



# DAITO TRUST CONSTRUCTION CO., LTD.

## Report on Settlement of Accounts for FY ending in March 31 2016

Financial Highlights, Year ending in March 31, 2016

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# I . Results in FY ending in March 2016

Financial Results, Year ending in March 2016

Results in FY ending in March 2016

## Highlights in Results in FY ending in March 2016

### Highlights

|    |   |                                     |
|----|---|-------------------------------------|
| 1. | Increase in sales and profit for 8 straight FY<br>Operating profit exceeds ¥100.0 bn  | Record high                         |
| 2. | orders received <b>¥693.0 bn (+4.9% Y o Y)</b><br>Occupancy rate in residential units in March <b>96.8% (+0.1p Y o Y)</b>   | Record high<br>Maintain Sound level |
| 3. | Shareholders returns<br>①Annual Dividend (plan) <b>¥432 (dividend increase +¥57)</b><br>②Acquisition and retirement of treasury stock (plan) <b>¥20.2bn 1.30mn shares</b> |                                     |
|    | ①Payout ratio 50.1% + ②Acquisition and retirement of treasury stock 30.0% = <b>Gross return 80.1%</b>   |                                     |
| 4. | ROE <b>27.4% (+3.3p Y o Y)</b><br>Acquisition and retirement of treasury stock (record) <b>¥16.7bn 1.23mn shares</b>  |                                     |

PL

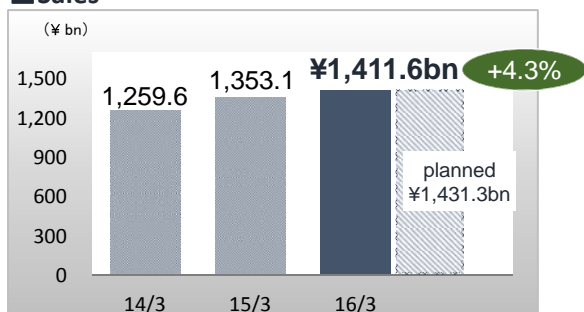
Profit & Loss Conspectus

Consolidated PL

Sales and profits updated their record high

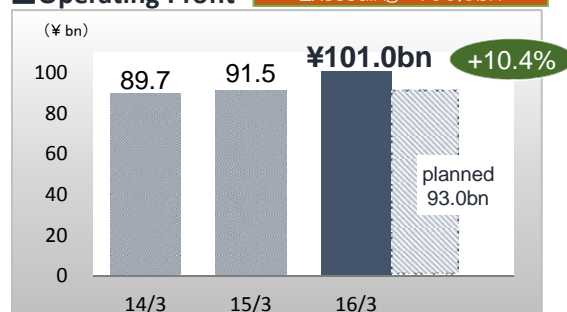
:Y o Y

■ Sales

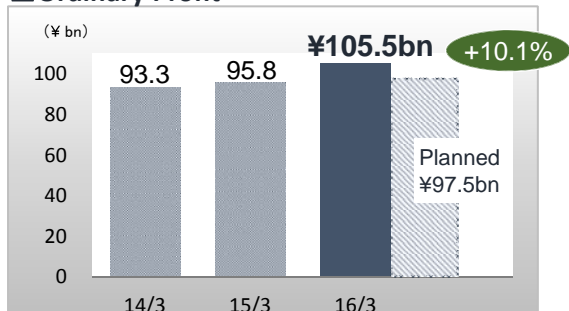


■ Operating Profit

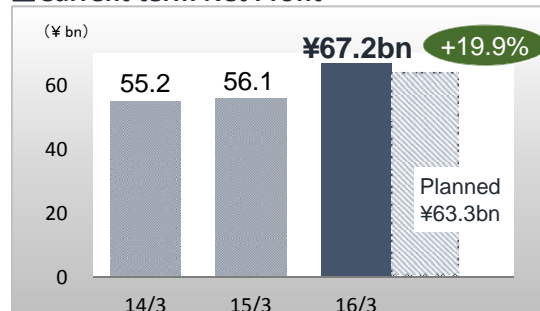
Exceeding ¥100.0bn



■ Ordinary Profit



■ Current term Net Profit \*



\* Current term Net Profit attributable to parent company's shareholders

PL

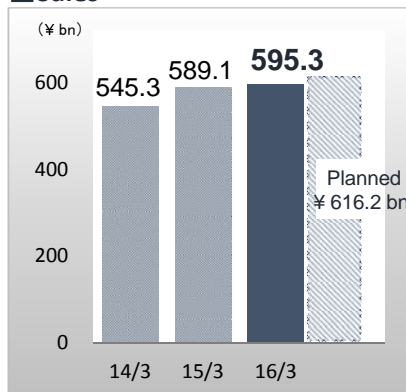
Profit & Loss by segment (Construction Business)

Construction segment ①

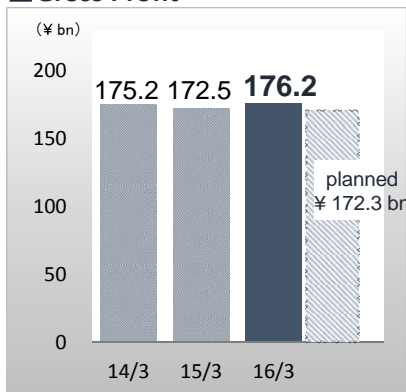
(¥ bn)

|  | 2015/3 | 2016/3 | (Y o Y) |
|--|--------|--------|---------|
| <b>Sales</b><br>(Volume of Construction of Completion)   | 589.1  | 595.3  | (+1.1%) |
| <b>Gross Profit</b><br>(from Construction of Completion) | 172.5  | 176.2  | (+2.2%) |
| <b>Operating Profit</b>                                  | 85.3   | 90.2   | (+5.8%) |

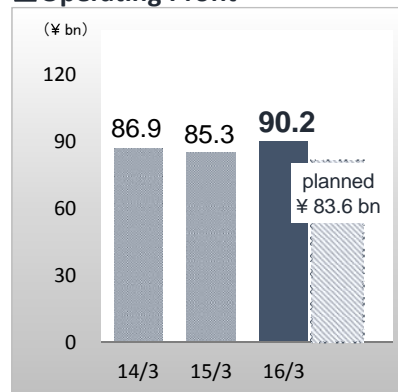
■ Sales



■ Gross Profit



■ Operating Profit



# PL

## Profit & Loss by segment (Construction Business)

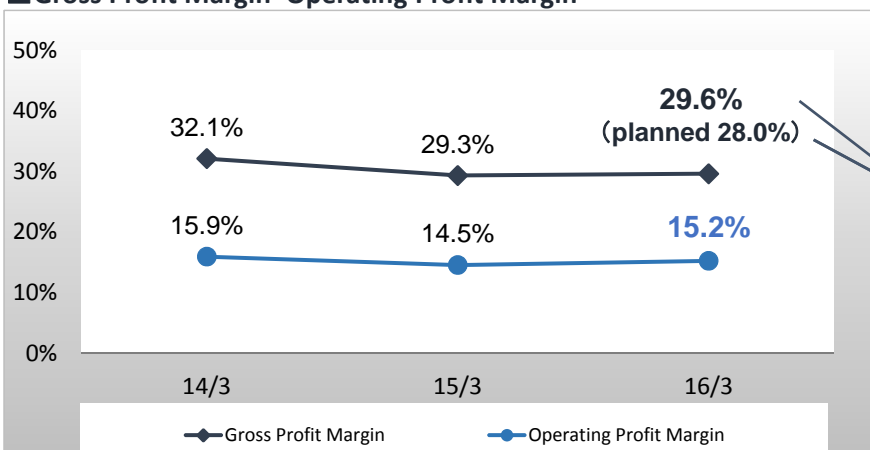
Construction Segment ②

|                         | 2015/3 | 2016/3 | (Y o Y) |
|-------------------------|--------|--------|---------|
| Gross Profit Margin     | 29.3%  | 29.6%  | [+0.3p] |
| Operating Profit Margin | 14.5%  | 15.2%  | [+0.7p] |

Major breakdown of variance from previous FY (+0.3p Y o Y)

- ① Effect from raise of price +0.8p
- ② Labor cost  $\Delta$ 0.5p
- ③ Material cost +0.1p
- ④ Exchange  $\Delta$ 0.1p

### Gross Profit Margin \* Operating Profit Margin



Major breakdown of variance from original plan (+1.6p)

- ① Effect from raise of price  $\pm$ 0.0p
- ② Labor cost +1.5p
- ③ Material cost +0.1p
- ④ Exchange  $\pm$ 0.0p

# PL

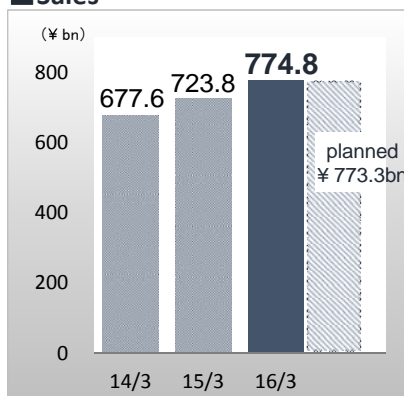
## Profit & Loss by segment (Real Estate Business)

Real Estate Segment ①

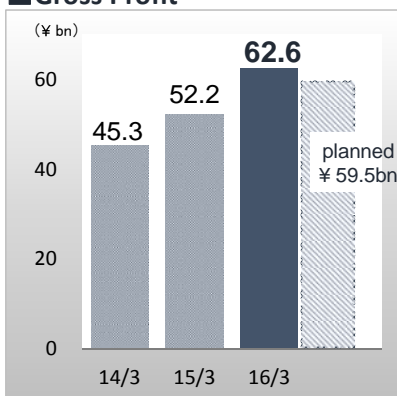
(¥ bn)

|                  | 2015/3 | 2016/3 | (Y o Y)  |
|------------------|--------|--------|----------|
| Sales            | 723.8  | 774.8  | (+7.0%)  |
| Gross Profit     | 52.2   | 62.6   | (+19.7%) |
| Operating Profit | 15.5   | 22.5   | (+44.9%) |

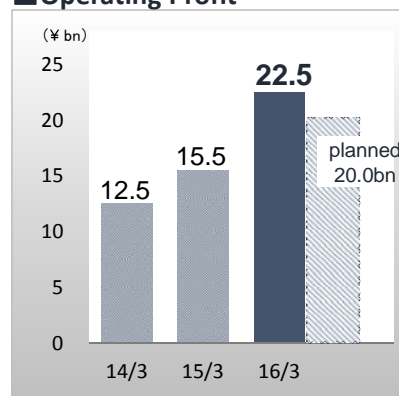
### Sales



### Gross Profit



### Operating Profit



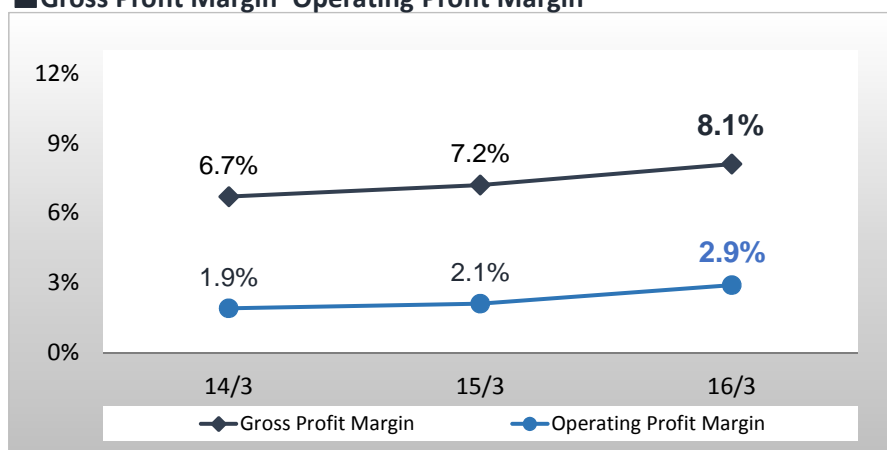
PL

Profit & Loss by segment (Real Estate Business)

Real Estate Segment ②

|                         | 2015/3 | 2016/3 | (Y o Y) |
|-------------------------|--------|--------|---------|
| Gross Profit Margin     | 7.2%   | 8.1%   | [+0.9p] |
| Operating Profit Margin | 2.1%   | 2.9%   | [+0.8p] |

■ Gross Profit Margin • Operating Profit Margin



PL

Profit & Loss by segment (Other Businesses)

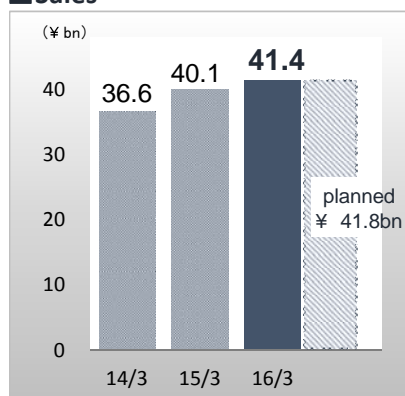
Other segment

Financial business • Care business • Gas supply business • Foreign Business and the like

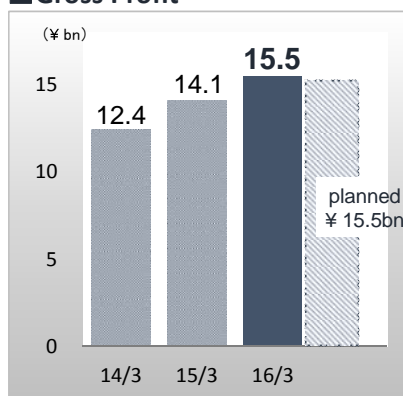
(¥ bn)

|                  | 2015/3 | 2016/3 | (Y o Y)  |
|------------------|--------|--------|----------|
| Sales            | 40.1   | 41.4   | (+3.2%)  |
| Gross Profit     | 14.1   | 15.5   | (+10.0%) |
| Operating Profit | 8.3    | 8.9    | (+7.6%)  |

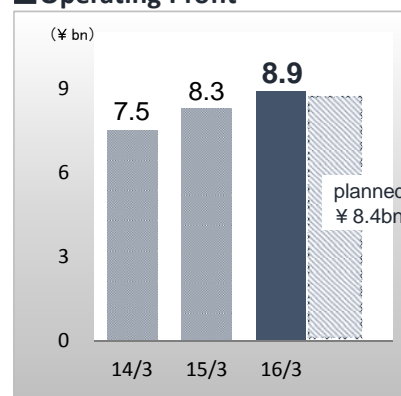
■ Sales



■ Gross Profit



■ Operating Profit



# PL

## Transition of Sales & General Administrative Expenses

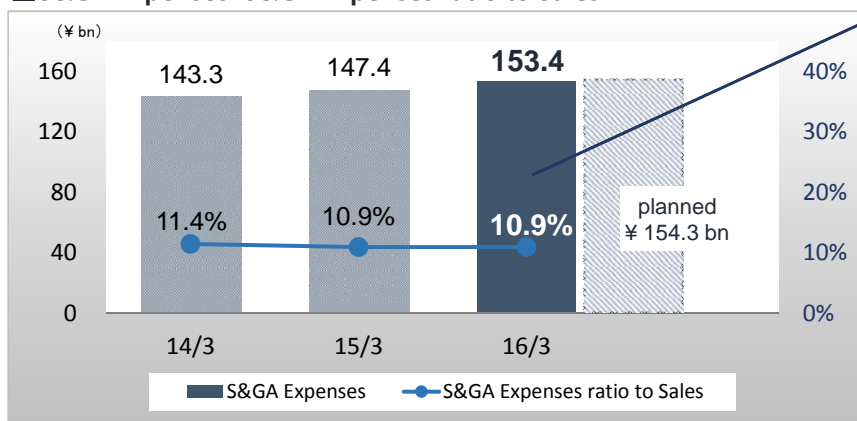
### S&GA Expenses

|                              | 2015/3 | 2016/3 | (Y o Y) |
|------------------------------|--------|--------|---------|
| S&GA Expenses                | 147.4  | 153.4  | (+4.1%) |
| S&GA Expenses ratio to Sales | 10.9%  | 10.9%  | [±0.0p] |

(¥ bn)

( ) : Variance from previous FY

### ■ S&GA Expenses · S&GA Expenses ratio to Sales



### Major breakdown of variance from previous FY (+ ¥ 6 bn)

- ① Personnel expenses +0.2 bn
- ② Advertising & general publicity expenses +1.4 bn
- ③ Others +4.4 bn
  - PC and furnishings replacement +2.1 bn
  - system development +1.0 bn
  - business tax +0.7 bn

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# Financial Review

## Consolidated Balance Sheet

### Consolidated BS

#### End of March 2015

|                |       |                                |       |
|----------------|-------|--------------------------------|-------|
| Current Assets | 494.3 | Current Liabilities            | 267.4 |
|                |       | Fixed Liabilities              | 196.8 |
|                |       | Total Liabilities              | 464.3 |
| Fixed Assets   | 206.7 | Net Assets                     | 236.7 |
| Total Assets   | 701.1 | Total Liabilities & Net Assets | 701.1 |

#### End of March 2016

|                |                  |                                |                  |
|----------------|------------------|--------------------------------|------------------|
| Current Assets | 479.6<br>(△14.7) | Current Liabilities            | 281.8<br>(+14.4) |
|                |                  | Fixed Liabilities              | 198.1<br>(+1.3)  |
|                |                  | Total Liabilities              | 480.0<br>(+15.7) |
| Fixed Assets   | 248.9<br>(+42.2) | Net Assets                     | 248.5<br>(+11.8) |
| Total Assets   | 728.5<br>(+27.4) | Total Liabilities & Net Assets | 728.5            |

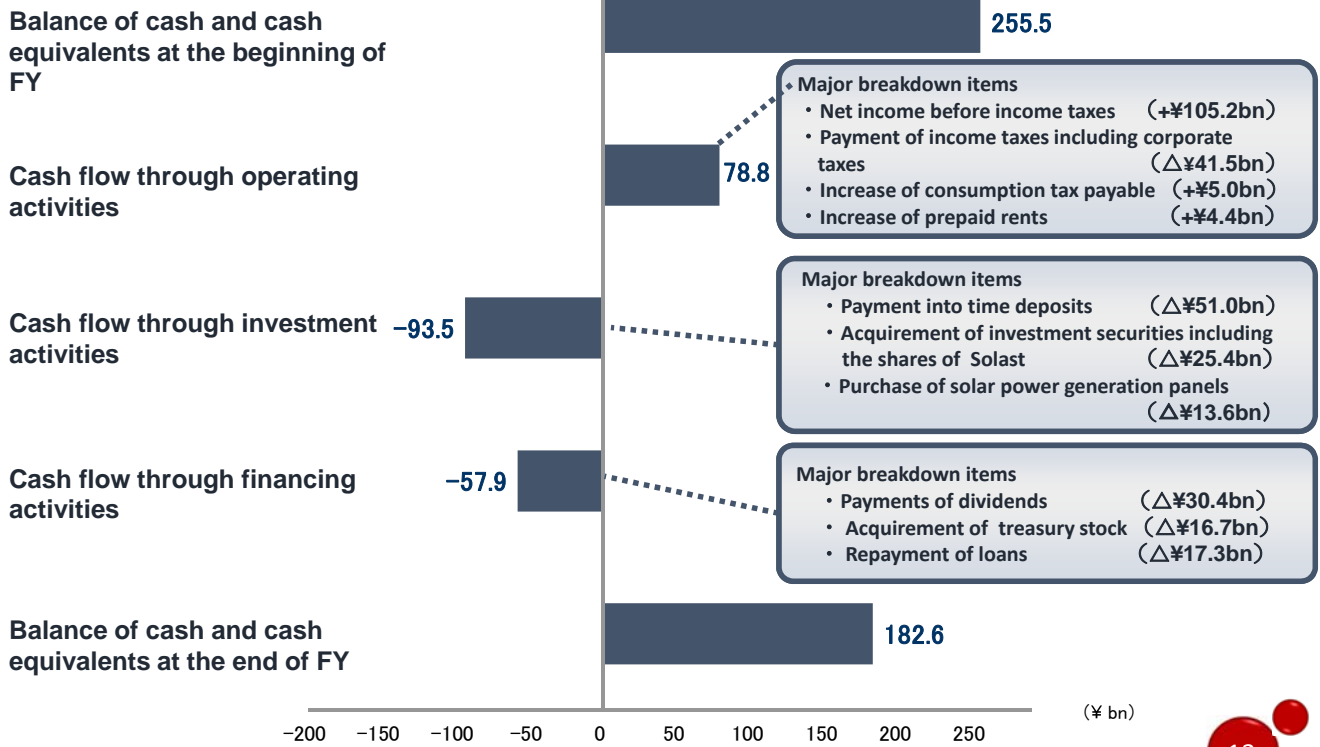
(¥ bn)

|  |                           |
|--|---------------------------|
| Equity ratio                                 | 34.3%                     |
| Book value per share                         | ¥3,060.84                 |
| Return on Equity (ROE)                       | 24.1%                     |
| Acquisition and retirement of treasury stock | 1.286mn shares<br>¥16.6bn |

|  |                          |
|--|--------------------------|
| Equity ratio                                 | 34.3%                    |
| Book value per share                         | ¥3,243.97                |
| Return on Equity (ROE)                       | 27.4%                    |
| Acquisition and retirement of treasury stock | 1.23mn shares<br>¥16.7bn |

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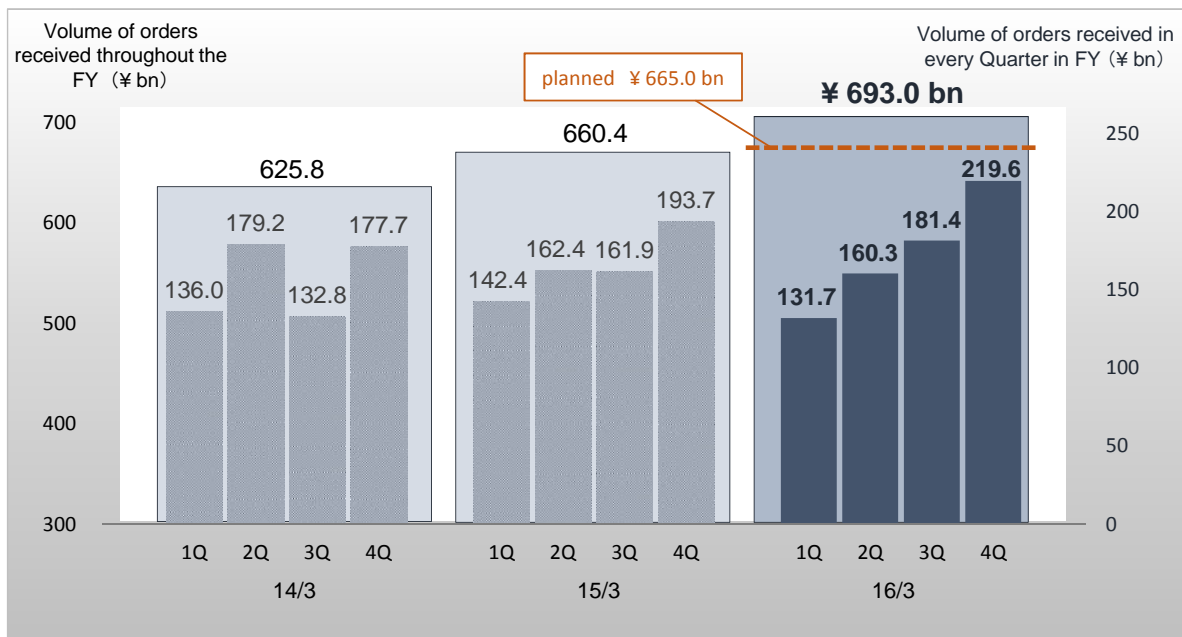
Consolidated C F



Items related to orders received

Transition of orders received (Y o Y comparison )

◆ Volume of orders received ¥693.0bn (+4.9% increase on previous FY)

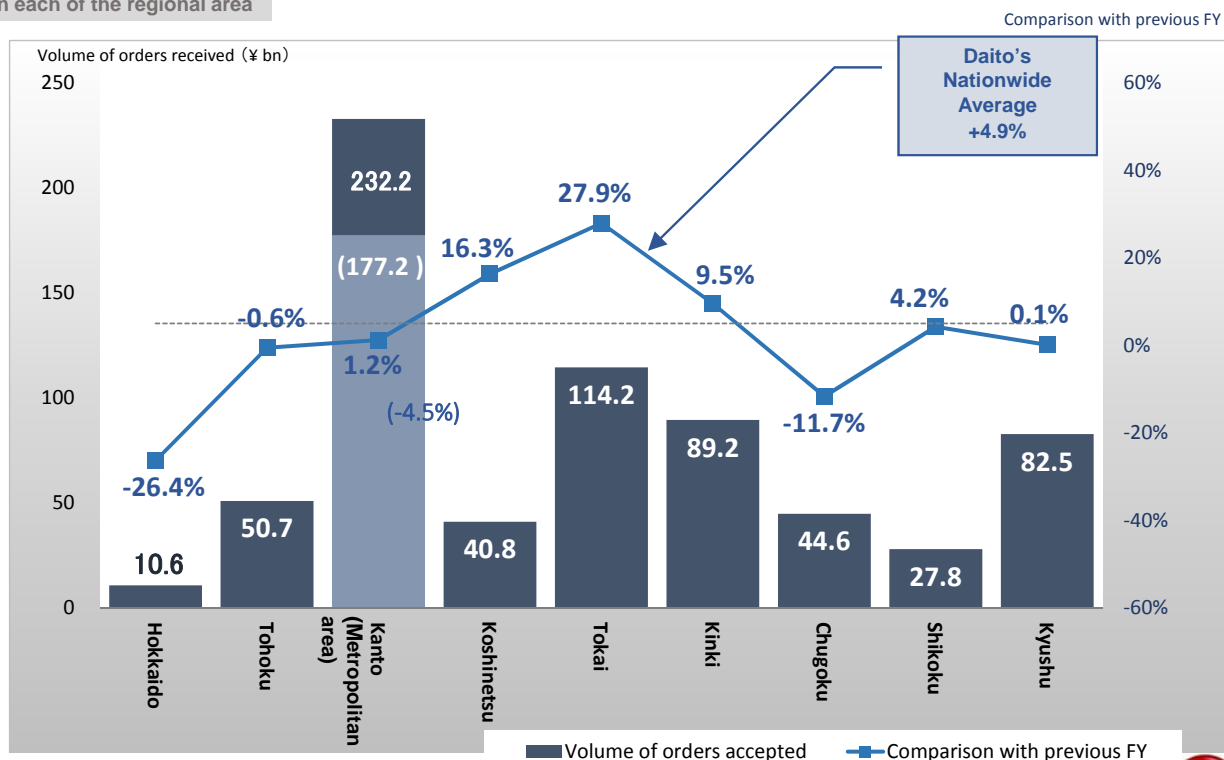




Items related to orders received

Volume of orders received in each of the regional area

Volume of orders received in each of the regional area

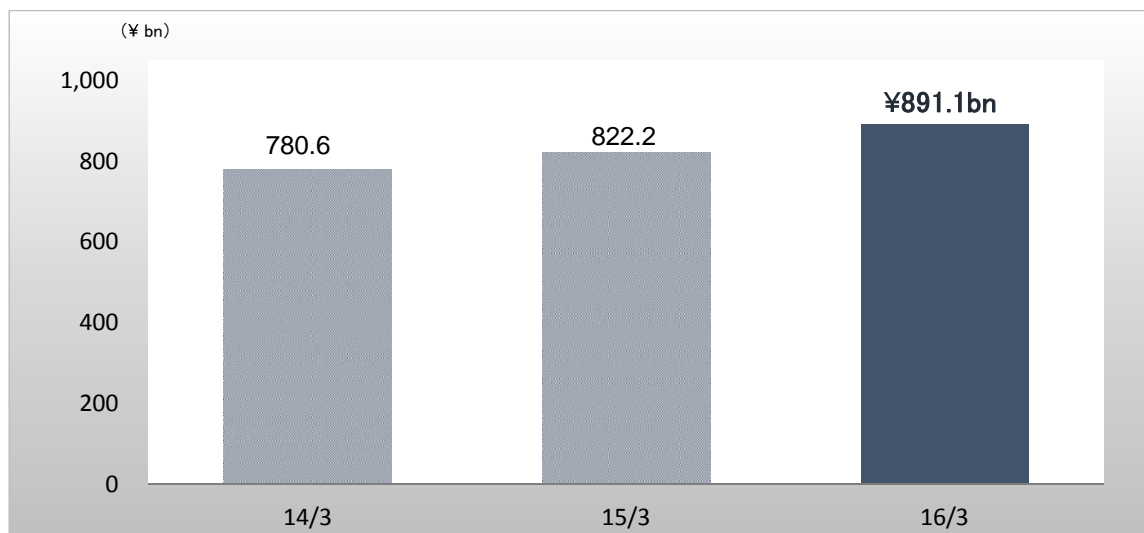


Items related to orders received

Transition of orders in hand (comparison with previous FY)

Volume of orders in hand

◆ Orders in hand ¥ 891.1bn (+8.4% increase on previous FY)





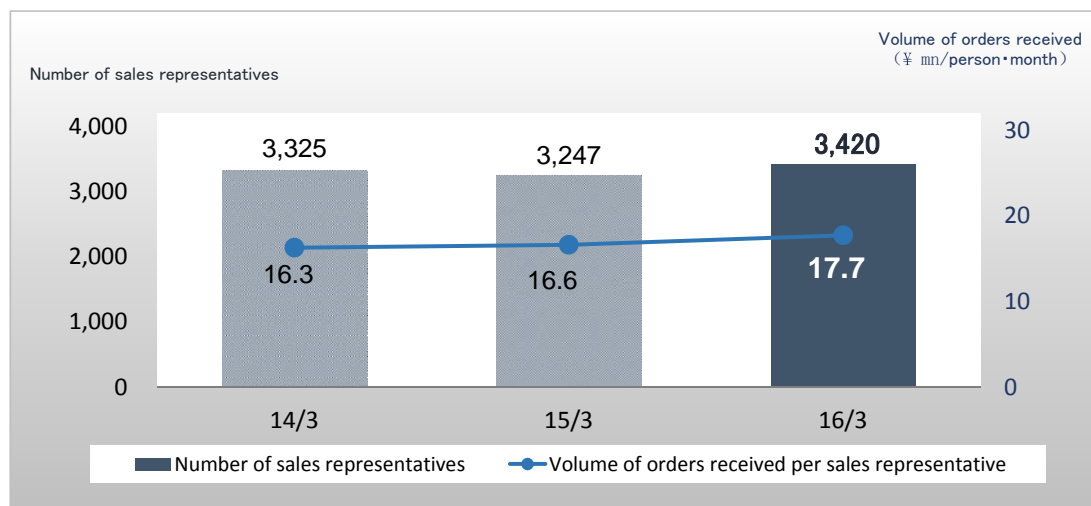
Items related to orders received

Efficiency in acceptance of order

## Transition of number of sales representatives and volume of orders received per sales representative

◆ Number of sales representatives (End of FY) **3,420 (+173 on previous FY)**

◆ Volume of orders received per sales representative (throughout the FY)  
**¥17.74mn/Month (+¥1.12mn on previous FY)**



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Items related to orders received

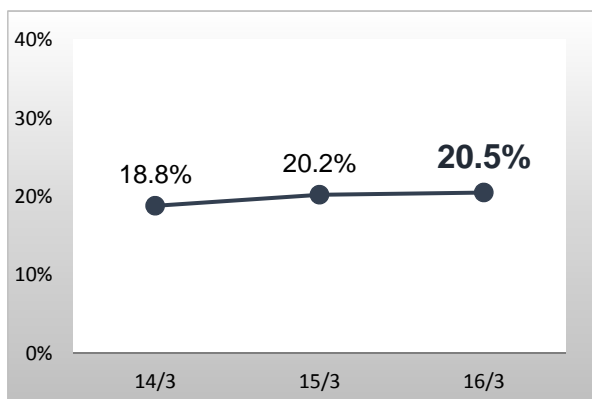
Index①

## Transition of mid-rise ratio and rebuild ratio (comparison with previous FY)

◆ Mid-rise ratio **20.5% (+0.3p on previous FY)**

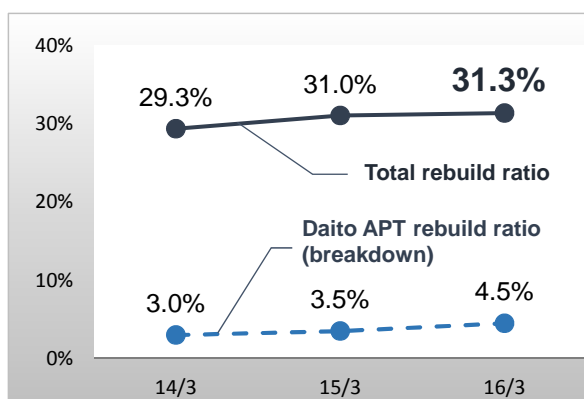
◆ Rebuild ratio **31.3% (+0.3p on previous FY)**

Mid-rise ratio ※1



※1 Mid-rise ratio = The number of orders received for APT house with 3 stories or more / Total number of orders received

Rebuild ratio ※2



※2 Total rebuild ratio = The number of orders received for rebuilding APT / Total number of orders received  
Daito APT rebuild ratio = The number of orders received to rebuild existing APT built by Daito / Total number of orders received

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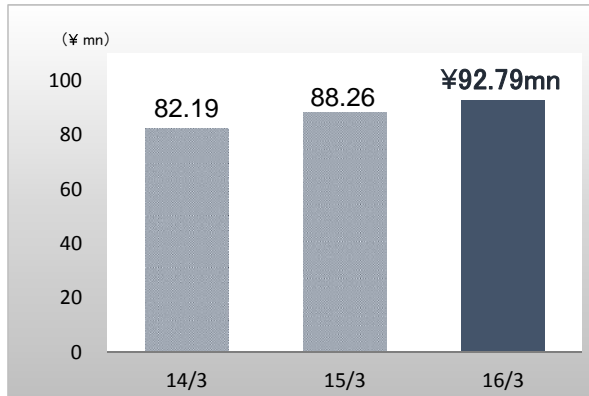
## Transition of Average price of order received and Cancellation ratio (comparison with previous FY)

### Index②

◆ **Average price of order received**    **¥92.79mn** (+¥4.53mn on previous FY)

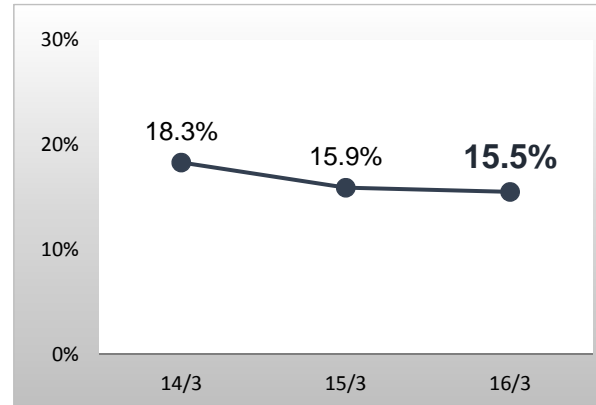
◆ **Cancellation ratio**    **15.5%** (△0.4p under previous FY)

#### Average price of order received ※1



※1 Average price of order received = Aggregate of the total price of new orders received / Total number of order received

#### Cancellation ratio ※2



※2 Cancellation ratio = Aggregate of the total price of orders cancelled / Aggregate of the total price of new orders received

Net price of orders received = Price of new orders received - Price of orders cancelled

## Transition of number of tenancy agreements

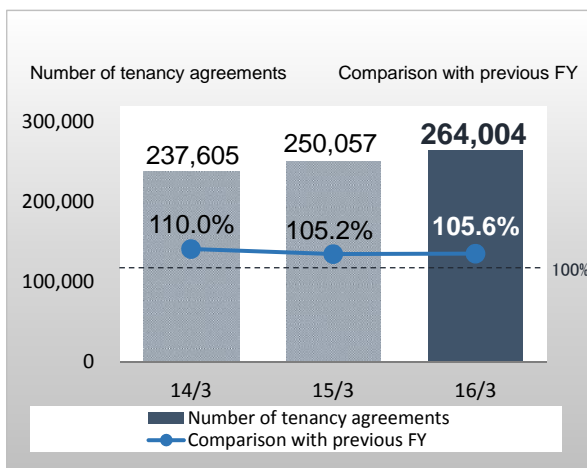
The number of tenancy agreements

◆ **The number of tenancy agreements**    **267,116** (+5.4% on previous FY)

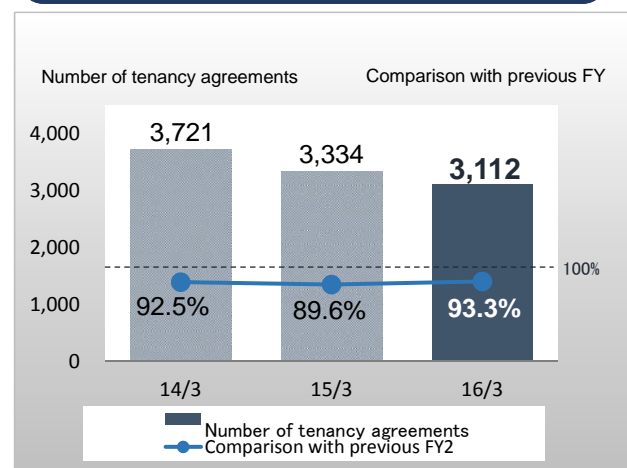
● **Residential use**    **264,004** (+5.6% on previous FY)

● **Commercial use**    **3,112** (△6.7% under previous FY)

#### Residential use



#### Commercial use

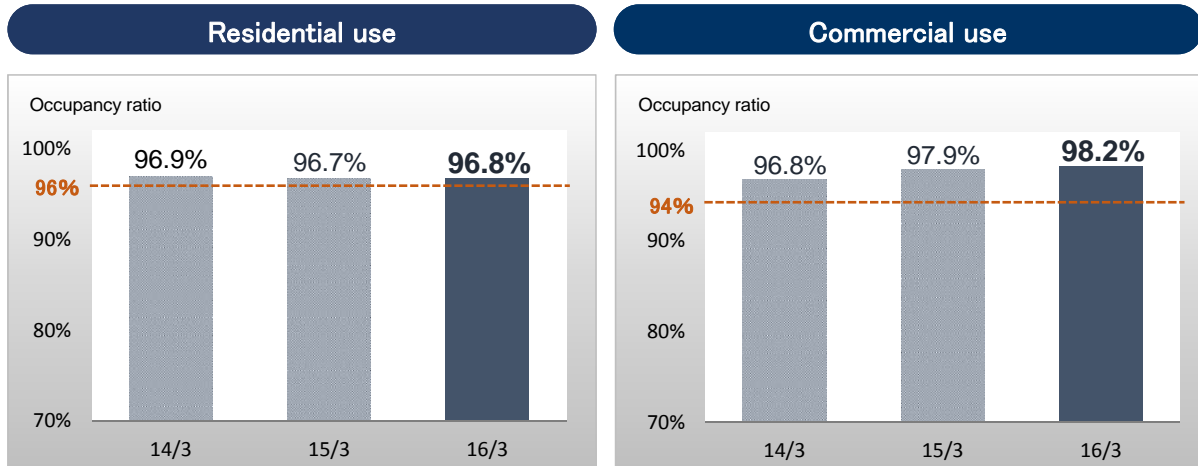


Occupancy rate

**Continuously maintains sound level of occupancy**  
 (residential use : 96% · commercial use : 94%)

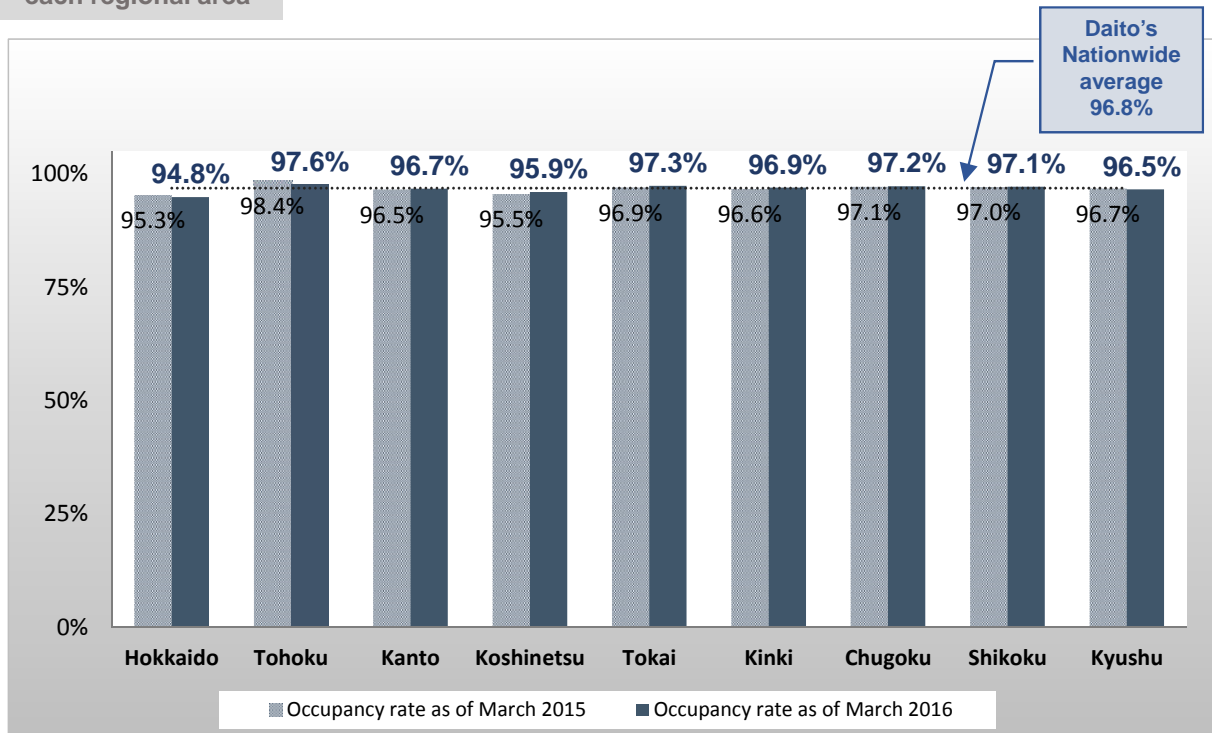
◆ Occupancy rate in residential use units 96.8% (+0.1p on previous FY)

◆ Occupancy ratio in commercial use 98.2% (+0.3p on previous FY)



\*occupancy rate on rent base = 1 - (Total amount of lease up rent in vacant units / Total amount of rent)

Occupancy rate in each regional area



## II. Forecasts in FY ending in March 2017

Financial Forecasts, Year ending in March 2017

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Forecasts in FY  
ending in March 2017

Background set in forecasts in FY  
ending in March 2017

### Background set

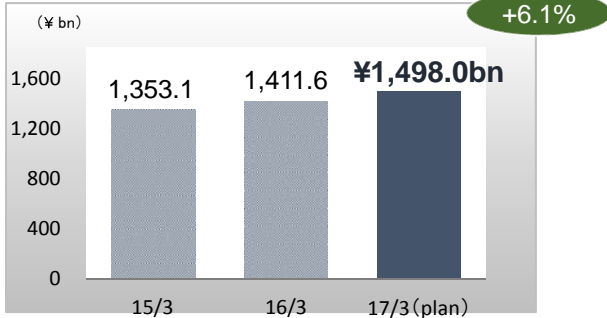
|  |  |
|--|--|
| <b>①<br/>Environment<br/>for orders<br/>received</b>               | <ul style="list-style-type: none"><li>■ Land owner's needs for effective land use of their assets backed up with the revision of the Inheritance Tax Law and the continuance of lower level of loan interest for APT loans.</li><li>■ Activated needs to "satisfactory and smooth succession of assets" to the next generation.</li><li>■ Continued upward-trend of increase of the number of rental housing construction starts (7 ~ 8% increase) .</li></ul>                 |
| <b>②<br/>Environment<br/>for<br/>construction<br/>work</b>         | <ul style="list-style-type: none"><li>■ Firm tone forecast on construction for completion based on plentiful volume of orders received.</li><li>■ Recovery of gross profit margin rate for construction work due to revision (raise) of contract price for order received.</li><li>■ Continuance of tight demand-supply situation for construction work and labor due to the Tokyo Olympic Games to be held and the demand for revival from earthquake and the like.</li></ul> |
| <b>③ Demand for<br/>tenancy in<br/>rental houses<br/>and units</b> | <ul style="list-style-type: none"><li>■ Firm tone of demand for tenancy in rental houses and units.</li><li>■ Increasing number of households and demand for tenancy in highly convenient rental houses and units.</li><li>■ Diversification of tenants in terms of their life style and nationality and the like.</li></ul>   |

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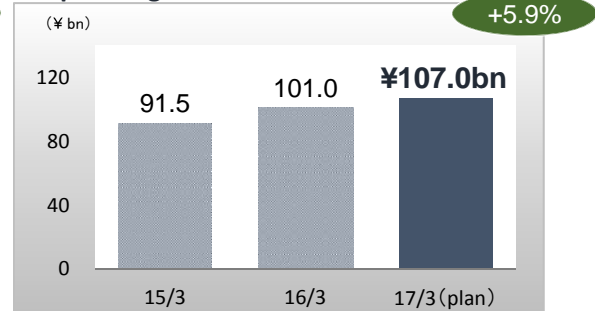
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**Forecasting increase of sales and profits and updating record-high for 9 consecutive straight terms**

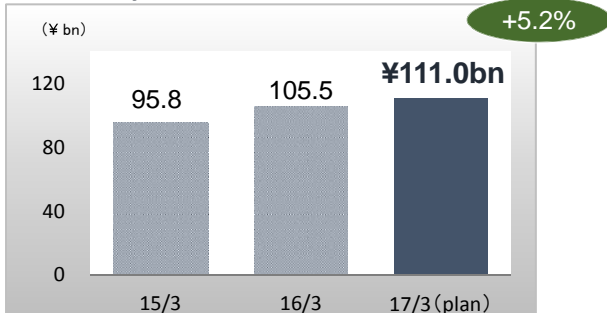
■ Sales



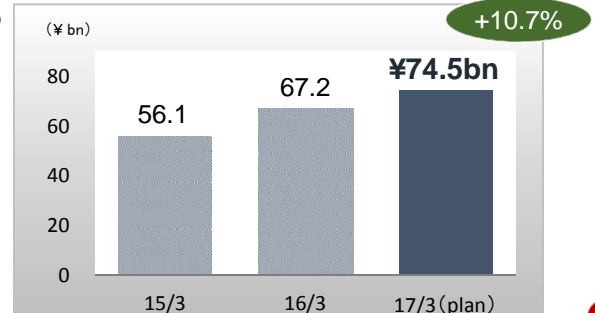
■ Operating Profit



■ Ordinary Profit



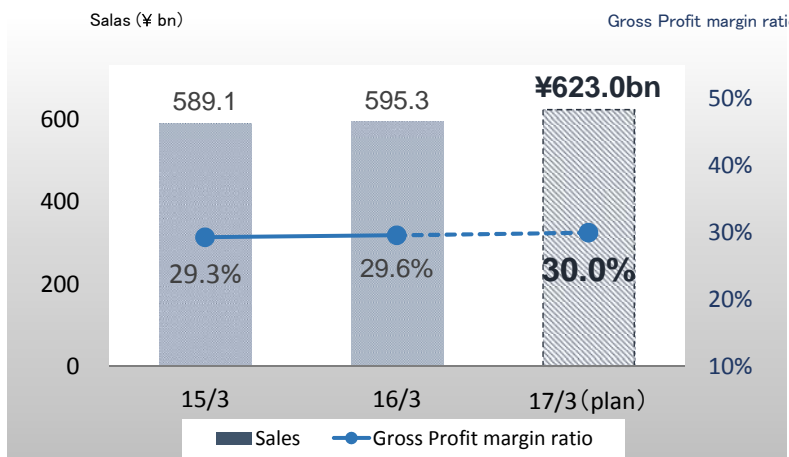
■ Net Profit for current term\*



\*Net profit for current term attributable to the parent company's shareholders

Forecasts on Construction for completion and Gross Profit margin ratio in Construction for completion

|  | 2016/3 | 2017/3 (plan) | (Y o Y) |
|--|--------|---------------|---------|
| <b>Sales</b><br>(Volume of Construction for Completion)              | 595.3  | 623.0         | (+4.6%) |
| <b>Gross Profit</b><br>(from Construction for Completion)            | 176.2  | 186.9         | (+6.0%) |
| <b>Gross Profit margin ratio</b><br>(on Construction for Completion) | 29.6%  | 30.0%         | [+0.4p] |



**Major breakdown of variance from previous FY (+0.4p o Y)**

- ① Effect of Price increase +0.9p
- ② Labor cost Δ0.5p
- ③ Material cost ±0.0p
- ④ Exchange ±0.0p



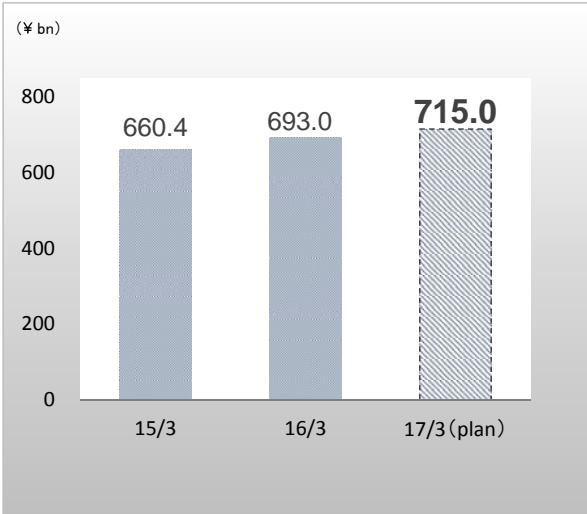
Forecast in orders received

**Forecast in volume of orders received ¥715.0bn (+3.2% increase Y o Y)**

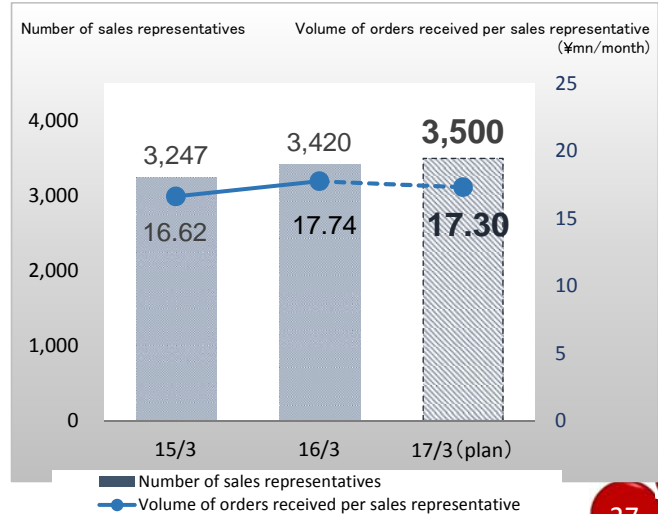
● Number of sales representatives <at the end of March 2017 forecasted>  
**3,500 (+80 increase Y on Y)**

● Volume of orders received per sales representative **¥17.30mn (▲¥0.44mn Y to Y)**

**Volume of orders received**



**Number of sales representatives • Volume of orders received per sales representative**



Strategy for orders received

**1. Posting sales representatives as work force to each area in a way most fit for the potential of the sub-market the area belongs to**

**Area marketing activity**

◆ Divide the whole country into approximately 4,600 local areas



◆ Management of each area as a separate segment



**Market volume**  
 → Expand  
**Tenancy demand**  
 → Firm tone

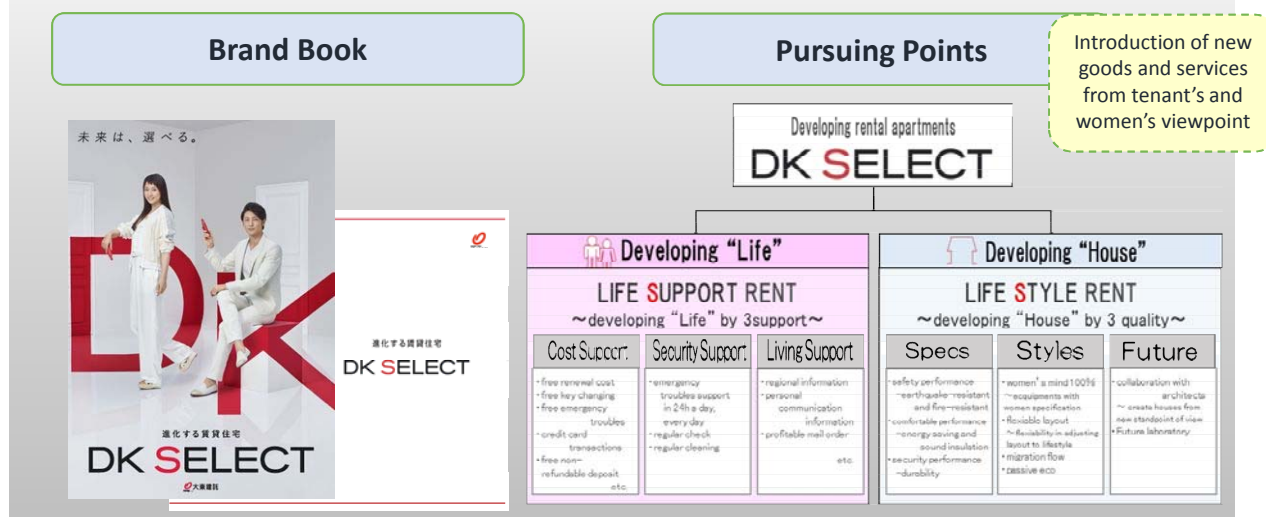
(Mainly metropolis and their surrounding areas)  
 • Strengthening designing expertise to follow various kinds of requirements and needs for buildings.  
 • Sales operation on response from customers and reinforcement of seminars.  
 • Obtaining entrustment in management of parking lots and real estates now and previously under the management of other companies.

**Market volume**  
 → Flat  
**Tenancy demand**  
 → Firm tone

(Mainly local central cities)  
 Continue to home selling direct sales to stimulate potential demand

## 2. Pursuance of advanced rental house “DK SELECT”

High quality rental house (Hard) and Services to support tenant’s life (Soft) both creates Advanced rental house



## 3. Other Reinforcement measures

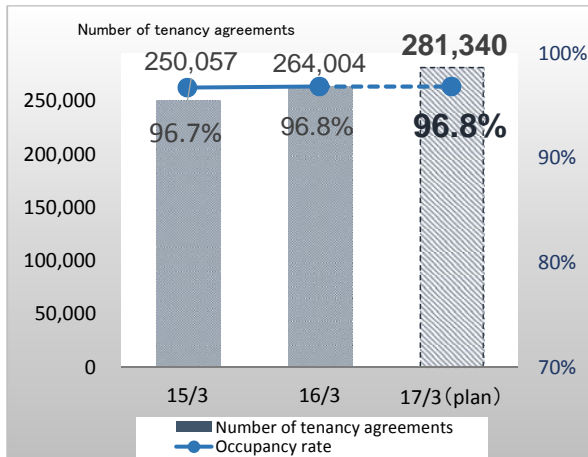
- 1) Continuance of home selling direct sales and sales on response from customers (including holding tax seminars and invitation for guidance and tour in the company's head office and the like).
- 2) improving the efficiency in sales operation and ability for presentation to clients by using SFA Tablets.
- 3) Strengthening sales on "Rental Houses with care service to persons of advanced age" and "Child care facility" through business alliance with Solasto Corporation (affiliated company accounted for by the equity-method).
- 4) Conducting proposal business using trust with attendance of sales representatives of Daito Mirai Trust Company Limited



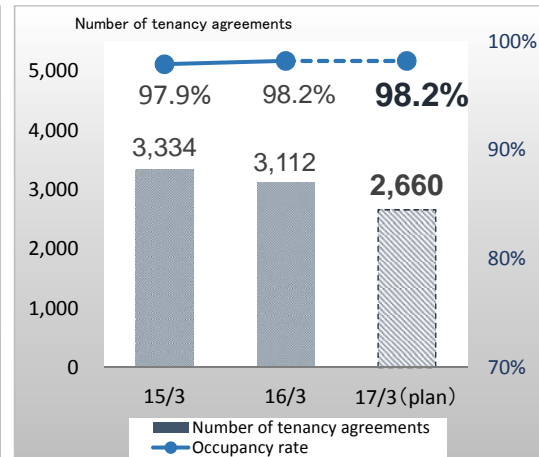
Forecast in tenancy agreements

|                              | 2016/3  | 2017/3(plan) | (Y on Y) |
|------------------------------|---------|--------------|----------|
| Number of tenancy agreements | 267,116 | 284,000      | (+6.3%)  |
| Residential use              | 264,004 | 281,340      | (+6.6%)  |
| Commercial use               | 3,112   | 2,660        | (▲14.5%) |

Residential use



Commercial use




Reinforcement measures for promoting tenancy agreements

1. Reinforcement in Brand “Ii heya net” (good units net)


**TVCM**

Favorable response ranking 25<sup>th</sup> / 2,895 responses




**SNS**

LINE friends exceeds 13 mn in numbers

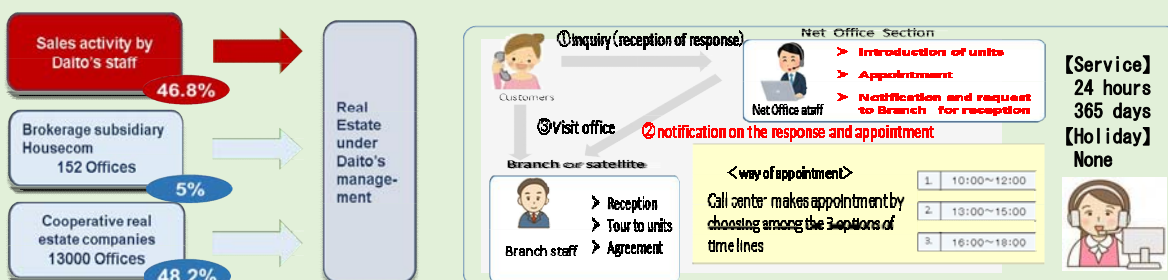


“Ii heya net ladies” golf tournament recorded audience rating over 11% at the highest



Player : Ms Ayaka Watanabe

2. Opening “Net office” to reinforce and promote tenancy agreements through direct business activity to the tenants by Daito’s staff



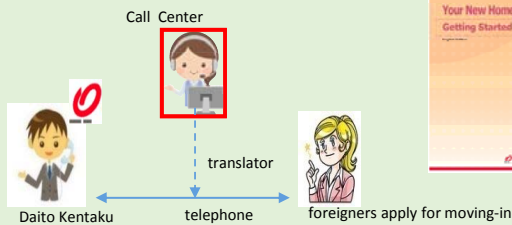
Reinforcement measures for promoting tenancy agreements

### 3. Following various kinds of requirements and needs of tenants searching for rental houses

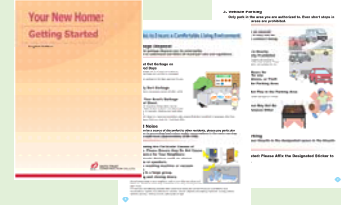
1) Opening of the home page sight specific for Foreign languages



2) simultaneous 3 parties telephone call (translating)



3) Guide Book for starting life



### 4. Strengthening relation with cooperative real estate companies.

① Campaign with participation by cooperative real estate companies



② Download service of tenancy agreements (with name of property and information of tenant input)



## Ⅲ. Shareholders return policy

Measures to return to shareholders

Shareholders return

Shareholders returns in FY ending in March 2016

Planned for FY ending in March 2016

Gross return 80.1%

Shareholders return out of profit for FY ending in March 2016

● Annual Dividend per share **¥432** (+¥57 increase on previous FY)

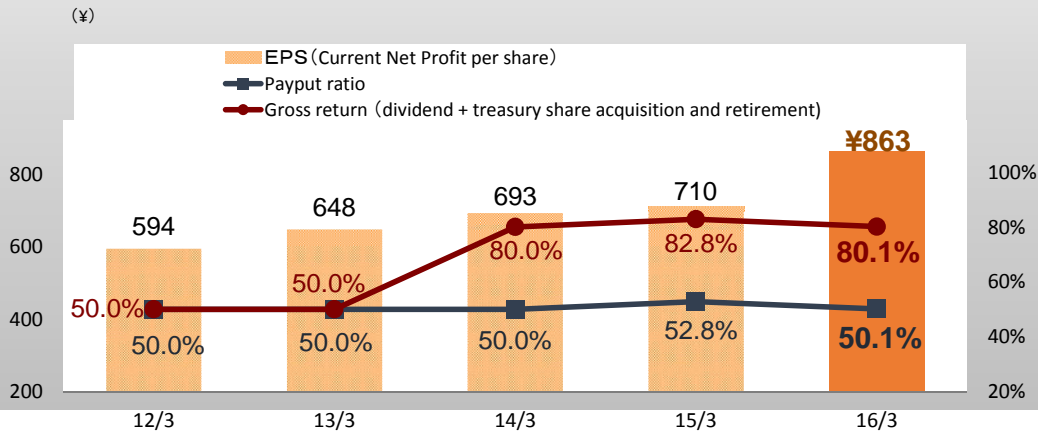
( Payout Ratio 50.1% )

※ Interim dividend ¥199 Year-end dividend ¥233

● Acquisition and retirement of treasury stock **¥20.2bn·1.30mn shares**

( Current net profit's 30.0% )

※ in case of current net profit over ¥ 10bn and no large cash out demand



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Shareholders return

Shareholders returns in FY ending March 2017

Forecast in FY ending in March 2017

Gross return 80%

Shareholders return out of profit for FY ending in March 2017 <forecast>

● Annual Dividend per share **¥477** (+¥45 increase on previous FY)

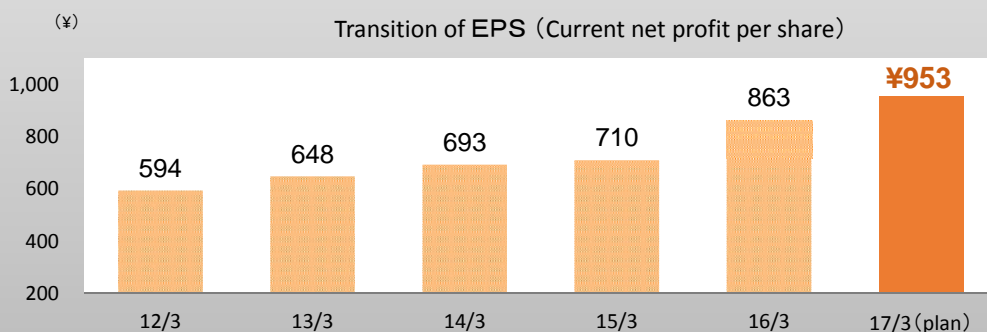
Payout ratio 50%

《Breakdown》 Interim dividend **¥238**  
Year-end dividend **¥239**

● Acquisition and retirement of treasury stock

Current net profit's 30%

※ in case of current net profit over ¥ 10bn and no large cash out demand



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## IV. Mid-term Plan

### Mid-term Plan

#### Mid-term Plan

Formulating Mid-term Plan through FY ending March 2021

#### Background

#### ● Background for formulating Mid-term Plan

##### ① Environment for orders received

- Continued needs for effective use of assets backed up with the revision of the Inheritance Tax Law.
- “Satisfactory・smooth succession” to the next generation.
- Firm tone of the number of rental housing construction starts and activated supply of highly convenient rental houses and units.

##### ② Environment for construction work

- Feasible increase of Sales through fulfilling plentiful volume of orders received and steady progress of construction work.
- Tight demand-supply situation for construction work and labor due to the Tokyo Olympic Games and demand for revival from earthquake and the like.

##### ③ Demand in tenancy

- Continuance of firm tone of demand for tenancy.
- Increasing number of households and demand for tenancy in highly convenient rental houses and units.
- Diversification of tenants (in terms of their life style and nationality and the like)

Mid-term Plan

Formulating Mid-term Plan through FY ending in March 2021

Plan for FY ending in March 2021

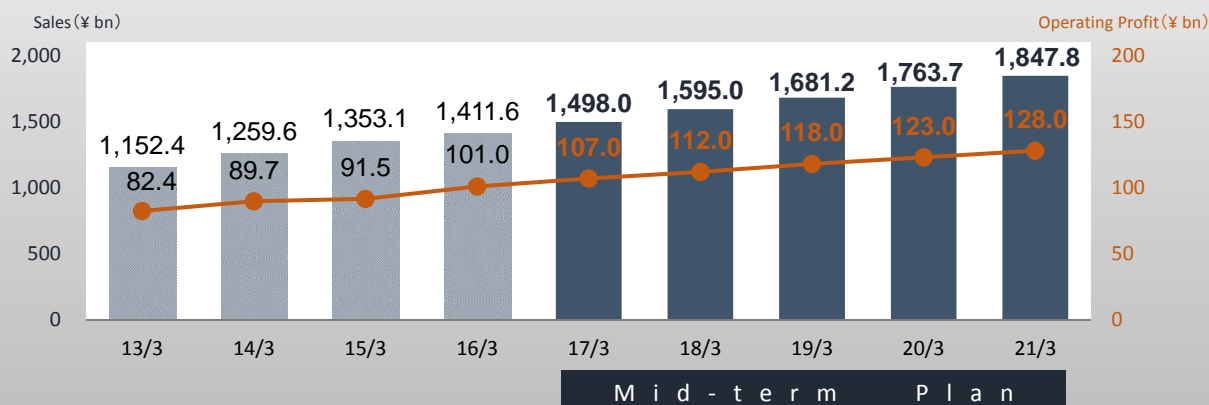
Plan for FY ending March 2021

Sales ¥1,847.8bn

(+30.9% on FY ending in March 2016 annual average growth rate 5.5%)

Operating Profit ¥128.0bn

(+26.7% on FY ending March 2016 annual average growth rate 4.8%)



Mid-term Plan

Shareholders return (EPS/Payout ratio · Gross return)

Shareholders return

Shareholder return policy

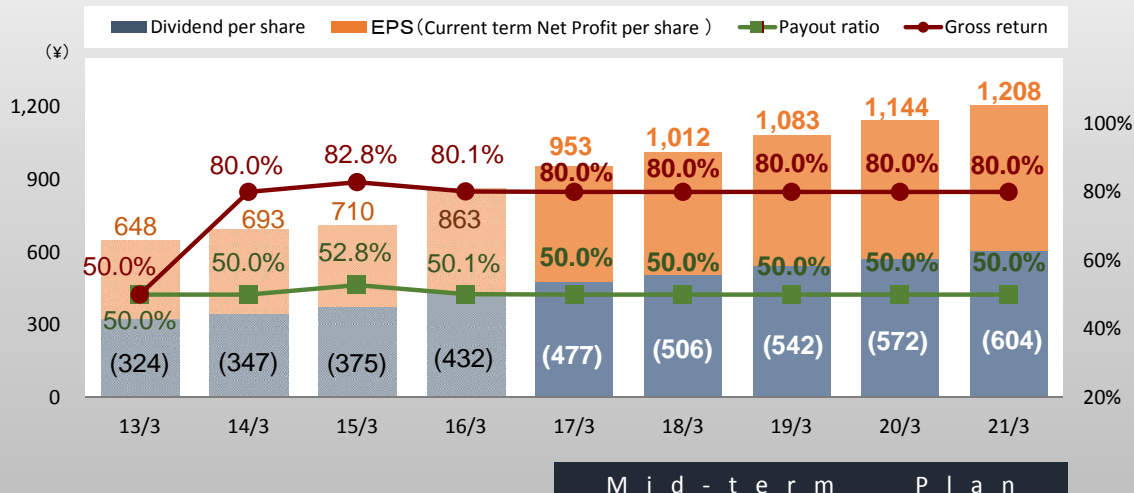
① Payout ratio : 50%

② Acquisition and retirement of treasury share

: Current term Net Profit × 30%

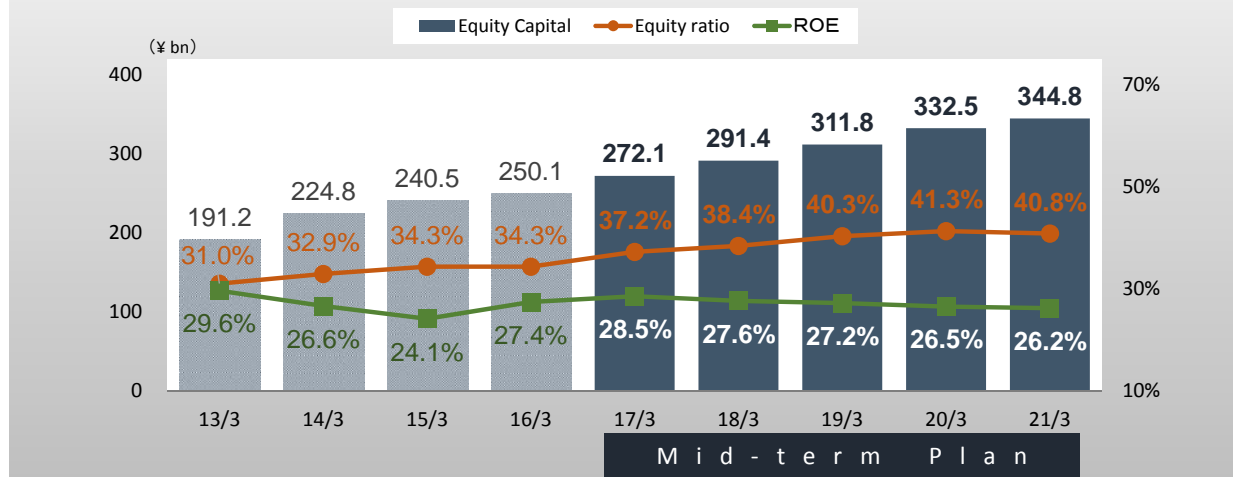
※in case of current net profit over ¥ 10bn and no large cash out demand

Continue  
Gross return  
80%



Financial Index

● Financial Index : Plan to secure ROE over 20%



## V. Appendix materials

Appendix

Non-consolidated profit and loss statement  
<FY ending 2016/3>

(¥ mn)

|                                | FY 2015/3 | FY 2016/3      | Y o Y         | FY 2017/3 (plan) |
|--------------------------------|-----------|----------------|---------------|------------------|
| <b>Sales</b>                   | 608,973   | <b>617,377</b> | <b>+1.4%</b>  | <b>645,600</b>   |
| Construction                   | 589,473   | 595,772        | +1.1%         | 623,000          |
| Real estate & others           | 19,499    | 21,604         | +10.8%        | 22,600           |
| <b>Gross Profit</b>            | 171,499   | <b>177,316</b> | <b>+3.4%</b>  | <b>189,300</b>   |
| Construction                   | 172,283   | 175,564        | +1.9%         | 186,300          |
| Real estate & others           | △783      | 1,752          | —             | 3,000            |
| <b>S &amp; GA Expenses</b>     | 121,353   | <b>123,835</b> | <b>+2.0%</b>  | <b>135,300</b>   |
| <b>Operating Profit</b>        | 50,146    | <b>53,481</b>  | <b>+6.6%</b>  | <b>54,000</b>    |
| <b>Ordinary Profit</b>         | 58,990    | <b>80,646</b>  | <b>+36.7%</b> | <b>71,500</b>    |
| <b>Current term Net Profit</b> | 34,471    | <b>59,811</b>  | <b>+73.5%</b> | <b>52,000</b>    |

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Profit & Loss in major subsidiaries (Construction Business)  
<FY ending 2016/3>

(¥ mn)

|                                | Construction Business |              |               |              |             |              |               |              |
|--------------------------------|-----------------------|--------------|---------------|--------------|-------------|--------------|---------------|--------------|
|                                | Daito Construction    |              |               |              | Daito Steel |              |               |              |
|                                | 2015/3                | 2016/3       | Y on Y        | 2017/3 plan  | 2015/3      | 2016/3       | Y on Y        | 2017/3 plan  |
| <b>Sales</b>                   | 5,393                 | <b>6,589</b> | <b>+22.2%</b> | <b>6,500</b> | 4,793       | <b>4,586</b> | <b>△4.3%</b>  | <b>4,730</b> |
| Gross Profit                   | 67                    | 232          | +244.2%       | 165          | 195         | 267          | +37.0%        | 251          |
| S&GA Expenses                  | 101                   | 92           | △8.2%         | 105          | 71          | 72           | +2.2%         | 74           |
| <b>Operating Profit</b>        | △33                   | <b>139</b>   | —             | <b>60</b>    | 124         | <b>194</b>   | <b>+56.9%</b> | <b>177</b>   |
| <b>Ordinary Profit</b>         | 15                    | <b>201</b>   | —             | <b>120</b>   | 125         | <b>195</b>   | <b>+56.2%</b> | <b>178</b>   |
| <b>Current term Net Profit</b> | 11                    | <b>114</b>   | —             | <b>80</b>    | 81          | <b>128</b>   | <b>+58.2%</b> | <b>115</b>   |

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## Sales structure of real estate business <FY ending 2016/3>

(¥ mn)

|                                       | FY 2014/3      |                 | FY 2015/3      |                 | FY 2016/3      |                 |               |
|---------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|---------------|
|                                       | Amount         | (Ratio)         | Amount         | (Ratio)         | Amount         | (Ratio)         | Y on Y        |
| Lease up of units of rental housing※1 | 621,832        | (91.8%)         | 664,609        | (91.8%)         | <b>709,324</b> | (91.5%)         | <b>+6.7%</b>  |
| Building and repairs※2                | 31,081         | (4.6%)          | 29,695         | (4.1%)          | <b>28,794</b>  | (3.7%)          | <b>Δ3.0%</b>  |
| Brokerage of real estate              | 14,380         | (2.1%)          | 14,622         | (2.0%)          | <b>16,213</b>  | (2.1%)          | <b>+10.9%</b> |
| Rent Guarantee business               | 2,360          | (0.3%)          | 3,688          | (0.5%)          | <b>6,431</b>   | (0.8%)          | <b>+74.3%</b> |
| Leasing Business※3                    | 6,131          | (0.9%)          | 5,887          | (0.8%)          | <b>6,055</b>   | (0.8%)          | <b>+2.9%</b>  |
| Electricity Business                  | 555            | (0.1%)          | 2,301          | (0.3%)          | <b>4,288</b>   | (0.6%)          | <b>+86.3%</b> |
| Others                                | 1,353          | (0.2%)          | 3,010          | (0.4%)          | <b>3,700</b>   | (0.5%)          | <b>+22.9%</b> |
| <b>Total</b>                          | <b>677,696</b> | <b>(100.0%)</b> | <b>723,817</b> | <b>(100.0%)</b> | <b>774,807</b> | <b>(100.0%)</b> | <b>+7.7%</b>  |

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

※2 Building and repairs by Daito Building Management (recorded as sales on construction for completion till FY 2010/3)

※3 Mainly Shinagawa East One Tower

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## Profit & Loss in major subsidiaries (real estate business) <FY2016/3>

(¥ mn)

|                                | Real Estate Business      |                |               |                |          |              |               |              |             |              |                |              |
|--------------------------------|---------------------------|----------------|---------------|----------------|----------|--------------|---------------|--------------|-------------|--------------|----------------|--------------|
|                                | Daito Building Management |                |               |                | Housecom |              |               |              | House Leave |              |                |              |
|                                | 2015/3                    | 2016/3         | Y o Y         | 2017/3 plan    | 2015/3   | 2016/3       | Y on Y        | 2017/3 plan  | 2015/3      | 2016/3       | Y on Y         | 2017/3 plan  |
| <b>Sales</b>                   | 701,157                   | <b>747,268</b> | <b>+6.6%</b>  | <b>794,113</b> | 8,663    | <b>9,306</b> | <b>+7.4%</b>  | <b>9,966</b> | 3,688       | <b>6,431</b> | <b>+74.3%</b>  | <b>9,525</b> |
| Gross Profit                   | 47,271                    | 51,800         | +9.6%         | 738,082        | -        | -            | -             | -            | 3,273       | 5,986        | +82.9%         | 8,835        |
| S&GA Expenses                  | 14,654                    | 17,196         | +17.3%        | 17,931         | 8,123    | <b>8,391</b> | +3.3%         | 8,925        | 514         | <b>754</b>   | +46.6%         | 1,219        |
| <b>Operating Profit</b>        | 32,617                    | <b>34,604</b>  | <b>+6.1%</b>  | <b>38,100</b>  | 539      | <b>808</b>   | <b>+49.8%</b> | <b>854</b>   | 2,758       | <b>5,231</b> | <b>+89.7%</b>  | <b>7,616</b> |
| <b>Ordinary Profit</b>         | 33,383                    | <b>35,526</b>  | <b>+6.4%</b>  | <b>41,686</b>  | 901      | <b>1,078</b> | <b>+19.7%</b> | <b>1,096</b> | 2,773       | <b>5,248</b> | <b>+89.3%</b>  | <b>7,628</b> |
| <b>Current Term Net Profit</b> | 19,595                    | <b>22,400</b>  | <b>+14.3%</b> | <b>29,196</b>  | 476      | <b>630</b>   | <b>+33.1%</b> | <b>665</b>   | 1,572       | <b>3,330</b> | <b>+111.8%</b> | <b>5,068</b> |

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Profit & Loss in major subsidiaries (other business-1)  
<FY2016/3>

(¥ mn)

|                         | Other Businesses (Financial Business) |              |               |              |        |              |               |              |
|-------------------------|---------------------------------------|--------------|---------------|--------------|--------|--------------|---------------|--------------|
|                         | Daito Finance                         |              |               |              | D.T.C  |              |               |              |
|                         | 2015/3                                | 2016/3       | Y on Y        | 2017/3 plan  | 2015/3 | 2016/3       | Y o Y         | 2017/3 plan  |
| Sales                   | 1,071                                 | <b>1,344</b> | <b>+25.5%</b> | <b>1,336</b> | 3,662  | <b>3,343</b> | <b>△8.7%</b>  | <b>3,183</b> |
| Gross Profit            | 637                                   | 992          | +55.6%        | 1,029        | 1,568  | 1,275        | △18.7%        | 1,270        |
| S&GA Expenses           | 115                                   | 131          | +13.6%        | 171          | 14     | 15           | +8.0%         | 16           |
| Operating Profit        | 522                                   | <b>861</b>   | <b>+64.9%</b> | <b>858</b>   | 1,553  | <b>1,259</b> | <b>△19.0%</b> | <b>1,254</b> |
| Ordinary Profit         | 524                                   | <b>859</b>   | <b>+64.0%</b> | <b>858</b>   | 1,563  | <b>1,268</b> | <b>△18.9%</b> | <b>1,261</b> |
| Current term Net Profit | 329                                   | <b>573</b>   | <b>+74.3%</b> | <b>587</b>   | 1,563  | <b>1,268</b> | <b>△18.9%</b> | <b>1,261</b> |

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Profit & Loss in major subsidiaries (other business-2)  
<FY2016/3>

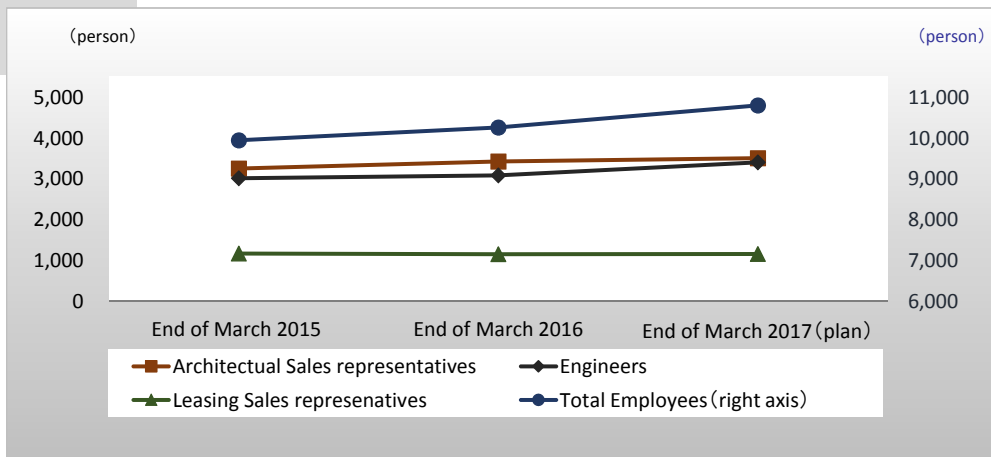
(¥ mn)

|                         | Other Business (Care Business・Gas Supply Business・Foreign Business) |              |               |               |        |               |               |               |                  |               |               |              |
|-------------------------|---|--------------|---------------|---------------|--------|---------------|---------------|---------------|------------------|---------------|---------------|--------------|
|                         | Care Partner  |              |               |               | Gaspal |               |               |               | D.A.D (Malaysia) |               |               |              |
|                         | 2015/3  | 2016/3       | Y o Y         | 2017/3 plan   | 2015/3 | 2016/3        | Y o Y         | 2017/3 Plan   | 2015/3           | 2016/3        | Y o Y         | 2017/3 plan  |
| Sales                   | 9,276   | <b>9,716</b> | <b>+4.7%</b>  | <b>11,100</b> | 25,533 | <b>25,418</b> | <b>△0.5%</b>  | <b>23,784</b> | 3,022            | <b>2,555</b>  | <b>△15.5%</b> | <b>2,770</b> |
| Gross Profit            | 1,312   | 988          | △24.7%        | 1,095         | 8,259  | 8,984         | +8.8%         | 13,971        | 1,613            | 1,183         | △26.6%        | 1,174        |
| S&GA Expenses           | 760   | 805          | +5.9%         | 892           | 4,849  | 5,448         | +12.3%        | 6,095         | 1,051            | 930           | △11.5%        | 996          |
| Operational Profit      | 552   | <b>182</b>   | <b>△66.9%</b> | <b>203</b>    | 3,410  | <b>3,535</b>  | <b>+3.7%</b>  | <b>3,718</b>  | 561              | <b>253</b>    | <b>△53.6%</b> | <b>178</b>   |
| Ordinal Profit          | 556   | <b>192</b>   | <b>△65.4%</b> | <b>203</b>    | 3,452  | <b>3,561</b>  | <b>+3.2%</b>  | <b>3,567</b>  | 112              | <b>△1,085</b> | —             | 109          |
| Current term Net Profit | 310   | <b>125</b>   | <b>△59.4%</b> | <b>124</b>    | 1,575  | <b>2,426</b>  | <b>+54.0%</b> | <b>2,432</b>  | 122              | <b>△1,152</b> | —             | 80           |

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## Transition of number of employees by each kind of occupations (Non-consolidated)



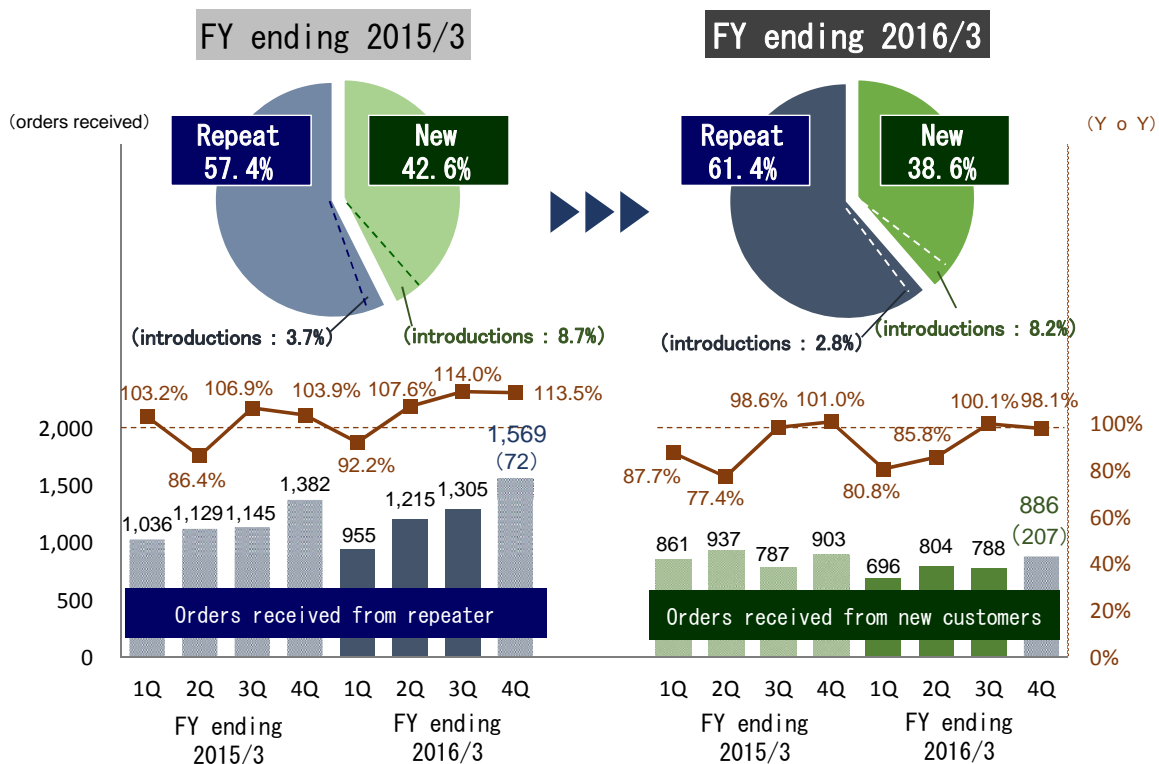
|  | End of March 2015 | End of March 2016 | (Y o Y)     | End of March 2017 (plan) |
|--|-------------------|-------------------|-------------|--------------------------|
| <b>Total Employees</b>                     | 9,419             | <b>10,256</b>     | <b>+316</b> | 10,800                   |
| <b>Architectural Sales representatives</b> | 3,247             | <b>3,420</b>      | <b>+173</b> | 3,500                    |
| <b>Engineers</b>                           | 3,010             | <b>3,080</b>      | <b>+70</b>  | 3,400                    |
| <b>Leasing Sales representatives</b>       | 1,162             | <b>1,145</b>      | <b>△17</b>  | 1,150                    |

※On and from July 1st 2015, Tenant Sales changed its name into "Leasing Sales"

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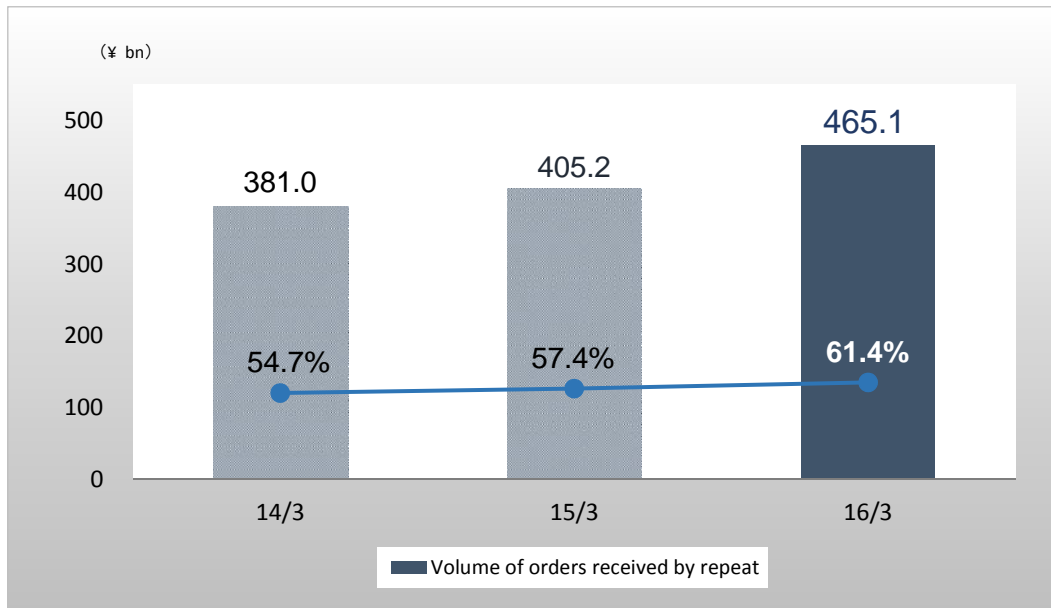
## The number of orders received & channels (comparison with previous FY)



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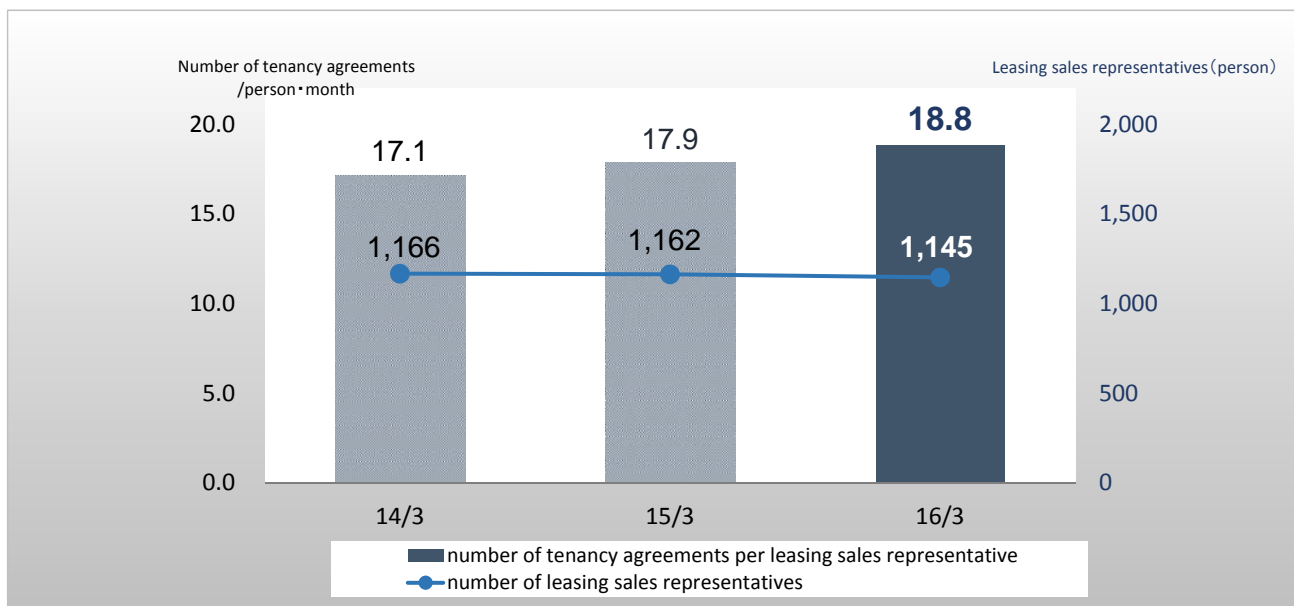
50

## Transition of orders received by repeater



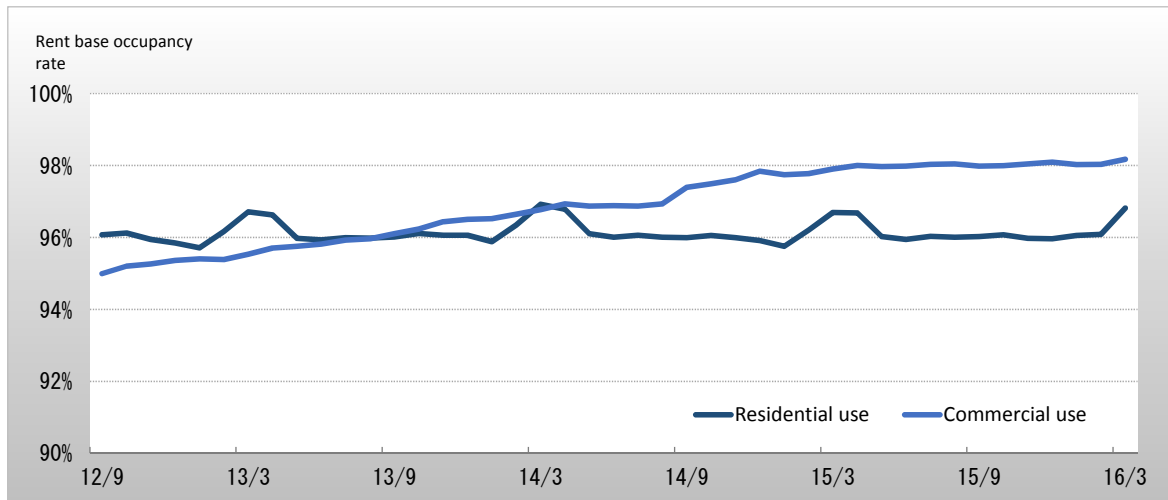
※Composition ratio of repeat=Number of orders received by repeat from existing customers/Total number of orders received

## Transition of the number of tenancy agreements per leasing sales representative



※ On and from July 1st 2015, Tenant Sales changed its name into "Leasing Sales"

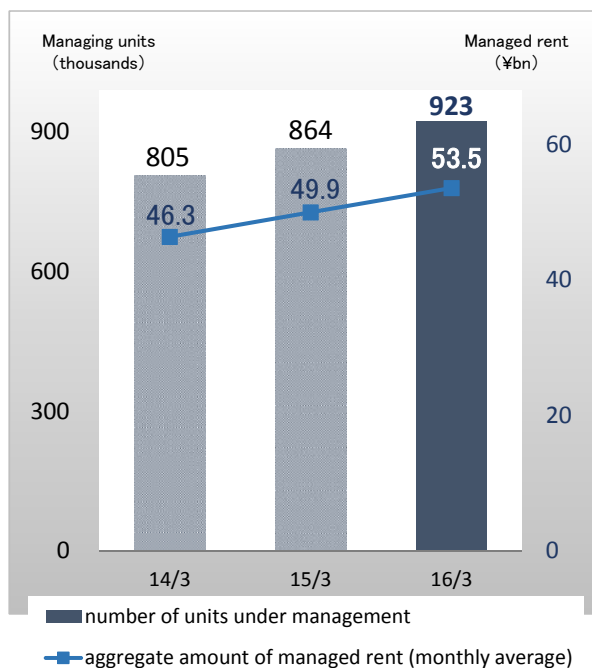
## Transition of occupancy rate (rent base)



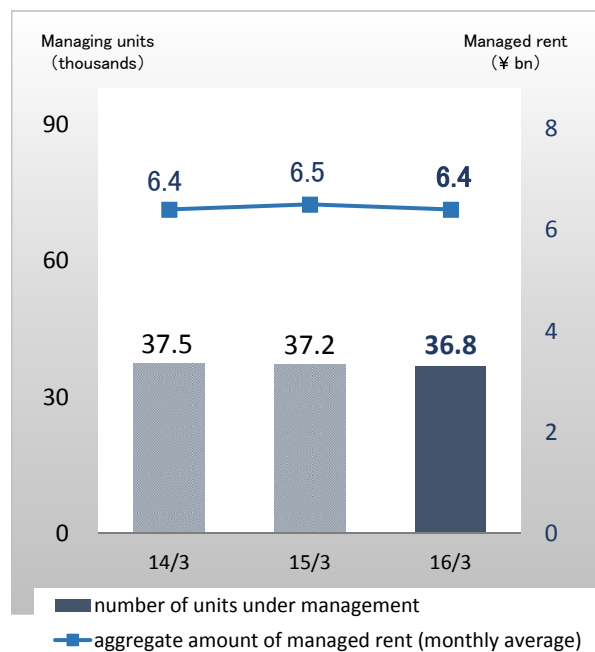
| Rent base occupancy rate | 12/3  | 13/3  | 14/3  | 15/3  | 16/3  | Y o Y |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Residential use(%)       | 96.8% | 96.7% | 96.9% | 96.7% | 96.8% | +0.1p |
| Commercial use(%)        | 94.1% | 95.5% | 96.8% | 97.9% | 98.2% | +0.3p |

## Transition of the number of units under management & aggregate amount of managed rent

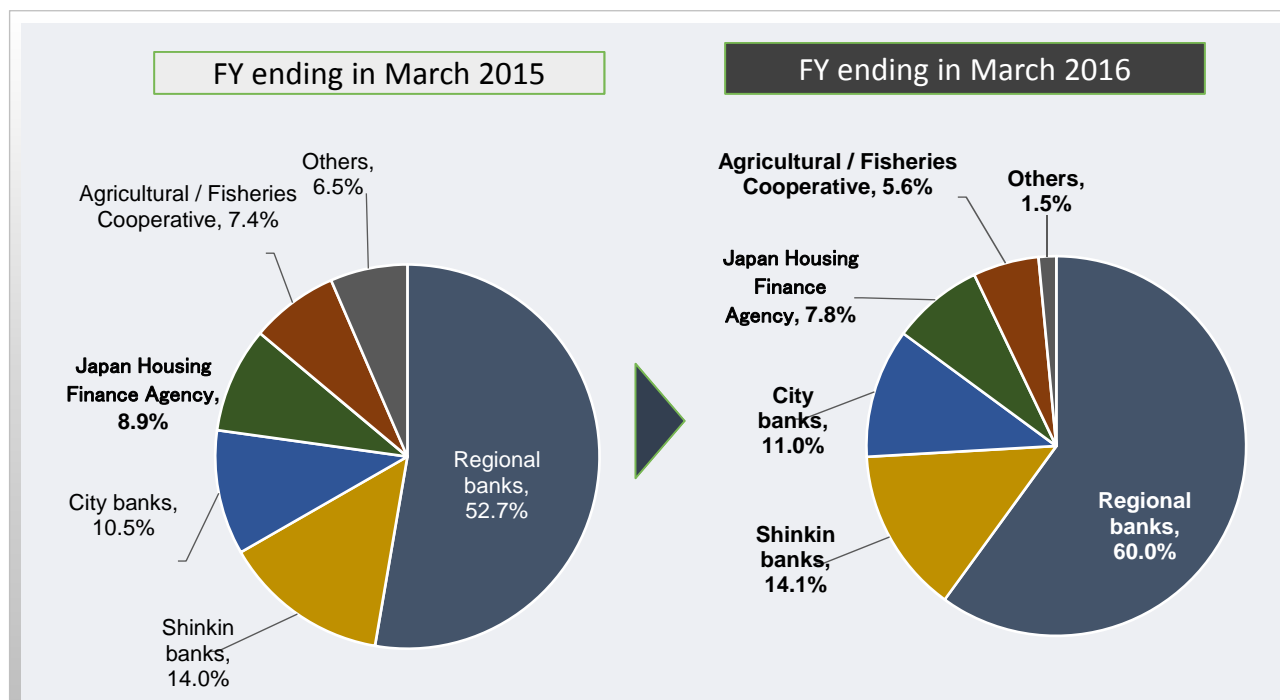
### Residential use



### Commercial use



## Shares of financial institutions financing construction cost (construction start basis)



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