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May 2, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



Company name: Daito Trust Construction Co., Ltd.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 1878
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 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date to commence dividend payments: June 27, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	1,842,357	6.4	118,875	13.4	129,455	19.1	93,858	25.7
March 31, 2024	1,731,467	4.5	104,819	4.8	108,720	4.6	74,685	6.1

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥89,676 million [4.9%]
 For the fiscal year ended March 31, 2024: ¥85,473 million [15.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2025	1,428.29	1,426.08	21.5	11.2	6.5
March 31, 2024	1,110.59	1,109.66	18.4	10.2	6.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥697 million
 For the fiscal year ended March 31, 2024: ¥(69) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2025	1,222,783	467,433	38.3	7,073.15
March 31, 2024	1,080,069	405,800	37.6	6,211.64

Reference: Equity
 As of March 31, 2025: ¥468,766 million
 As of March 31, 2024: ¥405,768 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	85,612	(46,505)	(45,839)	223,573
March 31, 2024	90,876	(13,114)	(96,787)	229,038

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2024	Yen –	Yen 267.00	Yen –	Yen 288.00	Yen 555.00	Millions of yen 37,333	% 50.0	% 9.1
Fiscal year ended March 31, 2025	–	287.00	–	427.00	714.00	47,404	50.0	10.7
Fiscal year ending March 31, 2026 (Forecast)	–	342.00	–	68.60	–		50.0	

(Note)

The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025. The amount of the final dividend per share forecast for FY2026 takes into account the effect of the split, and the total annual dividend is shown as “-”. If the stock split were not taken into account, the year-end dividend forecast for FY2026 would be ¥343 and the total annual dividend would be ¥685.

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

(Percentages indicate year-on-year changes.)

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

(Note)

The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025. The impact of the split is taken into account in the basic earnings per share forecast for FY2026. Basic earnings per share excluding the effect of the stock split would be ¥1,370.00.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Ascot Corp.)

Excluded: - companies

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2025	68,918,979 shares
As of March 31, 2024	68,918,979 shares

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

As of March 31, 2025	2,644,922 shares
As of March 31, 2024	3,595,071 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	65,713,943 shares
Fiscal year ended March 31, 2024	67,248,862 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	552,061	9.0	19,750	145.4	108,361	72.3	99,914	70.4
March 31, 2024	506,384	7.7	8,046	108.5	62,881	12.6	58,627	(1.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
March 31, 2025	Yen 1,520.44	Yen 1,518.09
March 31, 2024	871.80	871.67

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
March 31, 2025	Millions of yen 762,514	Millions of yen 203,290	% 27.0	Yen 3,102.42
March 31, 2024	684,797	134,456	20.1	2,106.20

Reference: Equity

As of March 31, 2025: ¥205,609 million

As of March 31, 2024: ¥137,585 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

- The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results and outcomes may differ materially due to various factors. For matters related to the above forecasts, please refer to 1. Overview of Operating Results, etc., (1) Overview of Operating Results for the Fiscal Year on page 2.
- The Company is scheduled to hold a financial results briefing for institutional investors and securities analysts on May 2, 2025. The materials used in this briefing, the presentation (audio), and the Q&A notes will be posted on the Company's website promptly after the briefing.
- In the consolidated balance sheet at the end of the previous fiscal year and the end of the fiscal year, the Company's shares held by a Japanese version of the Employee Stock Ownership Plan (J-ESOP) Trust, the Employee Stock Ownership Plan (ESOP) Trust, and Directors' Compensation Board Incentive Plan (BIP) Trust are recorded as treasury shares. However, the Company's shares held by the trusts that the Company entered into agreements with prior to March 31, 2015 are not considered to be treasury shares when calculating basic earnings per share, diluted earnings per share, return on equity, equity-to-asset ratio, net assets per share, equity, payout ratio (consolidated), ratio of dividends to net assets (consolidated), number of treasury shares at the end of the period, and average number of shares outstanding during the period.

At the end of the previous fiscal year and the end of the fiscal year, the Company's shares held by the J-ESOP Trust that the Company entered into an agreement with prior to March 31, 2015 are as follows:

End of the previous fiscal year:	299,195 shares, ¥3,227 million
End of the fiscal year:	220,741 shares, ¥2,376 million

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year

During the fiscal year, the Japanese economy saw a gradual recovery, with increased capital investment due to a recovery in corporate earnings and a pick-up in private consumption due to the spread of wage increases. However, the outlook remains uncertain, with ongoing concerns over rising prices, as well as concerns about a slowdown in the global economy due to geopolitical risks and the trade policies of various countries.

New housing starts increased by 2.0% year-on-year to 816,018 on a cumulative basis for the fiscal year ended March 31, 2025. Meanwhile, in the field of rental housing on which the Daito Group is focused, housing starts of rental residential properties increased by 4.8% year-on-year to 356,893 on a cumulative basis for the fiscal year ended March 31, 2025.

In this environment, the Company carried out the strengthening and expansion of each business as initiatives for the first year of the medium-term management plan (FY2025 to FY2027). In the Construction Business, the total number of units sold increased to 121,678 due to concentrated sales efforts for ZEH rental housing. Furthermore, the Company pursued growth investments, such as making Housecom Co., Ltd. a wholly-owned subsidiary in the Real Estate Leasing Business and the acquisition of Ascot Corp. in the Real Estate Development Business.

(Overview of the fiscal year)

For the fiscal year (FY2025), the Company recorded net sales of 1,842,357 million yen (up 6.4% year-on-year), operating profit of 118,875 million yen (up 13.4% year-on-year), ordinary profit of 129,455 million yen (up 19.1% year-on-year), and profit attributable to owners of parent of 93,858 million yen (up 25.7% year-on-year).

(Overview by segment)

1) Construction Business

In the Construction Business, net sales of completed construction contracts increased by 9.9% year-on-year to 540,975 million yen mainly due to steady progress in construction and equalization of construction volumes. The gross profit margin for completed construction contracts increased by 1.9 points from the fiscal year ended March 31, 2024 to 25.3% due to contributions from the effects of price revisions. Operating profit increased by 63.1% year-on-year to 47,143 million yen.

Orders received increased by 1.1% year-on-year to 596,910 million yen, largely due to a shift of sales areas to central areas, concentrated sales efforts for rebuild projects and mid-rise properties, as well as the continued low level of the cancellation amount, and orders in hand as of March 31, 2025 increased by 2.0% year-on-year to 802,454 million yen.

2) Real Estate Leasing Business

In the Real Estate Leasing Business, net sales increased by 3.1% year-on-year to 1,164,672 million yen and operating profit decreased by 2.1% year-on-year to 80,324 million yen. This is mainly due to an increase in rental revenues from Daito Kentaku Partners Co., Ltd., which handles whole-building lease operations, resulting from an increase in whole-building lease properties under our Lease Management Trust System and increased revenue at House Leave Co., Ltd., which handles services that do not require a guarantor.

The number of tenant recruitment (Note 1) increased by 2.1% year-on-year to 344,855. The rent basis occupancy rate (Note 2) of our leased residential properties as of March 31, 2025 decreased 0.1 points year-on-year to 97.8%, and the rent basis occupancy rate of our leased commercial properties remained flat year-on-year at 99.4%.

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

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

3) Real Estate Development Business

In the Real Estate Development Business, net sales increased by 64.8% year-on-year to 51,329 million yen mainly due to the favorable performance of investment-purpose condominiums and the renovation and resale business. Operating profit increased by 142.0% year-on-year to 5,151 million yen.

4) Other Business

In the Other Business, net sales increased by 8.5% year-on-year to 85,380 million yen, and operating profit increased by 8.3% year-on-year to 19,877 million yen. This is mainly attributable to an increase in the number of housing units with LP gas supply and the improved room rate of hotels in Malaysia.

(Future outlook)

In the medium-term management plan covering the three years from FY2025, the Group is conducting business with three key measures of “Promote human capital management,” “Establish a strong core business,” and “Tackle focus areas of the medium-term management plan” in line with the basic policy of “New Challenges as a Group.”

For the fiscal year ending March 31, 2026, the second year of the medium-term management plan, the Company will continue to strengthen the core business and expand business in growth areas while promoting human capital management. The consolidated financial results forecasts are as follows: net sales of 1,970,000 million yen (up 6.9% year-on-year), operating profit of 125,000 million yen (up 5.2% year-on-year), ordinary profit of 127,000 million yen (down 1.9% year-on-year), and profit attributable to owners of parent of 90,000 million yen (down 4.1% year-on-year).

(2) Overview of Financial Position for the Fiscal Year

1) Total assets

Total assets at the end of the fiscal year amounted to 1,222,783 million yen, an increase of 142,713 million yen compared to the end of the previous fiscal year. This is mainly due to increases of 77,400 million yen in real estate for sale, 58,528 million yen in real estate for sale in process, 11,277 million yen in accounts receivable from completed construction contracts and other, 9,015 million yen in deferred tax assets, and offset by a 9,576 million yen decrease in investment securities.

2) Liabilities

Liabilities as of the end of the fiscal year amounted to 755,350 million yen, an increase of 81,081 million yen compared to the end of the previous fiscal year. This is mainly due to increases of 47,699 million yen in current portion of long-term borrowings, 17,755 million yen in advances received, 9,311 million yen in short-term borrowings, 6,328 million yen in income taxes payable, and offset by a 12,645 million yen decrease in long-term borrowings.

3) Net assets

Net assets as of the end of the fiscal year amounted to 467,433 million yen, an increase of 61,632 million yen compared to the end of the previous fiscal year. This mainly reflects an increase of 93,858 million yen stemming from the profit attributable to owners of parent, and a decrease of 37,922 million yen resulting from dividends of surplus.

As a result, the equity ratio was 38.3%, up 0.7 points from the end of the previous fiscal year.

<J-ESOP Trust and ESOP Trust>

The Group has established a Japanese version of the Employee Stock Ownership Plan (J-ESOP) and an ESOP Trust for the purpose of expanding employee benefit programs, raising awareness of the Group's performance and stock price to enhance corporate value, and motivating and encouraging employees to improve the share price and performance.

These trusts are accounted for based on economic substance, treating the Group and these trusts as one entity. Therefore, in the consolidated balance sheet and consolidated statement of changes in net assets, the Company's shares held by these trusts are presented under treasury shares as a deduction from shareholders' equity. However, the Company's shares held by the J-ESOP Trust are not considered to be treasury shares when calculating basic earnings per share, diluted earnings per share, return on equity, equity-to-asset ratio, net assets per share, equity, payout ratio (consolidated), ratio of dividends to net assets (consolidated), number of treasury shares at the end of the period, and average number of shares outstanding during the period.

1. J-ESOP Trust

(1) Outline of transactions

At a meeting of the Board of Directors held on July 4, 2011, the Company decided to introduce a J-ESOP trust (hereinafter, the "Plan") as a new incentive plan for employees.

Under the Plan, employees of the Company and directors, officers and employees of subsidiaries who do not concurrently serve as a director of the Company (hereinafter, "Employees") receive shares of the Company if they acquire the right to receive shares of the Company in accordance with the share delivery regulations established by the Group in advance.

The Group selects Employees to whom it grants "points" (one point is one share) based on their performance and achievements. Employees who meet certain requirements are awarded shares of the Company equivalent to the points they have earned. Shares to be provided to Employees, including those to be acquired in the future, shall be obtained using money set up in advance in a trust, and shall be segregated and managed as trust assets.

The Plan is expected to increase employees' motivation to work and their willingness to contribute to

improving business performance and corporate value over the medium term.

- (2) The Company has adopted the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees through Trusts” (PITF No. 30, March 26, 2015), but the accounting treatment is based on the method previously adopted.
- (3) Matters related to shares of the Company held by the trust
 - i. The carrying amount of shares of the Company in trust was 3,227 million yen in the fiscal year ended March 31, 2024 and 2,376 million yen in the fiscal year ended March 31, 2025. Shares of the Company held by the trust are recorded as treasury shares in shareholders’ equity.
 - ii. The number of shares in trust at the end of the period was 299,195 shares for the fiscal year ended March 31, 2024 and 220,741 shares for the fiscal year ended March 31, 2025, and the average number of shares outstanding during the period was 324,704 shares for the fiscal year ended March 31, 2024 and 246,664 shares for the fiscal year ended March 31, 2025. The number of shares at the end of the period and the average number of shares outstanding during the period are not included in treasury shares deducted from the calculation of per share information.

2. ESOP Trust

(1) Outline of transactions

In June 2011, the Company introduced an employee incentive plan, the “Employee Stock Ownership Plan (ESOP) Trust” (hereinafter, the “Plan”). The Plan was then reintroduced in December 2015 and November 2020.

Under the Plan, the Company establishes a trust for employees who are members of the “Daito Trust Construction Employees’ Shareholding Association” (hereinafter, “the Shareholding Association”) and satisfy certain requirements (hereinafter, “Employees”) as beneficiaries, and the Trust, during a pre-determined acquisition period, acquires a number of Company shares expected to be acquired by the Shareholding Association over a five-year period after the establishment of the Trust. Thereafter, the Trust sells shares of the Company to the Shareholding Association on a fixed date each month. At the time of termination of the Trust, if there is any income from the Trust due to an increase in the stock price, the money will be distributed in proportion to the contribution ratio of the Employees who are beneficiaries. In the event that a transfer loss is incurred due to a decline in the stock price and an outstanding debt related to the trust assets, the Company will settle those obligations in a lump sum to the bank in accordance with the guarantee clause in the loan agreement, and there will result in no additional obligation on the Employees.

(2) Shares of the Company remaining in the trust

Shares of the Company remaining in the trust are recorded as treasury shares under net assets based on their book value in the trust (excluding the amount of incidental expenses). The book value of such treasury shares was 3,322 million yen in the fiscal year ended March 31, 2024 and 1,863 million yen in the fiscal year ended March 31, 2025, and the number of shares was 346,100 in the fiscal year ended March 31, 2024 and 194,100 in the fiscal year ended March 31, 2025.

(3) Book value of borrowings recorded under the gross amount method

1,000 million yen in the fiscal year ended March 31, 2024 and – million yen in the fiscal year ended March 31, 2025

Shares of the Company owned by these trusts are not classified as treasury shares under the Companies Act and have the same rights as ordinary shares, such as voting rights and the right to claim dividends. In addition, when calculating the distributable amount under Article 461, Paragraph 2 of the Companies Act, treasury shares under the Companies Act are deducted, but shares of the Company owned by these trusts are

not deducted.

<Directors' Compensation BIP Trust>

At the 45th general shareholders' meeting held on June 25, 2019, the Company passed a resolution to introduce a stock compensation plan (hereinafter, the "Plan") for the Company's directors (excluding outside directors), and the Company resolved at the 49th general shareholders' meeting held on June 27, 2023 to change the eligible persons for the Plan to directors and executive officers who have entered into a mandate agreement with the Company (excluding directors who are the Audit & Supervisory Committee members; hereinafter collectively referred to as "Directors") in conjunction with transitioning to a company with an Audit & Supervisory Committee.

The purpose of the Plan is to further clarify the link among the compensation of Directors, the Company's business performance and shareholder value to raise awareness of their contribution to improving the Company's performance and increasing its corporate value over the medium to long term, and to reinforce the sharing of interests with shareholders through shareholdings by Directors.

The term of the Plan was three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022, but the Board of Directors resolved at a meeting held on July 26, 2022 to extend the trust term by three years and to continue the Plan, as the trust term was going to expire on August 31, 2022.

(1) Outline of transactions

The Plan is a stock compensation plan for directors, under which shares of the Company and an amount equivalent to the cash proceeds from the conversion of shares of the Company are delivered and paid to the directors in accordance with their position and the degree of achievement of performance targets. The Company would contribute a total amount of up to 1.9 billion yen for each of the three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022 and each of the three fiscal years thereafter (hereinafter, "the Covered Period") as compensation to Directors. The Company will establish a trust (Board Incentive Plan Trust (BIP) for a trust period of three years) with Directors who meet the beneficiary requirements. During the trust period, the Company will grant points to Directors and the total number of points to be granted to Directors per three fiscal years as the Covered Period (number of shares of the Company) shall be up to 210,000 points (210,000 shares). Following the end of the Covered Period, the Trust shall deliver shares of the Company's stock to Directors in proportion to the number of points they have earned, and shall provide them with an amount equivalent to the amount of money to be paid in exchange for the shares. Upon the expiry of the trust period of the trust, the Company is due to continue the Plan by setting up a new trust or amending the trust agreement and making an additional trust.

(2) Shares of the Company remaining in the trust

Shares of the Company remaining in the trust are recorded as treasury shares under net assets based on their book value in the trust (excluding the amount of incidental expenses). The book value of such treasury shares was 1,349 million yen as of March 31, 2024 and 1,324 million yen as of March 31, 2025, and the number of shares was 101,995 shares as of March 31, 2024 and 100,154 shares as of March 31, 2025.

Shares of the Company owned by the Directors' Compensation BIP Trust are not classified as treasury shares under the Companies Act and have the same rights as ordinary shares, such as voting rights and the right to claim dividends. In addition, when calculating the distributable amount under Article 461, Paragraph 2 of the Companies Act, treasury shares under the Companies Act are deducted, but shares of the Company owned by the Directors' Compensation BIP Trust are not deducted.

<Restricted transfer share incentive plan for the employees' shareholding association>

At a meeting of the Board of Directors held on March 22, 2024, the Company resolved to introduce a restricted transfer share incentive plan (hereinafter, the "Plan") for the employees' shareholding association.

The Plan is intended to provide eligible employees of the Company and its subsidiaries who are members of the Daito Trust Construction Employees' Shareholding Association (hereinafter, "the Shareholding Association") with an opportunity to acquire shares of the Company's common stock issued or disposed of by the Company through the Shareholding Association as restricted stock to help the eligible employees building their wealth. The Plan also aims to provide the eligible employees with an incentive to sustainably improve corporate value and to further promote value sharing between the eligible employees and the Company's shareholders.

(1) Outline of the restricted transfer share incentive plan for the employees' shareholding association

Under the Plan, the Company and its subsidiaries will provide eligible employees with monetary claims as special incentive payments to be granted as restricted stock (hereinafter, the "Special Incentive Payments"), and the eligible employees will contribute the Special Incentive Payments to the Shareholding Association. The Shareholding Association will then make an in-kind contribution of the Special Incentive Payments contributed by the eligible employees to the Company, and will be issued or receive the disposal of common shares of the Company as restricted stock.

In accordance with the shareholding association regulations and operational guidelines of the Shareholding Association, until transfer restrictions are lifted, eligible employees will be restricted from withdrawing their member interests in the allotted shares (hereinafter, the "Restricted Stock Interests" or "RS Interests") that they will own based on the monetary claims contributed to the Shareholding Association.

(2) Details of the restricted transfer share incentive plan for the employees' shareholding association

i. Overview of the disposal of treasury shares through a third-party allotment

(1) Date of disposal	September 20, 2024
(2) Class and number of shares disposed of	360,459 common shares of the Company
(3) Disposal price	17,675 yen per share
(4) Total amount of disposal	6,371,112,825 yen
(5) Disposal method (allottee)	By way of a third-party allotment (Daito Trust Construction Employees' Shareholding Association: 360,459 shares)
(6) Transfer restriction period	From September 20, 2024 to May 31, 2027

ii. Conditions for lifting transfer restrictions

Provided that the eligible employee has continuously been a member of the Shareholding Association during the transfer restriction period, transfer restrictions will be lifted for all of the allotted shares corresponding to the Restricted Stock Interests held by the eligible employee who has met the continuous membership conditions, when the transfer restriction period expires.

iii. Treatment in the event of withdrawal from the Shareholding Association

If the eligible employee withdraws from the Shareholding Association during the transfer restriction period due to retirement or other valid reasons (meaning cases where the eligible employee loses his/her membership or applies for withdrawal, including withdrawal due to death), the Company will lift transfer restrictions on all of the allotted shares corresponding to the Restricted Stock Interests held by the eligible employee on the day the Shareholding Association receives the eligible employee's withdrawal application (in the case of a loss of membership, this shall mean the day on which the loss of membership occurs (in the case of withdrawal due to death, this shall mean the day on which the death occurs); hereinafter, the "Date of Receipt of Withdrawal Application").

iv. Treatment in the event of becoming a non-resident

If the Company or its subsidiaries determine that the eligible employee will become a non-resident due to an overseas transfer or other reasons during the transfer restriction period, transfer restrictions will be lifted for all of the allotted shares corresponding to the Restricted Stock Interests held by the eligible

employee on the day on which such decision is made (hereinafter, the “Overseas Transfer Determination Date”).

v. Acquisition by the Company without consideration

If the eligible employee violates any laws and regulations or falls under any other specific event stipulated in the allotment agreement during the transfer restriction period, at that point, the Company will automatically acquire, without consideration, all of the allotted shares corresponding to the Restricted Stock Interests held by the eligible employee. In addition, the Company will automatically acquire, without consideration, any allotted shares for which transfer restrictions are not lifted at the time of the expiration of the transfer restriction period or the time of lifting of transfer restrictions stipulated in iii or iv above.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents as of the end of the fiscal year were 223,573 million yen, a decrease of 5,464 million yen compared to the end of the previous fiscal year.

1) Cash flows from operating activities

Cash flows from operating activities were a net cash inflow of 85,612 million yen (compared to a net cash inflow of 90,876 million yen in the previous fiscal year). Inflows mainly included 130,055 million yen associated with booking profit before income taxes (profit before income taxes of 110,607 million yen in the previous fiscal year), 17,381 million yen in depreciation, and a 17,138 million yen increase in advances received. Outflows mainly included a 32,075 million yen increase in real estate for sale in process and 32,055 million yen in income taxes paid.

2) Cash flows from investing activities

Cash flows from investing activities were a net cash outflow of 46,505 million yen (compared to a net cash outflow of 13,114 million yen in the previous fiscal year). Inflows mainly included 37,470 million yen in proceeds from withdrawal of time deposits and 11,189 million yen in proceeds from sale and redemption of investment securities. Outflows mainly included 28,622 million yen in purchase of shares of subsidiaries following the change in scope of consolidation, 32,700 million yen in payments into time deposits, and 17,448 million yen in purchase of property, plant and equipment.

3) Cash flows from financing activities

Cash flows from financing activities were a net cash outflow of 45,839 million yen (compared to a net cash outflow of 96,787 million yen in the previous fiscal year). Inflows mainly included 2,940 million yen in proceeds from disposal of treasury shares. Outflows mainly included 37,887 million yen for dividends paid and 11,661 million yen for repayments of long-term borrowings.

(Reference) Changes in cash flow-related indicators

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio (%)	33.7	36.5	38.2	37.6	38.3
Equity ratio (based on market value) (%)	95.0	88.1	84.8	105.5	83.0
Ratio of interest-bearing debt to cash flow (years)	1.0	0.8	1.1	0.9	1.5
Interest coverage ratio (x)	339.8	277.8	194.4	218.4	142.3

Equity ratio is the shareholders' equity divided by total assets.

Equity ratio (based on market value) is market capitalization divided by total assets.

Ratio of interest-bearing debt to cash flow is interest-bearing debt divided by cash flow.

Interest coverage ratio is cash flow divided by interest expenses.

Notes: 1. Indicators are calculated on the basis of consolidated figures.

2. Market capitalization is calculated based on the closing share price at the end of the fiscal year multiplied by the number of shares outstanding at the end of the fiscal year (after deducting treasury shares).
3. Cash flows above refer to cash flows from operating activities as shown in the consolidated statement of cash flows.
4. Interest-bearing debt is the total of all liabilities on the consolidated balance sheet on which interest is paid. Interest paid shown in the consolidated statement of cash flows is used as interest expenses.

(4) Basic Policy Regarding Profit Sharing and Dividends for the Fiscal Year and the Next Fiscal Year

1) Dividend policy

The Company recognizes adequate profit return to shareholders as one of the most important management matters and has been implementing this policy. The Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, which includes a basic dividend of 100 yen and the profit return based on consolidated business performance.

In light of this standard, the Company plans to pay an annual dividend of 714 yen per share for the fiscal year (an interim dividend of 287 yen per share has already been paid). As a result, the payout ratio for the fiscal year is expected to be 50.0%.

For the next fiscal year, if the 5-for-1 stock split planning to carry out on its common shares, with an effective date of October 1, 2025 were not taken into account, the Company plans to pay an annual dividend of 685 yen per share (interim dividend of 342 yen per share). As a result, the payout ratio for the next fiscal year is also expected to be 50.0%.

2) Acquisition and cancellation of treasury shares

The Company will consider acquiring and cancelling treasury shares as necessary, while comprehensively taking into account such factors as the business environment surrounding the Group, stock market trends, financial positions, and investment for growth.

3) Use of internal reserves

Internal reserves will be used as funds for repayment of interest-bearing debt to strengthen our financial position, and will also be allocated to development investments for future growth, focusing on the continuous expansion of corporate value and shareholder returns.

2. Basic Policy on Selection of Accounting Standards

As the majority of the Group's business activities are conducted domestically and given the trend among the Company's competitors for adopting the International Financial Reporting Standards (IFRS), the Company's stance is to use Japanese GAAP for the time being.

3. Consolidated Financial Statements and Principal Notes
(1) Consolidated Balance Sheet

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	245,758	235,890
Money held in trust	11,500	–
Accounts receivable from completed construction contracts and other	58,565	69,842
Securities	3,798	3,006
Real estate for sale	17,115	94,515
Real estate for sale in process	41,472	100,001
Costs on construction contracts in progress	15,094	17,007
Real estate for sale and development projects in progress	9,308	8,631
Other inventories	7,195	8,567
Prepaid expenses	75,579	81,748
Operating loans	104,250	108,449
Other	35,197	29,317
Allowance for doubtful accounts	(559)	(536)
Total current assets	624,275	756,441
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	62,873	63,562
Machinery and equipment, net	49,860	52,175
Tools, furniture and fixtures, net	1,428	1,544
Land	78,543	64,356
Leased assets, net	843	705
Other, net	1,314	1,932
Total property, plant and equipment	194,864	184,276
Intangible assets		
Goodwill	11,849	12,699
Other	21,556	22,450
Total intangible assets	33,406	35,150
Investments and other assets		
Investment securities	53,737	44,160
Subordinated bonds and subordinated trust beneficiary right	3,788	3,436
Money held in trust	29,365	44,072
Deferred tax assets	105,199	114,215
Other	42,092	48,446
Allowance for doubtful accounts	(6,660)	(7,418)
Total investments and other assets	227,522	246,914
Total non-current assets	455,794	466,341
Total assets	1,080,069	1,222,783

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	49,767	53,216
Short-term borrowings	–	9,311
Current portion of long-term borrowings	10,982	58,681
Lease liabilities	203	224
Income taxes payable	22,065	28,393
Advances received on construction contracts in progress	52,868	49,751
Advances received	102,424	120,180
Provision for bonuses	23,278	28,654
Provision for warranties for completed construction	1,025	1,069
Provision for loss on construction contracts	2,641	1,308
Deposits received	10,382	10,198
Other	51,301	49,841
Total current liabilities	326,941	410,833
Non-current liabilities		
Bonds payable	11,000	11,100
Long-term borrowings	57,176	44,530
Lease liabilities	656	629
Deferred tax liabilities	101	1,400
Provision for repairs on whole-building lease	221,824	229,105
Retirement benefit liability	15,001	13,939
Long-term guarantee deposits	29,351	30,102
Other	12,216	13,708
Total non-current liabilities	347,327	344,517
Total liabilities	674,268	755,350
Net assets		
Shareholders' equity		
Share capital	29,060	29,060
Capital surplus	34,540	32,621
Retained earnings	391,255	445,821
Treasury shares	(58,485)	(43,217)
Total shareholders' equity	396,371	464,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,666	269
Deferred gains or losses on hedges	714	81
Revaluation reserve for land	(7,584)	(7,584)
Foreign currency translation adjustment	7,164	9,407
Remeasurements of defined benefit plans	(791)	(71)
Total accumulated other comprehensive income	6,169	2,103
Share acquisition rights	130	56
Non-controlling interests	3,129	986
Total net assets	405,800	467,433
Total liabilities and net assets	1,080,069	1,222,783

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

Millions of yen

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	492,434	540,975
Sales in real estate lease business	1,129,164	1,164,672
Sales in real estate development business	31,141	51,329
Sales in other businesses	78,726	85,380
Total net sales	1,731,467	1,842,357
Cost of sales		
Cost of sales of completed construction contracts	376,980	404,134
Cost of sales in real estate lease business	997,400	1,031,682
Cost of sales in real estate development business	24,821	39,563
Cost of sales in other businesses	47,487	51,120
Total cost of sales	1,446,689	1,526,501
Gross profit		
Gross profit on completed construction contracts	115,454	136,841
Gross profit - real estate lease business	131,764	132,989
Gross profit - real estate development business	6,319	11,766
Gross profit - other business	31,239	34,259
Total gross profit	284,777	315,856
Selling, general and administrative expenses	179,958	196,981
Operating profit	104,819	118,875
Non-operating income		
Interest income	775	842
Dividend income	194	515
Commission income	3,157	3,501
Share of profit of entities accounted for using equity method	–	697
Foreign exchange gains	–	4,775
Miscellaneous income	1,794	1,739
Total non-operating income	5,920	12,072
Non-operating expenses		
Interest expenses	441	611
Provision of allowance for doubtful accounts	–	0
Commission expenses	121	119
Share of loss of entities accounted for using equity method	69	–
Foreign exchange losses	638	–
Miscellaneous expenses	749	761
Total non-operating expenses	2,020	1,491
Ordinary profit	108,720	129,455
Extraordinary income		
Gain on sale of non-current assets	48	146
Gain on sale of investment securities	2,136	4,543
Compensation income	1,060	–
Other	16	–
Total extraordinary income	3,261	4,689
Extraordinary losses		
Loss on sale and retirement of non-current assets	274	334
Impairment losses	664	3,178
Loss on sale of investment securities	10	21
Loss on valuation of investment securities	424	555
Total extraordinary losses	1,374	4,090

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit before income taxes	110,607	130,055
Income taxes - current	43,924	42,827
Income taxes - deferred	(8,539)	(6,506)
Total income taxes	35,385	36,320
Profit	75,222	93,734
Profit (loss) attributable to non-controlling interests	536	(123)
Profit attributable to owners of parent	74,685	93,858

Consolidated Statement of Comprehensive Income

Millions of yen

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	75,222	93,734
Other comprehensive income		
Valuation difference on available-for-sale securities	4,357	(6,396)
Deferred gains or losses on hedges	870	(632)
Foreign currency translation adjustment	2,865	2,243
Remeasurements of defined benefit plans, net of tax	2,157	727
Total other comprehensive income	10,250	(4,058)
Comprehensive income	85,473	89,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	84,945	89,792
Comprehensive income attributable to non-controlling interests	527	(116)

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	29,060	34,540	352,811	(10,973)	405,439
Changes during period					
Dividends of surplus			(36,230)		(36,230)
Profit attributable to owners of parent			74,685		74,685
Purchase of treasury shares				(50,177)	(50,177)
Disposal of treasury shares			(13)	2,665	2,651
Change in ownership interest of parent due to transactions with non-controlling interests			2		2
Net changes in items other than shareholders' equity					
Total changes during period	–	–	38,444	(47,512)	(9,068)
Balance at end of period	29,060	34,540	391,255	(58,485)	396,371

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,309	(156)	(7,584)	4,298	(2,957)	(4,090)	180	3,403	404,933
Changes during period									
Dividends of surplus									(36,230)
Profit attributable to owners of parent									74,685
Purchase of treasury shares									(50,177)
Disposal of treasury shares									2,651
Change in ownership interest of parent due to transactions with non-controlling interests									2
Net changes in items other than shareholders' equity	4,357	870	–	2,865	2,166	10,260	(49)	(274)	9,935
Total changes during period	4,357	870	–	2,865	2,166	10,260	(49)	(274)	867
Balance at end of period	6,666	714	(7,584)	7,164	(791)	6,169	130	3,129	405,800

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	29,060	34,540	391,255	(58,485)	396,371
Changes during period					
Dividends of surplus			(37,922)		(37,922)
Profit attributable to owners of parent			93,858		93,858
Purchase of treasury shares				(37)	(37)
Disposal of treasury shares			(1,382)	15,306	13,923
Change in ownership interest of parent due to transactions with non-controlling interests		(1,918)	12		(1,906)
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,918)	54,565	15,268	67,915
Balance at end of period	29,060	32,621	445,821	(43,217)	464,286

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,666	714	(7,584)	7,164	(791)	6,169	130	3,129	405,800
Changes during period									
Dividends of surplus									(37,922)
Profit attributable to owners of parent									93,858
Purchase of treasury shares									(37)
Disposal of treasury shares									13,923
Change in ownership interest of parent due to transactions with non-controlling interests									(1,906)
Net changes in items other than shareholders' equity	(6,396)	(632)	–	2,243	720	(4,065)	(73)	(2,143)	(6,283)
Total changes during period	(6,396)	(632)	–	2,243	720	(4,065)	(73)	(2,143)	61,632
Balance at end of period	269	81	(7,584)	9,407	(71)	2,103	56	986	467,433

(4) Consolidated Statement of Cash Flows

Millions of yen

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	110,607	130,055
Depreciation	17,089	17,381
Impairment losses	664	3,178
Amortization of goodwill	850	952
Increase (decrease) in allowance for doubtful accounts	(213)	734
Increase (decrease) in provision for bonuses	7,338	5,243
Increase (decrease) in provision for repairs on whole-building lease	14,638	7,280
Increase (decrease) in retirement benefit liability	381	(31)
Interest and dividend income	(969)	(1,357)
Interest expenses	441	611
Loss (gain) on sale of investment securities	(2,136)	(4,521)
Loss (gain) on valuation of investment securities	424	555
Share of loss (profit) of entities accounted for using equity method	69	(697)
Decrease (increase) in trade receivables	323	(11,207)
Decrease (increase) in real estate for sale	(10,608)	(7,710)
Decrease (increase) in real estate for sale in process	(20,539)	(32,075)
Decrease (increase) in costs on construction contracts in progress	(1,381)	(1,912)
Decrease (increase) in other inventories	6,621	(690)
Decrease (increase) in prepaid expenses	(773)	(2,679)
Decrease (increase) in operating loans receivable	2,470	852
Increase (decrease) in trade payables	(844)	2,057
Increase (decrease) in accounts payable - other	5,882	(8,662)
Increase (decrease) in advances received on construction contracts in progress	10,020	(3,116)
Increase (decrease) in advances received	(14,190)	17,138
Increase (decrease) in long term guarantee deposits	(1,456)	462
Other, net	674	4,597
Subtotal	125,385	116,437
Interest and dividends received	1,595	1,832
Interest paid	(416)	(601)
Income taxes paid	(35,688)	(32,055)
Net cash provided by (used in) operating activities	90,876	85,612
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	30,920	37,470
Payments into time deposits	(26,819)	(32,700)
Increase in money held in trust	(5,000)	(4,704)
Decrease in money held in trust	–	501
Purchase of securities	(3,000)	(10,000)
Proceeds from sale and redemption of securities	4,000	10,800
Purchase of property, plant and equipment	(14,577)	(17,448)
Purchase of intangible assets	(5,031)	(6,877)
Purchase of investment securities	(3,745)	(5,307)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(867)	(28,622)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	388	–
Proceeds from sale and redemption of investment securities	7,504	11,189
Other, net	3,114	(806)
Net cash provided by (used in) investing activities	(13,114)	(46,505)

Millions of yen

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,026)	–
Proceeds from long-term borrowings	1,341	1,091
Repayments of long-term borrowings	(12,223)	(11,661)
Repayments of lease liabilities	(356)	(246)
Redemption of bonds	(50)	–
Proceeds from disposal of treasury shares	2,065	2,940
Purchase of treasury shares	(50,177)	(37)
Dividends paid	(36,230)	(37,887)
Dividends paid to non-controlling interests	(59)	(69)
Other, net	(69)	31
Net cash provided by (used in) financing activities	(96,787)	(45,839)
Effect of exchange rate change on cash and cash equivalents	1,750	1,267
Net increase (decrease) in cash and cash equivalents	(17,274)	(5,464)
Cash and cash equivalents at beginning of period	246,312	229,038
Cash and cash equivalents at end of period	229,038	223,573

(5) Notes to Consolidated Financial Statements

(Note on the assumption as a going concern)

Not applicable.

(Changes in accounting policies)

The Company applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “2022 Revised Accounting Standard”), etc. effective from the beginning of the fiscal year.

Regarding the revision to accounting classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “2022 Revised Guidance”). This change in accounting policy does not affect the consolidated financial statements.

Additionally, the Company applied the 2022 Revised Guidance effective from the beginning of the fiscal year in connection to the revision regarding the review of treatment in consolidated financial statements when the gains or losses arising on the sale of subsidiaries’ shares, etc. within a consolidated group are deferred for tax purposes. This change in accounting policy is applied retrospectively, but there are no applicable events, and it has no impact on the consolidated financial statements for the previous fiscal year.

(Changes in presentation)

(Consolidated balance sheet)

“Real estate for sale in process,” which was included in “real estate for sale” under “current assets” in the previous fiscal year, has been presented as a separate item from the fiscal year as the amount became material. In addition, “money held in trust,” which was included in “other” under “investments and other assets” of “non-current assets,” has been presented as a separate item from the fiscal year as the amount became material. To reflect these changes in presentation, the figures for the previous fiscal year have been reclassified.

As a result, 58,587 million yen presented in “real estate for sale” under “current assets” in the consolidated balance sheet for the previous fiscal year has been reclassified to “real estate for sale” of 17,115 million yen and “real estate for sale in process” of 41,472 million yen. In addition, 71,457 million yen presented in “other” under “investments and other assets” of “non-current assets” has been reclassified to “money held in trust” of 29,365 million yen and “other” of 42,092 million yen.

(Consolidated statement of cash flows)

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

As a result, (31,147) million yen presented in “decrease (increase) in real estate for sale” under “cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified to “decrease (increase) in real estate for sale” of (10,608) million yen and “decrease (increase) in real estate for sale in process” of (20,539) million yen.

(Additional Information)

(Disposal of treasury shares as a restricted stock incentive for the employees' shareholding association)

At a meeting of the Board of Directors held on March 22, 2024, the Company resolved to dispose of treasury shares as restricted stock (hereinafter, the "Treasury Shares Disposal" or "Disposal") with the Daito Trust Construction Employees' Shareholding Association (hereinafter, "the Shareholding Association") as the intended allottee, in accordance with a restricted transfer share incentive plan (hereinafter, the "Plan") for the employees' shareholding association. The procedures for the Treasury Shares Disposal were completed on September 20, 2024.

1. Overview of the Disposal

(1) Date of disposal	September 20, 2024
(2) Class and number of shares disposed of	360,459 common shares of the Company
(3) Disposal price	17,675 yen per share
(4) Total amount of disposal	6,371,112,825 yen
(5) Disposal method (allottee)	By way of a third-party allotment (Daito Trust Construction Employees' Shareholding Association: 360,459 shares)

2. Purpose of and reason for the Disposal

At a meeting of the Board of Directors held on March 22, 2024, the Company resolved to introduce the Plan to provide eligible employees of the Company and its subsidiaries who are members of the Shareholding Association with an opportunity to acquire shares of the Company's common stock issued or disposed of by the Company through the Shareholding Association as restricted stock to help them build their wealth, providing them with an incentive to sustainably improve corporate value, and promoting further value sharing between them and the Company's shareholders. The Company also resolved to implement the Treasury Shares Disposal with the Shareholding Association as the intended allottee in accordance with the Plan.

(Matters related to purchase of treasury shares)

The Company resolved on October 30, 2023 during the previous fiscal year to repurchase shares of the Company, and the repurchase was completed on November 21, 2023. The Company uses the fully committed share repurchase (FCSR) method (hereinafter, the "Method") to purchase shares of the Company. The Method is accounted for as follows, assuming that the relevant accounting standards are not clearly defined.

1. Outline of the Method

On November 21, 2023, the Company repurchased 3,107,500 shares of the Company equivalent to 49,999 million yen at 16,090 yen per share through ToSTNeT-3 (hereinafter, the "Purchase").

In the Purchase, Nomura Securities Co., Ltd. borrowed shares from a shareholder of the Company and placed an order to sell the shares. Since sell orders from general shareholders will take priority over sell orders under ToSTNeT-3 based on own calculations by the financial instruments firm, Nomura Securities Co., Ltd., sell orders placed by Nomura Securities Co., Ltd. were reduced by the amount of sell orders placed by general shareholders, resulting in the purchase of 2,983,900 shares from Nomura Securities Co., Ltd. There is no agreement between the Company and Nomura Securities Co., Ltd. with respect to Nomura Securities Co., Ltd.'s acquisition of shares of the Company.

To ensure that the Company's effective unit price for the shares acquired from Nomura Securities Co., Ltd. will be equal to the arithmetic average of the VWAP (volume weighted average price) of shares of the Company on each trading day during a certain period of time (from November 21, 2023 to the day before the date of exercise of the share acquisition rights or the day before the date of notification that the share acquisition rights will not be exercised) after the Purchase multiplied by the adjustment ratio (hereinafter, the "Average Share Price"), the Company will separately conduct an adjustment transaction using shares of the

Company with Nomura Capital Investment Co., Ltd. which will be the acquirer of the share acquisition rights (hereinafter, the “Share Acquisition Rights”) issued by the Company under this method (hereinafter, the “Share Acquisition Rights Holder”). Specifically, (i) if the Average Share Price is higher than 16,090 yen, the Company shall, upon exercise of the Stock Acquisition Rights, deliver to the Stock Acquisition Rights Holder the number of shares of the Company calculated by deducting the “Number of shares to be acquired from Nomura Securities Co. Ltd. in the Purchase” (hereinafter, “Number of Shares Acquired”) from the “Number of shares to be acquired assuming that the Company’s shares were acquired at the Average Share Price based on the amount purchased from Nomura Securities Co., Ltd.” (hereinafter, “Average Number of Shares Acquired”), alternatively, (ii) if the Average Share Price is lower than 16,090 yen, the Company shall acquire the number of shares of the Company’s stock calculated by subtracting the Number of Shares Acquired from the Average Number of Shares Acquired without compensation from the Share Acquisition Rights Holder.

In connection with the exercise of the Share Acquisition Rights on November 19, 2024, the Company conducted an adjustment transaction using shares of the Company with the Share Acquisition Rights Holder. Specifically, as the calculated Average Share Price was 16,939.1970 yen, which is higher than 16,090 yen, 149,500 shares of the Company (90 shares constituting less than one unit are truncated), calculated by subtracting the Average Number of Shares Acquired (2,834,310 shares) from the Number of Shares Acquired (2,983,900 shares), were delivered to the Share Acquisition Rights Holder. As a result, the final total number of shares acquired became 2,834,400 shares after the adjustment transaction.

2. Accounting principles and procedures

Shares of the Company acquired through ToSTNeT-3 on November 21, 2023 are recorded as “treasury shares” in the net assets section of the balance sheet based on the acquisition price. In addition, with regard to treasury shares delivered upon the exercise of share acquisition rights, (i) the book value of treasury shares delivered is deducted from “treasury shares” in the net assets section of the balance sheet, and (ii) the difference of between the amount of cash paid due to the exercise of share acquisition rights and the book value of treasury shares delivered in (i) is recorded as “other capital surplus” in the net assets section of the balance sheet. Shares of the Company acquired and delivered through the Method are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.

Based on this accounting policy, during the fiscal year, the Company recorded a 2,401 million yen reduction in the book value of shares of the Company delivered to the Share Acquisition Rights Holder in the adjustment transaction under the Method as “other capital surplus” in a negative value in the net assets section of the balance sheet.

As the balance of other capital surplus was negative for the fiscal year, this negative value was deducted from retained earnings brought forward.

(Change in purpose of holding property, plant and equipment)

Due to a change in the purpose of holding, a portion of the property, plant and equipment of 19,995 million yen is reclassified to real estate for sale.

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

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

1. Purpose of stock split

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

2. Overview of stock split

(1) Method of the stock split

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

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

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

(3) Schedule

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

(4) Other

(i) Company's capital

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

(ii) Dividend for the Fiscal year ended March 2025

The stock split will be effective on October 1, 2025. Therefore, the dividend for the fiscal year ended March 31, 2025, will be based on the number of shares before the stock split.

(iii) Adjustment of Exercise Price for Stock Options

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

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

Note: No adjustment will be made to the exercise price

3. Partial amendments to the Articles of Incorporation

(1) Reason for amendment

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

(2) Amendment to the Articles of Incorporation

Amendment details are as follows.

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

(3) Schedule

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

(Business combinations)

(Creation of a wholly-owned subsidiary through simplified share exchange)

In accordance with the meeting of the Board of Directors held on October 29, 2024, the Company conducted a share exchange (hereinafter, the “Share Exchange”) with Daito Trust Construction Co., Ltd. as a wholly-owning parent company by share exchange and Housecom Co., Ltd. as a wholly-owned subsidiary by share exchange, with an effective date of February 1, 2025.

Housecom Co., Ltd.’s common stock was delisted on January 30, 2025 in accordance with the Tokyo Stock Exchange’s delisting criteria.

(1) Overview of business combination

i. Name and business description of wholly-owned subsidiary by share exchange

Name of wholly-owned subsidiary by share exchange: Housecom Co., Ltd.

Business description: Real estate lease building brokerage, management of real estate lease, and non-life insurance agency

ii. Main reason for business combination

- (a) Coexistence of rental brokerage store network and brands
- (b) Promotion of joint development of IT systems
- (c) Promotion of human capital management
- (d) Expansion of offered services through sharing of Companies resources
- (e) Reduction of listing maintenance costs

iii. Date of business combination

February 1, 2025 (deemed date of acquisition: January 1, 2025)

iv. Legal form of business combination

The Share Exchange involved Daito Trust Construction Co., Ltd. becoming a wholly-owning parent company by share exchange and Housecom Co., Ltd. becoming a wholly-owned subsidiary by share exchange. Daito conducted the Share Exchange by way of a simplified share exchange procedure pursuant to Article 796, Paragraph 2 of the Companies Act, which does not require approval by a resolution of the general shareholders’ meeting.

v. Company name after business combination

No change in the name

(2) Overview of accounting treatment followed

The Share Exchange has been accounted for as a transaction under common control pursuant to the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

(3) Matters concerning acquisition of additional subsidiary shares

i. Acquisition cost and breakdown of consideration by type

Consideration for acquisition (common shares)	5,174 million yen
Acquisition cost	5,174 million yen

ii. Exchange ratio by type of stock and number of shares delivered

	Daito Trust Construction Co., Ltd. (wholly-owning parent company by share exchange)	Housecom Co., Ltd (wholly-owned subsidiary by share exchange)
Allotment ratio pertaining to the Share Exchange	1	0.08
Number of shares delivered by the Share Exchange	Common shares of Daito Trust Construction Co., Ltd.: 294,412 shares	

iii. Method of calculating share exchange ratio

Daito Trust Construction Co., Ltd. and Housecom Co., Ltd. engaged in a series of negotiations and discussions upon carefully evaluating the results and outcomes of due diligence that each company conducted on the other party and comprehensively taking into account factors such as the financial position, asset conditions, and future prospect of each company, while referencing the results of the share exchange ratio calculations submitted to them by their respective third-party valuation providers. As a result, Daito Trust Construction Co., Ltd. and Housecom Co., Ltd. came to the conclusion that the share exchange ratio was appropriate and would serve the interests of their respective shareholders, and therefore determined that it was appropriate to conduct the Share Exchange at the share exchange ratio.

(4) Matters concerning change in the Company's ownership interest resulting from transaction with non-controlling interests

i. Main factors for change in capital surplus

Acquisition of additional subsidiary shares

ii. Amount of capital surplus reduced by transaction with non-controlling interests

1,918 million yen

(Creation of a subsidiary through share acquisition)

By a written resolution dated January 31, 2025 in lieu of a resolution of the Board of Directors pursuant to Article 370 of the Companies Act and the Company's Articles of Incorporation, the Company decided to acquire the shares, etc. of Ascot Corp. (Securities code: 3264, listed on the Standard Market of the Tokyo Stock Exchange; hereinafter, the "Target Company") through a tender offer (hereinafter, the "Tender Offer") as stipulated in the Financial Instruments and Exchange Act. The Tender Offer was conducted from February 3, 2025 to March 18, 2025. As a result of the Tender Offer, the Target Company became a consolidated subsidiary on March 26, 2025.

Subsequently, the Company followed a series of procedures to make the Target Company a wholly-owned subsidiary of the Company (hereinafter, the "Squeeze-Out"). On April 30, 2025, the Company made the Target Company a wholly-owned subsidiary, and the Target Company got delisted on April 25, 2025.

(1) Overview of business combination

i. Name and business description of acquired company

Name of acquired company: Ascot Corp.

Business description: Real estate development business, strategic international business, real estate investment business, real estate fund business, Kyushu development business, other business

ii. Main reason for business combination

The Company was seeking a capital alliance partner in its efforts to pursue real estate development in central Tokyo, strengthen its purchasing power, and secure sales channels with the aim of expanding the real estate development business, one of the key initiatives in the medium-term management plan. The Company came to recognize that by working with the Target Company to implement the following measures subsequent to the transaction to make the Target Company a wholly-owned subsidiary of the

Company, it could achieve 100.0 billion yen real estate investments in the Real Estate Development Business, which is the target set out in medium-term management plan, and moreover, maximize the corporate value of both companies by making the Real Estate Development Business one of the pillars of the Group by 2030 and strengthening and expanding the Target Group's asset management business and real estate rental management business.

(a) Strengthening of real estate development and area expansion

(b) Strengthening and expansion of the Target Group's asset management business

(c) Collaboration for the Target Group's real estate rental management business

(d) Diverse growth of employees of both companies and strengthening of organizational structure, etc.

iii. Date of business combination

March 26, 2025 (deemed date of acquisition: March 31, 2025)

iv. Legal form of business combination

Acquisition of shares for cash consideration

v. Company name after business combination

No change in the name

vi. Percentage of voting rights acquired

March 26, 2025: 96.03%

vii. Main basis for determining the acquired company

The Company acquired the shares for cash consideration.

(2) Period of the acquired company's financial results included in the consolidated financial statements

Only the balance sheet is consolidated for the fiscal year, with March 31, 2025 treated as the deemed date of acquisition. Therefore, the financial results of the acquired company are not included in the consolidated statement of income.

(3) Breakdown of acquisition cost and type of consideration for the acquired company

Consideration received on the date of business combination (cash)	32,398 million yen
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Acquisition cost	32,398 million yen
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(4) Breakdown and amount of main acquisition-related expenses

Advisory fees, etc.: 299 million yen

(5) Amount of goodwill generated, reason for generation, amortization method and period

i. Amount of goodwill generated

1,623 million yen

The amount of goodwill is a provisionally calculated amount since the allocation of acquisition cost has not been completed as of the end of the fiscal year.

ii. Reason for generation

This is due to the acquisition cost exceeding the fair market value of the net assets at the time of the business combination.

iii. Amortization method and period

Goodwill will be amortized in equal amounts over the period during which the investment benefits are expected to arise. The amortization period is currently being calculated.

(6) Amount and breakdown of assets acquired and liabilities assumed on the date of business combination

Current assets	88,831 million yen
Non-current assets	3,000 million yen
<hr/> Total assets	<hr/> 91,832 million yen
Current liabilities	22,380 million yen
Non-current liabilities	37,397 million yen
<hr/> Total liabilities	<hr/> 59,777 million yen

(7) Estimated amount of and method of calculating the impact on the consolidated statement of income for the fiscal year, assuming that the business combination was completed on the first day of the fiscal year

Net sales: 41,312 million yen

(Method of calculating the estimated amount)

The estimated impact amount is based on net sales calculated by assuming the business combination was completed on the first day of the current consolidated fiscal year. Operating profit is not stated as it is difficult to estimate the approximate amount for the current consolidated fiscal year.

An audit certification is not obtained for the above estimated amount.

(Segment information)

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company proposes plans for the effective use of land and enters into construction contracts to build and construct rental housing. Consolidated subsidiary Daito Kentaku Partners Co., Ltd. engages in the whole building lease business, in which it leases rental housing in whole and subleases it to tenants under its "Lease Management Trust System." Consolidated subsidiary Daito Kentaku Leasing Co., Ltd. acts as an intermediary for tenants. The Company and its consolidated subsidiary Daito Trust Asset Solution Ltd. engage in purchase, renovation, and resale as well as development and sales of income-generating properties. A consolidated subsidiary INVALANCE Ltd. develops and sells investment-purpose condominiums. The Company's strategy and business activities revolve around these businesses.

Accordingly, the Company's reportable segments are the "Construction Business," the "Real Estate Leasing Business," and the "Real Estate Development Business," which are composed of these businesses plus the markets in which the products and services are sold and the types of customers. The Company has made the "Financial Business" a reportable segment, because its assets account for more than 10% of the total of all business segments. Business segments with generally similar economic characteristics are aggregated.

(2) Types of products and services belonging to each reportable segment

Construction Business:	Business related to civil engineering, construction, and other general construction work
Real Estate Leasing Business:	Businesses related to real estate whole-building leases, rental, brokerage, tenant guarantor services, and management
Real Estate Development Business:	Purchase, renovation, and resale as well as development and sales of income-generating properties, development and sales of investment-purpose condominiums
Financial Business:	Construction financing projects until the client obtains long-term financing from a financial institution

(3) Disclosure of changes, etc. in reportable segments

Starting from the fiscal year, the reportable segments have been changed from the previous classification of the "Construction Business," the "Real Estate Business," and the "Financial Business" to the "Construction Business," the "Real Estate Leasing Business," the "Real Estate Development Business," and the "Financial Business."

In line with the expansion of the real estate development business, the Company made the "Real Estate Development Business" a separate reportable segment and changed the name of the previous "Real Estate Business" to the "Real Estate Leasing Business."

The segment information for the previous consolidated fiscal year is presented based on the revised classifications.

2. Calculation of net sales, profit or loss, assets, and other items by reportable segment

The methods of accounting for the reported business segments are the same as those used to prepare the consolidated financial statements. Profit (loss) for reportable segments is based on operating profit (loss).

3. Information on net sales, profit or loss, assets, and other items by reportable segment and disaggregation of revenue

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Millions of yen

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal				
Net sales									
Net sales of completed construction contracts	492,434	32,544	–	–	524,978	–	524,978	–	524,978
Brokerage business income	–	23,005	–	–	23,005	–	23,005	–	23,005
Electricity business income	–	10,068	–	–	10,068	–	10,068	–	10,068
Energy business income	–	–	–	–	–	39,383	39,383	–	39,383
Care and nursery school business income	–	–	–	–	–	15,639	15,639	–	15,639
Hotel business income	–	–	–	–	–	8,179	8,179	–	8,179
Investment condominium business income	–	–	19,379	–	19,379	–	19,379	–	19,379
Renovation and resale, development business income	–	–	7,393	–	7,393	–	7,393	–	7,393
Other	–	21,238	–	112	21,350	3,077	24,428	–	24,428
(Revenue from contracts with customers)	492,434	86,856	26,772	112	606,176	66,280	672,457	–	672,457
Whole-building leases business income	–	1,012,551	–	–	1,012,551	–	1,012,551	–	1,012,551
Guarantee business income	–	19,931	–	–	19,931	–	19,931	–	19,931
Lease business income	–	6,052	–	–	6,052	–	6,052	–	6,052
Insurance business income	–	–	–	9,261	9,261	–	9,261	–	9,261
Investment condominium business income	–	–	4,150	–	4,150	–	4,150	–	4,150
Renovation and resale, development business income	–	–	218	–	218	–	218	–	218
Other	–	3,772	–	2,253	6,025	819	6,844	–	6,844
(Other revenue)	–	1,042,307	4,368	11,514	1,058,191	819	1,059,010	–	1,059,010
Net sales to external customers	492,434	1,129,164	31,141	11,626	1,664,367	67,100	1,731,467	–	1,731,467
Inter-segment sales or transfers	6,331	4,931	–	17,463	28,726	762	29,489	(29,489)	–
Total	498,766	1,134,096	31,141	29,090	1,693,093	67,862	1,760,956	(29,489)	1,731,467
Segment profit	28,905	82,040	2,128	6,185	119,259	12,167	131,427	(26,608)	104,819
Segment assets	114,209	384,873	62,813	151,080	712,977	166,251	879,228	200,841	1,080,069
Other items									
Depreciation and amortization (Note 4)	4,608	8,122	48	126	12,906	3,986	16,893	196	17,089
Impairment losses	211	194	–	–	406	207	614	50	664
Increase in property, plant and equipment and intangible assets (Note 4)	2,920	9,874	0	99	12,895	7,215	20,111	239	20,350

Notes: 1. The “Other” segment is a business segment not included in the reportable segments and includes the LP gas and other supply business and the care business for the elderly.

2. The adjustments are as follows.
 - (1) The (26,608) million yen adjustment to segment profit includes (898) million yen in elimination of transactions between segments and (25,710) million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly related to the Company's head office's personnel, general affairs, and other administrative divisions.
 - (2) The 200,841 million yen adjustment to segment assets includes (39,311) million yen in elimination of transactions between segments and 240,153 million yen in corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of surplus operating funds (cash and deposits and securities), long-term investment funds (investment securities), and assets related to administrative operations at the parent company.
 - (3) The adjustment of 196 million yen for depreciation and amortization represents depreciation and amortization related to corporate assets that are not allocated to reportable segments.
 - (4) The adjustment of 50 million yen for impairment losses represents impairment losses related to corporate assets that are not allocated to reportable segments.
 - (5) The adjustment of 239 million yen for increase in property, plant and equipment and intangible assets represents the increase in property, plant and equipment and intangible assets related to corporate assets that are not allocated to reportable segments.
3. Segment profit is reconciled to operating profit in the consolidated financial statements.
4. Depreciation and amortization and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and amortization related to those expenses.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Millions of yen

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal				
Net sales									
Net sales of completed construction contracts	540,975	35,328	–	–	576,303	–	576,303	–	576,303
Brokerage business income	–	21,230	–	–	21,230	–	21,230	–	21,230
Electricity business income	–	10,676	–	–	10,676	–	10,676	–	10,676
Energy business income	–	–	–	–	–	41,937	41,937	–	41,937
Care and nursery school business income	–	–	–	–	–	16,525	16,525	–	16,525
Hotel business income	–	–	–	–	–	10,106	10,106	–	10,106
Investment condominium business income	–	–	22,665	–	22,665	–	22,665	–	22,665
Renovation and resale, development business income	–	–	23,463	–	23,463	–	23,463	–	23,463
Other	–	24,629	15	160	24,805	3,528	28,333	–	28,333
(Revenue from contracts with customers)	540,975	91,864	46,144	160	679,145	72,097	751,243	–	751,243
Whole-building leases business income	–	1,036,985	–	–	1,036,985	–	1,036,985	–	1,036,985
Guarantee business income	–	21,017	–	–	21,017	–	21,017	–	21,017
Lease business income	–	5,537	–	–	5,537	–	5,537	–	5,537
Insurance business income	–	–	–	9,729	9,729	–	9,729	–	9,729
Investment condominium business income	–	–	5,005	–	5,005	–	5,005	–	5,005
Renovation and resale, development business income	–	–	179	–	179	–	179	–	179
Other	–	9,266	–	2,291	11,558	1,100	12,659	–	12,659
(Other revenue)	–	1,072,807	5,184	12,021	1,090,013	1,100	1,091,114	–	1,091,114
Net sales to external customers	540,975	1,164,672	51,329	12,182	1,769,159	73,198	1,842,357	–	1,842,357
Inter-segment sales or transfers	18,029	6,824	111	17,844	42,809	961	43,771	(43,771)	–
Total	559,004	1,171,497	51,440	30,026	1,811,969	74,159	1,886,129	(43,771)	1,842,357
Segment profit	47,143	80,324	5,151	6,684	139,303	13,193	152,496	(33,621)	118,875
Segment assets	140,470	384,153	226,651	176,567	927,843	140,277	1,068,121	154,662	1,222,783
Other items									
Depreciation and amortization (Note 4)	3,782	8,872	46	71	12,772	4,421	17,194	186	17,381
Impairment losses	312	266	–	–	579	2,524	3,103	75	3,178
Increase in property, plant and equipment and intangible assets (Note 4)	5,111	13,159	55	156	18,484	8,927	27,411	2,509	29,921

Notes: 1. The “Other” segment is a business segment not included in the reportable segments and includes the LP gas and other supply business and the care business for the elderly.

2. The adjustments are as follows.

(1) The (33,621) million yen adjustment to segment profit includes (850) million yen in elimination of

transactions between segments and (32,771) million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly related to the Company's head office's personnel, general affairs, and other administrative divisions.

- (2) The 154,662 million yen adjustment to segment assets includes (83,115) million yen in elimination of transactions between segments and 237,778 million yen in corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of surplus operating funds (cash and deposits and securities), long-term investment funds (investment securities), and assets related to administrative operations at the parent company.
 - (3) The adjustment of 186 million yen for depreciation and amortization represents depreciation and amortization related to corporate assets that are not allocated to reportable segments.
 - (4) The adjustment of 75 million yen for impairment losses represents impairment losses related to corporate assets that are not allocated to reportable segments.
 - (5) The adjustment of 2,509 million yen for increase in property, plant and equipment and intangible assets represents the increase in property, plant and equipment and intangible assets related to corporate assets that are not allocated to reportable segments.
3. Segment profit is reconciled to operating profit in the consolidated financial statements.
 4. Depreciation and amortization and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and amortization related to those expenses.

(Related information)

1. Information by product and service

This information is omitted because the same information is disclosed in "Segment information."

2. Information by region

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of the net sales in the consolidated statement of income.

(2) Property, plant and equipment

As of March 31, 2024

Millions of yen

Japan	Other	Total
170,067	24,797	194,864

As of March 31, 2025

Millions of yen

Japan	Other	Total
156,658	27,618	184,276

Note: Main countries included in "Other": Malaysia

3. Information by major customer

This information is omitted because there are no sales to external customers that account for 10% or more of the net sales in the consolidated statement of income.

(Information on impairment losses on non-current assets by reportable segment)

This information is omitted because the same information is disclosed in the segment information.

(Information on amortization and unamortized balance of goodwill by reportable segment)

Fiscal year ended March 31, 2024

Millions of yen

	Reportable segment					Other (Note)	Corporate and elimination	Total
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal			
Amortization	31	153	581	–	766	84	–	850
Balance at end of period	1,213	1,439	8,394	–	11,047	802	–	11,849

Note: The amount of “Other” is related to the nursing care business for the elderly.

Fiscal year ended March 31, 2025

Millions of yen

	Reportable segment					Other (Note)	Corporate and elimination	Total
	Construction Business	Real Estate Leasing Business	Real Estate Development Business	Financial Business	Subtotal			
Amortization	124	153	589	–	868	84	–	952
Balance at end of period	1,088	1,285	9,607	–	11,981	718	–	12,699

Note: The amount of “Other” is related to the nursing care business for the elderly.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	6,211.64 yen	7,073.15 yen
Basic earnings per share	1,110.59 yen	1,428.29 yen
Diluted earnings per share	1,109.66 yen	1,426.08 yen

Notes: 1. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	74,685	93,858
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	74,685	93,858
Average number of shares outstanding during the period (shares)	67,248,862	65,713,943
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (millions of yen)	(1)	—
Of which adjustments due to dilutive shares of subsidiaries (millions of yen)	(1)	—
Increase in the number of shares of common stock (shares)	54,512	101,907
Of which share subscription rights (shares)	54,512	101,907
Outline of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—————	—————

2. The basis for calculating net assets per share is as follows

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	405,800	467,433
Amount deducted from total net assets (millions of yen)	3,259	1,042
Of which share subscription rights (millions of yen)	130	56
Of which non-controlling interests (millions of yen)	3,129	986
Amount to be added to total net assets (millions of yen)	3,227	2,376
Of which J-ESOP Trust (millions of yen)	3,227	2,376
Net assets related to common stock at end of period (millions of yen)	405,768	468,766
Number of shares of common stock at end of period used to calculate net assets per share (shares)	65,323,908	66,274,057

3. J-ESOP Trust
Shares of the Company remaining in the J-ESOP Trust, which are recorded as treasury shares in shareholders' equity, are not included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of basic earnings per share, and are not included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share.
4. Employee Stock Ownership Plan (ESOP) Trust
Shares of the Company's stock remaining in the (ESOP) Trust, which are recorded as treasury shares in shareholders' equity, are included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of basic earnings per share, and are included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share.
The average number of such treasury shares deducted from the calculation of basic earnings per share during the period was 410,208 shares for the fiscal year ended March 31, 2024 and 273,337 shares for the fiscal year ended March 31, 2025. The number of such treasury shares deducted from the calculation of net assets per share at the end of the period was 346,100 shares for the fiscal year ended March 31, 2024 and 194,100 shares for the fiscal year ended March 31, 2025.
5. Directors' Compensation BIP Trust
Shares of the Company's stock remaining in the Directors' Compensation BIP Trust, which are recorded as treasury shares in shareholders' equity, are included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of basic earnings per share, and are included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share.
The average number of such treasury shares deducted from the calculation of basic earnings per share during the period was 100,899 shares for the fiscal year ended March 31, 2024 and 100,652 shares for the fiscal year ended March 31, 2025. The number of such treasury shares deducted from the calculation of net assets per share at the end of the period was 101,995 shares for the fiscal year ended March 31, 2024 and 100,154 shares for the fiscal year ended March 31, 2025.
6. The Company resolved on October 30, 2023 to repurchase shares of the Company, and the purchase was completed on November 21, 2023. The Company uses the fully committed share repurchase (FCSR) method to purchase shares of the Company. For details, please refer to "Notes" (Additional information) (Matters related to purchase of treasury shares). Since dilutive shares have been issued as a result of the Method, diluted earnings per share is calculated based on the following calculations.
Diluted earnings per share = Profit / (Average number of shares outstanding during the period + Increase in common shares)
7. The number of shares of common stock increased in accordance with 6. above is calculated as follows.
Average number of shares purchased = Amount of purchased treasury shares (*1) / Average share price (*2)
Number of potential shares to be delivered (rounded down to the nearest unit) = Number of shares purchased – Average number of shares purchased
Increase in the number of common shares = Number of dilutive shares issued × Period during which dilutive shares existed (*3) / Fiscal year ended March 31, 2025
*1: The amount of treasury shares purchased was 48,010,951,000 yen.
*2: The arithmetic mean of the volume weighted average price (VWAP) of shares of the Company for each trading day from the business day following the day on which the Company purchased shares of the Company (November 22, 2023) to the day preceding the exercise date of share acquisition rights (November 19, 2024) multiplied by the adjustment ratio
The "adjustment ratio" is determined according to the dividend amount with a record date of the end of March 2024 and is 100%.
*3: From the beginning of the fiscal year ended March 31, 2025 (April 1, 2024) to the exercise date of share acquisition rights (November 19, 2024)

(Significant events after reporting period)

There are no applicable matters.

4. Reference Materials

(1) Financial Summary

Consolidated

Millions of yen

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Net sales	1,731,467	1,842,357	6.4%	1,970,000	6.9%
Gross profit	284,777	315,856	10.9%	328,000	3.8%
Selling, general and administrative expenses	179,958	196,981	9.5%	203,000	3.1%
SG&A expenses ratio to sales	10.4%	10.7%	0.3 p	10.3%	(0.4) p
Operating profit	104,819	118,875	13.4%	125,000	5.2%
Ordinary profit	108,720	129,455	19.1%	127,000	(1.9)%
Profit attributable to owners of parent	74,685	93,858	25.7%	90,000	(4.1)%

(2) Dividends

	FY2024	FY2025	year-on-year change	FY2026 (Plan)	Planned % change
Annual dividend per share (yen)	555	714	159	–	–
Consolidated payout ratio	50.0%	50.0%	–	50.0%	–

Note The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025. The amount of the final dividend per share plan for FY2026 takes into account the effect of the split, and the total annual dividend is shown as “-”. If the stock split were not taken into account, the annual dividend plan for FY2026 would be ¥685.

(3) By Segment

1) Construction Business

Millions of yen

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Net sales	492,434	540,975	9.9%	550,000	1.7%
Residential use	466,951	510,373	9.3%	511,200	0.2%
Rental housing	464,495	508,276	9.4%	–	–
Detached housing	2,455	2,096	(14.6)%	–	–
Commercial use	10,647	20,707	94.5%	20,800	0.4%
Other	14,836	9,894	(33.3)%	18,000	81.9%
Gross profit	115,454	136,841	18.5%	137,500	0.5%
Gross profit margin	23.4%	25.3%	1.9 p	25.0%	(0.3) p
Operating profit	28,905	47,143	63.1%	48,000	1.8%
Operating profit margin	5.9%	8.7%	2.8 p	8.7%	–

2) Real Estate Leasing Business

Millions of yen

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Net sales	1,129,164	1,164,672	3.1%	1,200,000	3.0%
Whole-building lease	1,012,551	1,036,985	2.4%	1,068,000	3.0%
Repairing construction	32,544	35,328	8.6%	33,000	(6.6)%
Brokerage of real estate	23,005	21,230	(7.7)%	19,500	(8.1)%
Rent guarantee business	19,931	21,017	5.4%	21,700	3.2%
Electricity business	10,068	10,676	6.0%	11,800	10.5%
Leasing business	6,052	5,537	(8.5)%	6,000	8.4%
Other	25,010	33,896	35.5%	40,000	18.0%
Gross profit	131,764	132,989	0.9%	129,000	(3.0)%
Gross profit margin	11.7%	11.4%	(0.3) p	10.8%	(0.6) p
Operating profit	82,040	80,324	(2.1)%	73,500	(8.5)%
Operating profit margin	7.3%	6.9%	(0.4) p	6.1%	(0.8) p

3) Real Estate Development Business

Millions of yen

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Net sales	31,141	51,329	64.8%	130,000	153.3%
Investment condominium	18,760	21,961	17.1%	29,500	34.3%
Renovation and resale	4,803	9,772	103.5%	16,000	63.7%
Development	2,174	12,901	493.4%	51,000	295.3%
Other	5,403	6,694	23.9%	33,500	400.4%
Gross profit	6,319	11,766	86.2%	25,500	116.7%
Gross profit margin	20.3%	22.9%	2.6 p	19.6%	(3.3) p
Operating profit	2,128	5,151	142.0%	14,000	171.8%
Operating profit margin	6.8%	10.0%	3.2 p	10.8%	0.8 p

4) Other Businesses

Millions of yen

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Net sales	78,726	85,380	8.5%	90,000	5.4%
Financial Business	11,626	12,182	4.8%	12,600	3.4%
Other	67,100	73,198	9.1%	77,400	5.7%
Gross profit	31,239	34,259	9.7%	36,000	5.1%
Gross profit margin	39.7%	40.1%	0.4 p	40.0%	(0.1) p
Operating profit	18,353	19,877	8.3%	19,000	(4.4)%
Operating profit margin	23.3%	23.3%	–	21.1%	(2.2) p

(4) Indicators

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

1) Construction Business

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Orders received (millions of yen) (Note 1)	590,407	596,910	1.1%	620,000	3.9%
Orders in hand (millions of yen) (Note 1)*	787,046	802,454	2.0%	830,000	3.4%
Number of sales representatives in construction*	2,959	2,970	0.4%	3,000	1.0%

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

(Orders)

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Number of buildings ordered	4,952	4,493	(9.3)%	4,620	2.8%
Rental housing	4,847	4,409	(9.0)%	4,600	4.3%
Detached housing	51	60	17.6%	–	–
Commercial use	54	24	(55.6)%	20	(16.7)%
Number of housing units ordered	41,968	38,980	(7.1)%	40,230	3.2%
Rental housing	41,793	38,501	(7.9)%	39,800	3.4%
Detached housing	55	59	7.3%	–	–
Commercial use	120	420	250.0%	430	2.4%
Orders received (millions of yen)	590,407	596,910	1.1%	620,000	3.9%
Rental housing	527,728	511,926	(3.0)%	547,000	6.9%
Detached housing	1,949	2,142	9.9%	–	–
Commercial use	12,832	20,529	60.0%	22,000	7.2%
Repairing construction and other	47,896	62,311	30.1%	51,000	(18.2)%

<By area (excluding commercial use and repairing construction and other)>

Number of buildings ordered	4,898	4,469	(8.8)%	–	–
Greater Tokyo area	851	904	6.2%	–	–
Chubu area	539	507	(5.9)%	–	–
Kinki area	368	417	13.3%	–	–
Other metropolitan areas	3,140	2,641	(15.9)%	–	–
Number of housing units ordered	41,848	38,560	(7.9)%	–	–
Greater Tokyo area	8,826	9,238	4.7%	–	–
Chubu area	3,744	3,569	(4.7)%	–	–
Kinki area	3,296	3,722	12.9%	–	–
Other metropolitan areas	25,982	22,031	(15.2)%	–	–
Orders received (millions of yen)	529,676	514,066	(2.9)%	–	–
Greater Tokyo area	140,771	151,103	7.3%	–	–
Chubu area	47,012	46,748	(0.6)%	–	–
Kinki area	46,614	52,568	12.8%	–	–
Other metropolitan areas	295,279	263,647	(10.7)%	–	–

(Completed construction)

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Number of buildings completed	4,987	5,009	0.4%	4,360	(7.6)%
Rental housing	4,833	4,887	1.1%	4,300	(12.0)%
Detached housing	75	62	(17.3)%	–	–
Commercial use	79	60	(24.1)%	60	–
Number of housing units completed	40,573	42,188	4.0%	37,580	(10.9)%
Rental housing	40,241	41,792	3.9%	37,200	(11.0)%
Detached housing	81	62	(23.5)%	–	–
Commercial use	251	334	33.1%	380	13.8%
Net sales of completed construction contracts (millions of yen)	524,978	576,303	9.8%	583,000	1.2%
Rental housing	464,495	508,276	9.4%	511,200	0.6%
Detached housing	2,455	2,096	(14.6)%	–	–
Commercial use	10,647	20,707	94.5%	20,800	0.4%
Repairing construction and other (Note)	47,380	45,223	(4.6)%	51,000	12.8%

<By area (excluding commercial use and repairing construction and other)>

Number of buildings completed	4,908	4,949	0.8%	–	–
Greater Tokyo area	1,041	946	(9.1)%	–	–
Chubu area	468	526	12.4%	–	–
Kinki area	336	383	14.0%	–	–
Other metropolitan areas	3,063	3,094	1.0%	–	–
Number of housing units completed	40,322	41,854	3.8%	–	–
Greater Tokyo area	9,626	9,039	(6.1)%	–	–
Chubu area	3,314	3,698	11.6%	–	–
Kinki area	3,334	3,843	15.3%	–	–
Other metropolitan areas	24,048	25,274	5.1%	–	–
Net sales of completed construction contracts (millions of yen)	466,951	510,373	9.3%	–	–
Greater Tokyo area	129,656	133,030	2.6%	–	–
Chubu area	38,192	46,852	22.7%	–	–
Kinki area	42,830	48,850	14.1%	–	–
Other metropolitan areas	256,271	281,639	9.9%	–	–

Note: The figures include net sales of completed repairing construction recorded in net sales of the Real Estate Leasing Business, which is 32,544 million yen in the previous fiscal year and 35,328 million yen in the fiscal year.

2) Real Estate Leasing Business

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Number of tenant recruitment (cases) (Note 1)	337,611	344,855	2.1%	348,400	1.0%
Residential properties	335,647	342,933	2.2%	346,500	1.0%
Commercial properties	1,964	1,922	(2.1)%	1,900	(1.1)%
Number of sales representatives in leasing*	1,661	1,715	3.3%	1,600	(6.7)%
Rent basis occupancy rate (March) (Note 2)					
Residential properties	97.9%	97.8%	(0.1) p	97.4%	(0.4) p
Commercial properties	99.4%	99.4%	–	99.3%	(0.1) p
Number-based occupancy rate (Note 3)*					
Residential properties	98.7%	98.8%	0.1 p	–	–
Commercial properties	99.2%	99.1%	(0.1) p	–	–
Number of buildings under management*	192,167	195,893	1.9%	200,100	2.1%
Residential properties	173,604	177,541	2.3%	182,000	2.5%
Commercial properties	18,563	18,352	(1.1)%	18,100	(1.4)%
Number of housing units under management*	1,289,397	1,321,596	2.5%	1,353,000	2.4%
Residential properties	1,255,230	1,287,750	2.6%	1,319,600	2.5%
Commercial properties	34,167	33,846	(0.9)%	33,400	(1.3)%

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

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

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

3) Real Estate Development Business

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Number of investment-purpose condominiums sold (Note 1)	668	727	8.8%	1,250	71.9%
Number of income-generating properties sold					
Purchase and resale	27	54	100.0%	110	103.7%
Development and sale	3	36	1,100.0%	140	288.9%

Note: 1. The number of investment-purpose condominiums sold refers to the number of units sold by the group company INVALANCE Ltd.

4) Other Businesses

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Number of housing units with gas supply*					
LP gas	414,315	432,985	4.5%	451,806	4.3%
Town gas	77,608	80,714	4.0%	83,209	3.1%
Number of day care service facilities*	82	82	–	83	1.2%
Number of nursery schools*	30	27	(10.0)%	27	–
Number of home care and nursing care facilities*	23	23	–	23	–
Average occupancy rate of hotels in Malaysia (Note 1)					
Le Meridien	74.1%	76.5%	2.4 p	77.0%	0.5 p
Hilton	75.9%	80.0%	4.1 p	84.0%	4.0 p

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

5) Other

	FY2024	FY2025	year-on-year % change	FY2026 (Plan)	Planned % change
Total number of consolidated employees*	18,239	18,814	3.2%	19,000	1.0%
Total number of non-consolidated employees*	8,172	8,299	1.6%	8,500	2.4%
Capital expenditure (millions of yen)					
Consolidated	20,350	29,921	47.0%	29,000	(3.1)%
Non-consolidated	5,002	10,719	114.3%	10,400	(3.0)%