



## 3Q Financial Highlights, Year ending March 31, 2015

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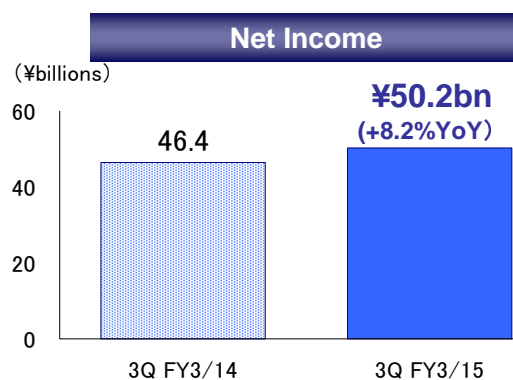
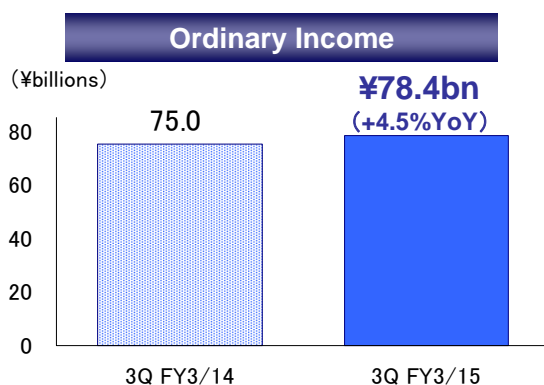
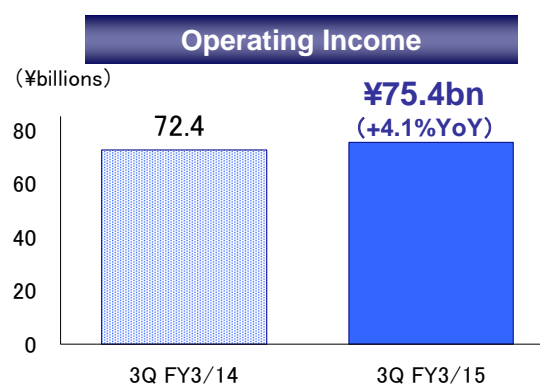
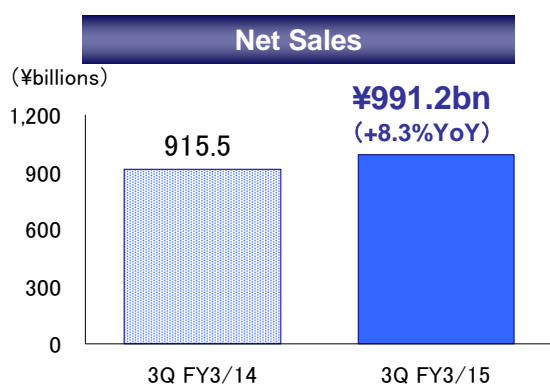
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## I . 3Q Financial Results

### I - 1 3Q Financial Results summary

**We achieved increase both in sales and incomes.**



## I – 2 3Q Financial Results by segment (Construction)

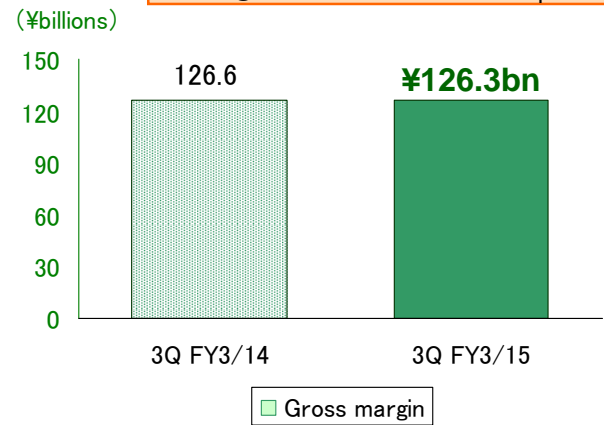
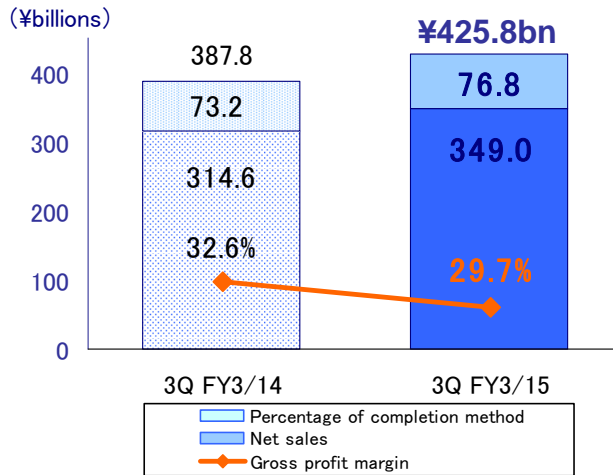
(¥billions)

	3Q FY3/14	3Q FY3/15	(YoY)
Net sales	387.8	425.8	(+9.8%)
Gross profit	126.6	126.3	(Δ0.2%)
Gross profit margin	32.6%	29.7%	[Δ2.9p]

[ ] : Difference from previous same period

※ Major breakdown of GMR Δ2.9p YoY)

- ① Labor cost Δ2.7p
- ② Exchange loss Δ0.2p
- ③ Material cost ±0.0p

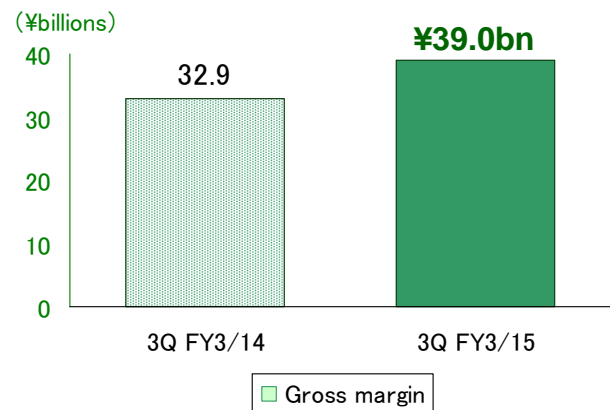
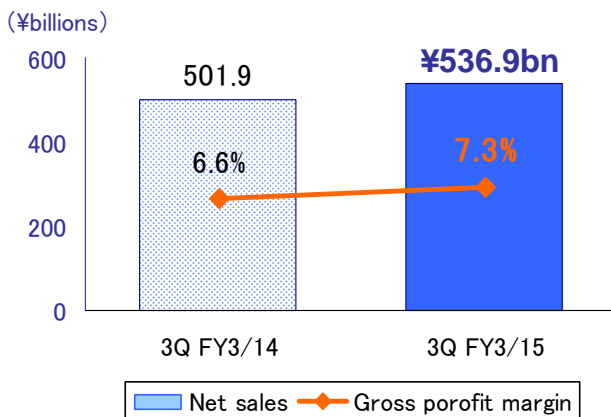


## I – 3 3Q Financial Results by segment (Real estate)

(¥billions)

	3Q FY3/14	3Q FY3/15	(YoY)
Net sales	501.9	536.9	(+7.0%)
Gross profit	32.9	39.0	(+18.8%)
Gross profit margin	6.6%	7.3%	[+0.7p]

[ ] : Difference from previous same period

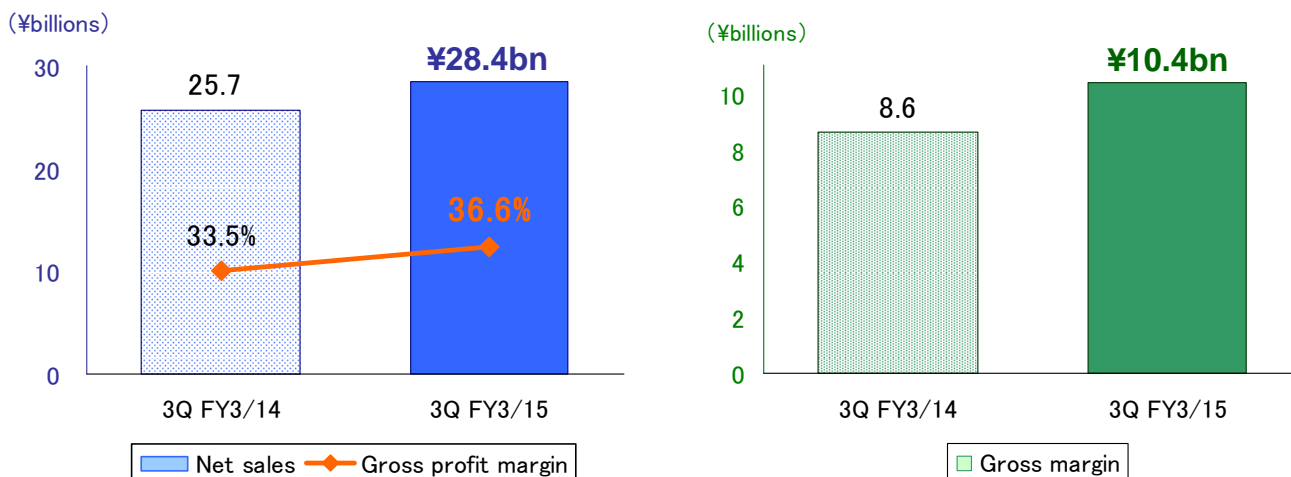


## I – 4 3Q Financial Results by segment (Others)

(¥billions)

	3Q FY3/14	3Q FY 3/15	(YoY)
Net sales	25.7	28.4	(+10.4%)
Gross profit	8.6	10.4	(+20.6%)
Gross profit margin	33.5%	36.6%	[+3.1p]

[ ] : Difference from previous same period

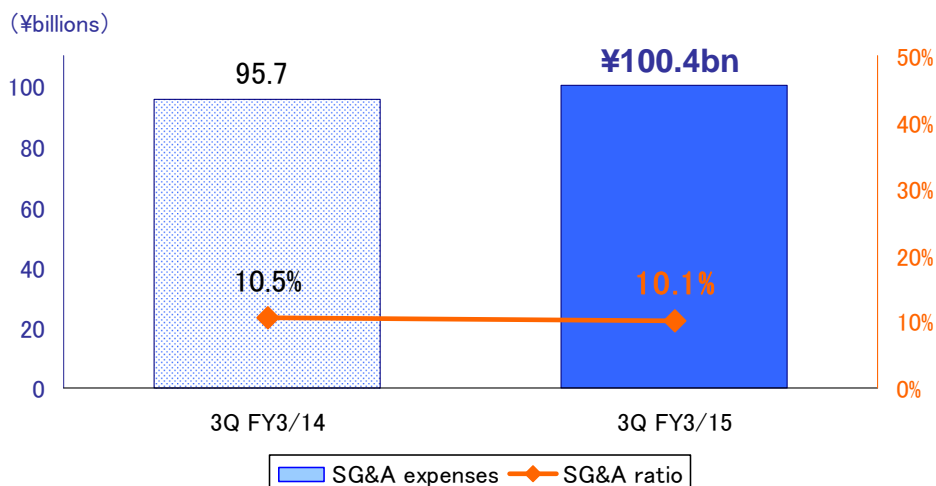


## I – 5 Selling, general and administrative expenses

(¥billions)

	3Q FY3/14	3Q FY3/15	(YoY)
SG&A expenses	95.7	100.4	(+4.9%)
SG&A ratio	10.5%	10.1%	[Δ0.4p]

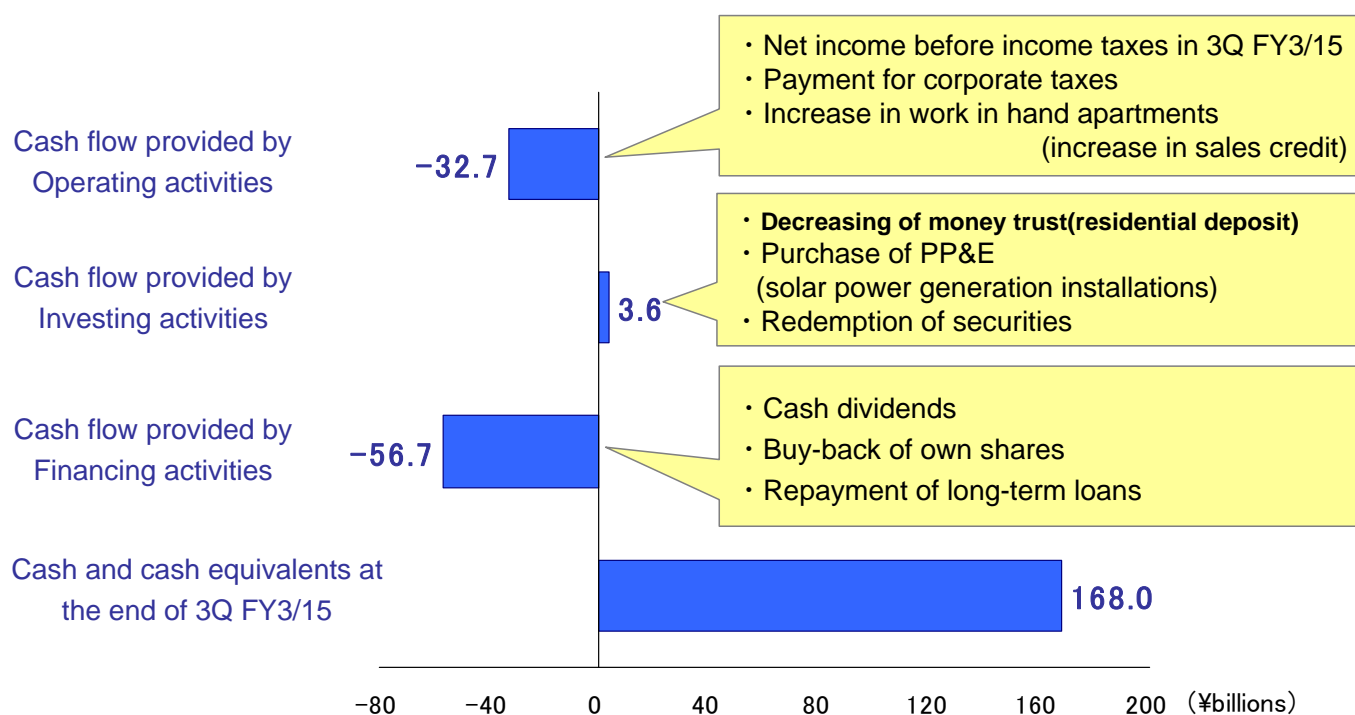
[ ] : Difference from previous same period



## I – 6 B/S summary

3Q FY3/15				End of FY3/14					
(¥billions)									
Current assets	422.9 (Δ59.9)	Current liabilities	200.6 (Δ54.8)	Current assets	482.9	Current liabilities	255.4		
		Noncurrent liabilities	195.9 (Δ11.0)			Noncurrent liabilities	206.9		
-----		Total liabilities	396.5 (Δ65.8)	-----		Total liabilities	462.4		
Noncurrent assets	203.8 (+2.4)	Net assets	230.3 (+8.3)	Noncurrent assets	201.4	Net assets	222.0		
Total	626.8 (Δ57.5)	Total	626.8	Total	684.4	Total	684.4		
BPS				¥2,983.55	BPS				¥2,823.23
Equity ratio				37.4%	Equity ratio				32.9%

## I – 7 Cash flow

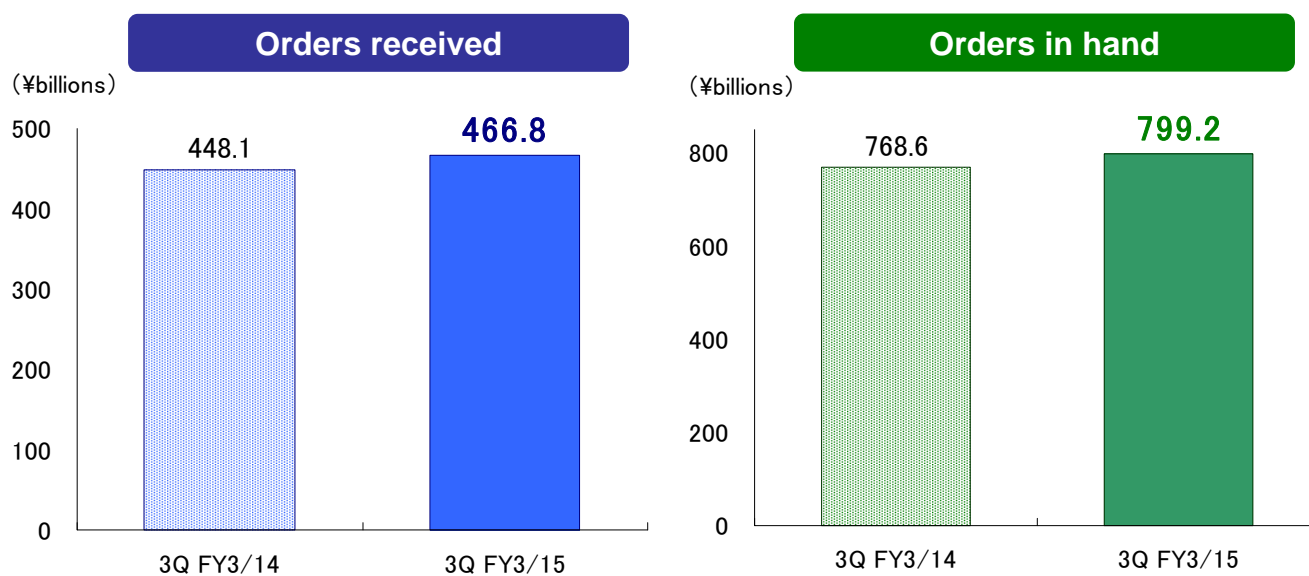


## II . Results and Prospects of Major indicator

### II - 1 Orders received and Orders in hand (Year on year)

◇Orders received    **¥466.8bn** ( +4.2% YoY )

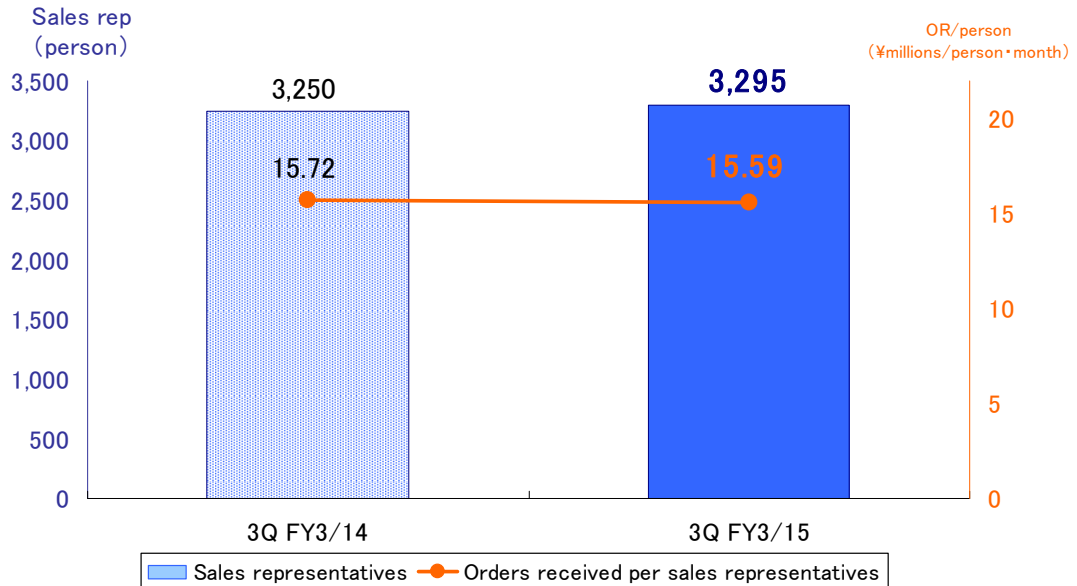
◇Orders in hand    **¥799.2bn** ( +4.0% YoY )



## II - 2 Business staffs and Orders received per sales rep ( Year on year )

◇ Sales representatives (end of 12/14) **3,295staffs ( +45 YoY )**

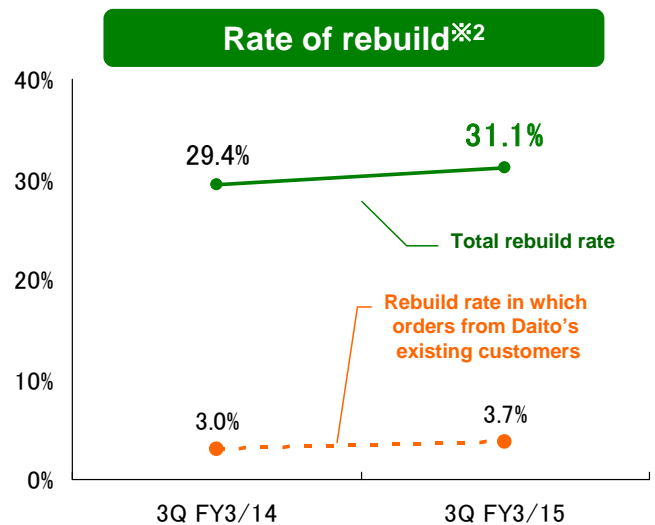
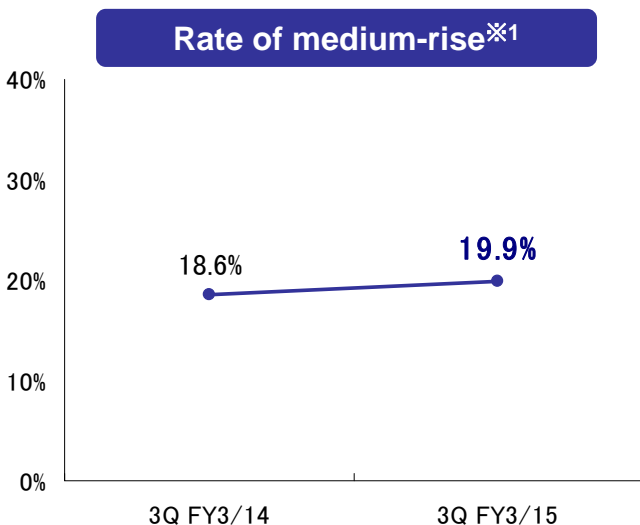
◇ Orders received per sales rep **¥15.59mn/Month**  
 (△¥130thousands YoY)



## II - 3 Transition of Rate of medium-rise and rebuild (Year on year)

◇ Rate of medium-rise **19.9% ( +1.3p YoY )**

◇ Rate of rebuild **31.1% ( +1.7p YoY )**



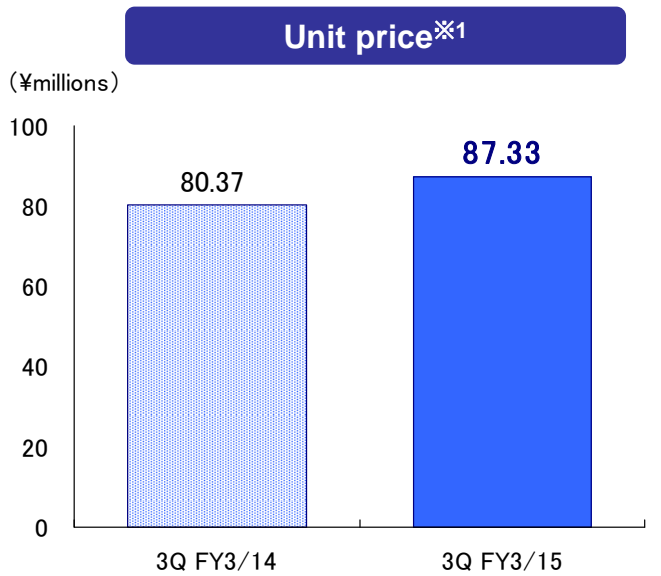
※1 Rate of mid-rise = Orders received for over three-storied APT / Total orders received

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

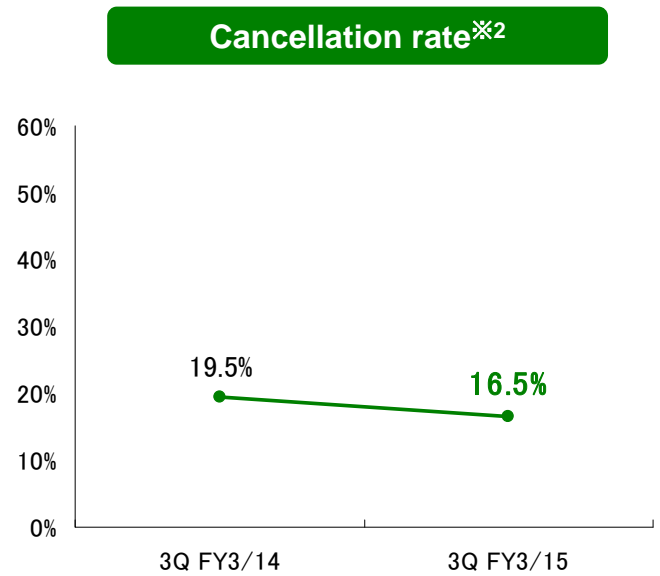
## II - 4 Cancellation rate and Unit price of orders received (Year on year)

◇ Unit price **¥87.33mn ( +¥6.96mn YoY )**

◇ Cancellation rate **16.5% ( Δ3.0p YoY )**



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



※2 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 - 5 Orders received strategy

### 1. Hold the asset succession and inheritance seminar

<Theme>

『Serious stories of Inheritance』  
『Assets managements of Super-aged society』

15places (Oct. to Dec.)  
The number of participants:  
total 1,200



● seminar



### 2. Expansion of the apartments for urban areas



● 「Ashade III」



● 「Owner's one Ashade」

Sales release  
In this term



● 「Modessa III chōcollat」



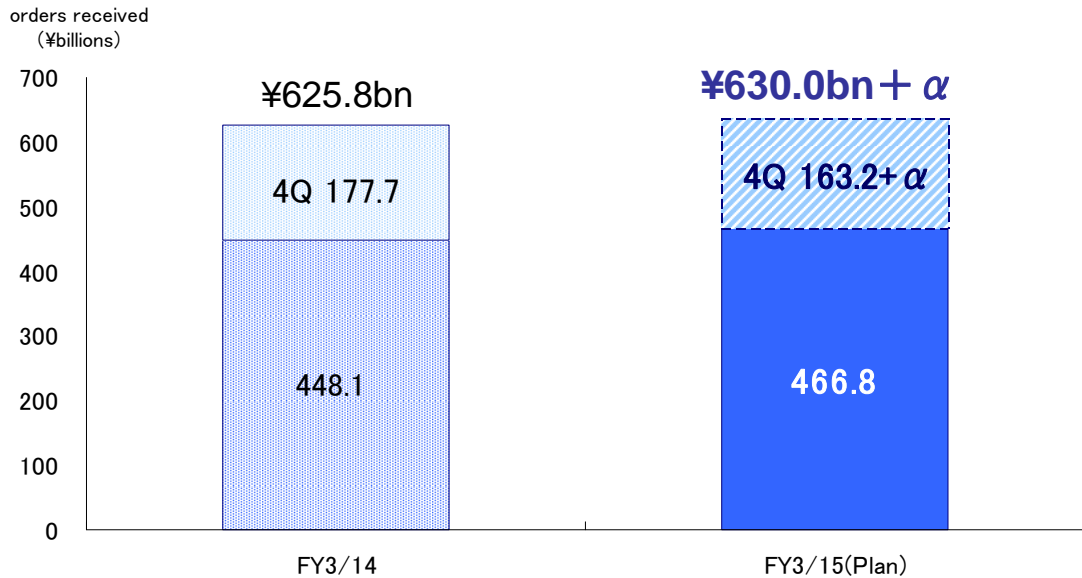
● 「Lizeo III」



## II - 6 Orders received Plan for FY3/15

### ◇ Plan of orders received<FY3/15>

**¥630.0bn +  $\alpha$  ( Over +0.7% YoY )**

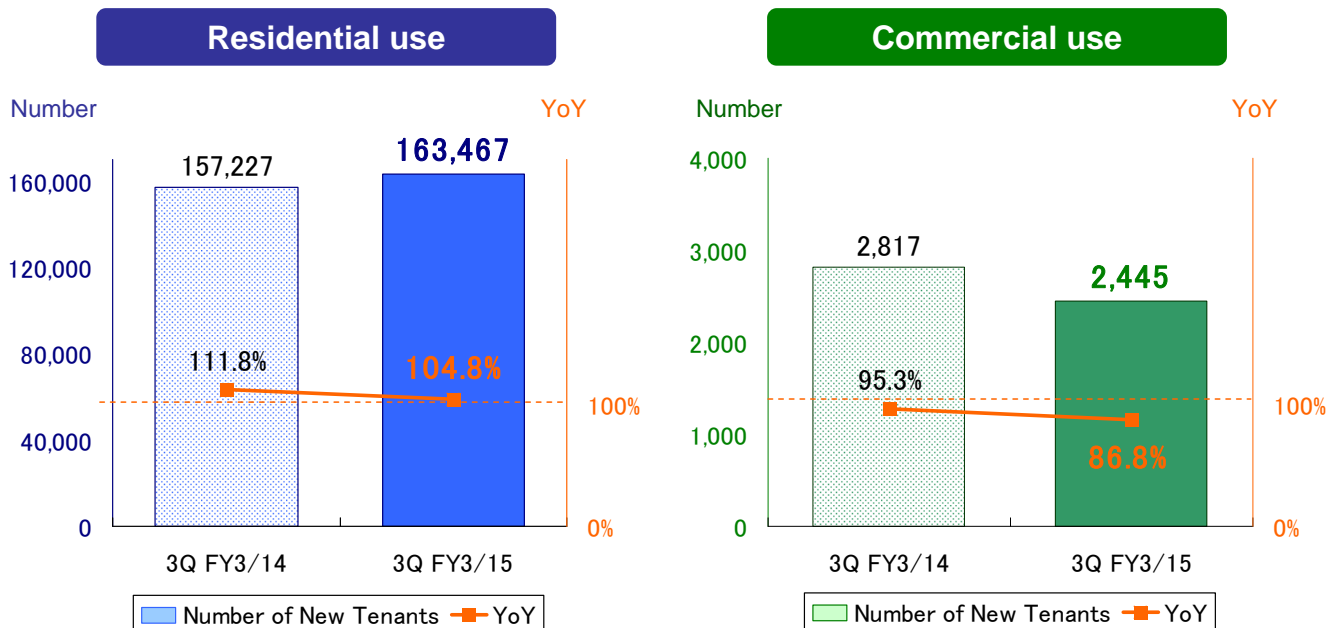


## II - 7 Tenancy agreement

**◇ New Tenants 165,912 ( +3.7% YoY )**

▪ Residential use 163,467 ( +4.0% YoY )

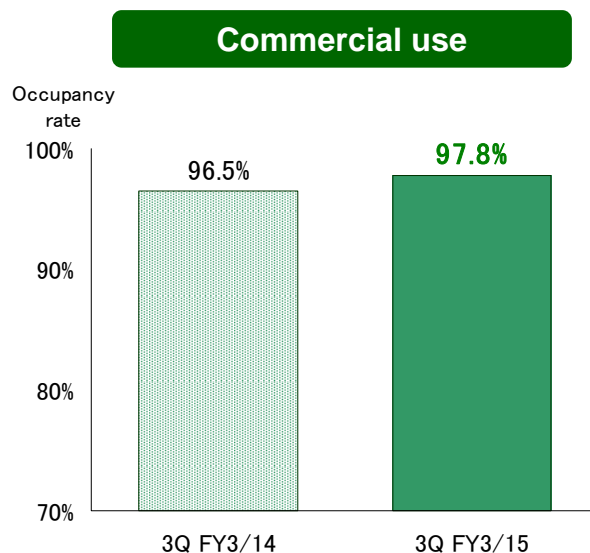
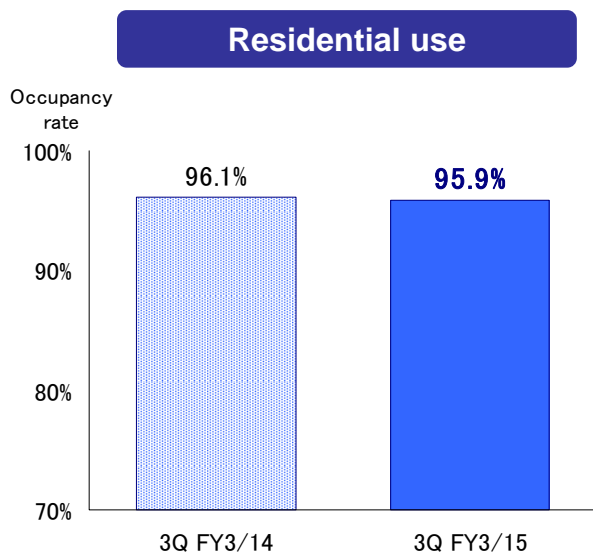
▪ Commercial use 2,445 (  $\Delta$ 13.2% YoY )



## II - 8 Rent basis occupancy rate (Year on year)

**Residential use**  
95.9% ( Δ0.2p YoY)

**Commercial use**  
97.8% ( +1.3p YoY)



Rent basis occupancy rate =  $1 - (\text{rent guarantee for vacant rooms} / \text{total rent})$

## II - 9 The measure of increasing responses

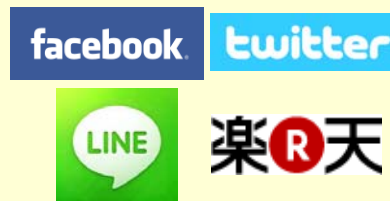
### 1. Expansion of various campaigns

- ① zero,zero,zero campaign (Jan.)  
Not to pay “deposits”, “rewards”, and “commission”.
- ② living support campaign (Jan. to Mar.)  
Win cash and goods to prepare for the new life by a lottery
- ③ e-heya net  
“The destined door campaign” (Jan. to Feb.)  
Win prizes by a lottery in the special web site



### 2. Application of SNS ・ We b

- ① transmission of information for SNS users  
Deliver information via facebook・twitter・LINE
- ② tie-up with Rakuten  
“E-heya net” banner is displayed to Rakuten members who live in rented accommodation
- ③ homepage renewal of “e-heya net”  
Change to the visible design on smartphone, tablet, etc.



## II -10 Plan for occupancy rate

End of FY3/15 (plan)

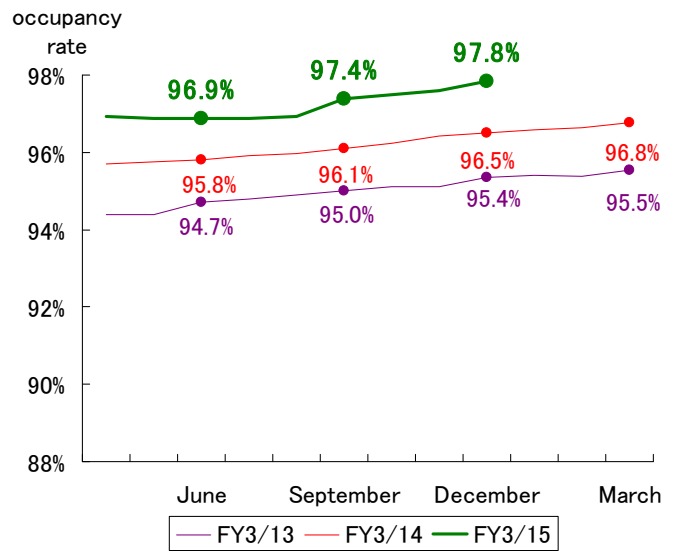
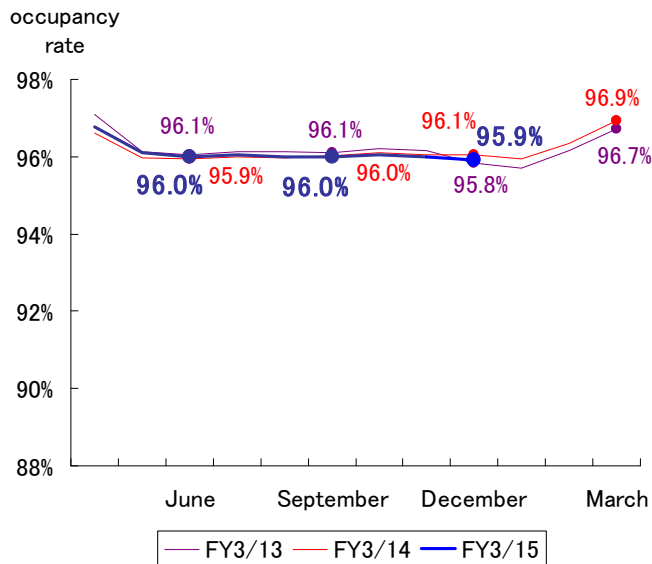
Occupancy rate of residential use

96.9%

End of FY3/15 (plan)

Occupancy rate of Commercial use

97.0%

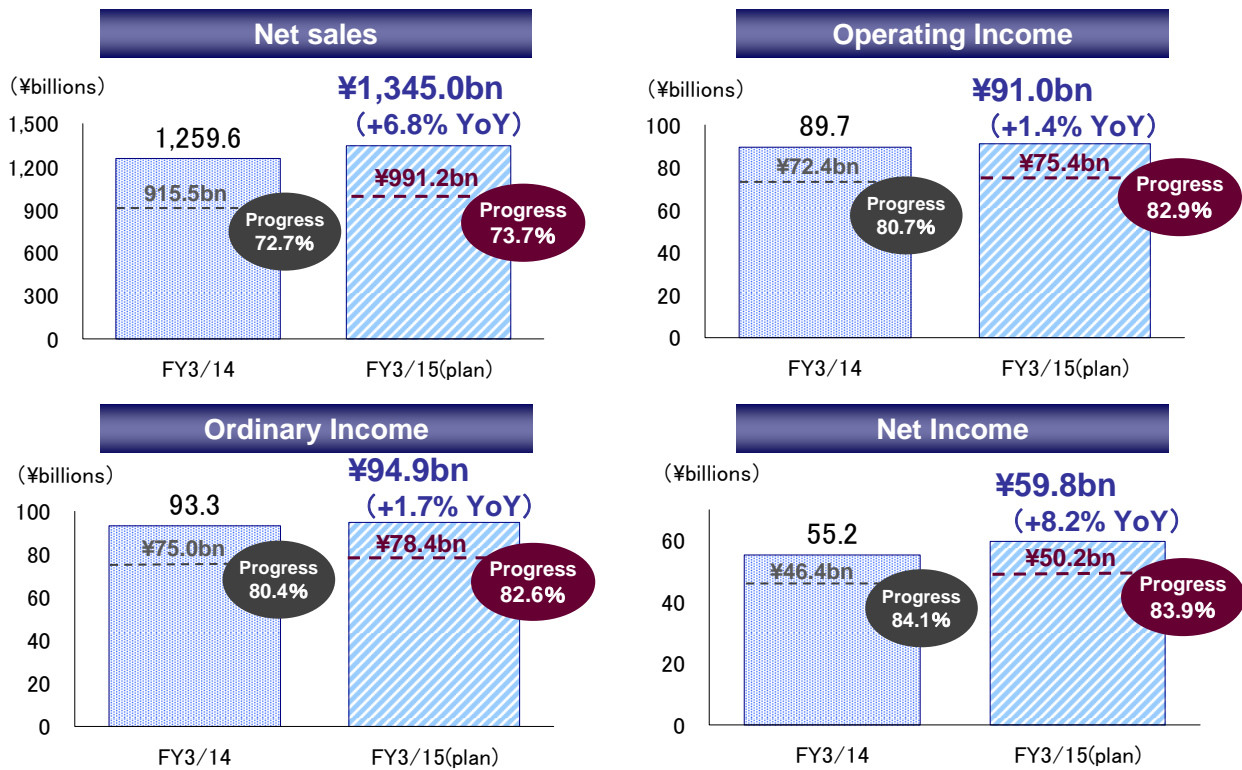


Rent basis occupancy rate = 1 - ( rent guarantee for vacant rooms / total rent )

## III. Financial Forecasts

### III- 1 No change in FY3/15 original plan

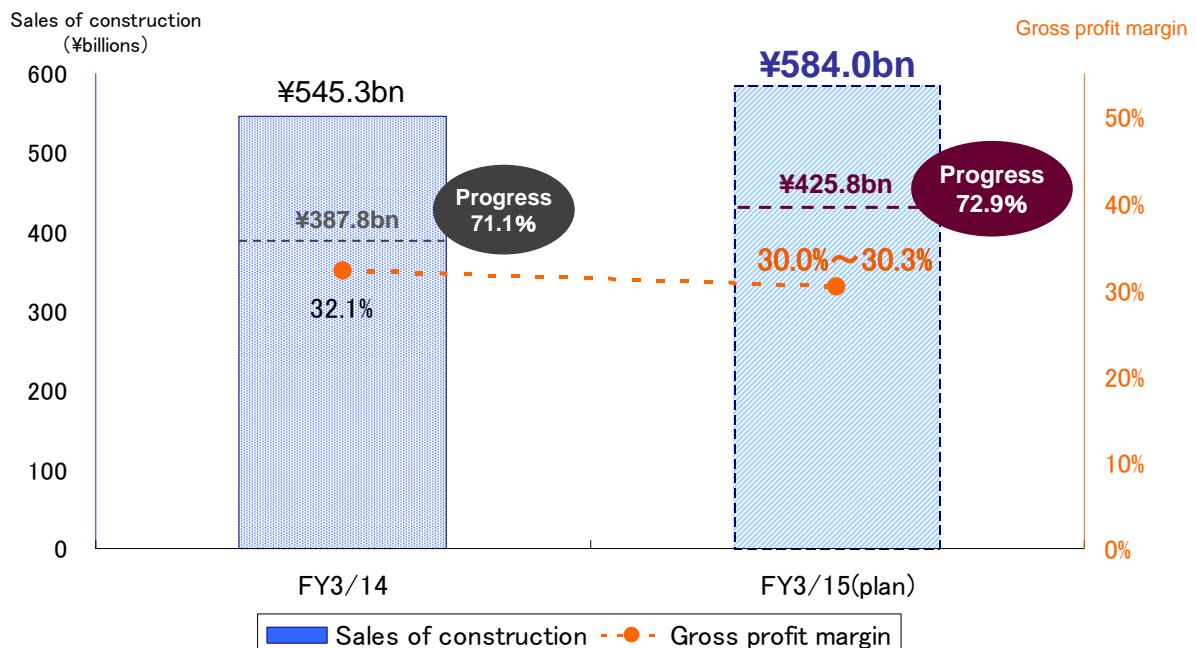
## We maintain current original plan for FY3/15



### III- 2 Plan of completed construction

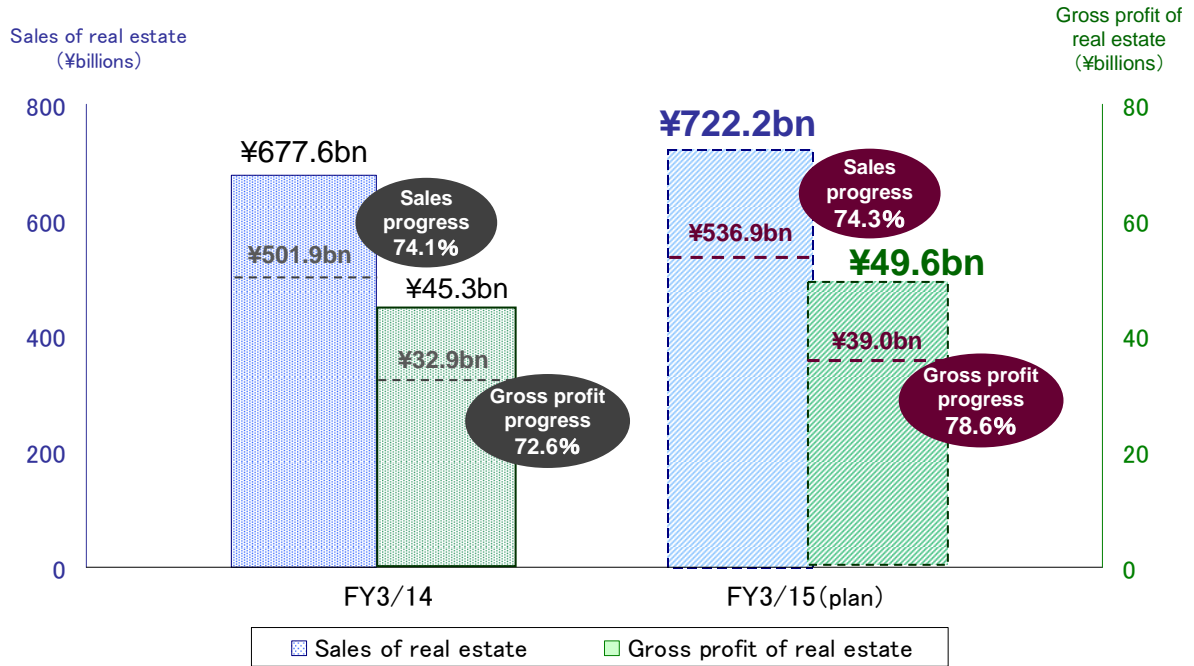
## <Plan of completed construction>

### ◇ Plan for FY3/15 ¥584.0bn ( +7.1% YoY )



<Plan of real estate sales>

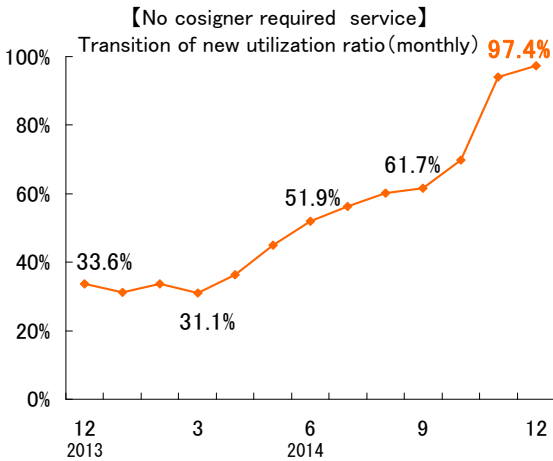
◇Plan for FY3/15    ¥722.2bn (+6.6% YoY)



IV. Topics

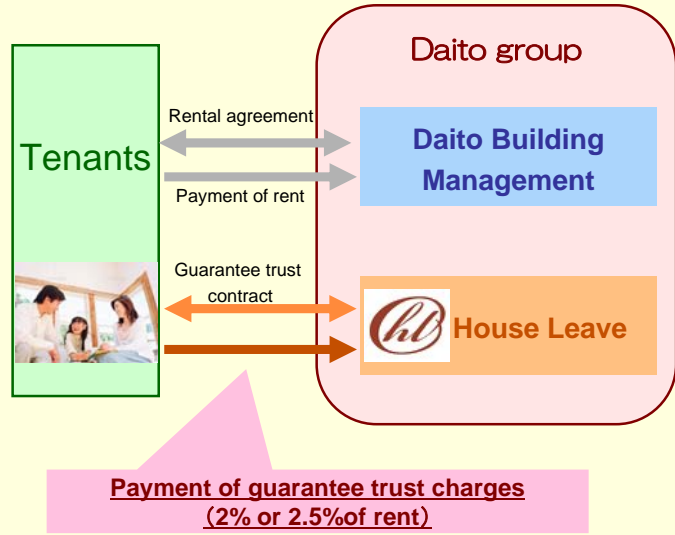
Simplified proceeding about cosigners  
 ↓  
 Increase in the level of convenience in occupancy procedures

**Repute**  
 New utilization ratio **97.4%**  
 (Dec. 2012)



※New utilization ratio  
 = The number of New utilization ratio / mediation numbers of apartments which is available the no cosigner required service

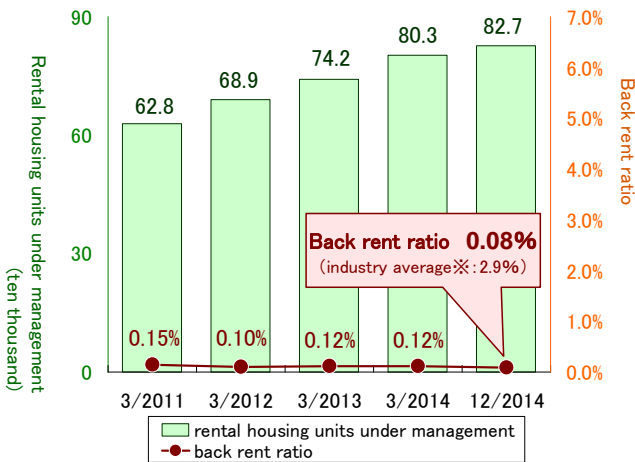
Structure of the no cosigner required service



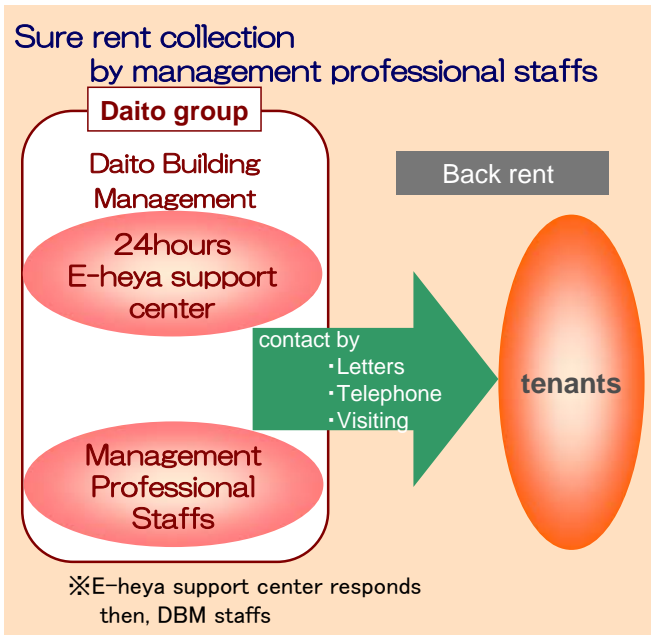
IV- 2 The realization of low back rent ratio

Rent collection by Daito Building Management ⇒ Low back rent ratio

Back rent ratio **0.08%** (Dec. 2012)  
 → The incidence: 1 / 12years  
 (conversion = 8rooms / an apartment)

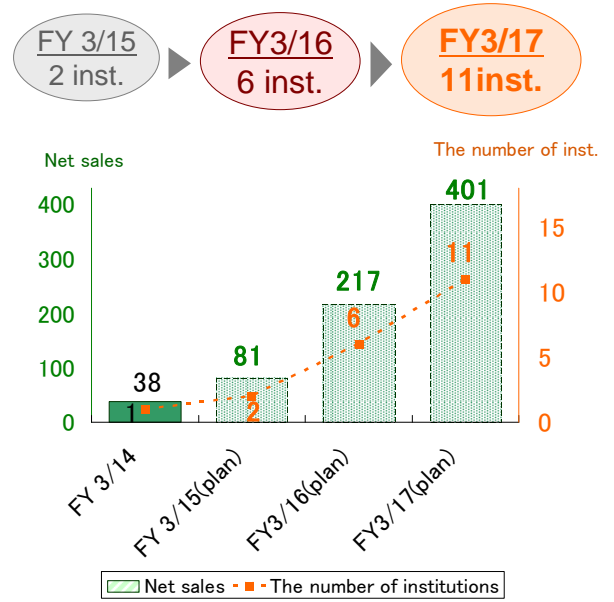


※Monthly back rent ratio in Apr.-Sep.2014  
 (by Japan Property Management Association)





【Child care services】 Kids partner 4 institutions will open (plan in Apr. 2015)



V. Appendix

## V - 1 Topics : Enforce revised Inheritance Tax Act (Jan.1,2015)

### 【Main revised point】

Reduction of basic deduction ⇒ Increase in the number of taxation

	<b>Current taxation</b> Revised in FY2003 (effective from Jan.1,2003)		<b>Revised taxation</b> Revised in FY2003 (effective from Jan.1,2003)
Basic deduction	<b>Standard tax deduction: 50million yen</b> <b>Proportional tax deduction based on the number of legal heirs:</b> <b>10million yen × number of legal heirs</b>	<b>amendment①</b>	<b>Standard tax deduction: 30million yen</b> <b>Proportional tax deduction based on the number of legal heirs:</b> <b>6million yen × number of legal heirs</b>
The number of taxation (2013)	<b>52,572※1 (4.2%of annual death toll※2)</b> ※1 The revenue "The taxation situation of the inheritance tax" ※2 It calculated based on "population active voice statistics" of MHLW		<b>Increase by 1.5 ~ 2times</b>
Tax rate structure (6levels)	<p>Tax rate Taxable property (after basic tax exemption)</p> <p>6 levels</p>	<b>amendment②</b>	<p>Tax rate Taxable property (after basic tax exemption)</p> <p>8 levels</p>

## V - 2 Non-consolidated statement of income <FY 3/2015>

(¥millions)

	3Q FY3/15	3Q FY3/14	YoY	Plan(full-year)
<b>Net sales</b>	<b>439,569</b>	400,496	<b>+9.8%</b>	<b>605,800</b>
Construction	426,050	388,121	+9.8%	584,500
Real estate & others	13,519	12,375	+9.2%	21,300
<b>Gross profit</b>	<b>124,479</b>	124,523	<b>Δ0.1%</b>	<b>174,200</b>
Construction	125,518	126,222	Δ0.6%	175,200
Real estate & others	Δ1,038	Δ1,698	—	Δ1,000
<b>SG &amp; A expenses</b>	<b>82,428</b>	79,819	<b>+3.3%</b>	<b>123,900</b>
<b>Operating income</b>	<b>42,051</b>	44,704	<b>Δ5.9%</b>	<b>50,300</b>
<b>Ordinary income</b>	<b>48,329</b>	47,374	<b>+2.0%</b>	<b>55,300</b>
<b>Net income</b>	<b>31,614</b>	28,925	<b>+9.3%</b>	<b>34,700</b>



## V-3 Financial summaries of major subsidiaries (construction) <FY 3/2015>

(¥millions)

	Construction business							
	Daito Construction				Daito Steel			
	3Q FY3/15	3Q FY3/14	YoY	plan (full-year)	3Q FY3/15	3Q FY3/14	YoY	plan (full-year)
<b>Net sales</b>	<b>3,808</b>	4,088	<b>△6.9%</b>	<b>5,250</b>	<b>3,470</b>	3,197	<b>+8.5%</b>	<b>4,606</b>
Gross profit	3	144	△97.7%	95	133	200	△33.7%	170
SG&A expenses	75	90	△16.5%	148	53	53	+0.9%	76
<b>Operating income</b>	<b>△72</b>	54	—	<b>△52</b>	<b>79</b>	147	<b>△46.1%</b>	<b>94</b>
<b>Ordinary income</b>	<b>△39</b>	98	—	<b>0</b>	<b>80</b>	147	<b>△45.6%</b>	<b>93</b>
<b>Net income</b>	<b>△42</b>	73	—	<b>0</b>	<b>51</b>	90	<b>△42.7%</b>	<b>59</b>

## V-4 Sales structure of Real estate business <FY 3/2015>

(¥millions)

	3Q FY3/13		3Q FY3/14		3Q FY3/15		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY
Whole-building lease ※ <sup>1</sup>	428,340	(91.5%)	461,856	(92.0%)	<b>494,172</b>	(92.0%)	<b>+7.0%</b>
Building and repairs ※ <sup>2</sup>	23,045	(4.9%)	22,928	(4.6%)	<b>22,412</b>	(4.2%)	<b>△2.2%</b>
Brokerage	8,892	(1.9%)	9,461	(1.9%)	<b>9,676</b>	(1.8%)	<b>+2.3%</b>
Lease business ※ <sup>3</sup>	4,523	(1.0%)	4,439	(0.9%)	<b>4,387</b>	(0.8%)	<b>△1.2%</b>
Rental guarantee business	1,482	(0.3%)	1,709	(0.3%)	<b>2,443</b>	(0.5%)	<b>+42.9%</b>
Electricity business	4	(0.0%)	321	(0.1%)	<b>1,716</b>	(0.3%)	<b>+434.7%</b>
Sub-lease ※ <sup>4</sup>	781	(0.2%)	250	(0.0%)	<b>135</b>	(0.0%)	<b>△45.8%</b>
Others	889	(0.2%)	956	(0.2%)	<b>1,955</b>	(0.4%)	<b>+104.3%</b>
Total	467,960	(100.0%)	501,923	(100.0%)	<b>536,900</b>	(100.0%)	<b>+7.0%</b>

※<sup>1</sup> Sub-lease contract as Lease Management Trust System by Daito Building Management

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

※<sup>3</sup> Mainly Shinagawa East One Tower

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

## V-5 Financial summaries of major subsidiaries ( Real estate ) <FY 3/2015>

(¥millions)

	Real estate business											
	Daito Building Management				Housecom				House Leave			
	3QFY3/15	3QFY3/14	YoY	plan (full-year)	3QFY3/15	3QFY3/14	YoY	plan (full-year)	3QFY3/15	3QFY3/14	YoY	plan (full-year)
<b>Net sales</b>	<b>521,683</b>	488,468	<b>+6.8%</b>	<b>698,200</b>	<b>5,820</b>	5,435	<b>+7.1%</b>	<b>8,637</b>	<b>2,443</b>	1,709	<b>+42.9%</b>	<b>2,676</b>
Gross profit	36,586	31,487	+16.2%	45,700	5,820	5,435	+7.1%	8,637	2,131	1,703	+25.1%	2,123
SG&A expenses	9,854	8,251	+19.4%	13,400	5,751	5,738	+0.2%	8,171	350	161	+117.3%	402
<b>Operating income</b>	<b>26,732</b>	23,236	<b>+15.0%</b>	<b>31,700</b>	<b>68</b>	△302	—	<b>465</b>	<b>1,781</b>	1,542	<b>+15.5%</b>	<b>1,721</b>
<b>Ordinary income</b>	<b>27,277</b>	23,730	<b>+14.9%</b>	<b>32,300</b>	<b>75</b>	△250	—	<b>793</b>	<b>1,796</b>	1,564	<b>+14.8%</b>	<b>1,744</b>
<b>Net income</b>	<b>17,765</b>	14,567	<b>+22.0%</b>	<b>20,500</b>	<b>26</b>	△179	—	<b>469</b>	<b>1,046</b>	961	<b>+8.9%</b>	<b>1,097</b>

## V-6 Financial summaries of major subsidiaries (Others-1) <FY 3/2015>

(¥millions)

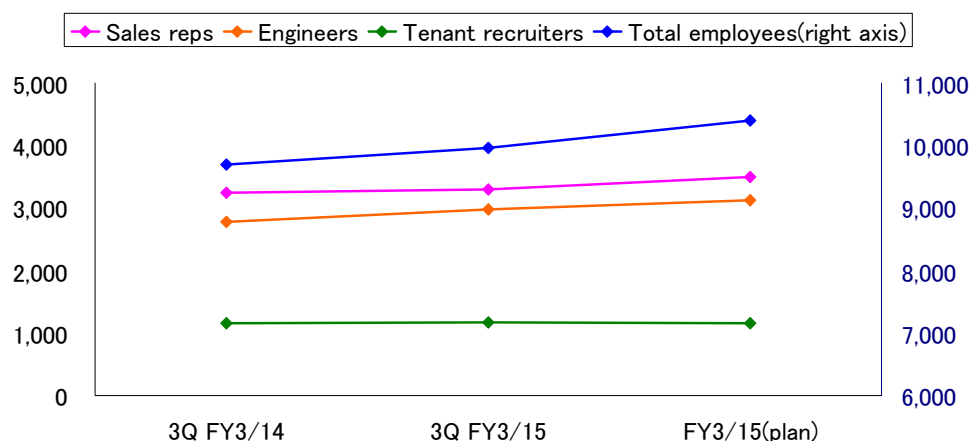
	Other business (Financial business)							
	Daito Finance				D.T.C			
	3Q FY3/15	3Q FY3/14	YoY	plan (full-year)	3Q FY3/15	3Q FY3/14	YoY	plan (full-year)
<b>Net sales</b>	<b>779</b>	734	<b>+6.1%</b>	<b>881</b>	<b>2,472</b>	2,423	<b>+2.0%</b>	<b>3,159</b>
Gross profit	464	439	+5.6%	505	1,034	1,026	+0.8%	1,284
SG&A expenses	90	99	△9.1%	155	9	9	+4.6%	13
<b>Operating income</b>	<b>374</b>	340	<b>+9.9%</b>	<b>350</b>	<b>1,024</b>	1,016	<b>+0.8%</b>	<b>1,271</b>
<b>Ordinary income</b>	<b>375</b>	340	<b>+10.3%</b>	<b>350</b>	<b>1,031</b>	1,010	<b>+2.1%</b>	<b>1,277</b>
<b>Net income</b>	<b>236</b>	206	<b>+14.5%</b>	<b>220</b>	<b>1,031</b>	1,010	<b>+2.1%</b>	<b>1,277</b>

## V-7 Financial summaries of major subsidiaries (Others-2) <FY 3/2015>

(¥millions)

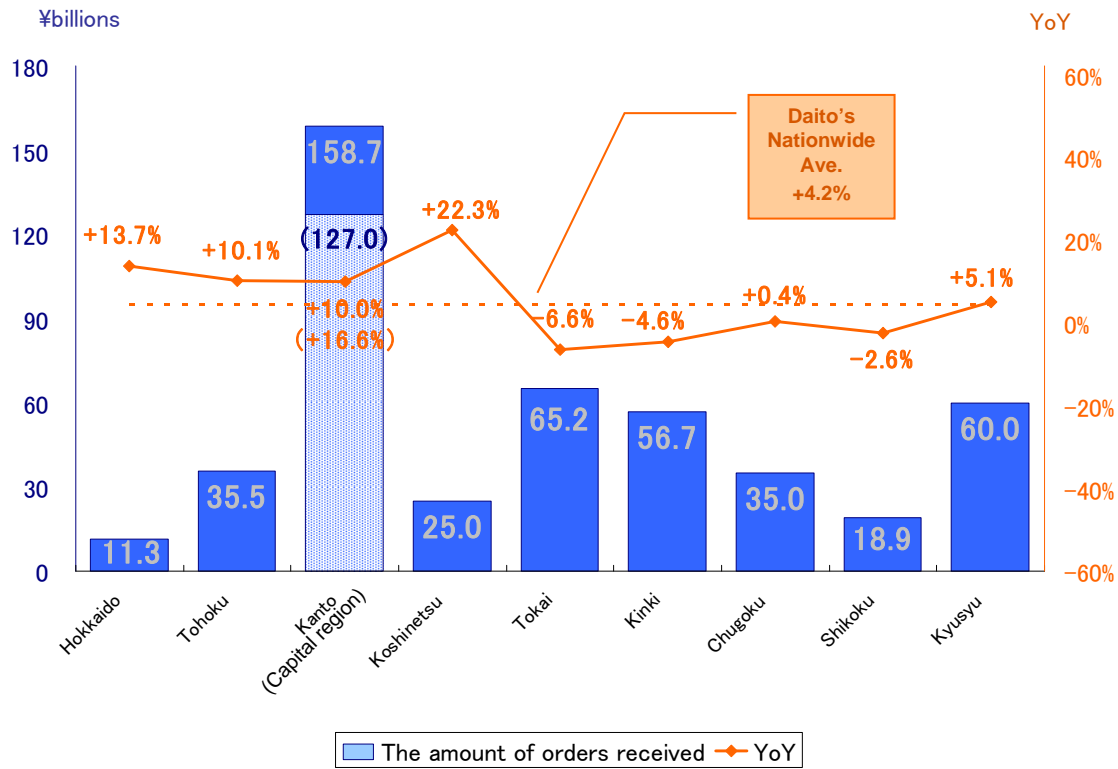
	Other business (Other)											
	Care Partner				Gaspal				D. A. D. (M)			
	3QFY3/15	3QFY3/14	YoY	plan (full-year)	3QFY3/15	3QFY3/14	YoY	plan (full-year)	3QFY3/15	3QFY3/14	YoY	plan (full-year)
<b>Net sales</b>	<b>7,053</b>	6,662	<b>+5.9%</b>	<b>9,289</b>	<b>17,198</b>	15,600	<b>+10.2%</b>	<b>25,334</b>	<b>2,210</b>	1,862	<b>+18.7%</b>	<b>2,773</b>
Gross profit	1,111	1,011	+9.9%	1,241	5,363	4,043	+32.6%	7,869	1,201	1,000	+20.0%	1,511
SG&A expenses	554	441	+25.6%	691	3,465	3,057	+13.3%	4,758	779	659	+18.1%	1,002
<b>Operating income</b>	<b>557</b>	569	<b>Δ2.2%</b>	<b>550</b>	<b>1,897</b>	986	<b>+92.4%</b>	<b>3,110</b>	<b>421</b>	340	<b>+23.8%</b>	<b>509</b>
<b>Ordinary income</b>	<b>563</b>	568	<b>Δ1.0%</b>	<b>550</b>	<b>1,927</b>	1,006	<b>+91.5%</b>	<b>3,150</b>	<b>421</b>	Δ68	—	<b>470</b>
<b>Net income</b>	<b>330</b>	331	<b>Δ0.2%</b>	<b>346</b>	<b>1,230</b>	625	<b>+96.6%</b>	<b>1,981</b>	<b>421</b>	Δ70	—	<b>470</b>

## V-8 Number of employees by each occupations (Non-consolidated)



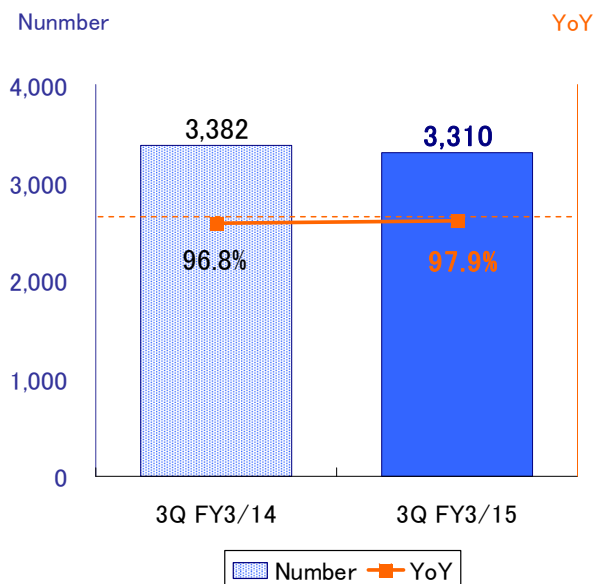
	3Q FY3/14	3Q FY3/15	YoY	FY3/15(plan)
Total employees	9,694	<b>9,965</b>	+271	10,400
Sales reps	3,250	<b>3,295</b>	+45	3,500
Engineers	2,783	<b>2,979</b>	+196	3,120
Tenant recruiters	1,163	<b>1,171</b>	+8	1,160

## V-9 The amount of orders received by area

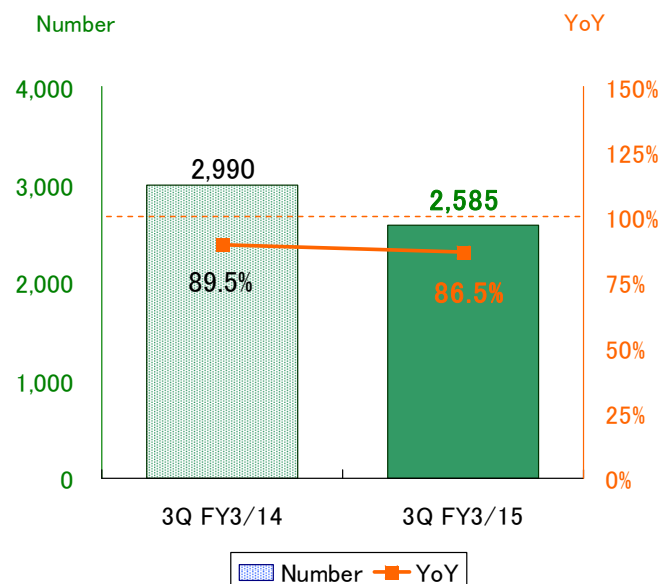


## V-10 Channels of orders received (Year on year)

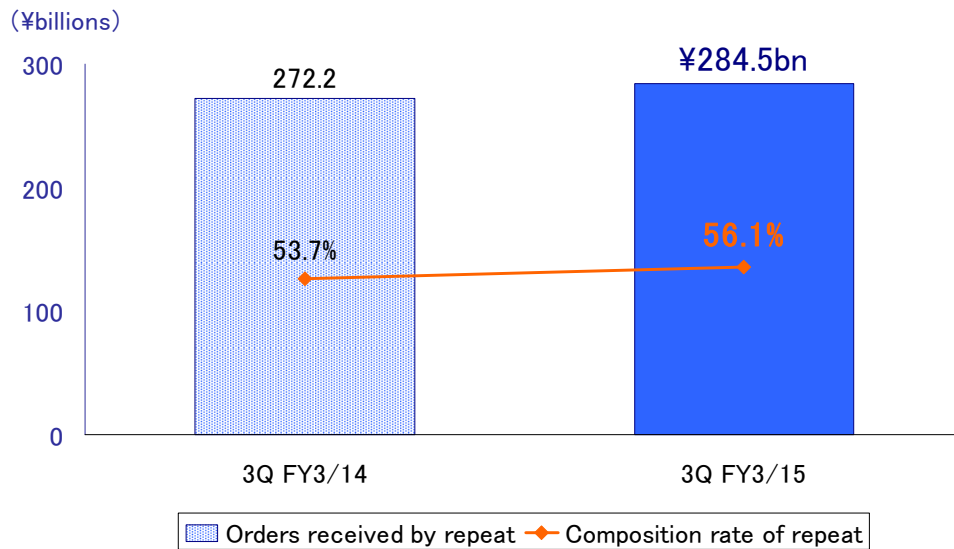
### Orders received by Repeat & Introduction



### Orders received from new customers



## V- 11 Orders received by repeat



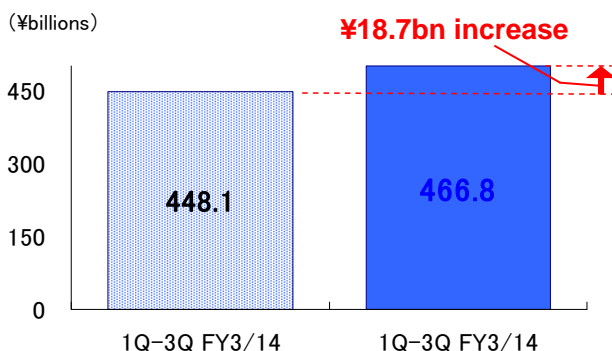
※ Composition rate of repeat =  $\frac{\text{Number of orders received by repeat from our existing customers}}{\text{Total number of orders received}}$

## V- 12 3Q FY3/15 Orders Comparison with last year 1Q-3Q and 3Q

### Comparison with 1Q-3Q FY3/14

**¥18.7bn increase**

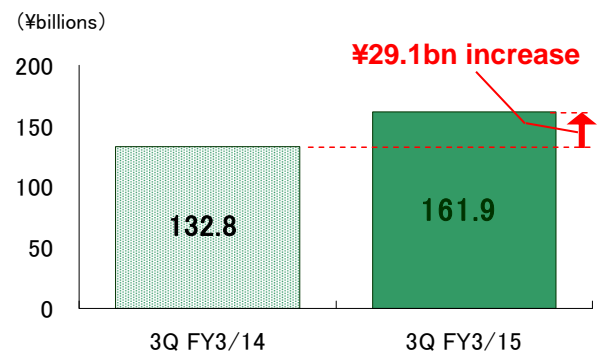
- ① Number of orders(projects)  $\Delta$  ¥38.3bn  
(6,372 projects → 5,895 projects)
- ② Cancellations **+ ¥16.7bn**  
(¥△108.8bn → ¥△92.1bn)
- ③ Unit price **+ ¥41.0bn**  
(¥80.37mn/project → ¥87.33mn/project)
- ④ Repairs, etc.  $\Delta$  ¥0.7bn  
(¥44.9bn → ¥44.1bn)



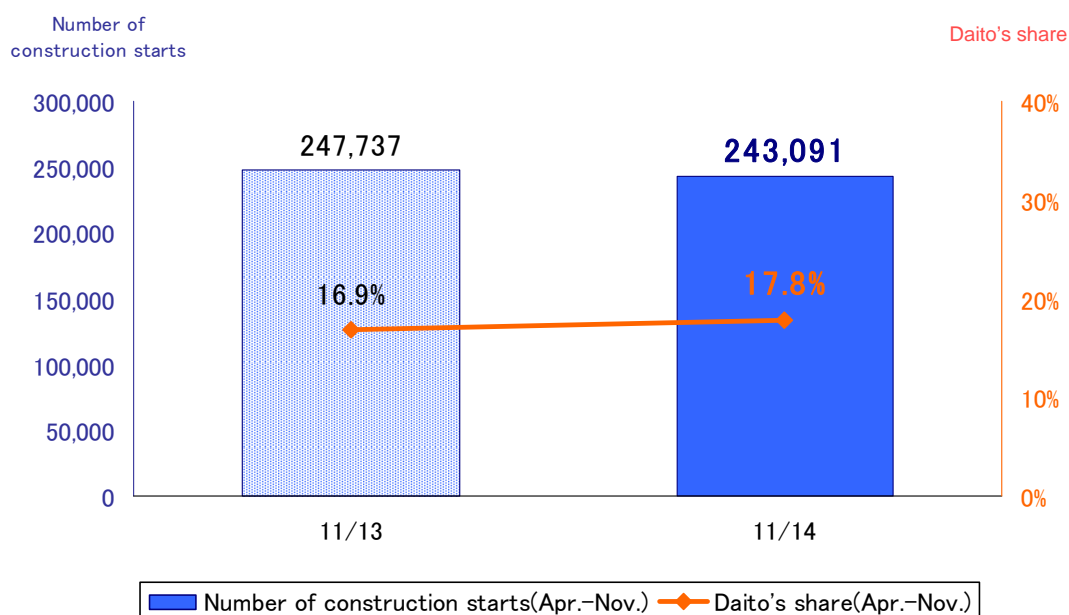
### Comparison with 3Q FY3/14

**¥29.1bn increase**

- ① Number of orders(projects) **+ ¥5.1bn**  
(1,869 projects → 1,933 projects)
- ② Cancellations  $\Delta$  ¥0.1bn  
(¥△31.0bn → ¥△31.1bn)
- ③ Unit price **+ ¥20.6bn**  
(¥80.21mn/project → ¥90.86mn/project)
- ④ Repairs, etc. **+ ¥3.5bn**  
(¥14.0bn → ¥17.5bn)

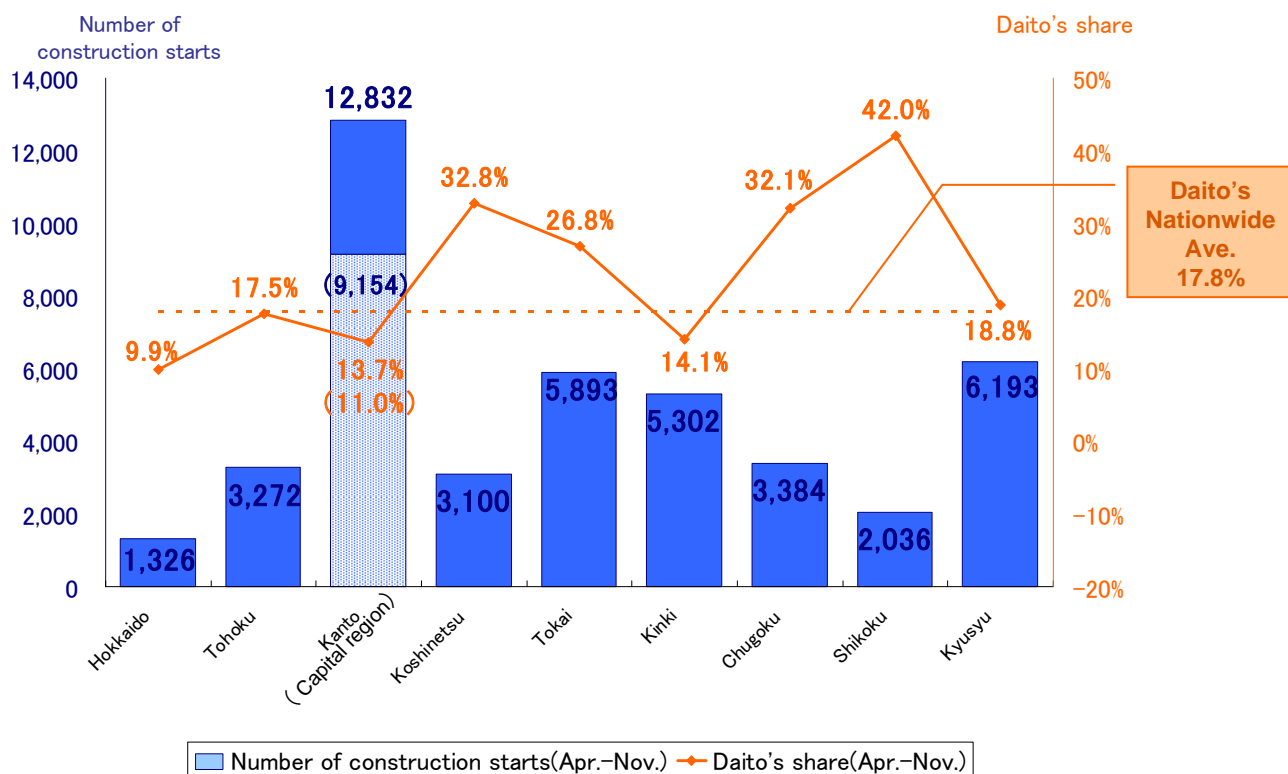


## V-13 Number of construction starts & Daito's share

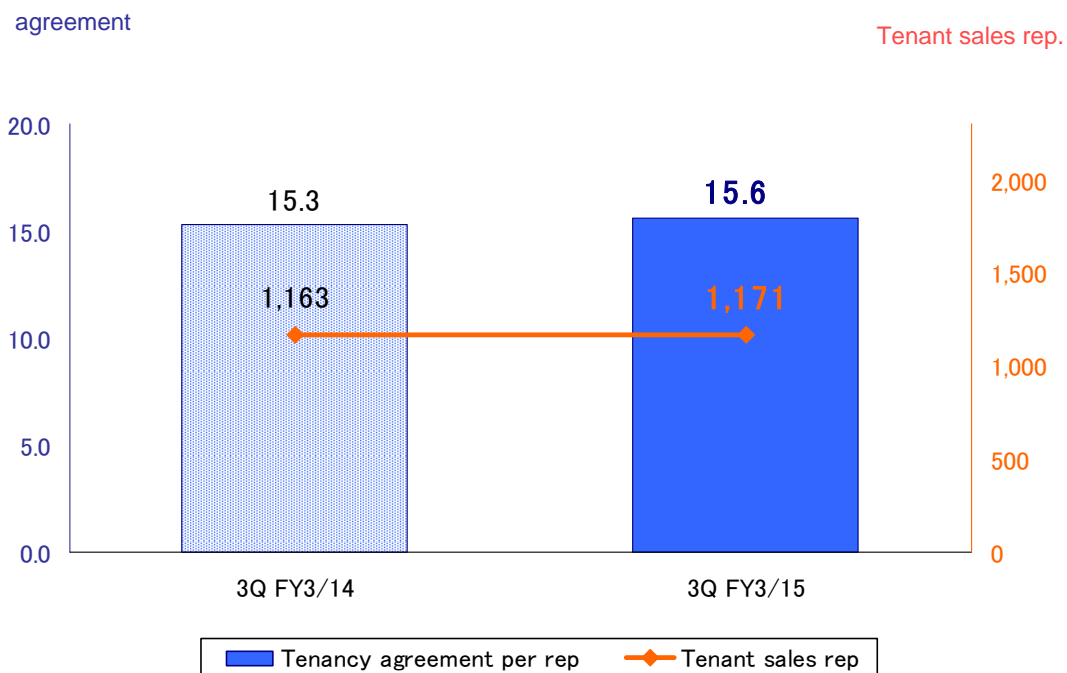


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

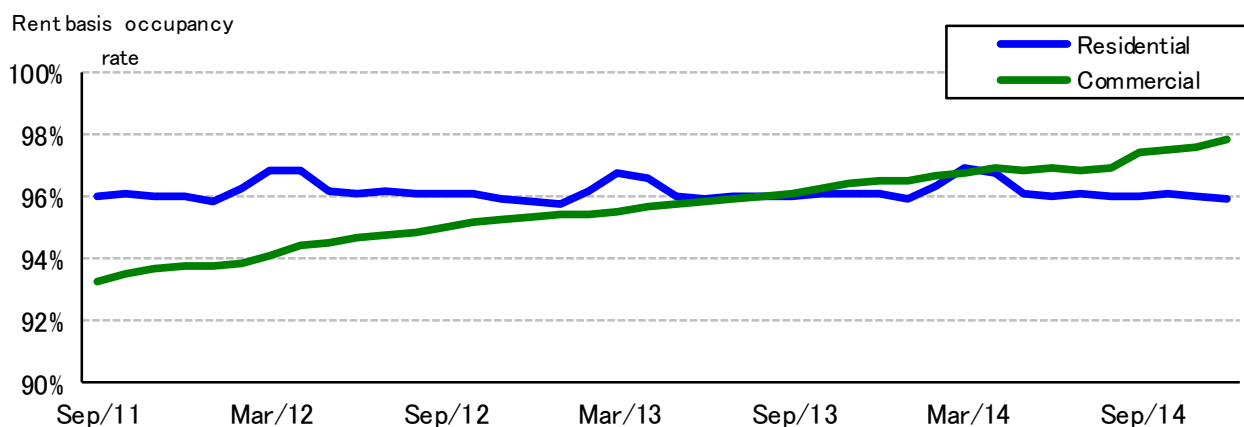
## V-14 Number of construction starts by area & Daito's share



## V-15 Tenancy agreement per rep (Year on year)

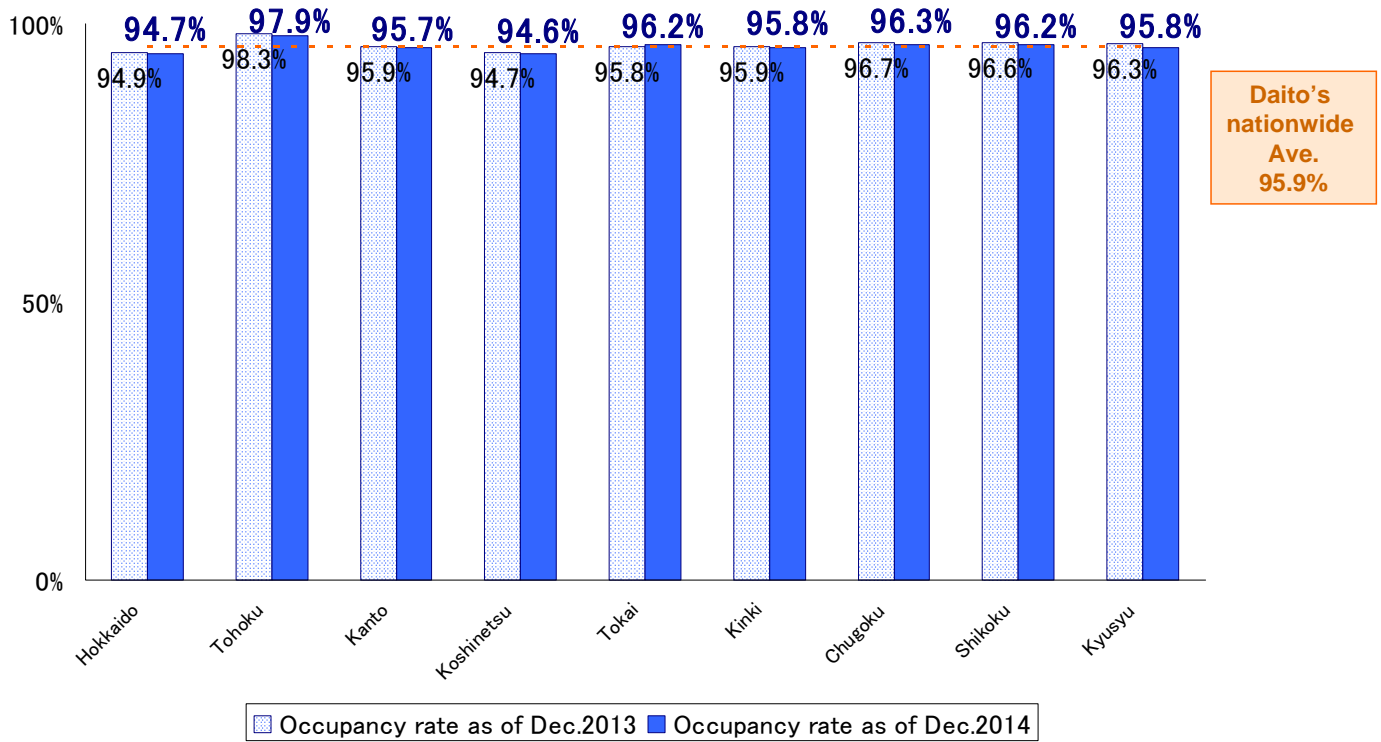


## V-16 Rent basis occupancy rate

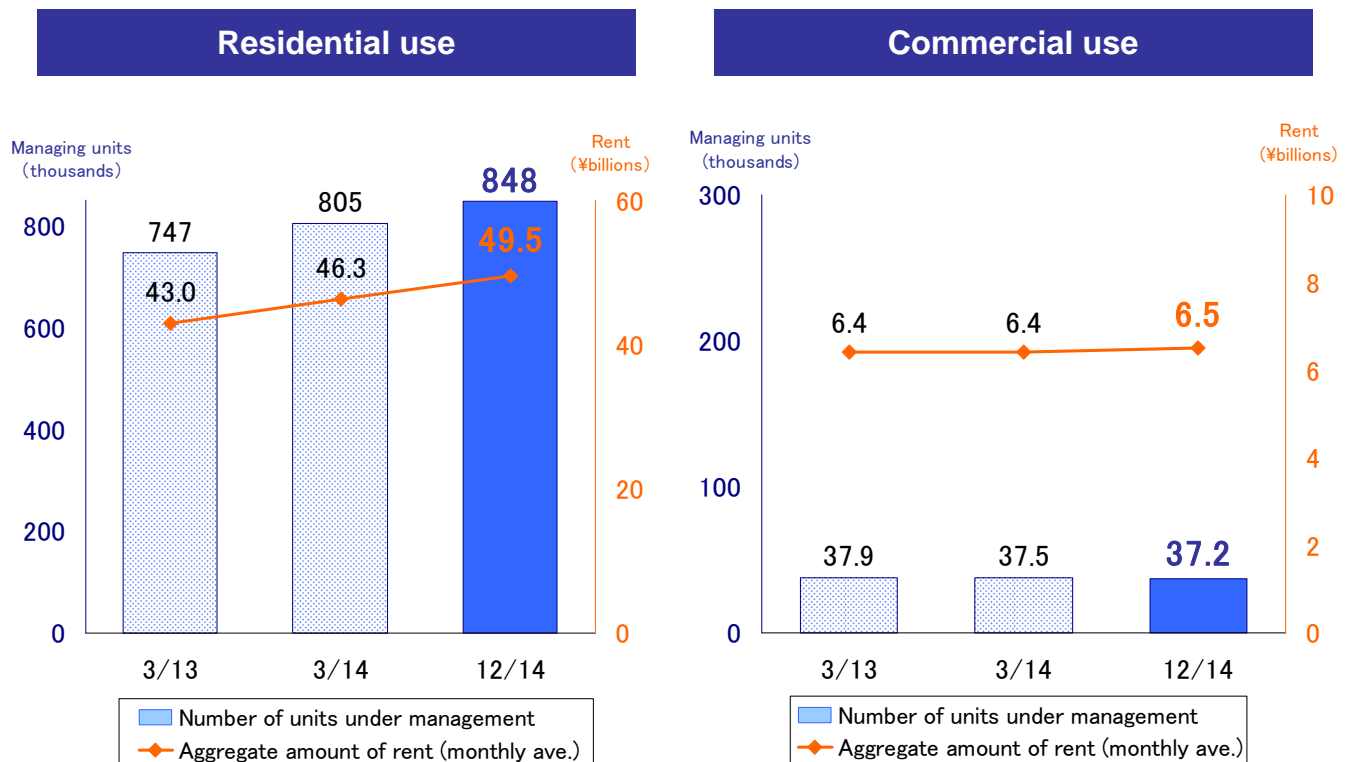


Rent basis occupancy rate	2010 (Dec.)	2011 (Dec.)	2012 (Dec.)	2013 (Dec.)	2014 (Dec.)	YoY
Residential use (%)	94.8%	95.9%	95.8%	96.1%	95.9%	Δ0.2p
Commercial use(%)	91.6%	93.8%	95.4%	96.5%	97.8%	+1.3p

## V- 17 Rent basis occupancy rate by area ( Residential use / December )

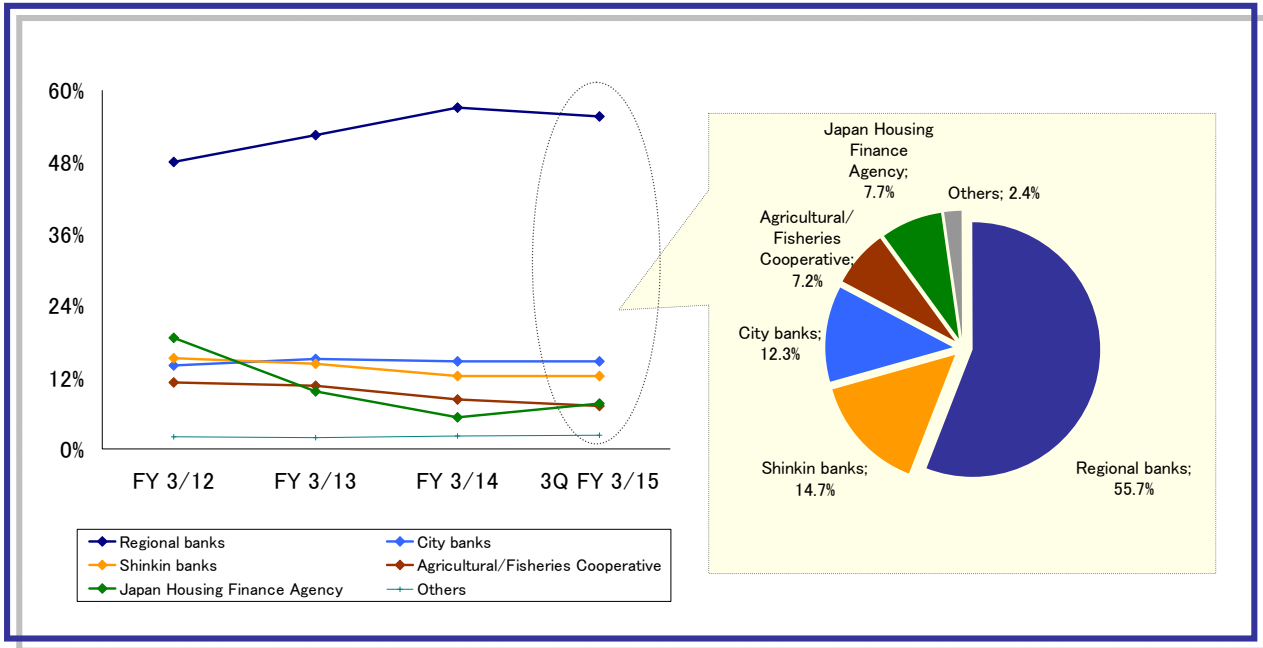


## V- 18 Number of units under management & aggregate amount of rent





Shares of financial institutions ( Construction starts basis)



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