



2Q Financial Highlights, Year ending March 31, 2013

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I . 2Q Financial Results

I -1 The highlights of 1H results

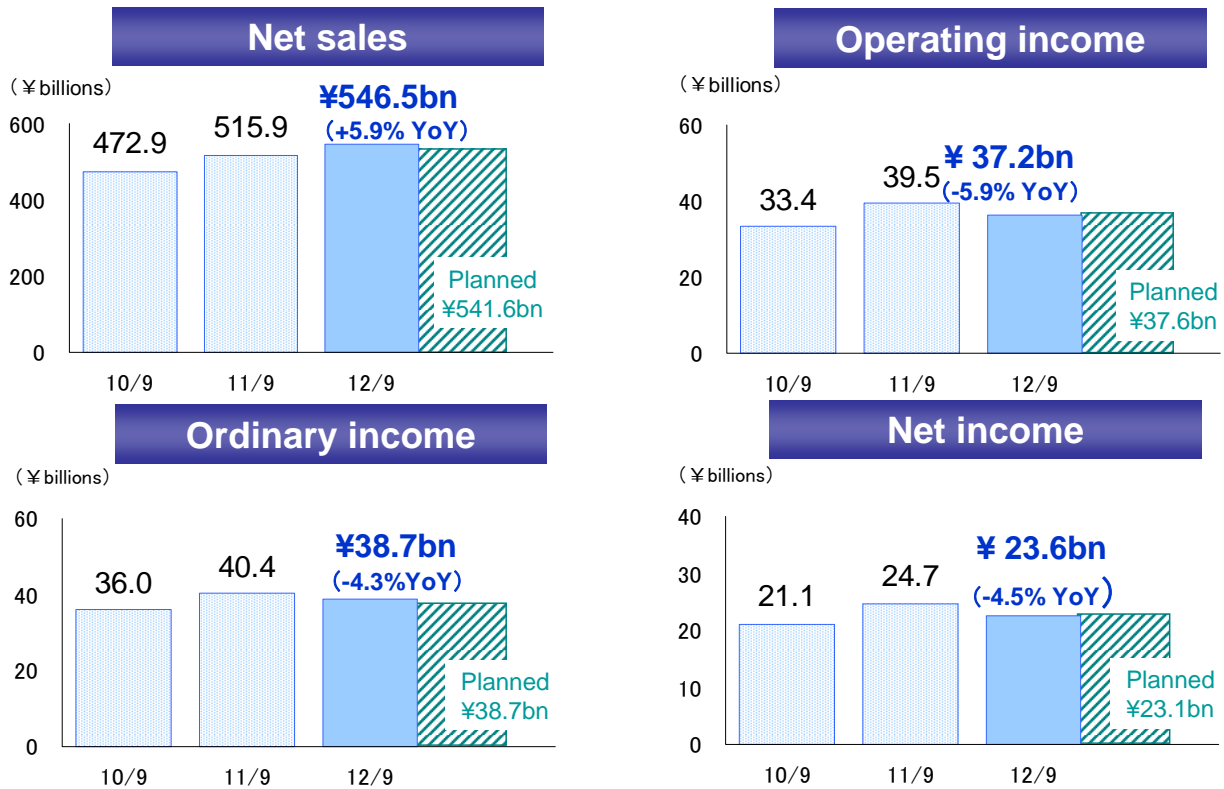
■ Profit-and-loss: **Almost same as our guidance**
Sales ¥546.5bn (+0.09% above our guidance)
Recurring income ¥38.7bn(+0.4% above our guidance)

■ Orders Received: **Achieved record-high**
¥ 335.1bn (+14.2% YoY)

■ Occupancy rate: **Slightly Improvements and kept sound level**
Residential use /Sep end 96.1% (+0.1p YoY)

I -2 Income summary

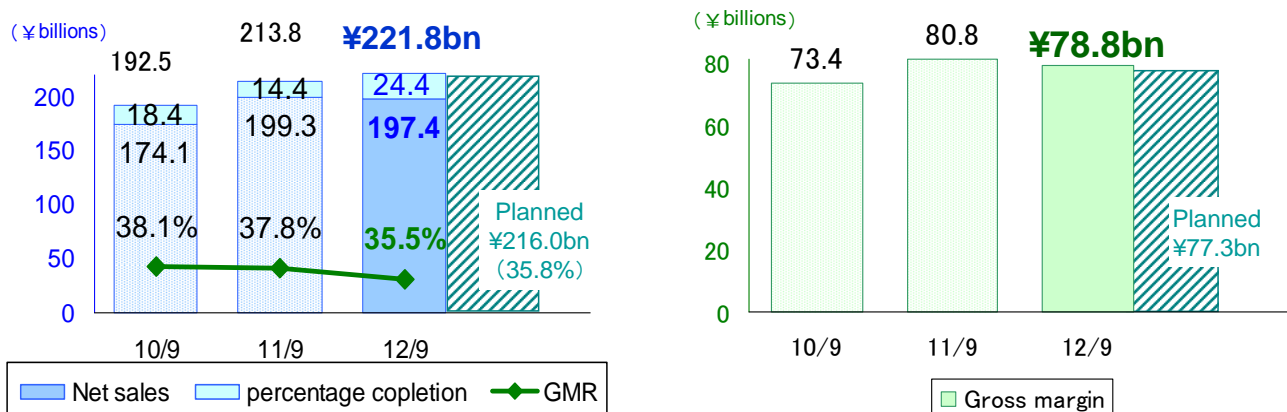
In 1H, sales and income was in line with our guidance



I -3 Income summary by segment (Construction)

	(¥billions)		
	1H FY3/12	1H FY3/13	(YoY)
Net sales	213.8	221.8	(+3.7%)
Gross profit	80.8	78.8	(Δ2.5%)
Gross profit margin	37.8%	35.5 %	[Δ2.3p]

[] : Difference from same period in previous year



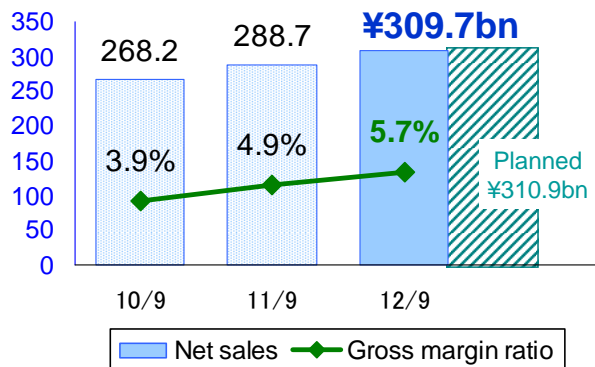
I -4 Income summary by segment (Real estate)

(¥billions)

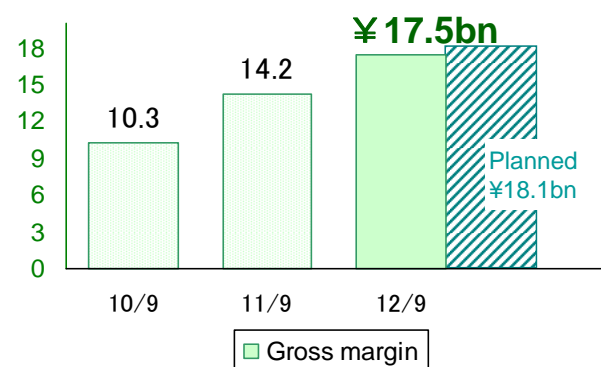
	1H FY3/12	1H FY3/13	(YoY)
Net sales	288.7	309.7	(+7.3%)
Gross profit	14.2	17.5	(+23.2%)
Gross profit margin	4.9%	5.7%	[+0.8p]

[] : Difference from same period in previous year

(¥billions)



(¥billions)



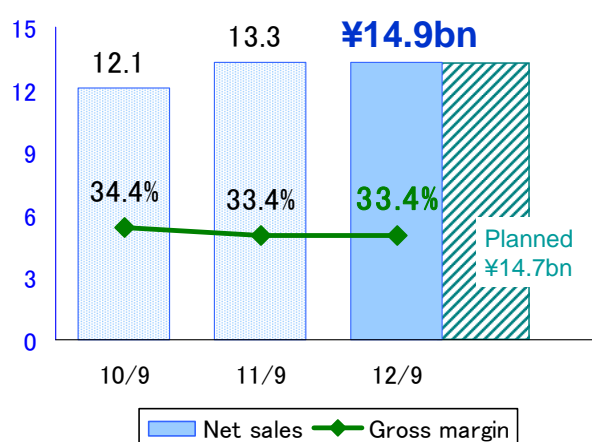
I -5 Income summary by segment (Others)

(¥billions)

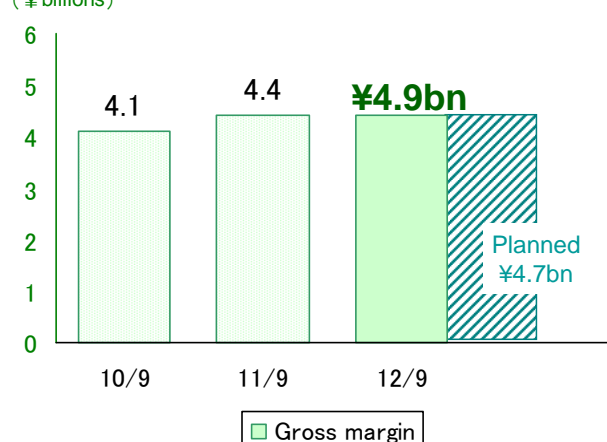
	1H FY3/12	1H FY3/13	(YoY)
Net sales	13.3	14.8	(+11.4%)
Gross profit	4.4	4.9	(+10.1%)
Gross profit margin	33.4%	33.0%	[Δ0.4p]

[] : Difference from same period in previous year

(¥billions)



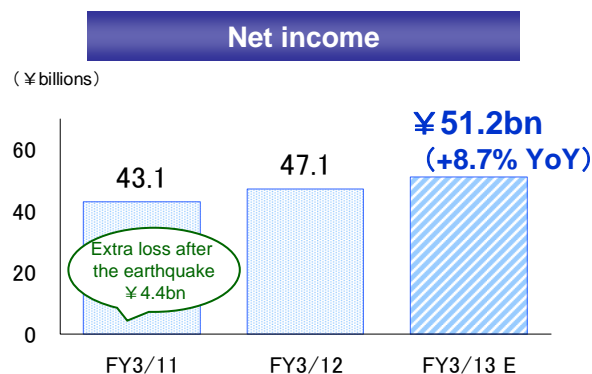
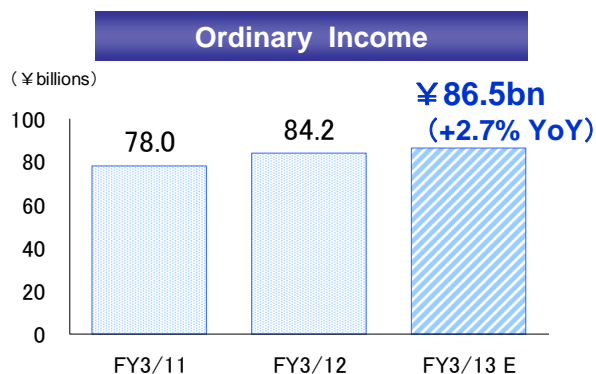
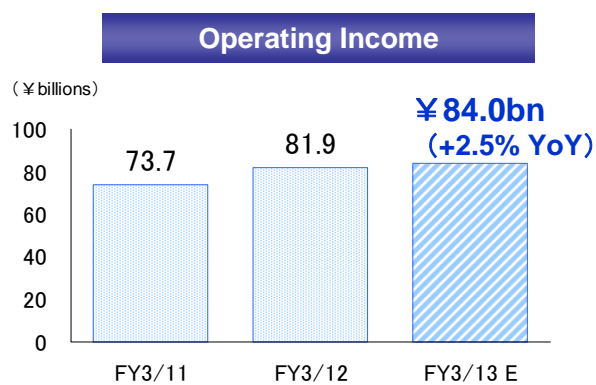
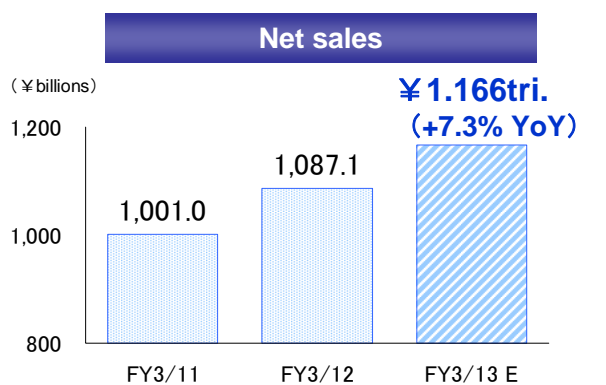
(¥billions)



Ⅱ . FY3/13 Forecasts update

Ⅲ-1 No change in FY3/13 guidance

We maintain current guidance for FY3/13

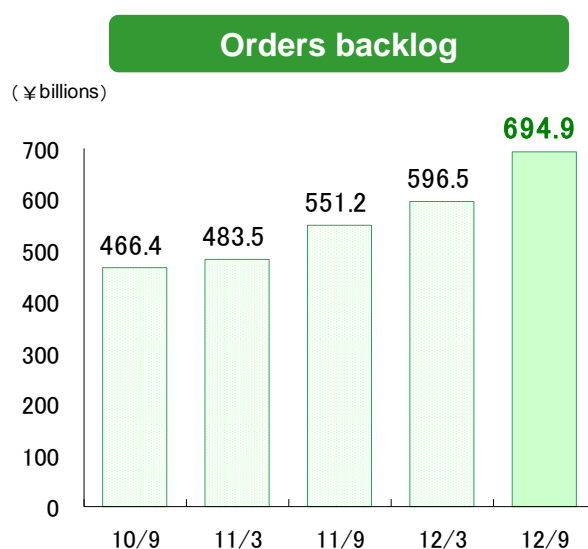
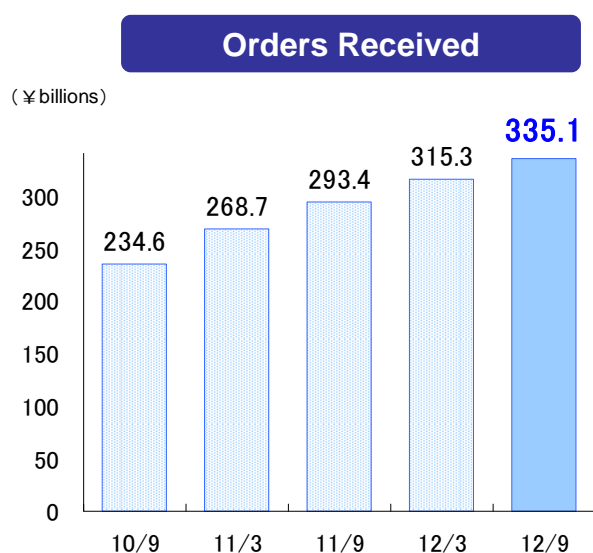


Ⅲ. Trend of Orders received

Ⅲ-1 Orders received & backlog (Semi-annual comparison)

◇ Orders received ¥ 335.1bn (+14.2% YoY)
(+6.3% compared with 2H FY3/12)

◇ Orders received backlog ¥ 694.9bn (+26.1% YoY)
(+16.5% compared with 2H FY3/12)



Main factors of the increase in 1H

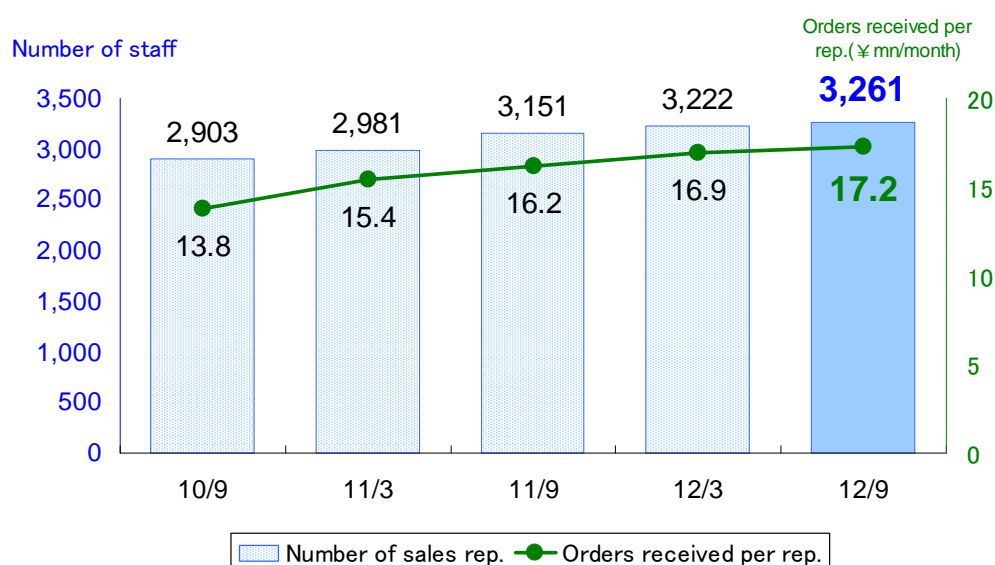
Proposal style sales to land owners effectively worked

- a. Reinforcement of sales force
- b. Sales approach, focused on inheritance of properties
- c. Continuing efforts to keep close relationship with banks

III-3 Sales representatives and sales efficiency

◇ Sales representatives **3,261 (+110 YoY)**
(+39 compared with 2H FY3/12)

◇ Orders received per rep **¥17.23mn/month (+1.05mn YoY)**
(+¥0.33mn compared with 2H FY3/12)



III-4 Recent sales activities- Inheritance tax issues and others

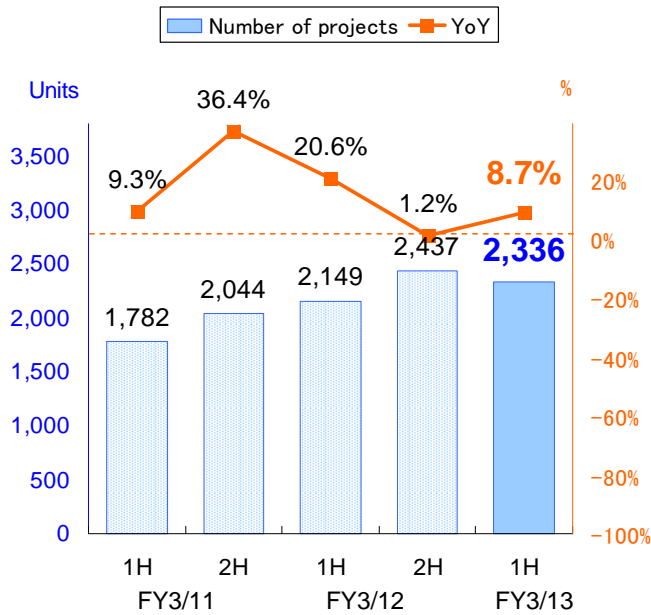
- Setting up of inheritance tax related seminars
- Due diligence of asset value and simulation of potential cash flows and taxes for land owners
- Tying up with tax counselors and other specialists
- Targeting to “re-build demand” or “offering property management” for existing apartments build by other builders, with expectation to get new construction orders

III-5 Recent sales activities- close relationship with banks

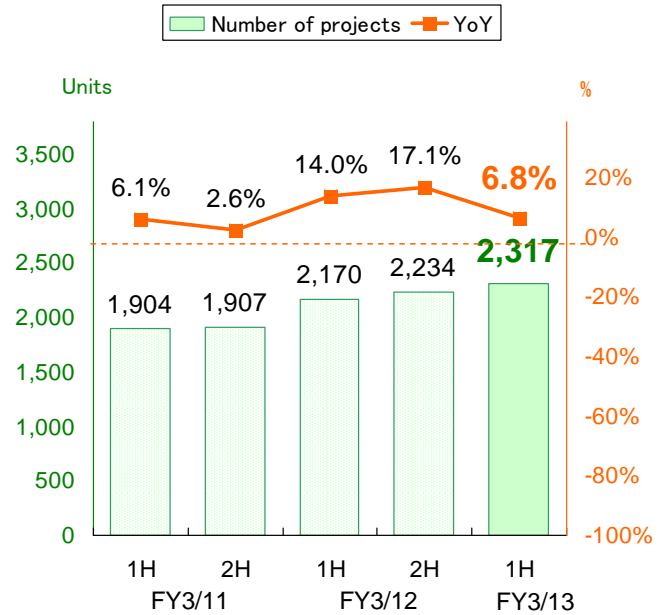
- Providing detail data of Daito Trust and rental housing market for banks
- Periodic visits and information exchange meetings with banks
- Hosted big “3rd Rental Housing Forum” or other events
- Monitoring track records of banks by quarterly

III-6 Channels of orders received

Number of repeat orders



Number of orders from new customers

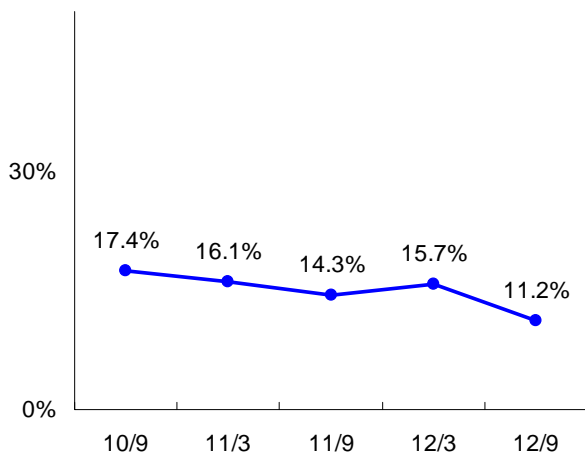


III-7 Cancellation rate and unit price of orders received

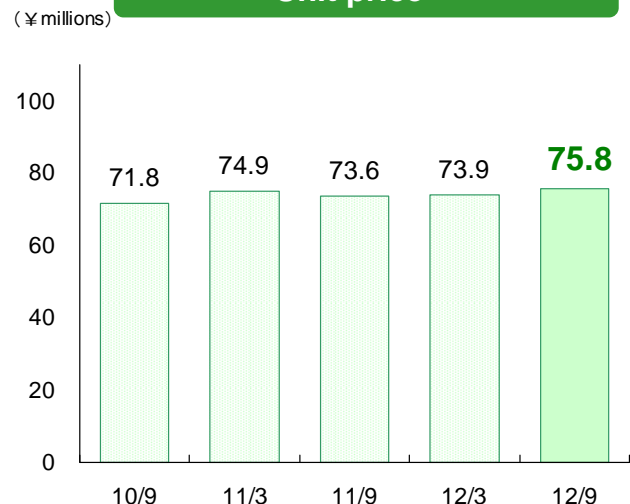
◇ Cancellation rate **11.2% (YoY ▲3.1p)**

◇ Unit price **¥75.83mn (Yoy+ ¥2.22 mn)**

Cancellation rate^{※1}



Unit price^{※2}



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

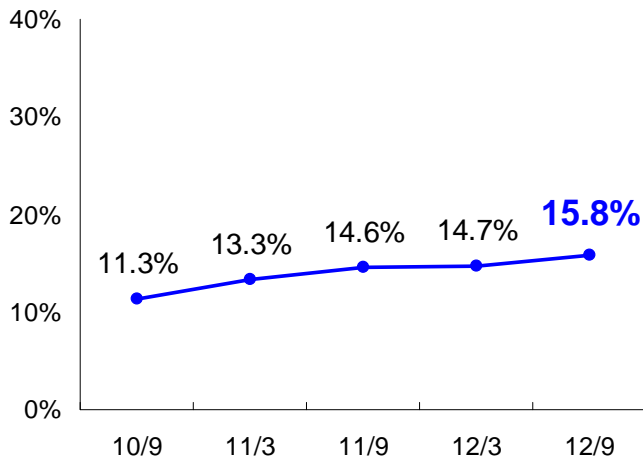
※2 Unit price = the amount of Orders received / the number of orders received

III-8 Analysis of orders received

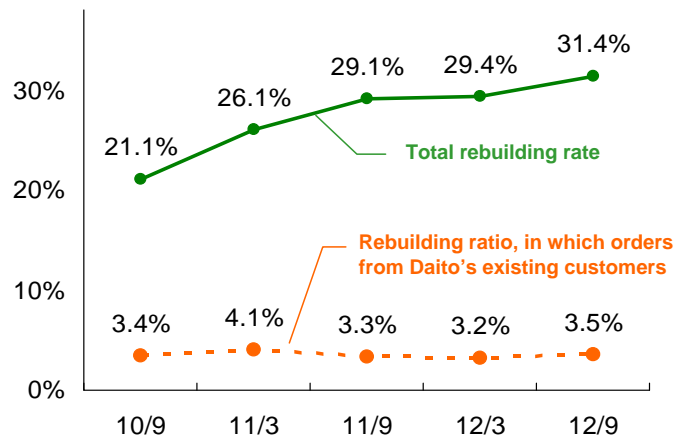
◇ **Medium-rise rate** **15.8% (YoY+1.2p)**

◇ **Rebuilding rate** **31.4% (YoY+2.3p)**

Medium-rise rate※1



Rebuilding rate※2

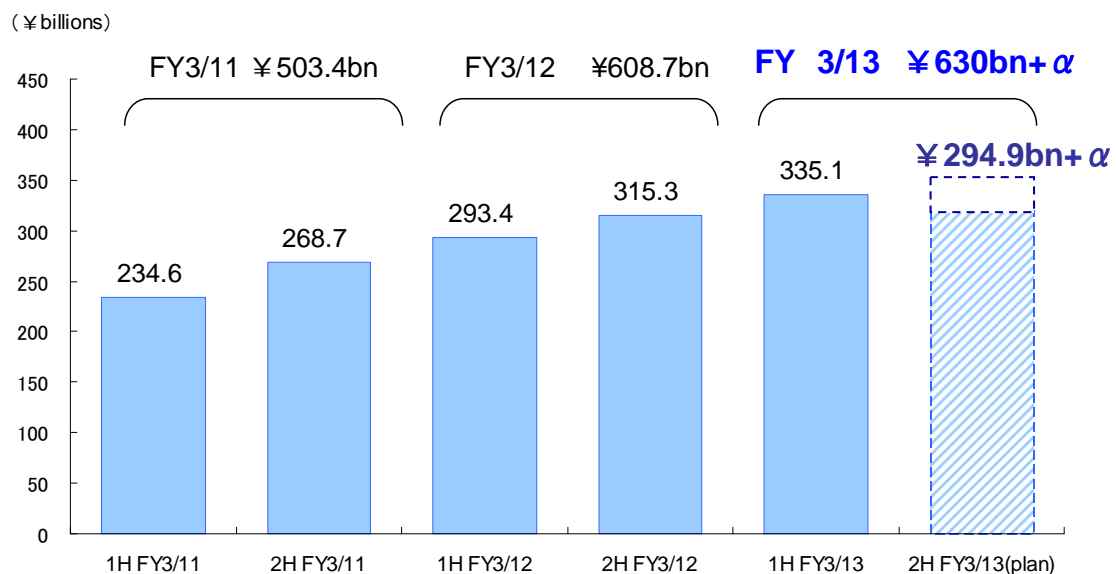


※1 Medium-rise rate = Number of orders received for 3 stories and up / The total orders received

※2 Total rebuilding rate = The number of orders received for rebuilding / The total orders received

III-9 Orders received plan for FY3/13

◇ **Orders received plan for FY3/13 ¥630bn+ α (+3.5% YoY ,or more)**

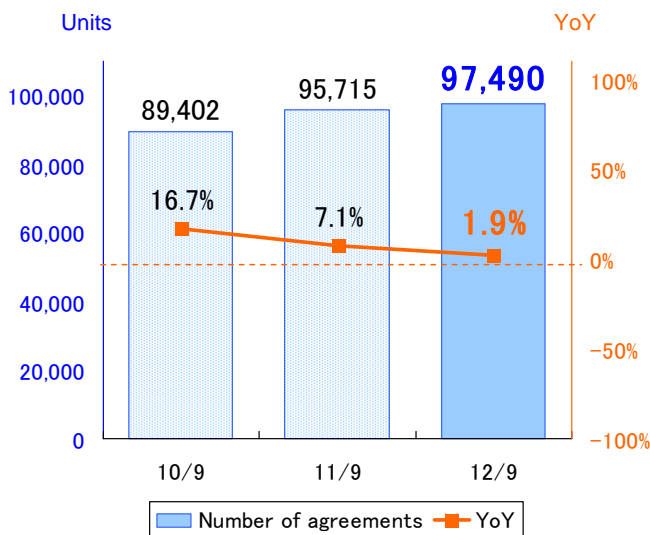


IV. Occupancy rate & Countermeasures for 2H

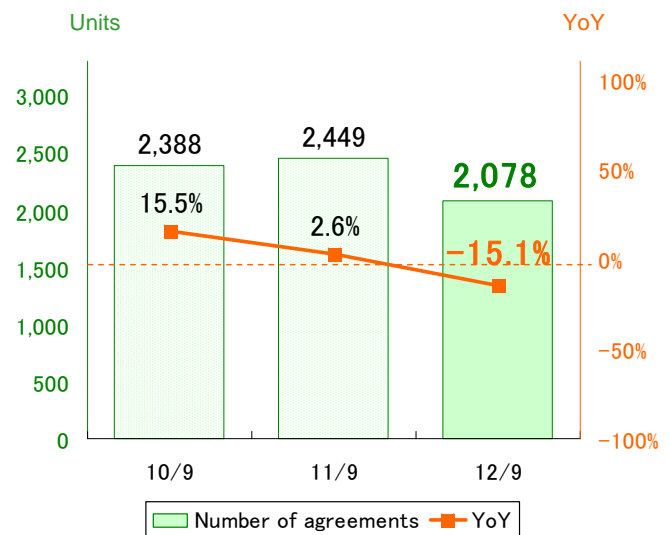
IV-1 Tenancy agreements

◇ Tenancy agreements in 1H 99,568units (+1.4% YoY)

Residential Use



Commercial Use

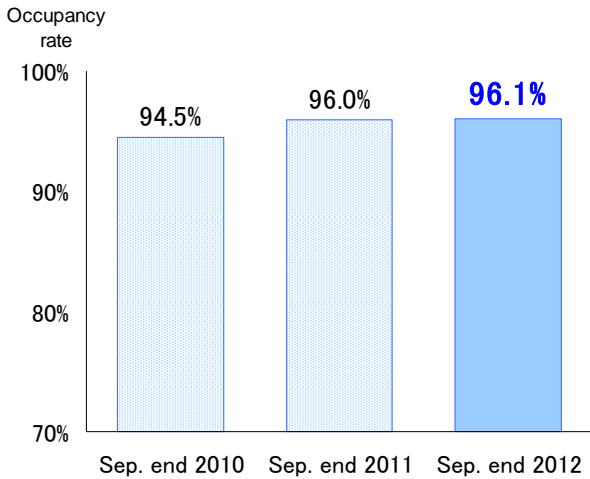


IV-2 Rent basis occupancy rate

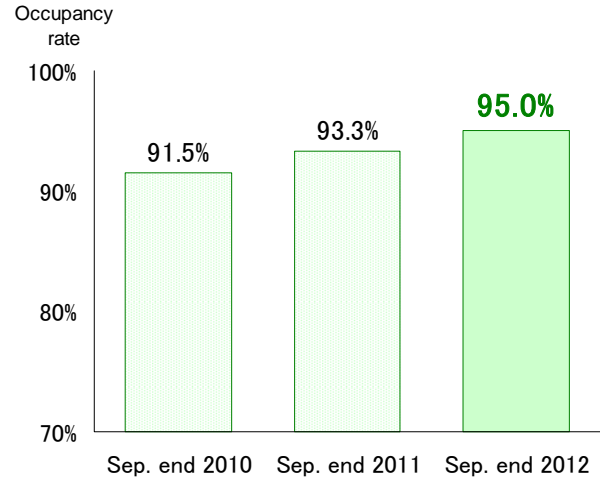
Residential Use 96.1% (YoY+0.1p)

Commercial Use 95.0% (YoY+1.7p)

Residential Use



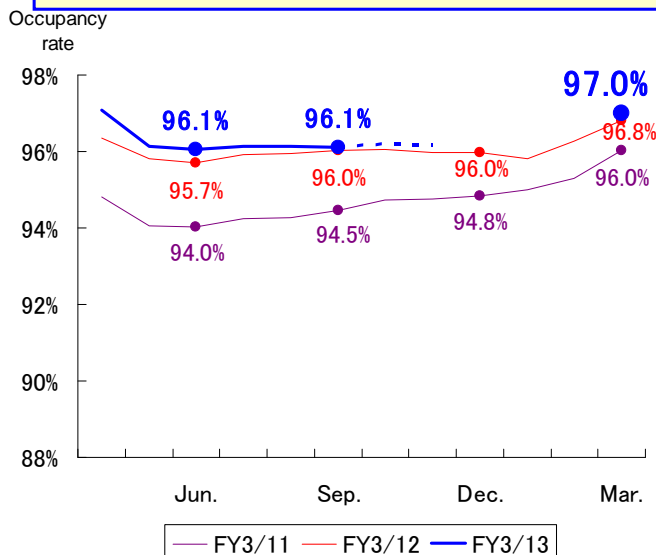
Commercial Use



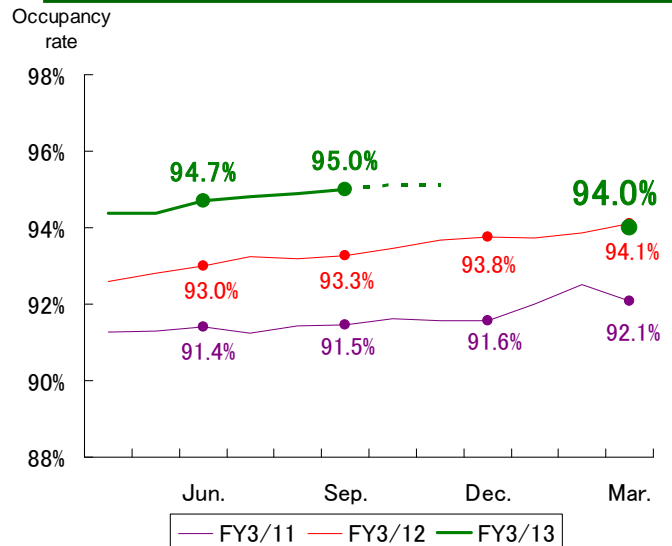
※ Rent basis occupancy rate = 1 - (rent guarantee for vacant rooms / total rent)

IV-3 Forecast of rent basis occupancy rate

**Occupancy rate forecast for FY3/13 end
Residential use /97.0%**



**Occupancy rate forecast for FY3/13 end
Commercial use/94.0%**



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

IV-4 Strategy to improve occupancy rate at the end of FY3/13

《2H target》 Tenancy agreements **130,932 units** (YoY +12.7%)

In which residential use **128,720 units**

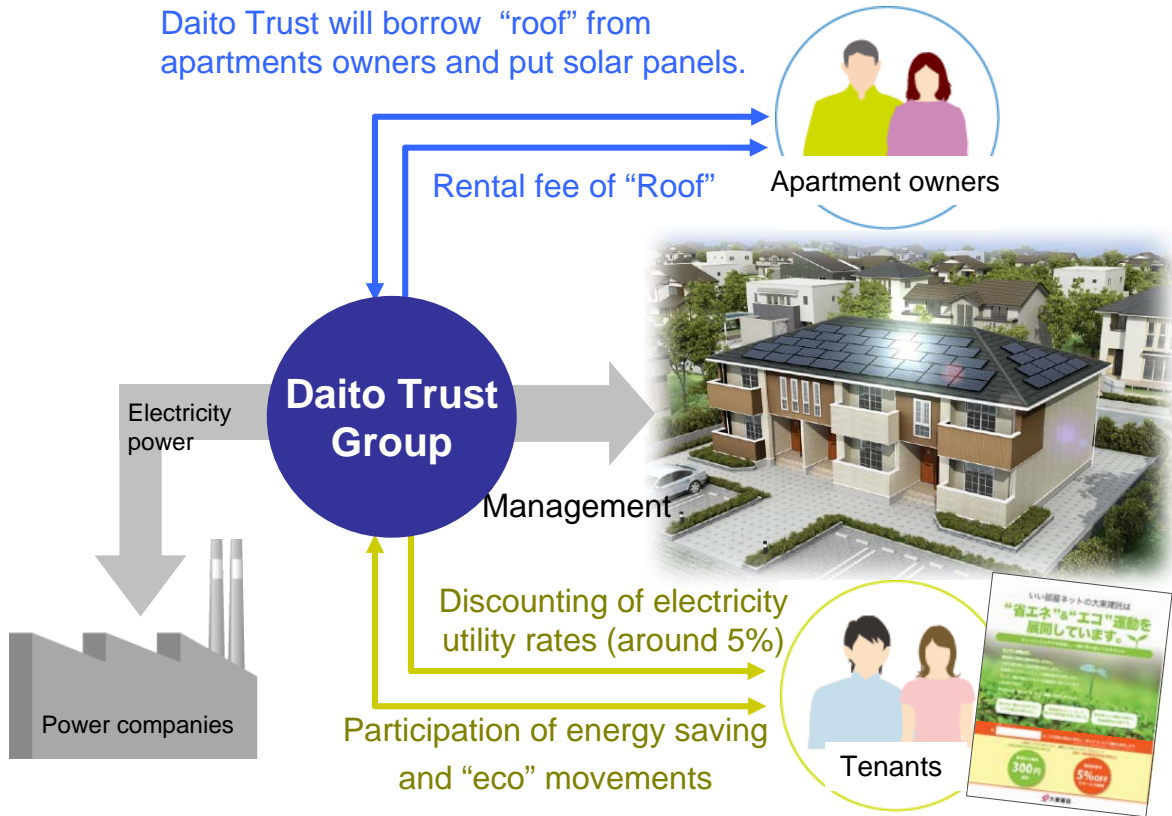
In which commercial use **2,212 units**

Strategy in 2H

*Renewal of TV CM	On air started from Oct.
*New opening of "Satellite branch"	6 sites in 1H & 15 sites in 2H (240 sites at the end of FY3/13)
*New opening of "E-heya station"	4 sites in 1H & 35 sites in 2H (50 sites at end of FY3/13)
*Reinforcement of website "E-heya Net"	Web call waiting started in 1H & sophistication of application soft wear (smart phone, iPad, etc)
*Call center with 24H operation	Keep proactive stance
*More tighter relationship with estate agents	Increase "Partnership" agents until 1,200 stores at the end of FY3/13
*Full renovation of rooms	1,301 rooms in 1H & 200 rooms in 2H

V. Topics

V-1 Solar power generation with collaboration with owners and tenants

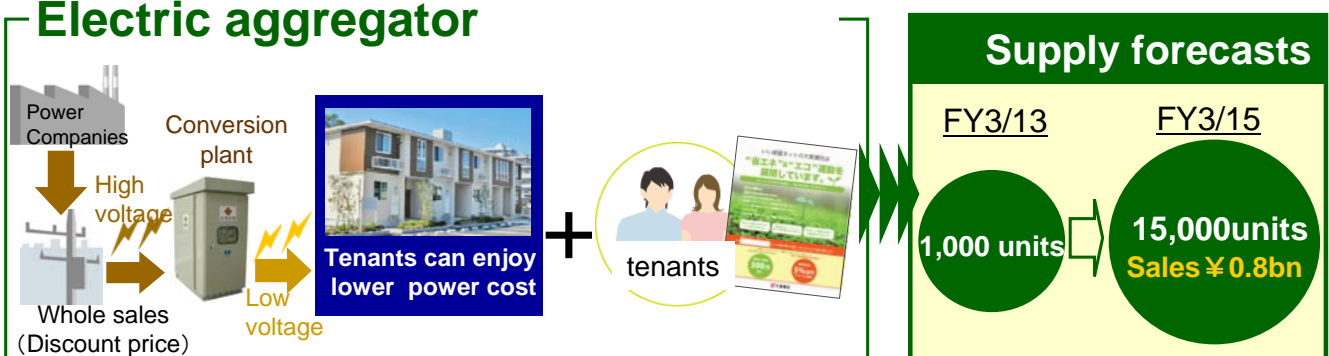


V-2 Mid-term target of "energy saving +eco" apartments

Solar power generation



Electric aggregator



IV. Appendix

IV-1 Non-consolidated statement of income

(¥ millions)

	1H FY3/13	1H FY3/12	YoY	Full year forecast (FY3/13)
Net sales	231,372	225,422	+2.6%	521,600
Construction	222,782	215,033	+3.6%	503,500
Real estate & others	8,589	10,389	△17.3%	18,100
Gross profit	76,832	78,691	△2.4%	173,900
Construction	78,076	80,445	△2.9%	177,000
Real estate & others	△1,244	△1,754	—	△3,100
SG & A expenses	54,305	50,972	+6.5%	120,300
Operating income	22,526	27,718	△18.7%	53,600
Ordinary income	24,040	28,825	△16.6%	57,300
Net income	14,549	17,485	△16.8%	34,200

IV-2 Financial summaries of major subsidiaries (Construction)

(¥ millions)

	Construction business							
	Daito Construction				Daito Steel			
	1H FY3/13	1H FY3/12	YoY	Full year forecast	1H FY3/13	1H FY3/12	YoY	Full year forecast
Net sales	3,418	1,760	+94.2%	5,350	1,807	1,780	+1.5%	4,200
Gross profit	76	67	+14.1%	295	80	84	△4.8%	163
SG&A expenses	65	42	+54.3%	113	34	35	△1.8%	72
Operating income	10	24	△56.3%	182	45	48	△7.0%	92
Ordinary income	46	43	+6.6%	234	44	48	△8.1%	90
Net income	22	43	△46.8%	165	27	28	△4.9%	55

IV-3 Financial summaries of major subsidiaries (Real estate)

(¥ millions)

	Real estate business											
	Daito Building Management				Housecom				House Leave			
	1HFY3/13	1HFY3/12	YoY	Full year forecast	1HFY3/13	1HFY3/12	YoY	Full year forecast	1HFY3/13	1HFY3/12	YoY	Full year forecast
Net sales	300,548	277,921	+8.1%	611,900	3,594	3,621	△0.8%	8,523	960	785	+22.2%	2,076
Gross profit	17,270	14,509	+19.0%	34,600	3,594	3,621	△0.8%	8,523	744	511	+45.5%	1,449
SG&A expenses	5,281	4,851	+8.9%	11,500	3,621	3,541	+2.3%	8,023	115	106	+7.7%	265
Operating income	11,988	9,658	+24.1%	23,100	△27	80	—	500	629	404	+55.5%	1,183
Ordinary income	12,268	9,903	+23.9%	23,450	△21	62	—	706	633	406	+56.1%	1,204
Net income	7,406	6,054	+22.3%	14,300	△32	13	—	376	360	232	+55.3%	698

IV-4 Sales Breakdown of Real estate business

	1H FY3/13	(Ratio)	1H FY3/12	YoY
Whole-building lease ※1	283,406	(91.5%)	261,178	+8.5%
Building and repairs ※2	15,053	(4.8%)	14,664	+2.7%
Brokerage	6,145	(2.0%)	5,997	+2.5%
Lease business ※3	3,020	(1.0%)	3,011	+0.3%
Sub-lease ※4	602	(0.2%)	2,560	△76.5%
Others	1,547	(0.5%)	1,321	+17.2%
Total	309,776	(100.0%)	288,733	+7.3%

※1 Sub-lease contract as Lease Management Trust System by Daito Building Management

※2 Repairs for rental apartment under management by Daito Building Management (these are reported as a construction division's revenue till FY3/10)

※3 Mainly Shinagawa East One Tower

※4 Sub-lease contract by Daito Trust Construction (Contracted from 1994-2000)

IV-5 Financial summaries of major subsidiaries (Others - 1)

(¥ millions)

	Other business (Financial business)							
	Daito Finance				D.T.C			
	1H FY3/13	1HFY3/12	YoY	Full year forecast	1H FY3/13	1HFY3/12	YoY	Full year forecast
Net sales	542	703	△22.8%	997	1,402	1,247	+12.4%	2,878
Gross profit	329	423	△22.2%	576	561	466	+20.4%	1,100
SG&A expenses	66	78	△15.1%	139	4	4	△0.3%	9
Operating income	263	345	△23.9%	437	557	462	+20.6%	1,091
Ordinary income	263	348	△24.3%	438	557	460	+21.1%	1,095
Net income	159	201	△20.8%	271	557	460	+21.1%	1,095

IV-6 Financial summaries of major subsidiaries (Others - 2)

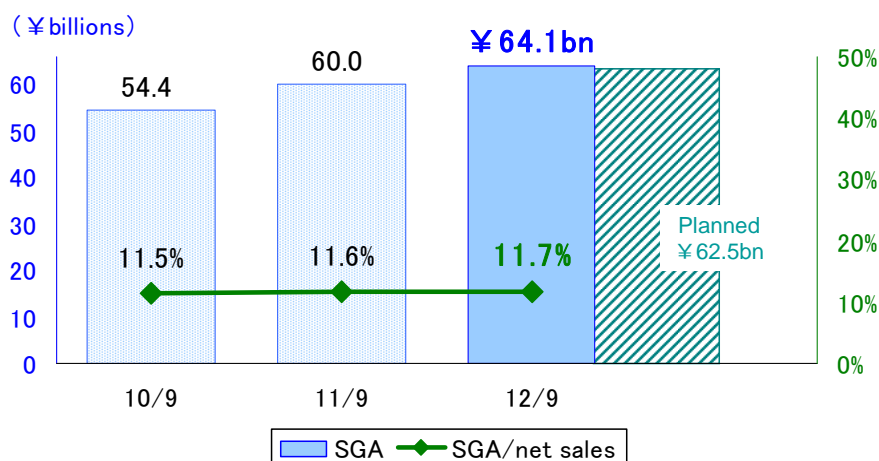
(¥ millions)

	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	1H FY3/13	1H FY3/12	YoY	Full year forecast	1H FY3/13	1H FY3/12	YoY	Full year forecast	1H FY3/13	1H FY3/12	YoY	Full year forecast
Net sales	3,886	3,313	+17.3%	7,438	9,327	8,387	+11.2%	21,253	998	1,026	△2.7%	2,128
Gross profit	550	426	+29.1%	927	2,249	1,898	+18.5%	5,631	546	550	△0.7%	1,202
SG&A expenses	253	260	△2.8%	596	1,709	1,401	+22.0%	3,572	344	356	△3.3%	759
Operating income	297	165	+79.5%	332	540	497	+8.8%	2,059	202	194	+4.1%	443
Ordinary income	347	163	+112.5%	327	559	502	+11.4%	2,075	143	291	△50.7%	402
Net income	186	198	△5.6%	164	433	334	+29.4%	1,286	143	291	△50.7%	402

IV-7 SGA expenses

(¥billions)

	1H FY3/12	1H FY3/13	(YoY)
SG&A expenses	60.0	64.1	(+6.8%)
SG&A ratio	11.6%	11.7%	[+0.1p]

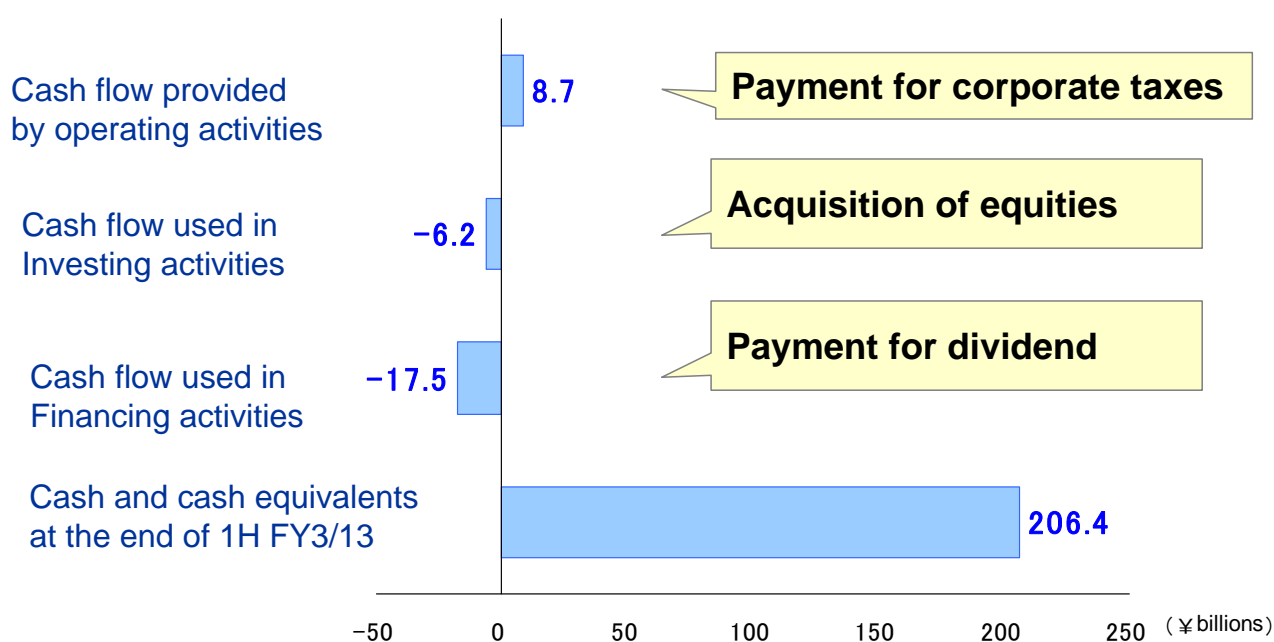


IV-8 Financial conditions

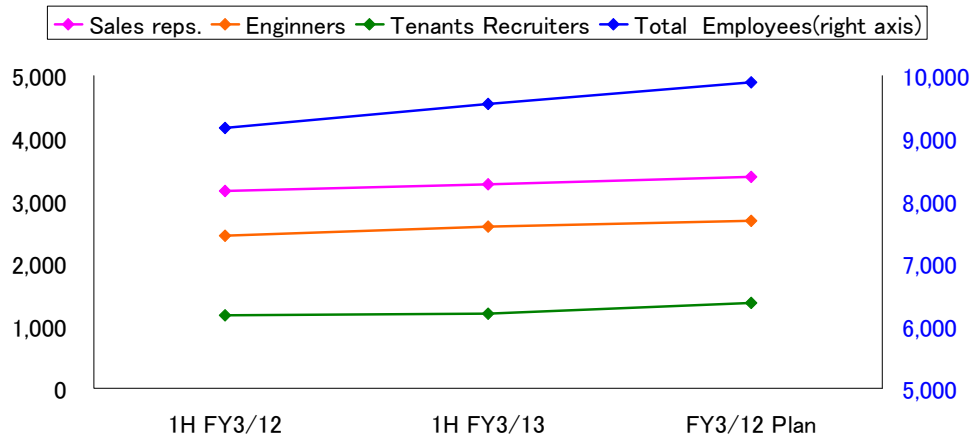
End of 1H FY 3/13				End of FY3/12			
(¥ billions)							
Current assets	379.1 (Δ18)	Current liabilities	174.1 (Δ27)	Current assets	397.7	Current liabilities	201.1
		Noncurrent liabilities	214.3 (Δ1)			Noncurrent liabilities	215.8
Noncurrent assets	175.3 (+4)	Total liabilities	388.5 (Δ28)	Noncurrent assets	171.3	Total liabilities	417.0
		Net assets	166.0 (+14)			Net assets	152.0
Total	554.5 (Δ14)	Total	554.5	Total	569.0	Total	569.0

BPS	¥2,151.87	BPS	¥1,991.37円
Equity ratio	30.9%	Equity ratio	27.8%

IV-9 Cash flows

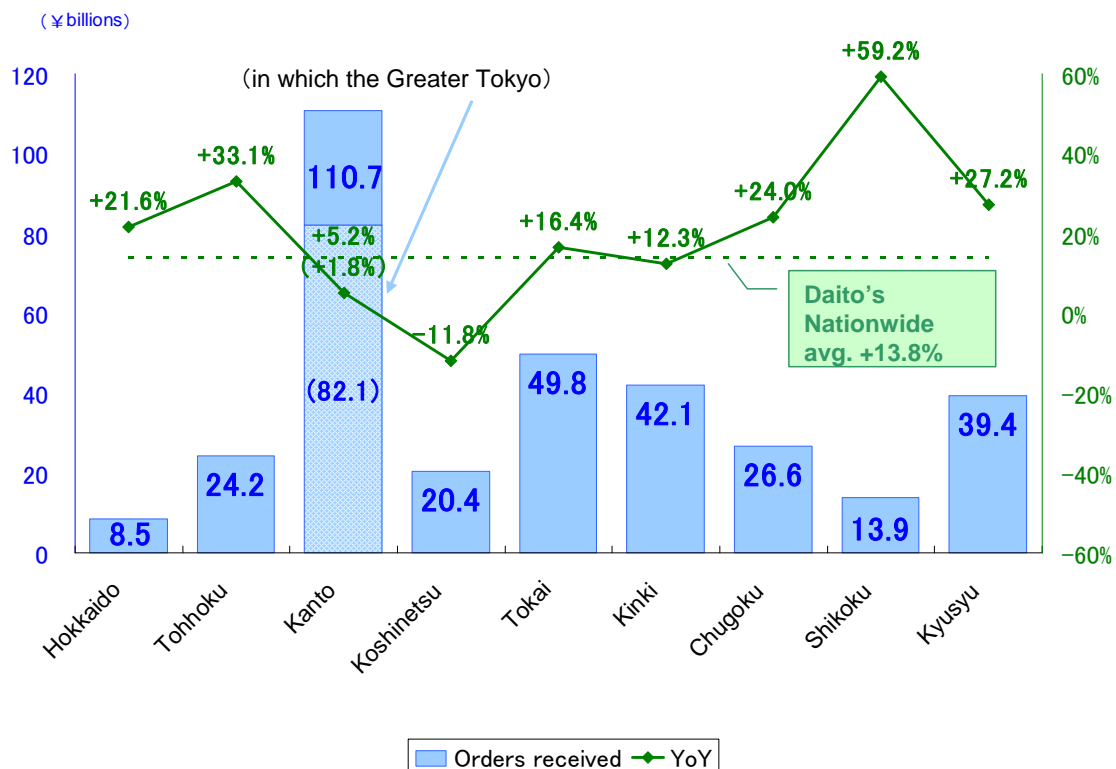


IV-10 Number of employees by each occupations (Non-consolidated)



	1H FY3/12	1H FY3/13	(YoY)	FY3/13 forecasts
Total Employees	9,169	9,551	+382	9,900
Sales reps.	3,151	3,261	+110	3,380
Enginners	2,485	2,588	+103	2,684
Tenants recruiters	1,165	1,194	+29	1,370

IV-11 Orders received by area

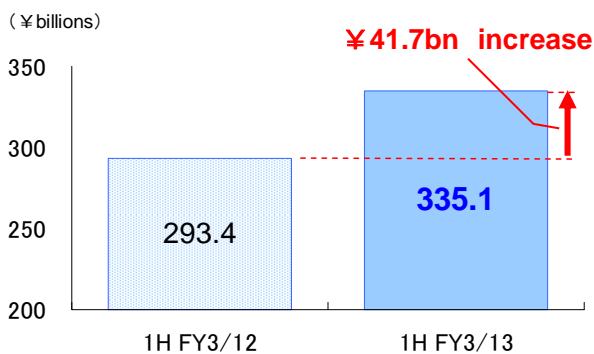


IV-12 1H FY3/13 Orders Comparison with last year 1H and 2H

Comparison with 1H FY3/12

¥41.7bn increase

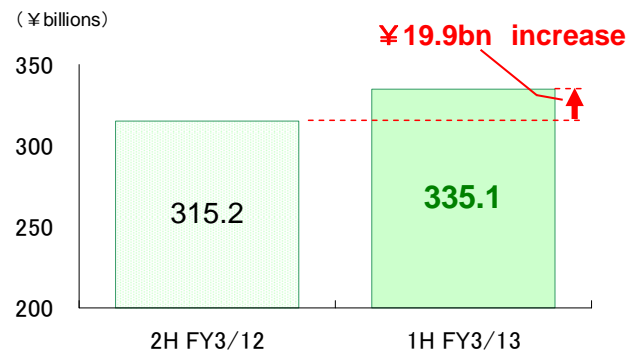
- ① Number of projects increase +¥25.3bn
(4,319 projects → 4,653 projects)
- ② fewer cancellations +¥6.7bn
(△¥48.8bn → △¥42.1bn)
- ③ Unit price increase +¥9.6bn
(¥73.61mn/project → ¥75.83mn/project)
- ④ Increase of repairs +¥0.1bn
(¥24.4bn → ¥24.5bn)



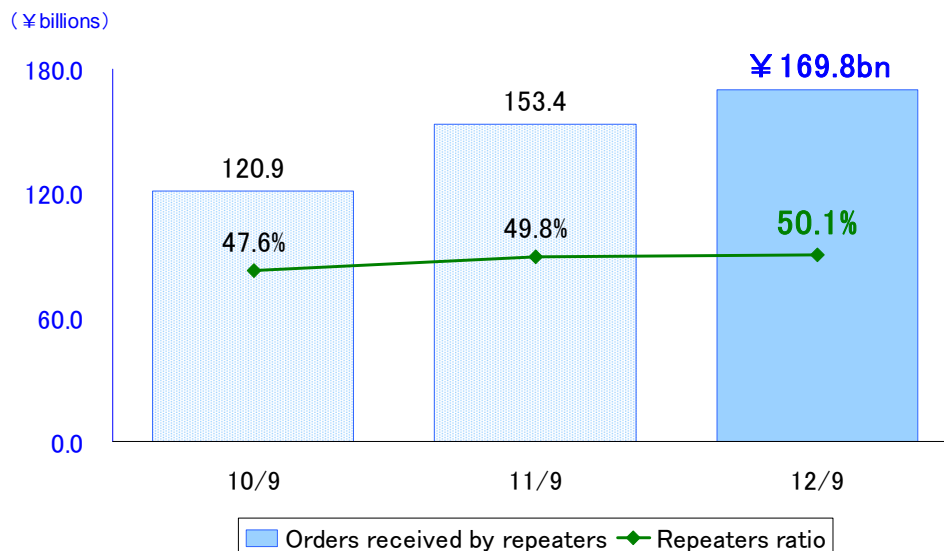
Comparison with 2H FY3/12

¥19.9bn increase

- ① Number of projects decrease △¥1.4bn
(4,671 projects → 4,653 projects)
- ② Fewer cancellations +¥16.5bn
(△¥58.7bn → △¥42.1bn)
- ③ Unit price increase +¥9.2bn
(¥73.86mn/project → ¥75.83mn/project)
- ④ Decrease of repairs △¥4.4bn
(¥28.9bn → ¥24.5bn)



IV-13 Orders received by repeaters

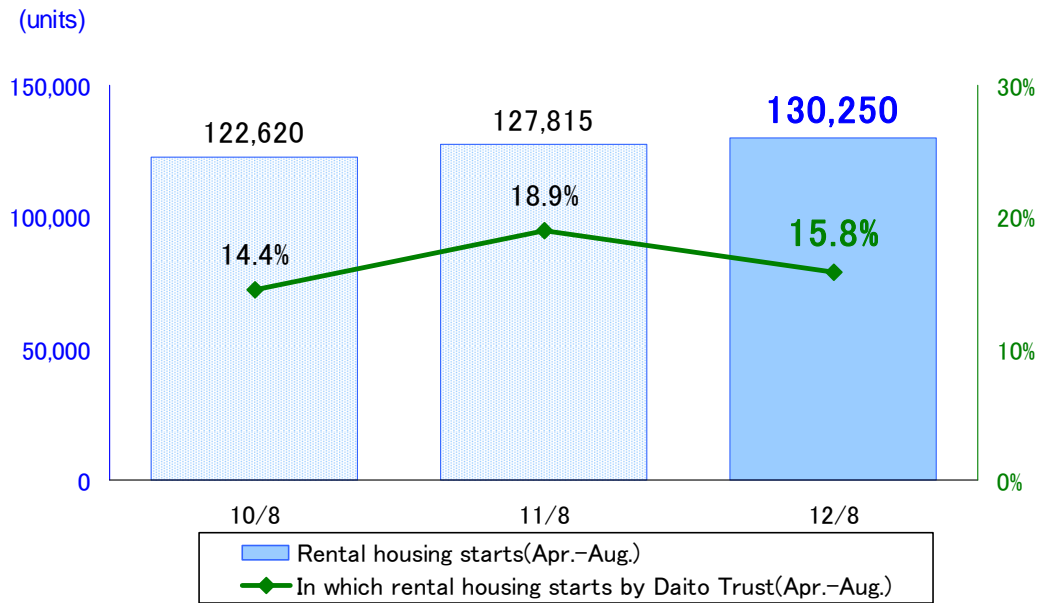


※ Repeat ratio =

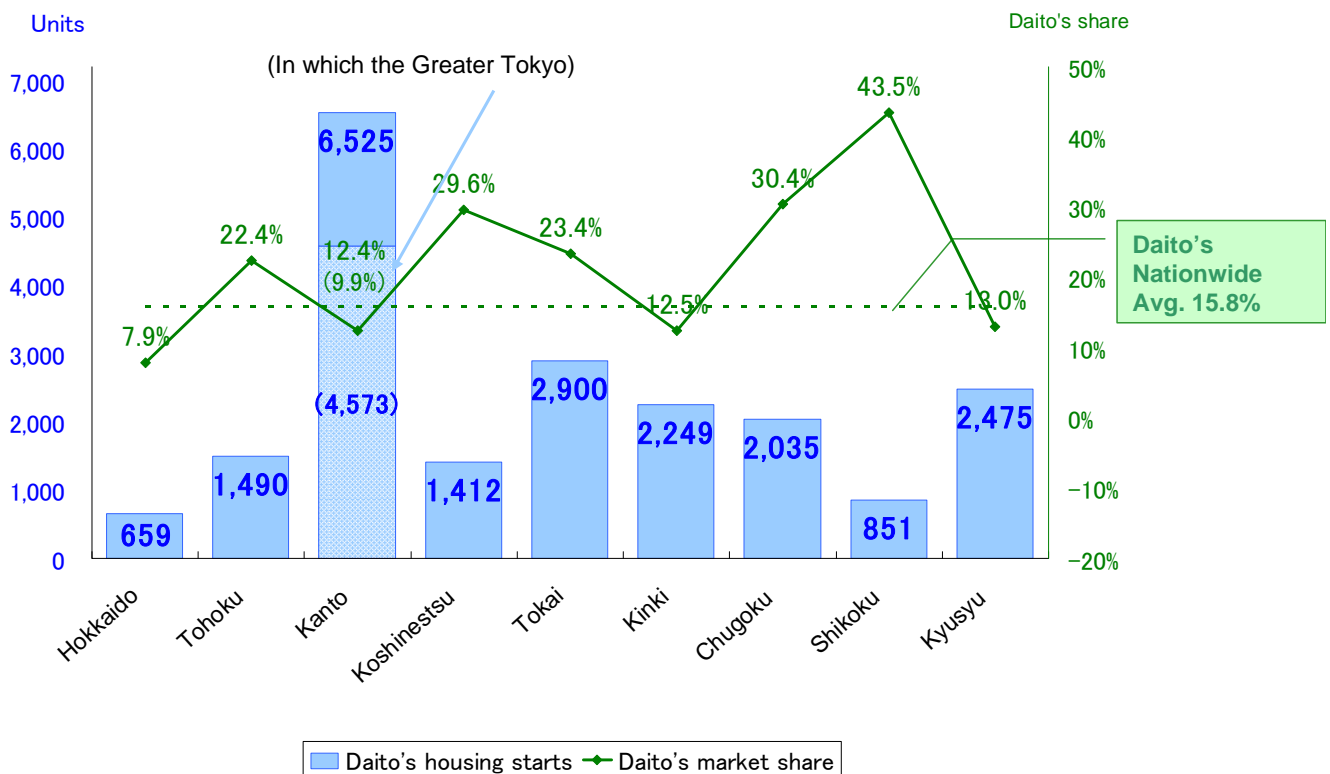
Number of orders received by repeaters
among our existing customers

—————
Total number of orders received

IV-14 Number of construction starts & Daito's share

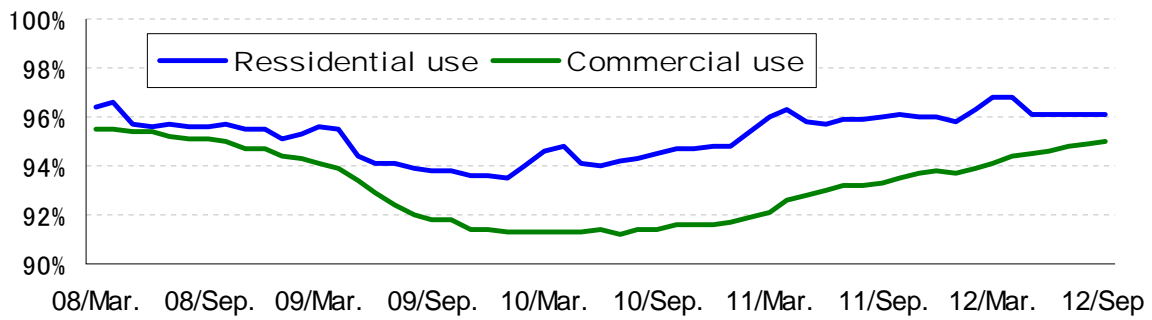


IV-15 Number of construction starts by area & Daito's share



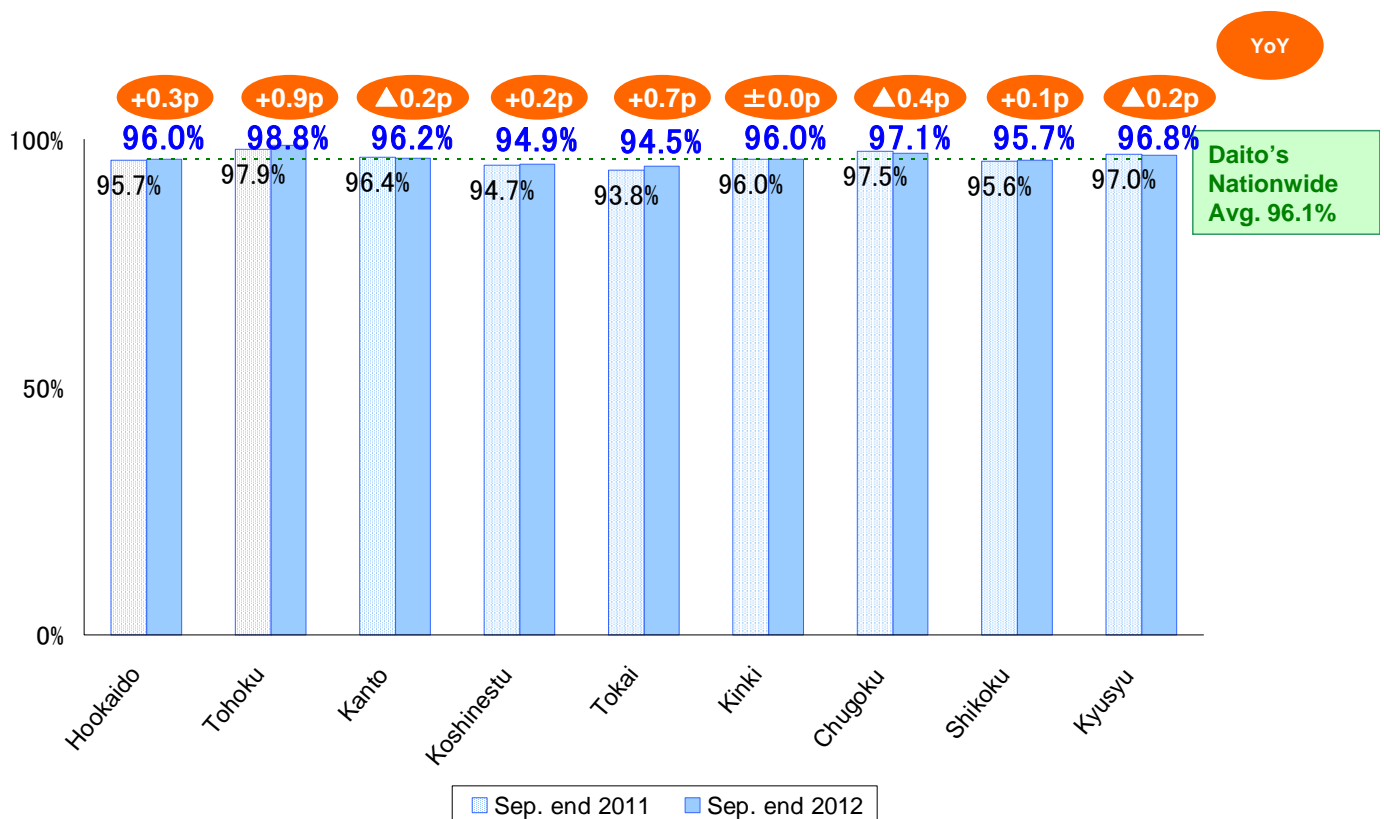
IV-16 Rent basis occupancy rate

Occupancy rate

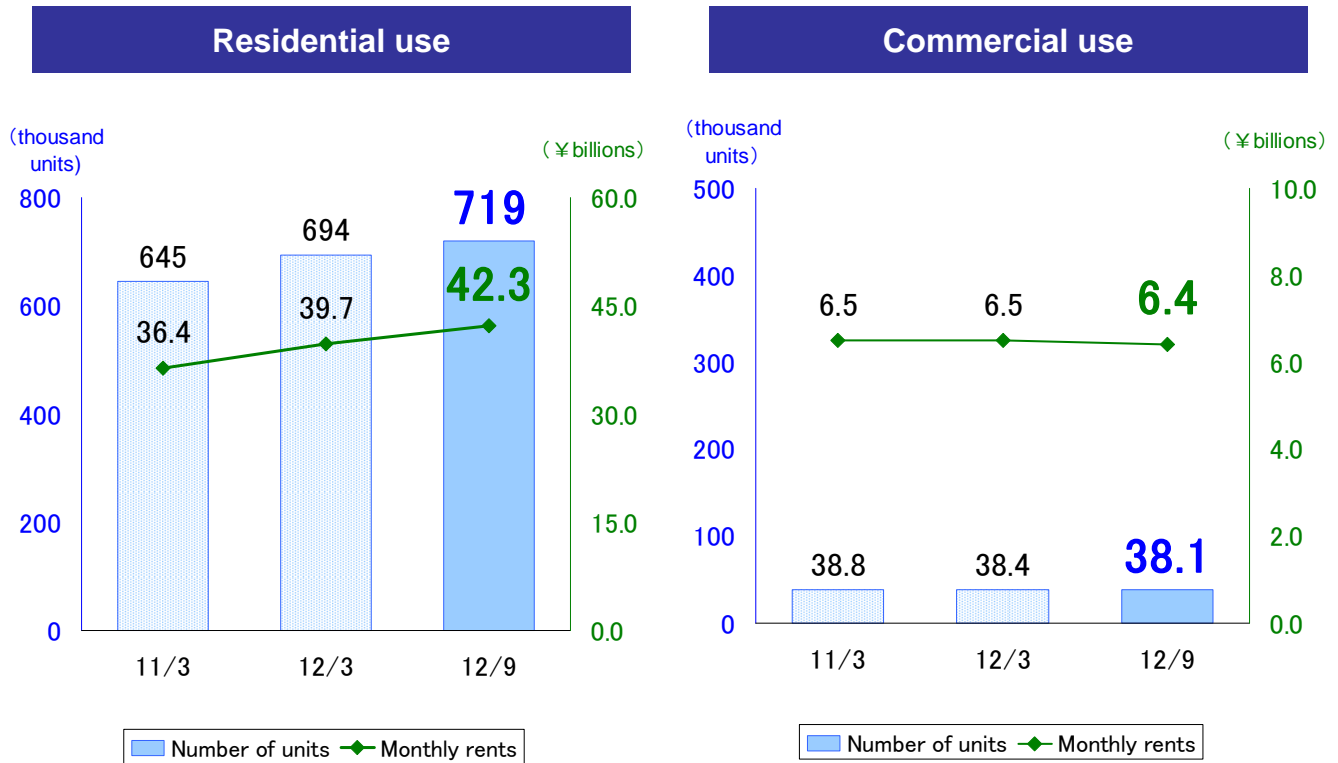


Occupancy rate	08/Sep.	09/Sep.	10/Sep.	11/Sep.	12/Sep.	YoY
Residential use(%)	95.6%	93.8%	94.5%	96.0%	96.1%	+0.1p
Commercial use(%)	95.1%	91.8%	91.5%	93.3%	95.0%	+1.7p

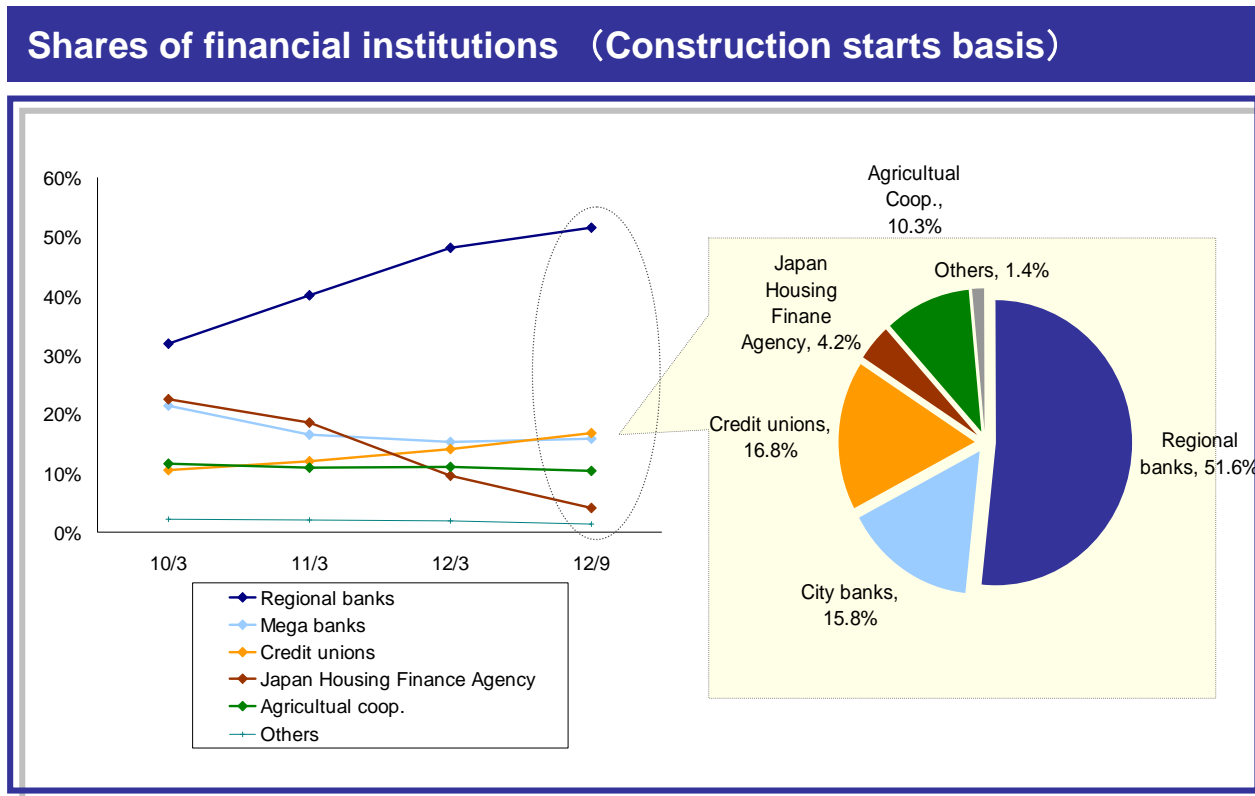
IV-17 Occupancy rate by area (Residential use : As of Sep. end)



IV-18 Number of units under management & aggregate amount of rent



IV-19 Customer's financing channel



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