

3Q Financial Highlights, Year ending March 31, 2014



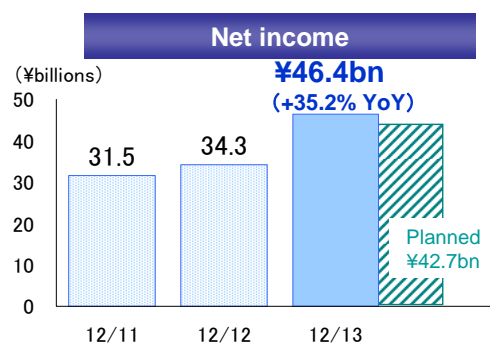
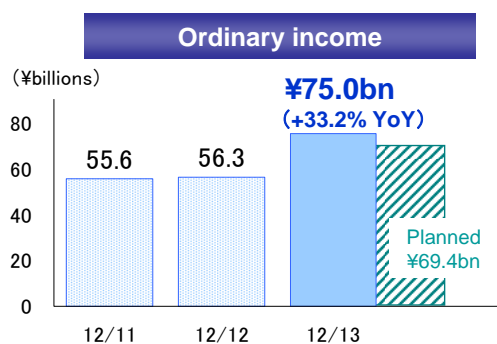
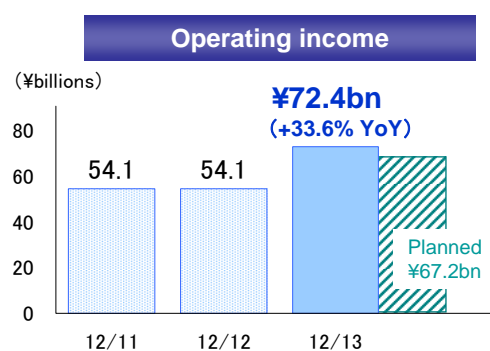
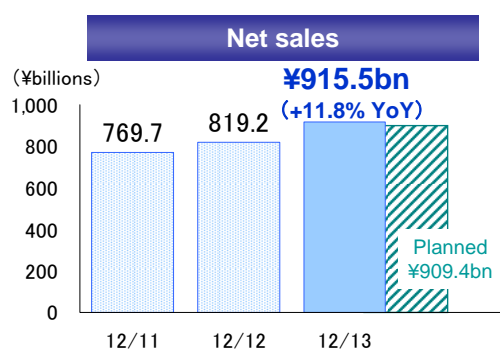
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I . 3Q Financial Results

I -1 Income summary

We achieved increase both in sales and incomes.



I -2 Income summary by segment (Construction)

(¥billions)

	3Q FY3/13	3Q FY3/14	(YoY)
Net sales	328.4	387.8	(+18.1%)
Gross profit	115.2	126.6	(+9.8%)
Gross profit margin	35.1%	32.6%	[- 2.5p]

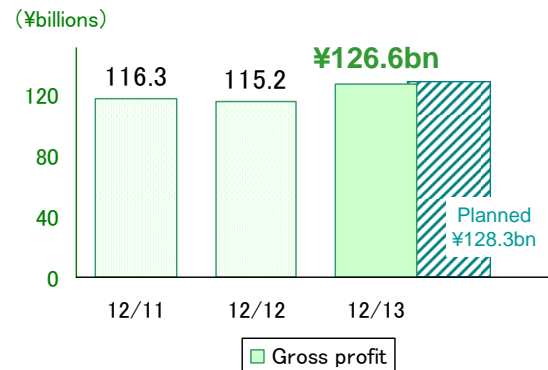
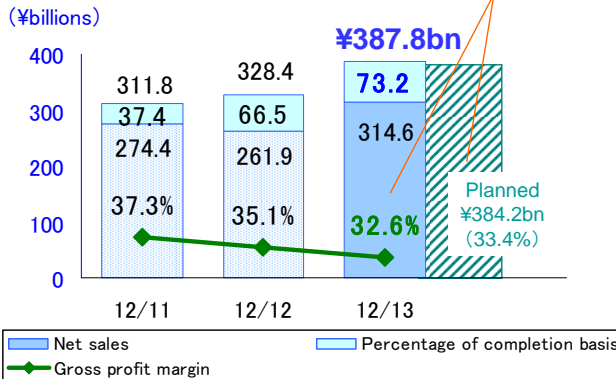
[] : Difference from same period in previous year

※ Major breakdown of GMR -0.8P

- ① Increase in labor cost : -0.7P
- ② Increase in material cost : +0.1P

※ Major breakdown of GMR -2.5P YoY

- ① Increase in labor cost : -2.0P
- ② Increase in material cost : -0.2P
- ③ Exchange loss : -0.3P

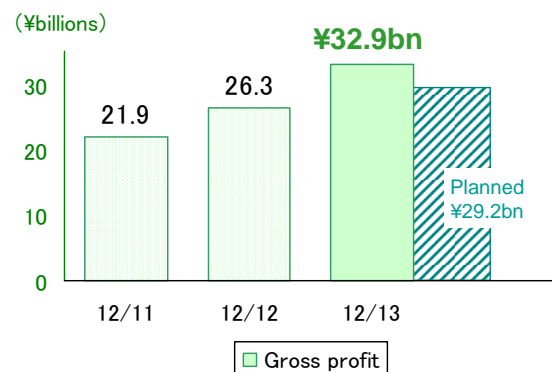
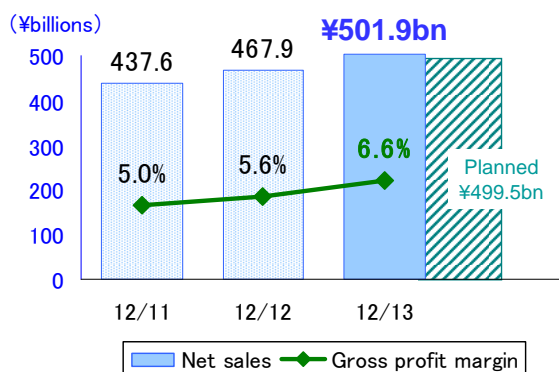


I -3 Income summary by segment (Real estate)

(¥billions)

	3Q 3/13	3Q FY3/14	(YoY)
Net sales	467.9	501.9	(+7.3%)
Gross profit	26.3	32.9	(+24.9%)
Gross profit margin	5.6%	6.6%	[+1.0p]

[] : Difference from same period in previous year

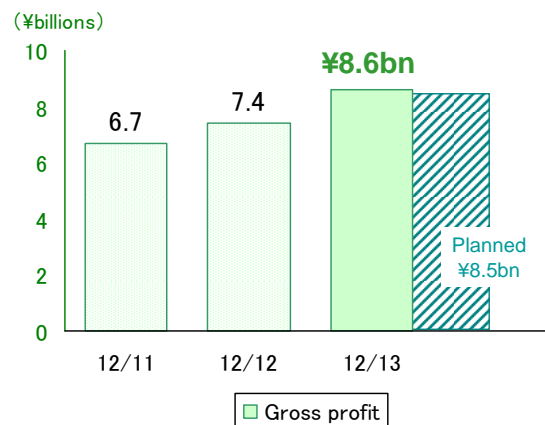
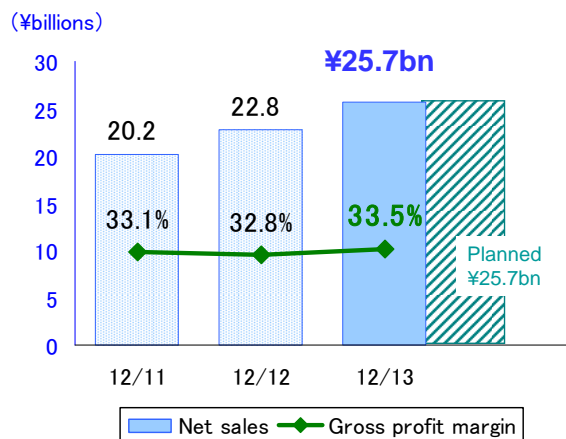


I -4 Income summary by segment (Others)

(¥billions)

	3Q FY3/13	3Q FY3/14	(YoY)
Net sales	22.8	25.7	(+13.0%)
Gross profit	7.4	8.6	(+15.3%)
Gross profit margin	32.8%	33.5%	[+ 0.7p]

[] : Difference from same period in previous year

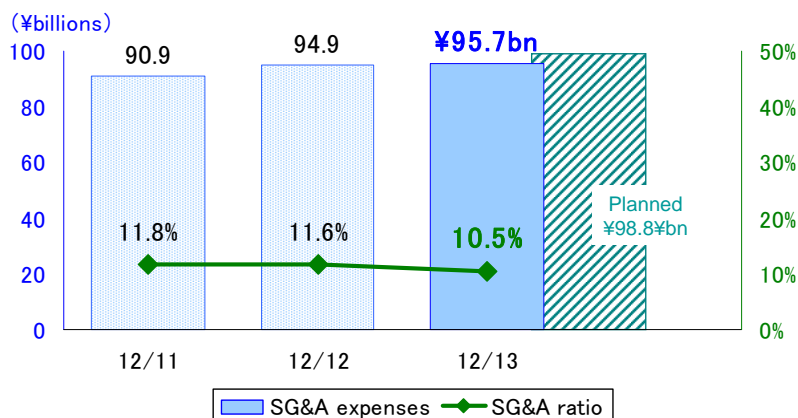


I -5 Selling, general and administrative expenses

(¥billions)

	3Q FY3/13	3Q FY3/14	(YoY)
SG&A expenses	94.9	95.7	(+0.9%)
SG&A ratio	11.6%	10.5%	[- 1.1p]

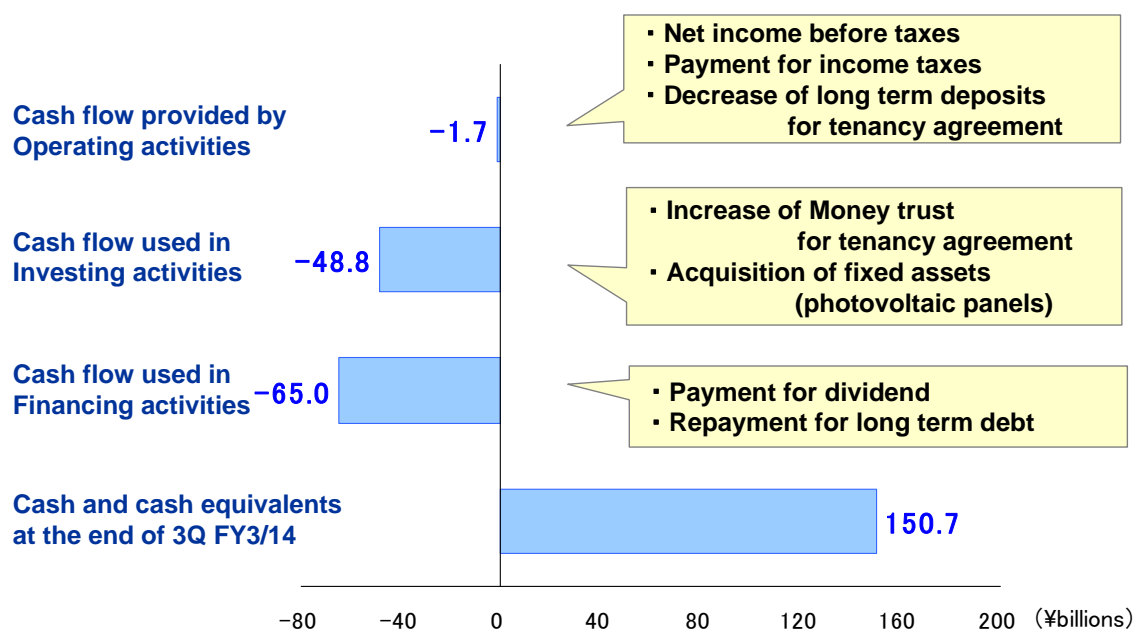
[] : Difference from same period in previous year



I -6 Financial conditions

3Q FY3/14				End of FY3/13											
(¥billions)															
Current assets	388.1 (- 47.6)	Current liabilities	179.2 (- 33.9)	Current assets	435.7	Current liabilities	213.1								
		Non-current liabilities	184.0 (- 33.9)			Non-current liabilities	217.9								
-----		Total liabilities	363.2 (- 67.8)	-----		Total liabilities	431.1								
Noncurrent assets	189.0 (+7.0)	Net assets	213.8 (+27.2)	Noncurrent assets	181.9	Net assets	186.5								
Total	577.1 (- 40.5)	Total	577.1	Total	617.7	Total	617.7								
<table border="1"> <tr> <td>BPS</td> <td>¥2,727.35</td> </tr> <tr> <td>Equity ratio</td> <td>37.6%</td> </tr> </table>				BPS	¥2,727.35	Equity ratio	37.6%	<table border="1"> <tr> <td>BPS</td> <td>¥2,400.55</td> </tr> <tr> <td>Equity ratio</td> <td>31.0%</td> </tr> </table>				BPS	¥2,400.55	Equity ratio	31.0%
BPS	¥2,727.35														
Equity ratio	37.6%														
BPS	¥2,400.55														
Equity ratio	31.0%														

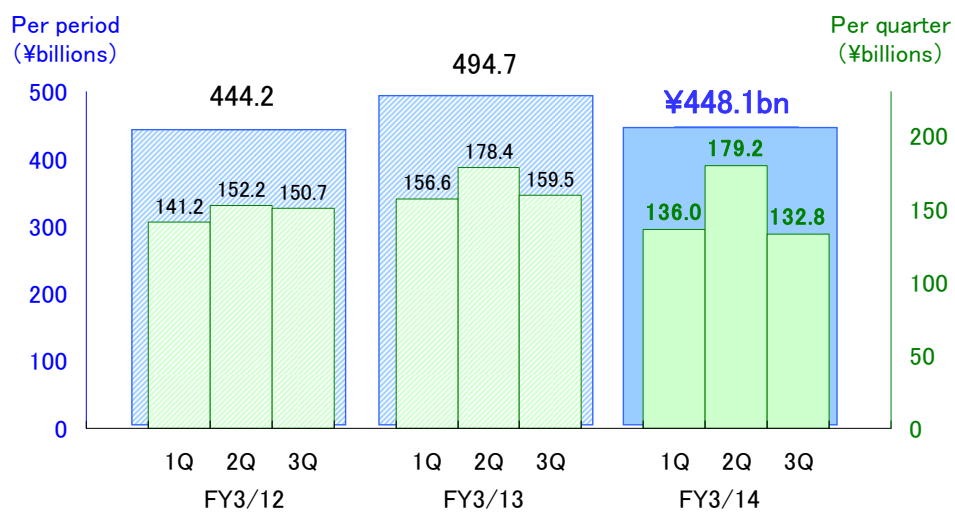
I -7 Cash flows



II. Key Figures

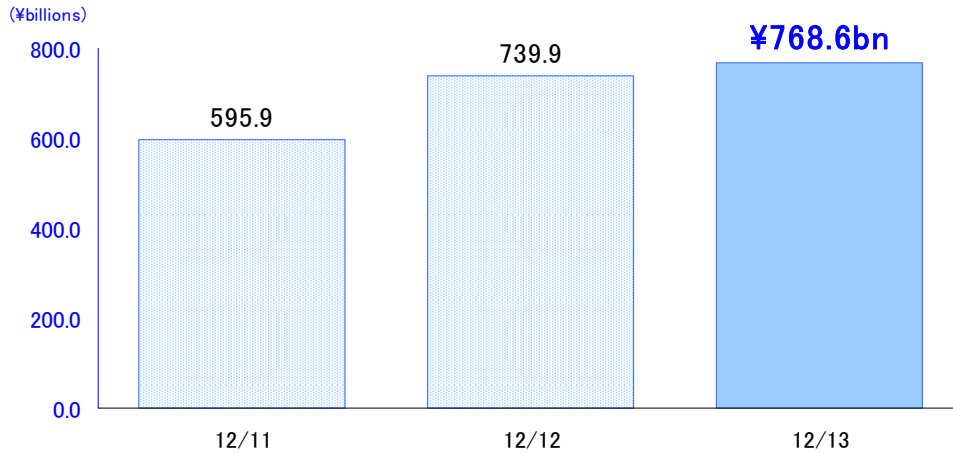
II-1 Orders received

◇Orders received **¥448.1bn** (-9.4% YoY)



II -2 Orders received backlog

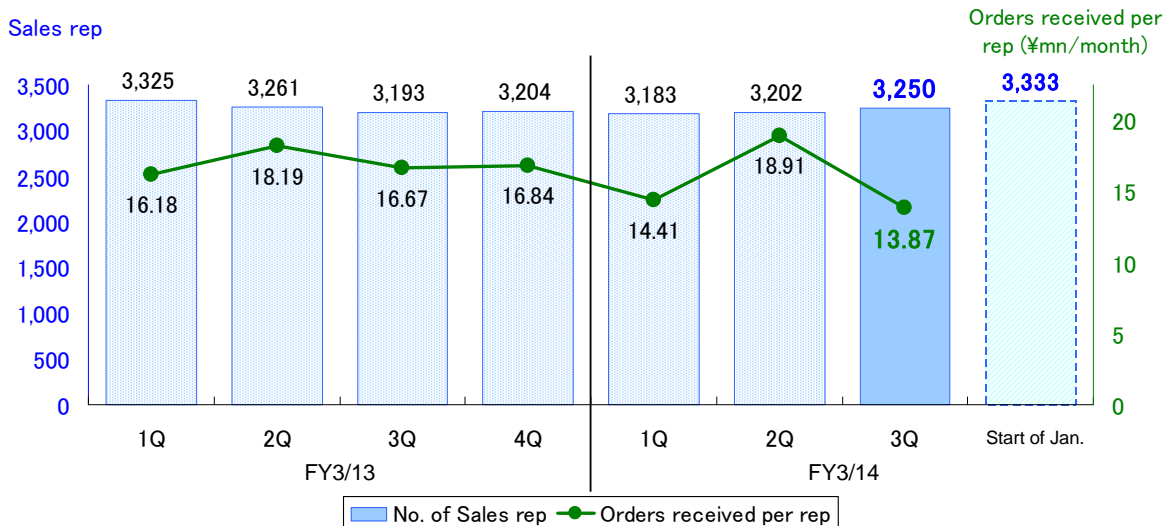
◇ **Orders received backlog** **¥768.6bn** (+3.9% YoY)



II -3 Sales representatives and sales efficiency

◇ **Sales representatives** **3,250** (+57 YoY)

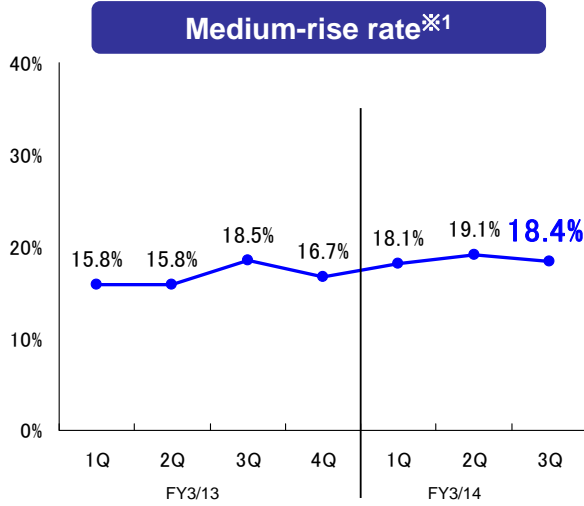
◇ **Orders received per rep** **¥13.87mn / month** (-2.80mn YoY)



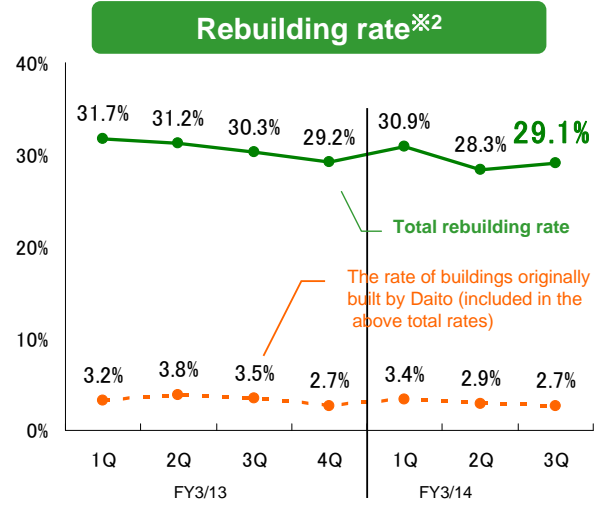
II -4 Medium-rise rate and rebuilding rate

◇ **Medium-rise rate** **18.4%** (-0.1p YoY)

◇ **Rebuilding rate** **29.1%** (-1.2p YoY)



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



※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

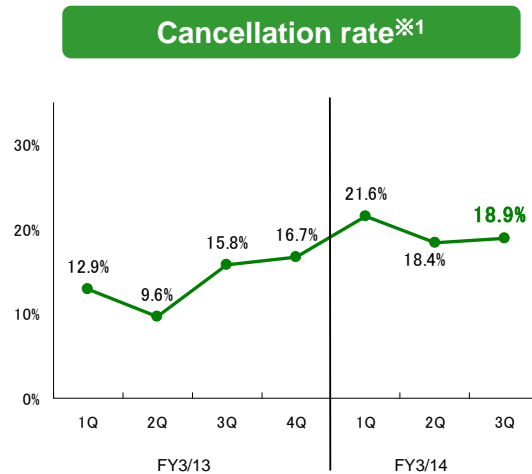
II -5 Unit price and Cancellation rate of orders received

◇ **Unit price** **¥80.21mn** (+¥0.28mn YoY)

◇ **Cancellation rate** **18.9%** (+3.1p YoY)



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



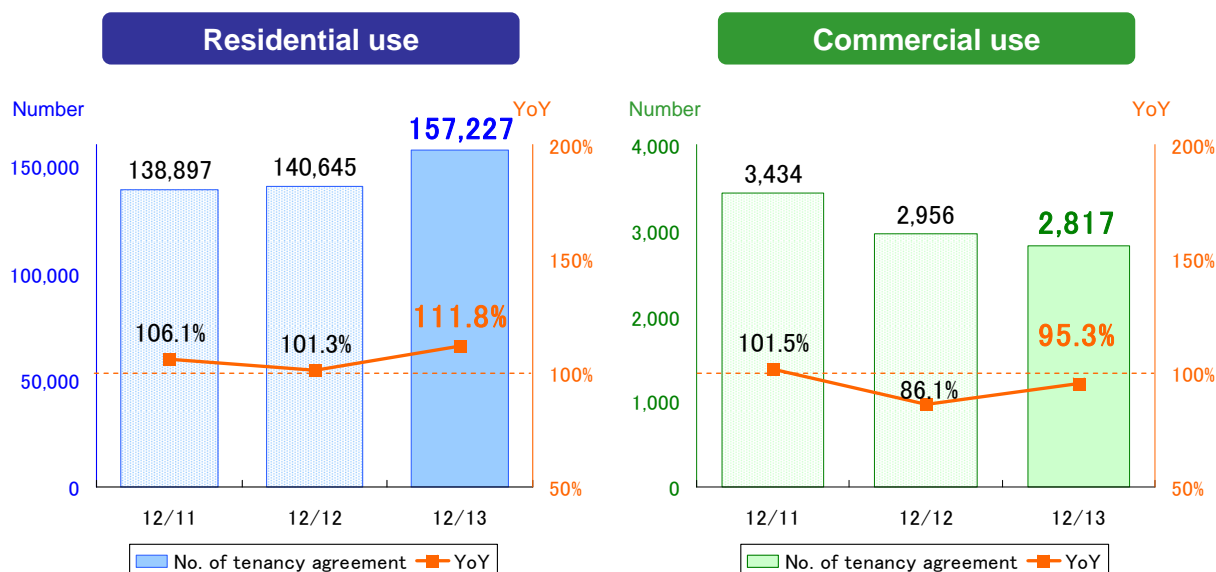
※1 Cancellation rate = the amount of cancellation / the amount of new orders received
Orders received = the amount of new orders received - the amount of cancellation

II-6 Tenancy agreement

◇ **Tenancy agreement 160,044 (111.5% YoY)**

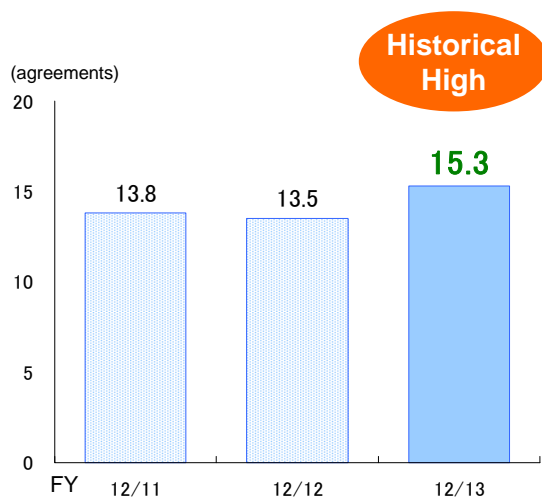
▪ **Residential use 157,227 (111.8% YoY)**

▪ **Commercial use 2,817 (95.3% YoY)**



II-7 Tenancy agreements per rep.

◇ **Tenancy agreements per rep. 15.3/rep,month (+1.8 YoY)**



Exclusive duty trader structure

Succeed in forming sales specialist

	12/11	12/12	12/13
Tenant sales rep.	1,185	1,151	1,163
① Sales specialists for Daito leased properties	—	160	649
② Sales specialists for brokers	—	125	323
Both of ① & ②	1,185	866	191

II -8 Plan to increase response

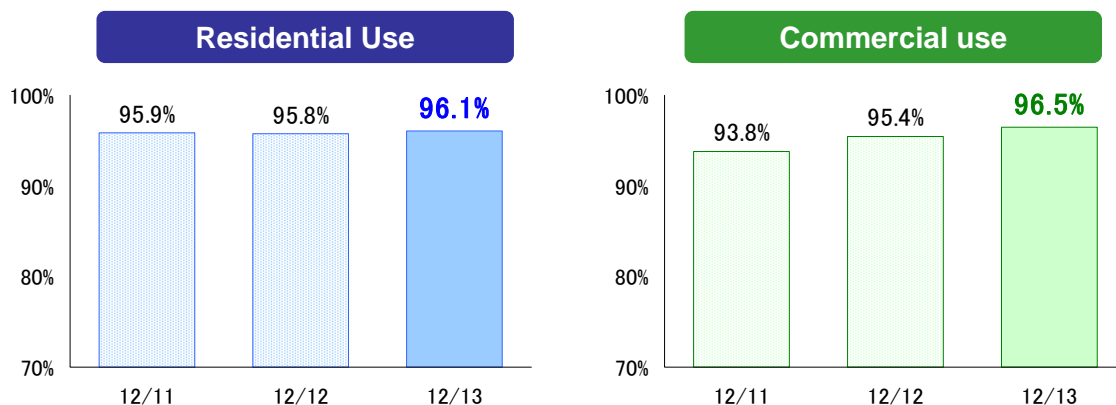
Succeed in various plan to increase responses (inquiries)



II -9 Rent basis occupancy rate

Residential use 96.1% (+0.3p YoY)

Commercial use 96.5% (+1.1p YoY)

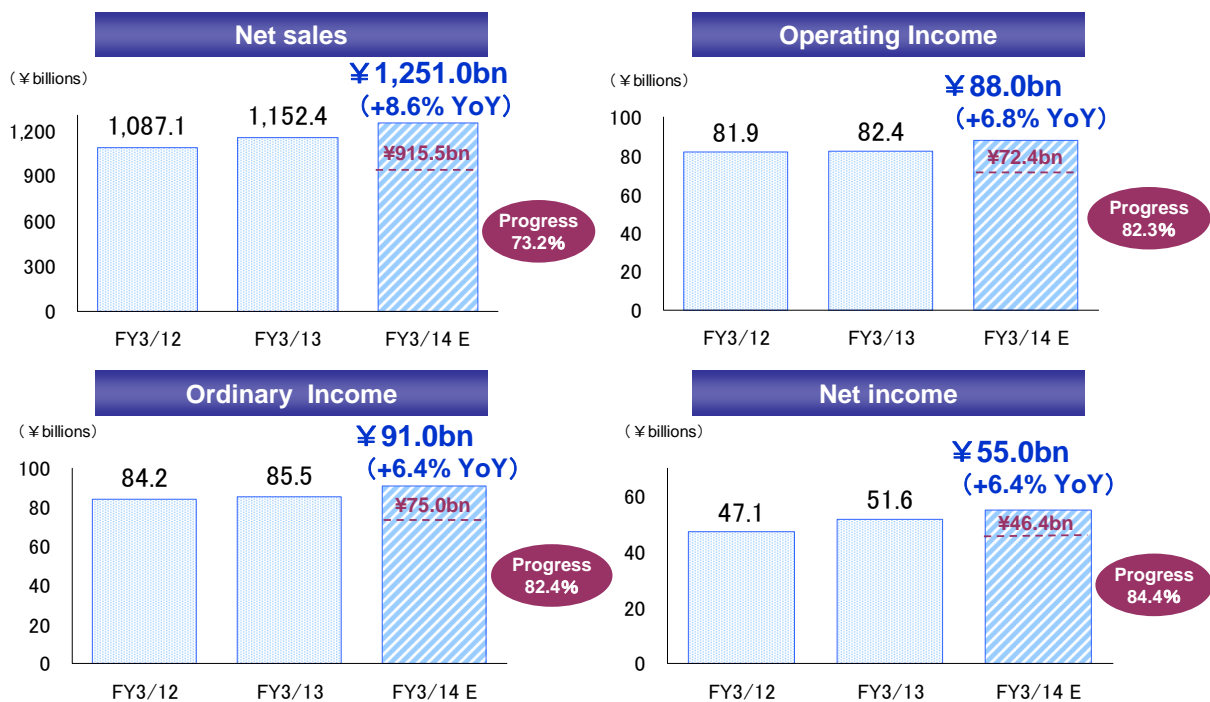


※ Rent basis occupancy rate = 1 - (rent guarantee for vacant rooms / total rent)

III. Financial Forecasts

III-1 No change in FY3/14 original plan

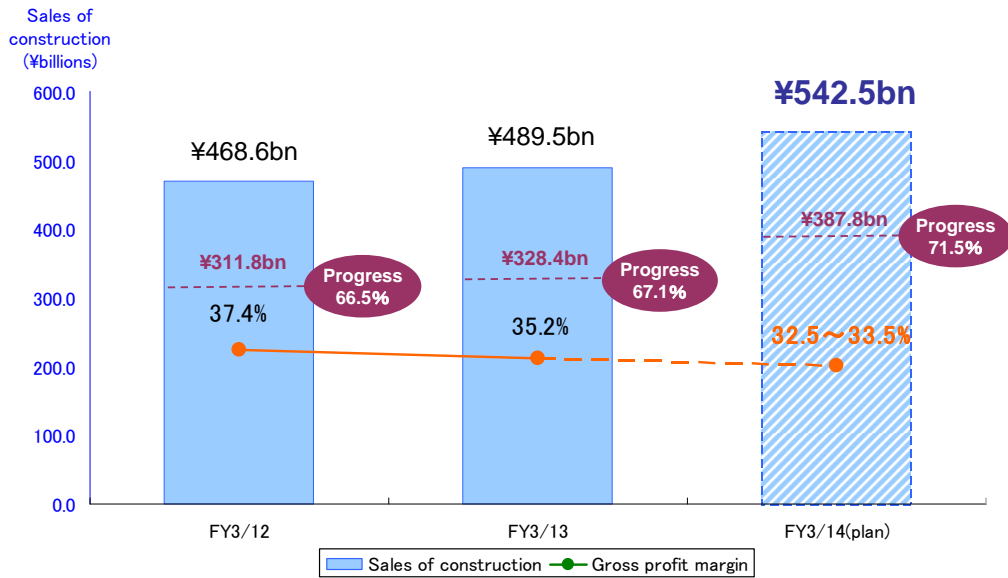
We maintain current original plan for FY3/14



III-2 The plan of completed construction

<Plan of completed construction>

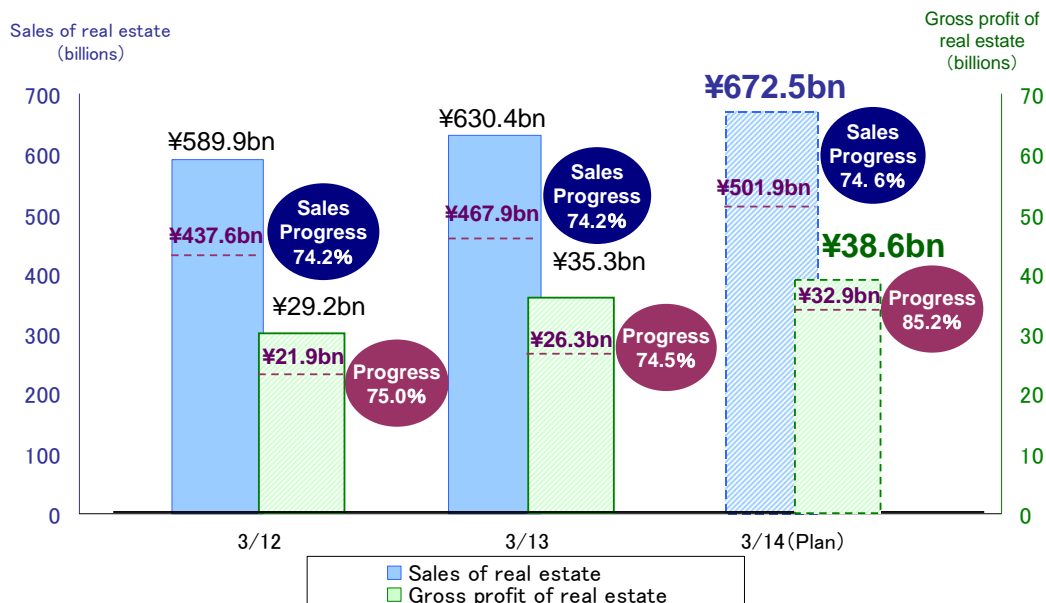
◇ Plan for FY3/14 ¥542.5bn (+10.8% YoY)



III-3 The plan of real estate business

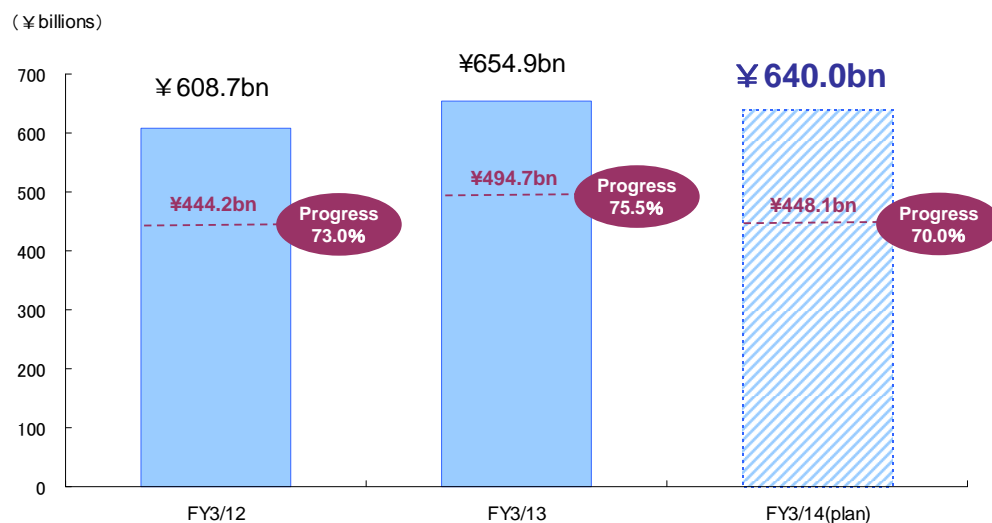
<Plan of real estate sales>

◇ Plan for FY3/14 ¥672.5bn (+6.7% YoY)



III-4 Orders received plan for FY3/14

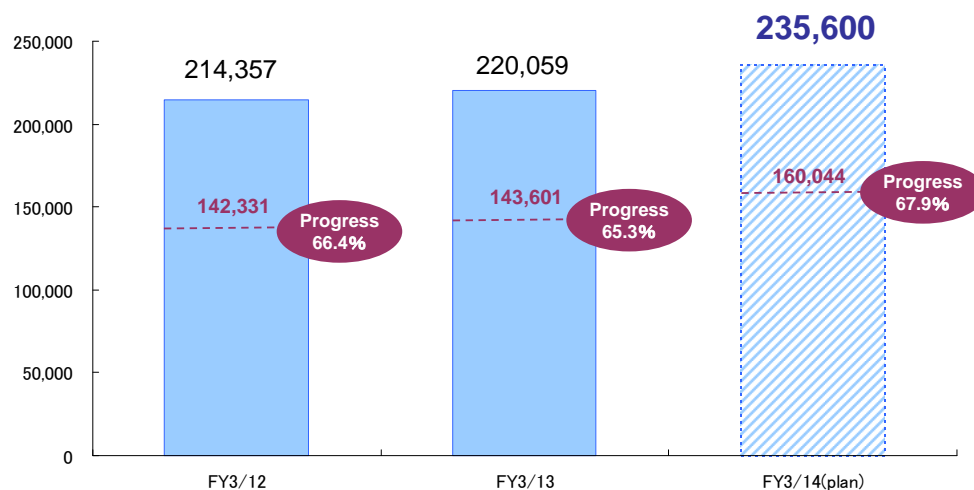
◇Orders received plan for FY3/14 ¥640.0bn(-2.3% YoY)



III-5 Tenancy agreement plan

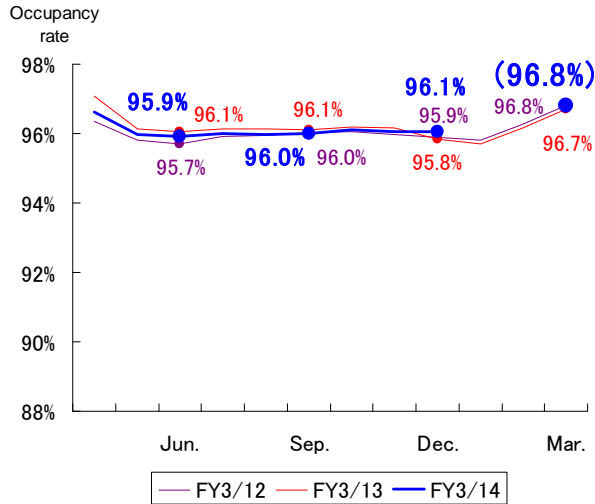
<Plan of tenancy agreement>

◇Plan for FY3/14 235,600 (+7.1% YoY)

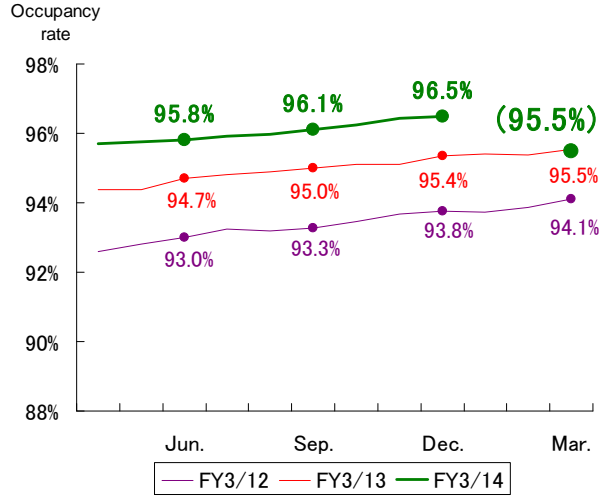


III-6 Forecast of rent basis occupancy rate

Occupancy rate forecast for FY3/14 end
Residential use /96.8%



Occupancy rate forecast for FY3/14 end
Commercial use/95.5%



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

IV. Topics

IV-1 Plan for sales promotion in metropolitan area

[Metropolitan Area] Correspond needs for rental apartments with owners' own room

In FY3/14, the showrooms open at 4 places

**Rental apartments with owners' own room
(Examples of construction)**

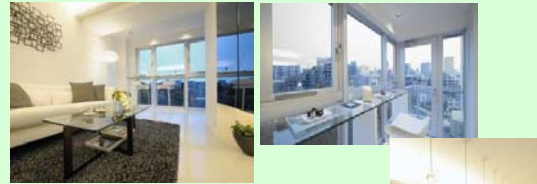


● Shibuya, Tokyo



● Kawasaki-city, Kanagawa

The state of showrooms



IV-3 Started two new-style condominiums' construction has started



**Plan to complete
Oct / 2014**

**First product
"XIXE" Syonan Hiratsuka**



An image of outward

**Plan to complete
Feb / 2015**

**Second product
"XIXE" Machiya**



An image of outward

**Plan to complete
Jan / 2015**

**Third product
"XIXE" Yachiyo Murakami**



An image of outward

"Adjustable to each life stages"

『Adjust Mansion』



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

Three generations of a family share the entire unit.

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

V. Appendix

V-1 Non-consolidated statement of income

(¥ millions)

	3Q FY3/14	3Q FY3/13	YoY	plan (year)
Net sales	400,496	341,986	+17.1%	560,500
Construction	388,121	329,493	+17.8%	542,800
Real estate & others	12,375	12,493	-0.9%	17,700
Gross profit	124,523	112,094	+11.1%	180,000
Construction	126,222	114,032	+10.7%	182,400
Real estate & others	-1,698	-1,938	-	-2,400
SG & A expenses	79,819	79,753	+0.1%	122,100
Operating income	44,704	32,340	+38.2%	57,900
Ordinary income	47,374	34,692	+36.6%	61,900
Net income	28,925	20,861	+38.7%	37,300

V-2 Financial summaries of major subsidiaries (Construction)

(¥ millions)

	Construction business							
	Daito Construction				Daito Steel			
	3Q FY3/14	3Q FY3/13	YoY	plan (year)	3Q FY3/14	3Q FY3/13	YoY	plan (year)
Net sales	4,088	4,881	-16.2%	5,350	3,197	2,897	+10.3%	4,254
Gross profit	144	125	+15.0%	75	200	126	+59.3%	169
SG&A expenses	90	87	+4.2%	132	53	52	+0.7%	78
Operating income	54	38	+39.1%	-56	147	73	+101.6%	90
Ordinary income	98	91	+7.4%	0	147	71	+105.3%	89
Net income	73	60	+21.4%	0	90	43	+105.8%	54

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

(¥ millions)

	Real estate business											
	Daito Building Management				Housecom				House Leave			
	3Q FY3/14	3Q FY3/13	YoY	plan (year)	3Q FY3/14	3Q FY3/13	YoY	plan (year)	3Q FY3/14	3Q FY3/13	YoY	plan (year)
Net sales	488,468	454,551	+7.5%	652,000	5,435	5,271	+3.1%	8,334	1,709	1,482	+15.3%	2,399
Gross profit	31,487	25,949	+21.3%	36,200	5,435	5,271	+3.1%	8,334	1,703	1,120	+52.1%	1,967
SG&A expenses	8,251	8,244	+0.1%	11,900	5,738	5,491	+4.5%	8,019	161	182	-11.6%	229
Operating income	23,236	17,705	+31.2%	24,300	-302	-219	—	315	1,542	937	+64.4%	1,737
Ordinary income	23,730	18,112	+31.0%	24,800	-250	-207	—	617	1,564	952	+64.2%	1,762
Net income	14,567	10,932	+33.3%	15,000	-179	-155	—	317	961	610	+57.4%	1,067

V-4 Sales Structure of Real estate business

(¥ millions)

	3QFY3/14	(Ratio)	3QFY3/13	YoY
Whole-building lease ※1	461,856	(92.0%)	428,340	+7.8%
Building and repairs ※2	22,928	(4.6%)	23,045	-0.5%
Brokerage	9,461	(1.9%)	8,892	+6.4%
Lease business ※3	4,439	(0.9%)	4,523	-1.9%
Sub-lease ※4	250	(0.0%)	781	-68.0%
Others	2,987	(0.6%)	2,376	+25.7%
Total	501,923	(100.0%)	467,960	+7.3%

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

※2 Building and repairs by Daito Building Management (recorded sales on construction till FY2010)

※3 Mainly Shinagawa East One Tower

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

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

(¥ millions)

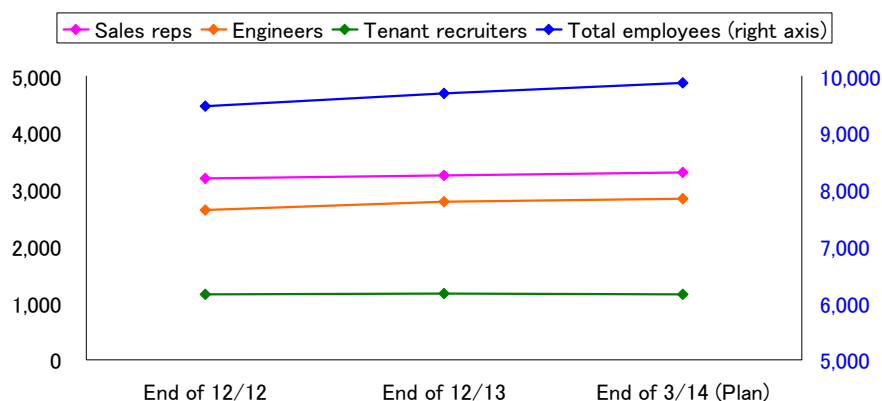
	Other business (Financial business)							
	Daito Finance				D.T.C			
	3QFY3/14	3QFY3/13	YoY	plan (year)	3QFY3/14	3QFY3/13	YoY	plan (year)
Net sales	734	792	-7.3%	833	2,423	2,083	+16.3%	3,090
Gross profit	439	479	-8.4%	484	1,026	819	+25.3%	1,263
SG&A expenses	99	98	+0.4%	163	9	6	+39.4%	11
Operating income	340	381	-10.6%	320	1,016	812	+25.2%	1,252
Ordinary income	340	382	-10.9%	320	1,010	814	+24.1%	1,252
Net income	206	231	-11.0%	194	1,010	814	+24.1%	1,258

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

(¥ millions)

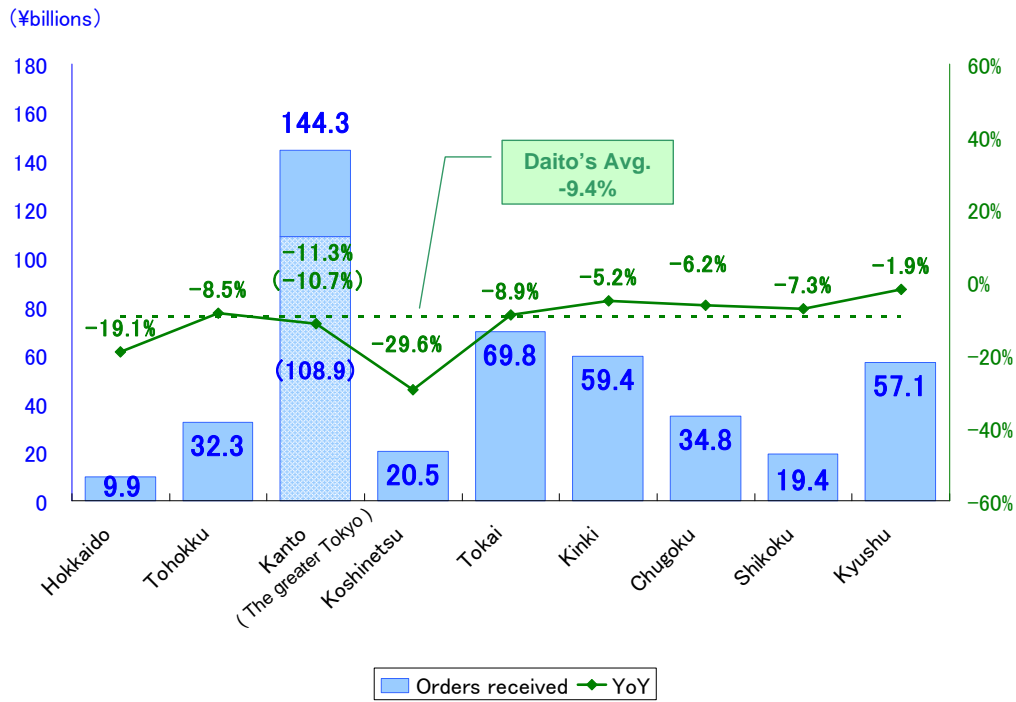
	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	3QFY/14	3QFY13	YoY	plan (year)	3QFY/14	3QFY13	YoY	plan (year)	3QFY/14	3QFY13	YoY	plan (year)
Net sales	6,662	5,945	+12.1%	8,675	15,600	14,036	+11.1%	23,989	1,862	1,458	+27.7%	2,639
Gross profit	1,011	835	+21.1%	1,123	4,043	3,517	+15.0%	6,641	1,000	789	+26.8%	1,412
SG&A expenses	441	387	+14.0%	625	3,057	2,621	+16.6%	4,028	659	534	+23.4%	900
Operating income	569	447	+27.2%	498	986	895	+10.1%	2,612	340	254	+33.9%	512
Ordinary income	568	495	+14.7%	497	1,006	931	+8.1%	2,628	-68	383	-	470
Net income	331	265	+24.8%	287	625	660	-5.2%	1,591	-70	383	-	470

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



	End of 12/12	End of 12/13	(YoY)	Plan/End of 3/14
Total employees	9,467	9,694	+227	9,880
Sales reps	3,193	3,250	+57	3,300
Engineers	2,645	2,783	+138	2,843
Tenant recruiters	1,151	1,163	+12	1,155

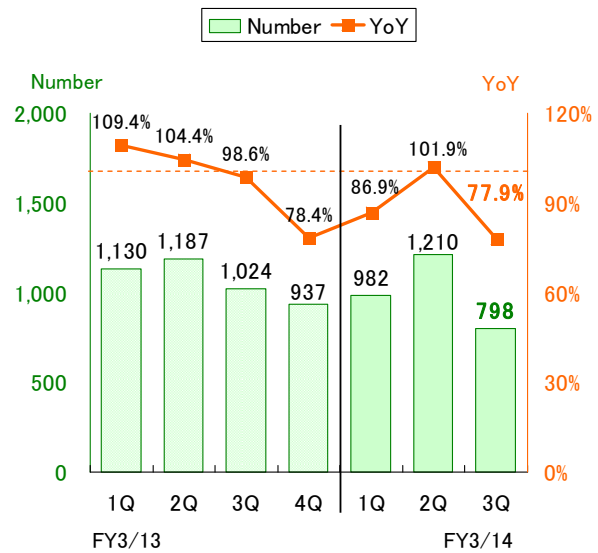
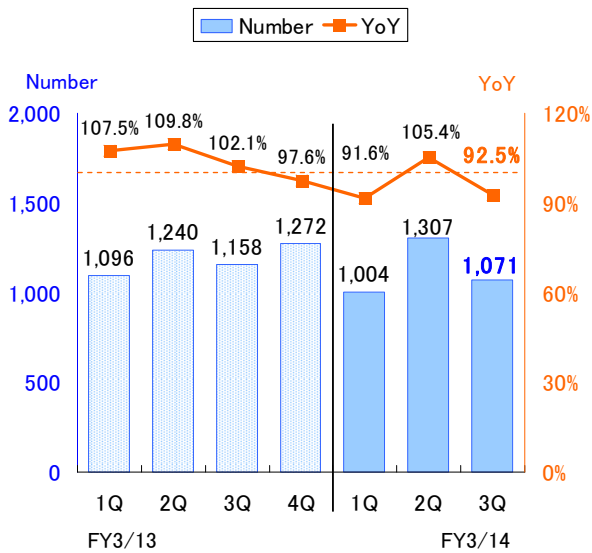
V-8 Orders received by area



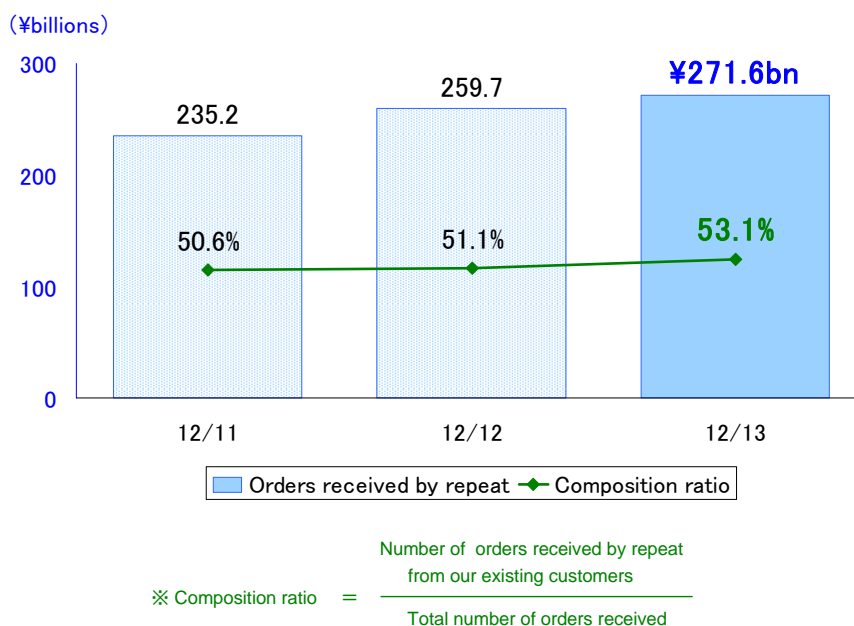
V-9 Channels of orders received

Orders received by repeat & via introduction by agents or others

Orders received from new customers



V-10 Orders received by repeat

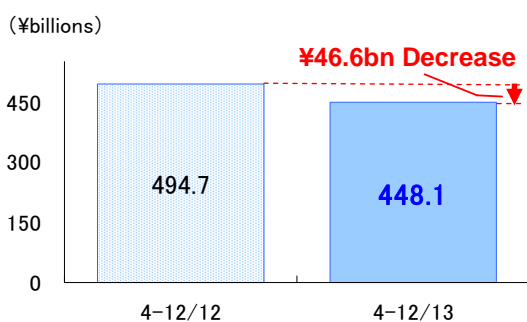


V-11 Comparing with the result of FY2012

Comparison with Apr.–Dec.

¥46.6bn Decrease

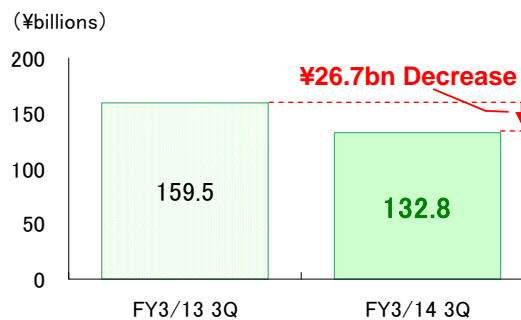
- | | |
|-------------------------------------|-----------|
| ① By Numbers | - ¥35.7bn |
| (6,835 → 6,372) | |
| ② By Cancellation | - ¥36.7bn |
| (- ¥72.1bn → - ¥108.8bn) | |
| ③ By Unit price | + ¥20.6bn |
| (¥77.13mn / unit → ¥80.37mn / unit) | |
| ④ By Building & repairs | + ¥5.2bn |
| (¥39.6bn → ¥44.9bn) | |



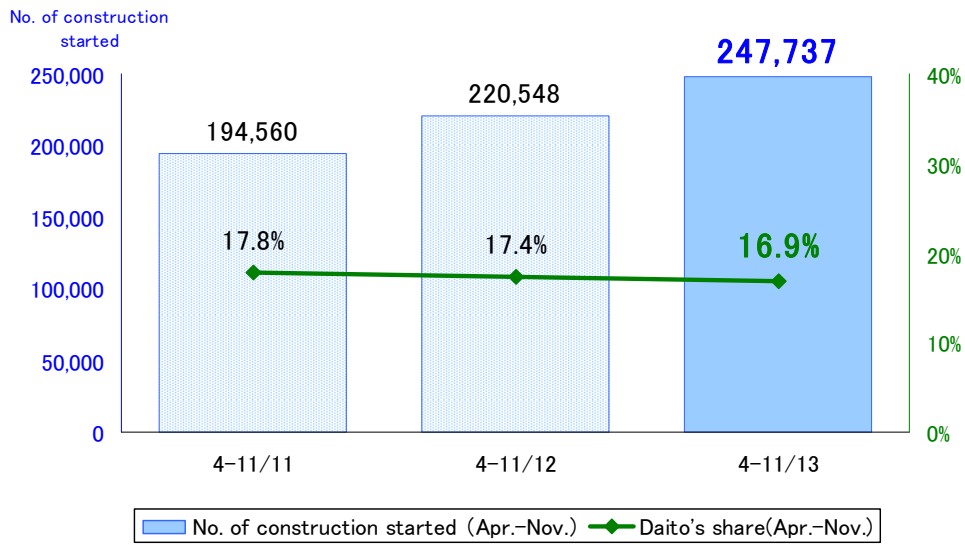
Comparison with 3Q

¥26.7bn Increase

- | | |
|-------------------------------------|-----------|
| ① By Numbers | - ¥25.0bn |
| (2,182 → 1,869) | |
| ② By Cancellation | - ¥1.0bn |
| (- ¥30.0bn → - ¥31.0bn) | |
| ③ By Unit price | + ¥0.5bn |
| (¥79.93mn / unit → ¥80.21mn / unit) | |
| ④ By Building & repairs | - ¥1.1bn |
| (¥15.1bn → ¥14.0bn) | |

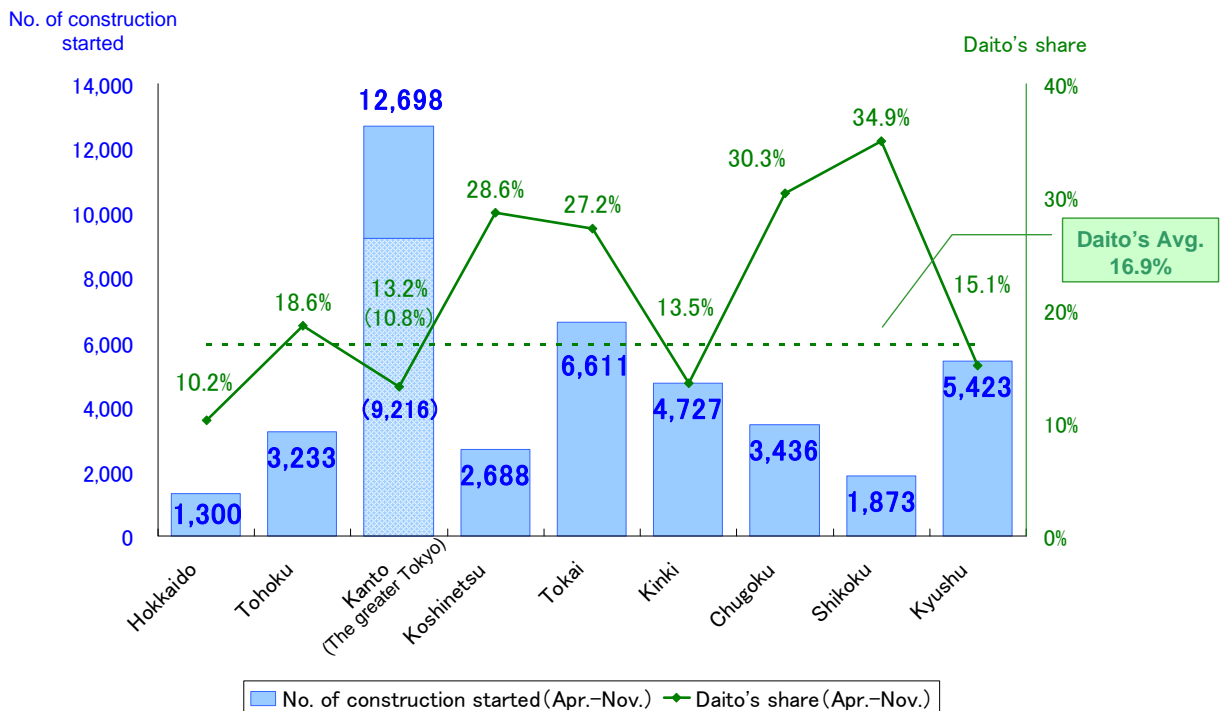


V-12 Number of construction started & Daito's Share



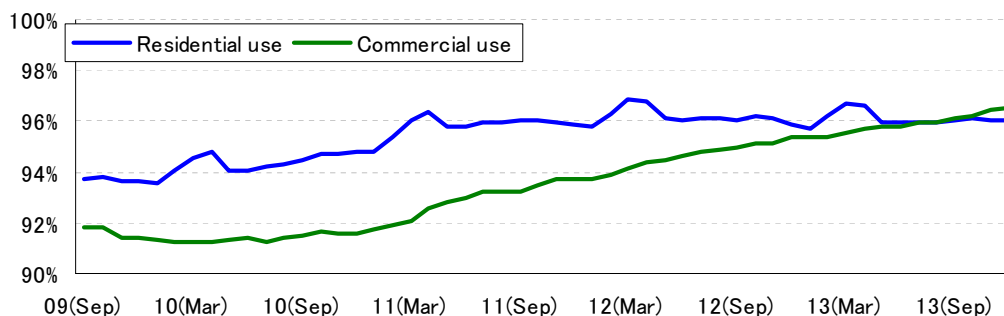
(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

V-13 Number of apartment construction started by area & Daito's share



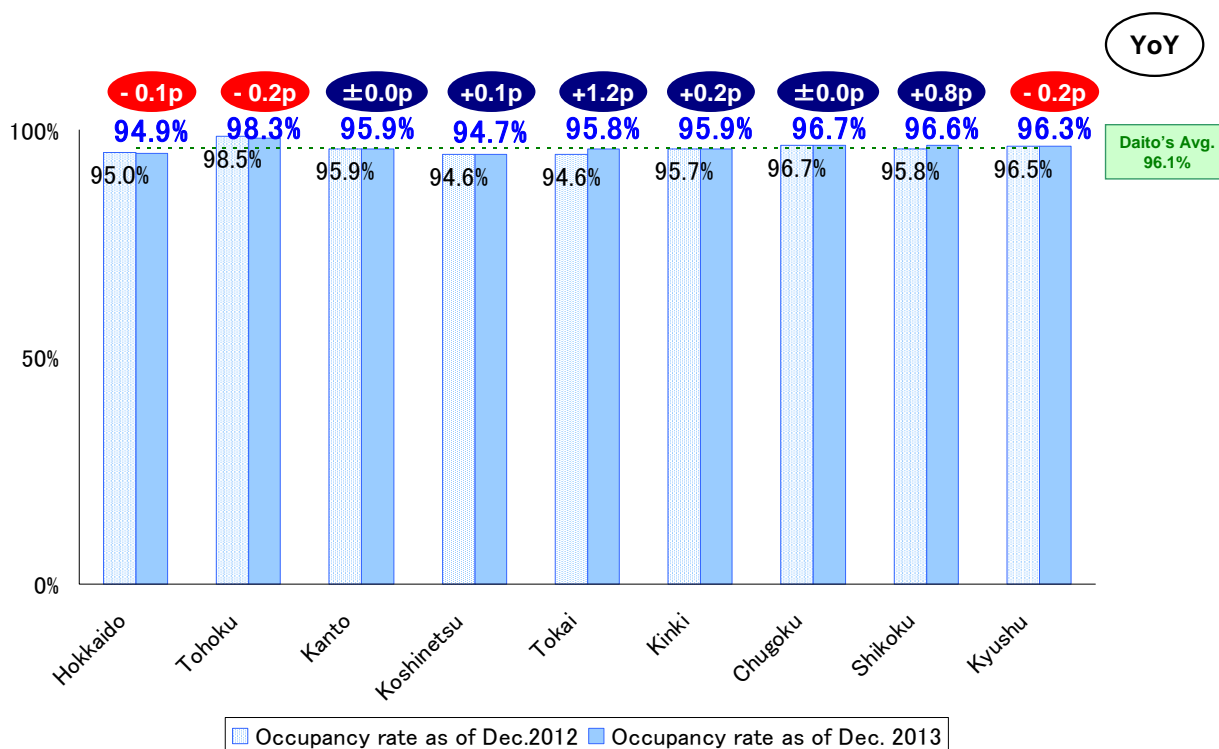
V-14 Rent basis occupancy rate

Rent basis
occupancy rate

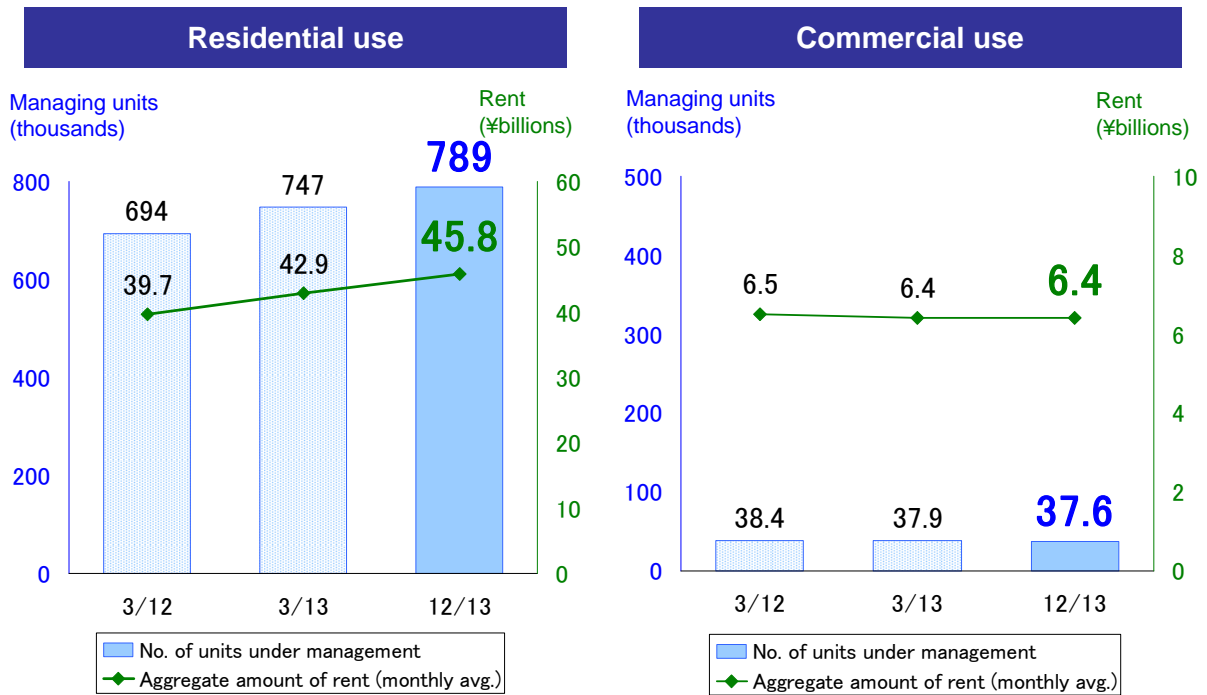


Rent basis occupancy rate	2009(Dec.)	2010(Dec.)	2011(Dec.)	2012(Dec.)	2013(Dec.)	YoY
Residential use (%)	93.6%	94.8%	95.9%	95.8%	96.1%	+0.3p
Commercial use (%)	91.4%	91.6%	93.8%	95.4%	96.5%	+1.1p

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

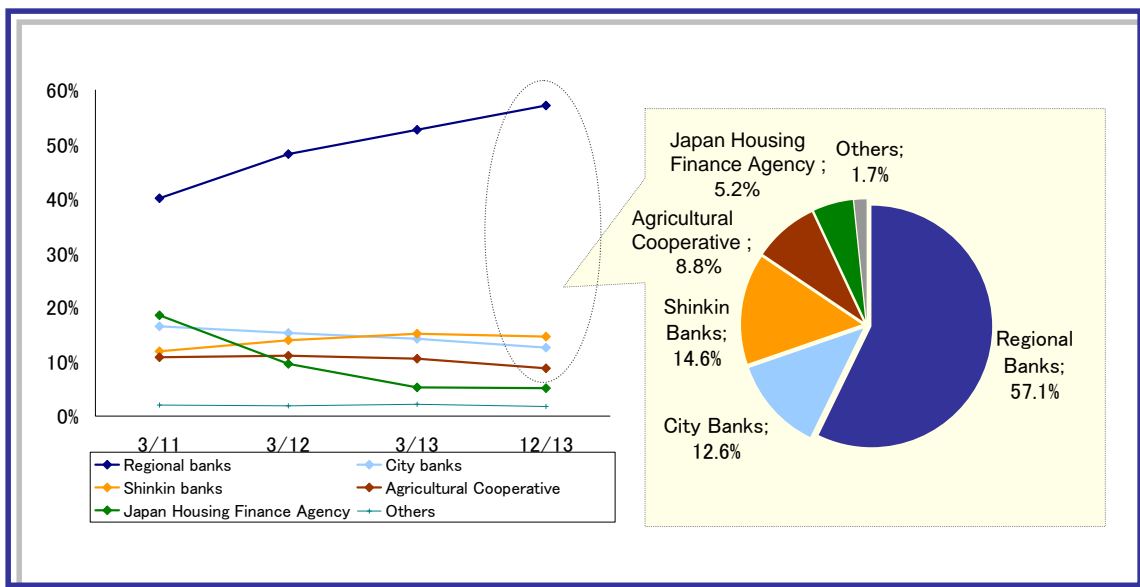


V-16 Number of units under management & aggregate amount of rent



V-17 Customer's financing channel

Shares of financial institutions (No. of construction started basis)



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