

## 3Q Financial Highlights, Year ending March 31, 2011



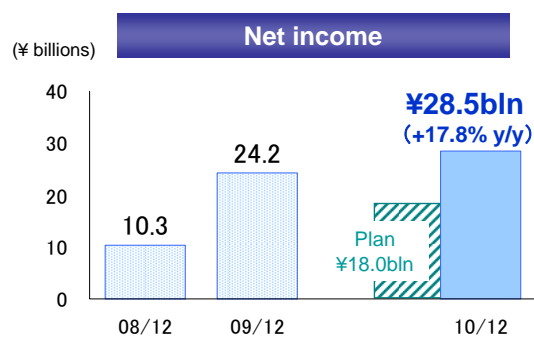
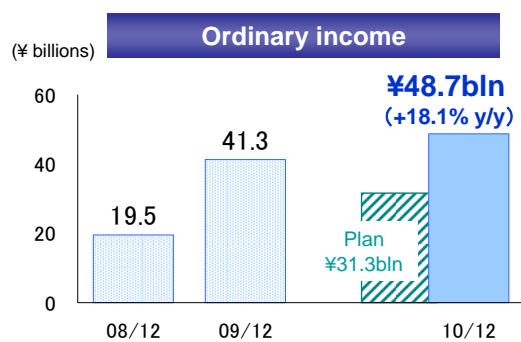
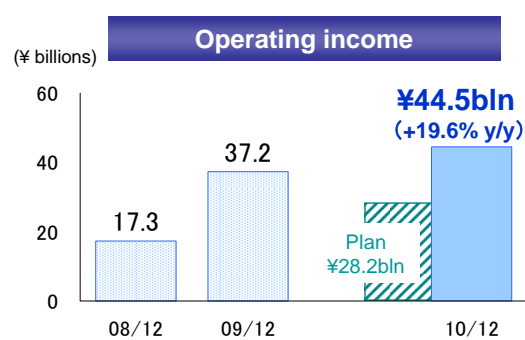
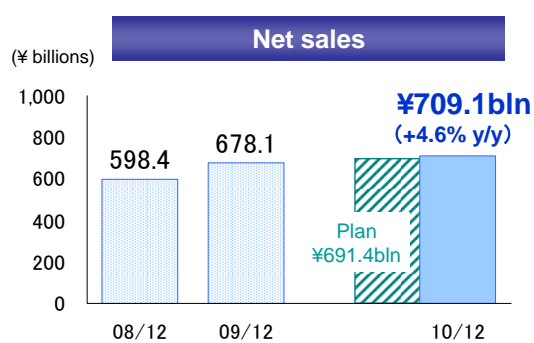
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# I . 3Q Financial Results

## I -1 Income summary



## I -2 Income summary by segment (Construction)

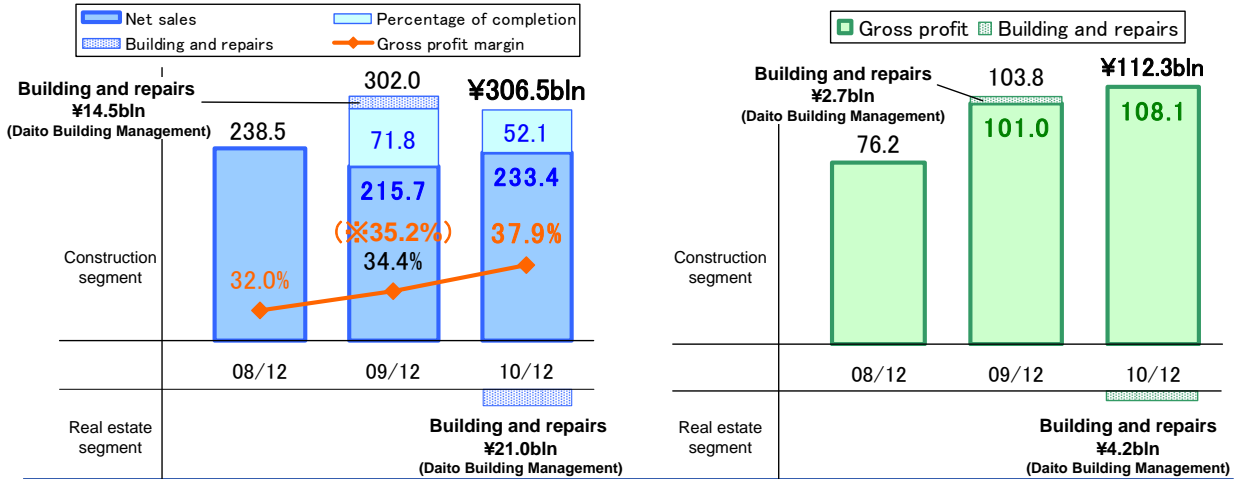
(¥billions)

	3Q FY09	3Q FY10	(y / y)
Net sales	302.0	285.5	(- 5.5%)
Gross profit	103.8	108.1	(+ 4.1%)
Gross profit margin	34.4% ※35.2%	37.9%	[+ 3.5p] ※[+ 2.7p]

Because of the revision of accounting standard by "management approach", segment of "building and repairs" of Daito Building Management is changed from "Construction" to "Real estate" since FY 2010.

[ ] : Difference from previous same period

※Gross profit margin excluded building & repairs (Same basis with FY2010)



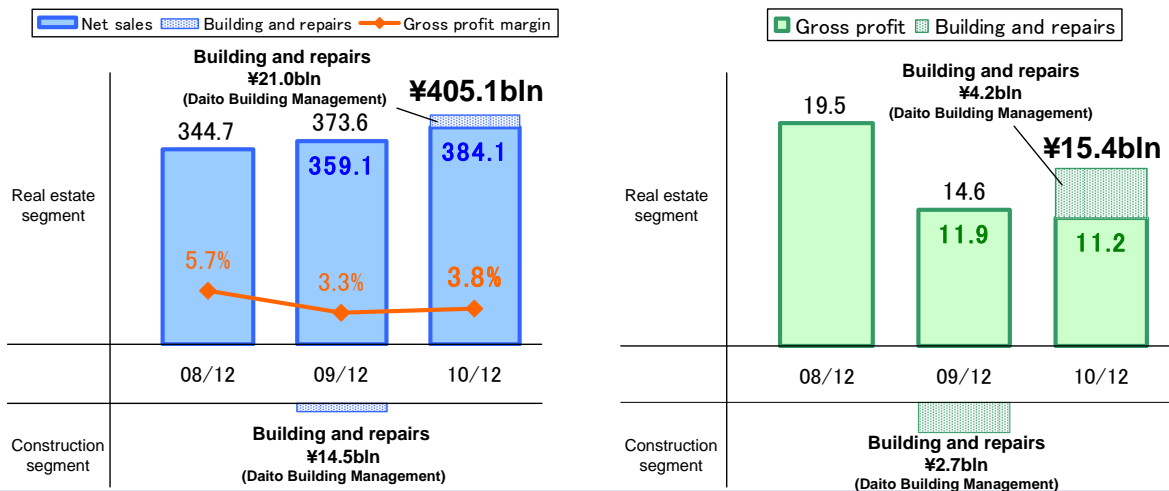
## I -3 Income summary by segment (Real estate)

(¥billions)

	3Q FY09	3Q FY10	(y / y)
Net sales	359.1	405.1	(+ 12.8%)
Gross profit	11.9	15.4	(+ 30.1%)
Gross profit margin	3.3%	3.8%	[+ 0.5p]

Because of the revision of accounting standard by "management approach", segment of "building and repairs" of Daito Building Management is changed from "Construction" to "Real estate" since FY 2010.

[ ] : Difference from previous same period

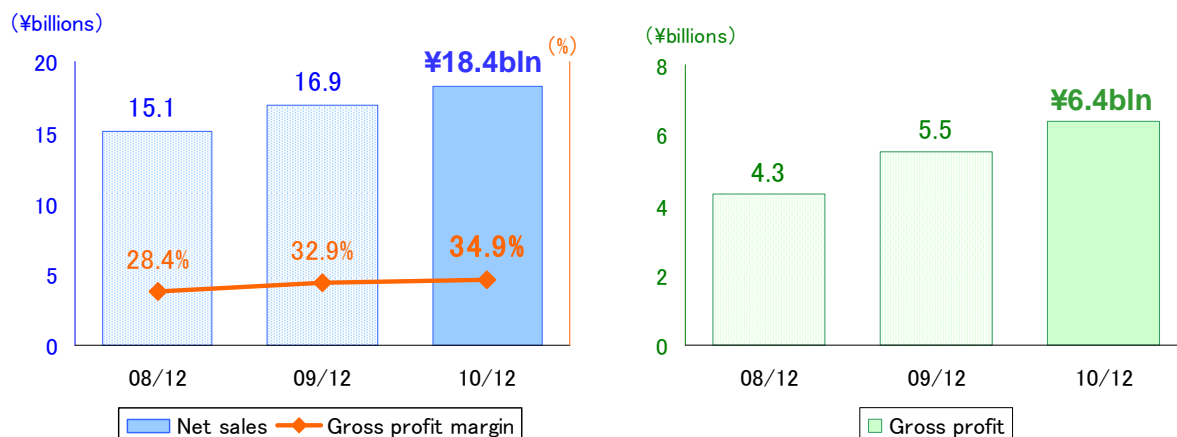


## I -4 Income summary by segment (Others)

(¥billions)

	3Q FY09	3Q FY10	(y / y)
Net sales	16.9	18.4	(+ 8.4%)
Gross profit	5.5	6.4	(+ 15.0%)
Gross profit margin	32.9%	34.9%	[+ 2.0p]

[ ] : Difference from previous same period

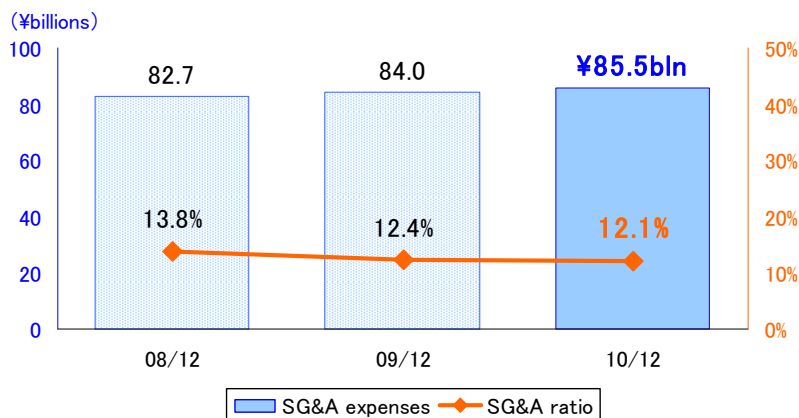


## I -5 Selling, general and administrative expenses

(¥ billion)

	3Q FY09	3Q FY10	(y / y)
SG&A expenses	84.0	85.5	(+ 1.7%)
SG&A ratio	12.4%	12.1%	[- 0.3p]

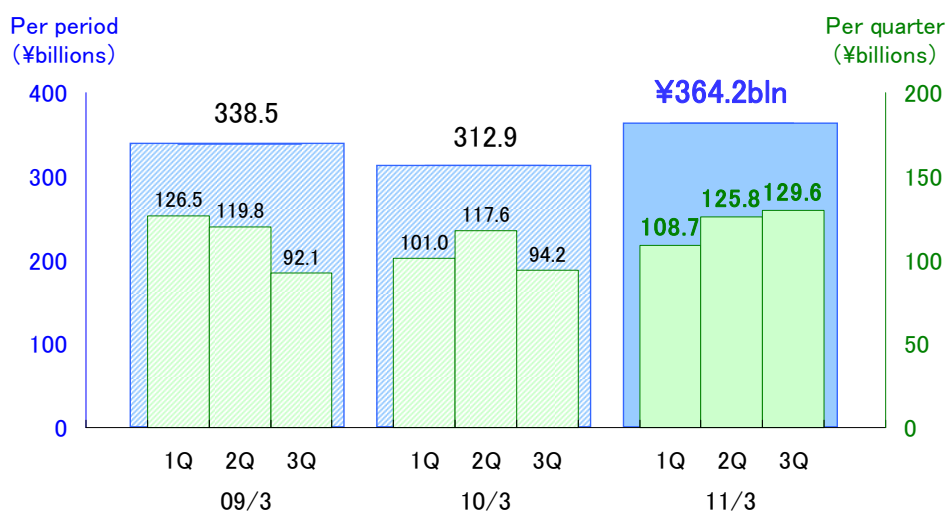
[ ] : Difference from previous same period



## II . Orders received

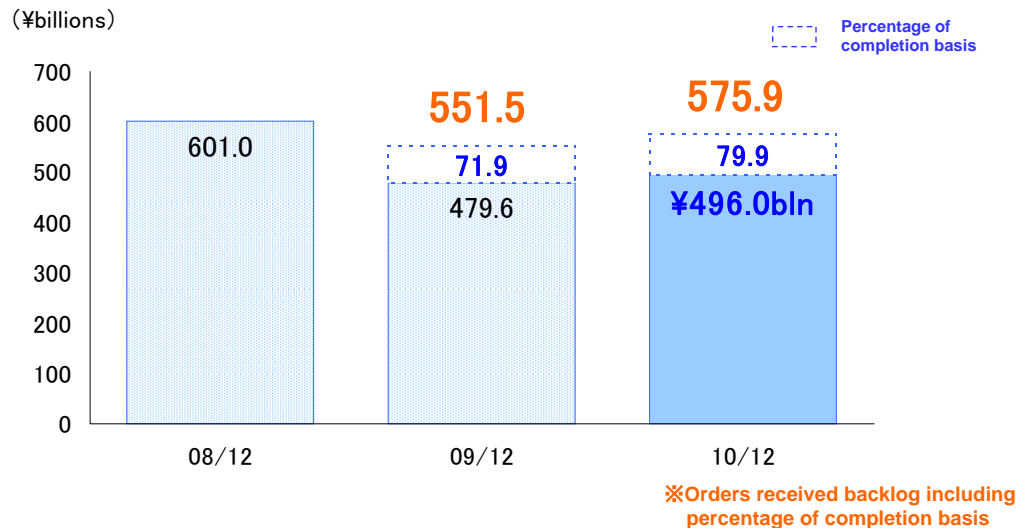
### II -1 Orders received

◇Orders received **¥364.2bln (116.4% y/y)**



## II -2 Orders received backlog

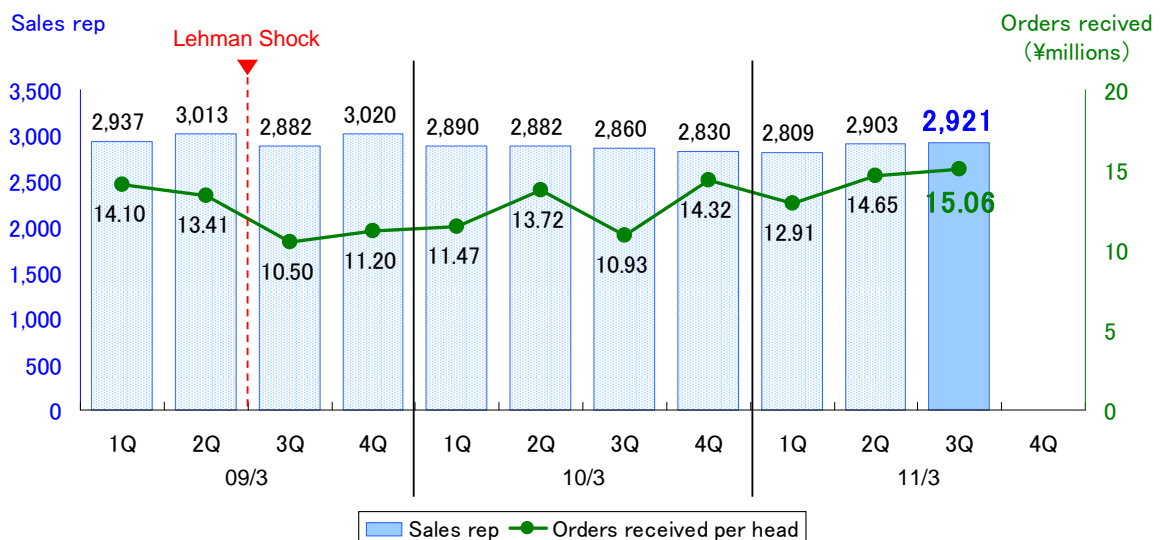
◇Orders received backlog **¥496.0bln (103.4% y/y)**



## II -3 Sales rep and sales efficiency (Quarterly comparison)

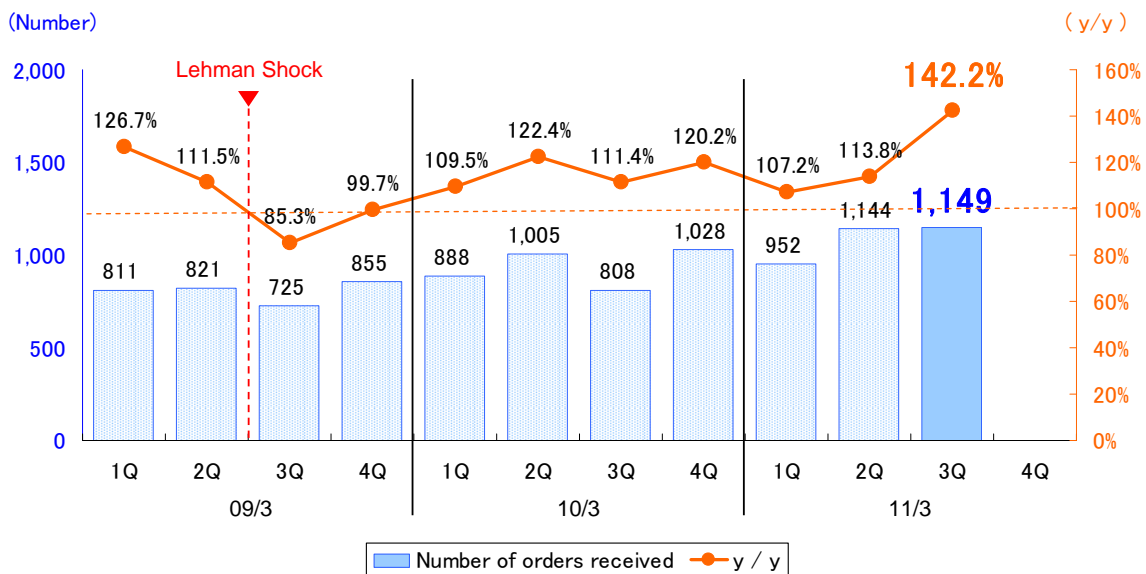
◇Number of sales reps **2,921 (+61 y/y)**

◇Orders received per head **¥15.06mln/month (+¥4.13mln y/y)**



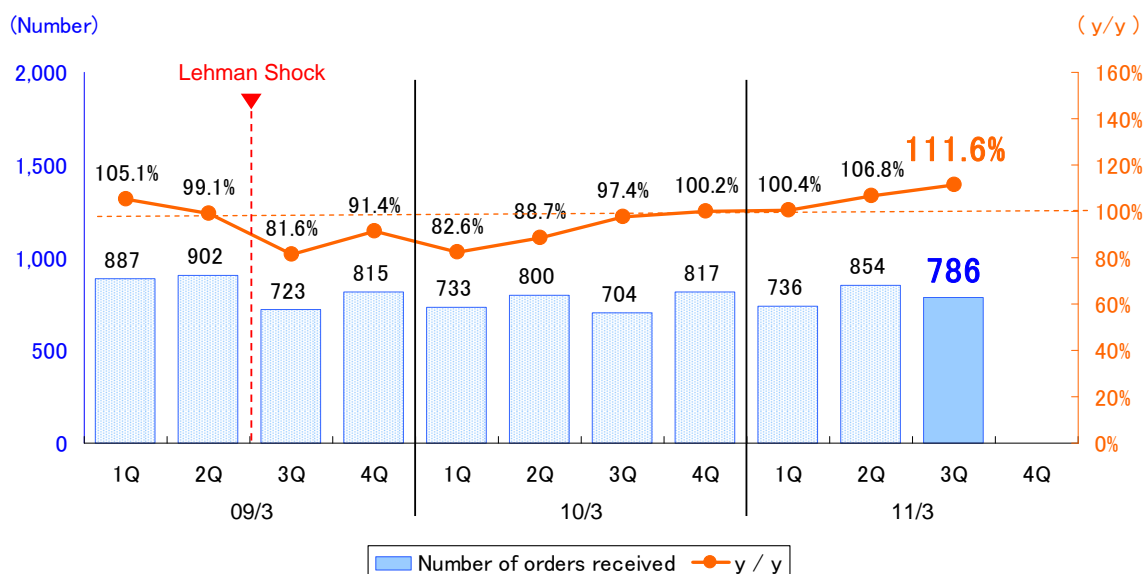
## II -4 Number of orders received by repeat & introduction (Quarterly comparison)

### ◇Number of orders received by repeat & introduction 1,149 (142.2% y/y)



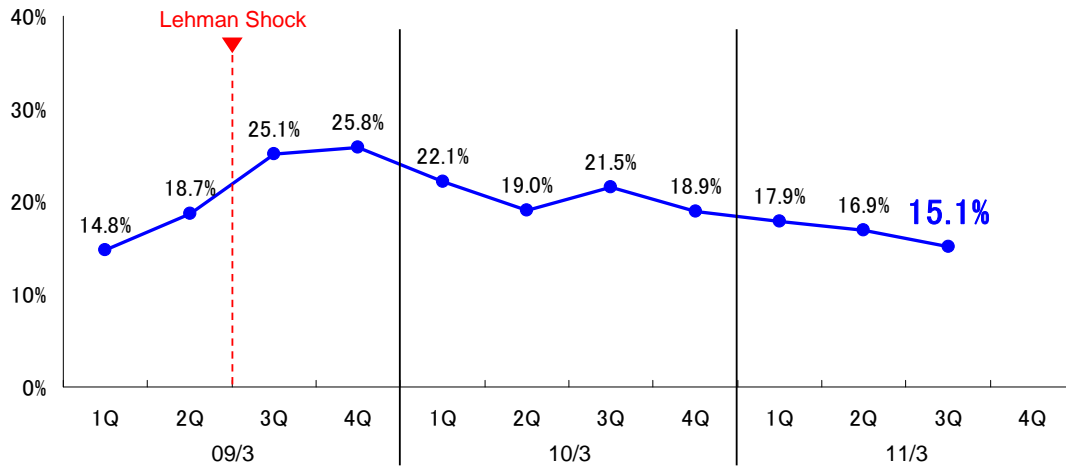
## II -5 Number of orders received by new customers (Quarterly comparison)

### ◇Number of orders received by new customers 786 (111.6% y/y)



## II -6 Cancellation rate (Quarterly comparison)

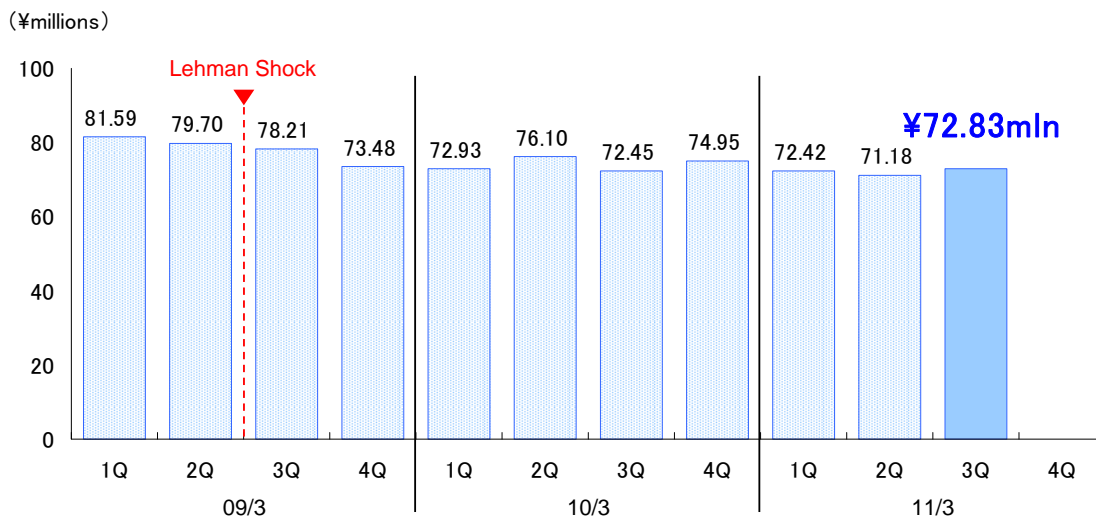
◇ Cancellation rate **15.1%** ( - 6.4p y/y)



※ Cancellation rate = the amount of cancellation / the amount of new orders received  
 Orders received = the amount of new orders received - the amount of cancellation

## II -7 Unit price (Quarterly comparison)

◇ Unit price **¥72.83mIn** (+¥0.38mIn)

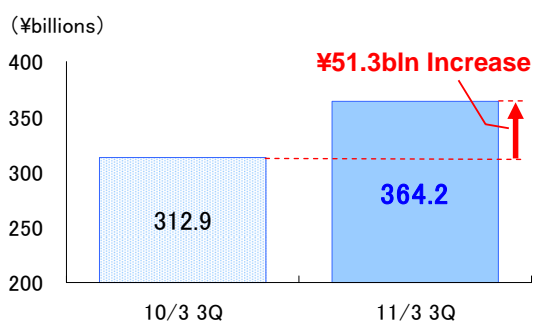


※ Unit price = the amount of new orders received / the number of orders received

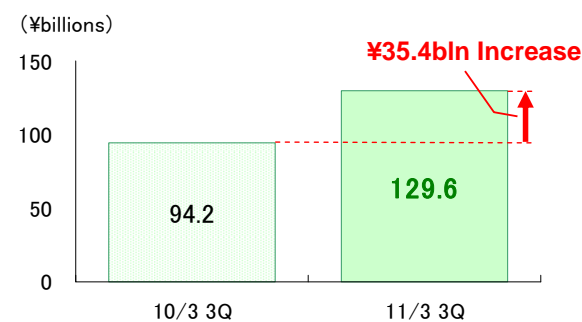


## II -8 Comparison with FY2009

### Comparison with 1Q-3Q

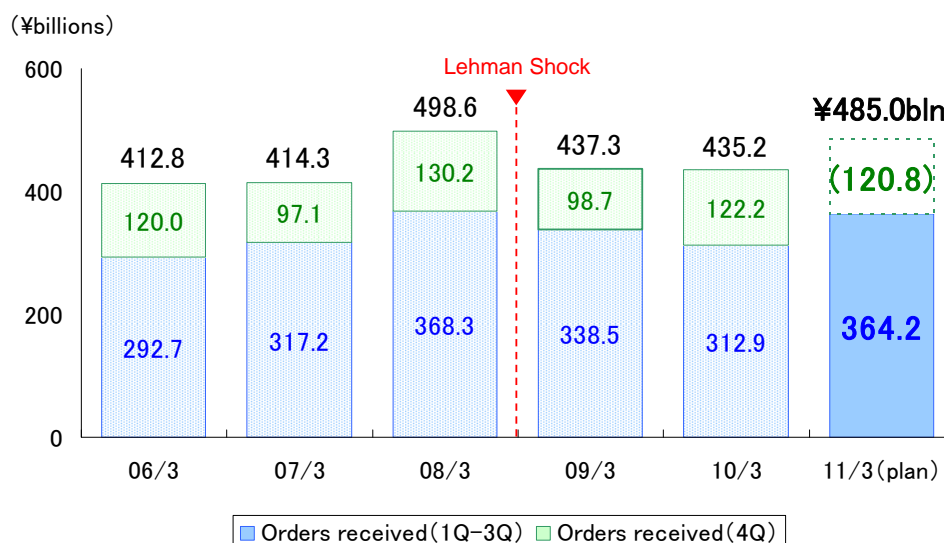


### Comparison with 3Q



## II -9 Orders received plan

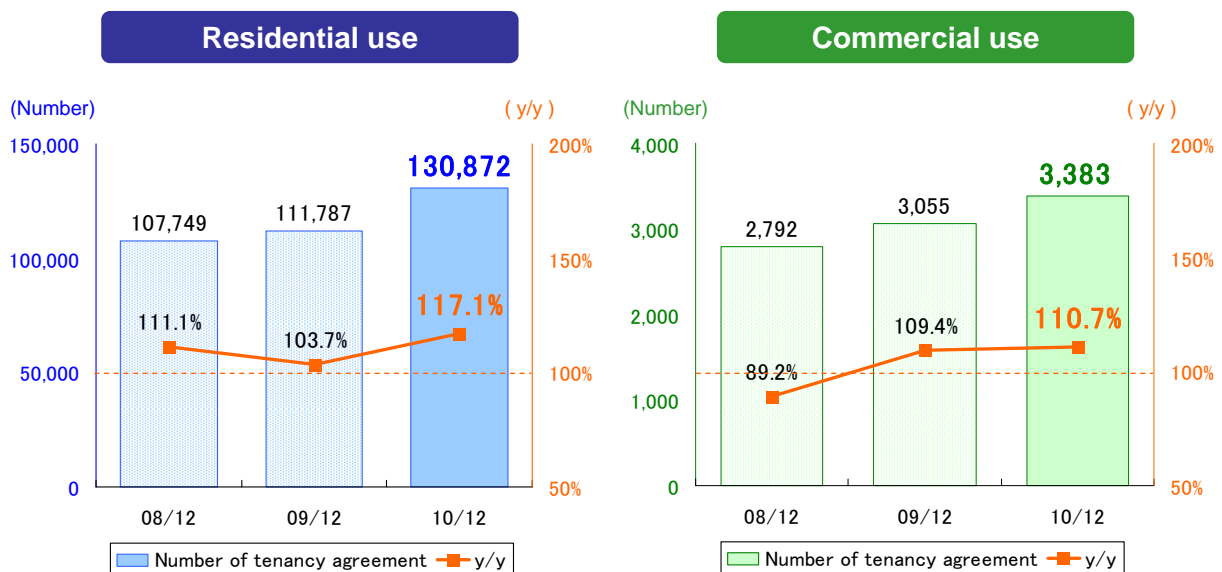
### ◇Orders received plan ¥485.0bln (111.4% y/y)



### Ⅲ. Occupancy rate

#### Ⅲ-1 Tenancy agreement

◇ Tenancy agreement 134,255 (116.9% y/y)



### III-2 Rent basis occupancy rate※ (Comparison with Dec.)

Residential use 94.8% (+1.2p y/y)

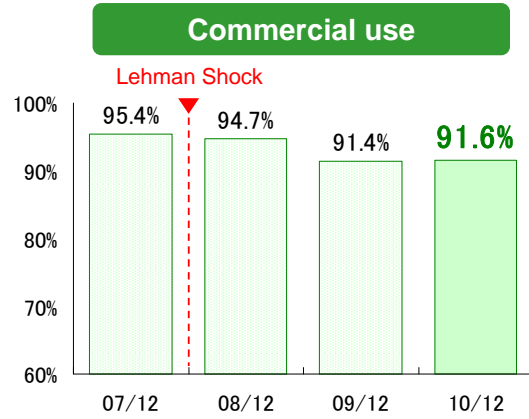
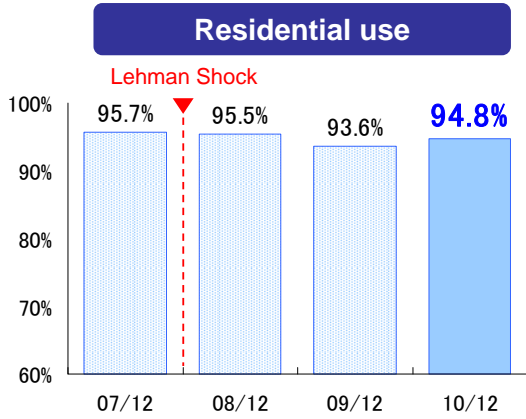
7,500 units Improvement

$$622,200 \text{ units} \times 1.2\% \doteq 7,500$$

Commercial use 91.6% (+0.2p y/y)

80 units Improvement

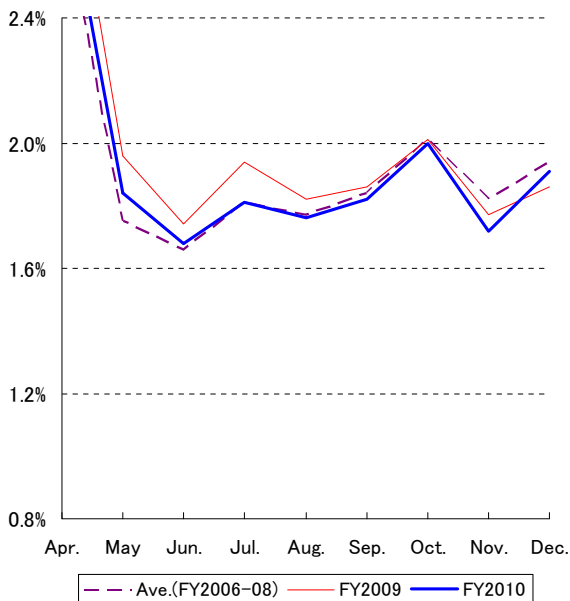
$$39,000 \text{ units} \times 0.2\% \doteq 80$$



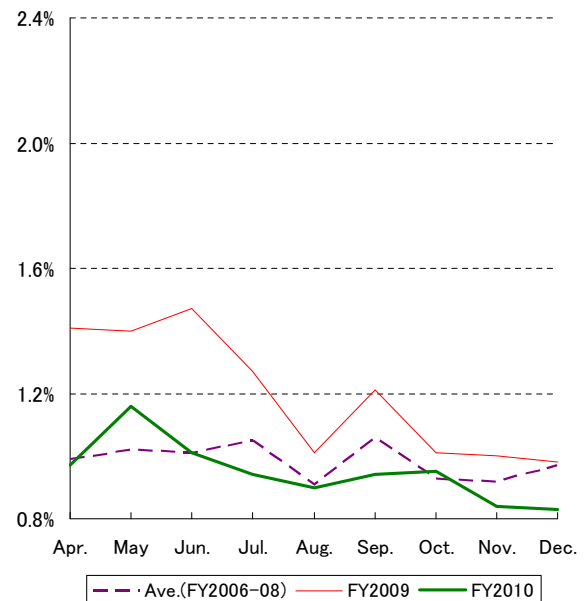
※ Rent basis occupancy rate = 1 - (rent guarantee for vacant rooms / total rent)

### III-3 The rate of moving out

Residential use



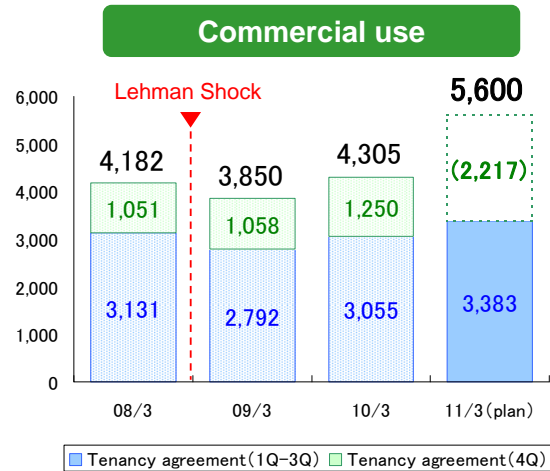
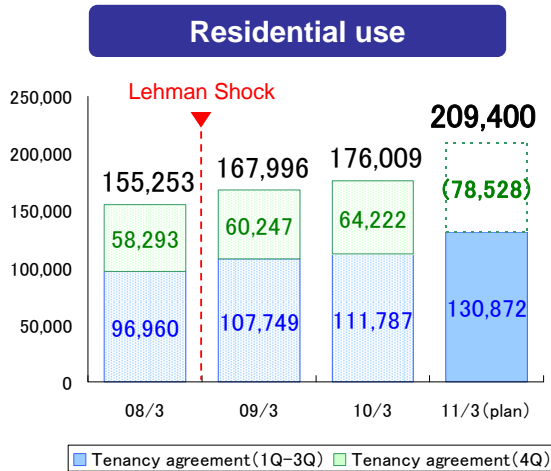
Commercial use



### III-4 Tenancy agreement plan

◇ Tenancy agreement plan 215,000 (119.2% y/y)

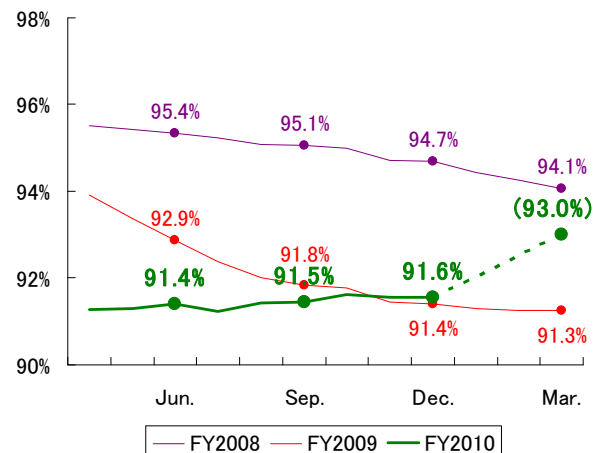
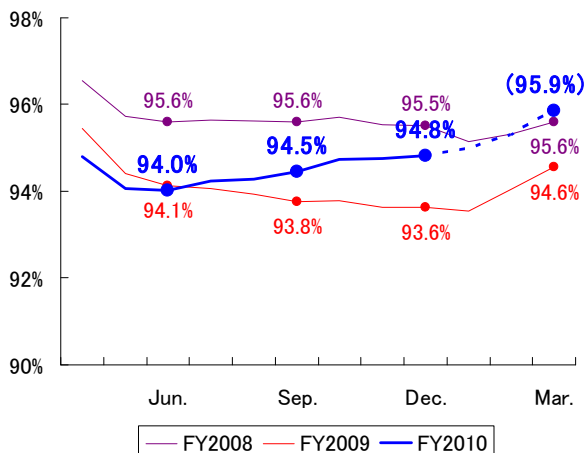
Plan for required tenancy agreement ⇒ 80,745  
Residential use : 78,528 Commercial use : 2,217



### III-5 Occupancy rate plan

Occupancy rate for residential use  
at the end of FY2010  
95.9% (+1.3p y/y)

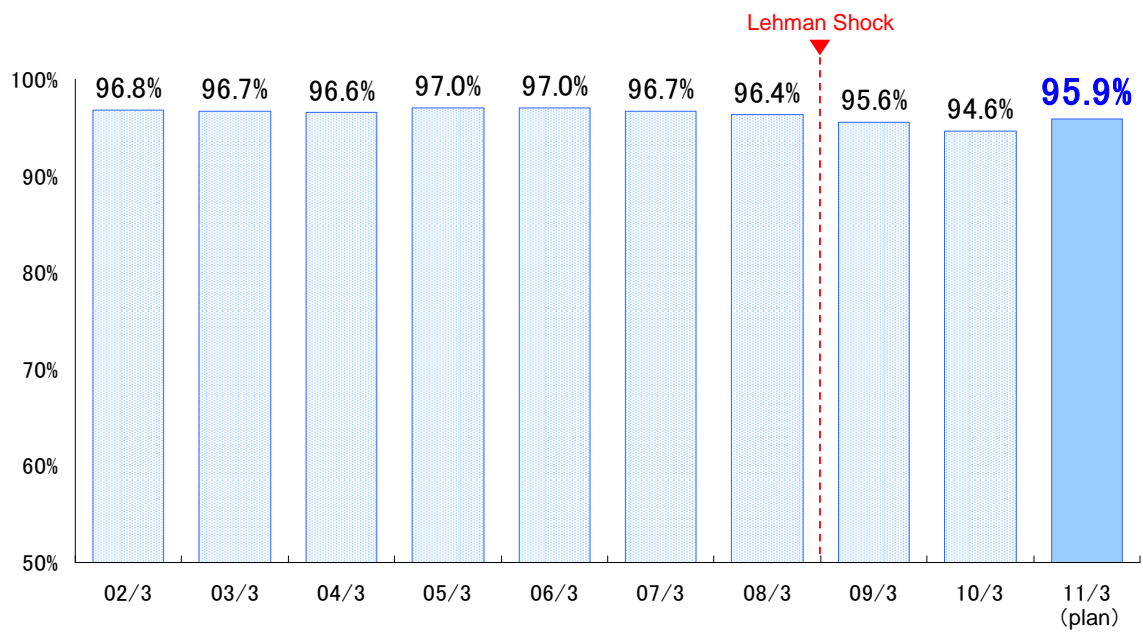
Occupancy rate for commercial use  
at the end of FY2010  
93.0% (+1.7p y/y)



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

### III-6 Occupancy rate plan for residential use

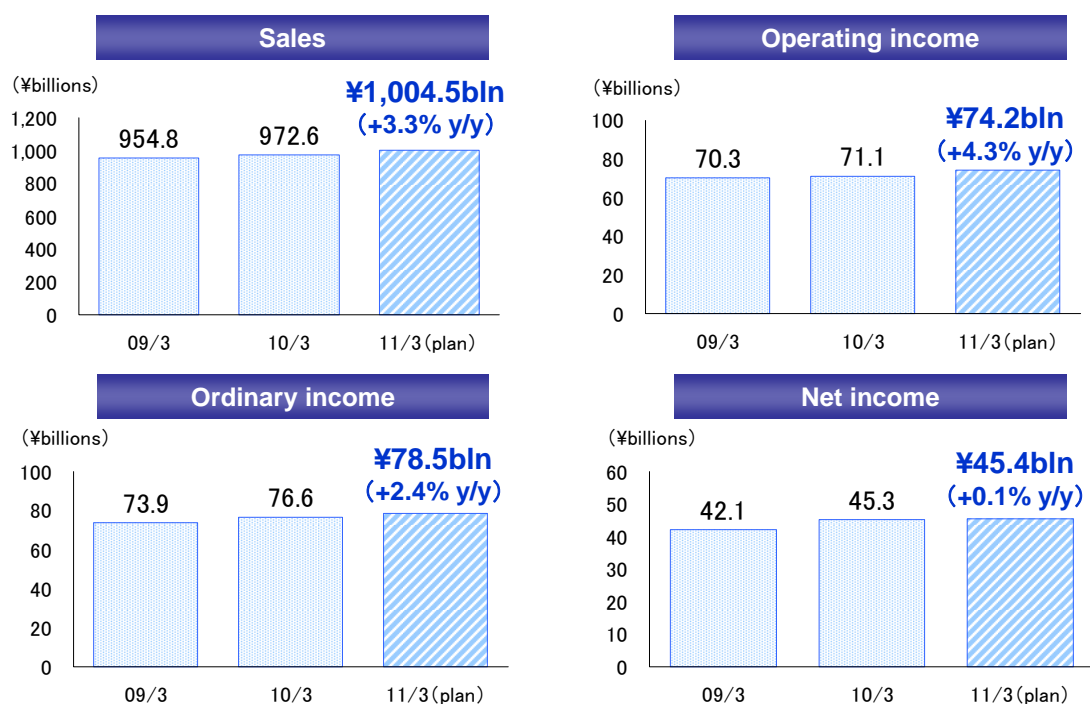
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## IV. Financial Forecasts

## IV-1 Financial forecast

### The original plan revised upward



## IV-2 Financial forecast (Comparison with the original plan)

(¥ millions)

	Original	Revised	Ratio	Fluctuation
<b>Sales</b>	1,023,900	<b>1,004,500</b>	- 1.9%	- 19,400
Construction	449,000	433,300	- 3.5%	- 15,700
Real estate	549,600	545,900	- 0.7%	- 3,700
Other	25,300	25,300	—	—
<b>Gross profit</b>	190,600	<b>192,700</b>	+ 1.1%	+ 2,100
Construction	161,600	164,400	+ 1.7%	+ 2,800
Real estate	20,100	19,200	- 4.5%	- 900
Other	8,900	9,100	+ 2.2%	+ 200
<b>SG &amp; A expenses</b>	118,600	<b>118,500</b>	- 0.1%	- 100
<b>Operating income</b>	72,000	<b>74,200</b>	+ 3.1%	+ 2,200
<b>Ordinary income</b>	77,000	<b>78,500</b>	+ 1.9%	+ 1,500
<b>Net income</b>	45,400	<b>45,400</b>	—	—

## V. Appendix

### V-1 Non-consolidated statement of income

(¥ millions)

	3Q FY10	3Q FY09	y / y	plan (year)
<b>Net sales</b>	<b>308,447</b>	320,486	<b>- 3.8%</b>	<b>463,900</b>
Construction	289,909	293,731	- 1.3%	438,300
<u>Real estate &amp; others</u>	18,538	26,754	- 30.7%	25,600
<b>Gross profit</b>	<b>105,586</b>	104,063	<b>+ 1.5%</b>	<b>162,900</b>
Construction	108,951	101,865	+ 7.0%	166,100
<u>Real estate &amp; others</u>	- 3,364	2,197	—	- 3,200
<b>SG &amp; A expenses</b>	<b>71,269</b>	70,689	<b>+ 0.8%</b>	<b>99,600</b>
<b>Operating income</b>	<b>34,317</b>	33,374	<b>+ 2.8%</b>	<b>63,300</b>
<b>Ordinary income</b>	<b>38,856</b>	43,983	<b>- 11.7%</b>	<b>68,500</b>
<b>Net income</b>	<b>22,535</b>	28,420	<b>- 20.7%</b>	<b>39,200</b>

## V-2 Financial summaries of major subsidiaries ① (Construction)

( ¥ millions )

	Construction business							
	Daito Construction				Daito Steel			
	3Q FY10	3Q FY09	y / y	plan (year)	3Q FY10	3Q FY09	y / y	plan (year)
<b>Net sales</b>	<b>3,297</b>	287	—	<b>5,486</b>	<b>2,214</b>	2,298	- 3.7%	<b>3,307</b>
Gross profit	199	14	—	338	96	131	- 26.7%	142
SG&A expenses	59	231	- 74.5%	75	53	59	- 10.2%	74
<b>Operating income</b>	<b>140</b>	- 216	—	<b>263</b>	<b>43</b>	71	- 39.4%	<b>68</b>
<b>Ordinary income</b>	<b>173</b>	- 190	—	<b>305</b>	<b>41</b>	70	- 41.4%	<b>65</b>
<b>Net income</b>	<b>172</b>	- 191	—	<b>304</b>	<b>26</b>	41	- 36.6%	<b>41</b>

## V-3 Financial summaries of major subsidiaries ② ( Real estate )

( ¥ millions )

	Real estate business							
	Daito Building Management				Housecom			
	3Q FY10	3Q FY09	y / y	plan (year)	3Q FY10	3Q FY09	y / y	plan (year)
<b>Net sales</b>	<b>386,285</b>	352,469	+ 9.6%	<b>519,209</b>	<b>5,064</b>	5,002	+ 1.2%	<b>7,629</b>
Gross profit	16,490	10,778	+ 53.0%	18,361	5,064	5,002	+ 1.2%	7,629
SG&A expenses	7,661	7,293	+ 5.0%	10,361	5,098	5,011	+ 1.7%	7,111
<b>Operating income</b>	<b>8,828</b>	3,484	+ 153.4%	<b>7,999</b>	<b>- 33</b>	- 8	—	<b>518</b>
<b>Ordinary income</b>	<b>9,189</b>	3,775	+ 143.4%	<b>8,419</b>	<b>- 31</b>	- 12	—	<b>650</b>
<b>Net income</b>	<b>5,317</b>	2,205	+ 141.1%	<b>4,873</b>	<b>- 62</b>	- 31	—	<b>343</b>



## V-4 Financial summaries of major subsidiaries ③ (Others - 1)

( ¥ millions )

	Other business (Financial business)								Other business (other)			
	Daito Finance				D.T.C				House Leave			
	3Q FY10	3Q FY09	y/y	plan (year)	3Q FY10	3Q FY09	y/y	plan (year)	3Q FY10	3Q FY09	y/y	plan (year)
<b>Net sales</b>	<b>1,235</b>	1,369	- 9.8%	<b>1,610</b>	<b>1,706</b>	1,640	+ 4.0%	<b>2,348</b>	<b>953</b>	535	+78.1 %	<b>1,344</b>
Gross profit	751	874	- 14.1%	977	609	580	+ 5.0%	823	645	242	+166.5%	896
SG&A expenses	145	129	+ 12.4%	184	7	7	± 0.0%	9	116	53	+118.9%	161
<b>Operating income</b>	<b>605</b>	744	- 18.7%	793	<b>602</b>	573	+ 5.1%	814	<b>528</b>	189	+179.4%	735
<b>Ordinary income</b>	<b>614</b>	750	- 18.1%	804	<b>606</b>	583	+ 3.9%	819	<b>528</b>	189	+179.4%	736
<b>Net income</b>	<b>355</b>	438	- 18.4%	466	<b>606</b>	583	+ 3.9%	819	<b>316</b>	103	+206.8%	421

## V-5 Financial summaries of major subsidiaries ④ (Others - 2)

( ¥ millions )

	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	3Q FY10	3Q FY09	y/y	plan (year)	3Q FY10	3Q FY09	y/y	plan (year)	3Q FY10	3Q FY09	y/y	plan (year)
<b>Net sales</b>	<b>4,641</b>	4,092	+ 13.4%	<b>6,147</b>	<b>10,842</b>	9,562	+ 13.4%	<b>16,346</b>	<b>1,496</b>	1,319	+ 13.4%	<b>1,831</b>
Gross profit	950	704	+ 34.9%	1,236	2,346	1,826	+ 28.5%	3,630	688	530	+ 29.8%	868
SG&A expenses	819	770	+ 6.4%	1,056	1,843	1,643	+ 12.2%	2,536	540	490	+ 10.2%	658
<b>Operating income</b>	<b>130</b>	- 65	—	180	<b>503</b>	182	+176.4%	1,092	<b>147</b>	39	+276.9%	210
<b>Ordinary income</b>	<b>49</b>	13	+276.9%	64	<b>506</b>	182	+178.0%	1,100	<b>792</b>	- 37	—	793
<b>Net income</b>	<b>38</b>	1,802	- 97.9%	50	<b>558</b>	175	+218.9%	889	<b>792</b>	- 39	—	793

## V-6 Sales Structure of Real estate business

( ¥ millions )

	08/12		09/12		10/12		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	y / y
Brokerage	7,388	(2.1%)	7,690	(2.1%)	<b>7,855</b>	(1.9%)	<b>+ 2.1%</b>
Management service	334	(0.1%)	343	(0.1%)	<b>305</b>	(0.1%)	<b>- 10.9%</b>
Sub-lease ※ <sup>1</sup>	16,606	(4.8%)	12,103	(3.4%)	<b>8,001</b>	(2.0%)	<b>- 33.9%</b>
Whole-building lease ※ <sup>2</sup>	314,345	(91.2%)	333,702	(92.9%)	<b>361,926</b>	(89.3%)	<b>+ 8.5%</b>
Lease business ※ <sup>3</sup>	5,111	(1.5%)	4,888	(1.4%)	<b>4,510</b>	(1.1%)	<b>- 7.7%</b>
Others	951	(0.3%)	419	(0.1%)	<b>1,538</b>	(0.4%)	<b>+ 266.4%</b>
Building and repairs ※ <sup>4</sup>	—		—		<b>21,046</b>	(5.2%)	—
Total	344,739	(100.0%)	359,147	(100.0%)	<b>405,184</b>	(100.0%)	<b>+ 12.8%</b>

※<sup>1</sup> Sub-lease contract by Daito Trust Construction (Contracted from 1994-2000)

※<sup>2</sup> Sub-lease contract as Lease Management Trust System by Daito Building Management

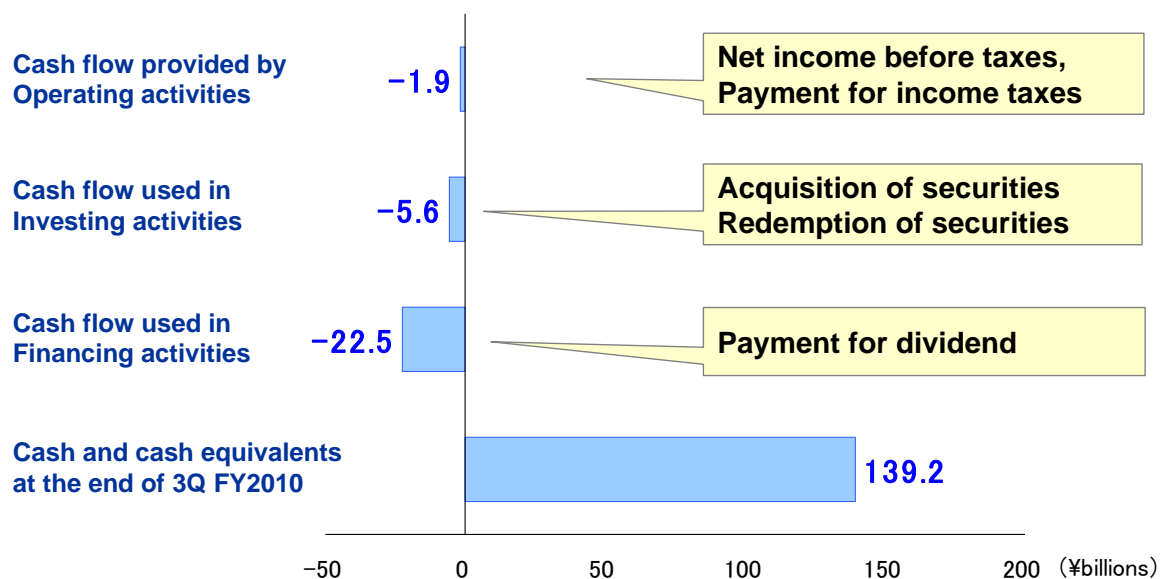
※<sup>3</sup> Mainly Shinagawa East One Tower

※<sup>4</sup> Building and repairs by Daito Building Management (recorded sales on construction till FY2009)

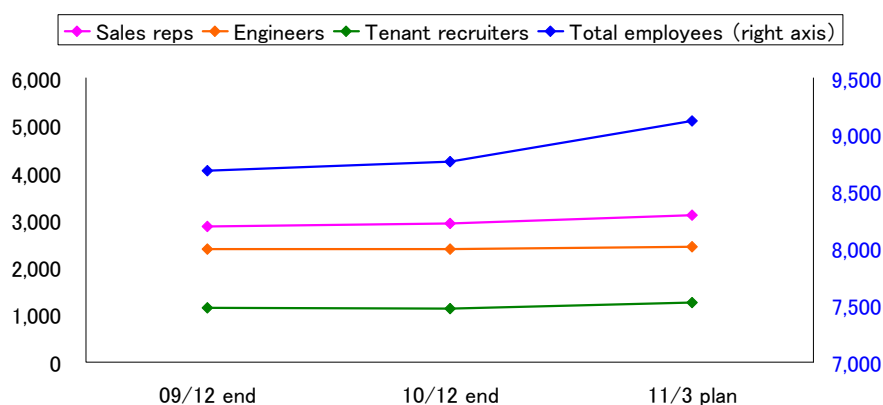
## V-7 Financial conditions

3Q FY2010				End of FY2009			
				(¥billions)			
Current assets	<b>353.1</b> (- 23.2)	Current liabilities	<b>135.8</b> (- 31.0)	Current assets	<b>376.3</b>	Current liabilities	<b>166.9</b>
		Noncurrent liabilities	<b>86.8</b> (+ 8.2)			Noncurrent liabilities	<b>78.5</b>
		Total liabilities	<b>222.6</b> (- 22.8)			Total liabilities	<b>245.4</b>
Noncurrent assets	<b>187.3</b> (+ 5.5)	Net assets	<b>317.8</b> (+ 5.1)	Noncurrent assets	<b>181.7</b>	Net assets	<b>312.6</b>
Total	<b>540.4</b> (- 17.6)	Total	<b>540.4</b>	Total	<b>558.1</b>	Total	<b>558.1</b>
BPS				BPS			
<b>¥2,743.51</b>				<b>¥2,700.97</b>			
Equity ratio				Equity ratio			
<b>58.6%</b>				<b>55.8%</b>			

## V-8 Cash flows

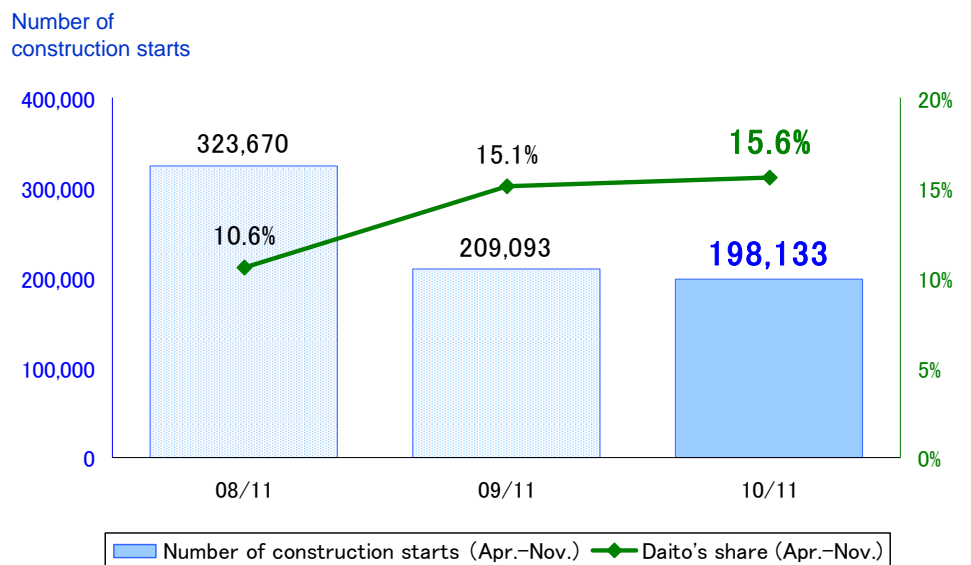


## V-9 Number of employees by each occupations (Non-consolidated)



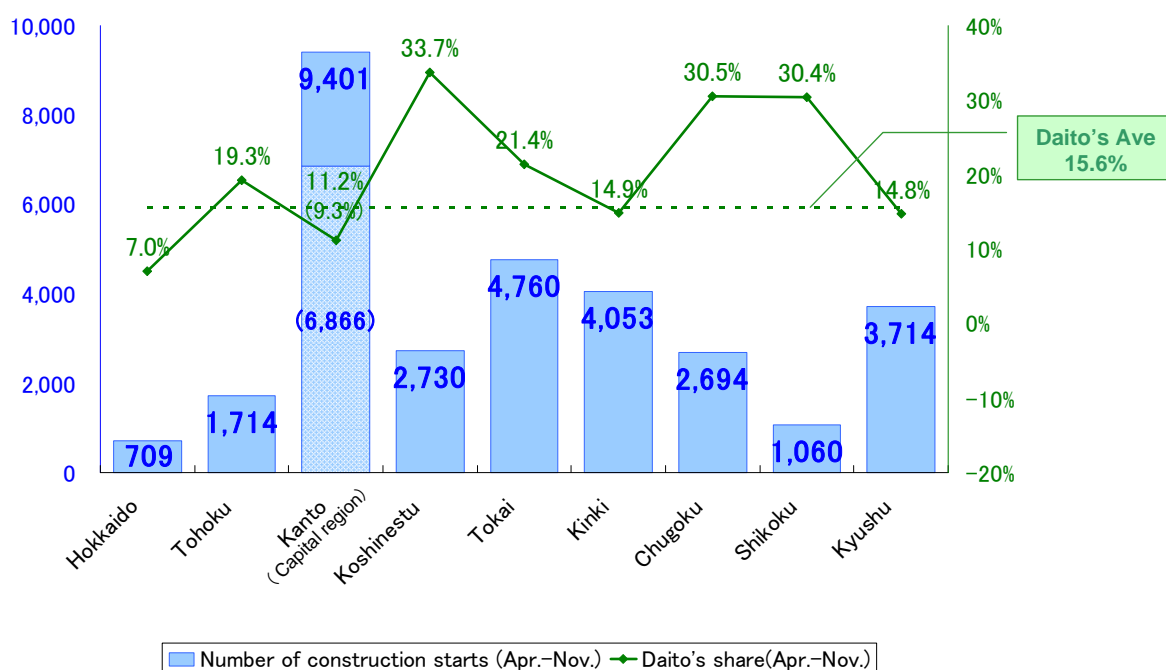
	09/12 end	10/12 end	y / y	11/3 plan
Total employees	8,686	8,761	+75	9,120
Sales reps	2,860	2,921	+61	3,100
Engineers	2,389	2,393	+4	2,432
Tenant recruiters	1,153	1,127	- 26	1,260

## V-10 Number of construction starts & Daito's share

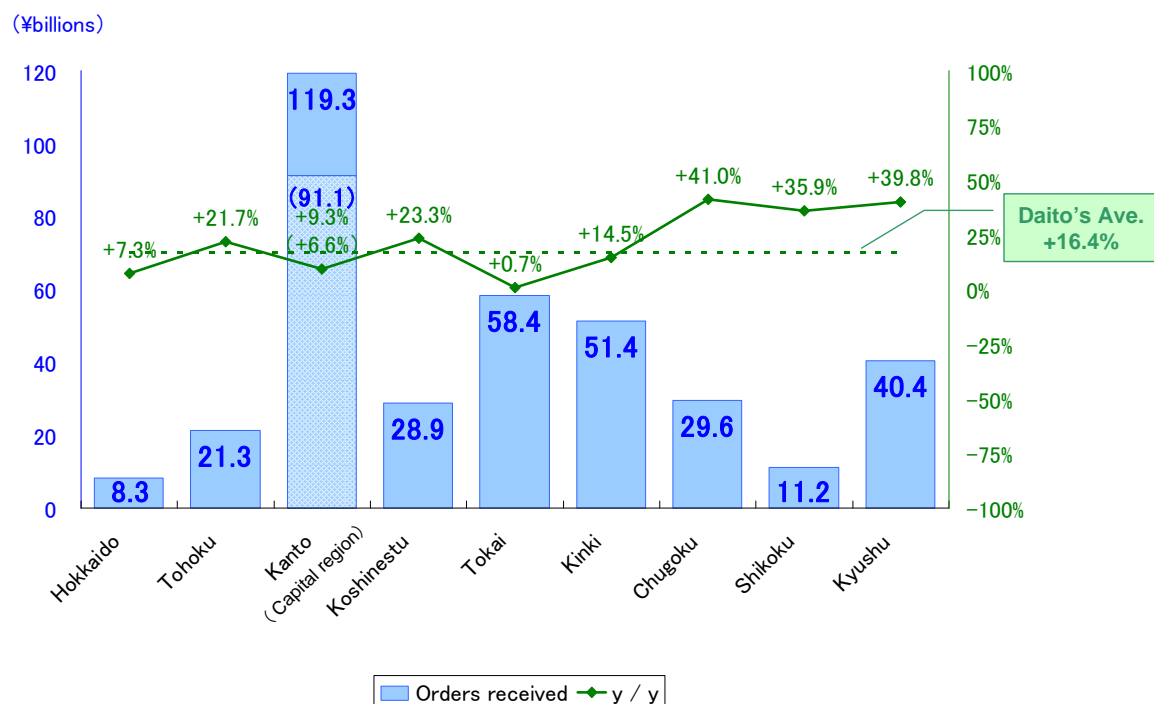


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

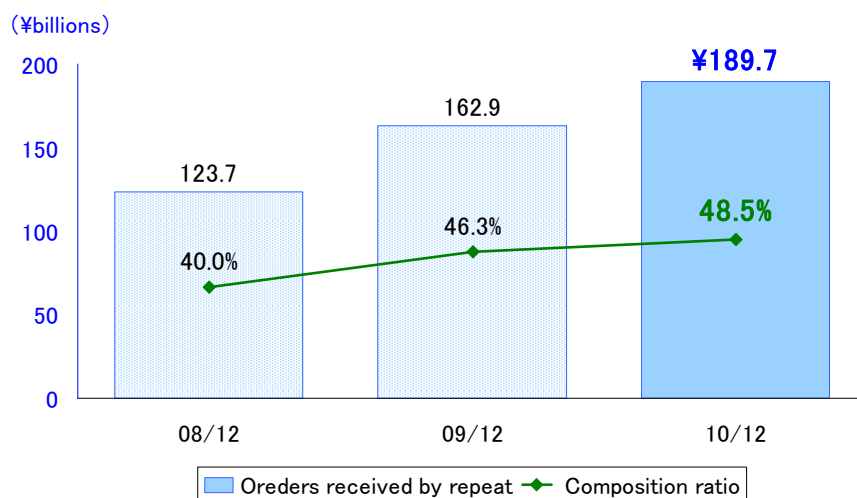
## V-11 Number of construction starts by area & Daito's share



## V-12 Orders received by area



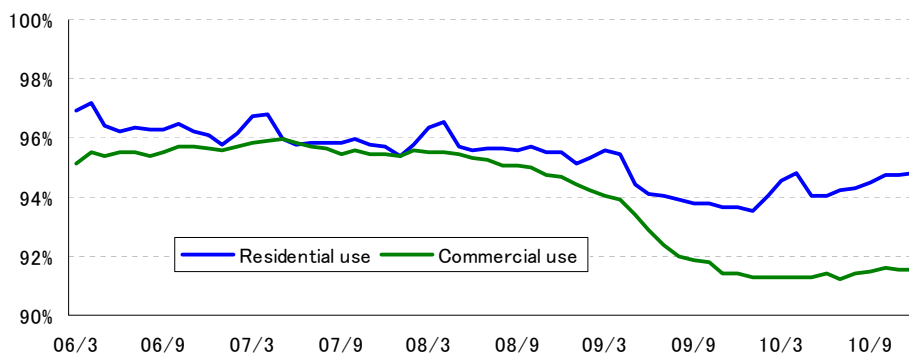
## V-13 Orders received by repeat



$$\text{Composition ratio} = \frac{\text{Number of orders received by repeat from our existing customers}}{\text{Total number of orders received}}$$

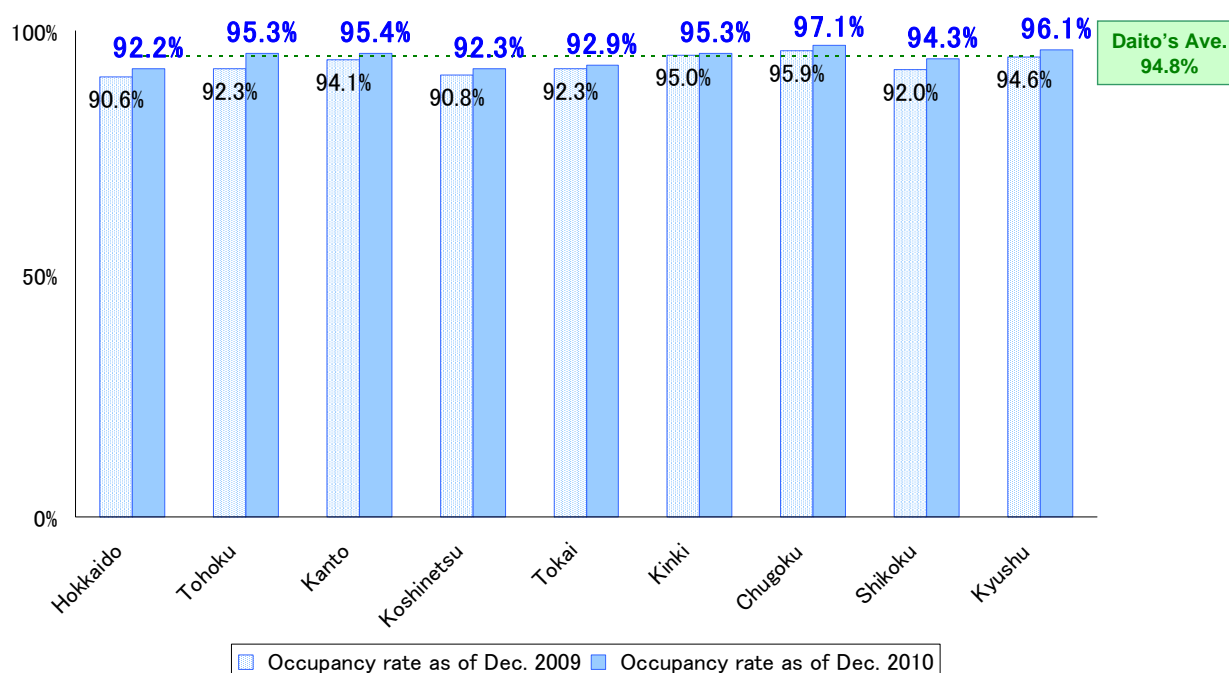
## V-14 Rent basis occupancy rate

Rent basis  
occupancy rate

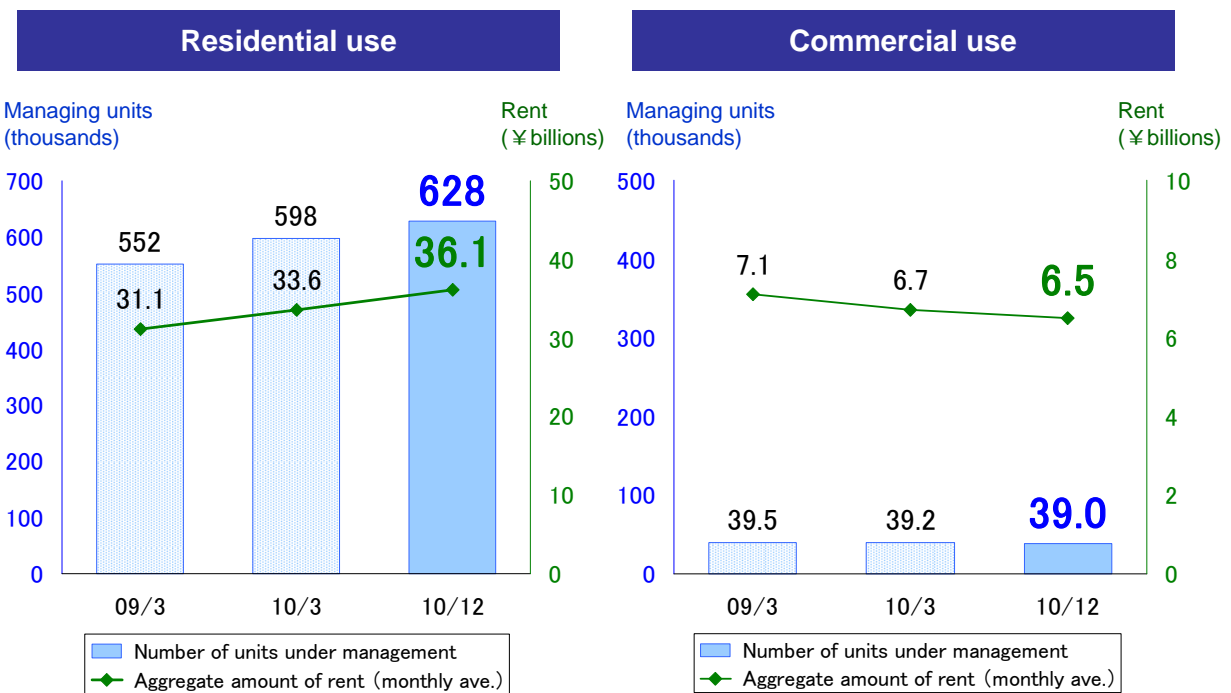


Rent basis occupancy rate	06/12	07/12	08/12	09/12	10/12	y / y
Residential use (%)	96.1%	95.7%	95.5%	93.6%	94.8%	+1.2p
Commercial use (%)	95.7%	95.4%	94.7%	91.4%	91.6%	+0.2p

## V-15 Rent basis occupancy rate by area (Residential use)

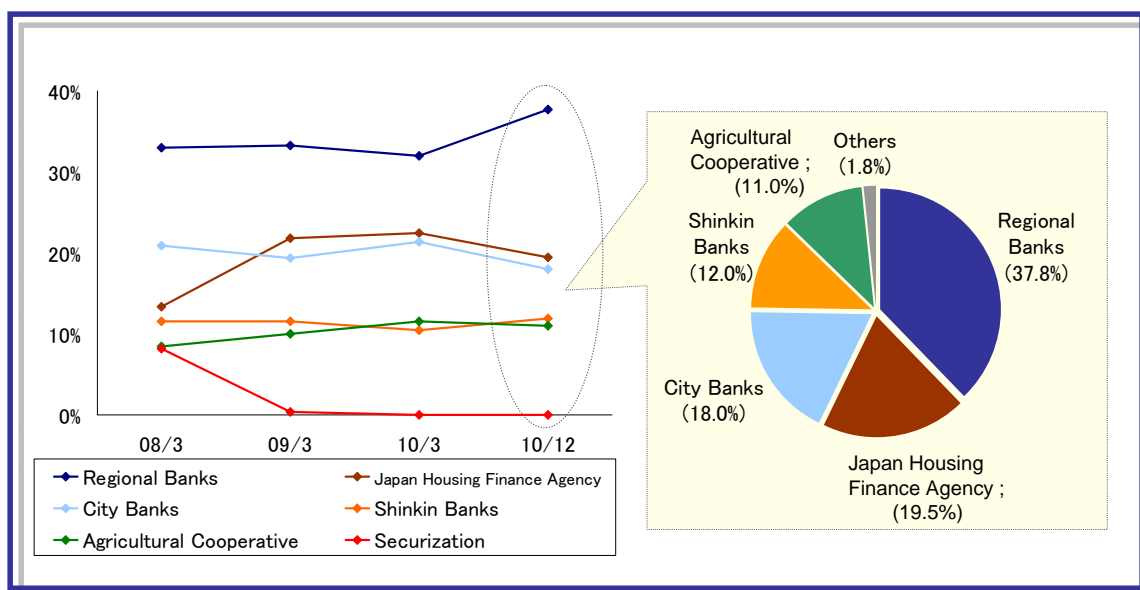


## V-16 Number of units under management & aggregate amount of rent



## V-17 Customer's financing channel

### Shares of financial institutions (Construction starts basis)



**Looking forward to  
a provision of information  
for Room Search & Land Use !**

**Campaign  
till March !!**

◆ For Room Search

For an agreement of contract...  
**Privilege 1** **50% of Rent** as cash bonus !

In addition ...  
**Privilege 2** **Gift Voucher** (5,000 yen) !

For a tenant ...  
**Privilege 3** **10% of Rent** as cash-back !

◆ For Land Use

For 2 provisions of information ...  
**Privilege 1** **Gift Catalog** (5,000 yen) !

For an agreement of contract ...  
**Privilege 2** **1% of Contract Amount**  
+ **Gift Voucher** (50,000 yen) !

For 2 agreements of contract ...  
**Privilege 3** **Pair Travel** in addition !

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