

1Q Financial Highlights, Year ending March 31, 2014

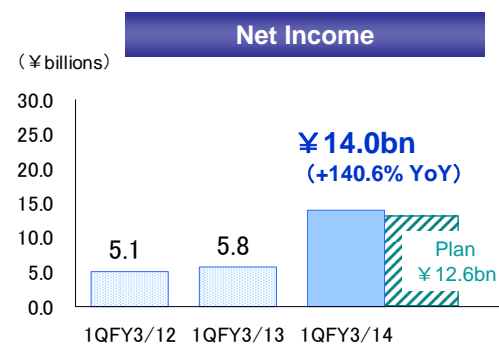
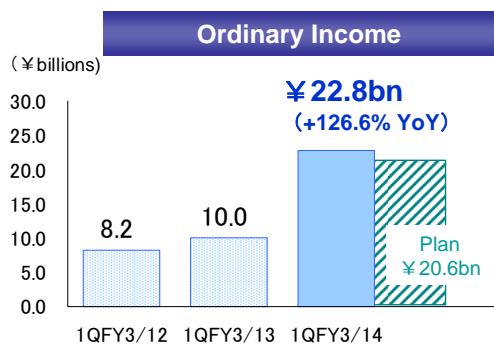
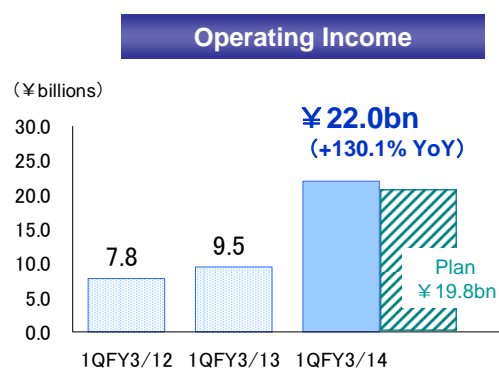
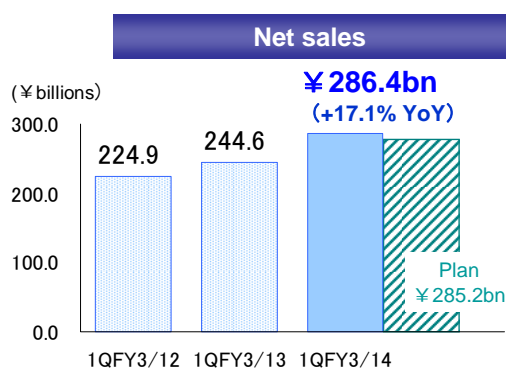
**Contents**

---

I.	1Q Financial Results	3
II.	Key Figures	11
III.	Topics	23
IV.	Appendix	27

# I . 1Q Financial Results

## I -1 1Q Financial Results summary

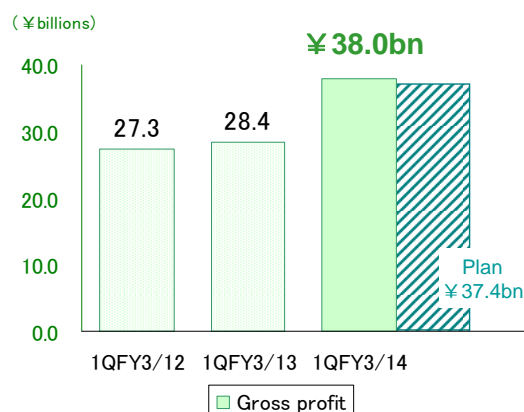
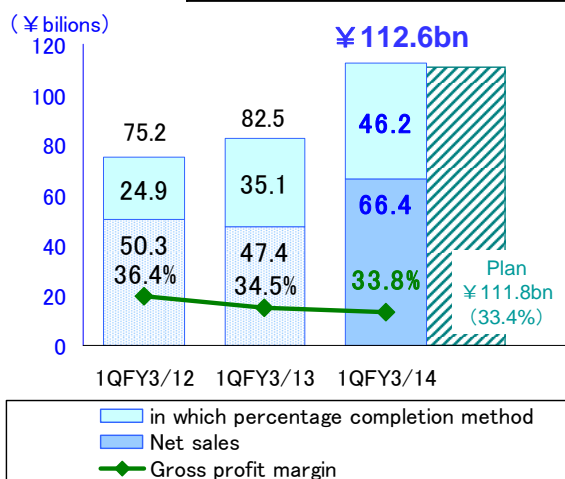


## I-2 1Q Financial Results by segment (Construction)

(¥ billions)

	1QFY3/13	1QFY3/14	(YoY)
Net sales	82.5	112.6	(+36.4%)
Gross profit	28.4	38.0	(+33.5%)
Gross profit margin	34.5%	33.8%	[Δ0.7p]

[ ] : Difference from previous same period

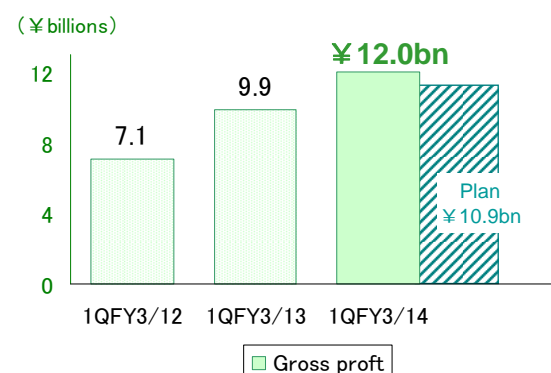
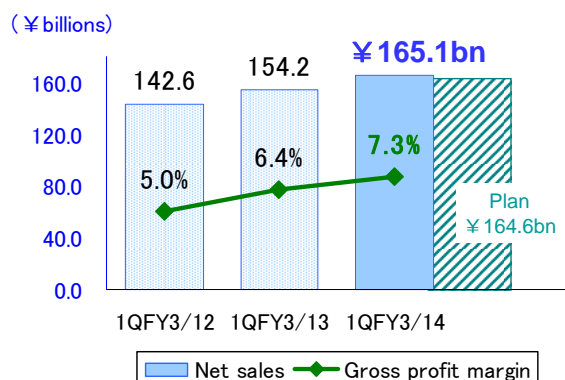


## I-3 1Q Financial Results by segment (Real estate)

(¥ billions)

	1QFY3/13	1QFY3/14	(YoY)
Net sales	154.2	165.1	(+7.1%)
Gross profit	9.9	12.0	(+21.2%)
Gross profit margin	6.4%	7.3%	[+0.9p]

[ ] : Difference from previous same period

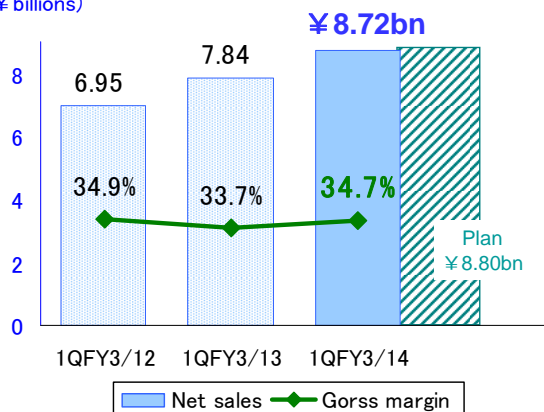


## I -4 1Q Financial Results by segment (Others)

(¥ billions)

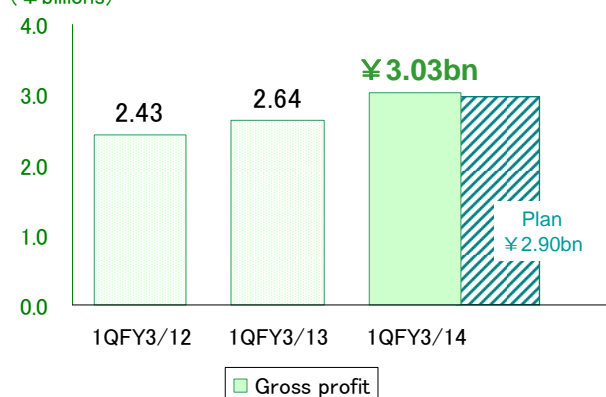
	1QFY3/13	1QFY3/14	(YoY)
Net sales	7.84	8.72	(+11.3%)
Gross profit	2.64	3.03	(+14.8%)
Gross profit margin	33.7%	34.7%	[+1.0p]

(¥ billions)



[ ] : Difference from previous same period

(¥ billions)

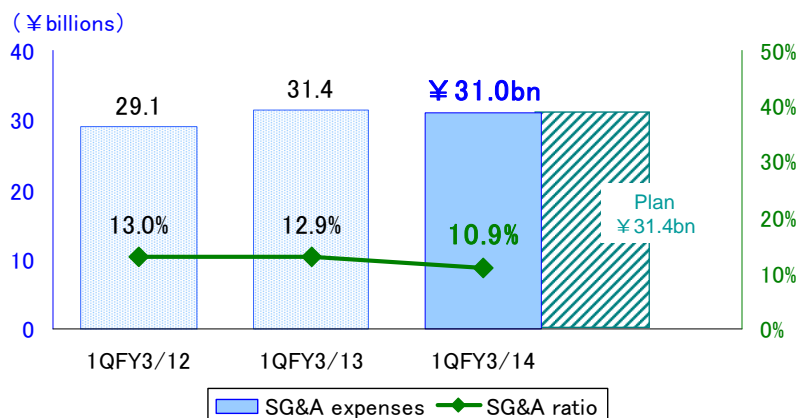


## I -5 Selling, general and administrative expenses

(¥ billions)

	1Q FY3/13	1Q FY3/14	(YoY)
SG&A expenses	31.4	31.0	(Δ1.2%)
SG&A ratio	12.9%	10.9%	[Δ2.0p]

[ ] : Difference from previous same period



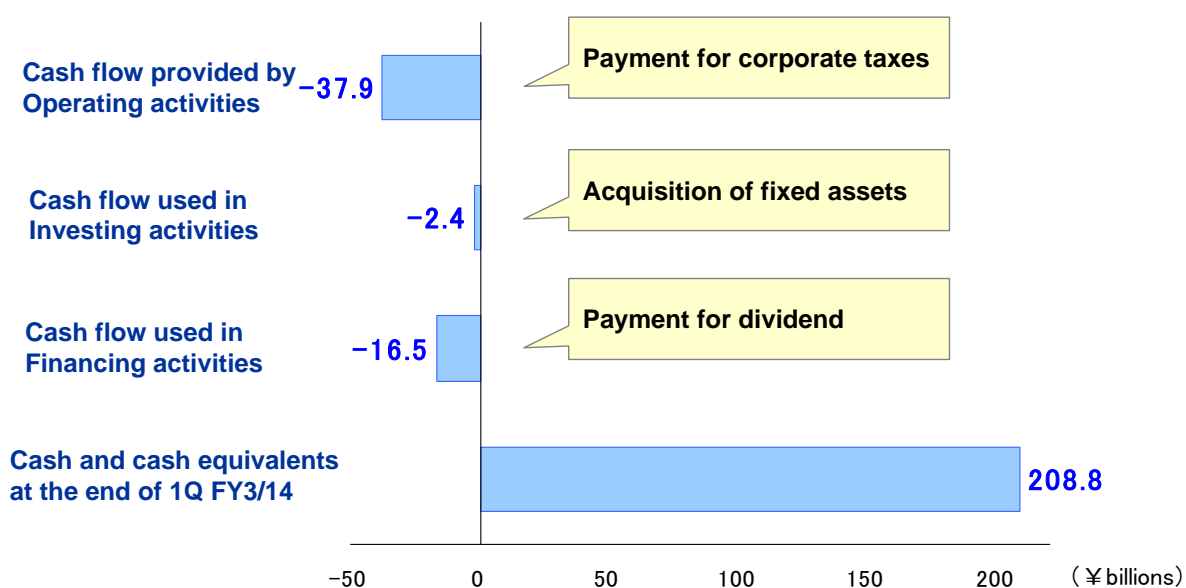
## I -6 Financial conditions

1Q FY3/14				End of FY3/13			
( ¥ billions)							
Current assets	387.7 (Δ48.0)	Current liabilities	166.7 (Δ46.4)	Current assets	435.7	Current liabilities	213.1
		Noncurrent liabilities	215.0 (Δ2.9)			Noncurrent liabilities	217.9
Noncurrent assets	184.6 (+2.7)	Total liabilities	381.8 (Δ49.3)	Noncurrent assets	181.9	Total liabilities	431.1
		Net assets	190.5 (+4)			Net assets	186.5
Total	572.4 (Δ45.3)	Total	572.4	Total	617.7	Total	617.7

BPS	¥ 2,444.49	BPS	¥ 2,400.55
Equity ratio	34.0%	Equity ratio	31.0%

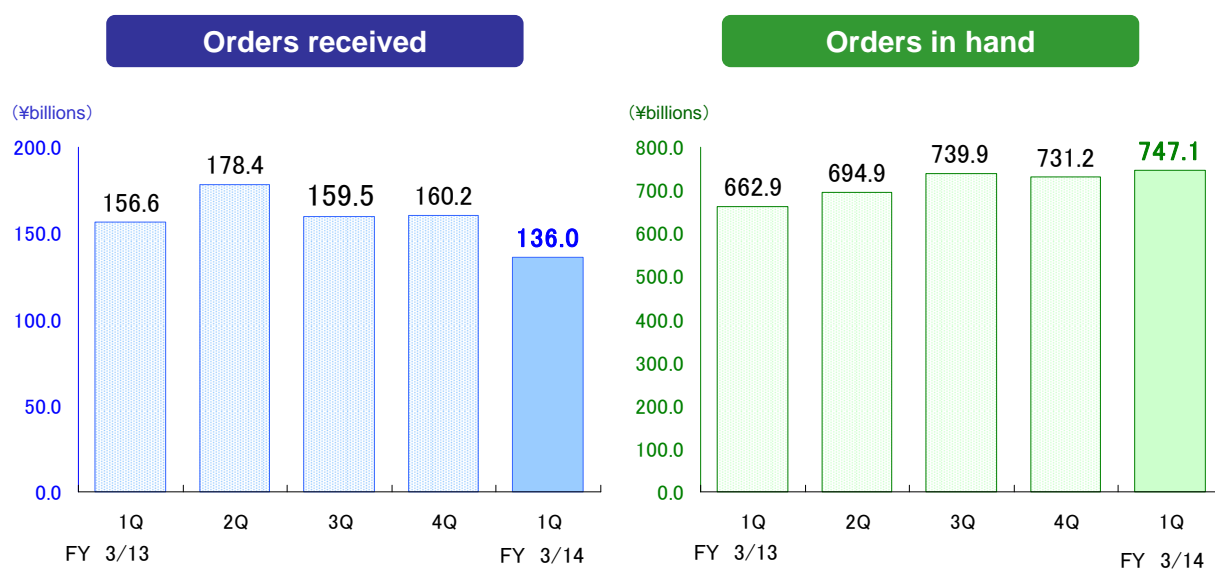
## I -7 Cash flows



## II. Key Figures

### II-1 Orders received and Orders in hand

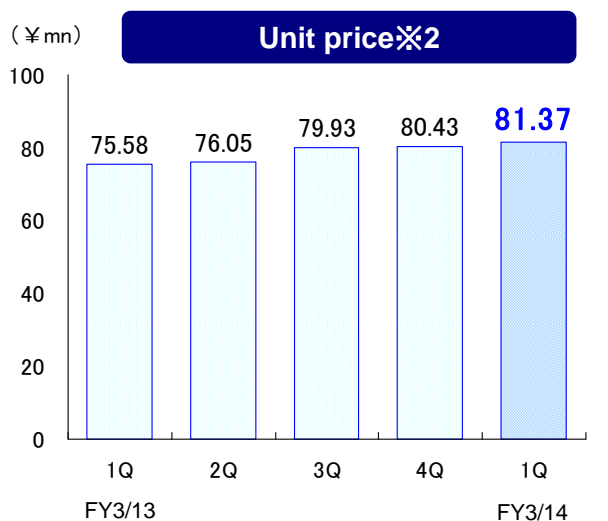
◇ **Orders received**      **¥136.0bn** (△13.2% YoY)  
 ◇ **Orders in hand**      **¥747.1bn** (+12.7% YoY)



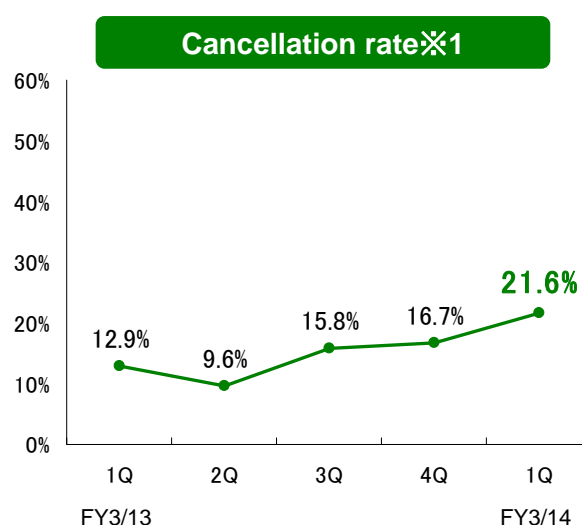
## II -2 Cancellation rate and Unit price of orders received

◇ Unit price ¥81.37mn. (+¥5.79mn. YoY)

◇ Cancellation rate 21.6% ( +8.7p YoY)



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

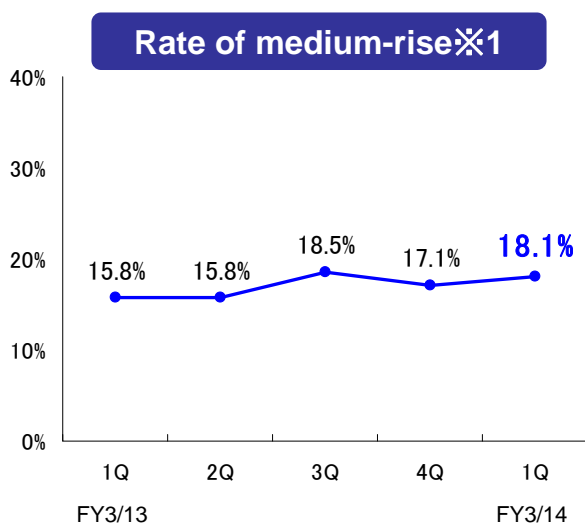


※1 Cancellation rate = the amount of cancellation / the amount of new orders received  
Orders received = the amount of new orders received - the amount of cancellation

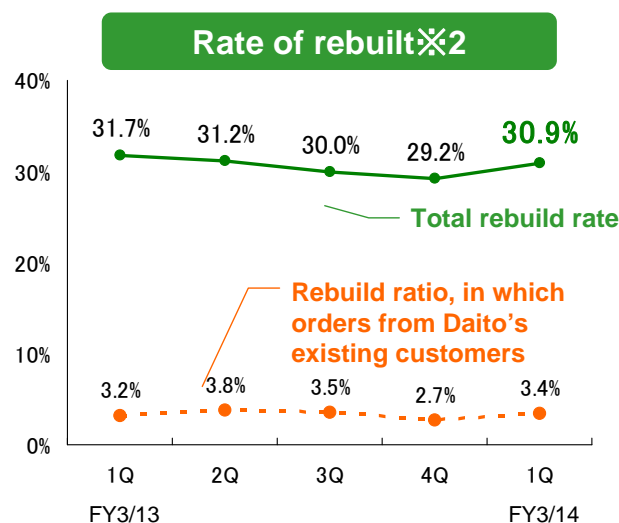
## II -3 Important indicators from orders received

◇ Rate of medium-rise 18.1% (+ 2.3p YoY)

◇ Rate of rebuilt 30.9% (△0.8p YoY, +1.7p QoQ)



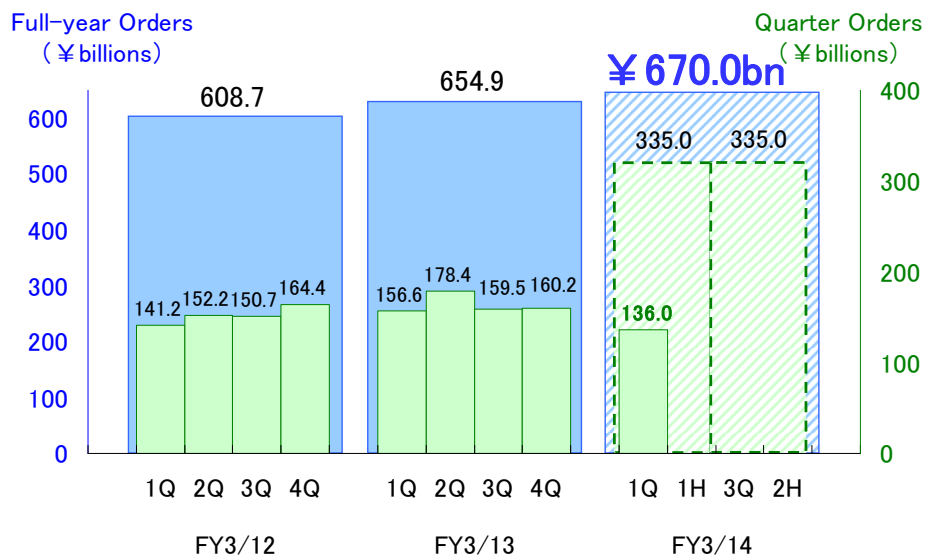
※1 Rate of medium rise  
= Orders received for over three-story apartment  
/ Total orders received



※2 Rebuild rate = Orders received by rebuilt / Total orders received

## II -4 Orders received target of FY3/14

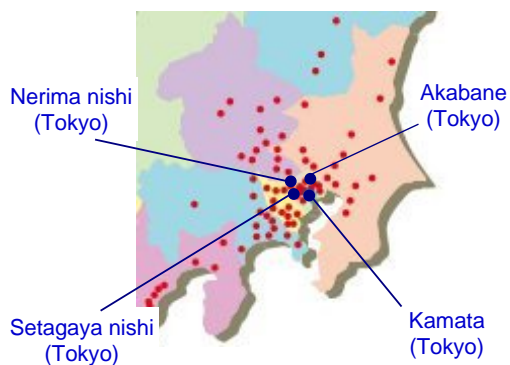
### ◇ Orders received target of FY3/14 ¥670.0bn(+2.3% YoY)



## II -5 Focus on the metropolis①

### Enhance sales force

**Aug/2013**  
4 new branches will open in Tokyo



### Vary the way of approach

- Invitation events of our HQ building  
(Held 16 times, 602 guests participated)
- Inviting clients to our construction sites  
(Held 3 times, 180 guests participated)
- Seminars focused on metropolitan area clients  
(Held 3 times, 104 guests participated)





Power up of presentation tools

Visualized presentation tools by using building models or dioramas



Power up of design

- Hiring 4 interior coordinators.
- Adding new space to our showroom, land owners rental housing combined with their own homes.
- Collaboration with 27 architect offices.
- 3 big branches directly tied up with the architect offices (Koto, Taito, Shinagawa)



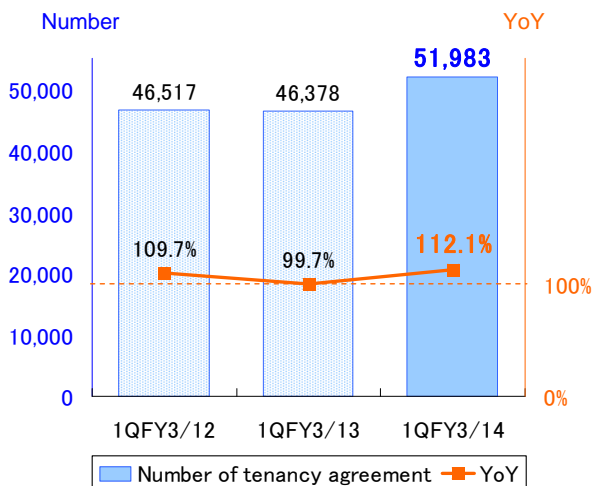
● Presentation by an interior coordinator

II -7 Tenancy agreement

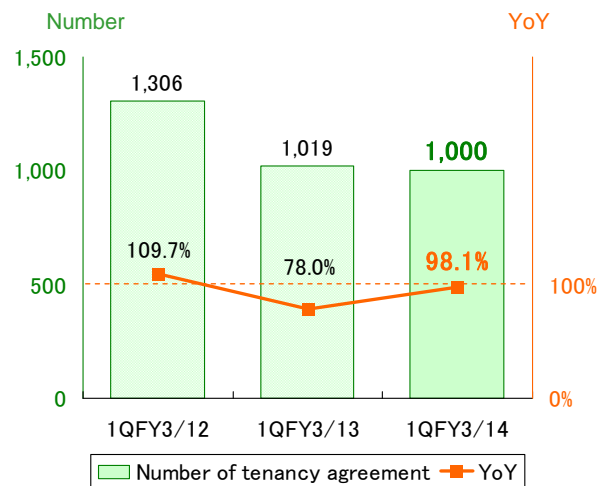
◇ Tenancy agreements 52,983 (+11.8% YoY)

- Residential use 51,983 Units (+12.0% YoY)
- Commercial use 1,000 Units (△ 1.9% YoY)

Residential use

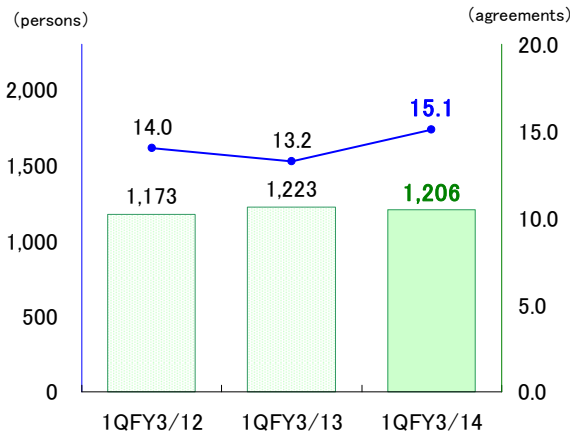


Commercial use



## II -8 Tenancy agreements per rep.

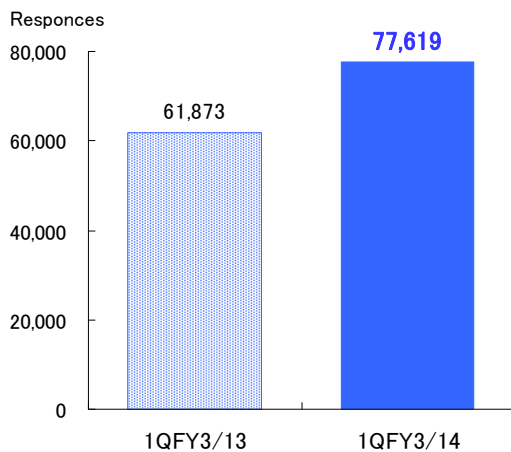
◇Tenancy agreements per rep. 15.1/rep,month (+1.9 YoY)



	More Efficient sales		
	1QFY 3/12	1QFY 3/13	1QFY 3/14
Tenant sales rep.	1,173	1,223	1,206
①Exclusive duty for inquiries to Daito	—	55	408
②Exclusive duty for informations from subcontractors	—	53	236
Both of ①&②	1,173	1,115	562

## II -9 Enforcing tenancy sales force- Strategy to get more responses from potential tenants

◇Responses from people who is looking for the rental room 77,619 (+25.4% YoY)



### (1) Sales promotion

The first step is tie-up with "TANITA", new tenants can get TANITA's health care goods

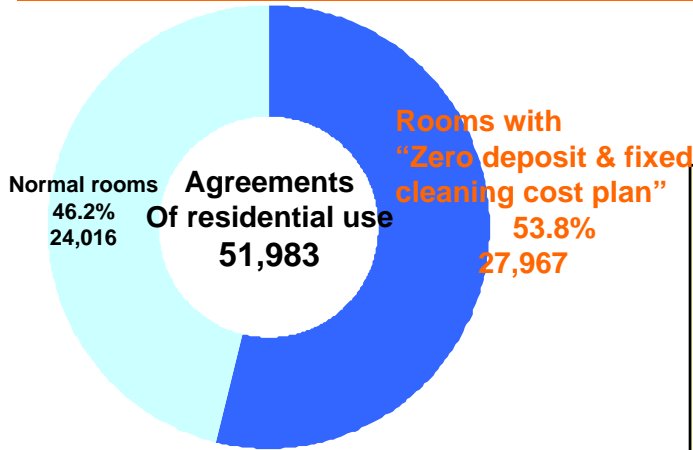


(2) Collaboration with other companies' (Apamanshop, Century21, etc.)'s website



## II -10 The brand-new plan to reduce initial cost of tenants

“Zero deposit & Fixed cleaning cost plan” started from April and welcomed by tenants, since this scheme will reduce their initial costs. For example among tenants agreement from April to June, this scheme consist of 53.8% of whole agreement.



Fixed cleaning costs by type

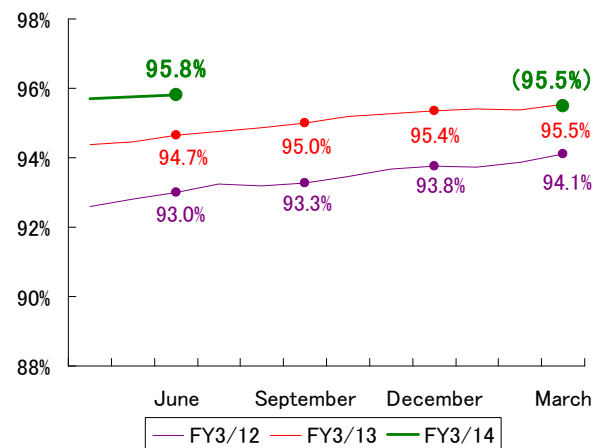
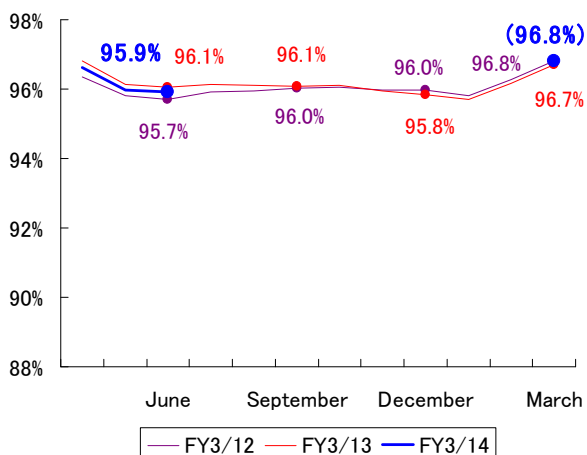
Single (Less than 1DK)	: ¥31,500
Couple (1LDK~2DK)	: ¥42,000
Family (More than 2LDK)	: ¥52,500

(include tax)

## II -11 Plan for tenancy agreement and occupancy rate

Target occupancy rate for FY3/14 end  
Residential use 95.9%

Target occupancy rate for FY3/14 end  
Commercial use 95.5%



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

### Ⅲ. Topics

#### Ⅲ-1 Renewal of TV commercial for land owners and for tenants

Maximizing the potential of rental housing.

Corporate TV commercial  
(From November 1, 2012)



***New***

We present the future for you.

***New***

You can meet nice and suitable rooms  
by our network, sometimes dramatic.

TV commercial for land owners  
(From June 7, 2013)



TV commercial for tenants  
(From July 21, 2013)



### III-2 “Building Keeper System” has started (From June, 2013)

“Inspection by experts of construction”

— For keep and improve quality—

= More satisfaction of owners

#### Regular building inspections by dual experts



+



Regular report



※Experts of construction <Building keepers>  
Persons who are qualified in the professional architects,  
for example class-1 or 2 architects (commissioned)



<Instance>

A small crack in the exterior wall joint

Early detection

○ → Get away with a slight repair

Delay of detection

× → Rain sinks in the wall → Pile up of repair costs

### III-3 Started sell of brand-new style condominiums (From July 27, 2013)



#### “XIXE” Syonan Hiratsuka

An image of outward



Outline

- Address : 2-6, Miyanomae, Hiratsuka, Kanagawa  
6 minutes by walk from 「Hiratsuka Station」,  
J R Tokaido line · Syonan Sinjuku line
- Rooms : 47 (for residential : 44)  
※Adjustable type : 33
- Complete : October 2014 (plan)

You can details of “XIXE” Syonan Hiratsuka in the website below.  
【URL】 <http://www.kentaku.co.jp/adjust/hiratsuka/>

“Adjustable to each life stages”

『Adjust Mansion』



Family of three shares the 2DK living space plus the 1K adjust space, while the remaining 1K adjust space is rented out.

Three generations of a family share the entire unit.

A couple use the main 2LDK living space, renting out the two 1K adjust spaces.

## IV. Appendix

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

(¥ millions)

	1Q FY3/14	1Q FY3/13	YoY	plan (full-year)
<b>Net sales</b>	<b>116,831</b>	86,891	<b>+34.5%</b>	<b>560,500</b>
Construction	112,651	82,667	+36.3%	542,800
Real estate & others	4,179	4,223	△1.0%	17,700
<b>Gross profit</b>	<b>37,177</b>	27,517	<b>+35.1%</b>	<b>180,000</b>
Construction	37,811	28,191	+34.1%	182,400
Real estate & others	△634	△673	—	△2,400
<b>SG &amp; A expenses</b>	<b>25,635</b>	26,504	<b>△3.3%</b>	<b>122,100</b>
<b>Operating income</b>	<b>11,541</b>	1,013	<b>+1,039.2%</b>	<b>57,900</b>
<b>Ordinary income</b>	<b>12,316</b>	1,578	<b>+680.1%</b>	<b>61,900</b>
<b>Net income</b>	<b>7,400</b>	659	<b>+1021.7%</b>	<b>37,300</b>

## IV-2 Financial summaries of major subsidiaries (Construction)

(¥ millions)

	Construction business							
	Daito Construction				Daito Steel			
	1Q FY3/14	1Q FY3/13	YoY	plan (full-year)	1Q FY3/14	1Q FY3/13	YoY	plan (full-year)
<b>Net sales</b>	<b>1,042</b>	1,165	<b>△10.5%</b>	<b>5,350</b>	<b>890</b>	723	<b>+23.1%</b>	<b>4,254</b>
Gross profit	12	△39	—	75	43	29	+48.3%	169
SG&A expenses	33	40	△18.1%	132	17	17	+2.0%	78
<b>Operating income</b>	<b>△20</b>	△80	—	<b>△56</b>	<b>26</b>	12	<b>+113.4%</b>	<b>90</b>
<b>Ordinary income</b>	<b>△5</b>	△63	—	<b>0</b>	<b>25</b>	11	<b>+118.6%</b>	<b>89</b>
<b>Net income</b>	<b>△5</b>	△63	—	<b>0</b>	<b>15</b>	7	<b>+120.3%</b>	<b>54</b>

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

(¥ millions)

	Real estate business											
	Daito Building Management				Housecom				House Leave			
	1QFY3/14	1QFY3/13	YoY	plan (full-year)	1QFY3/14	1QFY3/13	YoY	plan (full-year)	1QFY3/14	1QFY3/13	YoY	plan (full-year)
<b>Net sales</b>	<b>160,532</b>	149,588	<b>+7.3%</b>	<b>652,000</b>	<b>1,854</b>	1,857	<b>△0.2%</b>	<b>8,334</b>	<b>546</b>	472	<b>+15.8%</b>	<b>2,399</b>
Gross profit	11,705	9,744	+20.1%	36,200	1,854	1,857	△0.2%	8,334	360	343	+5.1%	1,967
SG&A expenses	2,779	2,664	+4.3%	11,900	1,982	1,826	+8.5%	8,019	49	57	△14.5%	229
<b>Operating income</b>	<b>8,925</b>	7,079	<b>+26.1%</b>	24,300	<b>△128</b>	30	—	315	<b>311</b>	286	<b>+9.0%</b>	1,737
<b>Ordinary income</b>	<b>9,115</b>	7,239	<b>+25.9%</b>	24,800	<b>△82</b>	32	—	617	<b>318</b>	289	<b>+10.1%</b>	1,762
<b>Net income</b>	<b>5,600</b>	4,320	<b>+29.6%</b>	15,000	<b>△58</b>	8	—	317	<b>200</b>	165	<b>+21.2%</b>	1,067

## IV-4 Sales Structure of Real estate business

( ¥ millions)

	1QFY3/12		1QFY3/13		1QFY3/14		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY
Whole-building lease ※1	128,978	(90.4%)	140,782	(91.3%)	<b>151,894</b>	(92.0%)	<b>+7.9%</b>
Building and repairs	7,276	(5.1%)	7,758	(5.0%)	<b>7,550</b>	(4.5%)	<b>Δ2.7%</b>
Brokerage	2,891	(2.0%)	3,109	(2.0%)	<b>3,234</b>	(2.0%)	<b>+4.0%</b>
Lease business ※2	1,495	(1.0%)	1,472	(1.0%)	<b>1,493</b>	(0.9%)	<b>+1.4%</b>
Sub-lease ※3	1,378	(1.0%)	332	(0.2%)	<b>94</b>	(0.1%)	<b>Δ71.5%</b>
Others	662	(0.5%)	780	(0.5%)	<b>889</b>	(0.5%)	<b>+14.1%</b>
Total	142,681	(100.0%)	154,235	(100.0%)	<b>165,158</b>	(100.0%)	<b>+7.1%</b>

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

※2 Mainly Shinagawa East One Tower

※3 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			
	1QFY3/14	1QFY3/13	YoY	plan (full-year)	1QFY3/14	1QFY3/13	YoY	plan (full-year)
Net sales	<b>239</b>	283	<b>Δ15.6%</b>	<b>833</b>	<b>864</b>	768	<b>+12.6%</b>	<b>3,090</b>
Gross profit	144	171	Δ15.8%	484	402	292	+37.6%	1,263
SG&A expenses	35	34	+0.3%	163	3	2	+47.1%	11
Operating income	<b>109</b>	136	<b>Δ19.9%</b>	320	<b>399</b>	290	<b>+37.5%</b>	1,252
Ordinary income	<b>109</b>	137	<b>Δ20.2%</b>	320	<b>389</b>	289	<b>+34.7%</b>	1,252
Net income	<b>66</b>	83	<b>Δ20.2%</b>	194	<b>389</b>	289	<b>+34.7%</b>	1,258

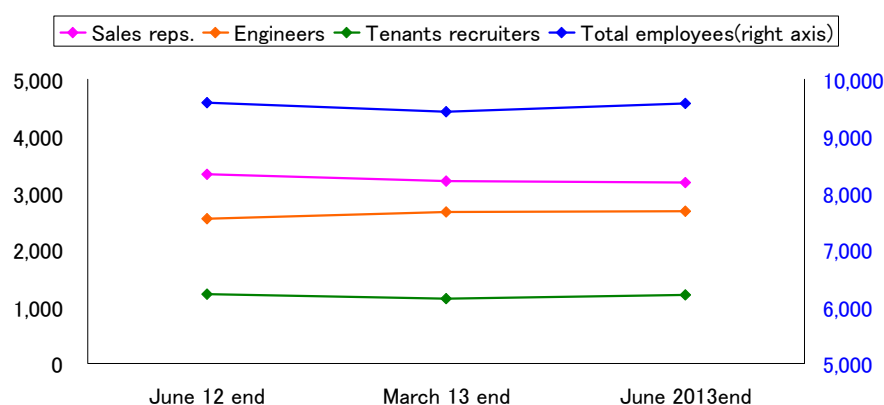


## IV-6 Financial summaries of major subsidiaries (Others - 2)

(¥millions)

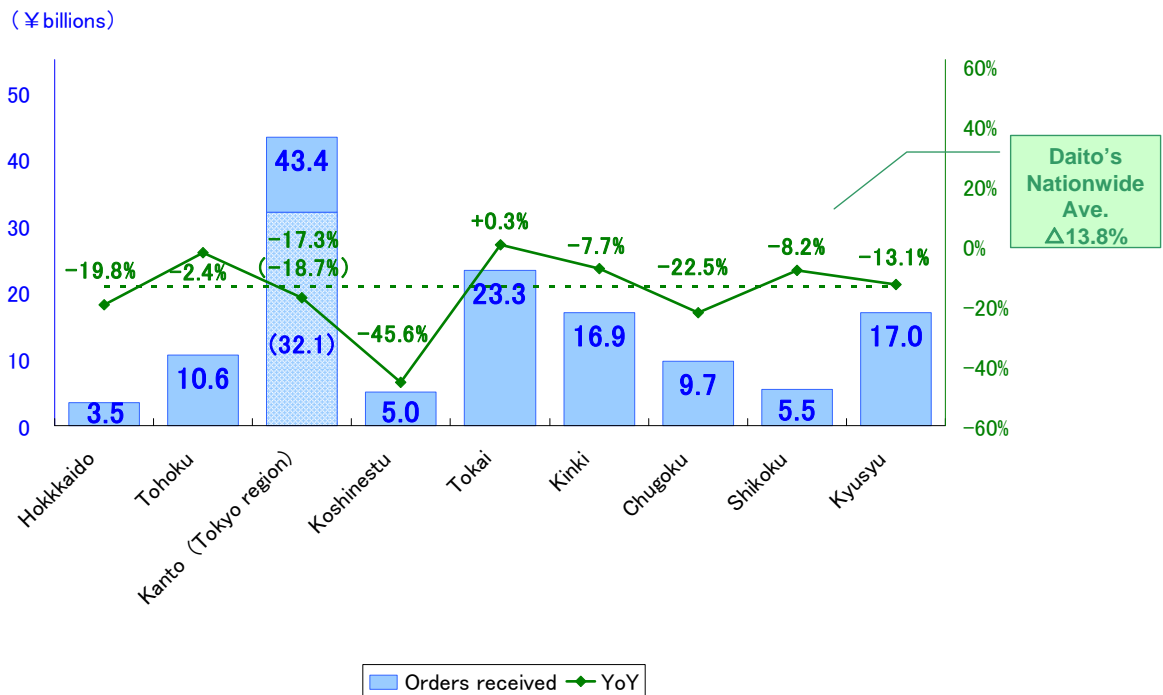
	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	1QFY3/14	1QFY3/13	YoY	plan (full-year)	1QFY3/14	1QFY3/13	YoY	plan (full-year)	1QFY3/14	1QFY3/13	YoY	plan (full-year)
Net sales	2,175	1,883	+15.5%	8,675	4,997	4,436	+12.6%	23,989	602	532	+13.2%	2,639
Gross profit	331	244	+35.3%	1,123	1,401	1,196	+17.1%	6,641	325	284	+14.6%	1,412
SG&A expenses	153	138	+11.0%	625	1,000	829	+20.6%	4,028	217	190	+13.7%	900
Operating income	177	106	+66.7%	498	400	367	+9.2%	2,612	108	93	+16.4%	512
Ordinary income	175	104	+68.0%	497	403	368	+9.5%	2,628	36	275	△86.6%	470
Net income	100	50	+99.3%	287	246	304	△19.0%	1,591	36	275	△86.6%	470

## IV-7 Number of employees by each occupations (Non-consolidated)

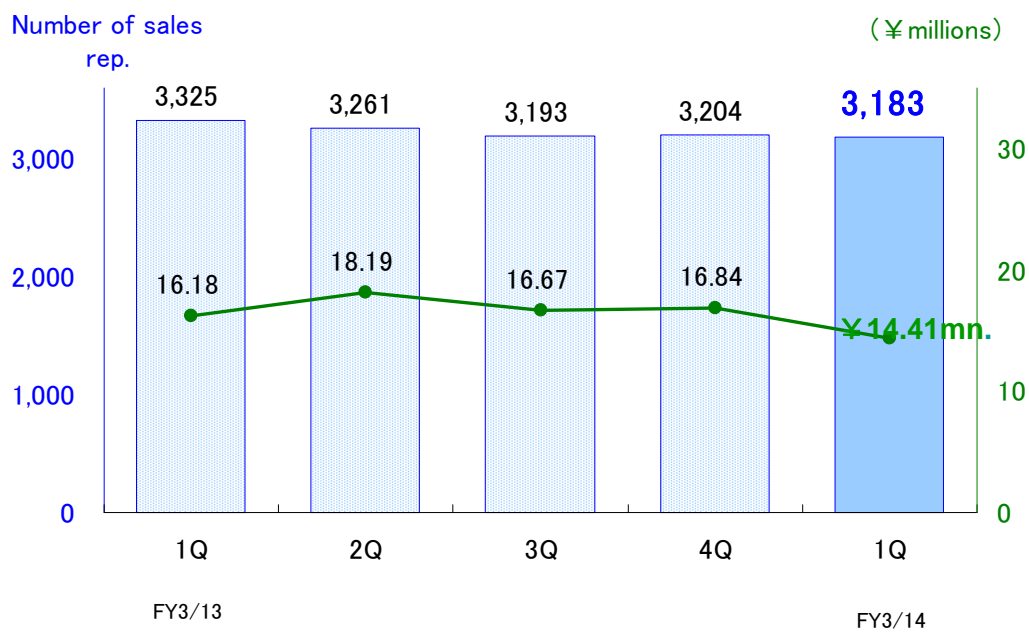


	June 2012 end	June 2013 end	YoY	March 2014 end plan
Total employees	9,592	9,575	△17	10,060
Sales reps.	3,325	3,183	△142	3,480
Engineers	2,552	2,683	+131	2,843
Tenant recruiters	1,223	1,206	△17	1,155

## IV-8 Orders received by area



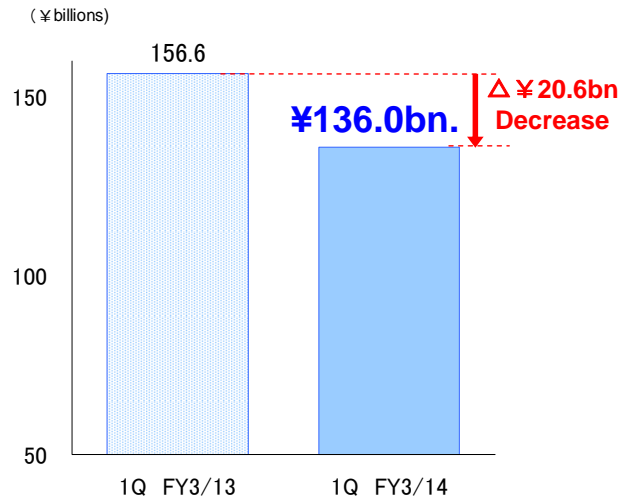
## IV-9 Sales representatives and sales efficiency



## IV-10 1Q FY3/13 Orders Comparison with 1Q FY3/12Q

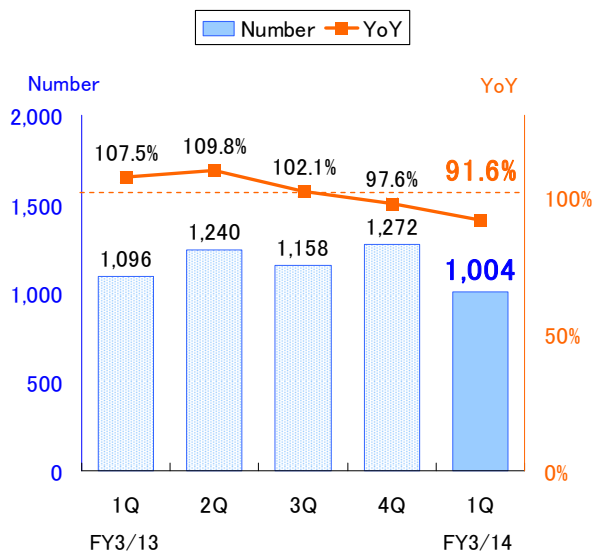
**¥20.6bn (Decrease)**

- ① **Number of orders (projects)**  $\Delta$  ¥19.5bn  
(2,226  $\rightarrow$  1,986 projects)
- ② **Per project price rise** + ¥12.9bn  
(avg. ¥75.58mn  $\rightarrow$  ¥81.37mn)
- ③ **Cancellation**  $\Delta$  ¥14.1bn  
(12.9%  $\rightarrow$  21.6%)
- ④ **Building & repairs** + ¥0.1bn  
(¥11.7bn  $\rightarrow$  ¥11.8bn)

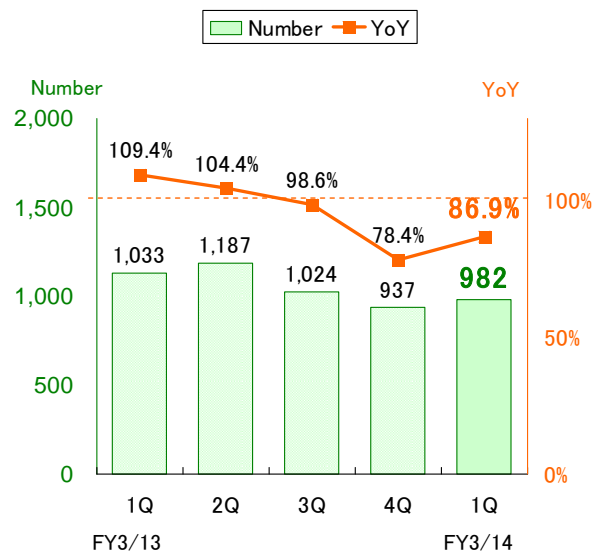


## IV-11 Channels of orders received

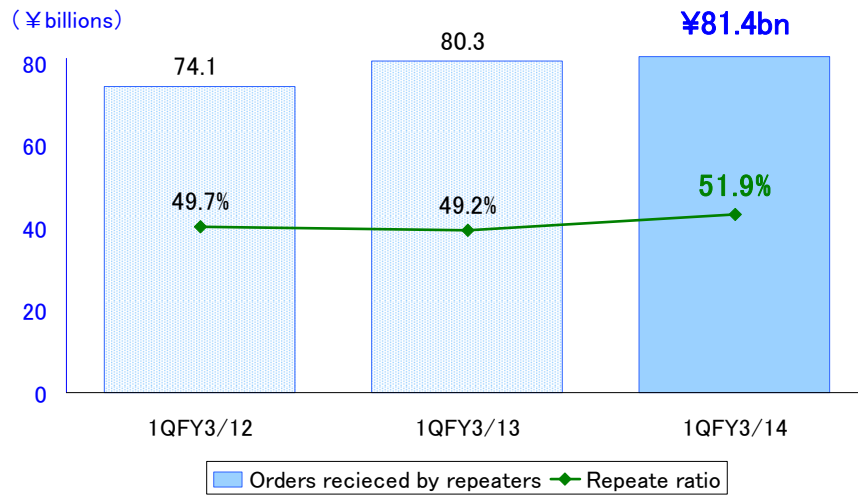
**Orders received by Repeat & Introduction**



**Orders received from new customers**

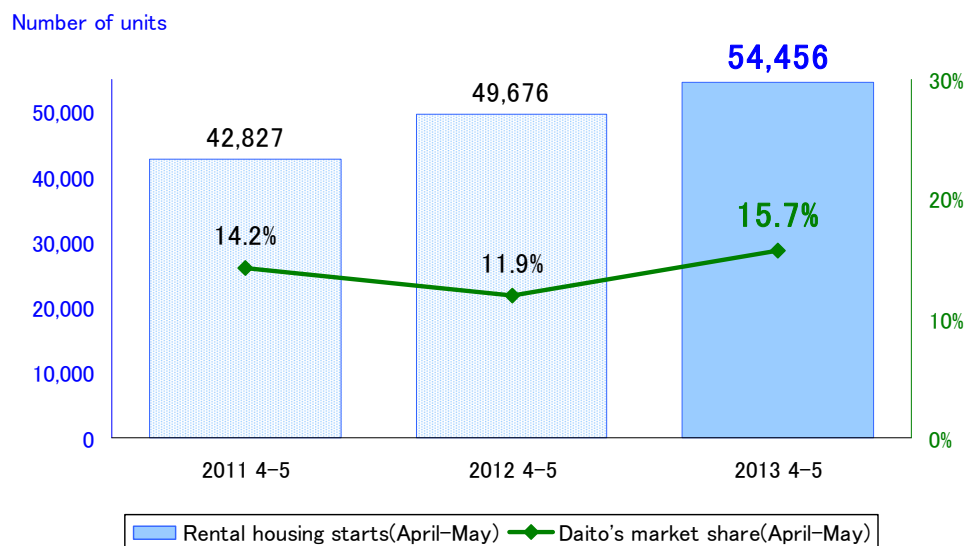


## IV-12 Orders received by repeat



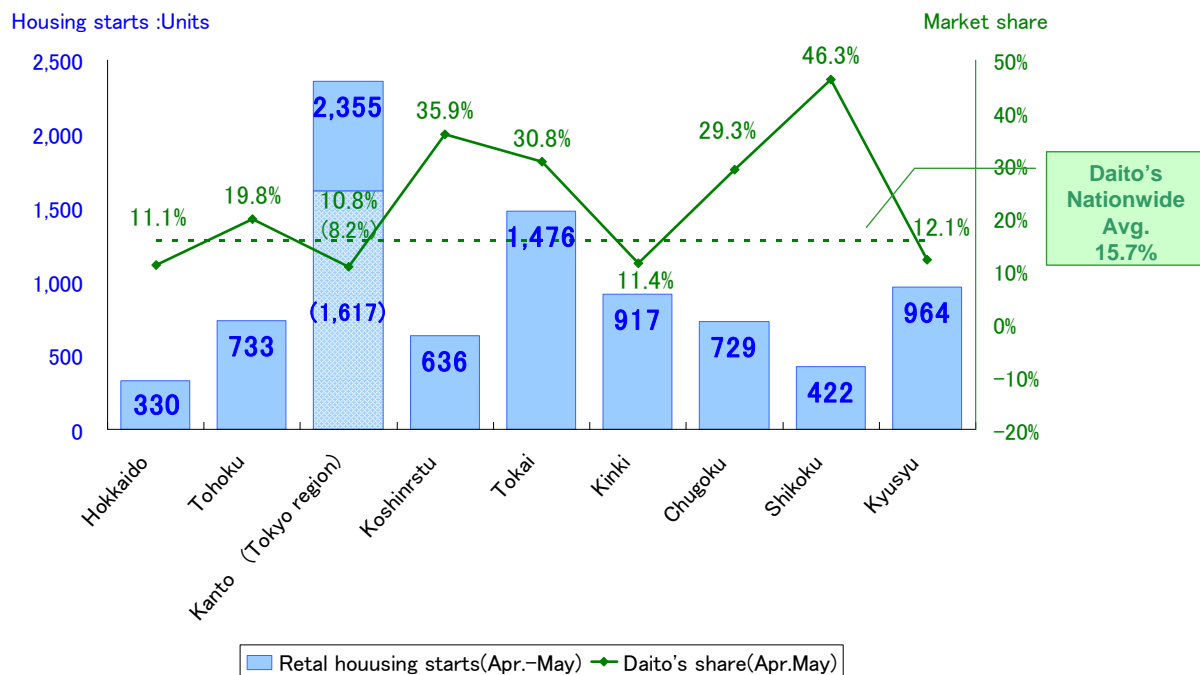
$$\text{Repeat ratio} = \frac{\text{Number of orders received by repeat from our existing customers}}{\text{Total number of orders received}}$$

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

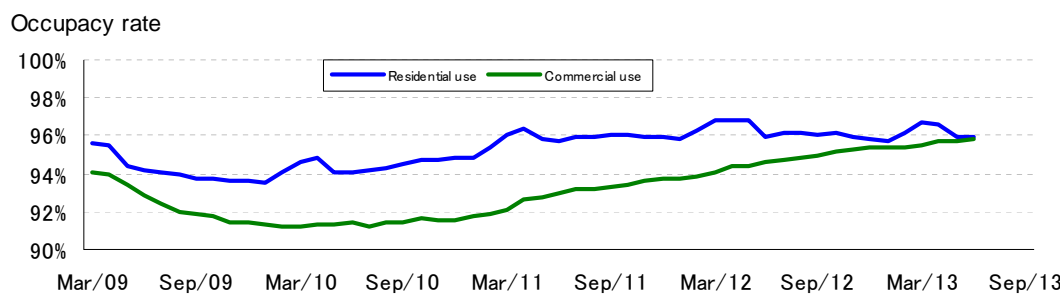


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

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

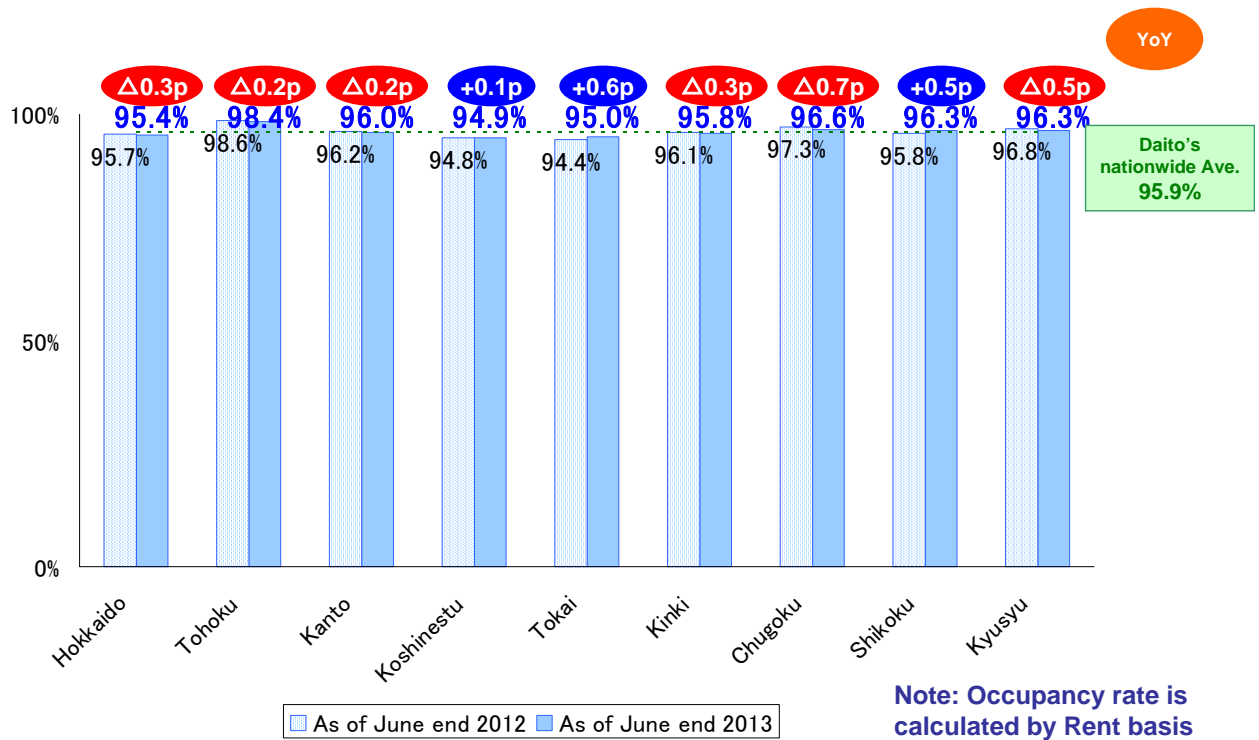


## IV-15 Rent basis occupancy rate

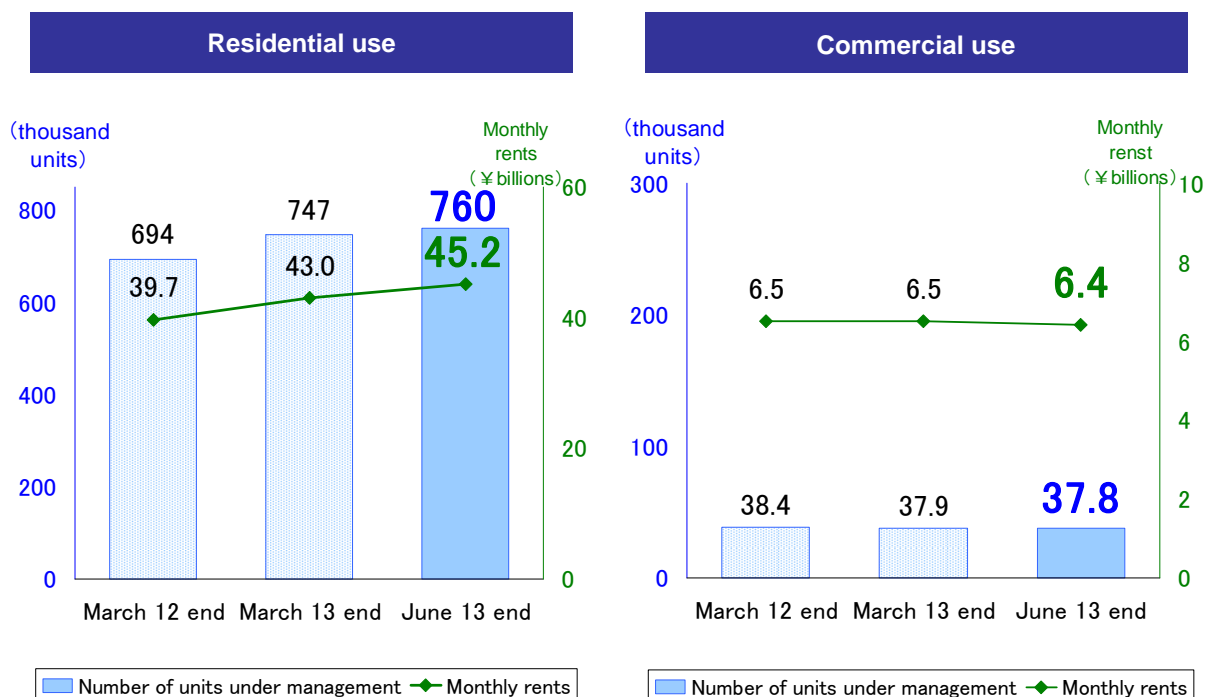


Occupancy rate	2009 (Jun.)	2010 (Jun.)	2011 (Jun.)	2012 (Jun.)	2013 (Jun.)	YoY
Residential use(%)	94.1%	94.0%	95.7%	96.1%	95.9%	Δ0.2p
Commercial use(%)	92.9%	91.4%	93.0%	94.7%	95.8%	+1.1p

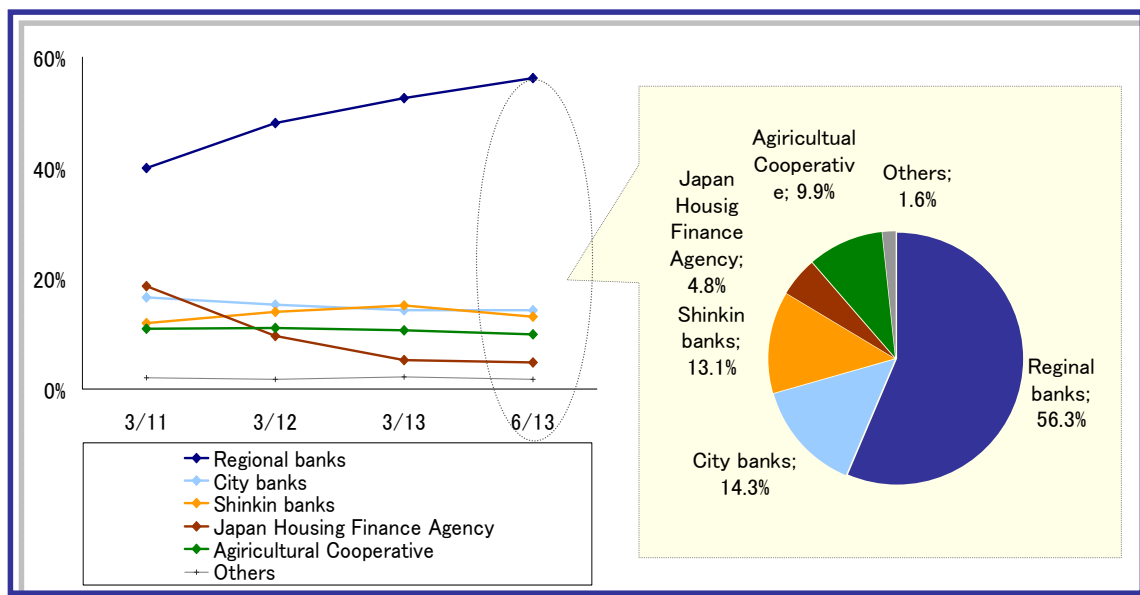
## IV-16 Occupancy rate by area (Residential use : As of June end)



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



Shares of financial institutions (Construction starts basis)



1. **Disclaimer of warranties for the contents**

Daito pays careful attention about the information carried on this homepage. However, Daito can not offer the guarantee about the accuracy, reliability, safety, etc. Please recognize the information about future forecast that Daito may offer is prediction of Daito at a certain time and is uncertain. In addition, please note that Daito may discontinue or change the contents of the website without a prior announcement.

2. **Copyright etc.**

All the information offered on this website is protected by the law of the Copyright Act and others. Quotation, reproduction and the duplicate without Daito's authorization are prohibited.

**Daito Trust Construction Co. Ltd**

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

E-Mail : [keiki@kentaku.co.jp](mailto:keiki@kentaku.co.jp)