

Financial Highlights, Year ended March 31, 2014



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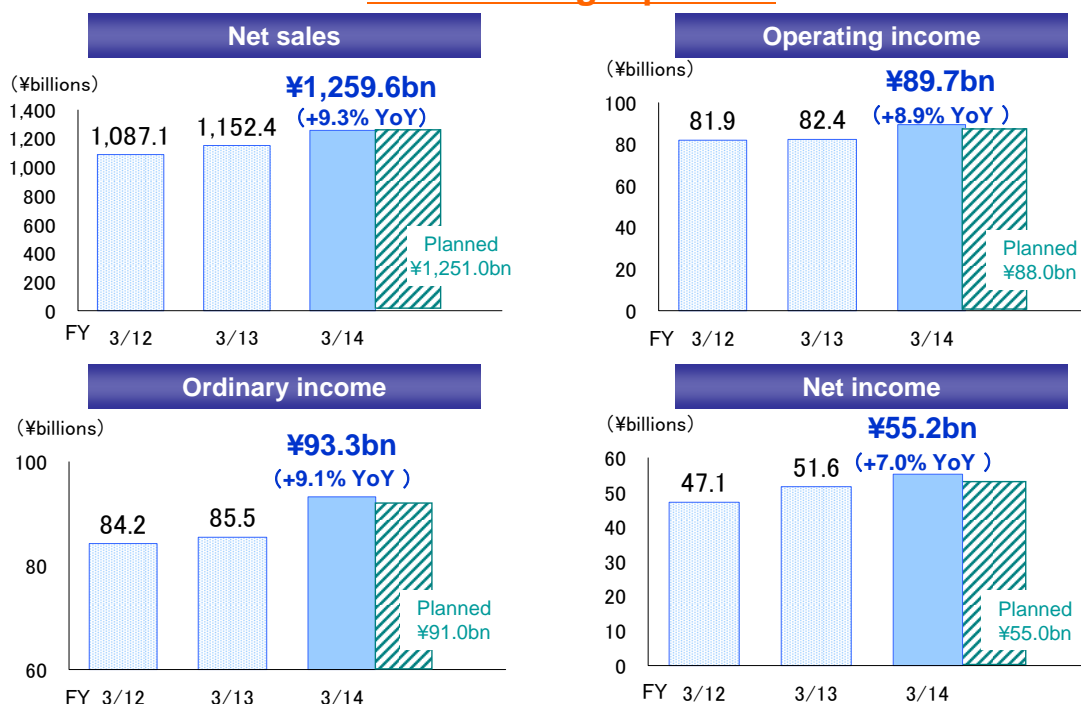
I . Performance FY2014

I - 1 Financial highlights

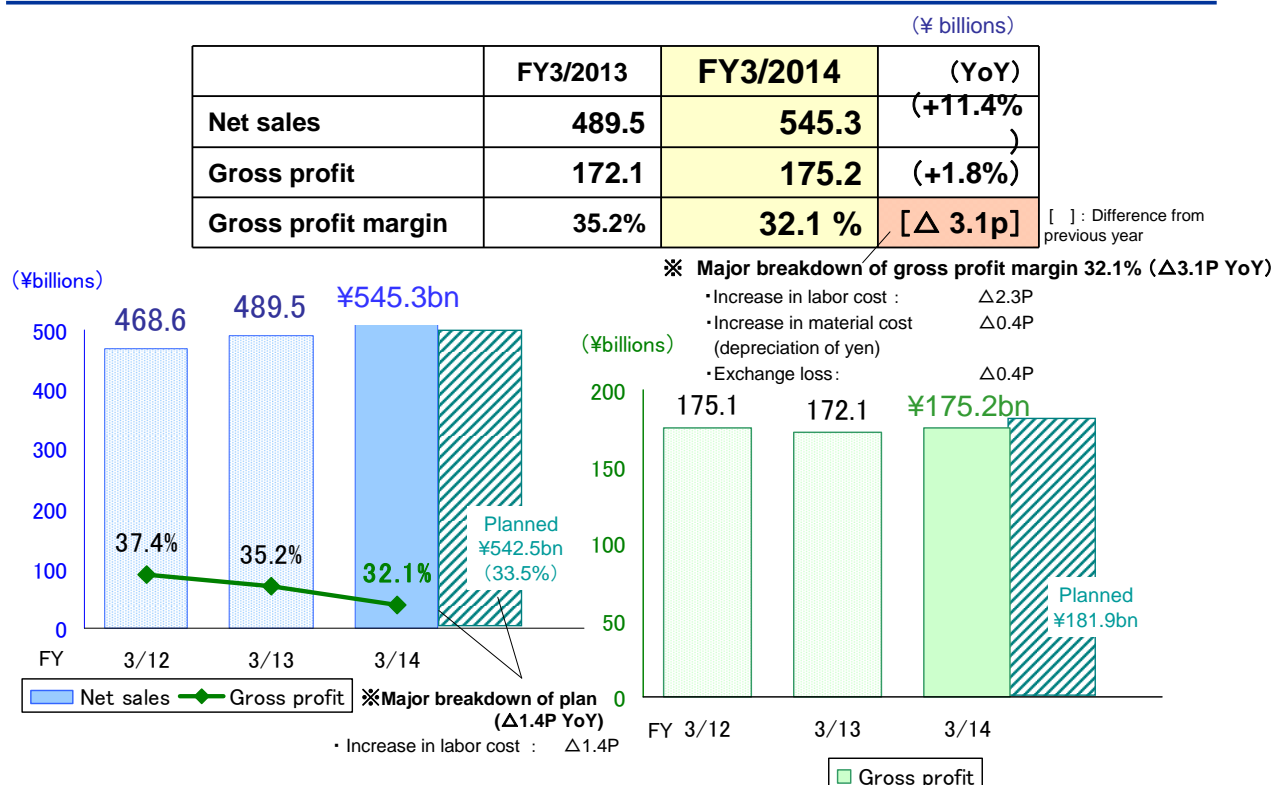
1.	Increase in sales and income for 6 th straight periods	
2.	Orders received	¥625.8 billions (△ 4.5% YoY)
	Occupancy rate (Residential use in March)	96.9% (+0.2P YoY)
3.	Shareholders returns	①Annual dividend (Plan) 347yen (+23yen) ②Buy-back of own share and share retirement (Plan) 16.6bn yen · 1.71mn shares (upper limit)
		<p>① Payout ratio 50% + ② Buy-back of own share, Share retirement 30% = Gross return 80%</p>

I - 2 Income summary

FY3/14 increased both in sales and incomes for six straight periods



I - 3 Income summary by segment (Construction)



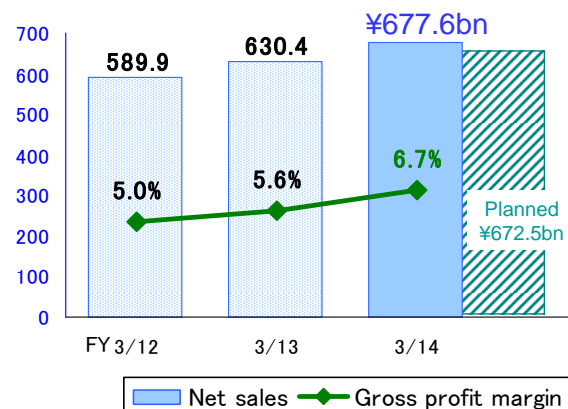
I - 4 Income summary by segment (Real estate)

(¥ billions)

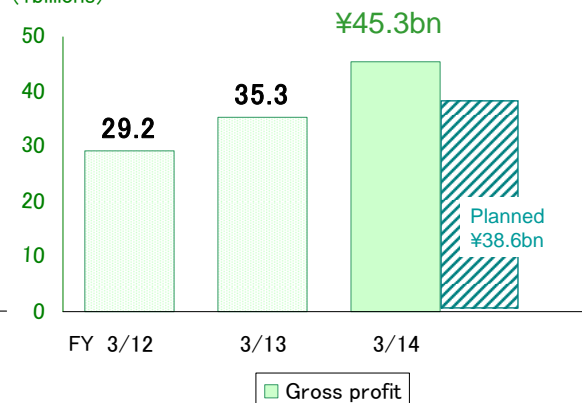
	FY3/2013	FY3/2014	(YoY)
Net sales	630.4	677.6	(+7.5%)
Gross profit	35.3	45.3	(+28.3%)
Gross profit margin	5.6%	6.7%	[+1.1p]

[] : Difference from previous year

(¥billions)



(¥billions)



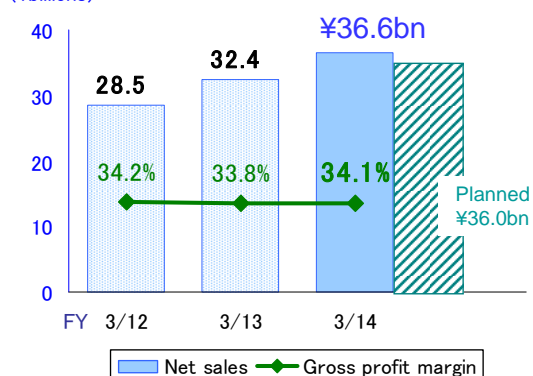
I - 5 Income summary by segment (Others)

(¥ billions)

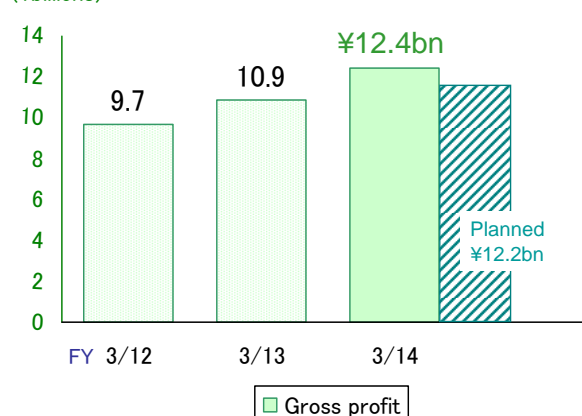
	FY3/2013	FY3/2014	(YoY)
Net sales	32.4	36.6	(+12.9%)
Gross profit	10.9	12.4	(+13.8%)
Gross profit margin	33.8%	34.1%	[+0.3p]

[] : Difference from previous year

(¥billions)



(¥billions)

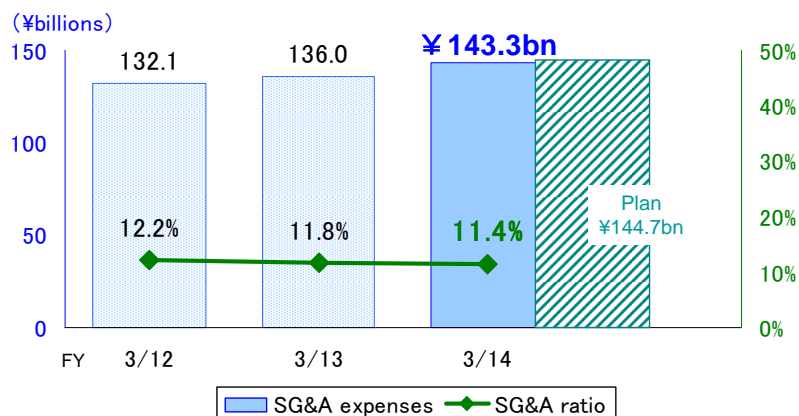


I - 6 Selling, general and administrative expenses

(¥billions)

	FY3/2013	FY3/2014	(YoY)
SG&A expenses	136.0	143.3	(+5.4%)
SG&A ratio	11.8%	11.4%	[Δ0.4p]

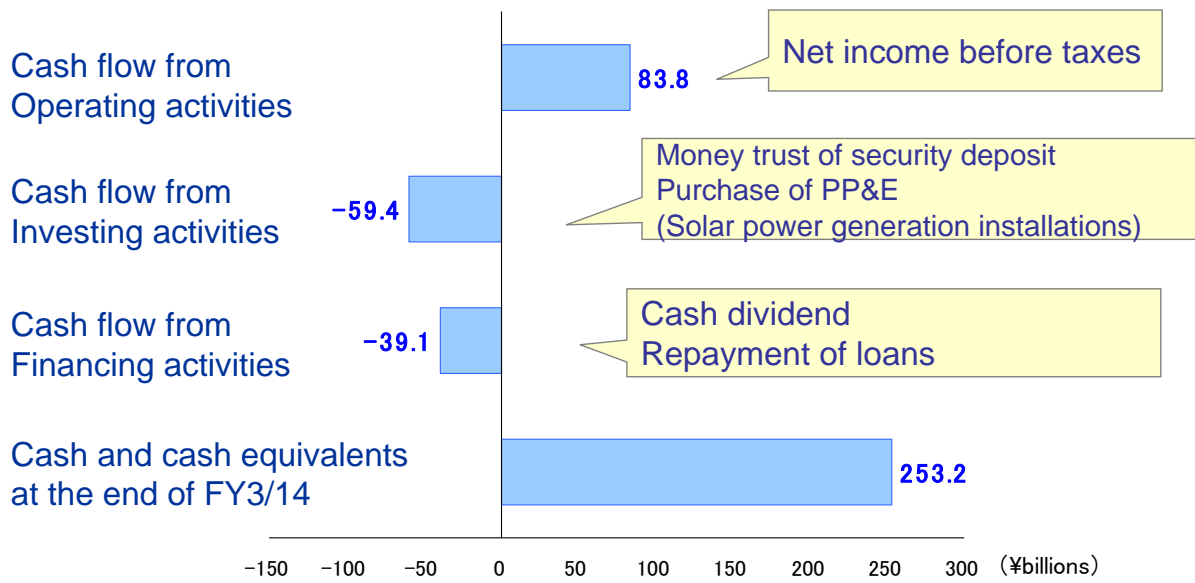
[] : Difference from previous year



I - 7 B/S summary

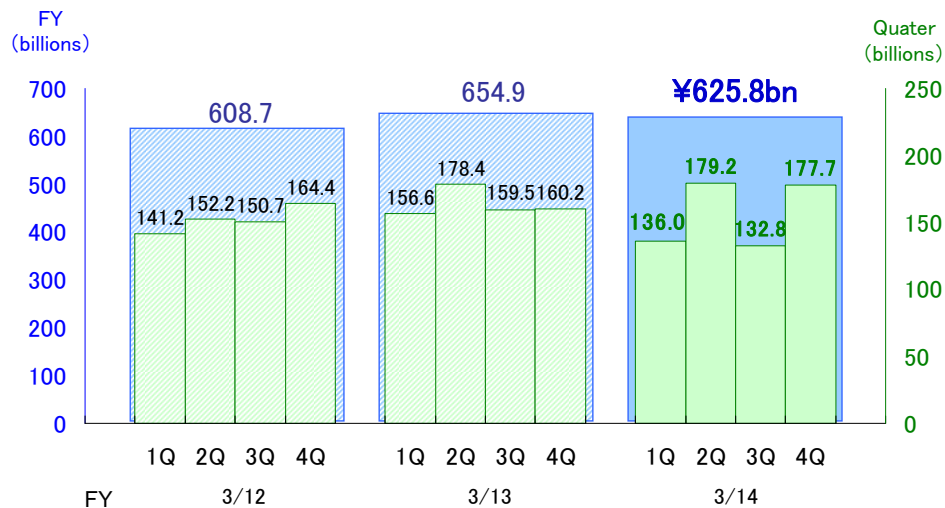
End of FY3/14				End of FY3/13			
				(¥billions)			
Current assets	482.9 (+47.1)	Current liabilities	255.4 (+42.2)	Current assets	435.7	Current liabilities	213.1
		Noncurrent liabilities	206.9 (Δ11.0)			Noncurrent liabilities	217.9
Noncurrent assets	201.4 (+19.5)	Total liabilities	462.4 (+31.2)	Noncurrent assets	181.9	Total liabilities	431.1
		Net assets	222.0 (+35.4)			Net assets	186.5
Total	684.4 (+66.6)	Total	684.4	Total	617.7	Total	617.7
BPS		¥2,823.23		BPS		¥2,400.55	
Equity ratio		32.9%		Equity ratio		31.0%	
ROE		26.6%		ROE		29.6%	

I - 8 Cash flows in FY3/14

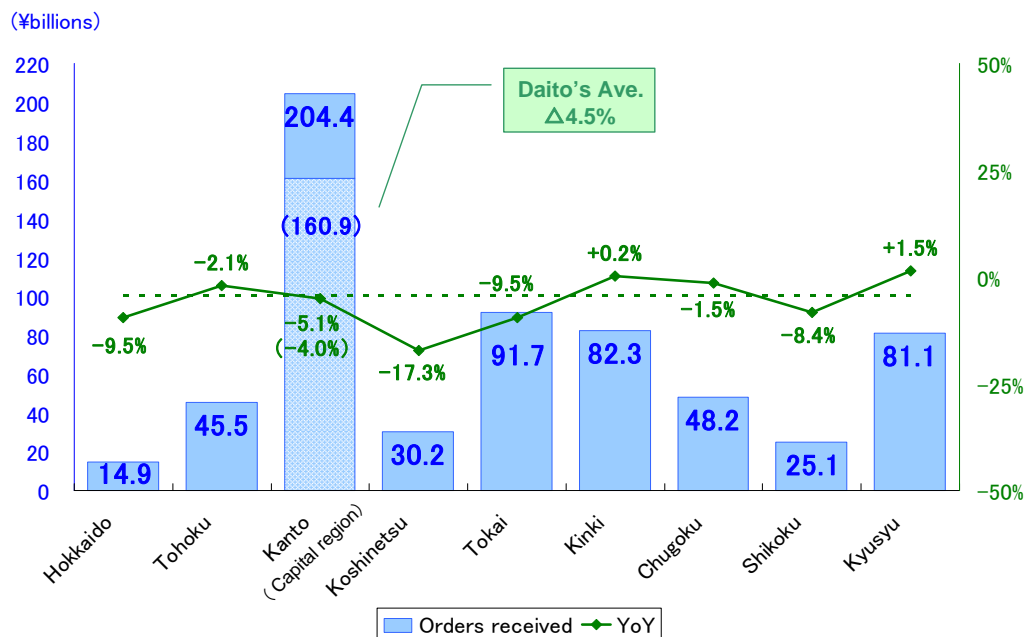


I - 9 Orders received

◇Orders received **¥625.8bn** (△ 4.5% YoY)

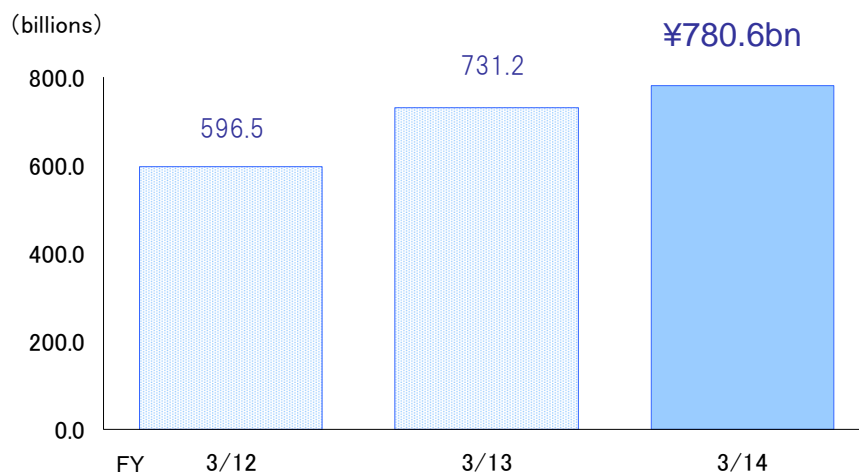


I - 10 Orders received by area



I - 11 Orders in hand

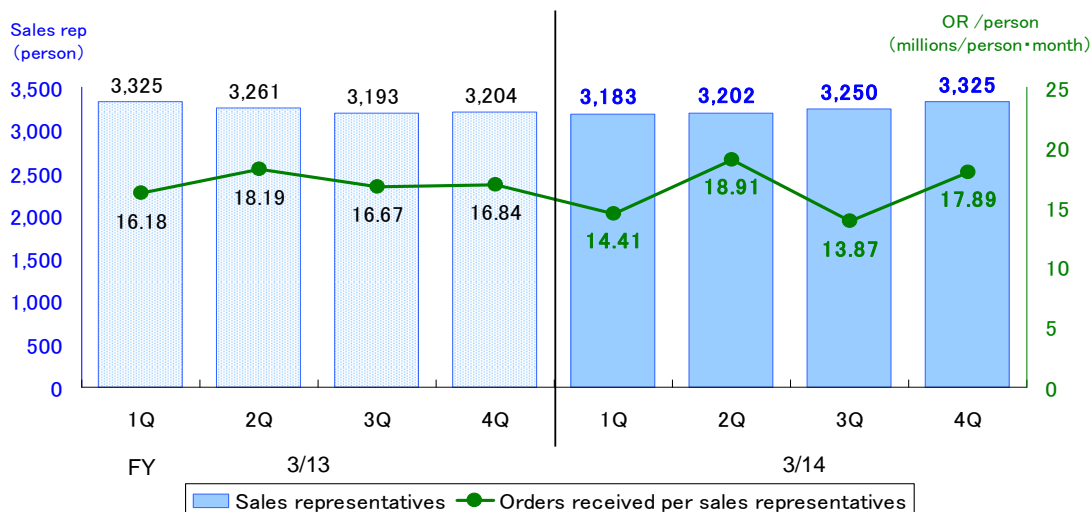
◇Orders in hand ¥780.6bn (+6.8% YoY)



I - 12 Business staffs and Orders received per sales rep (Quarterly comparison)

◇Sales representatives <Term end > 3,325 staffs (+121 YoY)

◇Orders received per sales rep <FY>
16.28million / Month (Δ700Thousands yen)



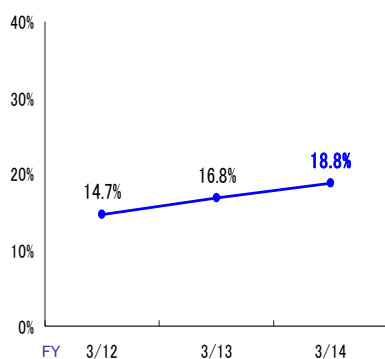
I - 13 Analysis of Orders received

◇Medium-rise rate 18.8% (+2.0p YoY)

◇Rebuilding rate 29.3% (Δ1.5p YoY)

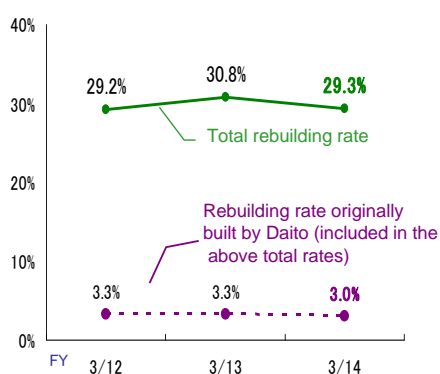
◇Unit price ¥82.19mn (+0.425mn YoY)

Medium-rise rate^{※1}



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

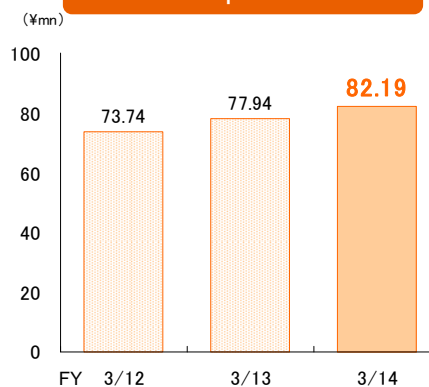
Rebuilding rate^{※2}



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

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

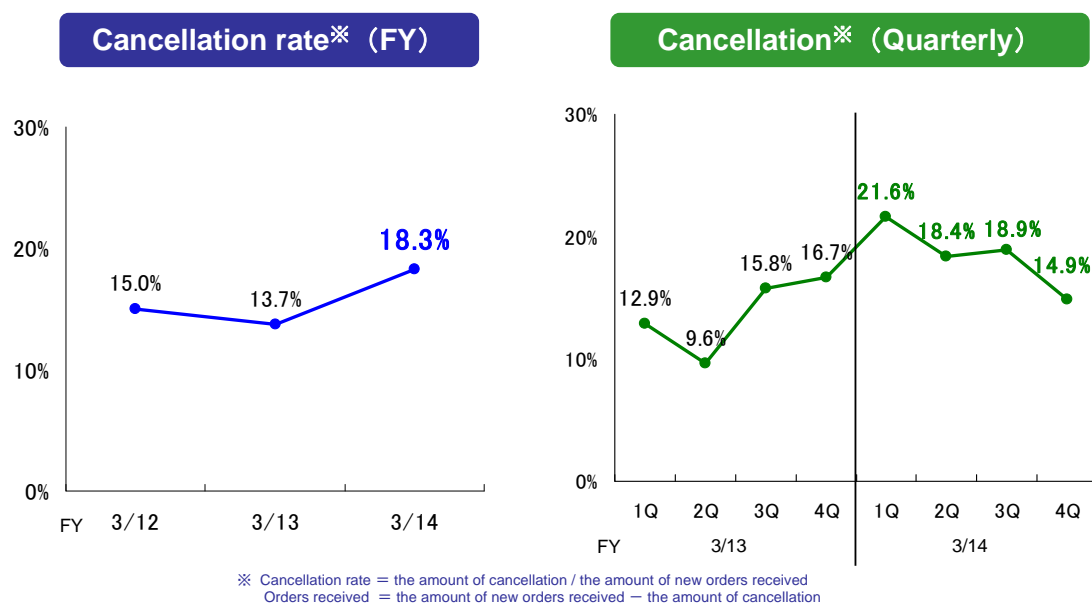
Unit price^{※3}



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

I - 14 Cancellation rate

◇ Cancellation rate [FY] **18.3%** (+4.6p YoY)

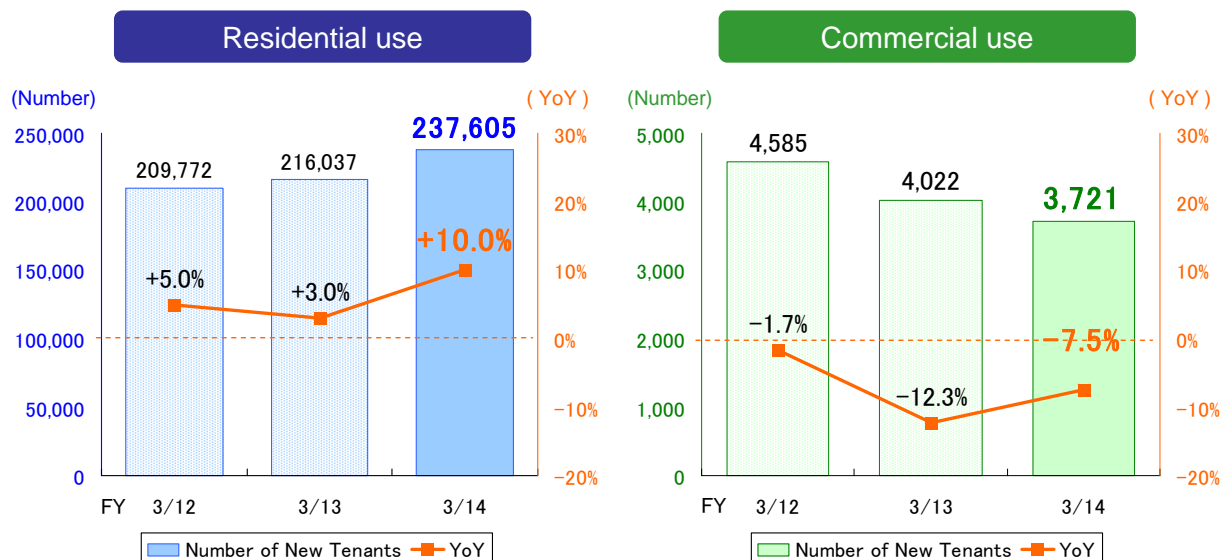


I - 15 New Tenants

◇ New Tenants **241,326** (+9.7% YoY)

▪ Residential use **237,605** (+10.0% YoY)

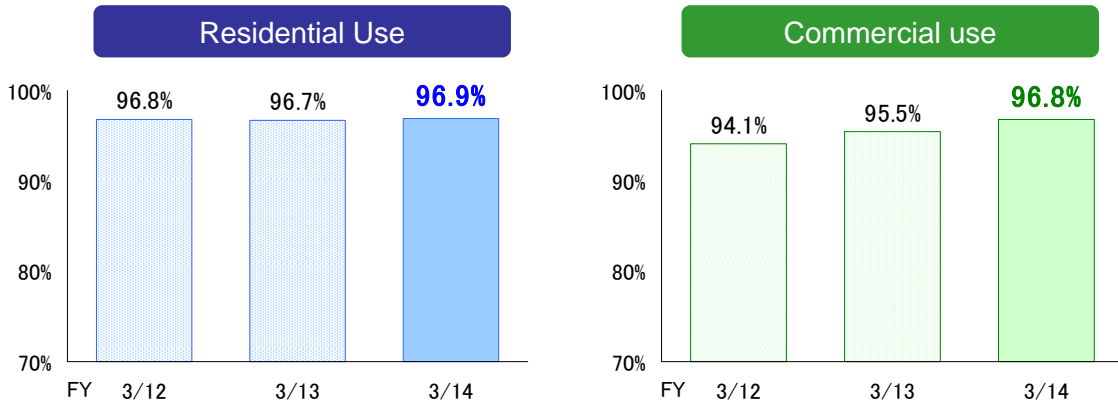
▪ Commercial use **3,721** (Δ7.5% YoY)



I - 16 Rent basis occupancy rate

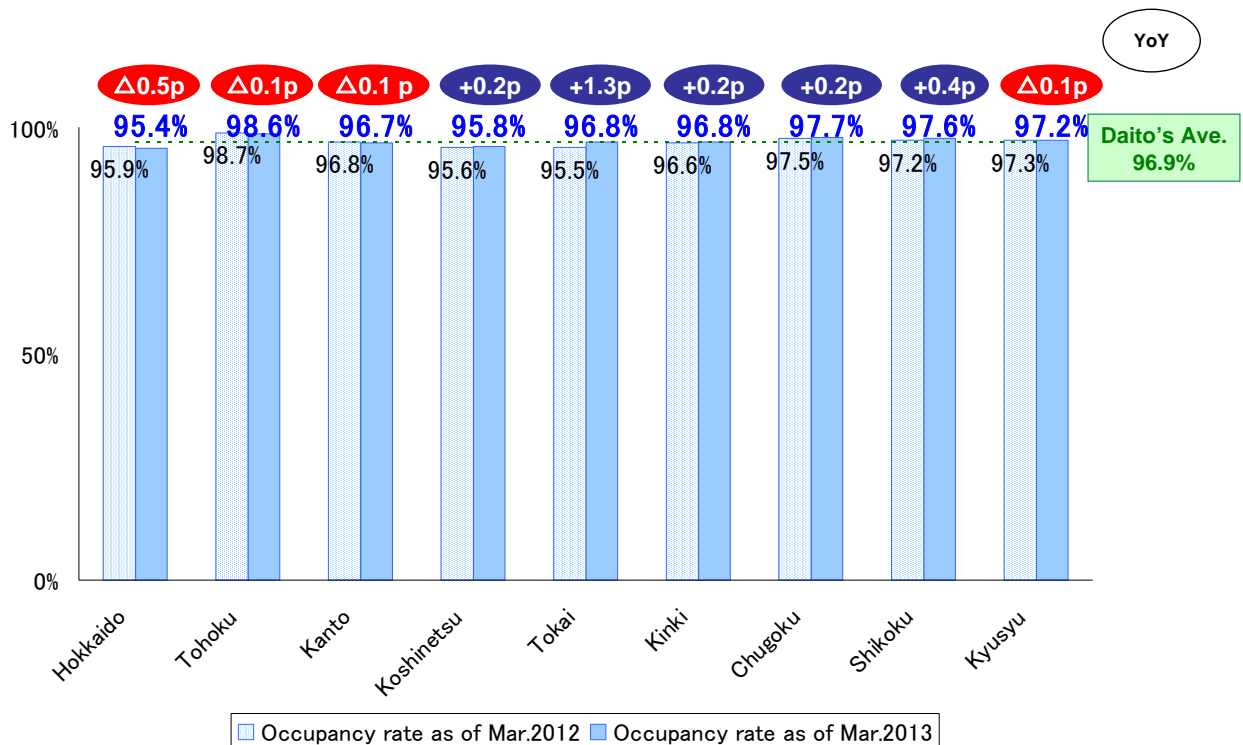
Residential use 96.9% (+0.2p YoY)

Commercial use 96.8% (+1.3p YoY)



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

I - 17 Rent basis occupancy rate by area (Residential use / March)



II . Plan FY2015

II - 1 The premise of FY3/15 plan

《The premise of FY3/15 plan》

Orders

- Focusing on effective utilization of property and the succession planning

Construction

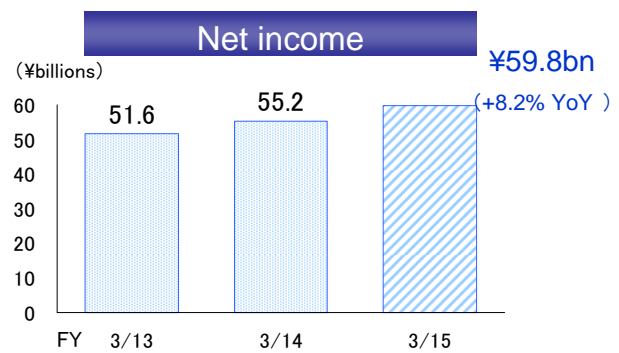
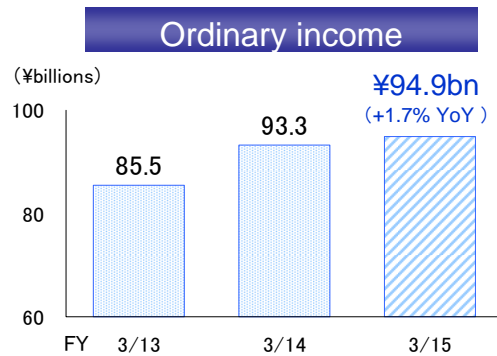
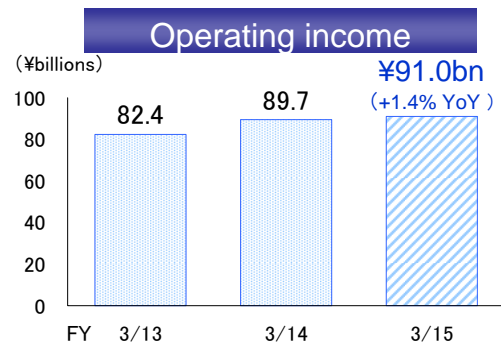
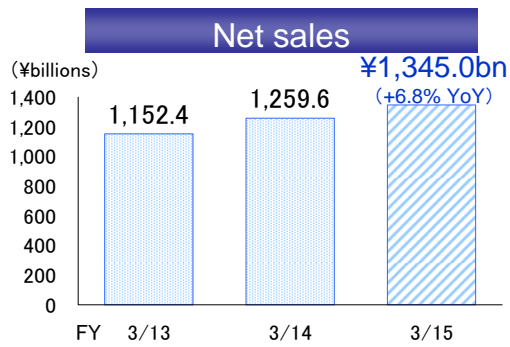
- New building starts with large amount of orders outstanding
- Expecting higher construction costs due to reconstruction after earthquake, last-minute demand before new consumption tax regime, and preparation for Tokyo Olympics

Rental Housing needs

- Stable rental housing needs due to increasing number of households and the diversified tenants
- More flexible to mobility of workers or households by recovery of economy

II - 2 Income summary

Planning increase both in sales and incomes
for seven straight periods



II - 3 Plan Of Key Figures

① Net sales ¥ 584.0bn (107.1% YoY)
Gross profit margin 30.3% (Δ1.8P YoY)

② Orders Received ¥670.0bn (107.1% YoY)

③ New Tenants 259,000 (107.3% YoY)

Occupancy rate

- Residential use in March 96.9% (±0.0P YoY)
- Commercial use in March 96.8% (±0.0P YoY)

II - 4 Sales and gross profit margin on construction completed

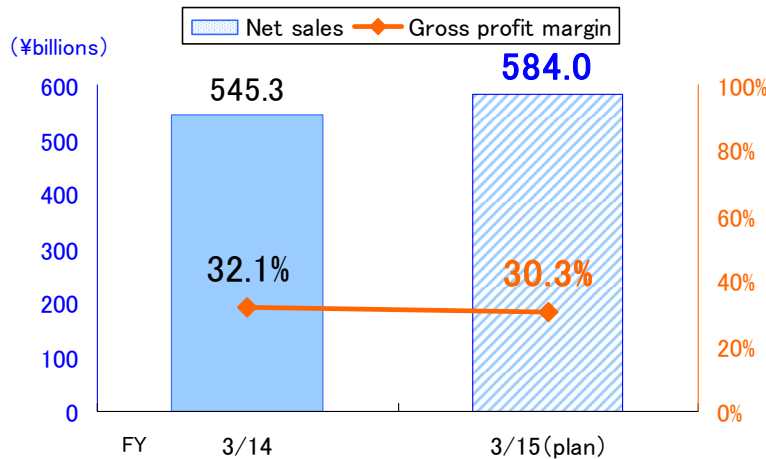
	FY3/2014	FY3/2015 (plan)	(YoY)
Net sales	545.3	584.0	(+7.1%)
Gross profit	175.2	176.9	(+0.9%)
Gross profit margin	32.1%	30.3%	[$\Delta 1.8p$]

(¥billions)

[] : Difference from previous year

※ Major breakdown of gross profit margin 30.3% ($\Delta 1.8P$)

- Increase in labor cost : $\Delta 1.2P$
- Increase in import material cost : $\Delta 0.2P$
(depreciation of yen)
- Increase in domestic material cost : $\Delta 0.4P$

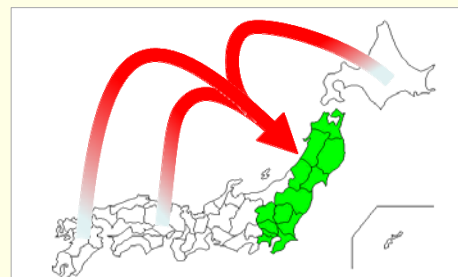


II - 5 Effort to secure net sales and gross profits

Construction • Cost control

① Cooperation with construction companies (Partner program 1,500 companies)

- Expansion of support to labor shortage areas
- ※ To continue to provide housing and tools
- Expansion of partner companies



- ※ main 8 business :
- foundation, framework, joinery work, panel,
 - exterior wall, inside work, electricity, water supply and drainage.

II – 6 Effort to secure net sales and gross profits

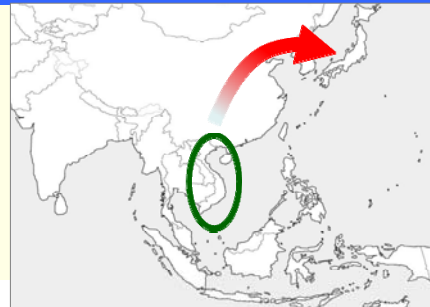
② Expansion of production line

- To increase production capacity(2 × 4 panel) by the partner company
(Daito support finance for the partner company to increase production capacity)



③ Foreign Technical Intern Training Program

- To support partner companies in short of skilled labor
- ※ To accept technical interns from Vietnam



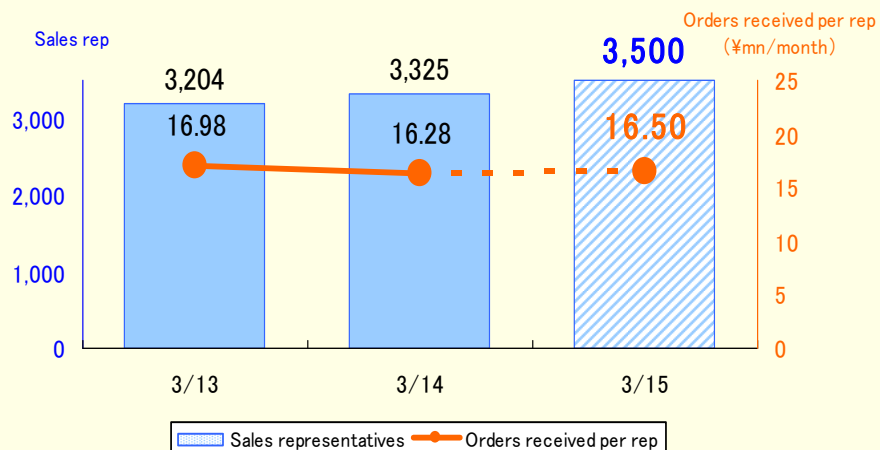
...etc.

II – 7 Strategy to achieve our plan of ¥670.0 orders received

1. Reinforcement of personnel

◇ Sales representatives <end of March > 3,500 (+175YoY)

◇ Orders received per sales rep ¥16.5mn (+¥0.22mn YoY)



2. Consulting business for inheritance properties

- Regularly scheduled consulting seminars of inheritance properties
- Support services for inheritance properties (Life planning・entrustment・inheritance, etc.)



● inheritance seminar

3. Reinforcement of rental buildings and presentation skills

- Urban-type leasing housings (housing with rentals, three-story wooden house, 3-5story)
- Tablet computer terminals
- 3D printer of Constructions



● housing with rentals



● 3D printer model

4. Proactive approach to CRE

- Expansion of the business stronghold

Open 2 branch offices



Total : 3 branch offices



- Tie - up seminar for SME



Theme 「Business successions among SMEs
Thorough inspection!」

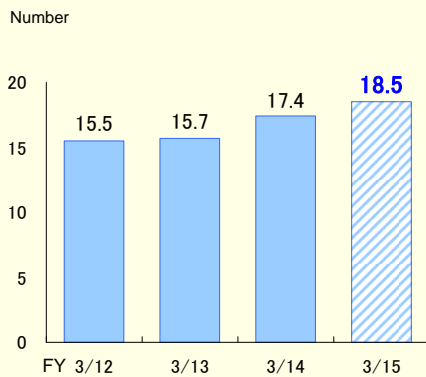
II - 10 Strategy to recruits new tenants of 259,600 units in FY3/15

(FY3/15 end occupancy rate target residential use 96.9%, commercial use 96.8%)

1. Increasing sales efficiency

◇ Tenant recruiters <Plan FY3/15> 1,160 (Δ6 YoY)

◇ New Tenants per recruiter 18.5/person·month (+1.1YoY)



	3/12	3/13	3/14	3/15
Tenant recruiters	1,186	1,147	1,166	1,160
① Specialists for own inquiries	—	165	662	646
② Specialists for real-estate agents	—	127	315	322
③ Generalized sales representatives (①&②)	1,186	855	189	172
④ Office workers	—	—	—	20

II - 11 Strategy to achieve tenancy agreements of 259,600 units in FY3/15②

(FY3/15 end occupancy rate target residential use 96.9%, commercial use 96.8%)

2. Measure to increase reactions

- Brand promotions of “liheya-net”
- Online apartment search sites (continue)
- SNS (Facebook, Twitter, LINE, etc.)
- 40th anniversary campaign



3. cooperation with real estate companies

- Expansion of “liheya-net” brand
- Reduction of administration works



III. Shareholders return policy

III- 1 Return to shareholders (March.2014)

March. 2014

① Dividend Payout ratio : **¥347** (pre term+¥23, payout ratio 50%)

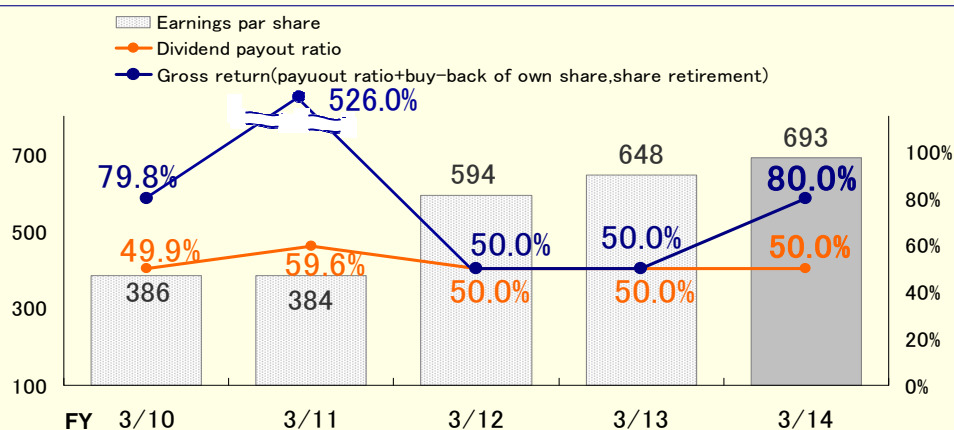
※mid-term 170yen, term end 177yen

② Buy-back of own share : **¥16.6bn · 1.71mn shares**(upper limit)

Share retirement

※3/2014 earnings in current term × 30%

※Buy-back until 3/2015, retirement in 3/2015 (plan)



Return to shareholders of FY3/15 [Plan]

Annual dividend **¥391** (¥+44 YoY)
[Payout ratio 52.7%]

《breakdown》

① **General dividend** **¥371** [payout ratio 50.0%]

② **40th anniversary dividend** **¥20** [payout ratio 2.7%]

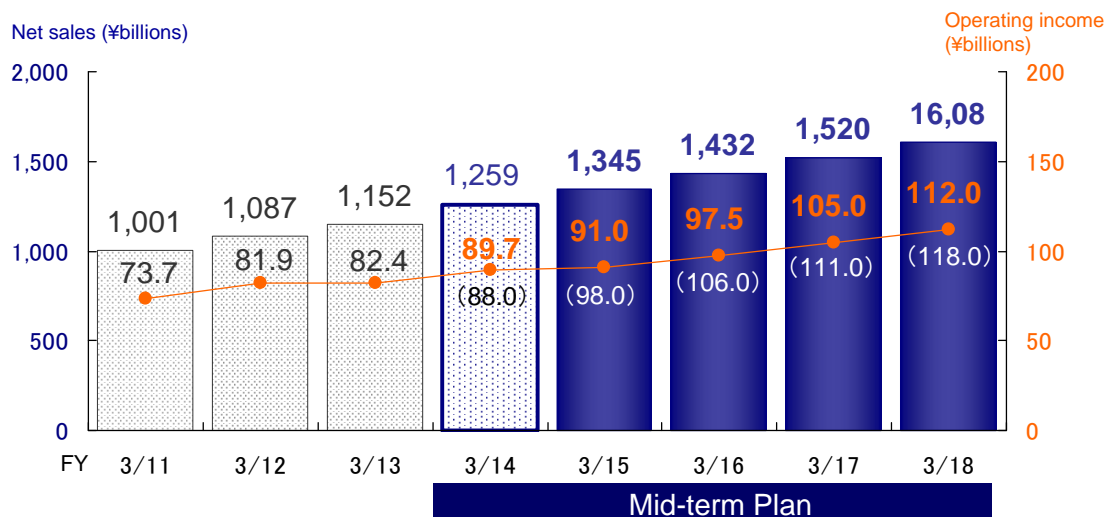
IV. Mid-term Plan

IV- 1 Revise Mid-term Plan (Net sales, Operating Income)

FY 3/18 Plan

Net sales 1,608.0bn (vs 3/13 +39.5% annual growth 6.9%)

Operating income 112.0bn (vs 3/13 +35.9% annual growth 6.4%)



※(figures) : The figures announced at 4/13

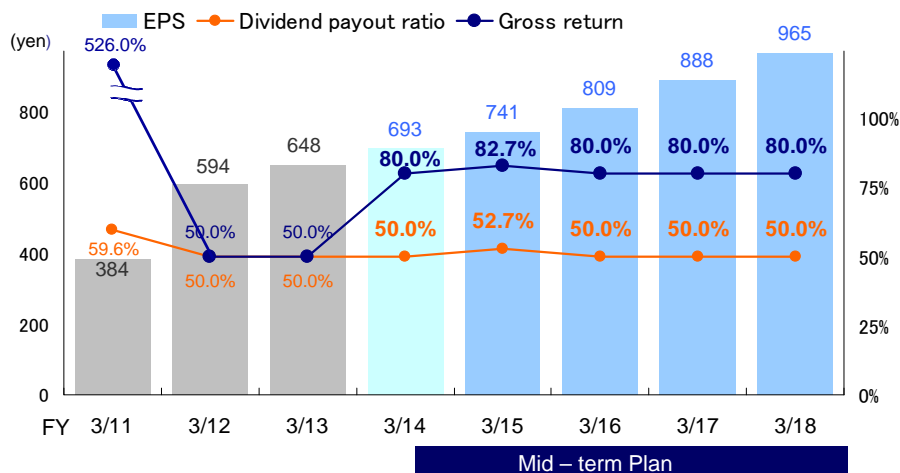
IV - 2 Return to shareholders (EPS/dividend payout ratio・Gross return)

● Shareholders Return Policy

① Dividend payout ratio : **50%**

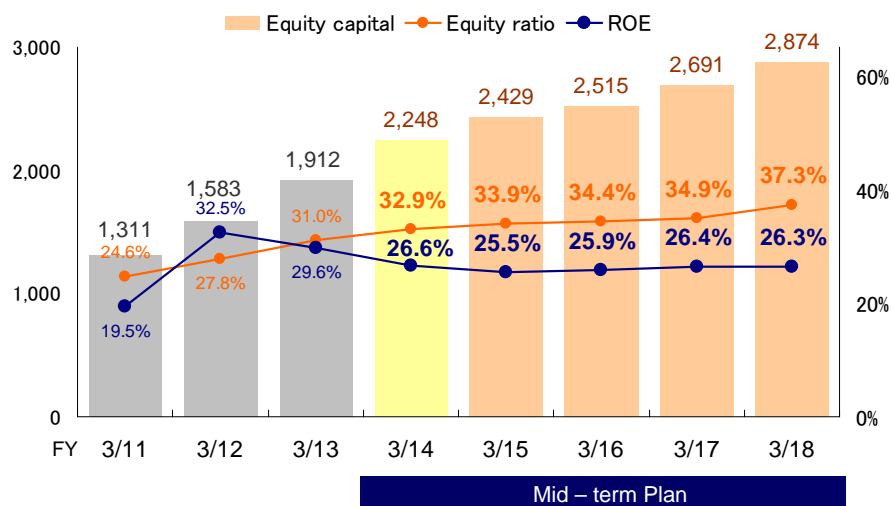
② buy-back of own share/retirement : **Earnings × 30%**

Gross return 80%



IV- 3 Financial index (Equity ratio/ROE)

- Financial index : ROE over 20%



V. Topics

Live-Up living service / deploy 47 prefectures across the country

For our tenants

Inform privileges of local store and local information



● **Store information**

- restaurants
- laundry
- beauty salon
- hobby (language, sports, etc.)



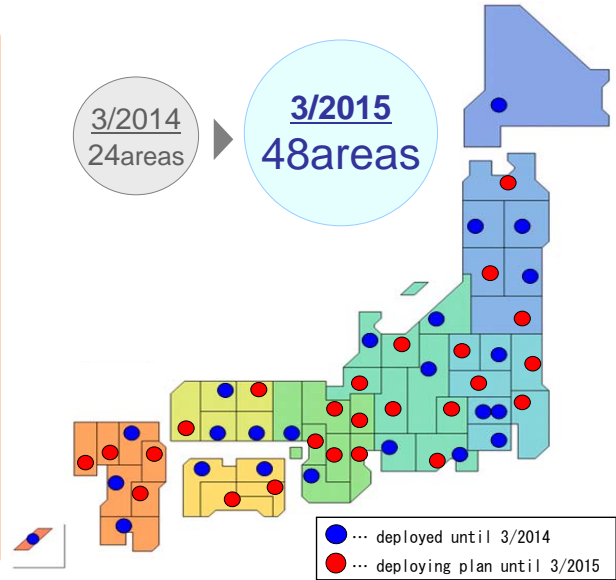
● **Rental information**

- homemaker services
- delivery services



● **Administration · medical services information**

- • • etc.



V - 2 Action to making energy

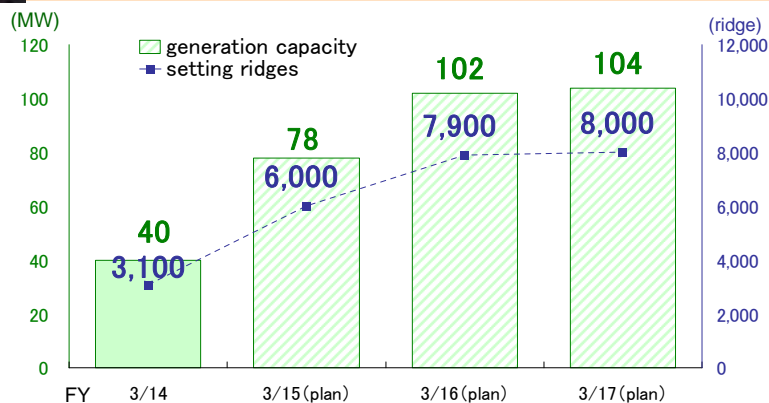


Solar Power Generation by Daito's rental roofs / 3100ridges

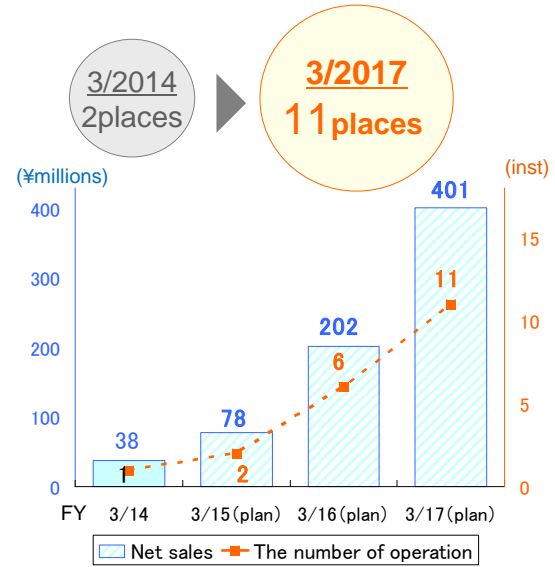


electric generation capacity 40MW

3/2017 set up 8,000 ridges
104MW
about 31,200 family units



Childcare / Opened 2nd Kids Partner in April, 2014



IV. Appendix

IV- 1 Non-consolidated statement of income <3 / 2014>

(¥ millions)

	FY3/14	FY3/13	YoY	FY3/15 (Plan)
Net sales	563,343	508,404	+10.8%	605,800
Construction	545,774	490,831	+11.2%	584,500
Real estate & others	17,569	17,573	△0.0%	21,300
Gross profit	172,418	167,763	+2.8%	174,200
Construction	174,406	170,188	+2.5%	175,200
Real estate & others	△1,988	△2,424	—	△1,000
SG & A expenses	120,368	115,046	+4.6%	123,900
Operating income	52,049	52,717	△1.3%	50,300
Ordinary income	56,825	57,029	△0.4%	55,300
Net income	33,542	34,556	△2.9%	34,700

IV- 2 Financial summaries of major subsidiaries (Construction) <3 / 2014>

(¥ millions)

	Construction business							
	Daito Construction				Daito Steel			
	FY3/14	FY3/13	YoY	FY3/15 (Plan)	FY3/14	FY3/13	YoY	FY3/15 (Plan)
Net sales	5,353	6,569	△18.5%	5,250	4,538	4,229	+7.3%	4,606
Gross profit	165	118	+40.1%	95	266	196	+35.4%	170
SG&A expenses	122	115	+5.8%	148	75	70	+7.2%	76
Operating income	43	3	+1352.7%	△52	191	126	+51.1%	94
Ordinary income	102	65	+55.6%	0	191	125	+53.2%	93
Net income	60	33	+82.0%	0	118	76	+54.4%	59

IV- 3 Sales Structure of Real estate business <3 / 2014>

(¥ millions)

	FY3/12		FY3/13		FY3/14		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY
Whole-building lease ※ ¹	533,439	(90.4%)	575,898	(91.4%)	621,832	(91.8%)	+8.0%
Building and repairs ※ ²	30,095	(5.1%)	30,918	(4.9%)	31,081	(4.6%)	+0.5%
Brokerage	13,525	(2.3%)	13,485	(2.1%)	14,380	(2.1%)	+6.6%
Lease business ※ ³	5,986	(1.0%)	6,008	(1.0%)	6,131	(0.9%)	+2.1%
Rental guarantee business	1,649	(0.3%)	1,987	(0.3%)	2,360	(0.3%)	+18.8%
Electricity business	—	—	—	—	555	(0.1%)	—
Sub-lease ※ ⁴	3,964	(0.7%)	910	(0.1%)	312	(0.1%)	△65.6%
Others	1,262	(0.2%)	1,220	(0.2%)	1,041	(0.1%)	△14.7%
Total	589,924	(100.0%)	630,428	(100.0%)	677,696	(100.0%)	+7.5%

※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) <3 / 2014>

(¥ millions)

	Real estate business											
	Daito Building Management				Housecom				House Leave			
	FY3/14	FY3/13	YoY	FY3/15 (Plan)	FY 3/14	FY 3/13	YoY	FY3/15 (Plan)	FY 3/14	FY 3/13	YoY	FY3/15 (Plan)
Net sales	658,017	611,083	+7.7%	698,177	8,244	7,815	+5.5%	8,637	2,360	1,987	+18.8%	2,676
Gross profit	42,572	33,889	+25.6%	45,700	8,244	7,815	+5.5%	8,637	2,249	1,597	+40.8%	2,123
SG&A expenses	12,573	11,401	+10.3%	13,956	7,909	7,638	+3.5%	8,171	235	247	△4.6%	402
Operating income	29,999	22,487	+33.4%	31,744	334	176	+89.6%	465	2,014	1,350	+49.1%	1,721
Ordinary income	30,701	23,142	+32.7%	32,389	736	504	+46.1%	793	2,043	1,381	+48.0%	1,744
Net income	18,455	14,069	+31.2%	20,598	402	255	+57.6%	469	1,249	782	+59.6%	1,097

IV- 5 Financial summaries of major subsidiaries (Others - 1)〈3 / 2014〉

(¥ millions)

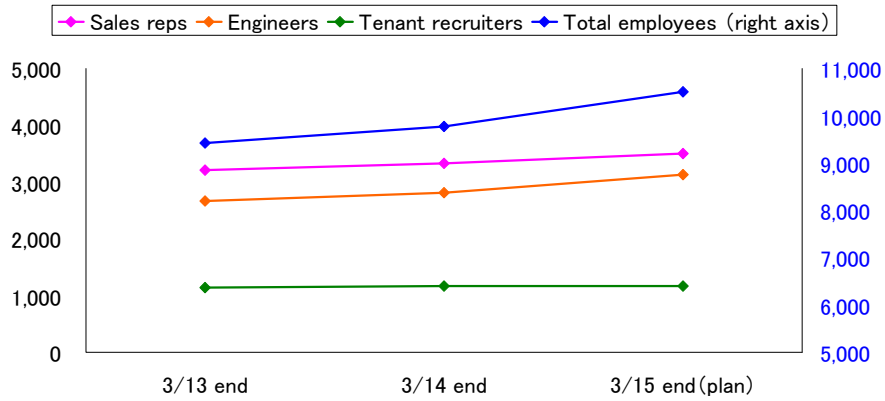
	Other business (Financial business)							
	Daito Finance				D.T.C			
	FY3/14	FY3/13	YoY	FY3/15 (Plan)	FY3/14	FY3/13	YoY	FY3/15 (Plan)
Net sales	975	1,023	△4.7%	881	3,451	3,134	+10.1%	3,159
Gross profit	580	616	△5.8%	505	1,476	1,284	+14.9%	1,284
SG&A expenses	127	131	△3.6%	155	13	10	+30.8%	13
Operating income	453	484	△6.4%	350	1,462	1,274	+14.8%	1,271
Ordinary income	453	485	△6.6%	350	1,458	1,277	+14.1%	1,277
Net income	274	294	△6.9%	220	1,458	1,277	+14.1%	1,277

IV- 6 Financial summaries of major subsidiaries (Others - 2)〈3 / 2014〉

(¥ millions)

	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	FY3/14	FY 3/13	YoY	FY3/15 (Plan)	FY3/14	FY 3/13	YoY	FY3/15 (Plan)	FY3/14	FY 3/13	YoY	FY3/15 (Plan)
Net sales	8,758	7,907	+10.8%	9,289	23,447	21,397	+9.6%	25,334	2,671	2,149	+24.3%	2,773
Gross profit	1,107	1,010	+9.6%	1,241	6,445	5,631	+14.4%	7,869	1,419	1,139	+24.5%	1,511
SG&A expenses	572	540	+6.0%	691	4,168	3,579	+16.4%	4,758	925	789	+17.2%	1,002
Operating income	535	470	+13.7%	550	2,277	2,052	+11.0%	3,110	493	350	+41.0%	509
Ordinary income	533	518	+2.9%	550	2,353	2,111	+11.4%	3,150	6	1,605	△99.6%	470
Net income	305	298	+2.3%	346	1,402	1,370	+2.3%	1,981	△120	1,603	—	470

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

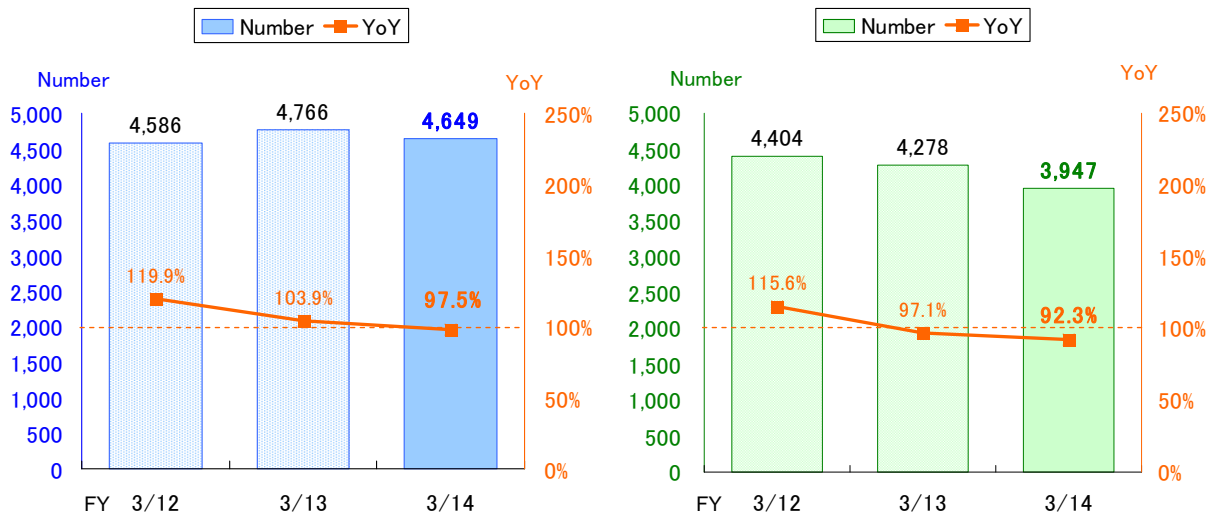


	3/13 end	3/14 end	(YoY)	3/15 plan
Total employees	9,428	9,767	+339	10,400
Sales reps	3,204	3,325	+121	3,500
Engineers	2,667	2,753	+86	3,120
Tenant recruiters	1,147	1,166	+19	1,160

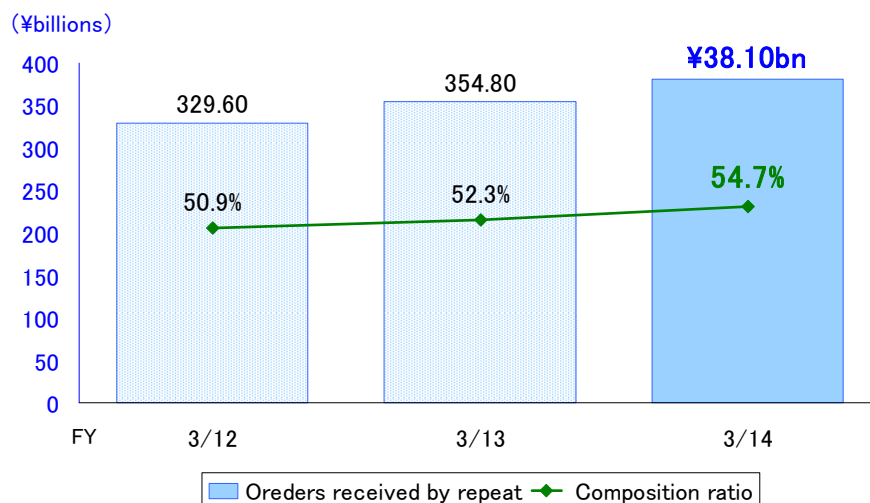
IV- 8 Channels of orders received

Orders received by repeat & via introduction by agents or others

Orders received from new customers

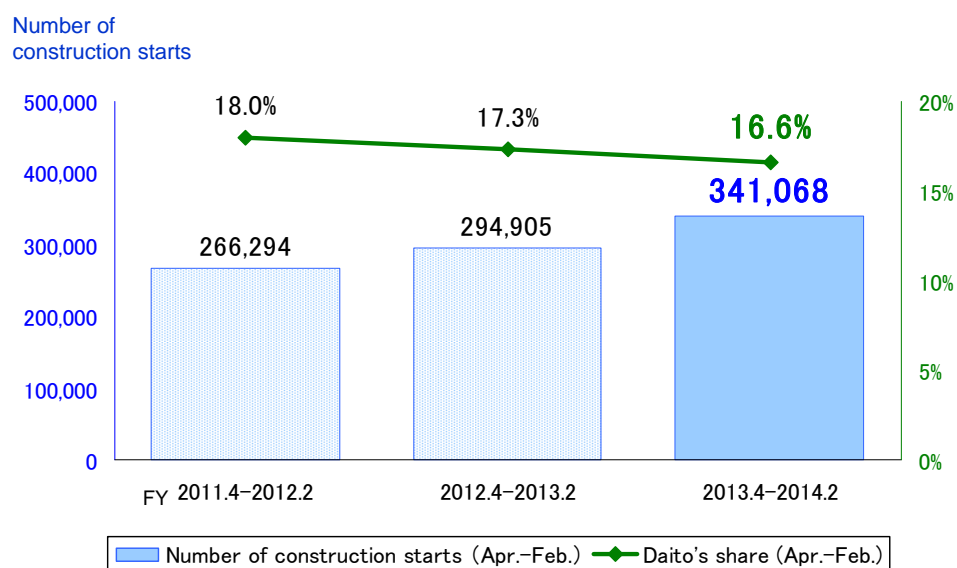


IV- 9 Orders received by repeat



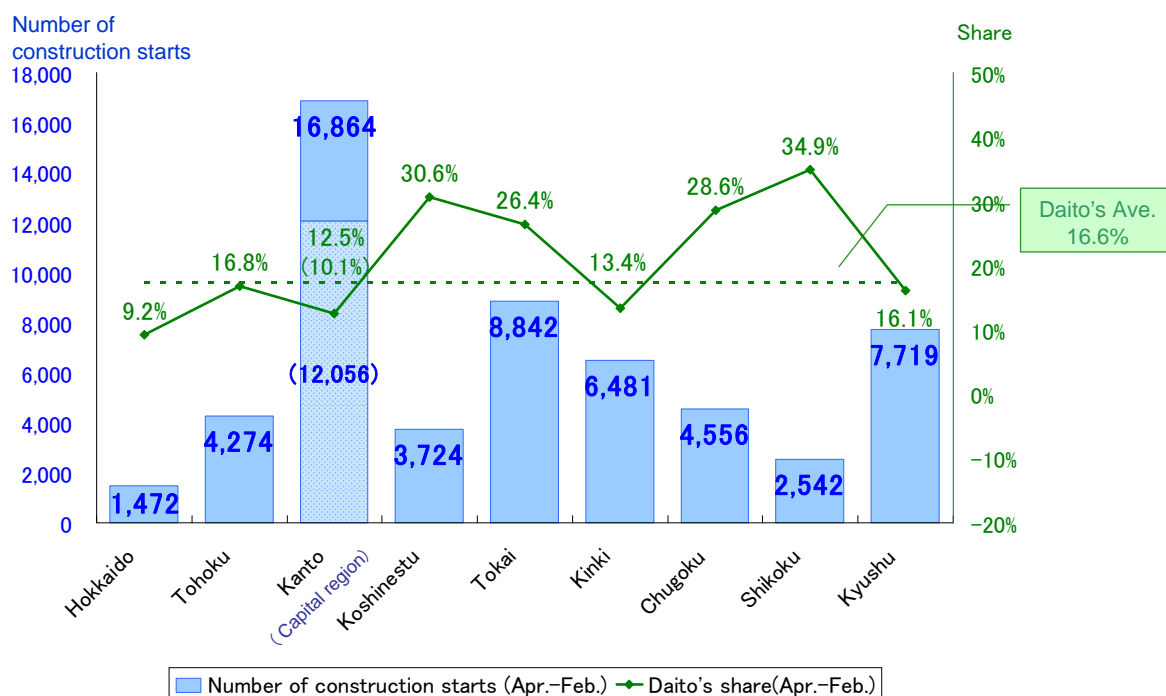
$$\text{Composition ratio} = \frac{\text{Number of orders received by repeat from our existing customers}}{\text{Total number of orders received}}$$

IV-10 Number of construction starts & Daito's share

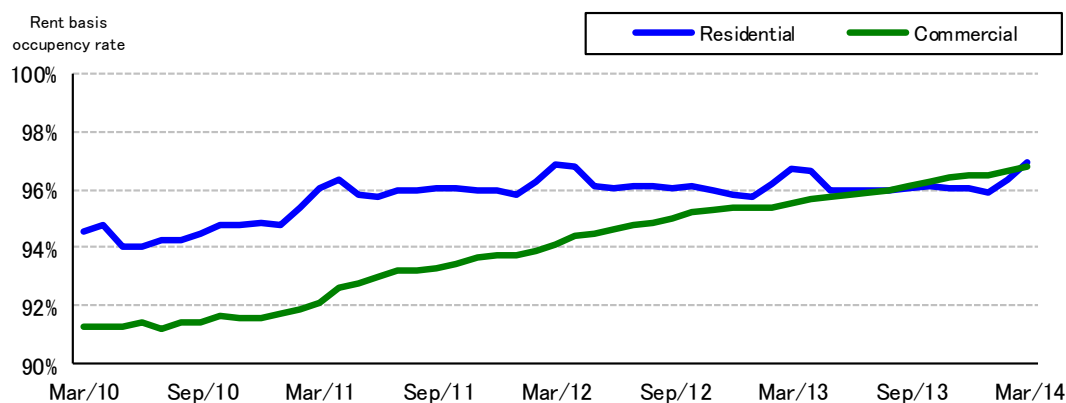


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

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

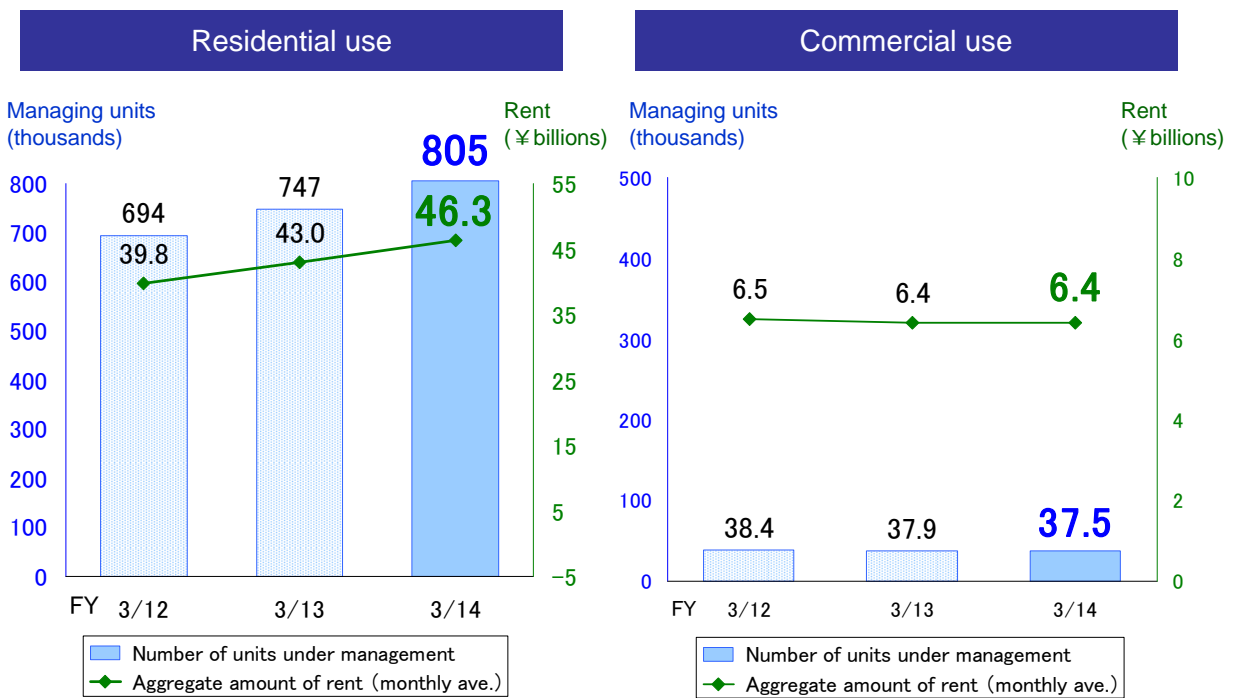


IV-12 Rent basis occupancy rate



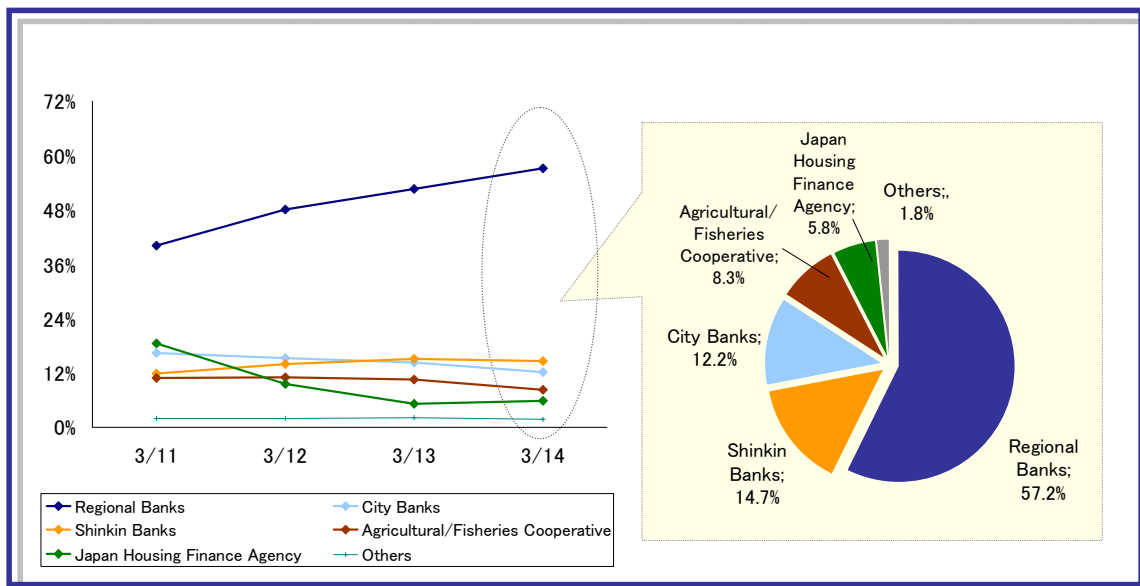
Rent basis occupancy rate	2010(Mar.)	2011(Mar.)	2012(Mar.)	2013(Mar.)	2014(Mar.)	YoY
Residential use (%)	94.6%	96.0%	96.8%	96.7%	96.9%	+0.2p
Commercial use (%)	91.3%	92.1%	94.1%	95.5%	96.8%	+1.3p

IV- 13 Number of units under management & aggregate amount of rent



IV- 14 Customer's financing channel

Shares of financial institutions (Construction starts basis)



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