



# DAITO TRUST CONSTRUCTION CO., LTD.

## Report on Settlement of 3Q of FY ending in March 31, 2017

3Q Financial Highlights, Year ending in March 31, 2017

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

### Contents

I. Result in 3Q of FY ending in March 2017 . . .	3
II. Key Figures . . . . .	13
III. Financial Forecast . . . . .	21
IV. Topics . . . . .	26
V. Appendix . . . . .	31

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

## I . Result in 3Q of FY ending in March 2017

PL

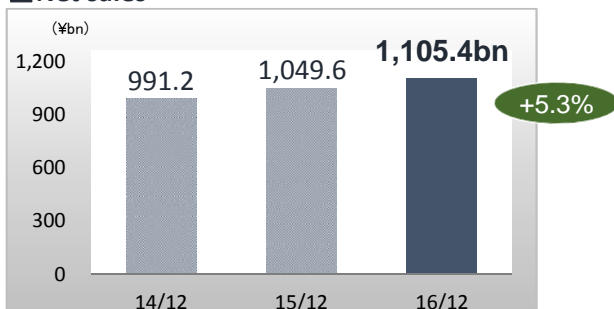
Consolidated  
PL

### Profit & Loss Highlights

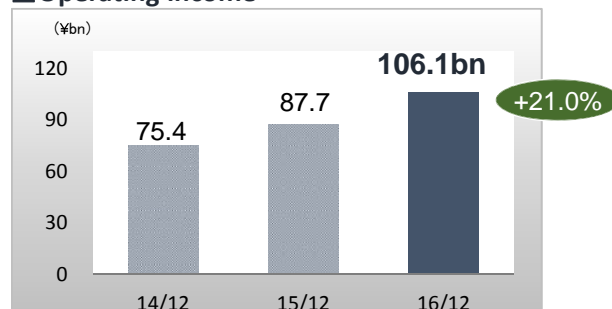
**Sales and profits recorded a new high.**

● : YoY

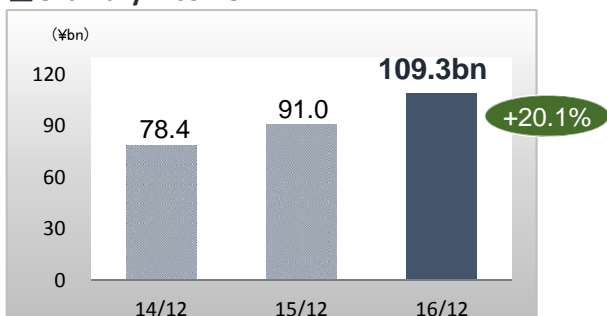
#### ■ Net sales



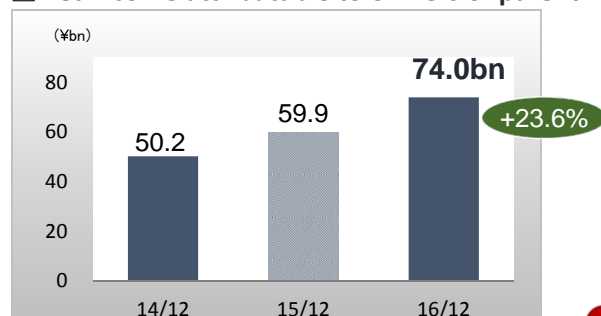
#### ■ Operating income



#### ■ Ordinary income



#### ■ Net income attributable to owners of parent



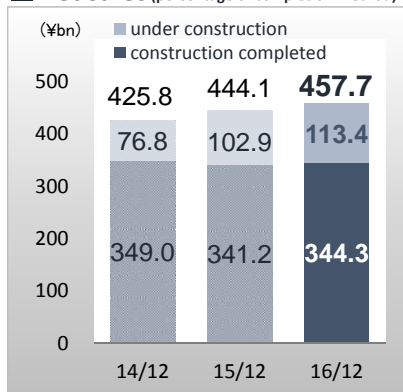
# PL

## Construction Segment ①

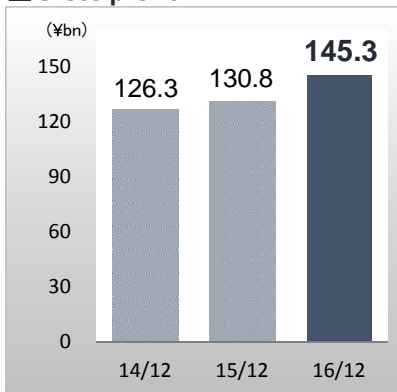
# Profit & Loss of Construction business

	2015/12	2016/12	(YoY)
Net sales	444.1	457.7	(+3.0%)
Gross profit	130.8	145.3	(+11.2%)
Operating income	68.7	82.2	(+19.6%)

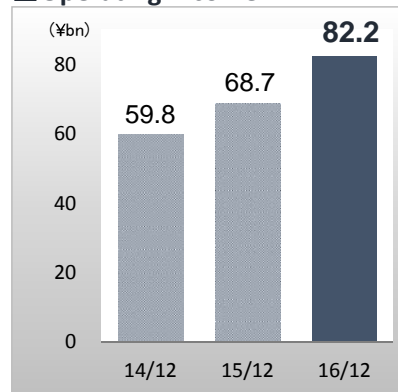
### Net sales (percentage of completion method)



### Gross profit



### Operating income



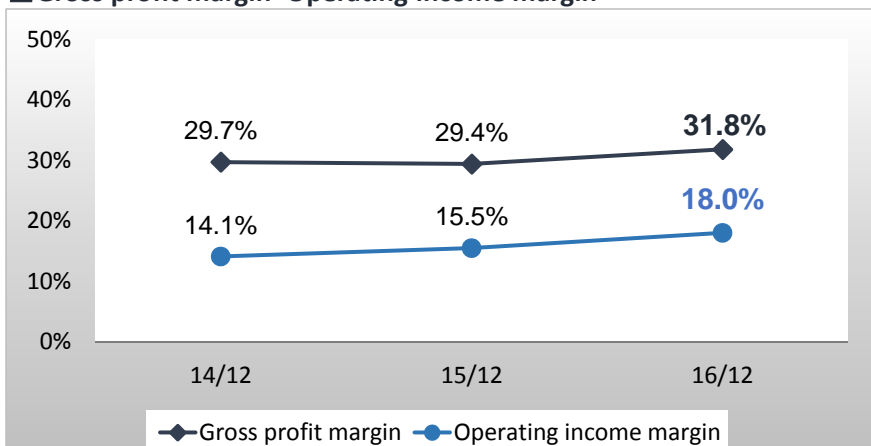
# PL

## Construction Segment ②

# Profit & Loss of Construction business

	2015/12	2016/12	(YoY)
Gross profit margin	29.4%	31.8%	(+2.4p)
Operating income margin	15.5%	18.0%	(+2.5p)

### Gross profit margin • Operating income margin



Major breakdown of the variance from previous FY (+2.4p)

- ①Effective from raise of price +1.0p
- ②Labor cost +1.1p
- ③Material cost +0.2p
- ④Foreign exchange +0.1p

# PL

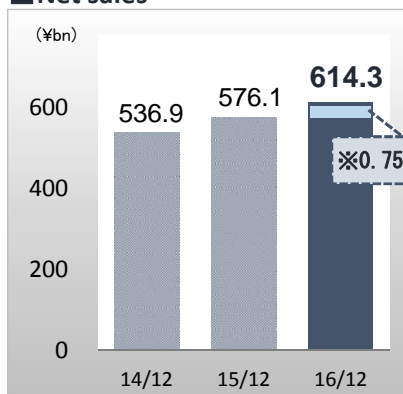
## Real Estate Segment ①

# Profit & Loss of Real Estate business

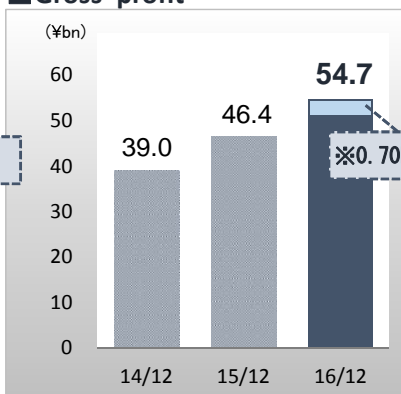
(¥bn)

	2015/12	2016/12	(YoY)
Net Sales	576.1	614.3	(+6.6%)
Gross profit	46.4	54.7	(+17.8%)
Operating income	19.7	26.7	(+35.3%)

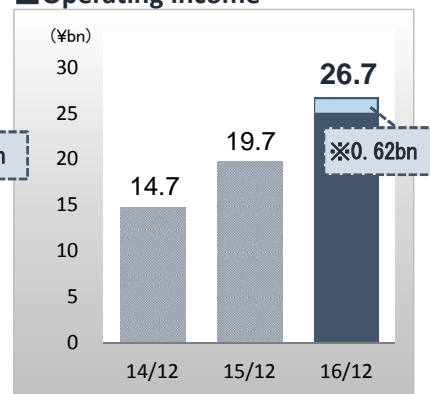
### Net sales



### Gross profit



### Operating income



※ Increase due to the change of accounting period of House Leave Co., Ltd. (from Feb. to Mar.)

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

7

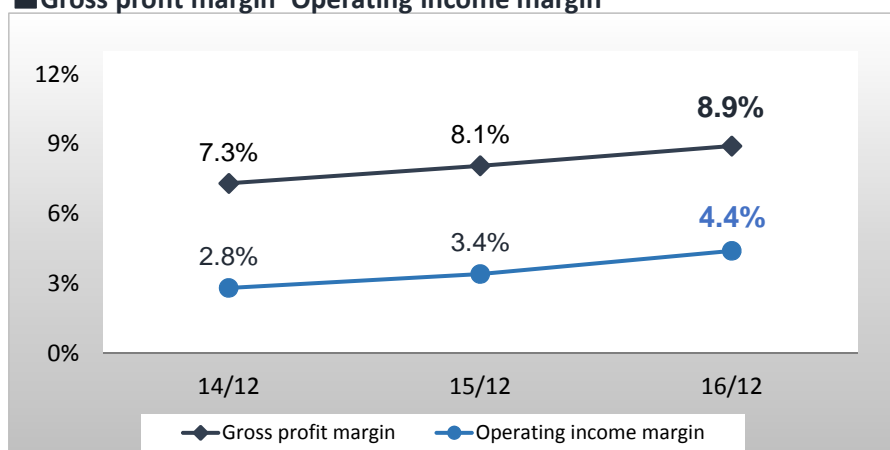
# PL

## Real Estate Segment ②

# Profit & Loss of Real Estate business

	2015/12	2016/12	(YoY)
Gross profit margin	8.1%	8.9%	(+0.8p)
Operating income margin	3.4%	4.4%	(+1.0p)

### Gross profit margin \* Operating income margin



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

8

# PL

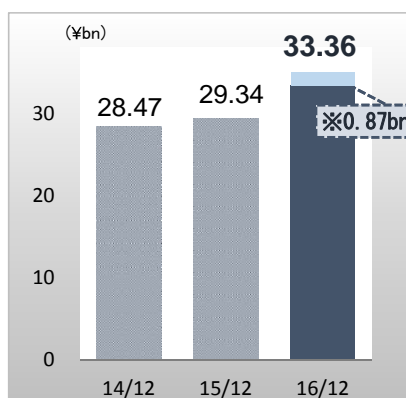
## Other Segments

# Profit & Loss of Other businesses

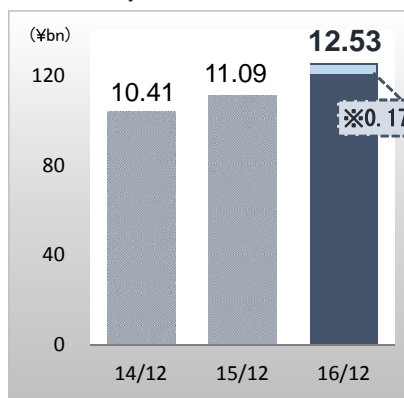
(¥bn)

	2015/12	2016/12	(YoY)
Net sales	29.34	33.36	(+13.7%)
Gross profit	11.09	12.53	(+13.0%)
Operating income	6.22	6.54	(+5.0%)

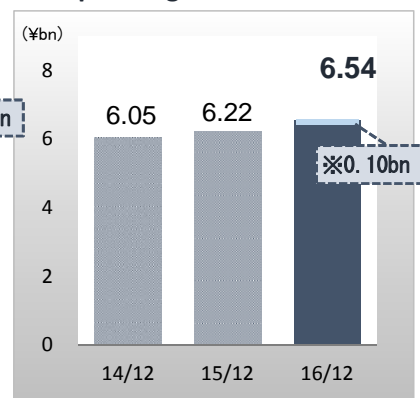
### Net sales



### Gross profit



### Operating income



※ Increase due to the change of accounting period of Care Partner Co., Ltd. (from Feb. to Mar.)

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

9

# PL

## SG&A Expenses

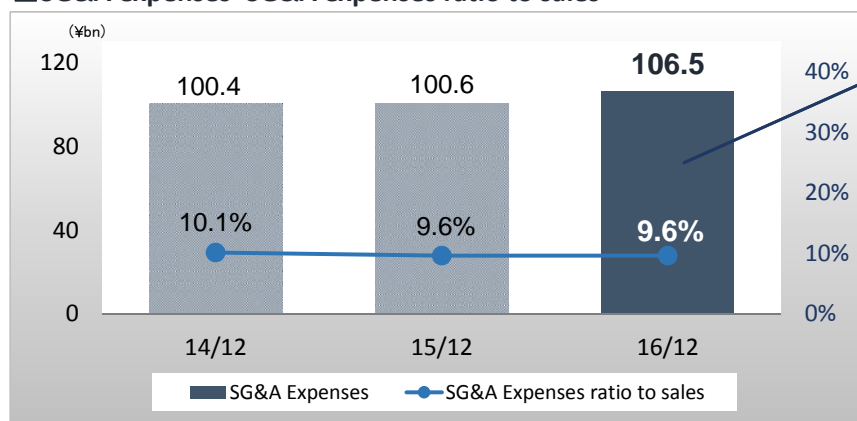
# Transition of Selling, General and Administrative Expenses

(¥bn)

	2015/12	2016/12	(YoY)
SG&A expenses	100.6	106.5	(+5.8%)
SG&A expenses ratio to sales	9.6%	9.6%	[±0.0p]

### SG&A expenses • SG&A expenses ratio to sales

[ ] : Difference from same period in previous year



**Major breakdown of the variance from previous FY (+¥5.9bn)**

- ① Labor cost +¥3.2bn
- ② Advertising & General Publicity expenses +¥0.7bn
- ③ Other expenses +¥2.0bn

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

10

# Financial Review

## Consolidated BS

## Consolidated Balance Sheet

(¥bn)

2015/12

2016/3

2016/12

Current Asset	429.7	Current Liability	218.6	Current Asset	479.6 (+49.9)	Current Liability	281.8 (+63.2)	Current Asset	433.8 (△45.8)	Current Liability	234.3 (△47.5)
		Fixed Liability	196.1			Fixed Liability	198.1 (+2.0)			Fixed Liability	191.1 (△6.9)
Fixed Asset	237.9	Total Liability	414.7	Fixed Asset	248.9 (+11.0)	Total Liability	480.0 (+65.3)	Fixed Asset	260.8 (+11.9)	Total Liability	425.5 (△54.4)
		Net Asset	253.0			Net Asset	248.5 (△4.5)			Net Asset	269.1 (+20.6)
Total	667.7	Total	667.7	Total	728.5 (+60.8)	Total	728.5 (+60.8)	Total	694.6 (△33.9)	Total	694.6 (△33.8)

Equity ratio	38.2%	Equity ratio	34.3%	Equity ratio	38.9%
BPS	¥3,278.38	BPS	¥3,243.97	BPS	¥3,536.81
EPS	¥766.80	EPS	¥863.11	EPS	¥964.93

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

11

# Financial Review

## Consolidated CF

## Cash Flows Highlights

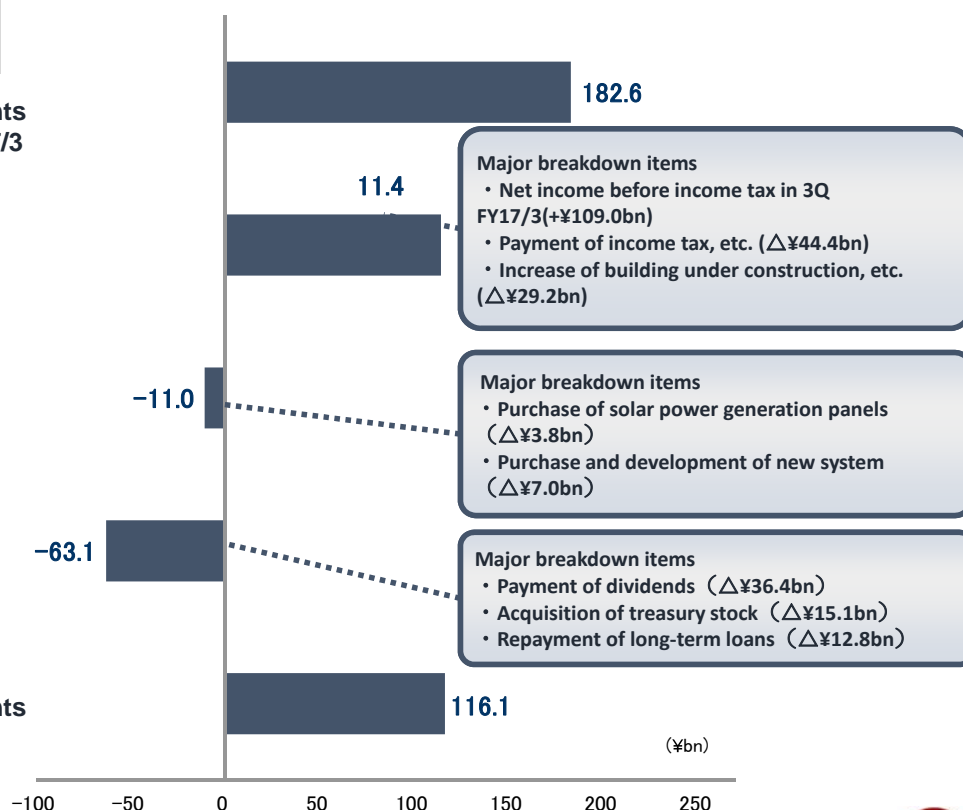
Cash and cash equivalents at the beginning of FY17/3

Cash flows from operating activities

Cash flows from investing activities

Cash flows from financing activities

Cash and cash equivalents at the end of FY17/3 3Q



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

12

## II. Key Figures

13

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

### Orders received

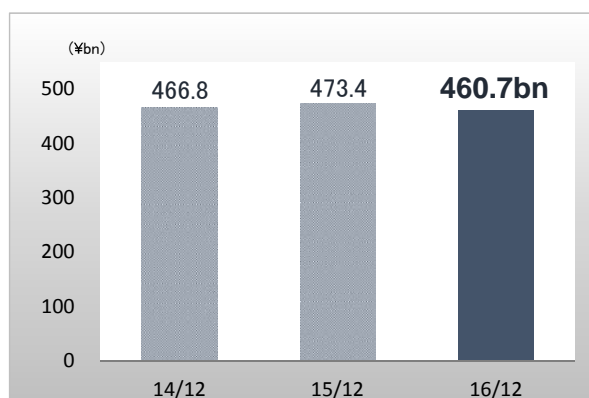
Orders received and Orders in hand

Transition of Orders received and Orders in hand (Year on Year)

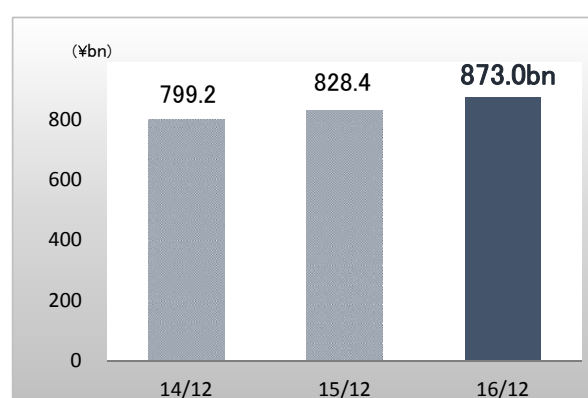
◆ Orders received      ¥460.7bn ( $\Delta 2.7\%$  YoY)

◆ Orders in hand      ¥873.0bn (+ 5.4% YoY)

Orders received



Orders in hand



14

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

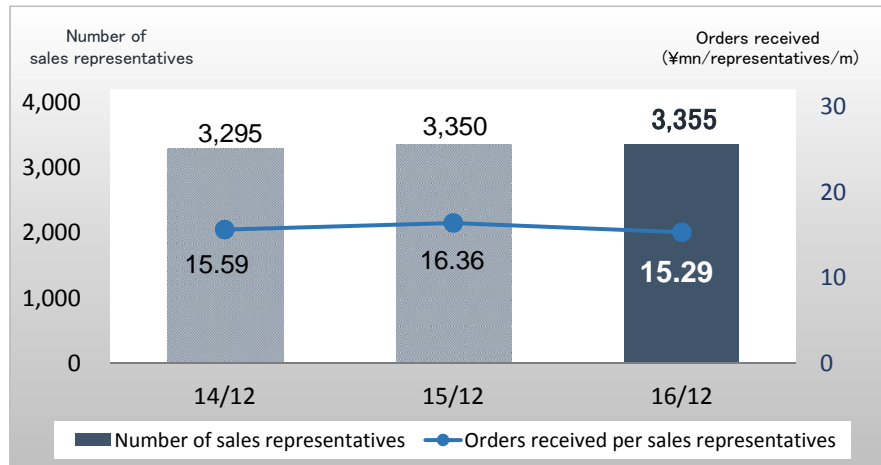
## Orders received

Efficiency in Receiving orders

Transition of number of sales representatives and Orders received per sales representatives

◆Number of sales representatives <at the end of Dec.> 3,355 (+ 5 YoY)

◆Orders received per sales representatives ¥15.29mn /m (Δ ¥1.07mn YoY)



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

15

## Orders received

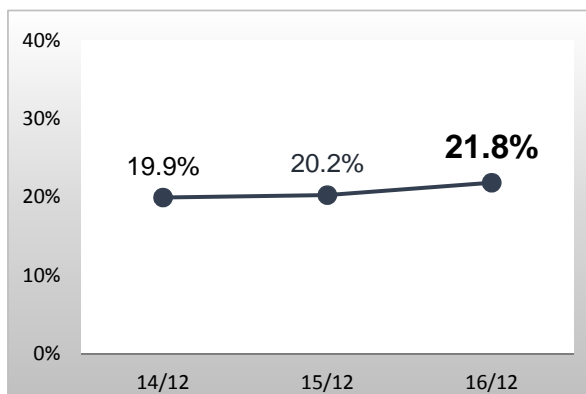
Index ①

Transition of Mid-rise ratio and Rebuilding ratio

◆Mid-rise ratio 21.8% (+1.6p YoY)

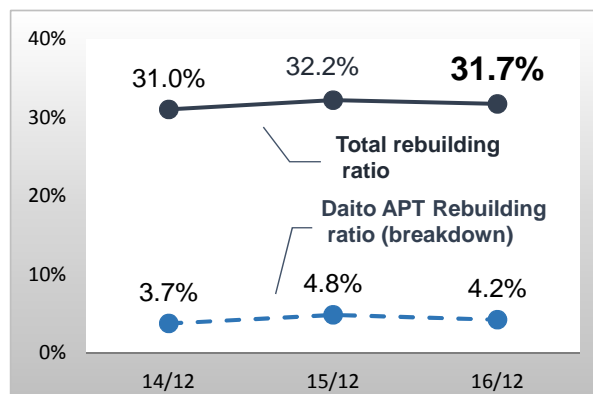
◆Rebuilding ratio 31.7% (Δ0.5p YoY)

Mid-rise ratio※1



※1 Mid-rise ratio = Orders received for APT of 3 stories or more / Total orders received

Rebuilding ratio※2



※2 Rebuilding ratio = Orders received for rebuilding / Total orders received

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

16

## Orders received

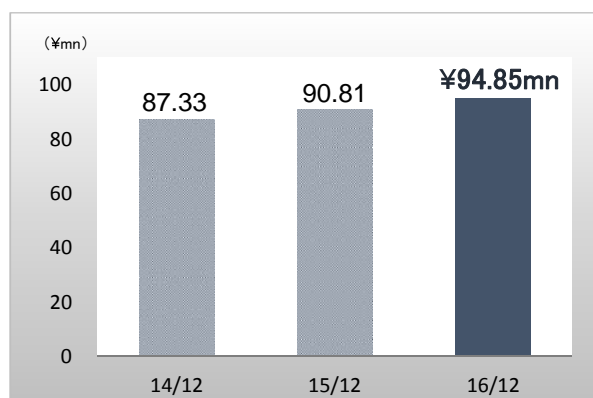
Index ②

## Transition of Average price of Orders received and Cancellation ratio (Year on Year)

◆Average unit price of order received ¥ 94.85mn (+¥4.04mn YoY)

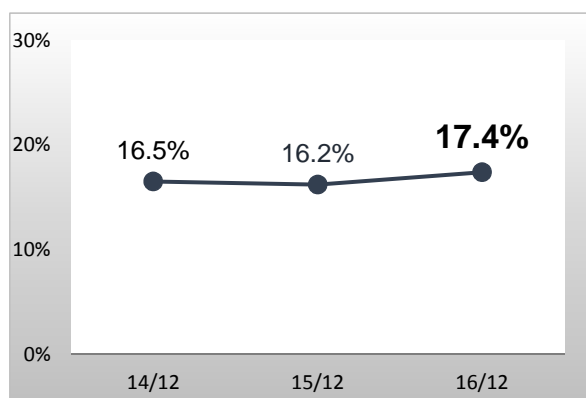
◆Cancellation ratio 17.4% (+1.2p YoY)

Average unit price of order received※1



※1 Average unit price of order received =  
Amount of new orders received / number of orders received

Cancellation ratio※2



※2 Cancellation ratio = amount of cancellation / amount of new order  
Order received =  
amount of new order received - amount of cancellation

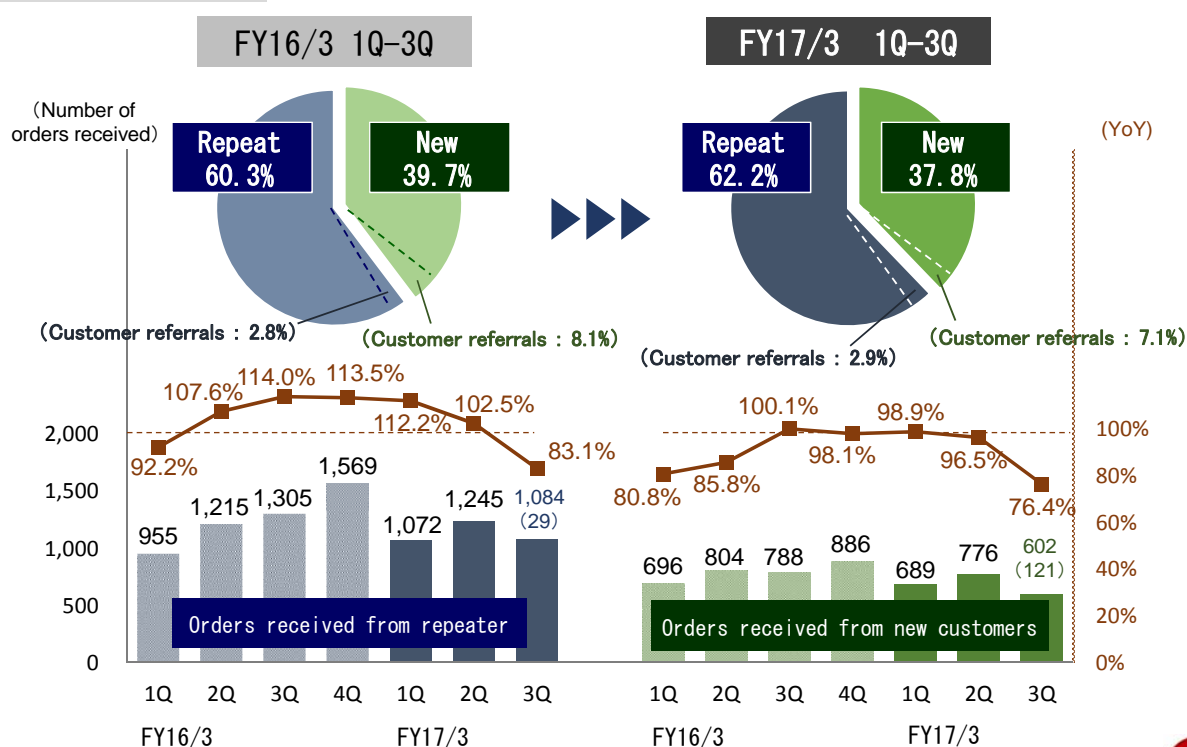
Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

17

## Orders received

Index ③

## Number of Orders received & channels (Year on Year)



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

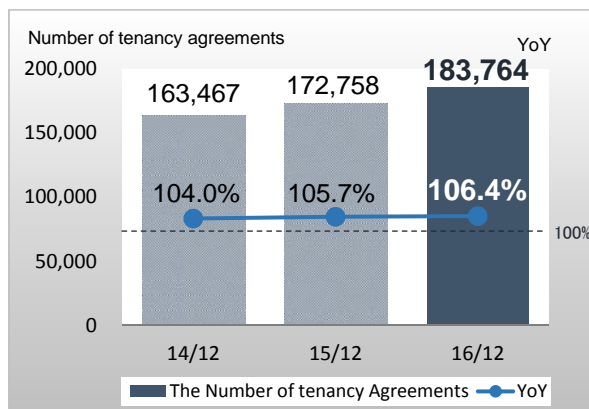
18

◆ The number of tenancy agreements 185,843 (+ 6.2% YoY)

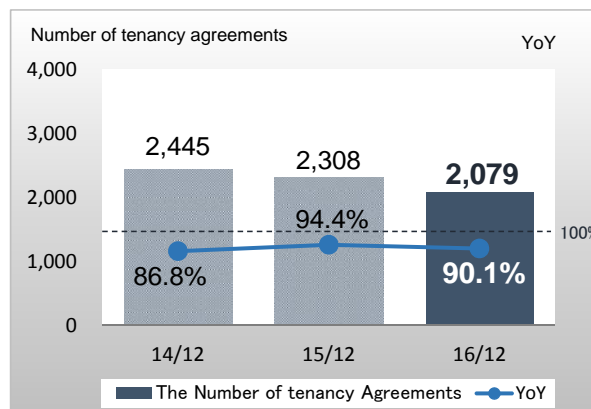
● Residential use 183,764 (+ 6.4% YoY)

● Commercial use 2,079 (Δ9.9% YoY)

Residential use



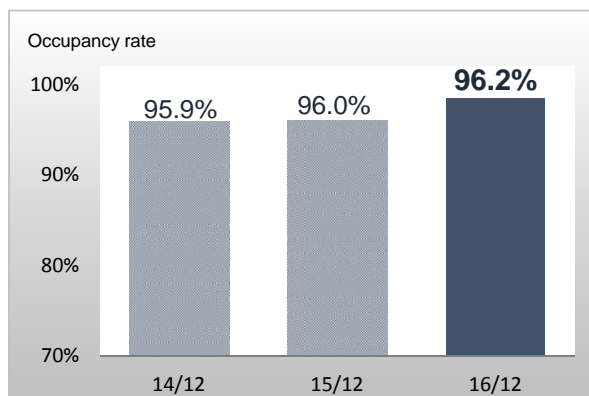
Commercial use



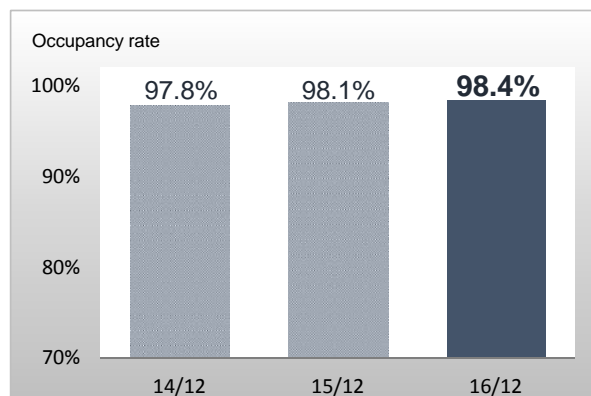
◆ Residential use 96.2% (+0.2p YoY)

◆ Commercial use 98.4% (+0.3p YoY)

Residential use



Commercial use



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

## Ⅲ. Financial Forecast

21

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

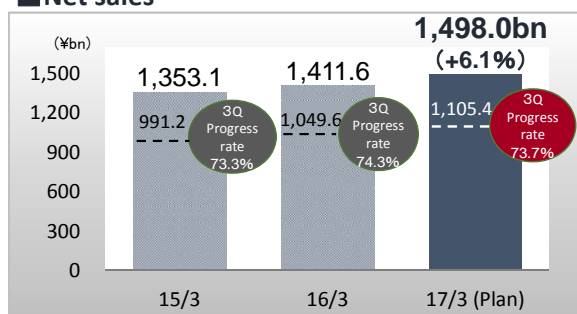
### Financial Forecast

#### Consolidated PL

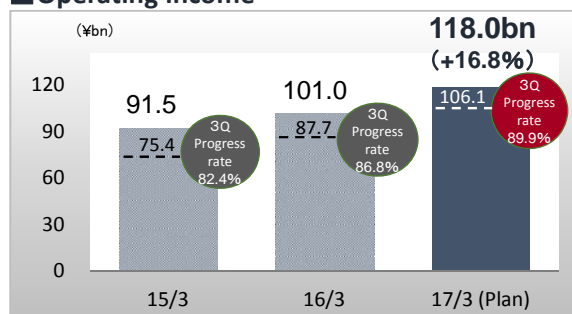
### Forecast of Profit & Loss

( ) : YoY

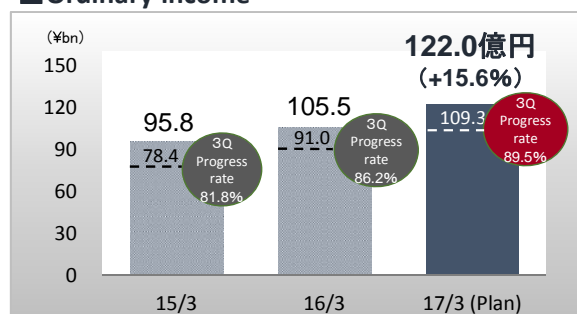
#### ■ Net sales



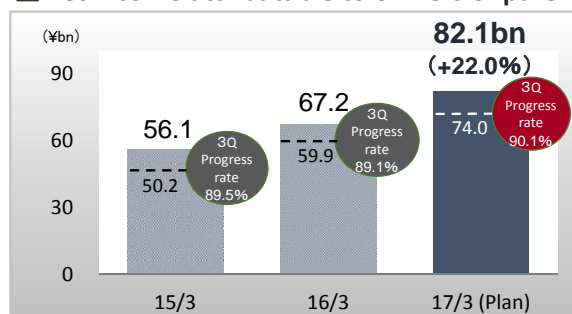
#### ■ Operating income



#### ■ Ordinary income



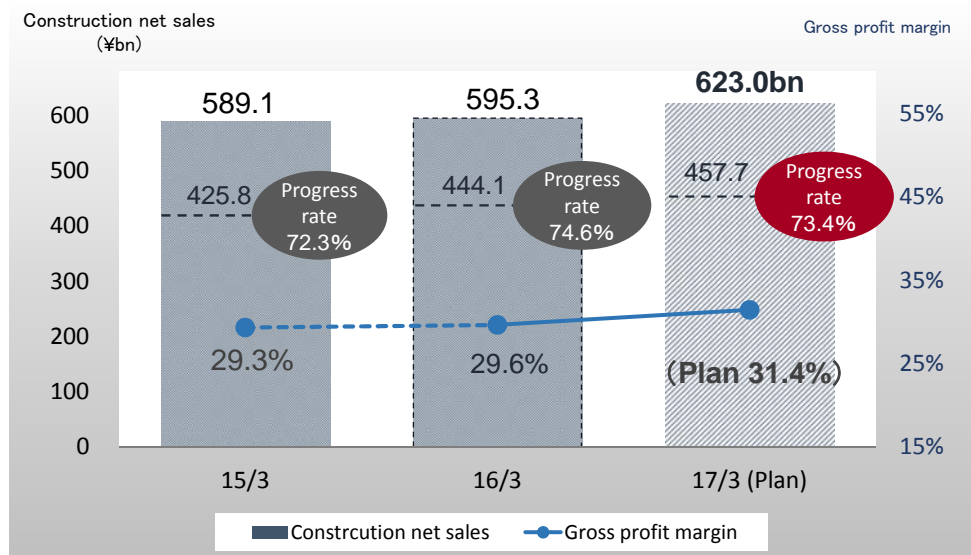
#### ■ Net income attributable to owners of parent



22

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

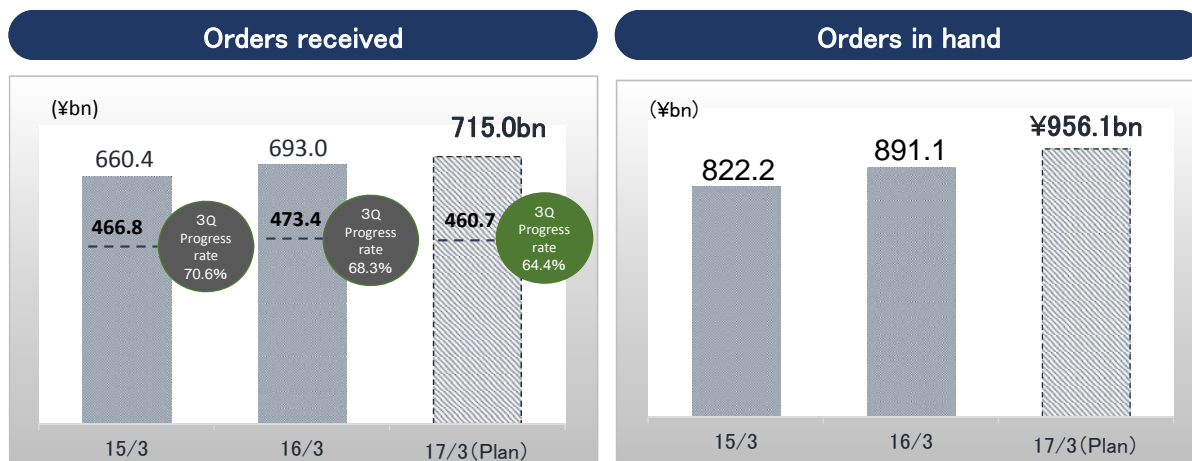
## ◆ Plan of construction net sales &lt;FY17/3&gt; ¥623.0bn (+ 4.6% YoY)



## ◆ Plan of Orders received and Orders in hand

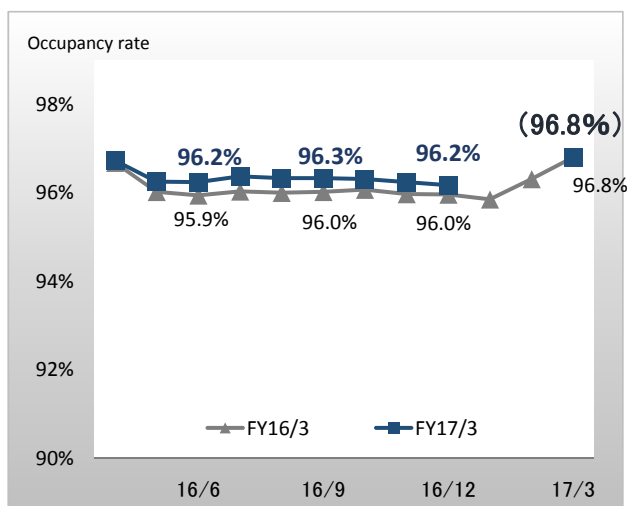
● Orders received &lt;FY17/3&gt; 715.0bn (+ 3.2% YoY)

● Orders in hand &lt;at the end of FY17/3&gt; 956.1bn (+ 7.3% YoY)



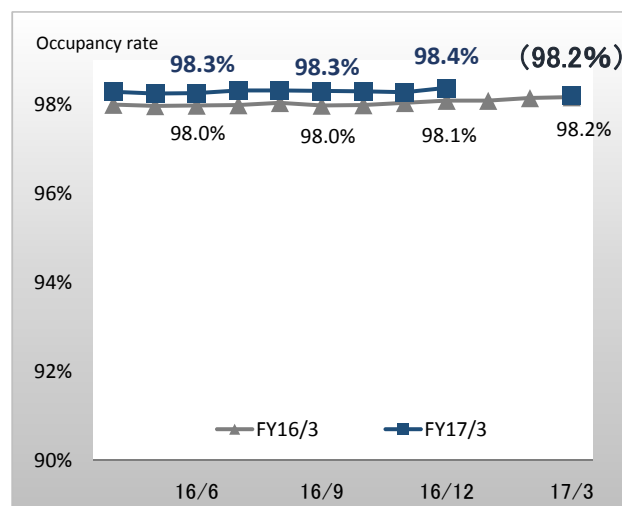
Occupancy rate of  
residential unit

FY17/3 Plan **96.8%**



Occupancy rate of  
commercial unit

FY17/3 Plan **98.2%**



## IV. Topics

## Topics

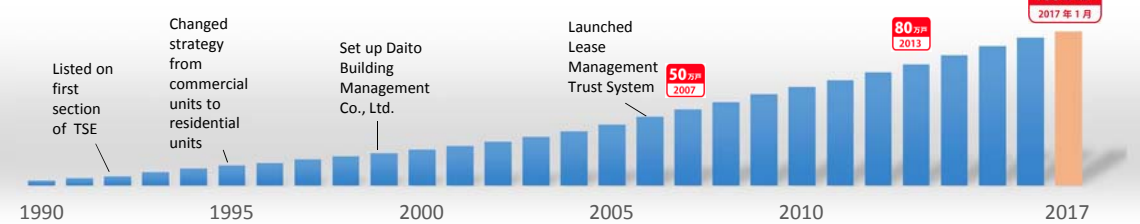
## Number of units managed by Daito Group

### Number of units managed

おかげさまで  
100  
万戸

Thanks to our honorable customers, the number of units under management has exceeded 1 million. (Jan. 1, 2017)

《Development of Daito Group and number of units under management》



《Sales campaign offering installment of popular options for free》  
(up to Feb. 28 First-come, first-served)

大東建託の賃貸住宅ブランド  
**DK SELECT 人気の3つのオプション**

- 暮らしをイロドル**  
※100%のオプション  
▲タタゴコロアイテム  
設備グレードアップオプション
- 入居者様満足度につながる**  
▼オートロックドア  
▼EBOX  
セキュリティもしくは宅配BOXオプション
- 入居者様の欲しい設備NO.1**  
DK SELECT ネットサービス

【Examples of applied series】



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

27

## Topics

## Sponsoring National team of football

### Branding Activity

“Supporting Company” contract with Japan Football Association

■ Composite logo

Period of contract

Nov. 2016 - Dec. 2022  
(approx. 6 years)



Supporting categories

- SAMURAI BLUE (National team)
- Nadeshiko Japan (Women's national team)
- U-23 National team
- U-20 National team
- U-17 National team
- Futsal National team
- Beach Soccer National team

Examples of Daito's exposure

■ Signboards

(behind the goal)



■ Ad on Big Screen



■ Display of logo in the press conference room



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

28

## New TV ad now on air in whole nation with high reputation

### New TV ad “E-Heya Net” Check the mysterious lyrics !



Following previous version, it features Ms.Hinako Sakurai. And new character , Mr.Fuku Suzuki and Hachiro Ika, also appears.

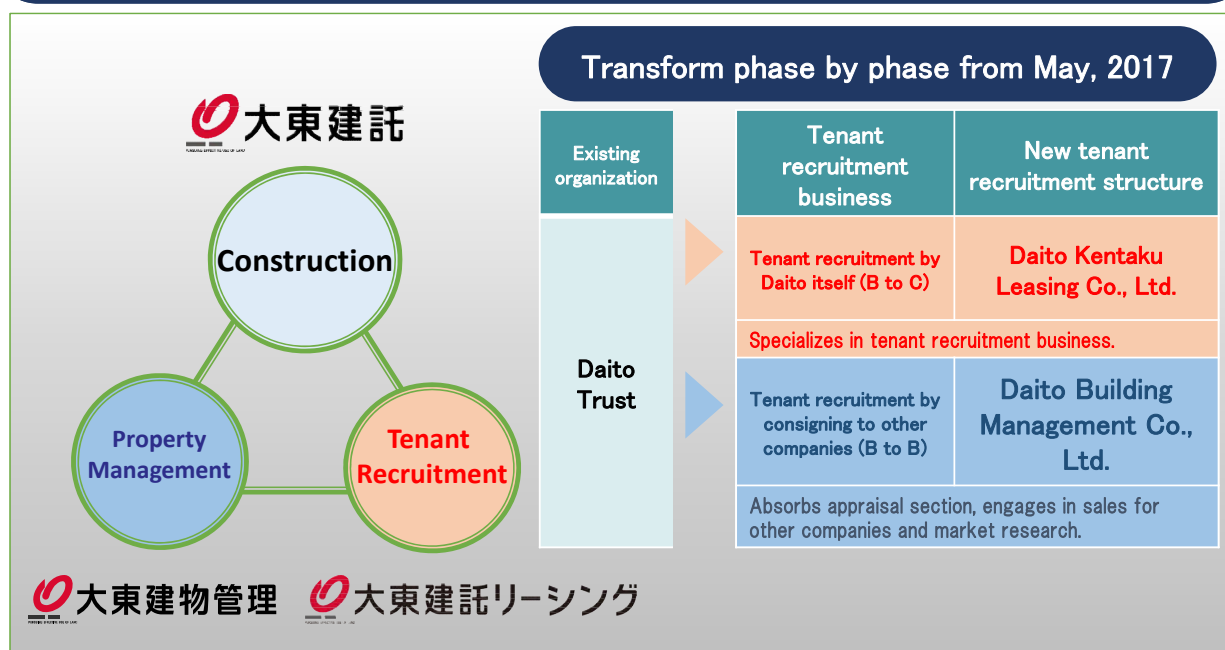
### New TV ad “DK SELECT” “Select rental house by brand”



“DK PLANET” series  
offers “Evolution of life”  
and “Evolution of house”.

## Set up Daito Kentaku Leasing Co., Ltd. which specializes in tenant recruitment

※ Announced on October 3, 2016



## V. Appendix

### Forecast of Profit & Loss (Non-consolidated) <FY17/3>

(Unit:¥mn)

	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
<b>Net sales</b>	459,459	<b>473,535</b>	<b>+3.1%</b>	<b>645,600</b>
Construction business	444,328	457,750	+3.0%	623,000
Real Estate business	15,131	15,784	+4.3%	22,600
<b>Gross profit</b>	130,932	<b>146,287</b>	<b>+11.7%</b>	<b>198,200</b>
Construction business	130,120	144,337	+10.9%	195,200
Real Estate business	812	1,950	+140.2%	3,000
<b>SG&amp;A expenses</b>	80,928	<b>83,732</b>	<b>+3.5%</b>	<b>134,100</b>
<b>Operating income</b>	50,004	<b>62,555</b>	<b>+25.1%</b>	<b>64,100</b>
<b>Ordinary income</b>	74,984	<b>78,062</b>	<b>+4.1%</b>	<b>81,600</b>
<b>Net income</b>	56,321	<b>56,751</b>	<b>+0.8%</b>	<b>58,700</b>

## Forecast of major subsidiaries (Construction) <FY17/3>

(Unit:¥mn)

	Construction business							
	Daito Construction				Daito Steel			
	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
Net sales	4,859	<b>4,247</b>	△12.6%	<b>6,500</b>	3,497	<b>3,520</b>	+0.7%	<b>4,730</b>
Gross profit	193	117	△39.2%	165	204	182	△10.5%	251
SG&A expenses	66	69	+4.3%	105	55	54	△3.0%	74
Operating income	126	<b>48</b>	△61.9%	<b>60</b>	148	<b>128</b>	△13.3%	<b>177</b>
Ordinary income	175	<b>85</b>	△51.1%	<b>120</b>	148	<b>129</b>	△12.7%	<b>178</b>
Net income	124	<b>143</b>	+15.3%	<b>80</b>	98	<b>86</b>	△12.6%	<b>115</b>

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

33

## Forecast of major subsidiaries (Real Estate) <FY17/3>

(Unit:¥mn)

	FY15/3 3Q		FY16/3 3Q		FY17/3 3Q		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	YoY
Whole-building leases <sup>1</sup>	494,172	(92.0%)	527,485	(91.6%)	<b>562,219</b>	(91.5%)	<b>+6.6%</b>
Building and repairs <sup>2</sup>	22,412	(4.2%)	22,991	(4.0%)	<b>21,095</b>	(3.4%)	<b>△8.2%</b>
Brokerage of real estate	9,676	(1.8%)	10,577	(1.8%)	<b>11,737</b>	(1.9%)	<b>+11.0%</b>
Rent Guarantee business	2,443	(0.5%)	4,595	(0.8%)	<b>7,045</b>	(1.1%)	<b>+53.3%</b>
Electricity business	1,716	(0.3%)	3,267	(0.6%)	<b>4,810</b>	(0.8%)	<b>+47.2%</b>
Leasing business <sup>3</sup>	4,387	(0.8%)	4,519	(0.8%)	<b>4,707</b>	(0.8%)	<b>+4.2%</b>
Others	2,091	(0.4%)	2,710	(0.4%)	<b>2,778</b>	(0.5%)	<b>+2.5%</b>
Total	536,900	(100.0%)	576,146	(100.0%)	<b>614,394</b>	(100.0%)	<b>+6.6%</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 FY10/3)

※3 Mainly Shinagawa East One Tower

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

34

## Forecast of major subsidiaries (Real Estate) <FY17/3>

(Unit:¥mn)

	Real Estate business											
	Daito Building Management				Housecom				House Leave			
	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
Net sales	557,296	592,165	+6.3%	794,113	6,295	6,808	+8.2%	9,966	4,595	7,045	+53.3%	9,525
Gross profit	39,685	44,167	+11.3%	738,082	6,218	6,679	+7.4%	9,966	4,263	6,599	+54.8%	8,835
SG&A expenses	10,685	12,203	+14.2%	17,931	6,026	6,369	+5.6%	8,925	567	681	+20.1%	1,219
Operating income	29,000	31,964	+10.2%	38,100	192	309	+60.9%	854	3,695	5,917	+60.1%	7,616
Ordinary income	29,652	35,354	+19.2%	41,686	196	306	+56.0%	1,096	3,706	5,928	+59.9%	7,628
Net income	19,893	24,808	+24.7%	29,196	100	189	+87.9%	665	2,315	4,024	+73.8%	5,068

## Forecast of major subsidiaries (Other businesses - 1) <FY17/3>

(Unit:¥mn)

	Other businesses (Financial business)											
	Daito Finance				D.T.C				House Guard			
	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
Net sales	992	1,037	+4.6%	1,336	2,492	2,105	△15.5%	3,183	428	1,403	+227.8%	1,862
Gross profit	735	809	+10.1%	1,029	895	805	△10.0%	1,270	203	500	+146.3%	781
SG&A expenses	91	115	+25.5%	171	12	9	△22.7%	16	288	497	+72.5%	648
Operating income	643	694	+7.9%	858	883	796	△9.9%	1,254	△84	2	—	133
Ordinary income	643	694	+8.0%	858	890	806	△9.4%	1,261	△84	2	—	133
Net income	415	489	+17.7%	587	890	806	△9.4%	1,261	△84	△14	—	86

## Forecast of major subsidiaries (Other businesses - 2) <FY17/3>

(Unit:¥mn)

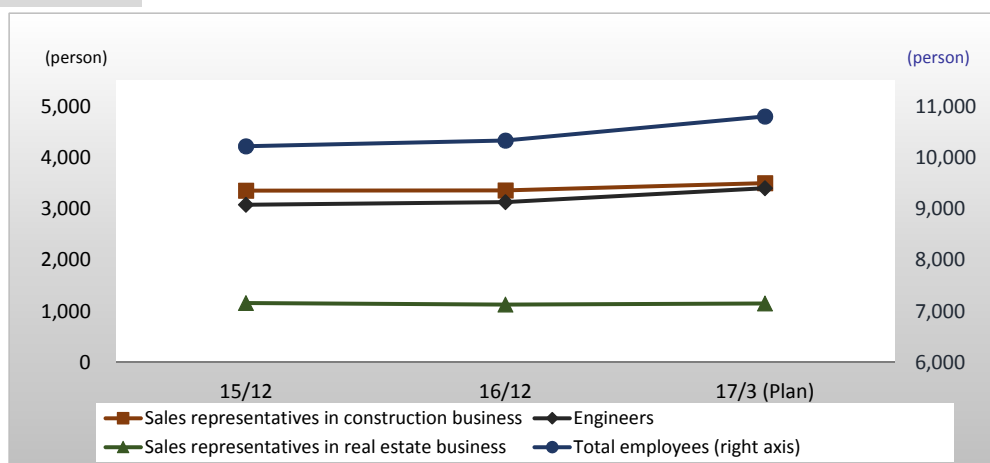
	Other businesses (Care and Nursery business ・LP Gas supply business)							
	Care Partner				Gaspal ※Consolidated financial statements of Gaspal Group in this FY			
	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
Net sales	7,335	8,832	+20.4%	11,317	17,366	16,411	△5.5%	23,784
Gross profit	828	1,186	+43.1%	1,386	6,336	6,921	+9.2%	9,813
SG&A expenses	594	685	+15.2%	895	4,011	4,329	+7.9%	6,095
Operating income	234	500	+113.9%	491	2,324	2,592	+11.5%	3,718
Ordinary income	243	502	+106.4%	492	2,342	2,576	+10.0%	3,567
Net income	164	310	+89.1%	300	1,535	1,746	+13.7%	2,432

## Forecast of major subsidiaries (Other businesses - 3) <FY17/3>

(Unit:¥mn)

	Other businesses (Overseas business ・ Energy Business)							
	D.A.D (Malaysia)				Daito Energy			
	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)	FY16/3 3Q	FY17/3 3Q	YoY	Plan (full-year)
Net sales	1,788	1,763	△1.4%	2,770	2	1,777	—	4,622
Gross profit	845	776	△8.2%	1,174	2	115	—	456
SG&A expenses	672	682	+1.5%	996	8	512	—	132
Operating income	172	93	△45.9%	178	△5	△397	—	324
Ordinary income	△1,339	271	—	109	△5	△427	—	240
Net income	△1,339	271	—	80	△5	△428	—	155

## Transition of number of employees in each business section (Non-consolidated)



	15/12	16/12	YoY	17/3 (Plan)
Total employees	10,270	10,328	+58	10,800
Sales representatives in Construction business	3,350	3,355	+5	3,500
Engineers	3,077	3,128	+51	3,400
Sales representatives in Real Estate business	1,156	1,126	Δ30	1,150

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

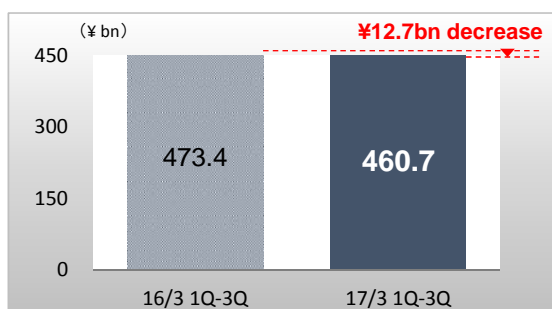
39

## FY17/3 3Q Orders received compared with previous FY

### Compared with FY16/3 1Q-3Q

¥12.7bn (decrease)

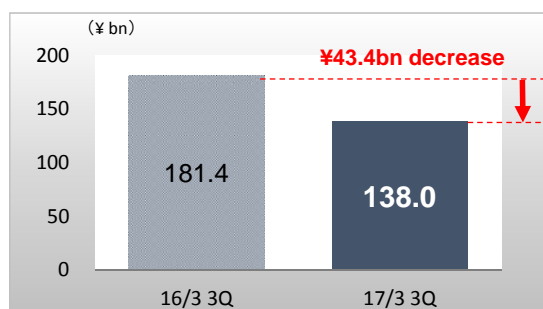
- ① Number of orders (projects) Δ26.8bn  
(5,763 → 5,468 projects)
- ② Per project price +22.0bn  
(¥90.81mn → ¥94.85mn)
- ③ Cancellation Δ5.6bn  
(16.2% → 17.4%)
- ④ Building & repairs Δ2.3bn  
(¥41.6bn → ¥39.2bn)



### Compared with FY16/3 3Q

¥43.4bn (decrease)

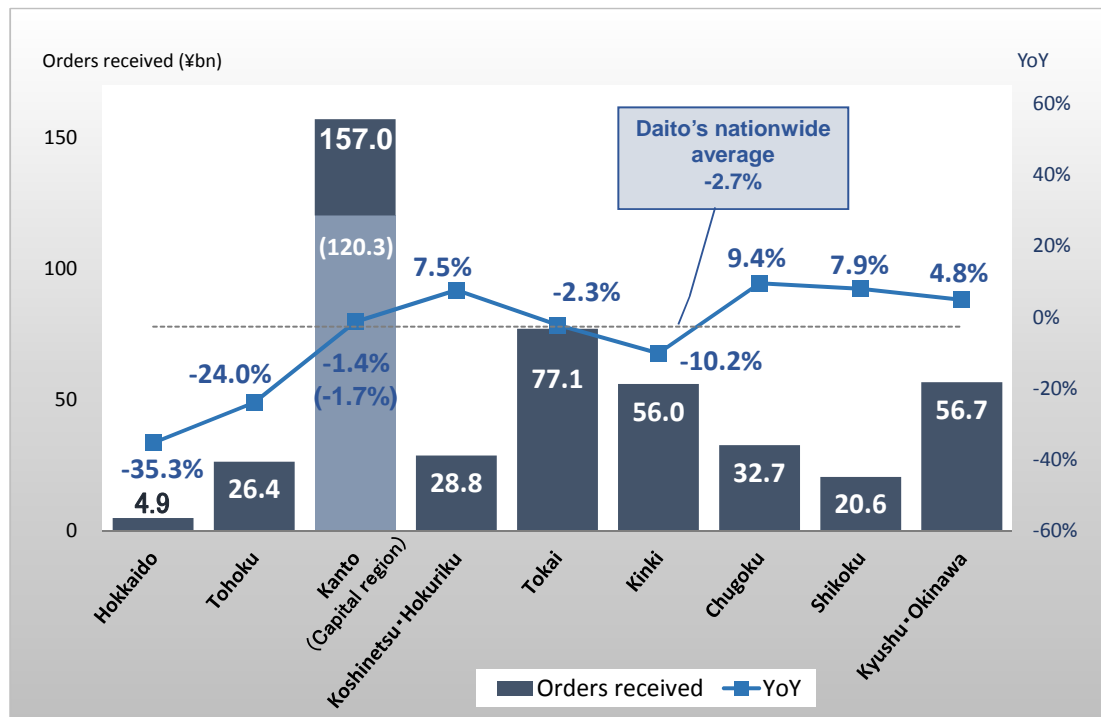
- ① Number of orders (projects) Δ38.6bn  
(2,093 → 1,686 projects)
- ② Per project price +0.9bn  
(¥94.96mn → ¥95.55mn)
- ③ Cancellation Δ4.5bn  
(15.1% → 21.1%)
- ④ Building & repairs Δ1.2bn  
(¥15.0bn → ¥13.8bn)



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

40

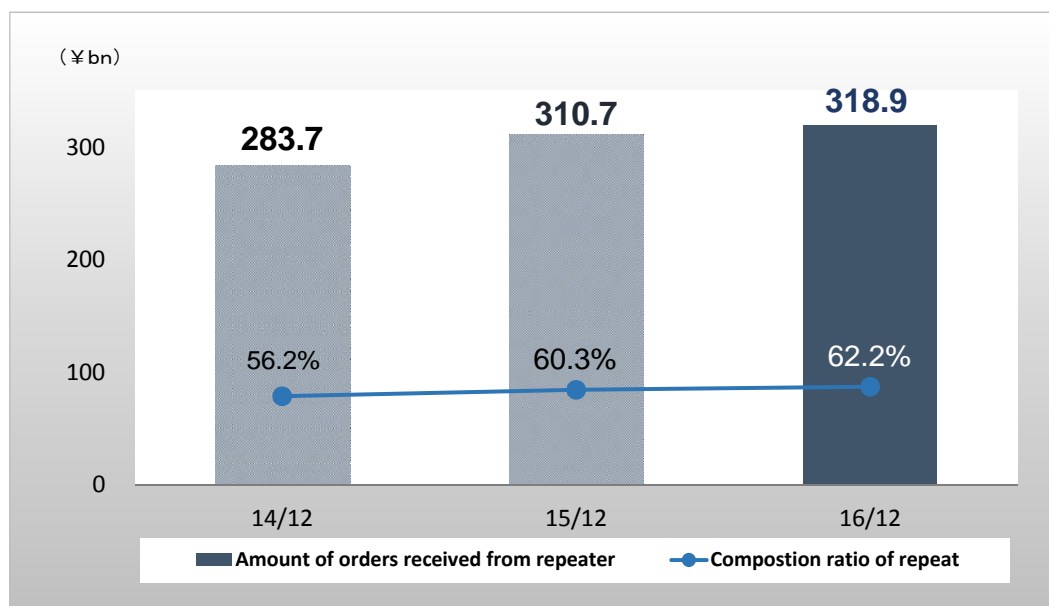
## Orders received in each region



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

41

## Orders received from repeater

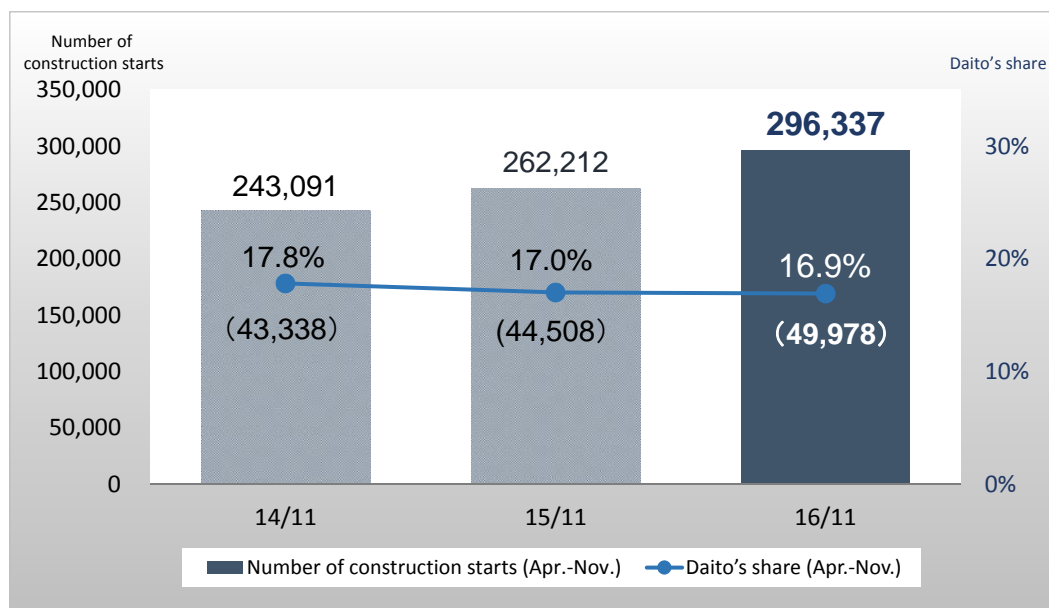


$$\text{Composition ratio of repeat} = \frac{\text{Number of orders received from repeater}}{\text{Total number of orders received}}$$

Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

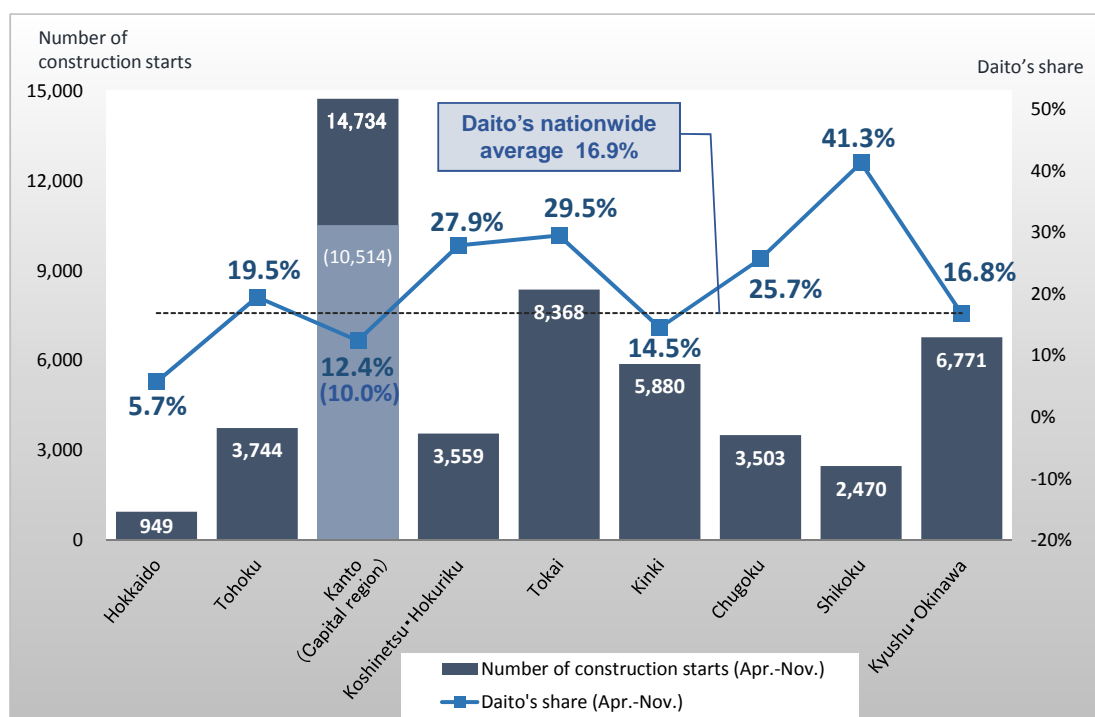
42

## Number of construction starts and Daito's share (Year on year)

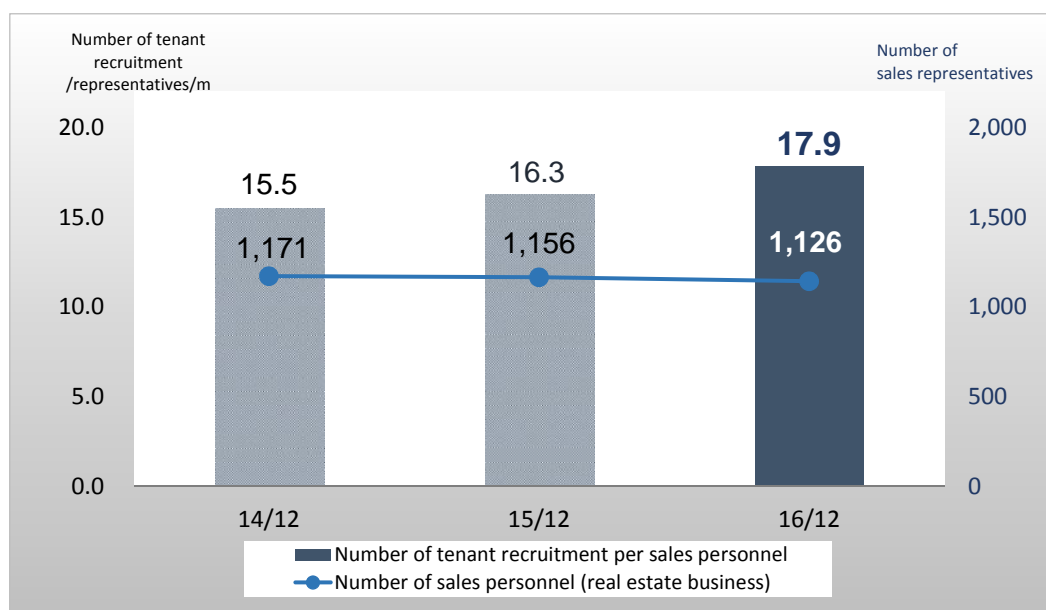


(Ministry of Land, Infrastructure, Transport and Tourism : "Housing and Land Survey")

## Number of construction starts by region and Daito's share



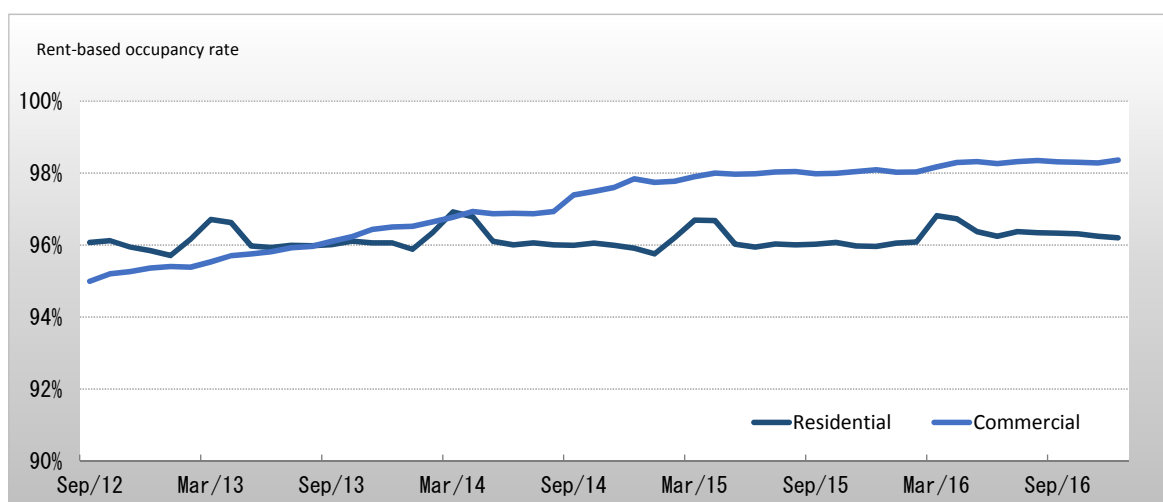
## Number of tenant recruitment per sales representatives (Year on Year)



Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

45

## Rent-based Occupancy rate

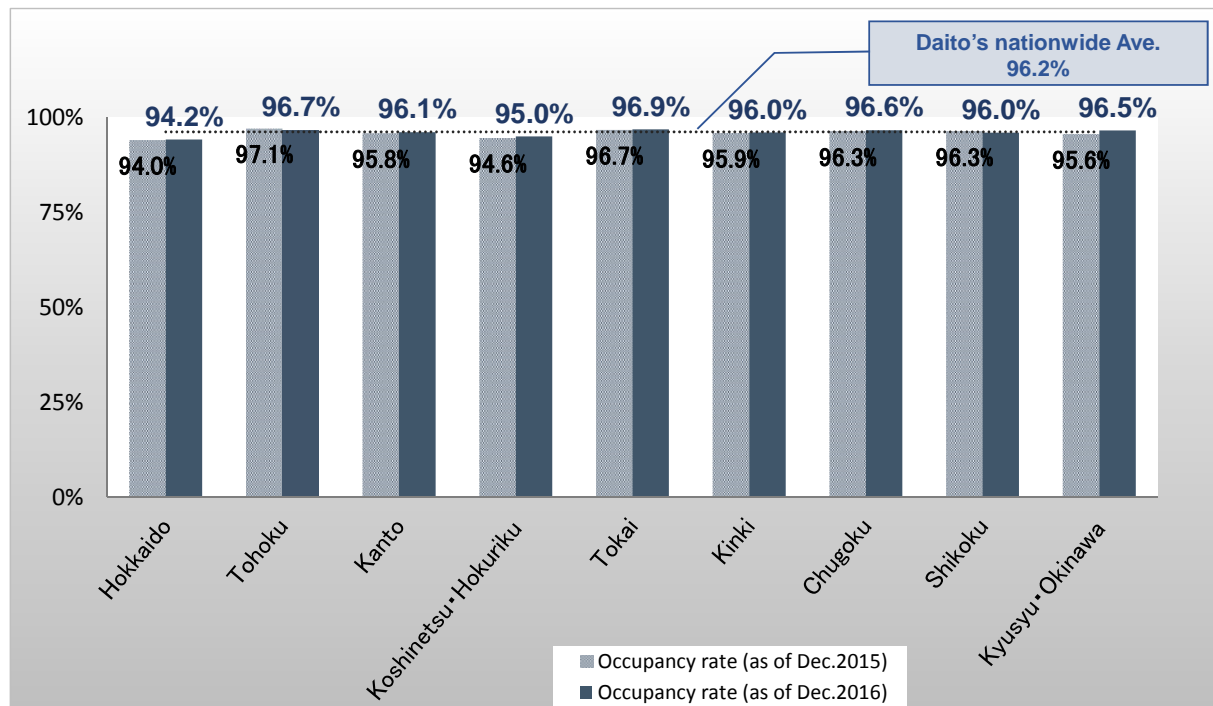


Rent -based Occupancy rate	2012 (Dec.)	2013 (Dec.)	2014 (Dec.)	2015 (Dec.)	2016 (Dec.)	YoY
Residential use(%)	95.8%	96.1%	95.9%	96.0%	96.2%	+0.2p
Commercial use(%)	95.4%	96.5%	97.8%	98.1%	98.4%	+0.3p

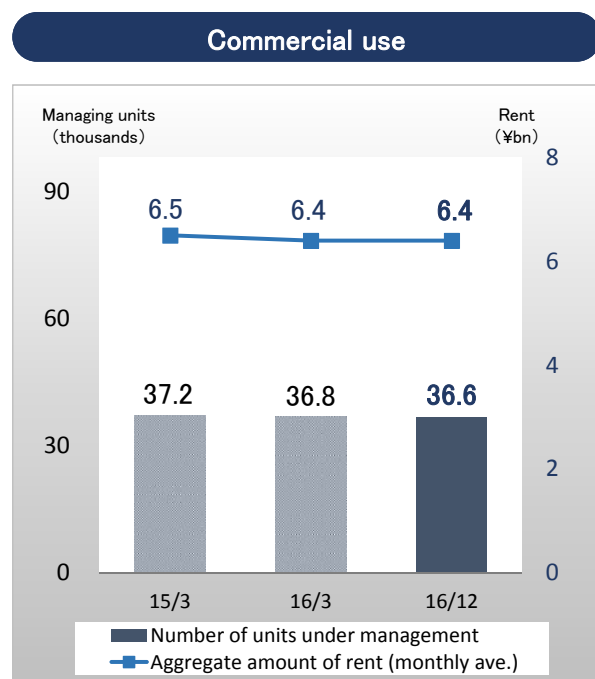
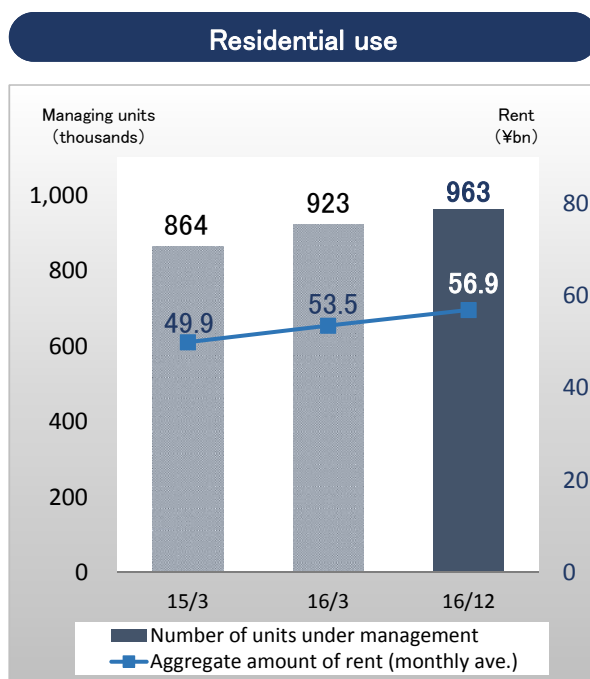
Copyright© DAITO TRUST CONSTRUCTION CO., LTD.

46

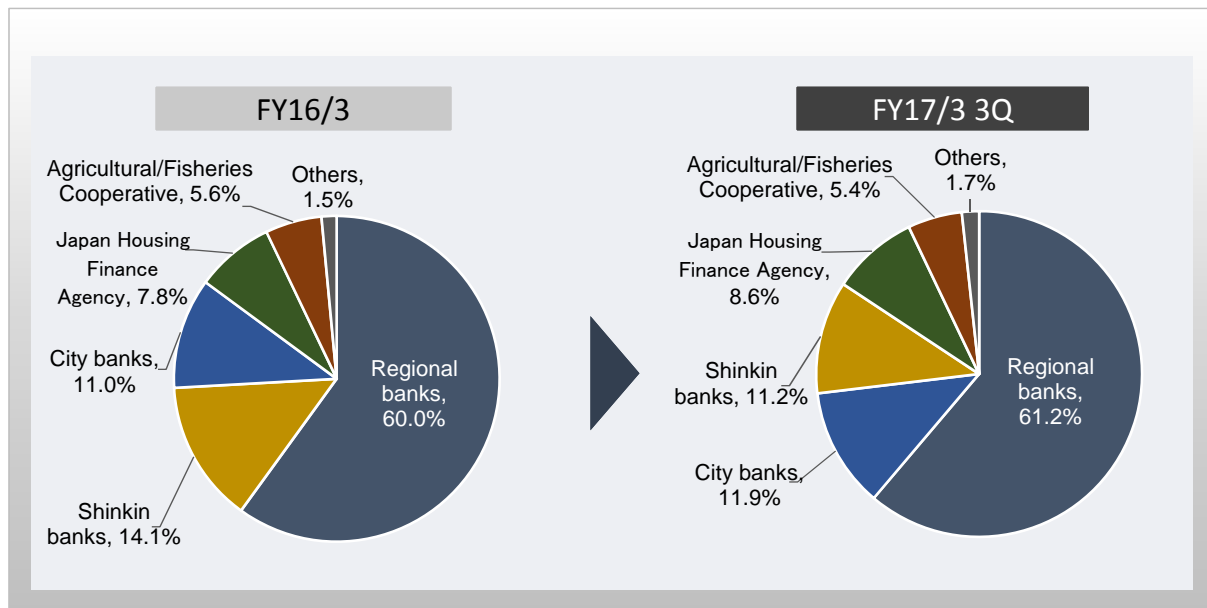
## Rent-based Occupancy rate by region ( Residential use / As of Dec., 2016 )



## Number of units under management & aggregate amount of rent



Shares of financial institutions (Construction starts basis)





1. Disclaimer of warranties for the contents  
Daito pays careful attention about the information carried on this documents. However, Daito can not offer the guarantee about the accuracy, reliability, safety, etc.  
Please recognize the information about future forecast that Daito may offer is prediction of Daito at a certain time and is uncertain.
2. Copyright etc.  
All the information offered on this documents is protected by the law of the Copyright Act and others. Quotation, reproduction and the duplicate without Daito's authorization are prohibited.