
 *2: Number of units where rent is collected by Daito Building among units under management (both residential and commercial uses)
 *3: Delinquent rent rate = (Cumulative months × Delinquent rent) ÷ (Cumulative months × Total units for which Daito Building collects rent)
 Delinquent rent means rent uncollected over one month. Rent collected by subrogation is excluded from the company's delinquent rent rate.

Management Structure

Management structure centered on Daito Kentaku Partners Co., Ltd.



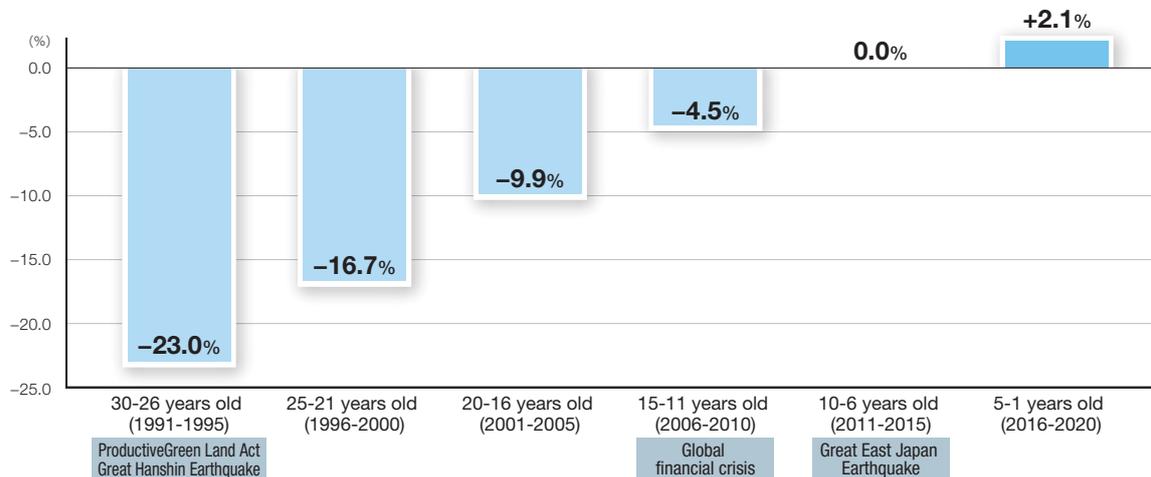
*Daito Kentaku Partners Co., Ltd.

*Daito Kentaku Partners was established in November 1999 as a wholly owned subsidiary of Daito Trust Construction to enhance rental housing management services. Its main business is whole-building lease and management and operation of rental housing. It ranks No. 1 in Japan by the number of units under management. It is engaged in the comprehensive management of rental housing.

Note: As of March 31, 2021 (number of inspection staff as of March 20, 2021)

Rent Fluctuation

No large fluctuations in rent except for when there was an oversupply of rental housing due to an amendment of the Productive Green Land Act



FY2020

For Inquiries 24-hour call center for tenants

A function to respond to inquiries through AI assistant

NEW!
Inquire AI

AI Assistant "Sumai-chan"

- 10 patters of facial expression
- Timely answers
- Uniform answer level

<Top Image of the inquiry page>

App for our tenant only

we started to provide disaster prevention information from July 2019

- Possible to search evacuation place only a single click
- Providing column of disaster prevention
- Introducing and selling disaster prevention goods.
- Providing FAQ of disaster prevention.

DK SELECT
防災アプリ

Number of DK SELECT app members

778,443

As of March 31, 2021

24-hour E-heya Support Center

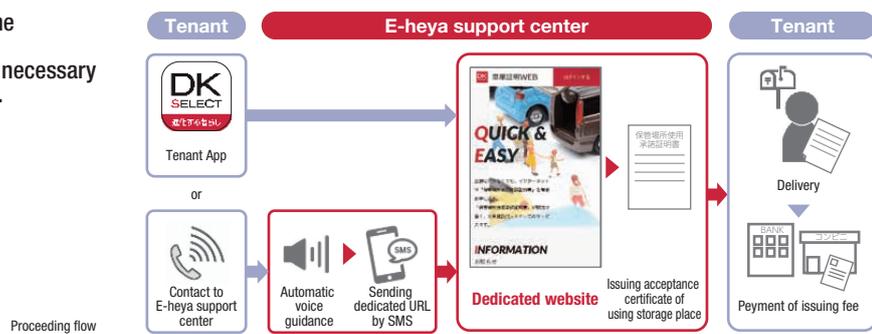


The number of responds made in a year

167,254 cases

* FY 2020
(the previous year: 129,602)

Computerising the issue of the acceptance certificate of using storage place which is necessary for garage certificate issuing.



Maintenance / inspection

Emergency response service
Maintenance service staff



The number of emergency cases

20,001 cases

* FY 2020
(the previous year: 20,690)

Cleaning service
Cleaning staff



Mainly local housewives clean inside and outside of building site.

Building inspection
Building inspection staff



Specialized staff inspect building per 2 months.

▶ Energy Business

Supply of Gas

We perform equipment installation and maintenance and supply of LP gas for apartments and condominiums. In response to its liberalization, Daito Energy has started supplying city gas from December 2017.

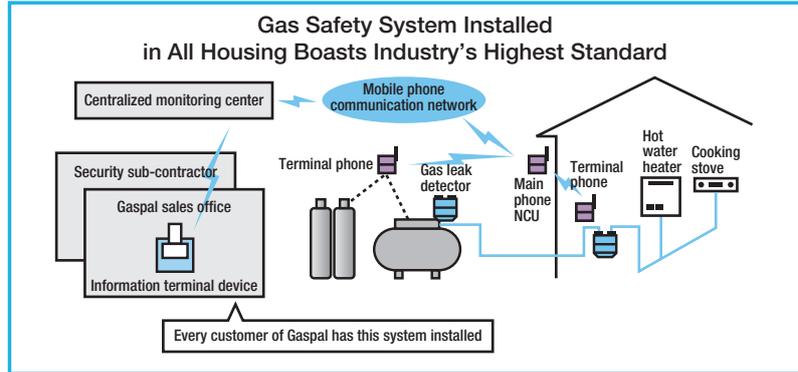
Number of units which LP gas is supplied

361,936

Number of units which city gas is supplied

40,908

Note: As of March 31, 2021



Solar Power Generation

The Daito Group installs solar panels on the roofs of rental housing and sells all of the electricity generated to electric power companies.

Number of equipped units

15,043

Note: As of March 31, 2021

Total power generated nationwide*

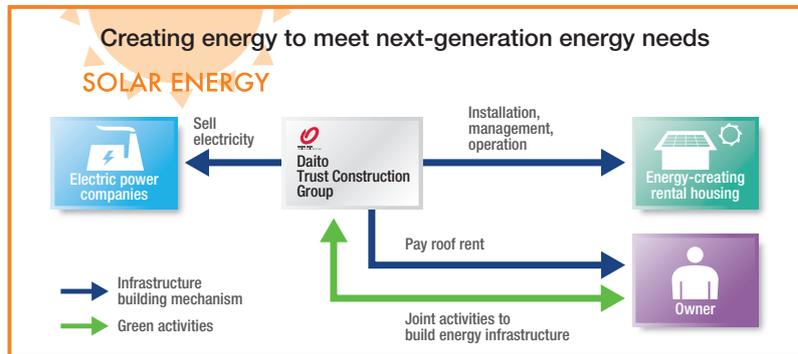
200 megawatts

For one year, this electricity can power

48,125 households

*A 1-megawatt power station operating for one year can provide the electricity used by 300 average households in a year.

Source: Federation of Electric Power Companies of Japan

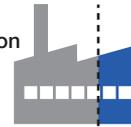


The area size of installment



Equivalent to 61.2 x Tokyo Domes
* 1 megawatts = 14,280 m²

The quantity of power generation



Equivalent to 44 percent of a thermal power station
* 450 megawatts / per station

Care and Nursery School Businesses

Day-Care Services

For senior citizens living at home, we provide day-care services that include exercise, recreation, meals, and bathing.

Number of day-care centers

80

Note: As of March 31, 2021

Number of day-care center users

1,056,556

Note: FY2020



Exercising



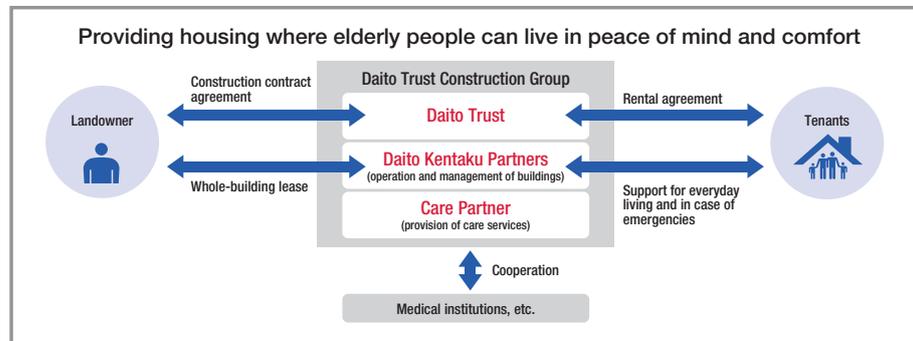
Recreational activity

Assisted Living Rental Housing for Senior Citizens

Number of completed construction

3

Note: As of March 31, 2021



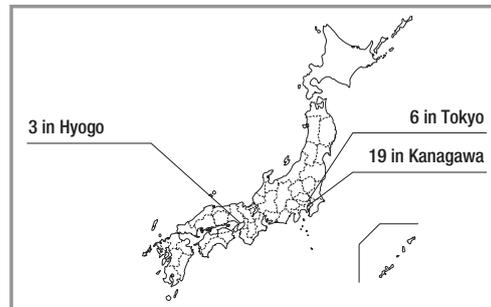
Kids Partner

Kids Partner—Aiming to eliminate waiting lists for children to enroll in nursery schools.

Number of nursery schools

28

Note: As of March 31, 2021



Inside of KIDS PARTNER MINATOMIRAI

Real Estate Investment

Hotel business

Acquired profitable property and it is operated as hotel “Remm plus GINZA” from December 2019.



Overseas real estate investment

From November 2013, Daito Trust has developed rental housing with a local dominant real-estate developer in the suburb of Washington, D.C.



Basic Policy for Corporate Governance

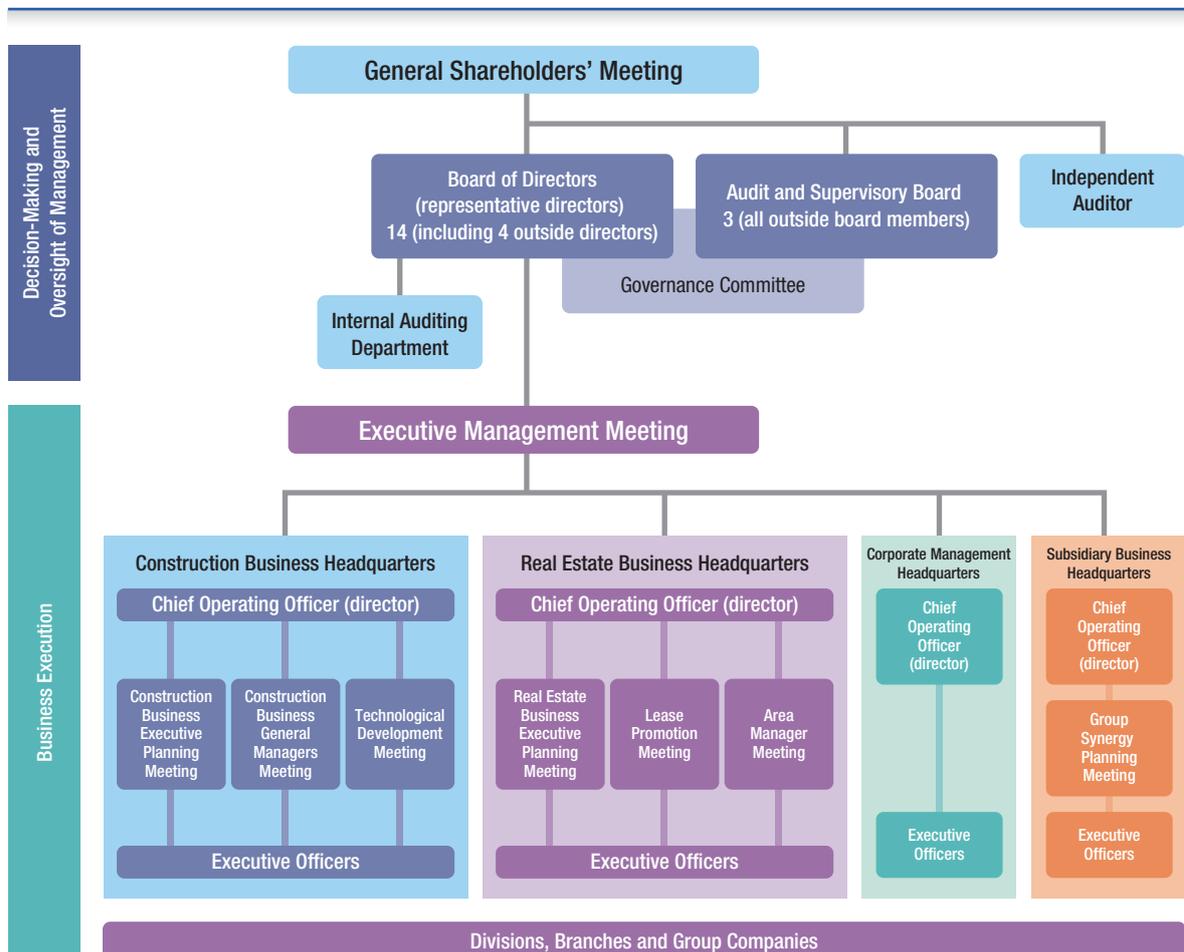
We make it our basic policy for corporate governance to maximize corporate value for all of our stakeholders—including shareholders— while making our management transparent and efficient.

To this end, we have separated decision-making functions from business execution functions, established a speedy and efficient management/execution organization, and appointed outside directors—all in an effort to achieve management with a high level of transparency.

Reference: History of Daito Trust's Corporate Governance Structure

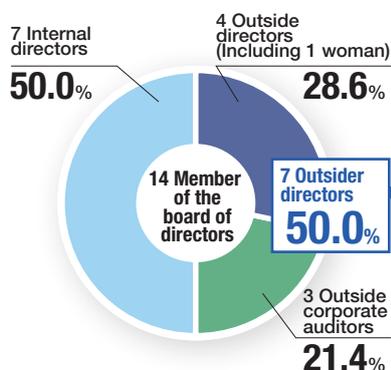
	1974	1989	2011
	Establishment	Listed on the second section of Nagoya Stock Exchange	Acquisition and cancellation of stocks owned by the founder through the takeover bid
Separation of supervision and execution			2000 Introduction of an executive officer system
Term of directors		1989 Introduced to retirement age of directors at 60-year old	
Compensation			2011 Introduction of share-based compensation option 2019 Introduction stock compensation
Outside directors		2005 Appointment of an outside director	2011 Appointment of two outside directors 2013 Appointment of three outside directors (from 2015, one female outside director has been appointed) 2021 Four outside directors
Outside corporate auditors	1986 Appointment of an outside corporate auditor	1989 Appointment of three outside corporate auditors	1999 Appointment of four outside corporate auditors (all of four corporate auditors are outside) 2021 Three auditors (all outside)
Arbitrary committees			2012 Establishment of the Evaluation Committee (Current: Governance Committee)

Management Structure (as of June 2021)



► Outside Directors

Composition of the Board of Directors



Outline of outside directors

	Name	Profession	Expertise			
			Corporate management	Finance	Financial accounting	Laws
Outside directors	Toshiaki Yamaguchi	Lawyers	—	—	—	●
	Mami Sasaki	Former foreign financial institution management	—	●	—	—
	Takashi Shoda	Former company managers	●	—	—	—
	Atushi Iritani	Lawyers	●	—	—	●
Outside Audit and Supervisory Board member	Masayasu Uno	Certified public accountants Former company managers	●	—	●	—
	Masa Matsushita	Lawyers	—	—	—	●
	Kenji Kobayashi	Former business owner, US Certified Public Accountant	—	—	●	—

► Standards for the Independence of Outside Directors

To ensure the independence of outside directors and Audit and Supervisory Board members (or candidates for those positions), those persons must not fall under one of the following categories. The periods for which these criteria apply are: 1) from the unlimited past to the present for Category 1 and 2) from the past 10 years to the present for Categories 2 to 5.

1 Daito Group affiliate

The individual is not a director (unless an outside director), a member of the Audit and Supervisory Board (unless an outside board member), an accounting advisor, an executive officer, or an employee of Daito Trust, one of its subsidiaries, or an affiliated company.

2 Holder of voting shares

- 1) The individual is not a major shareholder (holding a 10% or greater share) of Daito Trust or an executive or employee of any of its major shareholders.
- 2) The individual is not an executive or employee of a company for which the Daito Group is a major shareholder (holding a 10% or greater share).

3 Business partner affiliate

- 1) The individual is not an executive or employee of a business partner whose transactions with the Daito Group account for 2% or more of consolidated net sales.
- 2) The individual is not an executive or employee of a financial institution from which the Daito Group borrows capital amounting to 2% or more of Daito Trust's consolidated gross assets.
- 3) The individual is not an executive or employee of the Daito Group's main securities company.

4 Provider of specialized services (lawyer, certified public accountant, consultant, etc.)

- 1) The individual is not an employee or a partner of the Daito Group's certified public accountant's firm or of an auditing firm that acts as the independent auditor.
- 2) The individual does not receive 10 million yen or more a year from the Daito Group (apart from director or board member compensation) for his/her services as a lawyer, certified public accountant, tax accountant, or consultant.

5 Others

- 1) The individual is not a relative within two degrees of kinship of persons falling under the Categories 1 to 4 above.
- 2) The individual is not an executive or employee of a company that has one or more directors holding a post in the Daito Group.
- 3) The individual is not an executive or employee of a company that holds shares in the Daito Group.

► Governance Committee

Composition of the Governance Committee

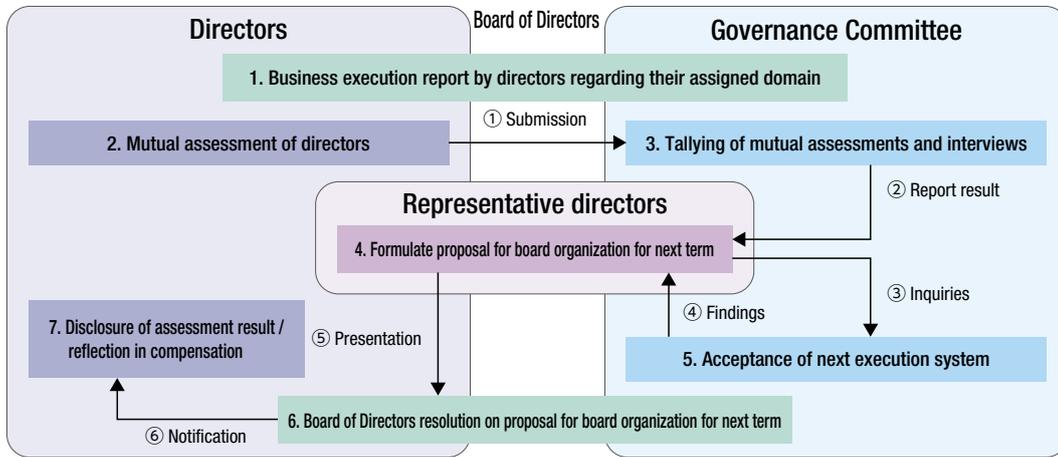
Chairman	Lead Independent Outside Director
Member of the Governance Committee	Representative Director, All Outside Directors, All of Outside Audit and Supervisory Board members

Function of the Governance Committee

- 1) Collate and report on the results of mutual assessments of directors.
- 2) Deliberate and submit findings regarding proposals for board organization for the next term (directors and executive officers) as formulated by the representative directors and director candidates proposal (both reappointments and new appointments).
Note: The representative director cannot present proposals for board organization for the next term and director candidates' proposal without the prior deliberation of the Governance Committee.
- 3) Deliberate and submit findings regarding proposals for performance-linked incentive compensation.
- 4) Review and make recommendations for the role of corporate governance.

Director Evaluation System

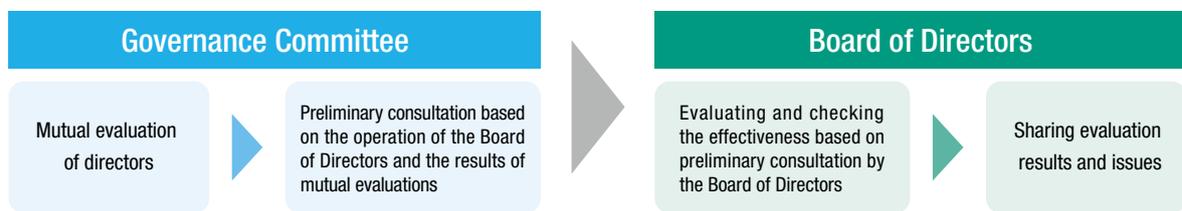
The “Governance Committee” plays a central role in evaluating executive directors and selecting candidates based on the results of mutual evaluations of such directors.



1. Business execution report	Directors report on the status of business execution in their assigned areas to the Board of Directors.
2. Mutual assessment	Directors assess one another's business execution and management supervision function.
3. Tallying and interviews	The Governance Committee chairperson tallies up the mutual assessment results and holds individual interviews, then reports the result to the representative directors.
4. Formulate proposal for board organization for next term	According to the results of the mutual evaluations, the President establishes the blueprint of the next executive systems, and submits an inquiry to the Governance Committee.
5. Acceptance of next execution system	The Governance Committee examines if there is no discrepancy between the blueprint and the mutual evaluation results before submitting its finding.
6. Resolution on board organization for next term	The Board of Directors passes a resolution on the board organization for next term.
7. Disclosure of assessment result / reflection in compensation	The assessment result is disclosed to the executive directors and reflected in their compensation.

Evaluation of the effectiveness of the Board of Directors

Flow of the effectiveness evaluation of the Board of Directors (Outline)



Ensuring objectiveness of evaluation through the evaluation process using the Governance Committee

<Outline of the results of evaluation in the term of March 2020>

The Board of Directors of Daito Trust Construction has, as a result of checking analysis and evaluation of the effectiveness of the entire Board of Directors from the perspective of its administrative and supervisory functions, activities and contributions of outside directors, objectiveness and systemization of selecting directors/operating directors, and the leadership of the President, concluded that the Board of Directors generally operates well and that there is no matter to be improved significantly at this moment.

▶ Director Compensation

We introduced performance-linked stock remuneration in June 2019.

Type of remuneration	Contents	Fixed/ Variable	Maximum amount/ Conditions
Basic remuneration	Determined in consideration of corporate earnings, rate of increase in employees' salary, years of employment, remuneration paid by industry peers, and contribution, etc.	Fixed	<Maximum amount>: ¥1.0bn in total per year (including ¥50mn or less to Outside Directors).
Bonuses	Total amount is determined by multiplying consolidated net income by 0.45%. Amount of payment to each Director is determined in consideration of contribution, etc. made by each Director in a single fiscal year.	Variable	<Maximum amount>: ¥1.0bn in total per year (not paid to Outside Directors). <Condition>: Consolidated net income of ¥20.0bn or more and achievement of certain earnings results.
Stock compensation	Performance- linked	Variable	<Maximum amount>: Contribution of ¥1.9bn in total over three-year period and 210,000 shares of common stock over a three-year period.
	Non- performance- linked	Fixed	<Condition>: ROE of 20% of higher and payout ratio of 50% or higher.

▶ Management Cycle

Mandatory Retirement at 60 for Directors

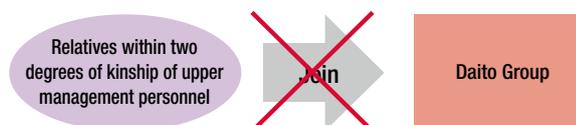
- Directors retire from business execution on the last day of the fiscal year (March 31) in which they become 60 years old, becoming non-executive directors (part-time) from April 1.
- At the end of the General Shareholder's Meeting held in the following June, they retire or resign.
- **After retirement, they may not serve as an advisor, consultant or any other role.**



* The minimum appointment for representative directors is four years (two terms).

Elimination of Hereditary Appointments

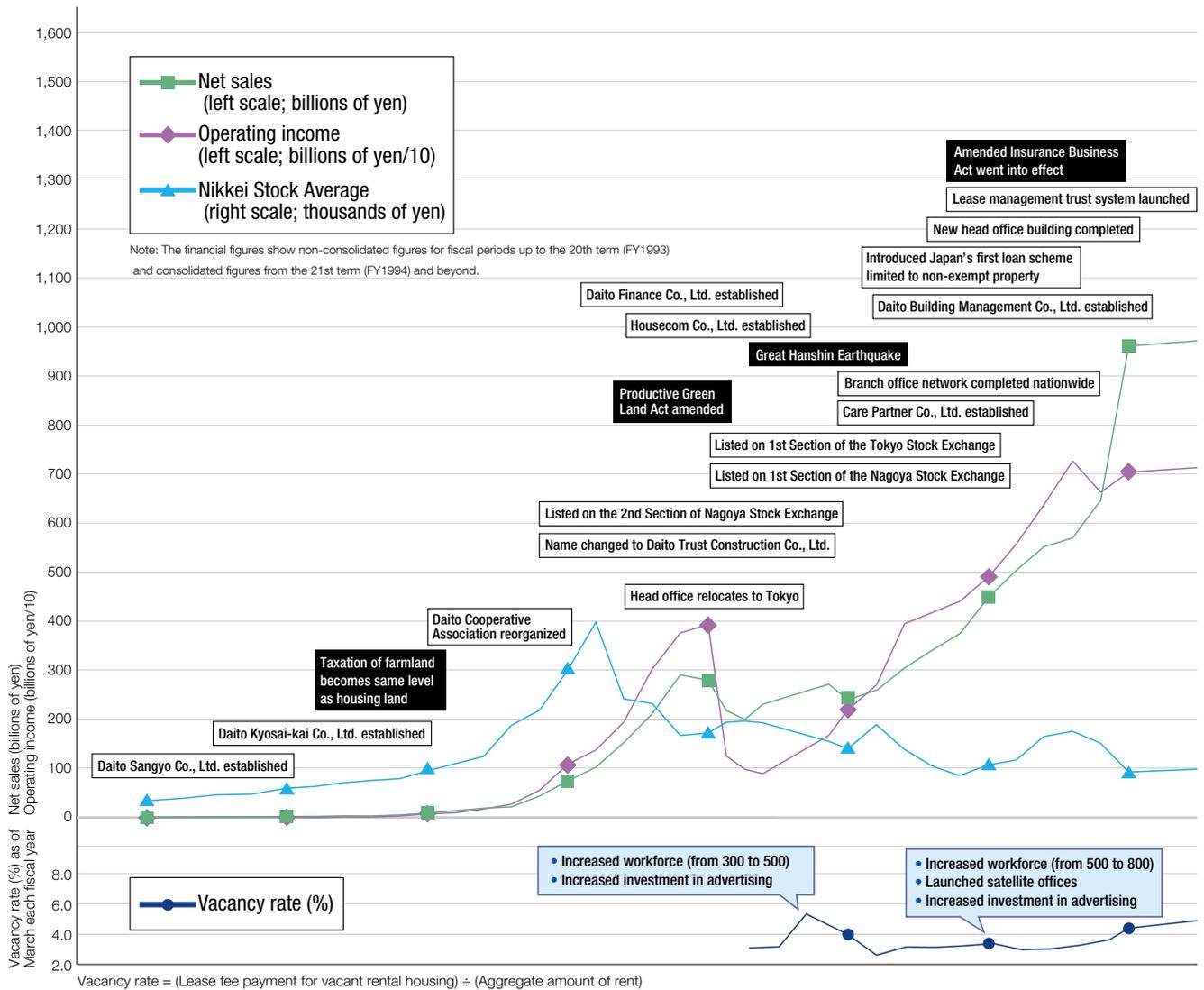
- Persons within two degrees of kinship of upper management personnel (assistant manager and above) are not admitted to join the Daito Group, in order to eliminate hereditary appointments.



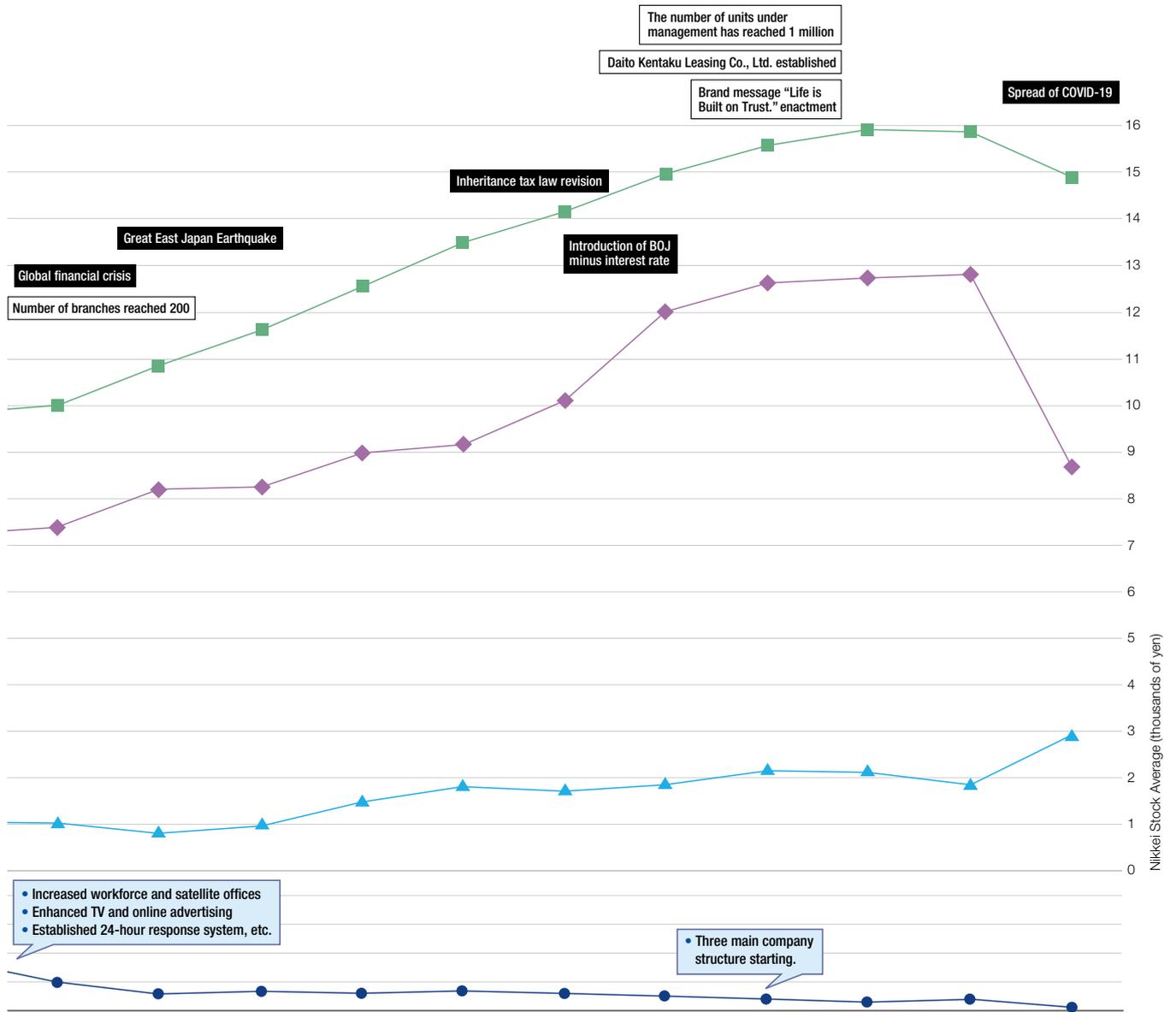
History of Daito Trust Construction Group

Daito Trust has specialized in the leasing business since its foundation.

Trends in net sales and Operating income, and the Nikkei Stock Average and social and economic developments



	Term 1 1974	Term 5 1978	Term 10 1983	Term 15 1988	Term 20 1993	Term 25 1998	Term 30 2003	Term 35 2008
Vacancy rate (residential units)	-	-	-	-	-	3.96	3.41	4.41
Sales (billions of yen)	0.062	0.998	7.71	73.7	274.1	231.2	438.6	954.8
Operating income (billions of yen)	0.001	0.073	0.762	10.9	39.4	21.9	49.0	70.3
Units under management (end of term)	8	393	1,811	1.8	11.0	21.0	35.2	59.1
No. of branches (beginning of term)	1	3	16	48	89	115	161	199



3.96	3.17	3.29	3.08	3.31	3.19	3.05	2.83	2.59	2.78	2.23 (%)
Term 37 2010	Term 38 2011	Term 39 2012	Term 40 2013	Term 41 2014	Term 42 2015	Term 43 2016	Term 44 2017	Term 45 2018	Term 46 2019	Term 47 2020*
1,001.1	1,087.1	1,152.4	1,259.6	1,353.1	1,411.6	1,497.1	1,557.0	1,591.1	1,586.2	1,488.9
73.7	81.9	82.4	89.7	91.5	101.0	120.1	126.3	127.0	127.9	86.7
68.3	73.2	78.5	84.3	90.1	96.0	101.5	107.2	112.2	116.5	120.4
204	209	214	223	223	221	221	221	227	227	216

*FY

▶ Thoroughness of Corporate Governance

We are working to build a solid corporate infrastructure as a foundation for growth.

Human Resources Development Structure Training system for portable skills common to all job types

Level	Timing	Training	Purpose
Staff	When joining the company	Graduate recruitment	Introductory training Reflect on the first / third year after joining the company and set medium-term goals
		Mid-career recruitment	Follow-up training New-employee training (all job types) Acquire basic knowledge required for each job type
	2-4 years since joining the company	Year 2 training	Acquire basic skills as a businessperson
		Year 4 training	Acquire human skills and logical thinking
	Other	Female employees Career design training	Training for promoting female participation and career advancement
Promotion candidate	Division Manager candidate training	Acquire management, improvement and guidance abilities and facilitation skills, exchange opinions with management	
Manager	Upon promotion	Promoted manager training, manager development training, manager skill improvement training	Acquire understanding of the role of management and basic management skills, including subordinate development and coaching skills
	Promotion candidate	Senior manager candidate training	Acquire methods of judgment, problem-solving and interpersonal skills
		Business school attendance	Acquire business management skills and interact with people from other business types
Senior Manager	Upon promotion	Promoted senior manager training, senior manager skill improvement training	Acquire senior management skills including human resources, strategy and finance skills
	Executive candidate	Executive management candidate training	Acquire management strategy and business strategy skills such as problem-solving abilities, interpersonal skills and leadership actions
		Business school attendance	Acquire executive management perspectives, decision-making abilities and organizational management skills, and interact with people from other business types
Executive		[Newly appointed] Executive Officer / Managing Director training	Acquire skills demanded of executives and share changes in the business environment
		Executive Officer / Managing Director training	

As of March 31, 2021

Welfare and Benefit Schemes As of FY2019, we have expanded our schemes for supporting employees undergoing fertility treatment.

		Scope of eligibility									
		Male and female employees			Male employees only			Female employees only			
		Marriage	Fertility treatment	Pregnancy	Childbirth	Childcare			Caregiving	Retirement	Injury / illness
						Preschool	Elementary school	Junior high school			
Work	hours			Shorter working hours for maternity		Shorter working hours for childcare			Shorter working hours for caregiving		
	location	Long-distance transfer support							Long-distance transfer support		
Leave		Special leave for marriage	Fertility treatment leave	Maternity leave	Pre and post-natal maternity leave	Nursing care leave (child)			Caregiving leave		Nursing care leave (other)
		Leave for spouse's job transfer	Fertility treatment leave (extended)	Maternity leave (extended)	Special leave for spouse's childbirth	Childcare leave			Caregiving leave (extended)		
Career		Annual paid leave (*1), anniversary leave, volunteer leave, support paid leave, refreshment leave (commendation for continuous service), other special leave, family leave (*2)									
		Work-life balance declaration, correspondence courses, mandatory retirement (age 65 as a general rule)									
Monetary benefits		Congratulatory payment for marriage	Fertility treatment subsidy	Maternity allowance	Maternity / childcare lump sum	Childcare subsidy			Caregiving subsidy	Recognition upon mandatory retirement	GLTD scheme
		Company housing, special housing fund subsidy, company property tenant support, refreshment bonus (commendation for continuous service), congratulatory or condolence money									
Asset formation		Selective DC, asset accumulation, workplace NISA, Mochi-loan loan, employee shareholder association									
Other features						Nursery school concierge			Long-distance watch service		
		Benefit station, group insurance, tablet devices and consultation desks for employees taking a leave of absence									

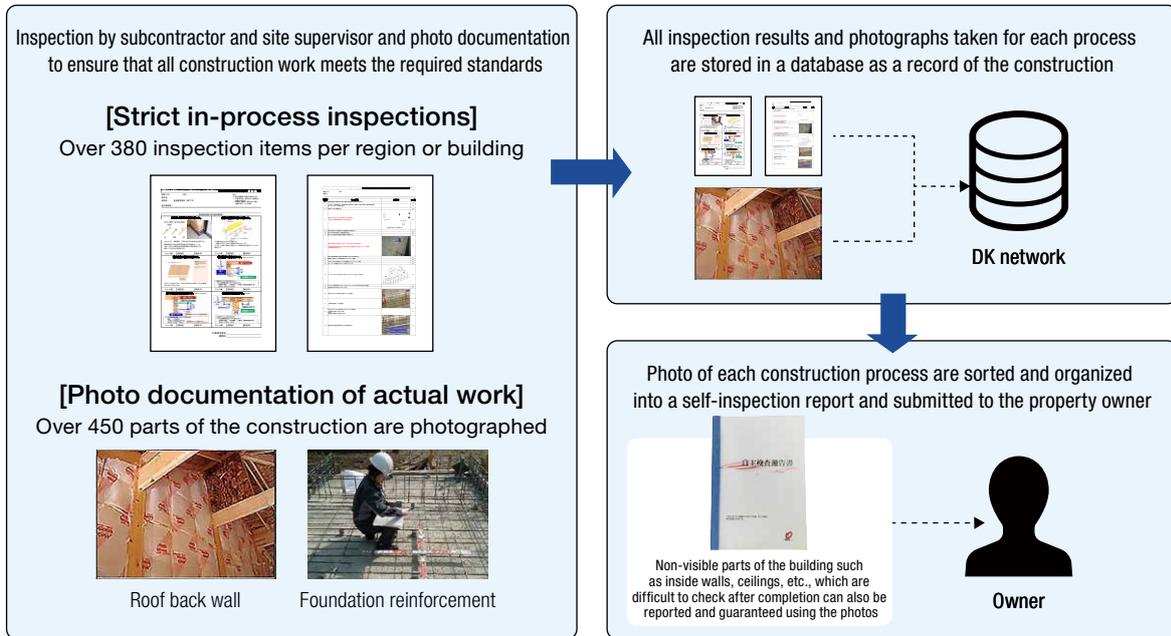
*1 Paid leave can be taken in half-day or hourly increments.

*2 Paid family leave can be taken as separate to annual paid leave. Family leave is referred to uniformly as "family leave," to enable it to be taken regardless of the reason. (Fertility treatment leave, maternity leave, nursing care leave (for a child), caregiving leave, nursing care leave (other))

As of March 31, 2021

Construction Quality Management

Ensuring construction quality through thorough in-process inspections



As of March 31, 2021

Decarbonization Initiatives

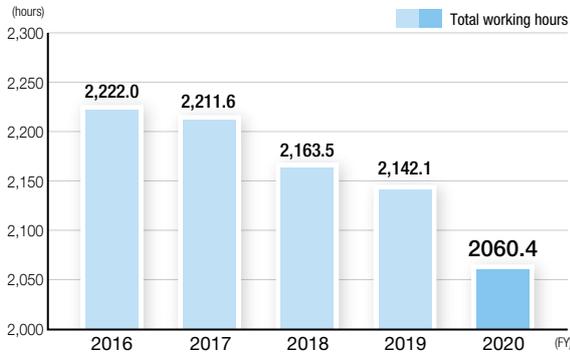
We set ambitious targets for decarbonization and engage in thorough, systematic efforts through participation in various initiatives

State of progress in SBT, RE100 and EP100

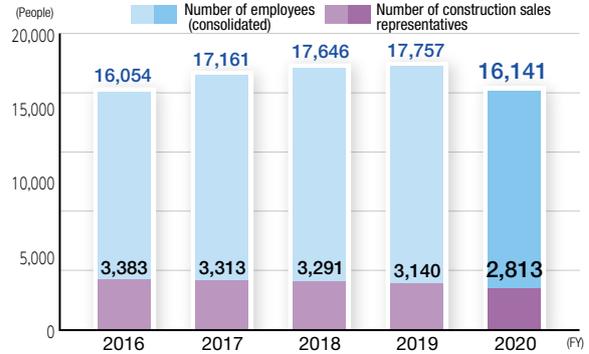
Initiative	Certification / joined	Achievements		Long-term target
		2018	2019	
 Reduction of greenhouse gas emissions	Scope 1 & 2 Re-certified in March 2020 (SBT 1.5°C level)	Reduction rate (compared to FY2017)		
		3.3%	13.0%	55% (2030)
	Scope 3 Certified in January 2019 (SBT 2°C level)	5.8%	20.2%	16% (2030)
 Improvement of energy efficiency	Joined September 2020	Energy efficiency (compared to FY2017)		
		1.0 times	1.1 times	2.0 times (2030)
 Conversion of power consumed by business activities to 100% renewable energy	Joined January 2019	Renewable energy introduction rate (electric power)		
		0%	0%	100% (2040)

Non-financial data

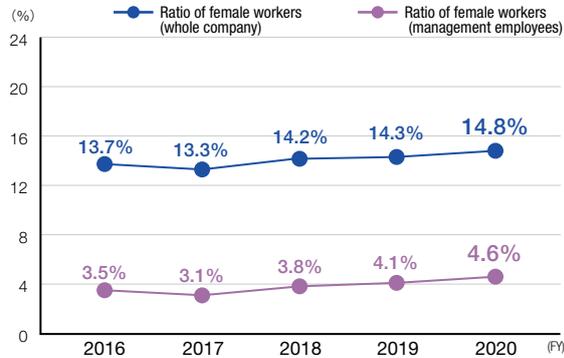
Total working hours



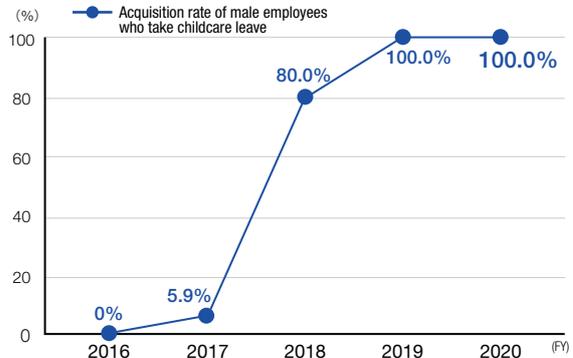
Employees (consolidated), sales representatives



Ratio of female workers (whole company / management employees)

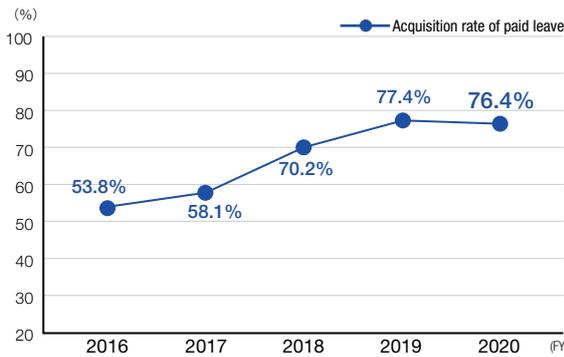


Acquisition rate of male employees who take childcare leave

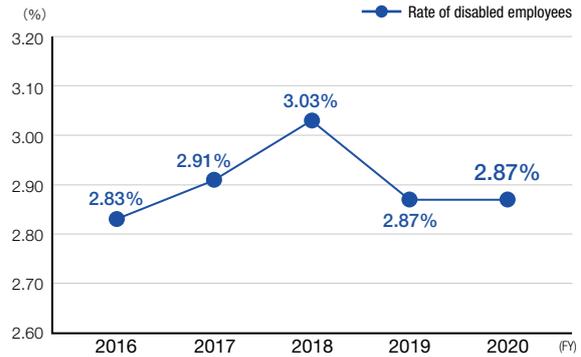


* Taking childcare leave for male employees is mandatory from October 2018 (paid on 5 days)

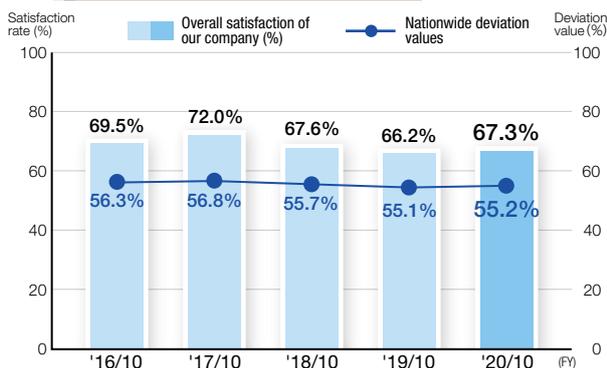
Acquisition rate of paid leave



Rate of disabled employees

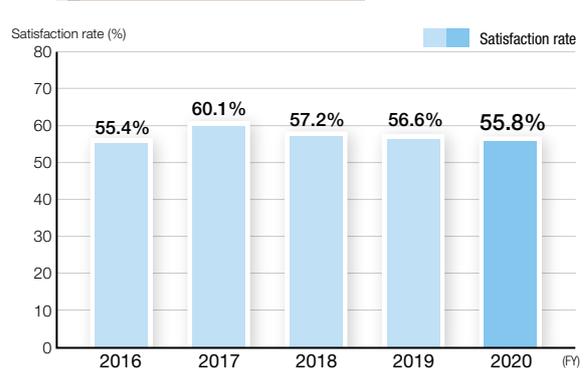


D-COMPASS Overall satisfaction



*D-COMPASS: Employee satisfaction research for all employees.
Response rate in 2019 is 96.4%

D-COMPASS Work climate



* Question : Does your division has work environment what keep your motivation high ?

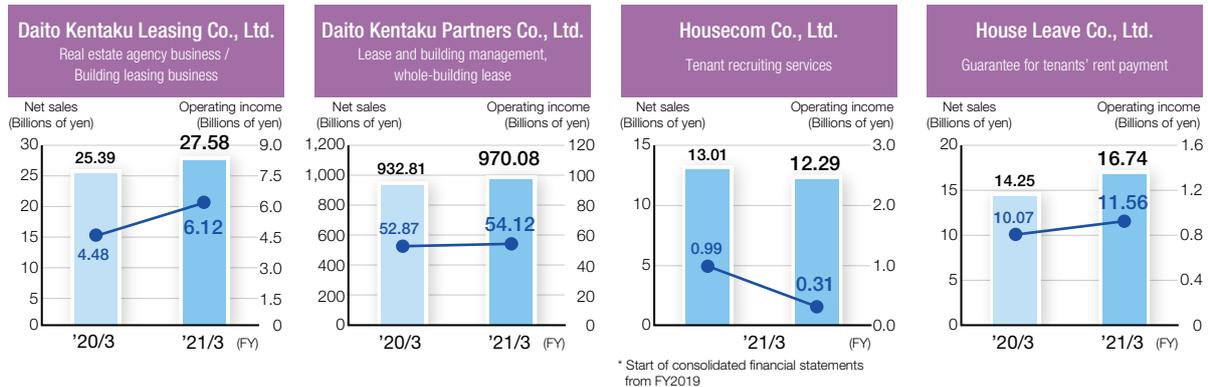
▶ Group Companies

Net sales Operating income

Construction business | Construction of residential lease buildings (apartments and condominiums)



Real estate business | Recruitment of tenants and rental housing management, real estate lease



Other businesses | Diversified business expansion and overseas businesses



► Topics

In this section, we introduce the Group's main initiatives in FY2020.

LCCM Rental Housing Complex

- In March 2021, we developed a decarbonized housing unit, the LCCM (Life Cycle Carbon Minus) rental housing complex, equipped with a Kyocera solar power generation system.
- LCCM is a decarbonized housing unit that achieves negative CO₂ emissions from construction to disposal, through CO₂ reductions and energy creation.
- In June 2021, Japan's first rental housing complex to meet LCCM standards was completed in Soka, Saitama.



Exterior view of the LCCM rental housing complex in Soka, Saitama

Products and services created as a result of the COVID-19 pandemic

- In July 2020, we launched sales of "telework-compatible rental housing" with counter-style desks and extra rooms.
- In October 2020, we developed a new product that enables the creation of workspaces using movable partitions called Art Panels.
- In July 2020, Daito Kentaku Partners Co., Ltd. collaborated with subsclife Inc. to launch subsclife: a service that allows furniture and home appliances, including home workspace furniture, to be used on a flat-rate system.



Illustrative image of use of "Art Panel" moveable partitions

Started introduction of renewable energy at business sites

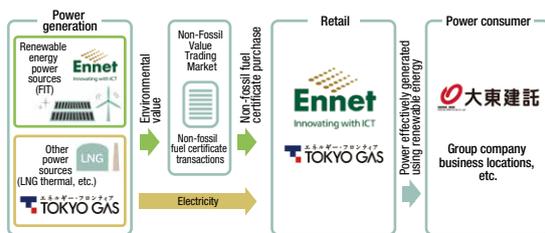
- As of July 2020, we have been gradually introducing renewable energy at our business locations nationwide (202 locations targeted in the first fiscal year).
- The Group's CO₂ emissions are expected to be reduced by 12.6% in comparison with FY2017 by introducing power effectively generated using renewable energy, combined with non-fossil fuel certificates.

* This includes all of the Group's business sites that have direct contracts with electric power companies, excluding the offices of Daito Trust Construction Co., Ltd., Daito Kentaku Leasing Co., Ltd. and Daito Kentaku Partners Co., Ltd., which are located in tenant buildings.

Participation in the EP100 international environmental initiative

- In August 2020 we joined EP100 (Energy Productivity 100). EP100 is an international environmental initiative, in which companies aiming to improve the energy efficiency of their business activities participate.
- Through energy-saving activities to enhance energy efficiency through EP100, we are further implementing business activities aimed at realizing decarbonized management.
- By FY2030, we aim to double the energy efficiency* of our business activities in comparison with FY2017.

*Energy efficiency: net sales (yen) / energy consumption (J: Joules)



Illustrative image of electric power supplied using renewable energy



Cycle sharing service with small-sized electric assisted bicycles

- Daito Kentaku Partners Co., Ltd. signed a business alliance agreement with Luup Co., Ltd. From October to December 2020 we installed a cycle port and conducted demonstrative testing for the full-scale introduction of LUUP, a cycle sharing service with small-sized electric assisted bicycles.
- This project was selected for the Daito Trust Accelerator 2019, which was conducted in October 2019 with the aim of creating new businesses through open innovation*.
- Moving forward, we aim to enhance convenience for consumers and expand the Group's business by verifying needs and usage status.

*A system for co-creating innovative businesses and services by integrating not only with the company's management resources and technologies, but also with external companies.



Share cycle port (Setagaya-ku, Tokyo)

Entered the unit-owned asset management condominium market

- In November 2020, we acquired shares in Invalence Ltd. ("INV"), an investment condominium developer specializing in the Tokyo's 23 wards.
- Founded in 2004, INV's strength lies in its one-stop integrated platform that covers everything from site acquisition to development, design, sales and management. Looking ahead, we will aim not only to strengthen our existing business but also to create high-level synergies in the supply chain through collaboration with INV.
- We have also entered the asset management condominium market through a capital tie-up with ACCEL LAB Ltd., an IoT platform operator that supplies products and services to INV's managed buildings.



INV's business domains

Certified as an Eco-First Company by the Ministry of the Environment

- In October 2020 we were certified as an Eco-First Company by the Ministry of the Environment (MOE).
- Under the Eco-First Program, established in 2008, Minister of the Environment certifies corporate environmental conservation initiatives as being advanced, unique, and industry-leading business activities.
- The Group was certified in recognition of the progressiveness, uniqueness, and repercussions of its DAITO Environmental Vision 2020, a set of long-term environmental goals.



Certification ceremony (left: Minister of the Environment Shinjiro Koizumi, right: President Kobayashi of Daito Trust Construction Co., Ltd.)

Launch of E-Heya Net franchise business

- In January 2021, Daito Kentaku Leasing Co., Ltd. launched a franchise business for rental leasing brand E-Heya Net.
- The aim is to strengthen the E-Heya Net brand through collaboration with franchisees and by expanding the number of stores, and increase the brand's market share in the rental housing industry by enhancing customer convenience, as a result of the increased number of store locations.
- In January 2020, we signed a franchise agreement with Wing Life Co., Ltd. and opened our first franchise store, E-Heya Net Ishinomaki, in Ishinomaki, Miyagi.



The first E-Heya Net franchise store, E-Heya Net Ishinomaki (Ishinomaki, Miyagi)

List of Items for Restoration to Original Condition ● [30-year Full Package + 5-year Standard] Plan
● [35-year Standard] Plan

The Daito Group carries out the following repairs as needed when a tenant vacates a property.

Restoration to Original Condition (Repairs accompanying vacating of property)	<ul style="list-style-type: none"> Room cleaning Ceiling and wall covering replacement Flooring and CF sheet replacement Screen door replacement Skirting board and crown molding repairs Nageshi (horizontal beam) repairs* Joinery and handrail repairs and adjustments 	<ul style="list-style-type: none"> Repairs to storage spaces Key and lock repairs and replacement Faucet seal replacement Curtain rail repairs Air conditioner sleeve repairs* Towel rail repairs 	<ul style="list-style-type: none"> Toilet paper holder repairs Laundry rack / rail repairs* Light bulb replacement Switch and power outlet repairs Individual unit mailbox repairs* Other repairs to facilities related to maintaining aesthetic beauty and functionality as required for smooth recruitment of tenants
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List of Repair Items ● [30-year Full Package + 5-year Standard] Plan

The Daito Group carries out the following repairs as needed.

Building itself	<ul style="list-style-type: none"> Re-waterproofing of flat roofs (asphalt, PVC sheet, paint coating) Re-waterproofing of balconies Replacement of sealant (outer wall joints, window frame surrounds) Outer wall painting, out wall tile cleaning, outdoor steel-frame staircase painting Entry door frame, PS door and frame, common-area door frame and electrical distribution panel painting and repairs Fence, exterior block wall, street gutter and catch basin repairs and partial replacements Sloped roof repairs Rain gutter repairs Common-use stairs, corridor and entrance repairs Parking area road surfaces, lines and parking block repairs (excluding parking areas not included in assessments, and those used by the property owner) Common-use faucet and garbage collection point repairs Building name signboard and notice board repairs Veranda, entrance partition and porch repairs Other repairs to facilities related to maintaining the aesthetic beauty and functionality of the building itself as laid out at the beginning of the whole-building lease agreement 		
Building facilities	<ul style="list-style-type: none"> Exterior lighting fixture repairs Rain shutter adjustments Television antenna, booster and distributor repairs Smoke / fire detector, firefighting equipment and escape apparatus replacement and repairs Water meter and septic tank blower replacement Common-area auto-lock facility, cluster mailbox and delivery box repairs Bicycle parking area repairs and roof coating Other repairs to building facilities as laid out at the beginning of the whole-building lease agreement 		
Room facilities	<ul style="list-style-type: none"> Kitchen repairs Washstand / bathroom vanity repairs Hygiene equipment repairs Toilet repairs Air conditioner repairs* 	<ul style="list-style-type: none"> FF stove repairs* Washing machine pan repairs* Bathroom dryer repairs* Unit bathroom repairs* Ventilation fan repairs* 	<ul style="list-style-type: none"> Light fixture repairs Water heater boiler repairs Intercom repairs Other repairs to room facilities as laid out at the beginning of the whole-building lease agreement

Costs to be covered by property owners	(1) Upgrades or new installations to improve performance and increase value, or for compliance with revised laws and regulations, etc., at the expense of property owners
	(2) Buildings, facilities, and equipment other than the above items (elevator facilities, multi-story parking lots, road heating and snow melting equipment, solar power generation equipment, IH cooking heaters, electric water heaters, etc., and other facilities that Daito Trust Construction Co., Ltd. does not undertake from property owners)
	(3) Statutory periodic inspection costs for special buildings and full inspection costs for exterior wall tiles

*: The items marked *** in the restoration to original condition and repair items lists above are excluded in the case of commercial use rooms.

Points for attention when signing specific rental agreements

● Matters for attention (excerpt from Explanation of Important Matters)

(1) The amount of rent paid to the Customer by the Daito Group may be reduced.

- Under the whole-building lease agreement ("the Agreement"), the amount of rent paid to the Customer is subject to periodic reviews, and may be reduced as a result of such reviews.
- Article 32, Paragraph 1 of the Act on Land and Building Leases (Right to Request Increase or Decrease in Rent) applies to the Agreement. Notwithstanding the conditions of the Agreement, and even not on the day of a periodic review, the sublease operator may request a reduction in rent when the amount of rent paid to the Customer by the Daito Group is:
 - (1) Inappropriate due to an increase or decrease in taxes or other burdens on land or buildings
 - (2) Inappropriate due to an increase or decrease in the price of land or buildings, or other fluctuations in economic conditions
 - (3) Inappropriate when compared to the rent for the same kind of buildings in the vicinity
- However, a reduction request under the same article is not possible for reasons that do not fall under the above items (1) through (3), such as an increase in vacancies due to an increase in rental housing in the vicinity, or a deterioration in the Company's business situation that occurs due to individual circumstances not related to fluctuations in economic conditions.
- The Customer does not necessarily have to accept the request for a reduction from the Daito Group under the Act on Land and Building Leases, and will engage in discussions with the Daito Group as a factor in considering the circumstances that contributed to the determination of the rent before the change.

(2) Cancellation may occur even during the contract period.

However, if the Customer asks for cancellation or refuses to renew, a justifiable reason is required.

- Article 28 of the Act on Land and Building Leases (Requirements for Refusing to Renew a Building Lease Contract, etc.) applies to the Agreement. Therefore, the Customer may not request cancellation or refuse to renew unless it is found that there is a justifiable reason to do so, upon consideration of:
 - (1) The circumstances that the Customer and Daito Group (including sublessees (tenants)) require use of the building
 - (2) Previous events regarding the lease of the building
 - (3) The state of use or current state of the building
 - (4) If the Customer has made a request to the Daito Group (including sublessees (tenants)) to provide property benefits as a condition of or in exchange for the handover of the building, that request.

● Changes and terminations of agreements (excerpted from the whole-building lease agreement terms and conditions)

Article 20, Paragraph 3

Service Provider may terminate the Agreement upon notice if Client breaches the Agreement and does not rectify the breach despite receiving a warning from Service Provider, or if discussions between the parties as provided for under the Agreement are not settled, resulting in a state where continuation of the Agreement is significantly difficult.

The same shall apply when attachment, provisional attachment, assignment has been carried out with regard to the debts (regardless of its effect on Client or Service Provider) with regard to the Building or the credit obligations of Client to Service Provider pursuant to the Agreement, when Client is subject to a filing for civil rehabilitation, corporate reorganization or bankruptcy proceedings, or when Client's financial resources have significantly worsened, such as when its assets are subject to a temporary restraining order.

Article 20, Paragraph 4

The Agreement shall be terminated in due course if the Building is destroyed, damaged or subject to restriction on its use due to natural disasters, other force majeure, or defects in the site of the Building; or if the Building is removed or subject to restriction on its use due to urban planning, etc., making it significantly difficult to continue the Agreement.

The same shall apply if the construction contract agreement for the Building between Client and Daito Trust Construction Co., Ltd. is terminated or cancelled after the signing of the Agreement; or if the whole parking lot lease agreement between Client and Service Provider for the parking lot associated with the Building is terminated.

(Note) Client: Customer Service Provider: Daito Kentaku Partners Co., Ltd. The Agreement: Whole-building lease agreement The Building: The building to be leased, as listed in the Agreement



DAITO TRUST CONSTRUCTION CO., LTD.

Daito Trust Construction Co., Ltd.
2-16-1, Konan, Minato-ku, Tokyo 108-8211 Japan
<https://www.kentaku.co.jp/corporate/en/>

Capital:29,060 million

Stock:Listed on the First Sections of the Tokyo Stock Exchange and Nagoya Stock Exchange (Code: 1878)

ADR Code:DIFTY

Editing: Public Relations Department

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Fact Book 2021 2021.08-31