

Financial Highlights, Year ended March 31, 2013



Contents

I . Performance FY2013	3
II . Plan FY2014	16
III . Mid-term Plan	26
IV . Appendix	31

I . Performance FY2013

I -1 Financial highlights

■ Increase in sales and income for 5th straight periods

Historical high

■ Orders received ¥654.9 billion
(+7.6% YoY)

Historical high

■ Occupancy rate 96.7%
(Residential use in March) (Δ0.1P YoY)

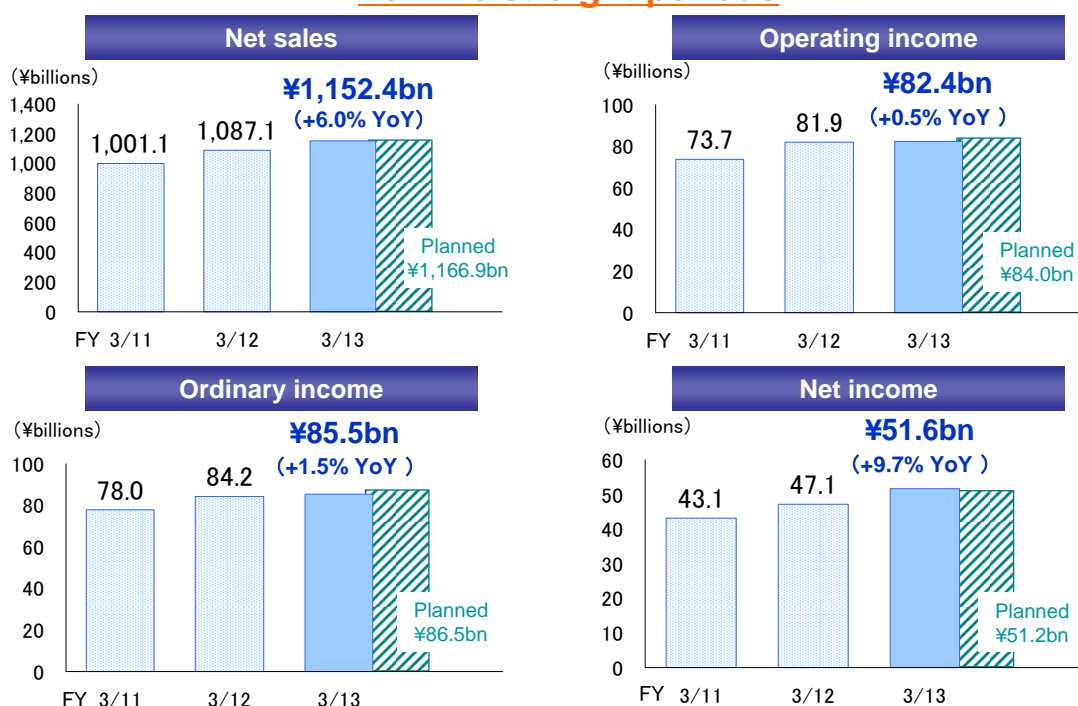
Sound level

■ Annual dividend “324 yen”
(+6yen from planned)

+ 27 yen

I -2 Income summary

FY3/13 increased both in sales and incomes for five straight periods



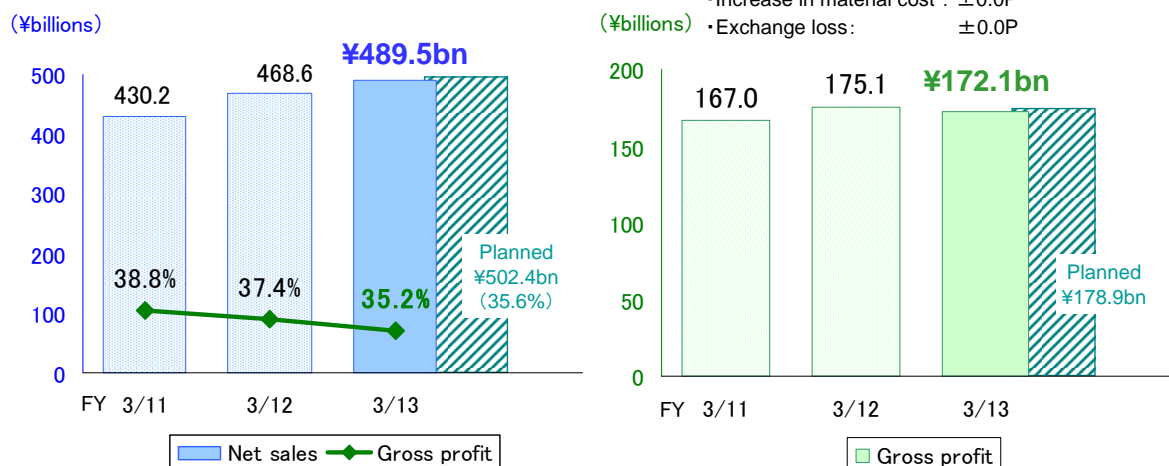
I -3 Income summary by segment (Construction)

	(¥ billions)		
	FY3/12	FY3/13	(YoY)
Net sales	468.6	489.5	(+4.5%)
Gross profit	175.1	172.1	(-1.7%)
Gross profit margin	37.4%	35.2 %	[- 2.2p]

[] : Difference from previous year

※ Major breakdown of gross profit margin 37.4% (- 2.2P YoY)

- Increase in labor cost : -2.2P
- Increase in material cost : ±0.0P
- Exchange loss : ±0.0P



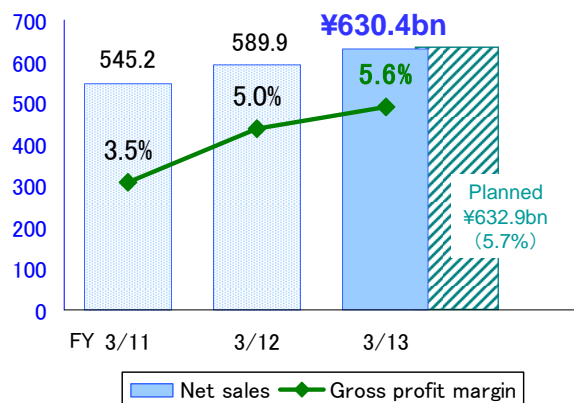
I -4 Income summary by segment (Real estate)

	FY3/12	FY3/13	(YoY)
Net sales	589.9	630.4	(+6.9%)
Gross profit	29.2	35.3	(+20.8%)
Gross profit margin	5.0%	5.6%	[+0.6p]

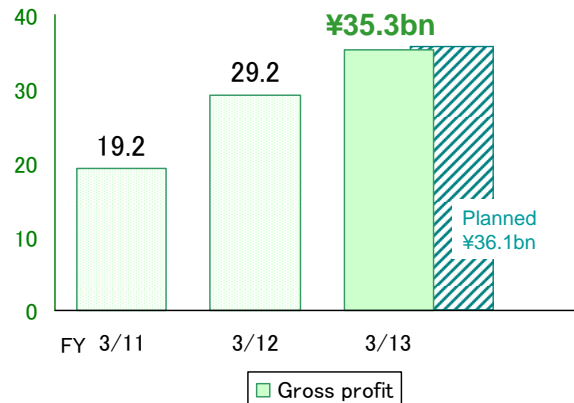
(¥ billions)

[] : Difference from previous year

(¥billions)



(¥billions)



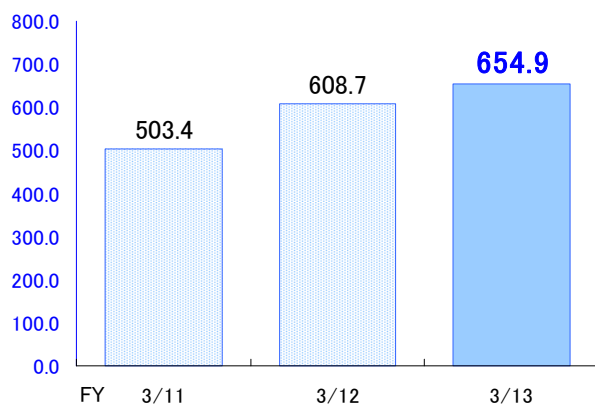
I -5 Orders received and Orders in hand

◇ **Orders received** **¥654.9bn (+ 7.6% YoY)**
 ◇ **Orders in hand** **¥731.2bn (+22.6% YoY)**

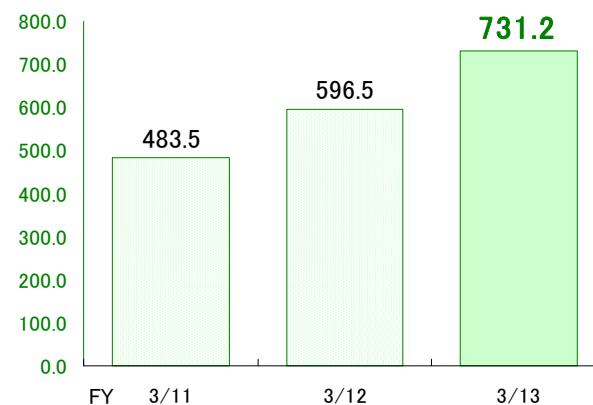
Orders received

Orders in hand

(¥billions)



(¥billions)

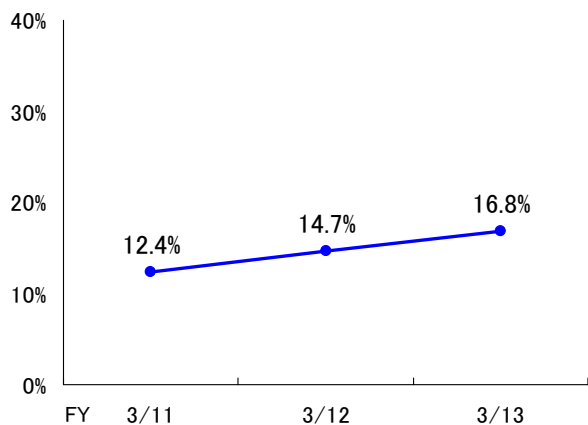


I -6 Analysis of Orders received

◇ **Medium-rise rate** 16.8% (+2.1p YoY)

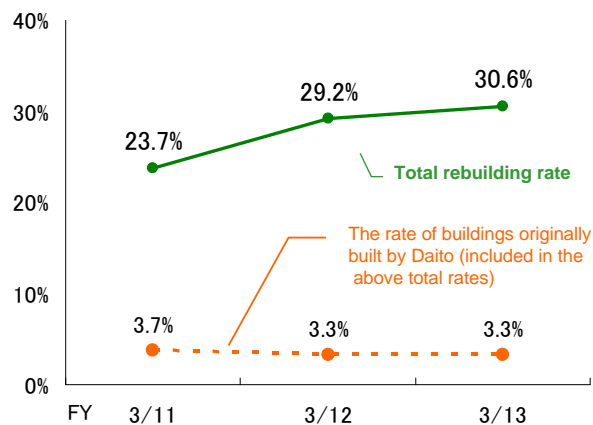
◇ **Rebuilding rate** 30.6% (+1.4p YoY)

Medium-rise rate^{※1}



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

Rebuilding rate^{※2}



※2 Total rebuilding rate =
The no. of orders received for rebuilding / The total orders received

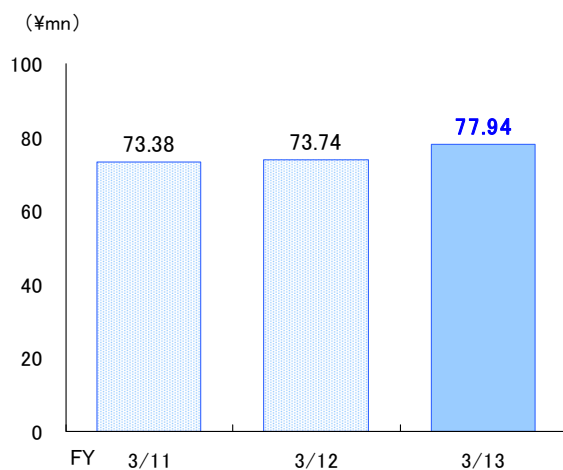
The rate of bldgs originally built by Daito =
The no. of orders received for buildings originally built by Daito / The total orders received

I -7 Analysis of Orders received

◇ **Unit price** ¥77.94mn (+0.42mn YoY)

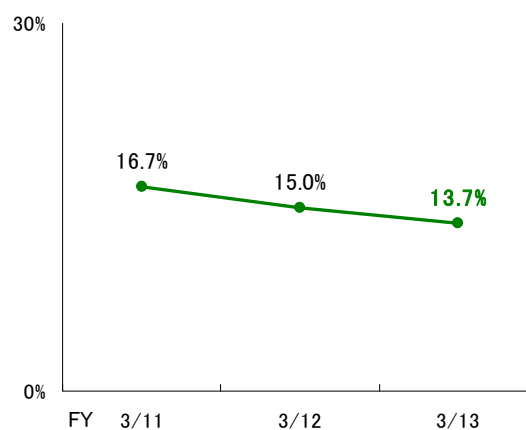
◇ **Cancellation rate** 13.7% (Δ1.3p YoY)

Unit price^{※2}



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

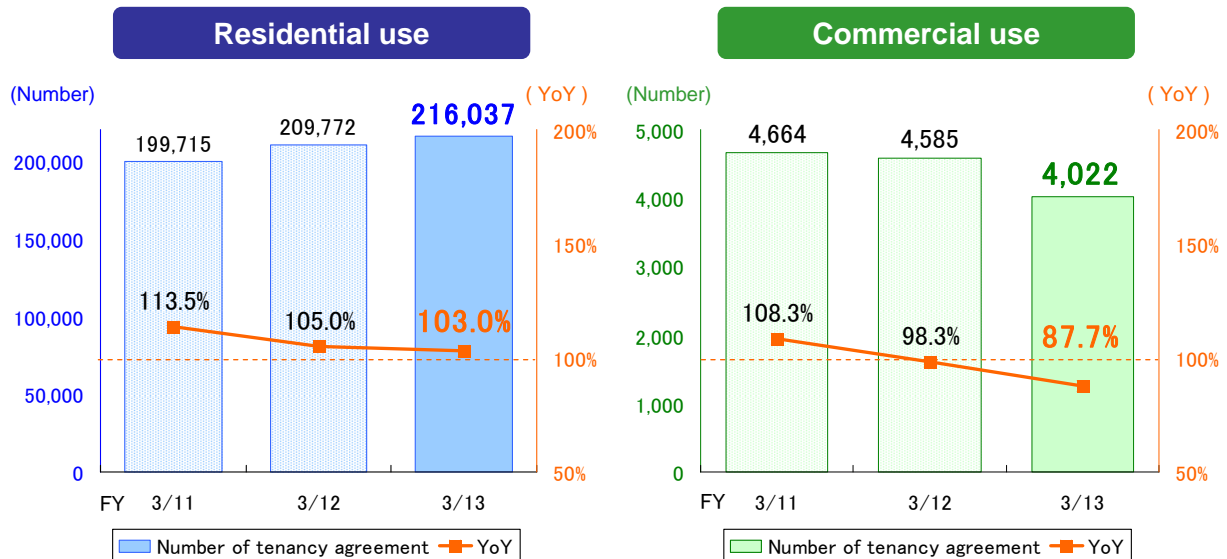
Cancellation rate^{※1}



※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

I -8 Tenancy agreement

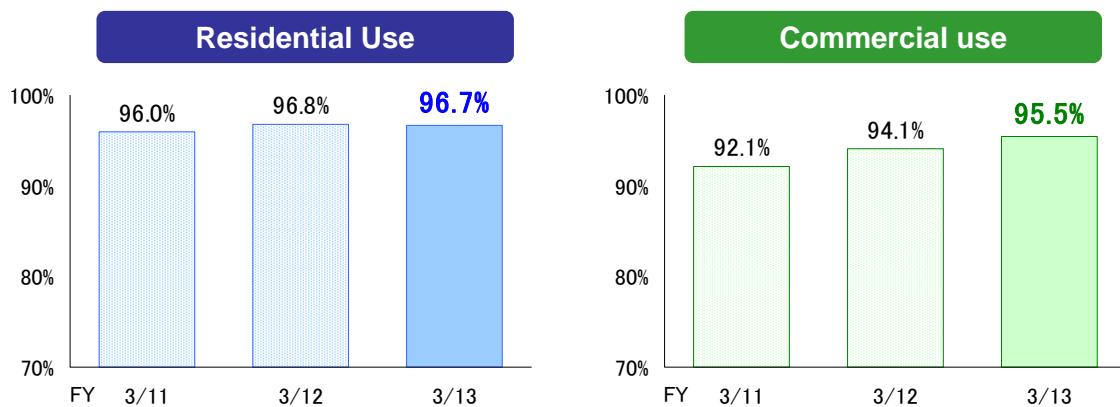
◇ Tenancy agreement 220,059 (102.7% YoY)



I -9 Rent basis occupancy rate

Residential use 96.7% (Δ0.1p YoY)

Commercial use 95.5% (+1.4p YoY)



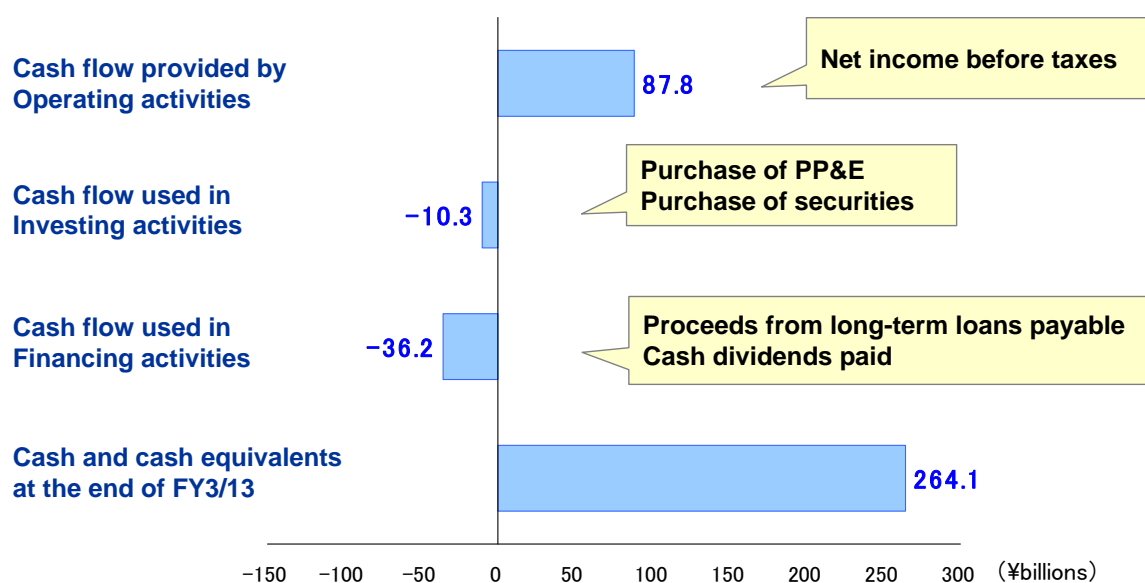
※ Rent basis occupancy rate = 1 - (rent guarantee for vacant rooms / total rent)

I -10 B/S summary

End of FY3/13				End of FY3/12			
(¥billions)							
Current assets	435.7 (+38.0)	Current liabilities	213.1 (+12.0)	Current assets	397.7	Current liabilities	201.1
		Noncurrent liabilities	217.9 (+2.1)			Noncurrent liabilities	215.8
		Total liabilities	431.1 (+14.1)			Total liabilities	417.0
Noncurrent assets	181.9 (+10.6)	Net assets	186.5 (+34.5)	Noncurrent assets	171.3	Net assets	152.0
Total	617.7 (+48.7)	Total	617.7	Total	569.0	Total	569.0

BPS	¥2400.55	BPS	¥1,991.37
Equity ratio	31.0%	Equity ratio	27.8%
ROE	27.0%	ROE	29.8%

I -11 Cash flows in FY3/13

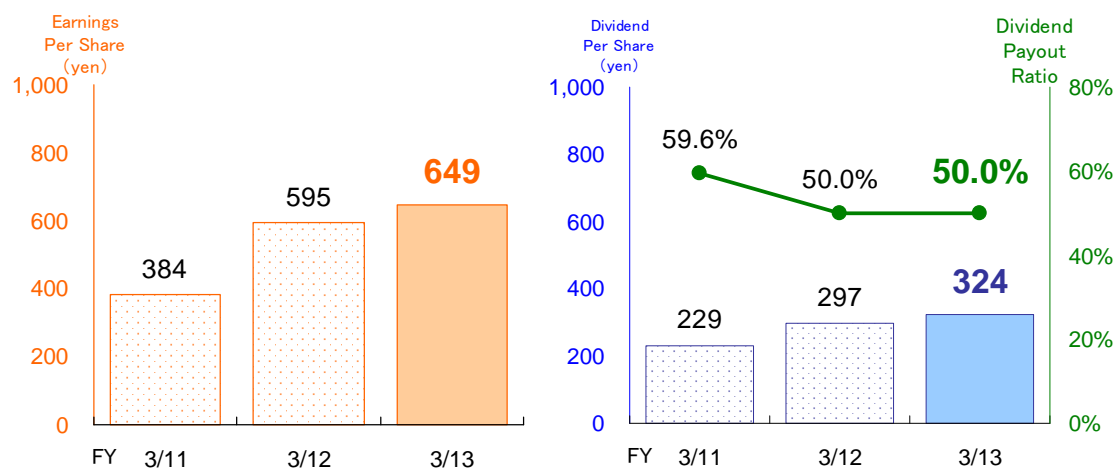


Return to shareholders in FY3/13

Dividend Payout ratio 50%

Annual dividend / 324yen (+27yen YoY)

Interim 159yen、term end 165yen



II . Plan FY2014

II-1 The premise of FY3/14 plan

《The premise of FY3/14 plan》

Business environment to receive construction orders

- Remaining high interest from land owners about utilizing and inheriting their assets. Especially, tax reform including inheritance tax hike stimulate land owners.

Business environment to complete buildings

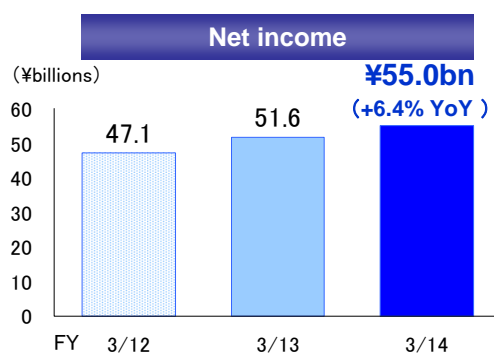
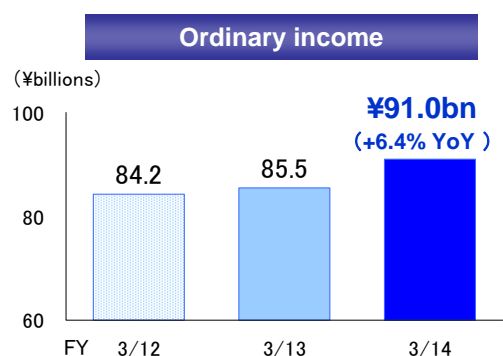
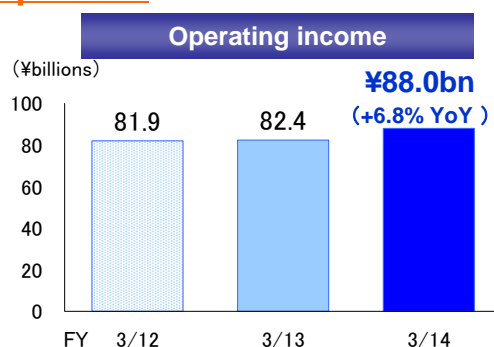
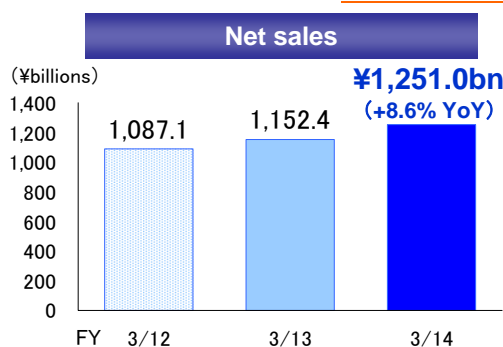
- Completion more buildings with plentiful orders in hand
- Rising labor costs caused by reconstruction demands after the earthquake
- Rising imported building materials costs by continuing depreciation of the yen

Rental room demand

- Potential job increase may stimulate families` moving
- Number of households is expected to increase until 2015(by central government institute)
- Potential new rental apartment demand caused by increasing DINKs /senior generations or innovations (ex. IT, solar)

II-2 Income summary

Planning increase both in sales and incomes for six straight periods



II -3 Plan Of Key Figures

① Construction sales ¥542.5bn (110.8% YoY)
 Gross profit margin 33.5% (Δ1.7P YoY)

② Orders Received ¥670.0bn (102.3% YoY)

③ Tenancy agreement 235,600 (107.0% YoY)

Occupancy rate

- Residential use in March 96.8% (+0.1P YoY)
- Commercial use in March 95.5% (±0.0P YoY)

II -4 Sales and gross profit margin on construction completed

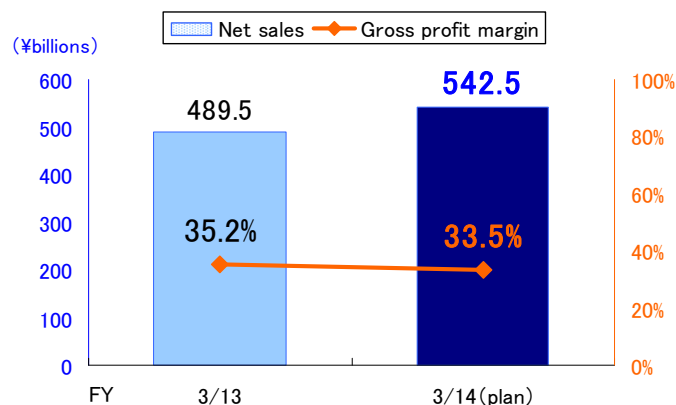
	FY3/13	FY3/14 (plan)	(YoY)
Net sales	489.5	542.5	(+10.8%)
Gross profit	172.1	181.9	(+6.2%)
Gross profit margin	35.2%	33.5%	[-1.7p]

(¥billions)

[] : Difference from previous year

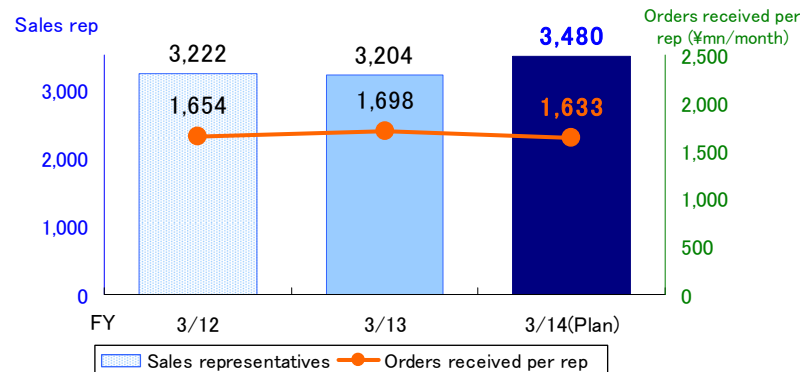
※ Major breakdown of gross profit margin 33.5% (- 1.7P YoY)

- Increase in labor cost : -0.84P
- Increase in material cost : -0.45P
- Exchange loss : -0.41P



II-5 Strategy to achieve our plan of ¥670.0 orders received

1. Reinforcement of sales force Increase sales representatives to 3,480 (+276 YoY)



2. Sales approach, focused on inheritance of properties

- Continuous inheritance tax related seminars
- Asset Due diligence/ Life Planning
- Coordinating with specialists, ie. counselors



● inheritance seminar

II-6 Strategy to achieve our plan of ¥670.0 orders received②

3. Focus on metropolis area

- Expansion of branch network (5~6 branches)
- Improvement of designing flexibility by cooperating with architect
- Reinforcement of sales capability for rental apartment with owners' room (high-end, big demand in large cities)
 - ⇒ Cooperating with interior coordinators and other specialists
 - ⇒ Adding more presentation tools (virtual reality, miniature model)
 - ⇒ Show room tours (Shinagawa ,Nagoya)
- Various seminars
- Proactive approach to CRE



● Shinagawa show rooms

II-7 Strategy to achieve tenants recruitments by 235,600 units in FY3/14
 (FY3/14 end occupancy rate target residential use 96.8%, commercial use 95.5%)

1. Diversifying channels of searching rental rooms

- 「E-heya net」“Value” icon
- Increasing in 「E-heya station」 open(+ 63 → FY3/14 120)
- 24H(even night or holiday) acceptance (24H E-heya support center)



- 「E-heya net」“Value” icon
 (Appeals the room's value in the website)

● E-heya stations
 (automated stores)

II-8 Strategy to achieve tenants recruitments by 235,600 units in FY3/14
 (FY3/14 end occupancy rate target residential use 96.8%, commercial use 95.5%)

2. Reinforcement of tenants recruitment network

- Expanding “Partnership” agents (additional 1,263 shops→ FY3/14 end 2,500 shops)
- Internal staff will focus on “Tying up outside estate agents” or “Finding new tenants by ourselves”
- Furnishing with “Paper Craft” furniture to vacant rooms, trial case shows its power attract potential tenants



3. Value adding measures to rental buildings under management

- Free key replacement service for tenants at leaving
- No deposit and room cleaning at flat rate
- More rental apartments with Photovoltaic or Power Aggregator (with scheme tenants can save electricity fare rate)
- Expanding cover area of “Live-up Life style service”

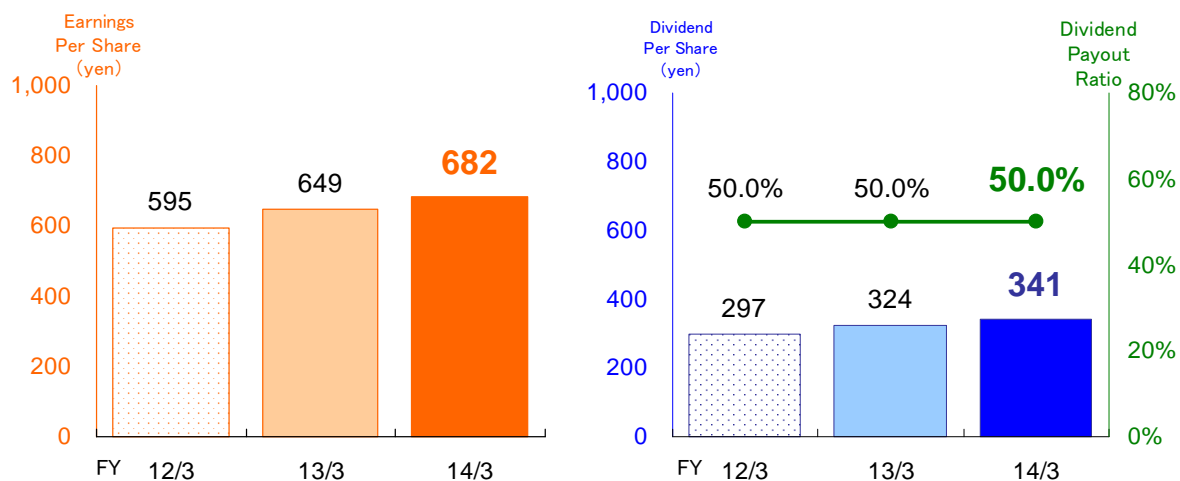


II -9 Plan for return to shareholders

Return to shareholders of FY3/14 (Plan)

① Annual dividend / 341yen (Payout ratio 50%)
(+17yen YoY)

② Share repurchase / Suspend (Continue)



III. Mid-term plan

● Basic philosophy

Further explore opportunities in rental apartments

In addition to construction of apartments, we, Daito Trust construction, will keep pursuing business opportunities, with each employee's contribution, and thereby revitalize people's life, communities, and the economy.

1. Receive more construction orders

By furnishing more comprehensive service to land owners who need the succession of their property to their children

2. Expand construction capability

By increasing capacity to complete annual construction up to Yen 700bn or more (+43% compared with FY3/13%), while keeping high level gross margin.

3. Keeping high occupancy ratio for rental apartments under our management

By reinforcing tenants recruitment, and continuous improvement of service quality for the apartment under our management

III-2 Revised Mid-Term Business Plan (FY3/18) / Key Figures

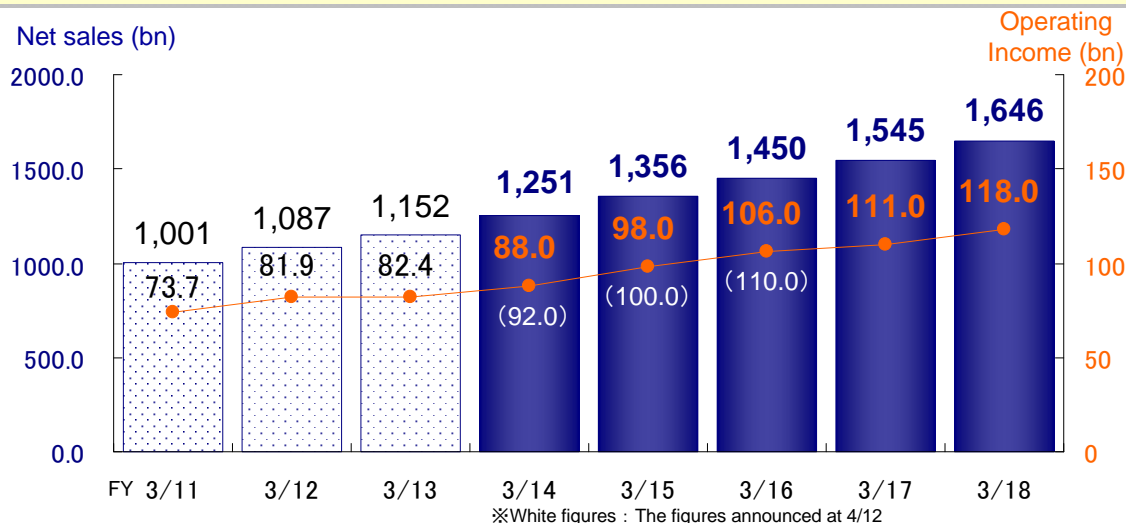
		3/18 (Plan)	vs 3/13	Annual growth rate	3/13
Core Business	Orders received	754.0bn	115.1%	+2.9%	654.9bn
	Construction sales	710.7bn	145.2%	+7.7%	489.5bn
	(Gross profit margin)	(33.5%)	±0.0P	—	(33.5%)
	Tenancy agreements	327thou	148.6%	+8.2%	220thou
	Supplying rooms (residential use)	1,106thou	148.0%	+8.2%	747thou
Occupancy rate (March/Residential use)	96.8%	+0.1P	—	96.7%	
Related businesses	Net sales of Gaspal corp. (Number of rooms supplying LP gas)	32.0bn (300thou)	149.6%	+8.4%	21.3bn (162thou)
	Net sales of Care Partner corp. (Number of day service homes)	11.0bn (86)	139.1%	+6.8%	7.9bn (64)
	Net sales of Housecom corp.	10.0bn	128.2%	+5.1%	7.8bn
	Net sales of generation of electricity (Solar generation; electricity amount) (Aggregator; Supplying rooms)	2.1bn (53,000kw) (9,700)	—	—	0.01bn (1,031kw) (741)
	Live-UP living service area	100 areas	+96areas	—	4areas

III-3 Revised Five Years Business Plan

FY3/18 Plan

Net sales 1,646.0bn (vs 3/13 +42.8% annual growth 7.4%)

Operating income 118.0bn (vs 3/13 +42.9% annual growth 7.4%)

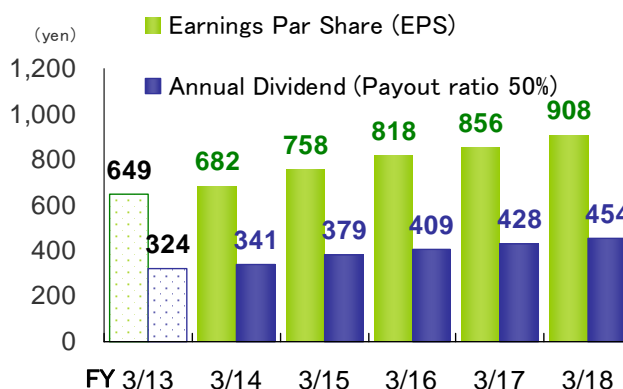
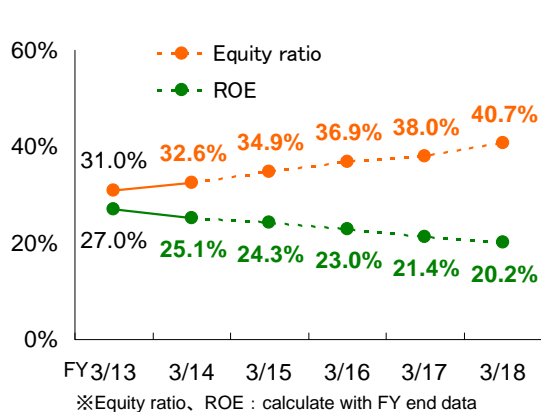


III-4 Financial Indicators (ROE /EPS/Dividend and Payout Ratio)

Policy of return to shareholders

① Dividend payout ratio : **50% (Continue)**

② Share repurchase/retirement : **Suspending**
(Consider to restart when equity ratio raise over 35%)



IV. Appendix

IV-1 Non-consolidated statement of income

(¥ millions)

	FY3/13	FY3/12	YoY	FY3/14 (Plan)
Net sales	508,404	491,599	+3.4%	560,500
Construction	490,831	470,966	+4.2%	542,800
Real estate & others	17,573	20,632	-14.8%	17,700
Gross profit	167,763	170,527	-1.6%	180,000
Construction	170,188	173,767	-2.1%	182,400
Real estate & others	-2,424	-3,239	—	-2,400
SG & A expenses	115,046	112,402	+2.4%	122,100
Operating income	52,717	58,125	-9.3%	57,900
Ordinary income	57,029	61,469	-7.2%	61,900
Net income	34,556	34,119	+1.3%	37,300

IV-2 Financial summaries of major subsidiaries (Construction)

(¥ millions)

	Construction business							
	Daito Construction				Daito Steel			
	FY3/13	FY3/12	YoY	FY3/14 (Plan)	FY3/13	FY3/12	YoY	FY3/14 (Plan)
Net sales	6,569	5,143	+27.7%	5,350	4,229	3,997	+5.8%	4,254
Gross profit	118	289	-59.1%	75	196	184	+6.9%	169
SG&A expenses	115	99	+15.4%	132	70	70	0.0%	78
Operating income	3	189	-98.4%	-56	126	114	+11.1%	90
Ordinary income	65	246	-73.4%	0	125	112	+11.2%	89
Net income	33	203	-83.6%	0	76	65	+17.6%	54

IV-3 Sales Structure of Real estate business

(¥ millions)

	FY3/11		FY3/12		FY3/13		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY
Whole-building lease ※ ¹	486,951	(89.3%)	533,439	(90.4%)	575,898	(91.4%)	+8.0%
Building and repairs ※ ²	28,043	(5.1%)	30,095	(5.1%)	30,918	(4.9%)	+2.7%
Brokerage	11,975	(2.2%)	13,525	(2.3%)	13,485	(2.1%)	- 0.3%
Lease business ※ ³	6,001	(1.1%)	5,986	(1.0%)	6,008	(1.0%)	+0.4%
Sub-lease ※ ⁴	9,956	(1.8%)	3,964	(0.7%)	910	(0.1%)	- 77.0%
Others	2,367	(0.5%)	2,911	(0.5%)	3,207	(0.5%)	+10.2%
Total	545,296	(100.0%)	589,924	(100.0%)	630,428	(100.0%)	+6.9%

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

※² Building and repairs by Daito Building Management (recorded sales on construction till FY3/10)

※³ Mainly Shinagawa East One Tower

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

IV-4 Financial summaries of major subsidiaries (Real estate)

(¥ millions)

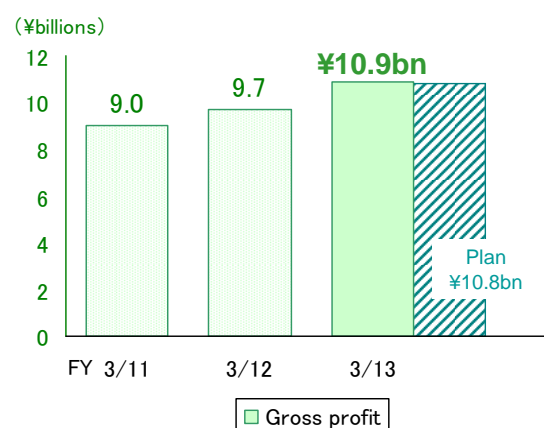
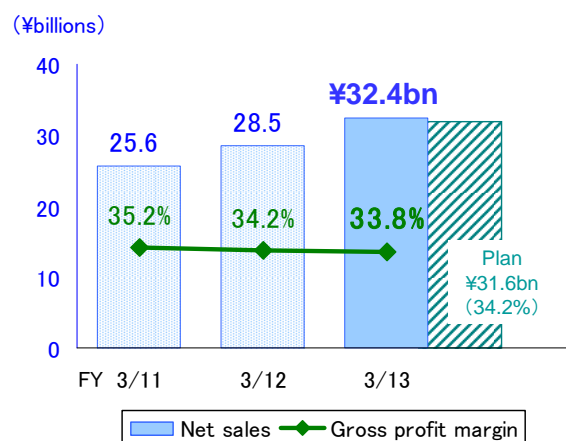
	Real estate business											
	Daito Building Management				Housecom				House Leave			
	FY3/13	FY3/12	YoY	FY3/14 (Plan)	FY 3/13	FY 3/12	YoY	FY3/14 (Plan)	FY 3/13	FY 3/12	YoY	FY3/14 (Plan)
Net sales	611,083	567,818	+7.6%	652,000	7,815	7,908	- 1.2%	8,334	1,987	1,649	+20.5%	2,399
Gross profit	33,889	28,752	+17.9%	36,200	7,815	7,908	- 1.2%	8,334	1,597	1,180	+35.3%	1,967
SG&A expenses	11,401	10,929	+4.3%	11,900	7,638	7,388	+3.4%	8,019	247	222	+11.0%	229
Operating income	22,487	17,822	+26.2%	24,300	176	520	-66.1%	315	1,350	957	+41.0%	1,737
Ordinary income	23,142	18,184	+27.3%	24,800	504	685	-26.5%	618	1,381	964	+43.3%	1,762
Net income	14,069	10,073	+39.7%	15,000	255	321	-20.5%	346	782	517	+51.2%	1,067

IV-5 Income summary by segment (Other business)

(¥ billions)

	FY3/12	FY3/13	(YoY)
Net sales	28.5	32.4	(+13.6%)
Gross profit	9.7	10.9	(+12.1%)
Gross profit margin	34.2%	33.8%	[-0.4p]

[] : Difference from previous year



IV-6 Financial summaries of major subsidiaries (Others - 1)

(¥ millions)

	Other business (Financial business)							
	Daito Finance				D.T.C			
	FY3/13	FY3/12	YoY	FY3/14 (Plan)	FY3/13	FY3/12	YoY	FY3/14 (Plan)
Net sales	1,023	1,341	- 23.7%	833	3,134	2,561	+22.4%	3,090
Gross profit	616	813	- 24.2%	484	1,284	987	+30.0%	1,263
SG&A expenses	131	147	- 10.7%	163	10	9	+13.1%	11
Operating income	484	666	- 27.2%	320	1,274	978	+30.2%	1,252
Ordinary income	485	668	- 27.3%	320	1,277	978	+30.5%	1,252
Net income	294	386	- 23.7%	194	1,277	978	+30.5%	1,258

IV-7 Financial summaries of major subsidiaries (Others - 2)

(¥ millions)

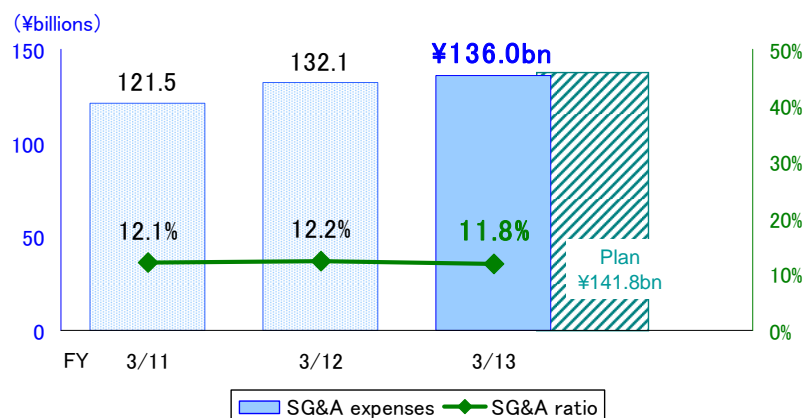
	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	FY3/13	FY 3/12	YoY	FY3/14 (Plan)	FY3/13	FY 3/12	YoY	FY3/14 (Plan)	FY3/13	FY 3/12	YoY	FY3/14 (Plan)
Net sales	7,907	6,786	+16.5%	8,675	21,397	19,176	+11.6%	23,989	2,149	1,889	+13.8%	2,639
Gross profit	1,010	830	+21.7%	1,123	5,631	4,766	+18.2%	6,641	1,139	1,013	+12.5%	1,412
SG&A expenses	540	512	+5.5%	625	3,579	3,069	+16.6%	4,028	789	662	+19.1%	900
Operating income	470	318	+47.9%	498	2,052	1,696	+20.9%	2,612	350	350	0.0%	512
Ordinary income	518	317	+63.4%	497	2,111	1,719	+22.8%	2,628	531	152	—	470
Net income	298	418	- 28.6%	287	1,370	992	+38.1%	1,591	528	149	—	470

IV-8 Selling, general and administrative expenses

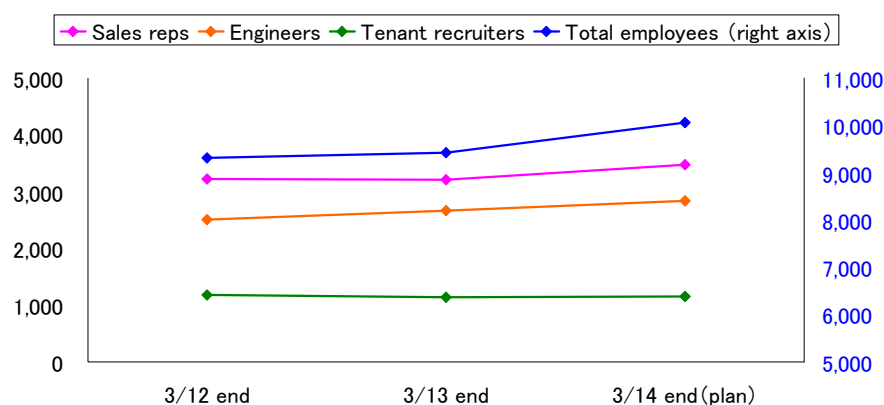
(¥ billions)

	FY3/12	FY3/13	(YoY)
SG&A expenses	132.1	136.0	(+2.9%)
SG&A ratio	12.2%	11.8%	[- 0.4p]

[] : Difference from previous year

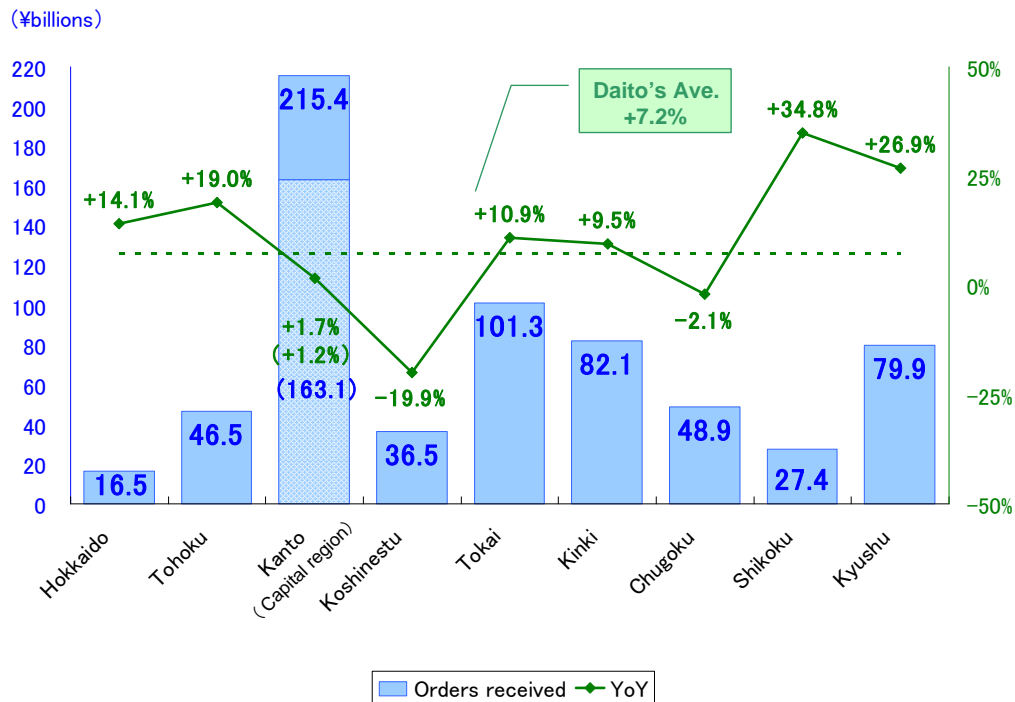


IV-9 Number of employees by each occupations (Non-consolidated)



	3/12 end	3/13 end	(YoY)	3/14 plan
Total employees	9,317	9,428	+114	10,060
Sales reps	3,222	3,204	- 18	3,480
Engineers	2,504	2,667	+131	2,843
Tenant recruiters	1,186	1,147	- 39	1,155

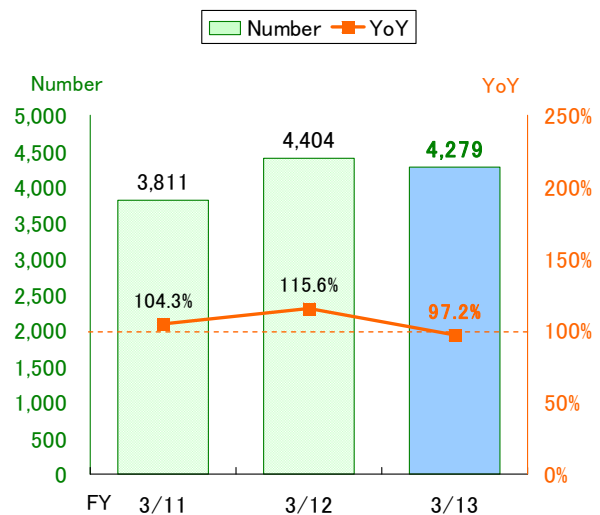
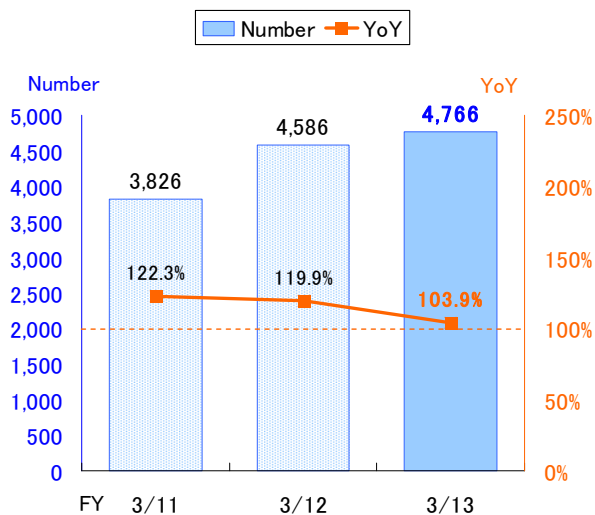
IV-11 Orders received by area



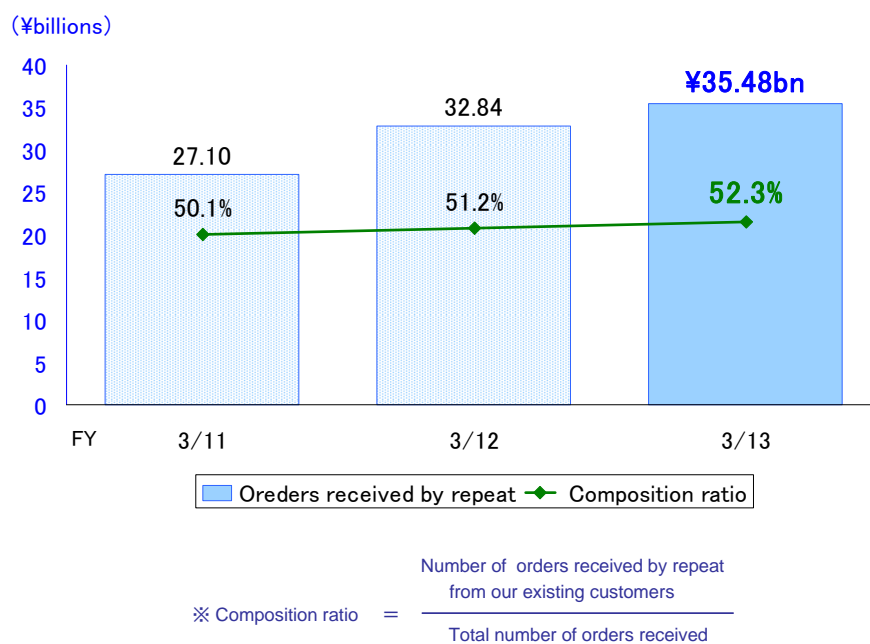
IV-10 Channels of orders received

Orders received by repeat & via introduction by agents or others

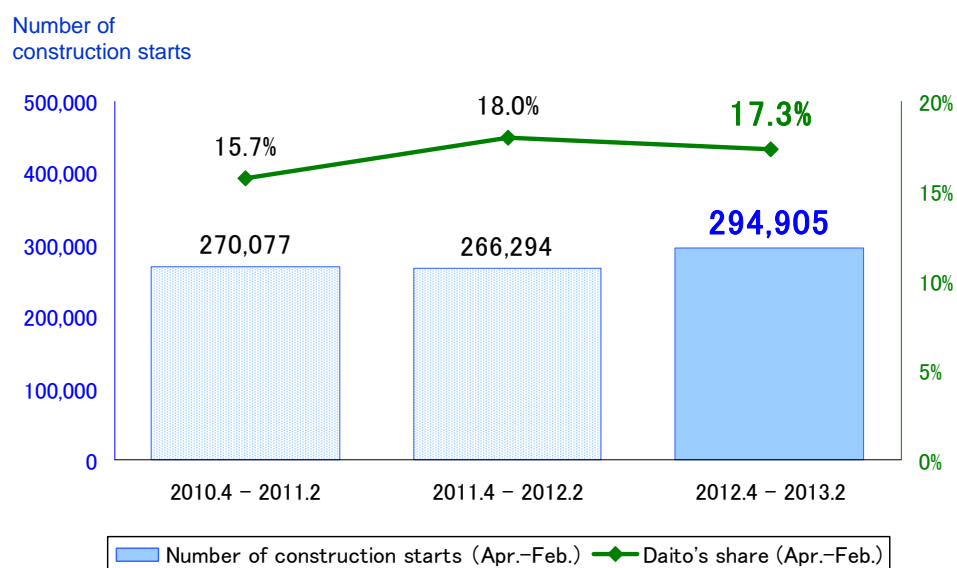
Orders received from new customers



IV-12 Orders received by repeat

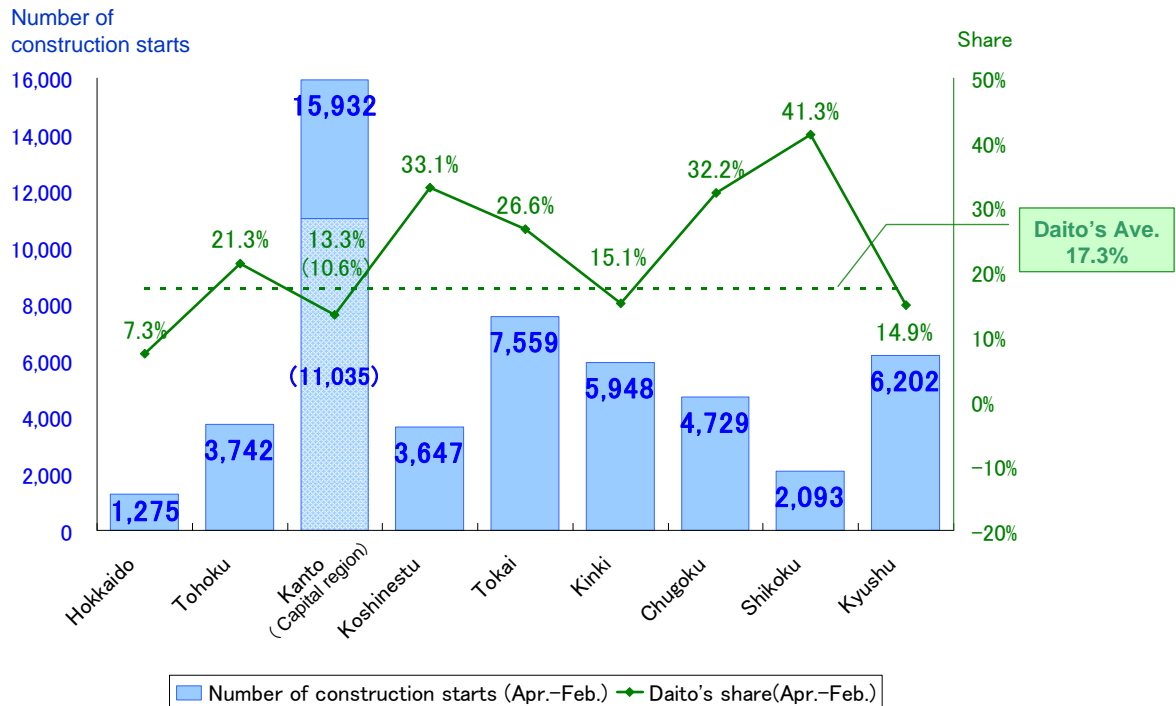


IV-13 Number of construction starts & Daito's share

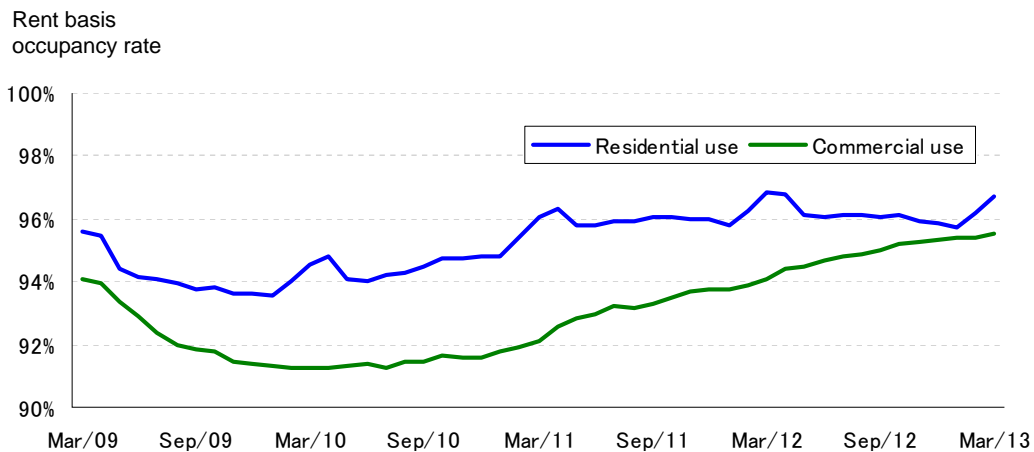


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

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

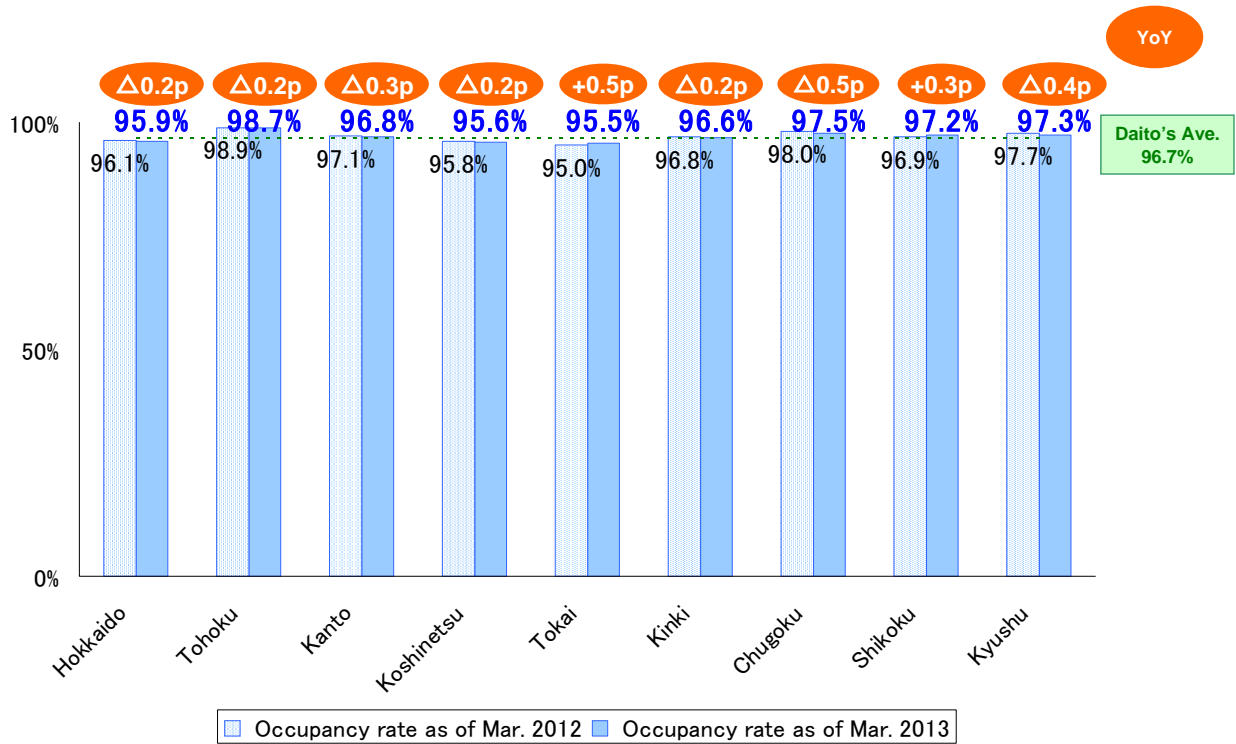


IV-15 Rent basis occupancy rate

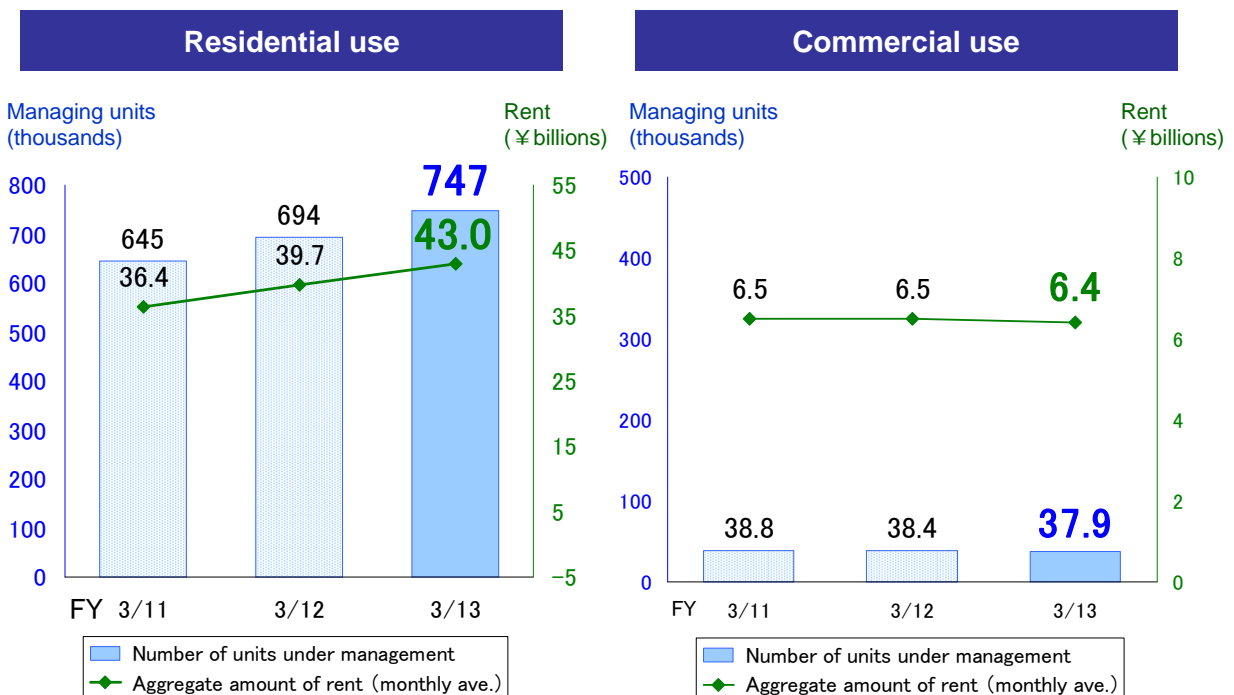


Rent basis occupancy rate	2009(Mar.)	2010(Mar.)	2011(Mar.)	2012(Mar.)	2013(Mar.)	YoY
Residential use (%)	95.6%	94.6%	96.0%	96.8%	96.7%	- 0.1p
Commercial use (%)	94.1%	91.3%	92.1%	94.1%	95.5%	+1.4p

IV-16 Rent basis occupancy rate by area (Residential use / March)

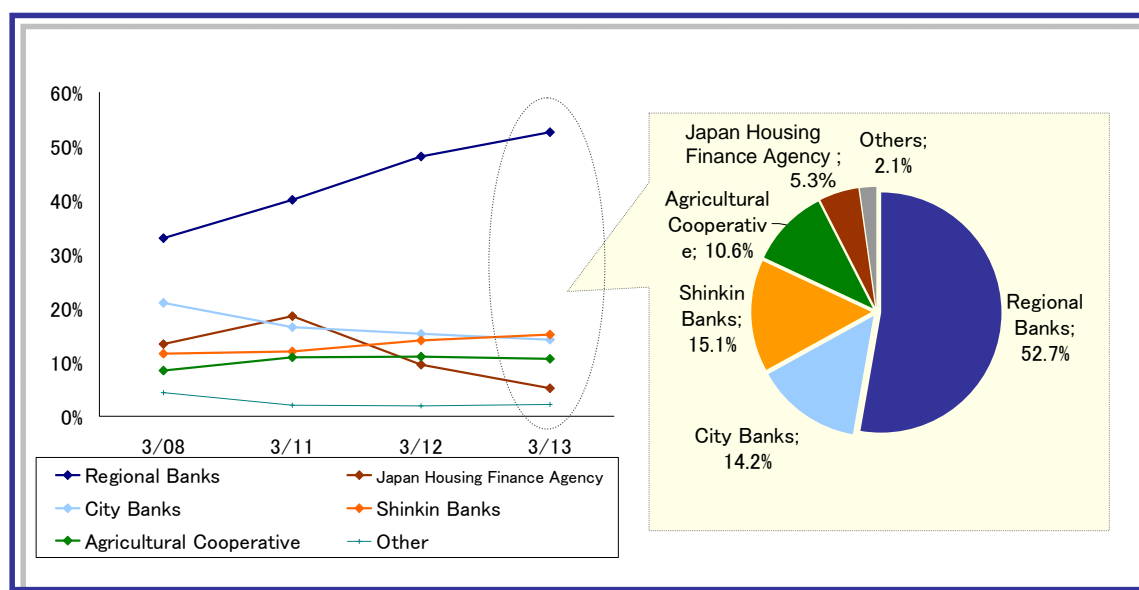


IV-17 Number of units under management & aggregate amount of rent



IV-18 Customer's financing channel

Shares of financial institutions (Construction starts basis)



IV-19 Mid-term plan (Profit and loss statement)

(¥billions)

	Result	Plan				
	3/13	3/14	3/15	3/16	3/17	3/18
Net sales	1,152.4	1,251.0	1,356.7	1,450.3	1,545.8	1,646.0
Construction	489.5	542.5	596.0	638.4	676.3	710.7
Real estate	630.4	672.5	719.8	770.1	822.9	884.8
Other	32.4	36.0	40.2	43.3	46.6	50.6
Gross profit	218.4	232.7	253.9	272.1	288.4	303.5
Construction	172.1	181.9	199.8	214.1	226.8	238.3
Real estate	35.3	38.6	40.9	43.9	46.4	48.9
Other	10.9	12.2	13.2	14.1	15.2	16.3
SG & A expenses	136.0	144.7	155.9	166.1	177.4	177.4
Operating income	82.4	88.0	98.0	106.0	111.0	118.0
Ordinary income	85.5	91.0	101.0	109.0	114.0	121.0
Net income	51.6	55.0	61.0	69.0	72.0	77.0
Total assets	617.7	673.5	721.5	781.1	853.8	896.2
(Debt loan)	(110.8)	(95.8)	(80.9)	(66.0)	(51.7)	(0.7)
Net assets	186.5	216.4	249.9	282.7	321.3	362.6
Equity ratio	31.0%	32.6%	34.9%	36.9%	38.0%	40.7%
ROE	27.0%	25.1%	24.3%	23.0%	21.4%	20.2%
EPS (yen)	649	682	758	818	856	908

※The influence of IFRS is not considered.

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Daito Trust Construction Co. Ltd

URL : <http://www.kentaku.co.jp>

E-Mail : keiki@kentaku.co.jp