



Report on Settlement of Accounts for FY ended in March 31, 2018

Financial Highlights, Year ended in March 31, 2018



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## I. Results in FY ended in March 2018

Financial Results, Year ended in March 31,2018

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Results in FY ended  
in March 2018

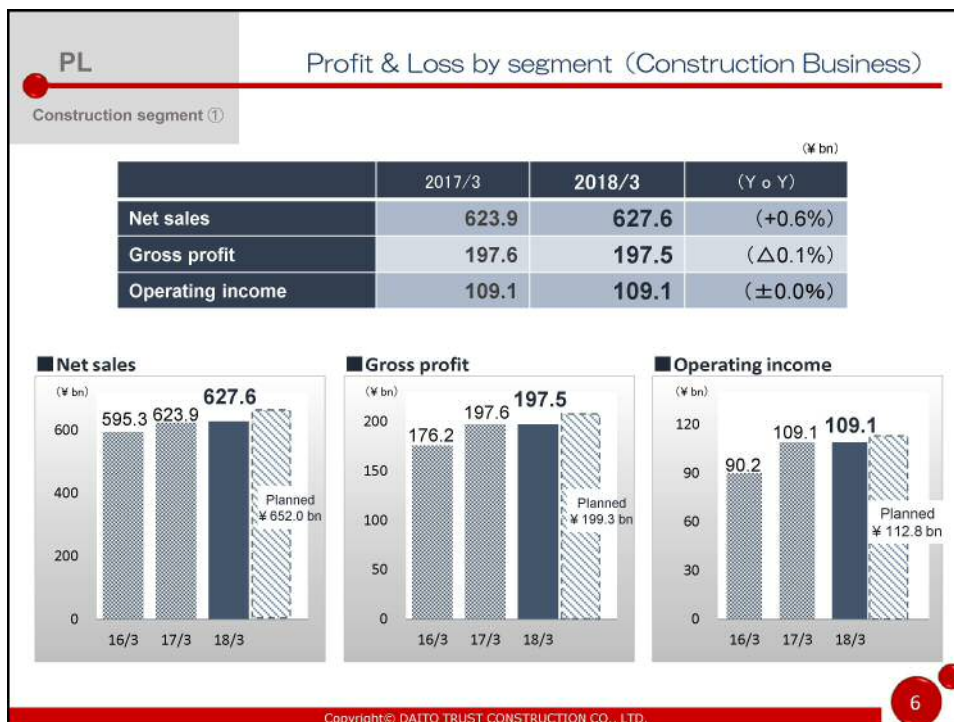
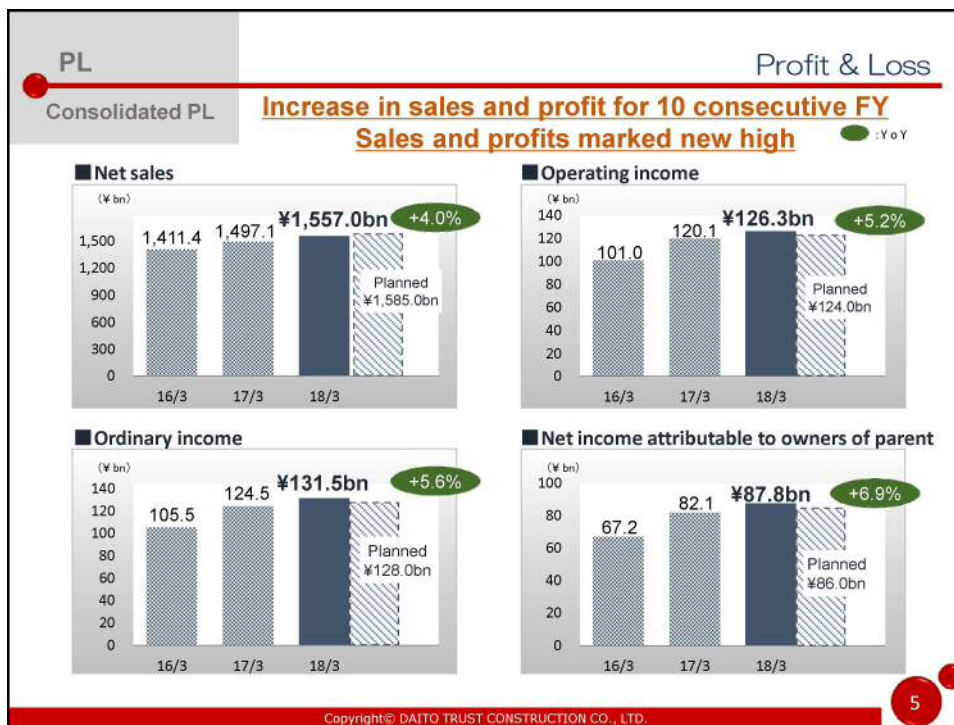
Highlights of results in  
FY ended in March 31,2018

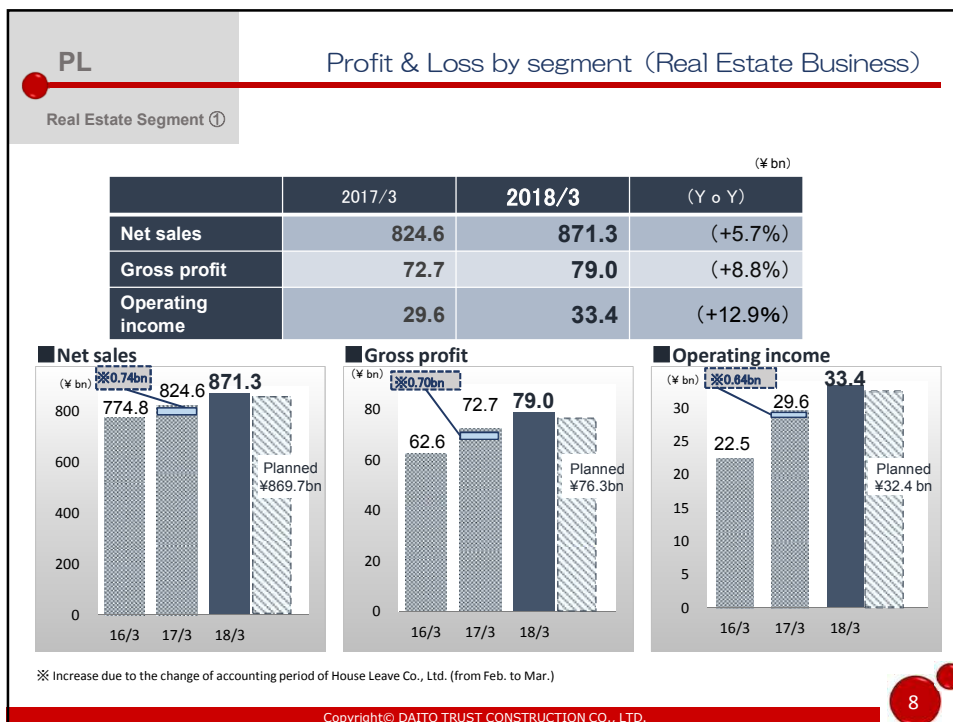
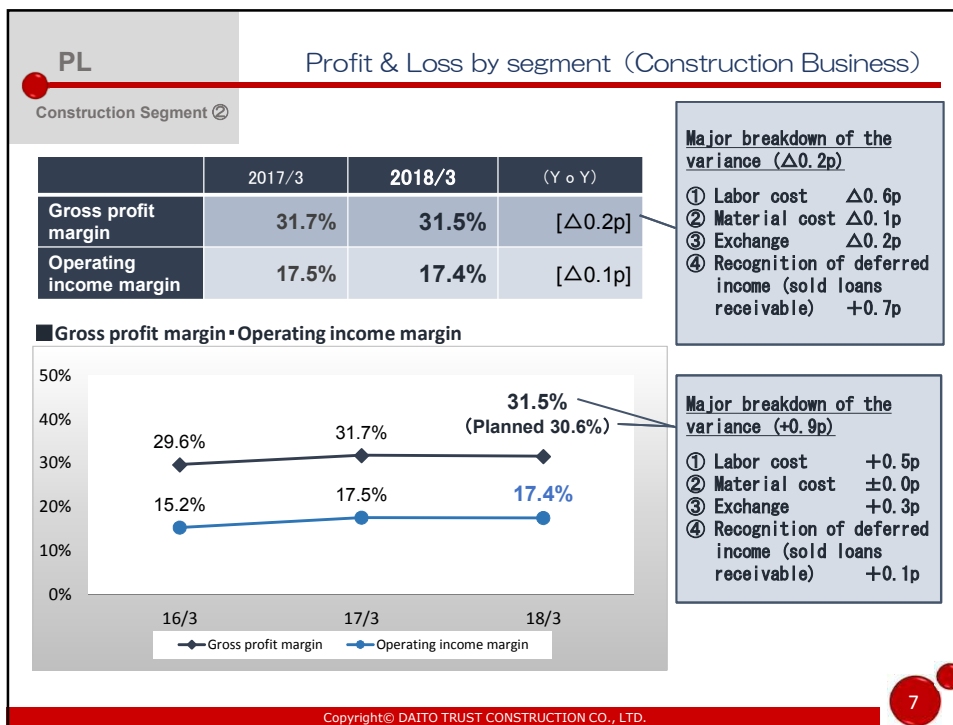
### Highlights

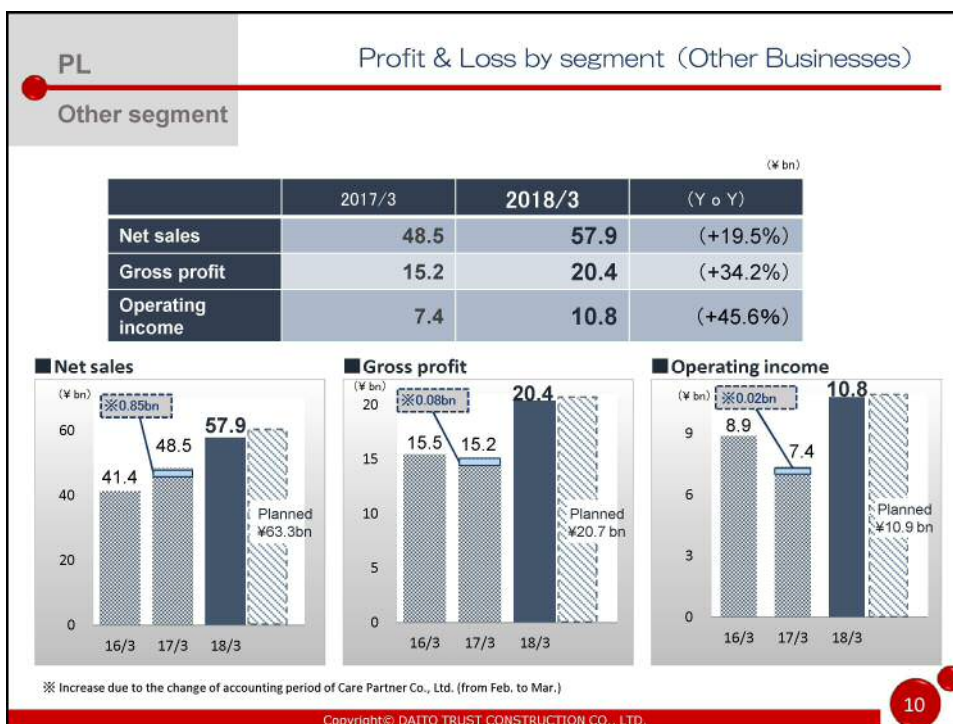
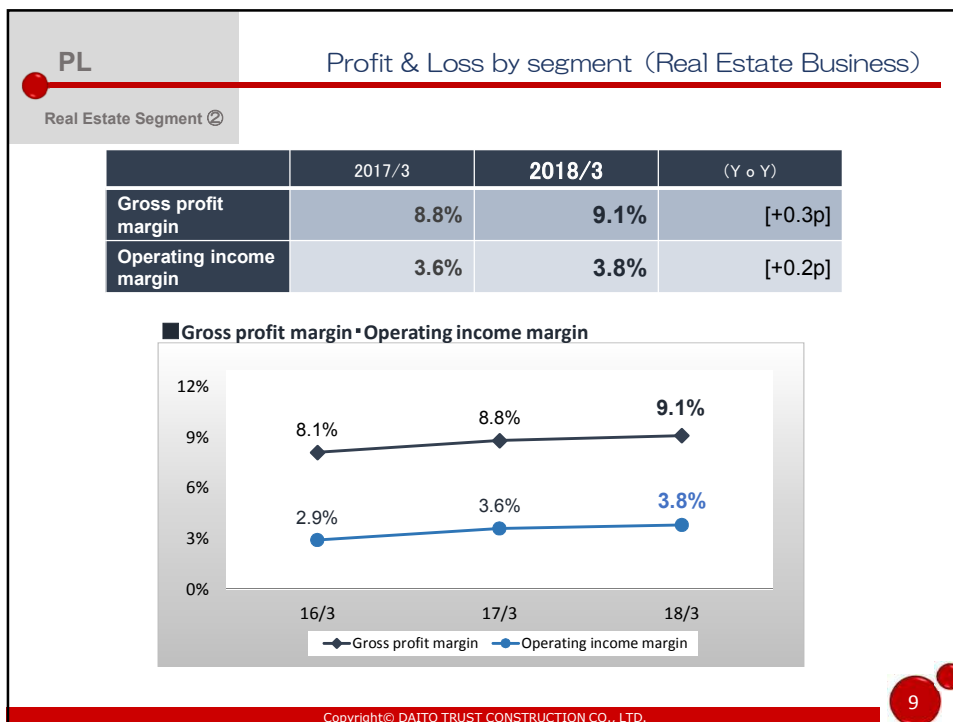
1. Increase in sales and profit for 10 consecutive FY Marked record high
2. Orders received **¥651.0 bn** ( $\Delta 0.6\%$  Y o Y)  
Occupancy rate( rent basis ) **97.2%** ( $+0.3p$  Y o Y) Maintain sound level
3. ROE **30.5%** ( $\Delta 0.7p$  Y o Y)
4. Shareholder returns Dividend increase  
for 9 consecutive FY  
 ① Annual dividend (Plan) **¥583** (Dividend increase + ¥47)  
 ② Acquisition and retirement of treasury stock (Plan) **¥26.4bn 1.43mn shares**  
 ① Payout ratio 50.0% + ② Acquisition and retirement of treasury stock 30.0% = Total return ratio 80.0%

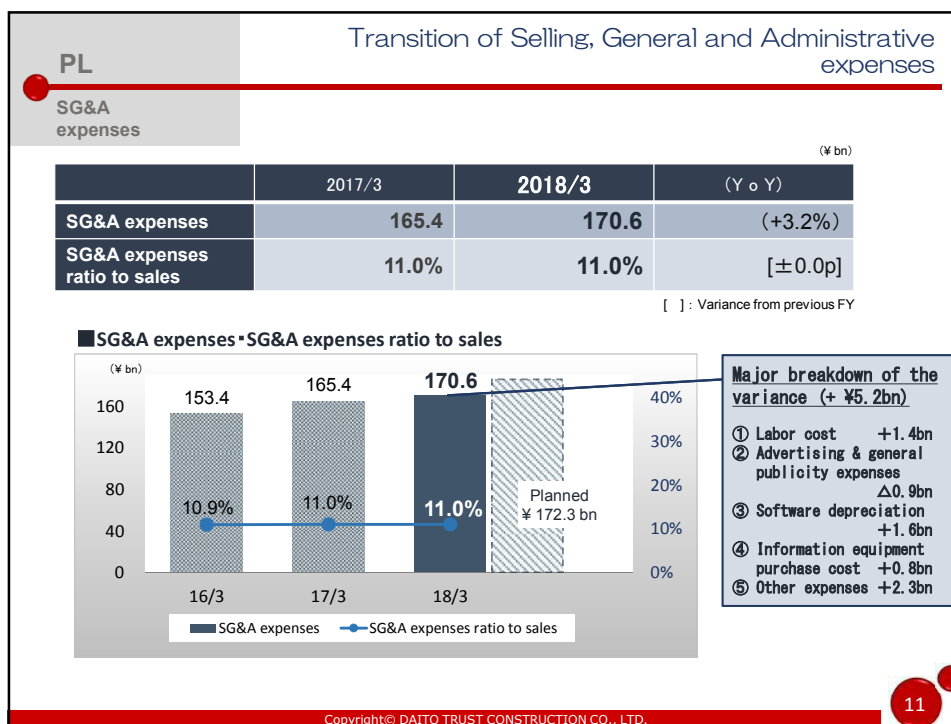
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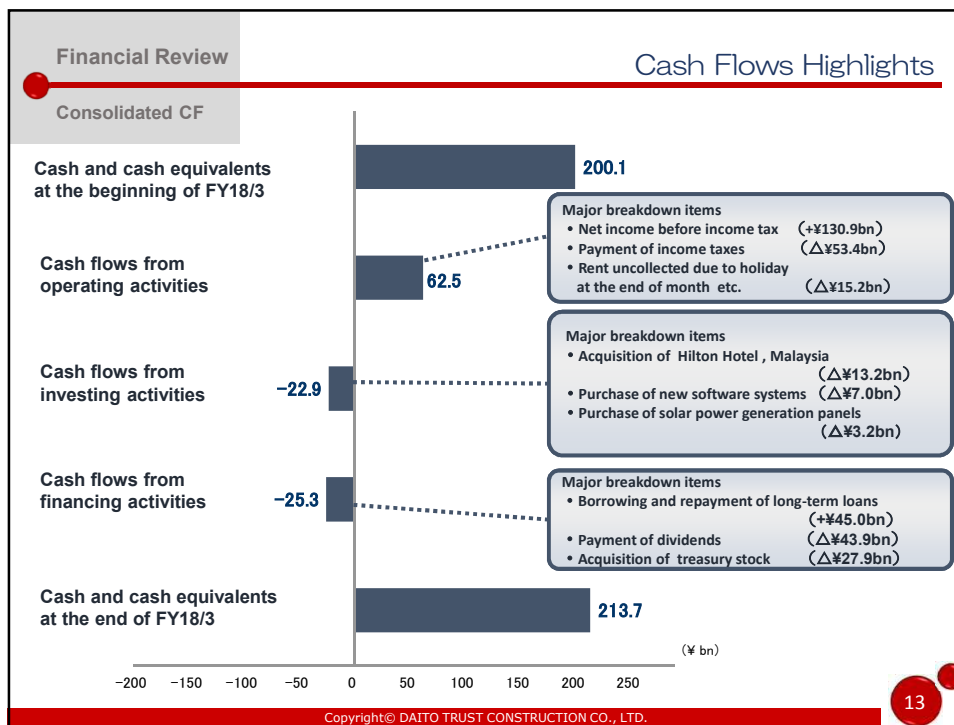
**Financial Review** Consolidated Balance Sheet

Consolidated BS

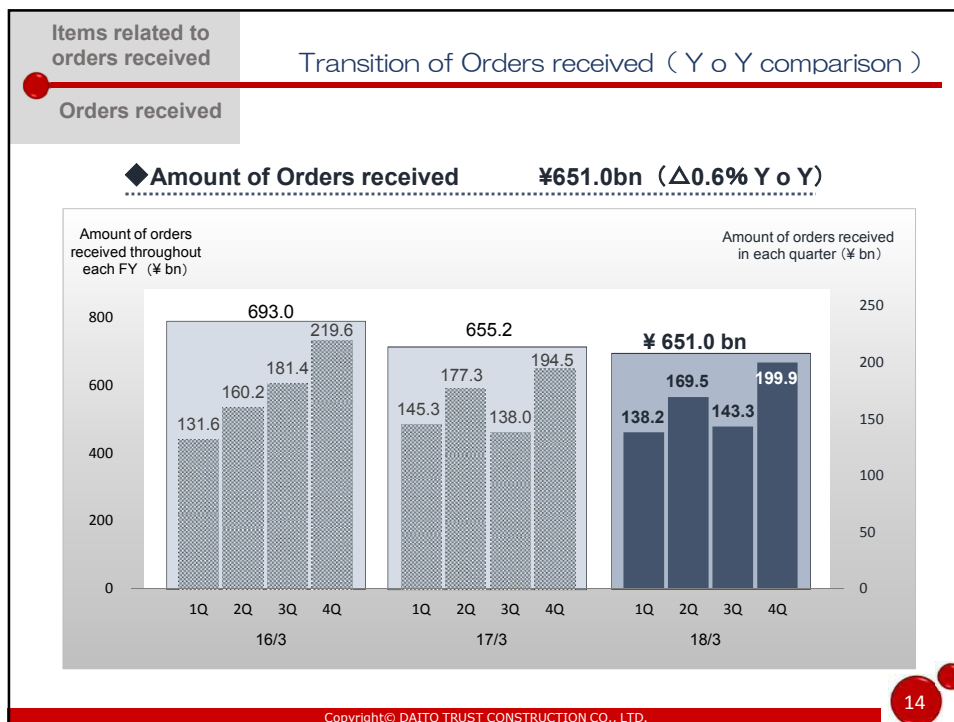
End of March 2017				End of March 2018			
Current Assets	509.7	Current Liabilities	337.9	Current Assets	530.1 (+20.4)	Current Liabilities	296.2 (Δ41.7)
		Fixed Liabilities	167.9			Fixed Liabilities	249.7 (+81.8)
		Total Liabilities	505.9			Total Liabilities	545.9 (+40.0)
Fixed Assets	271.6	Net Assets	275.4	Fixed Assets	312.7 (+41.1)	Net Assets	297.0 (+21.6)
Total Assets	781.4	Total Liabilities & Net Assets	781.4	Total Assets	842.9 (+61.5)	Total Liabilities & Net Assets	842.9 (+61.5)

Equity ratio	35.3%	Equity ratio	35.6%
Net assets per share	¥3,630.59	Net assets per share	¥4,002.51
Return on Equity (ROE)	31.2%	Return on Equity (ROE)	30.5%
Acquisition and retirement of treasury stock	1.22mn shares ¥20.2bn	Acquisition and retirement of treasury stock	1.24mn shares ¥24.7bn

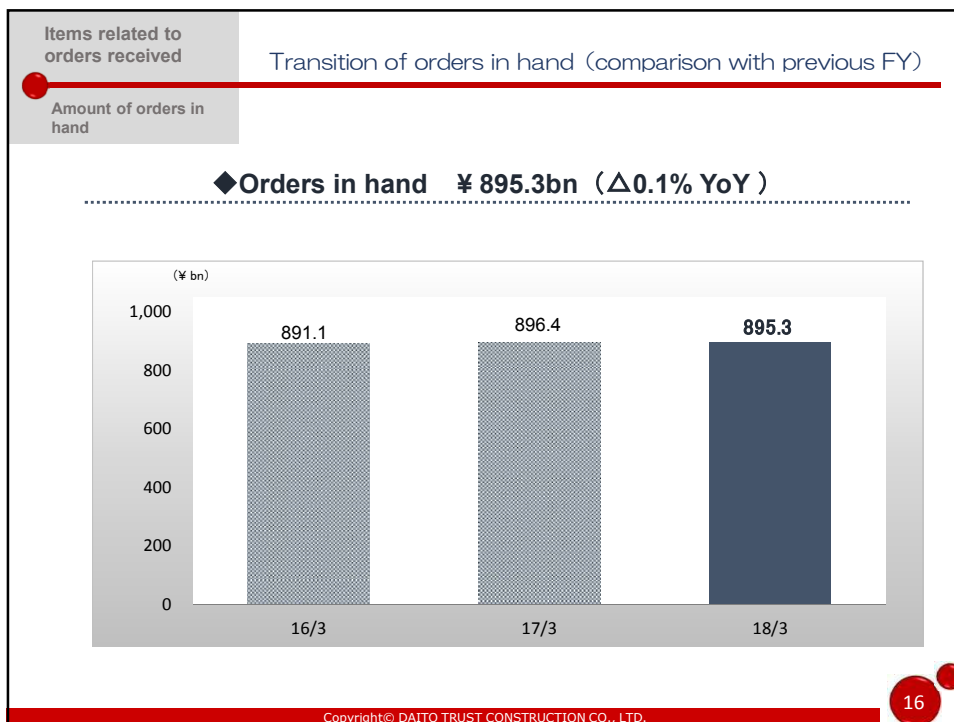
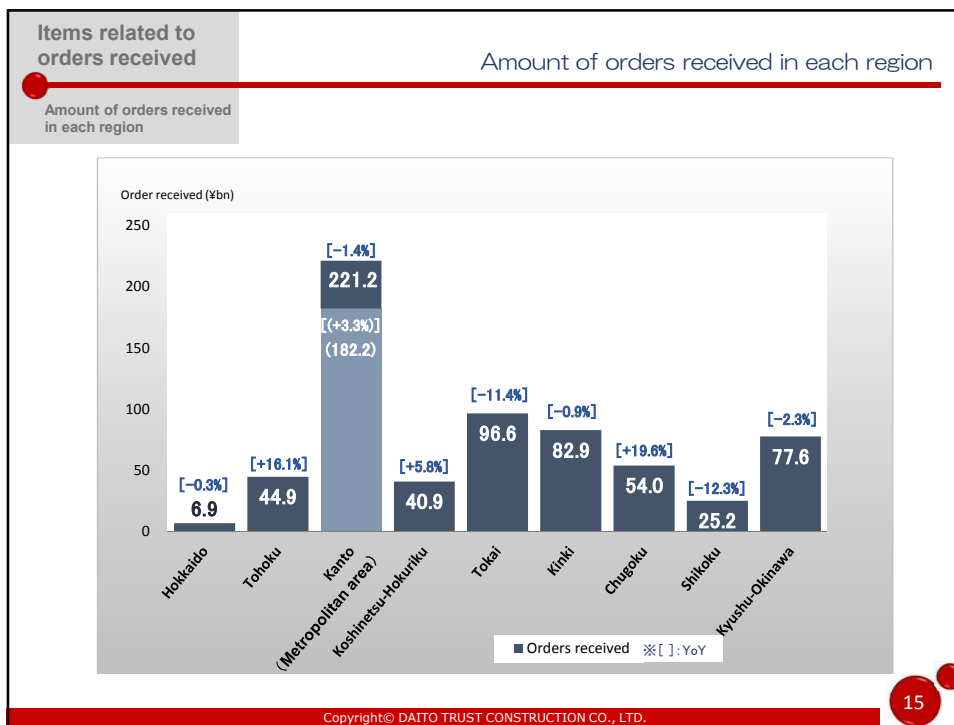
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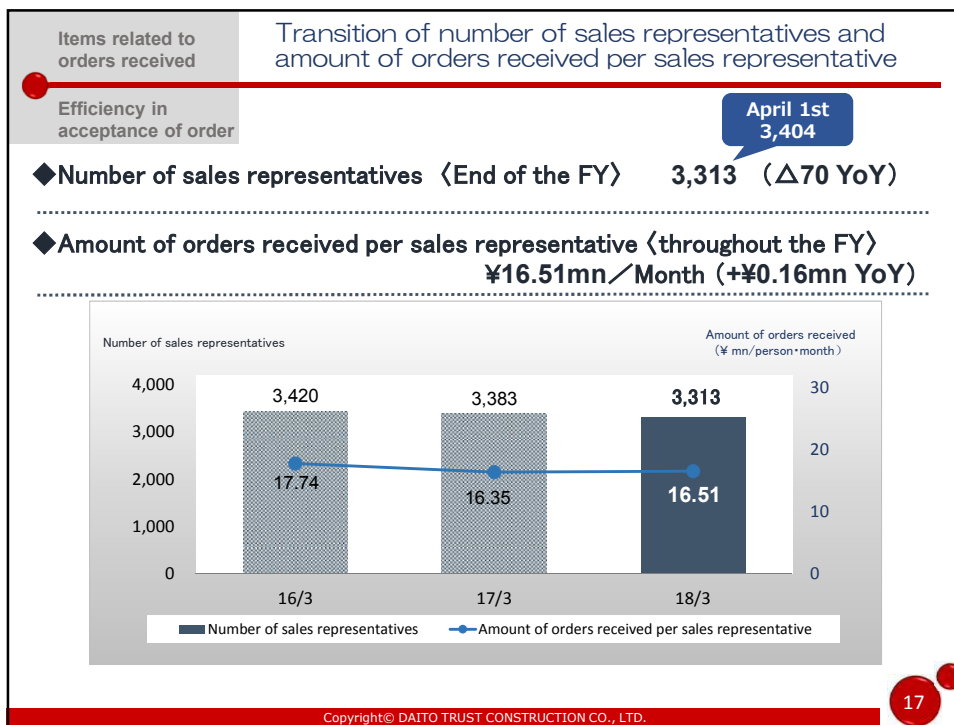
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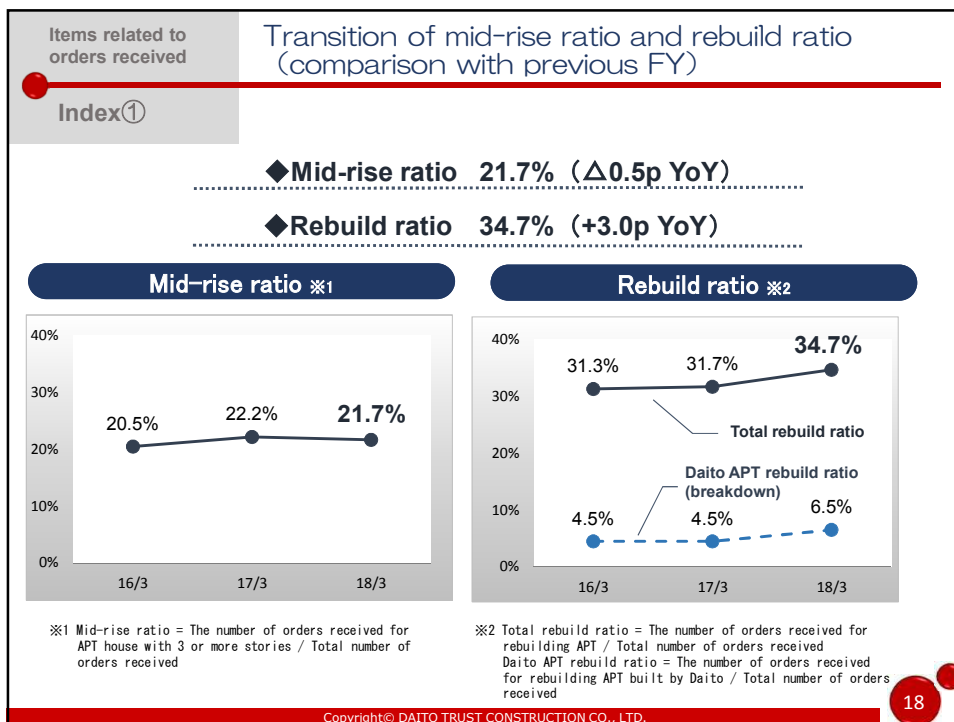
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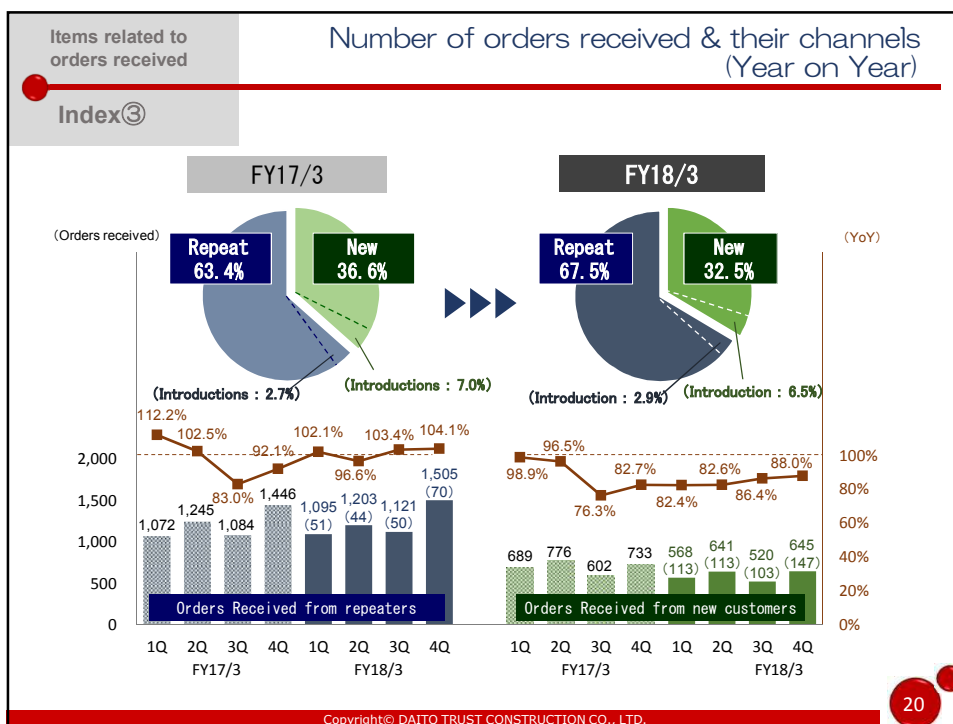
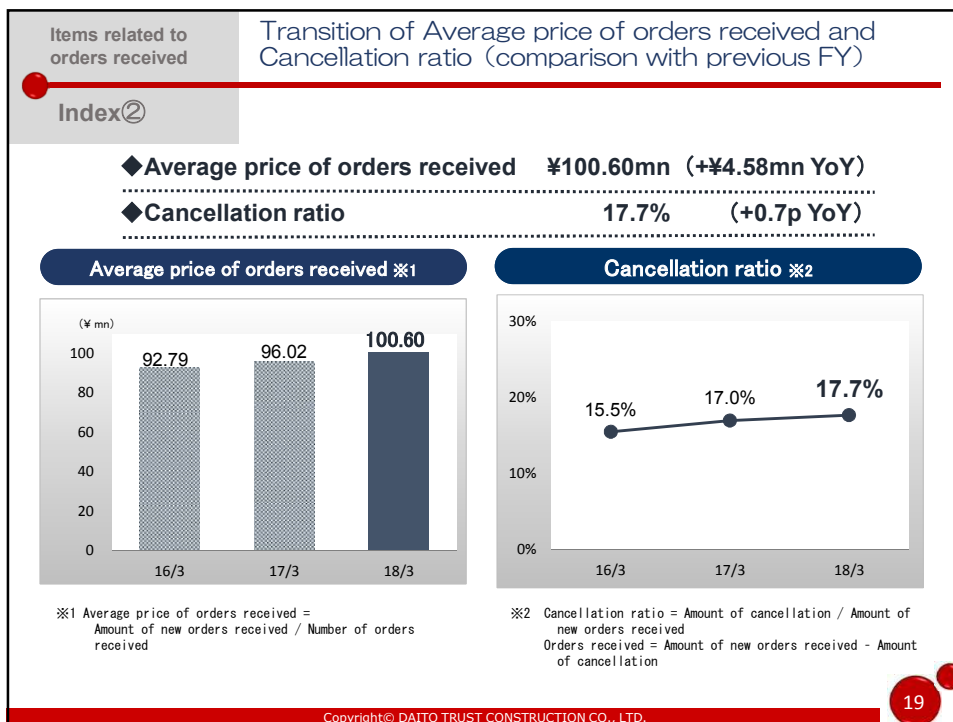


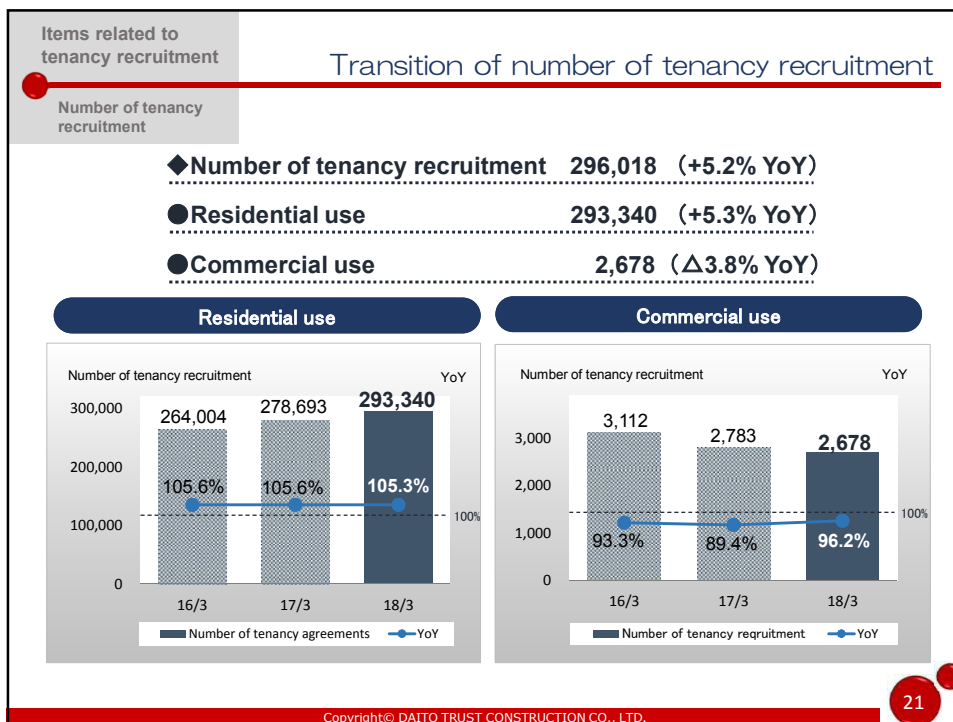


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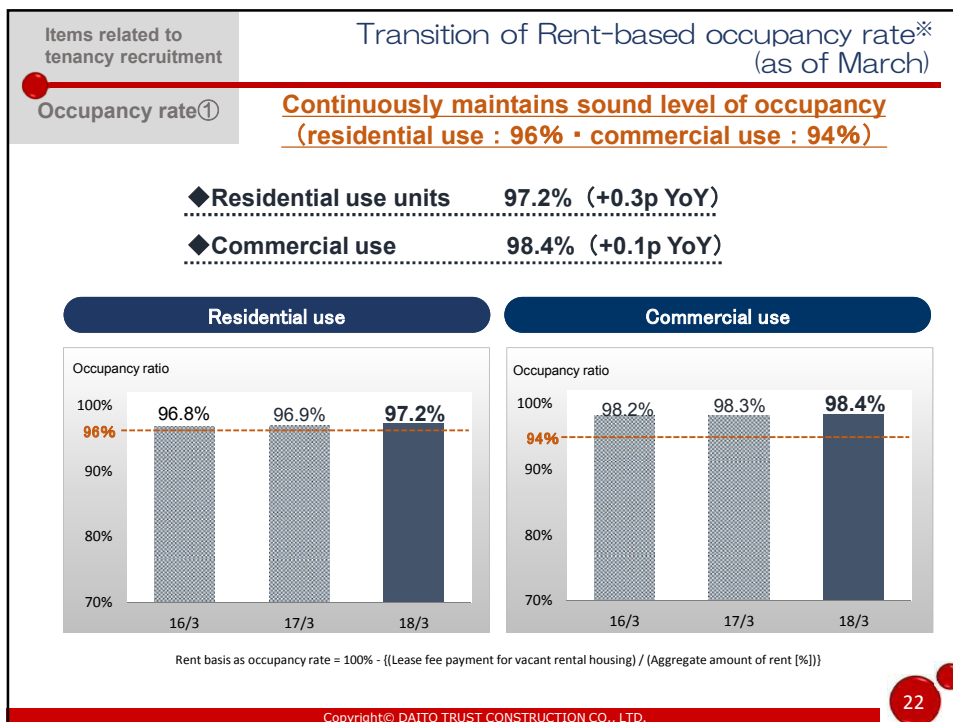


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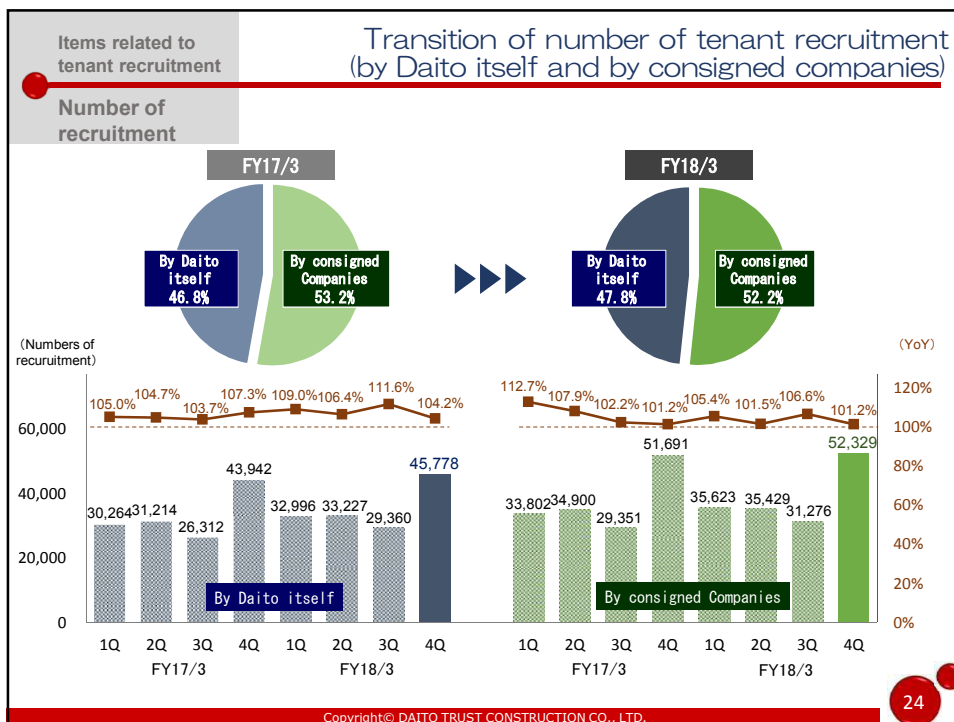
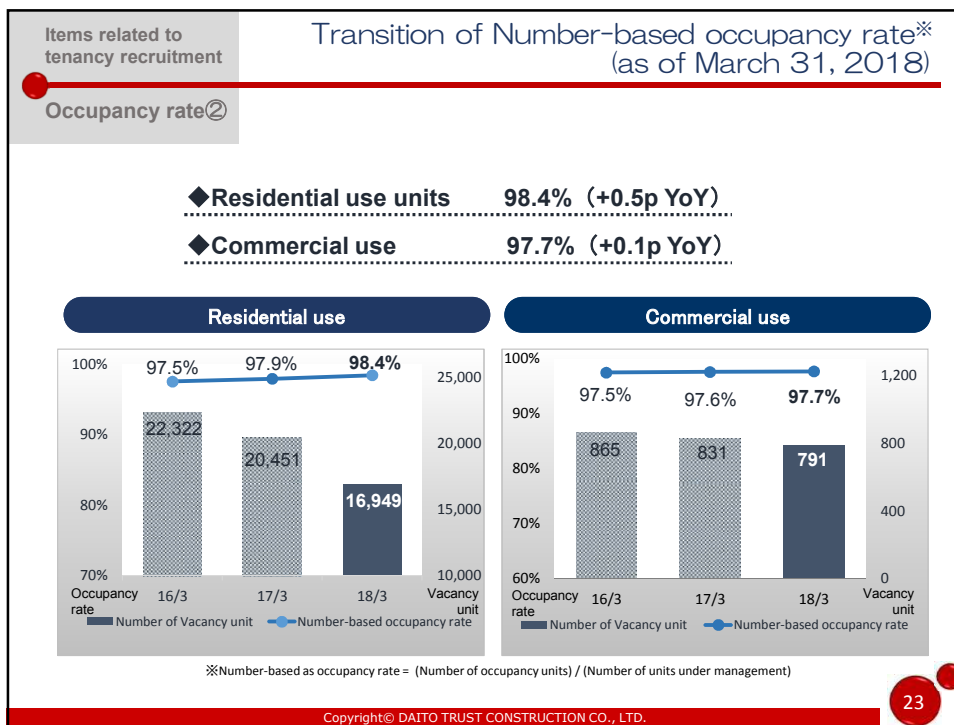


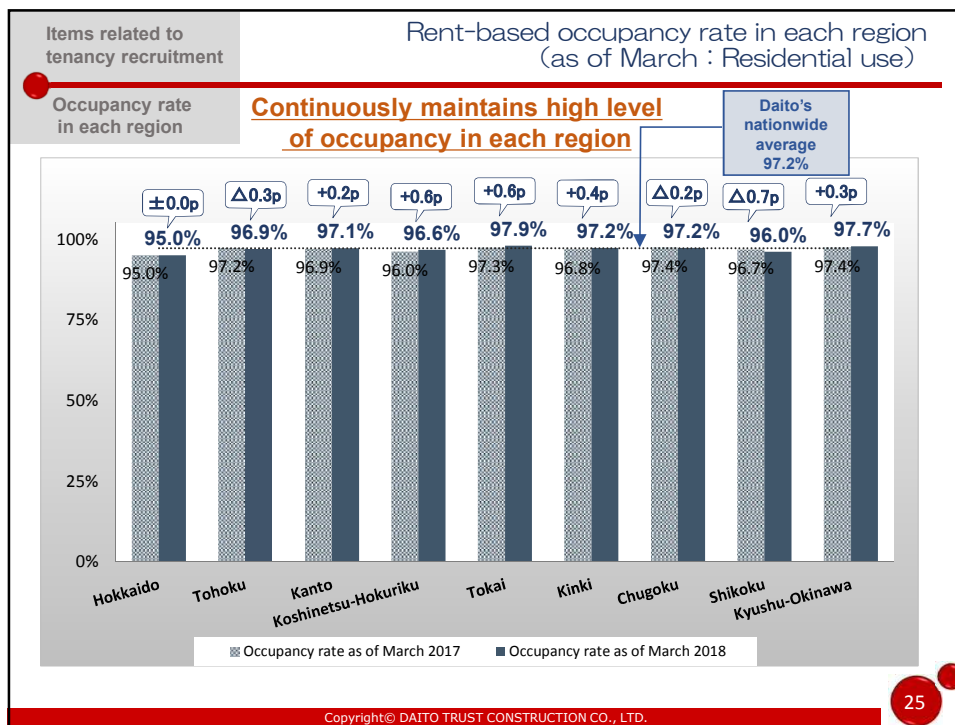


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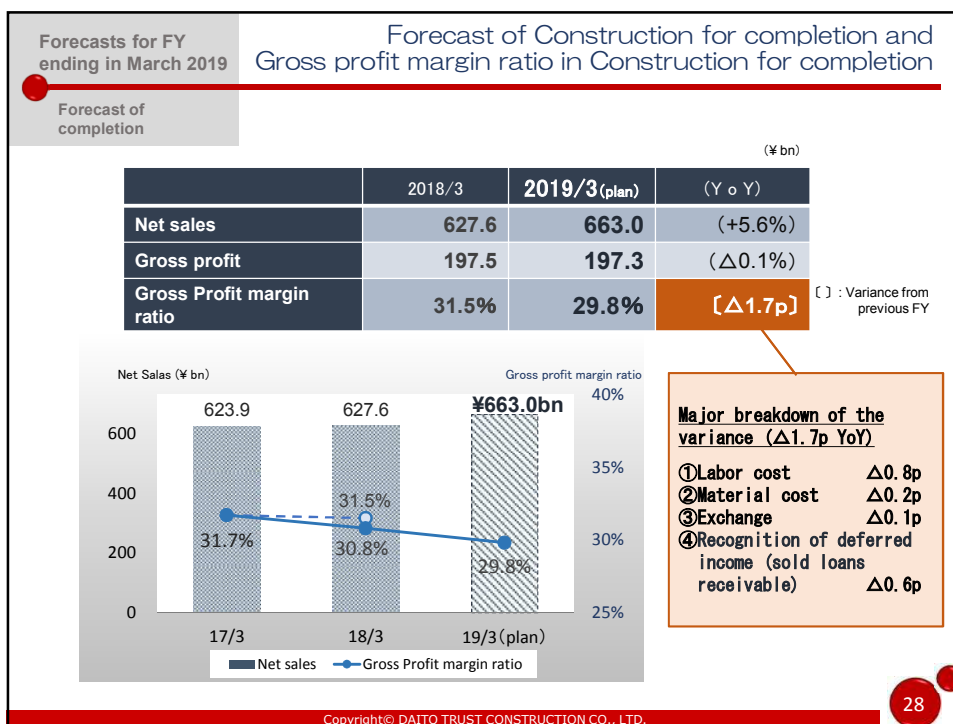
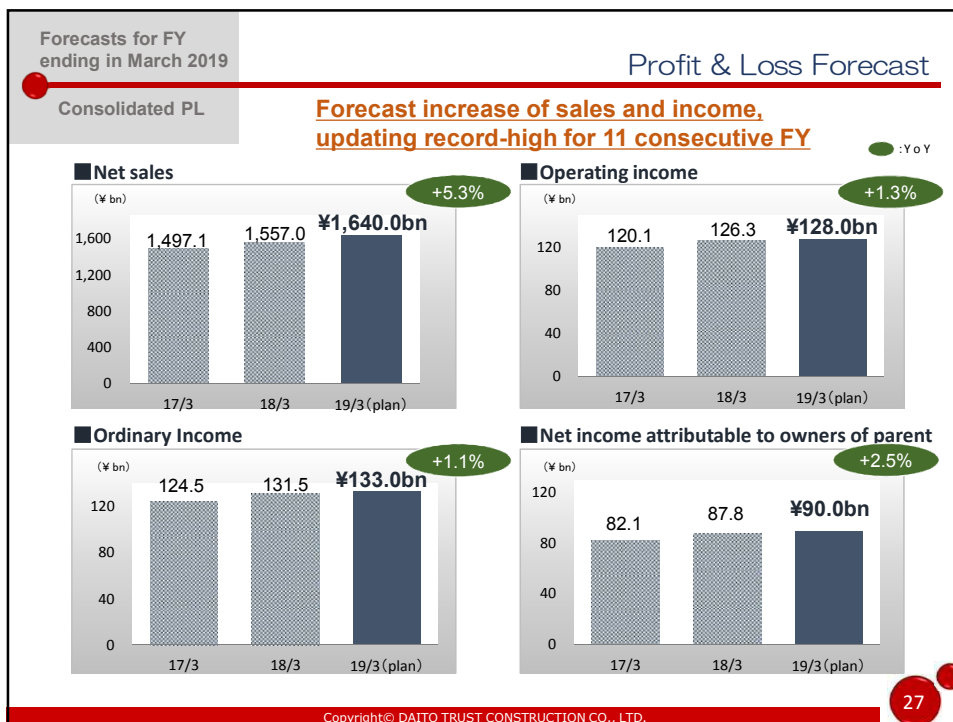
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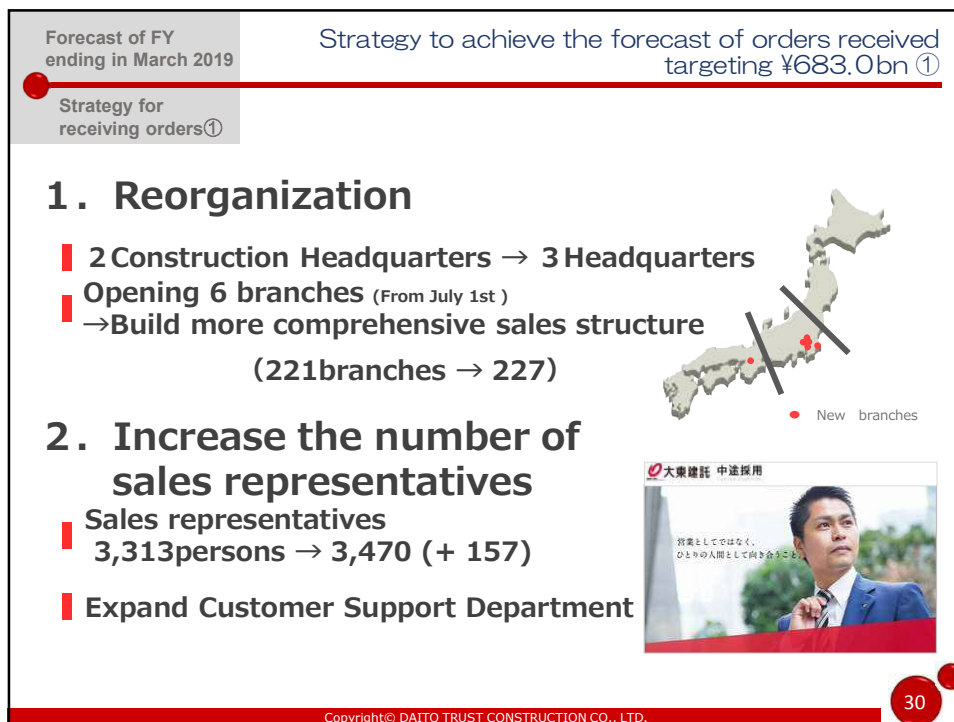
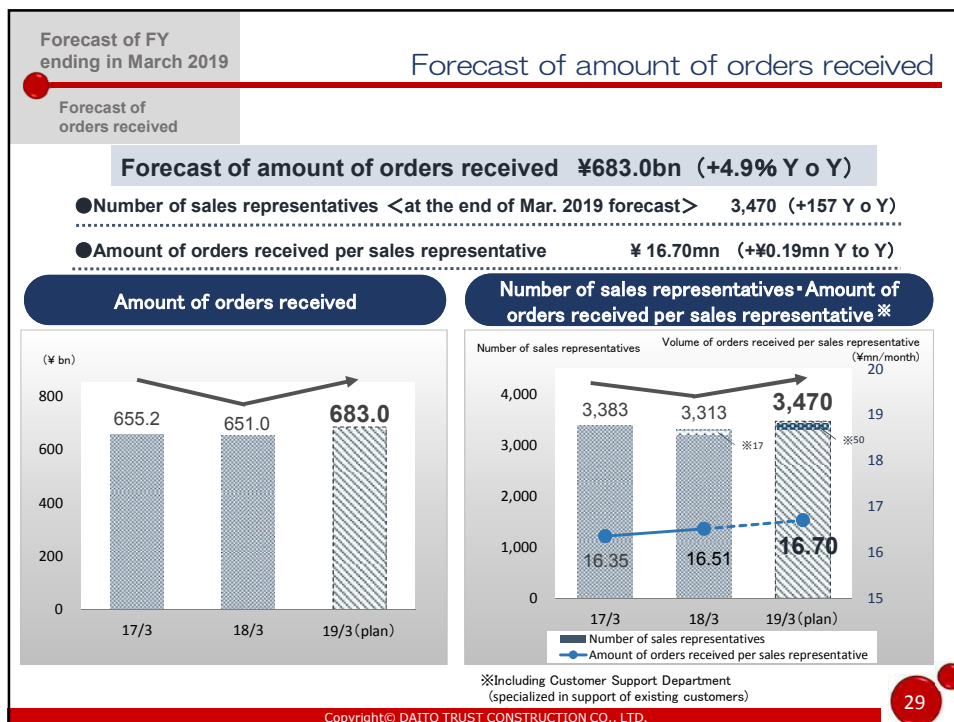




## II. Forecasts for FY ending in March 2019

Financial Forecasts, Year ending in March 2019





Forecast of FY ending in March 2019

Strategy to achieve the forecast of orders received targeting ¥683.0bn ②

Strategy for receiving orders②

## Enhancement of product performance

Japan's first multifamily residential building which fulfills the ZEH※ standards

※Zero Energy House, whose annual consumption of energy is zero in total



▲ First multifamily residential building which fulfills the ZEH standards

- High-performance thermal insulation**  
Equipped with Aluminum-PVC Hybrid Window
- Energy saving**  
High-efficiency water heating and lightning system
- Energy creation**  
Large-capacity solar panels

Obtained first certification in Japan as Quality Crime Prevention Rental Apartment※ in all core residential products

※certification of crime prevention system established by a third party organization (Japan National Crime Prevention Association, Center for Better Living)



▲ The 1st certified building

- **Superior security equipment**  
(Crime prevention sash, Emergency alarm, etc.)
- **Protect against trespass**  
(Substantial exterior lightning, Security camera, etc.)
- **Crime prevention with local community**  
(Provide security information using community signboard, etc.)



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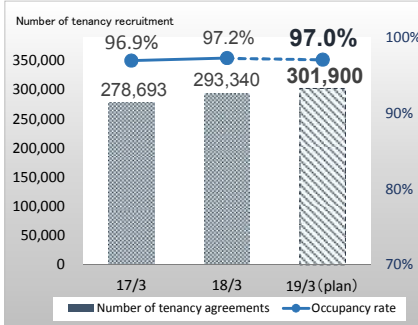
Forecasts of FY ending in March 2019

Forecasts of tenancy recruitment and occupancy rate

Forecast of tenancy recruitment

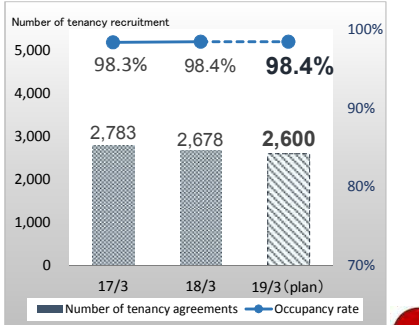
	2018/3	2019/3 (Plan)	(Y on Y)
<b>Number of tenancy recruitment</b>	<b>296,018</b>	<b>304,500</b>	<b>(+2.9%)</b>
Residential use	293,340	301,900	(+2.9%)
Commercial use	2,678	2,600	(△2.9%)

**Residential use**



Fiscal Year	Number of tenancy agreements	Occupancy rate
17/3	278,693	96.9%
18/3	293,340	97.2%
19/3 (plan)	301,900	97.0%

**Commercial use**



Fiscal Year	Number of tenancy agreements	Occupancy rate
17/3	2,783	98.3%
18/3	2,678	98.4%
19/3 (plan)	2,600	98.4%

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### Ⅲ. Shareholders return policy

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#### Shareholders return

#### Shareholder return in FY ended in March 2018

Planned for FY ended in March 2018

#### Shareholder return out of profit for FY ended in March 2017

- Acquisition and retirement of treasury stock<sup>※</sup> 《Actual results》

¥24.7bn • 1.24mn shares

#### Shareholder return out of profit for FY ended in March 2018

Total return  
80%

- Annual Dividend per share ¥583 (Interim dividend ¥279 Year-end dividend ¥304)

(+¥47 YoY, Payout ratio 50.0%)

Divided increase for 9 consecutive FY

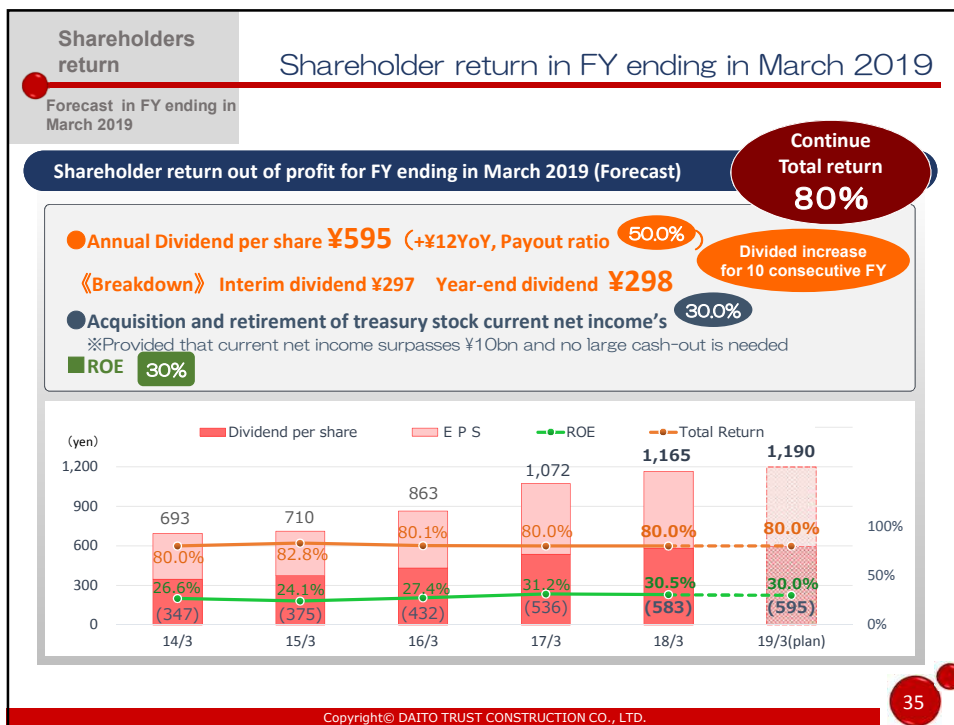
- Acquisition and retirement of treasury stock<sup>※</sup> ¥26.4bn • 1.43mn shares

(Current net income's 30.0%)

※Provided that current net income surpasses ¥10bn and no large cash-out is needed

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## IV. Appendix

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Profit & Loss of each segment  
<FY18/3>

**Construction business** (¥mn)

	17/3	18/3	Y o Y	19/3(plan)	Y o Y(Plan)
Net sales	623,910	627,631	+0.6%	663,000	+5.6%
Gross profit	197,645	197,510	Δ0.1%	197,300	Δ0.1%
(Gross profit margin)	31.7%	31.5%	Δ0.2p	29.8%	Δ1.7p
Operating income	109,143	109,145	±0.0%	105,800	Δ3.1%
(Operating income margin)	17.5%	17.4%	Δ0.1p	16.0%	Δ1.4p

**Real estate business** (¥mn)

	17/3	18/3	Y o Y	19/3(plan)	Y o Y(Plan)
Net sales	824,642	871,388	+5.7%	920,000	+5.6%
Gross profit	72,701	79,077	+8.8%	83,500	+5.6%
(Gross profit margin)	8.8%	9.1%	+0.3p	9.1%	±0.0p
Operating income	29,621	33,428	+12.9%	37,100	+11.0%
(Operating income margin)	3.6%	3.8%	+0.2p	4.0%	+0.2p

**Other businesses** (¥mn)

	17/3	18/3	Y o Y	19/3(plan)	Y o Y(Plan)
Net sales	48,551	57,997	+19.5%	57,000	Δ1.7%
Gross Profit	15,240	20,458	+34.2%	22,400	+9.5%
(Gross profit margin)	31.4%	35.3%	+3.9p	39.3%	+4.0p
Operating income	7,472	10,881	+45.6%	11,700	+7.5%
(Operating income margin)	15.4%	18.8%	+3.4p	20.5%	+1.7p

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Profit & Loss (Non-consolidated )  
<FY18/3>

Daito Trust Construction

(¥ mn)

	FY 2017/3	FY 2018/3	Y o Y	FY 2019/3 Plan
<b>Net sales</b>	646,878	634,848	Δ1.9%	665,600
Construction	623,952	627,627	+0.6%	663,000
Real estate & others	22,926	7,220	Δ68.5%	2,600
<b>Gross profit</b>	200,550	196,430	Δ2.1%	196,500
Construction	196,849	193,457	Δ1.7%	194,800
Real estate & others	3,700	2,973	Δ19.7%	1,700
<b>SG&amp;A expenses</b>	131,981	132,032	+0.0%	134,500
<b>Operating income</b>	68,568	64,398	Δ6.1%	62,000
<b>Ordinary Income</b>	85,422	92,553	+8.3%	95,000
<b>Net income</b>	59,926	69,020	+15.2%	72,900

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Profit & Loss of major subsidiaries (Construction Business)  
 <FY18/3>

(¥ mn)

	Construction Business							
	Daito Construction				Daito Steel			
	2017/3	2018/3	Y o Y	2019/3 Plan	2017/3	2018/3	Y o Y	2019/3 Plan
Net sales	6,664	8,183	+22.8%	8,300	4,758	4,940	+3.8%	5,014
Gross profit	228	316	+38.3%	312	244	282	+15.6%	281
SG&A expenses	108	161	+48.5%	144	75	81	+7.4%	79
Operating income	119	154	+29.1%	168	168	201	+19.2%	202
Ordinary Profit	177	233	+31.6%	245	156	195	+25.3%	219
Net income	206	157	Δ23.6%	245	102	127	+24.4%	140

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 Sales structure of real estate business  
 <FY18/3>

(¥ mn)

	FY 2016/3		FY 2017/3		FY 2018/3		
	Amount	(Ratio)	Amount	(Ratio)	Amount	(Ratio)	Y o Y
Lease up of rental housing units※1	709,324	(91.5%)	755,002	(91.6%)	798,799	(91.7%)	+5.8%
Building and repairs	28,794	(3.7%)	26,014	(3.1%)	24,567	(2.8%)	Δ5.6%
Brokerage of real estate	16,213	(2.1%)	17,652	(2.1%)	16,964	(1.9%)	Δ3.9%
Rent Guarantee business	6,431	(0.8%)	9,702	(1.2%)	10,954	(1.3%)	+12.9%
Electricity Business	4,288	(0.6%)	6,119	(0.7%)	7,311	(0.8%)	+19.5%
Leasing Business※2	6,055	(0.8%)	6,266	(0.8%)	6,071	(0.7%)	Δ3.1%
Others	3,700	(0.5%)	3,884	(0.5%)	6,719	(0.8%)	+73.0%
Total	774,807	(100.0%)	824,642	(100.0%)	871,388	(100.0%)	+5.7%

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

※2 Mainly Shinagawa East One Tower

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Profit & Loss of major subsidiaries  
(real estate businesses-1) <FY18/3>

(¥ mn)

	Real estate business							
	Daito Kentaku Partners <sup>※1</sup>				Daito Kentaku Leasing <sup>※2</sup>			
	2017/3	2018/3	Y o Y	19/3 Plan	2017/3	2018/3	Y o Y	19/3 Plan
Net sales	792,545	<b>839,430</b>	+5.9%	881,700	0	<b>15,766</b>	—	<b>21,700</b>
Gross profit	56,981	61,139	+7.3%	62,300	0	6,615	—	9,400
SG&A Expenses	18,707	22,028	+17.8%	21,800	68	4,953	—	7,200
Operating income	38,273	<b>39,110</b>	+2.2%	<b>40,500</b>	△68	1,662	—	<b>2,200</b>
Ordinary income	41,875	<b>44,352</b>	+5.9%	<b>45,600</b>	△68	1,773	—	<b>3,000</b>
Net income	29,588	<b>31,531</b>	+6.6%	<b>32,400</b>	△68	1,184	—	<b>2,000</b>

※1 It changed its trade name from Daito Building Management Co., Ltd. on April 1, 2017.

※2 Established in November 2016, started full-scale activities from the end of May 2017

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Profit & Loss of major subsidiaries  
(real estate businesses-2) <FY18/3>

(¥ mn)

	Real estate business							
	House Leave				Housecom			
	2017/3	2018/3	Y o Y	19/3 Plan	2017/3	2018/3	Y o Y	2019/3 Plan
Net sales	9,702	<b>10,954</b>	+12.9%	<b>12,732</b>	10,109	<b>10,822</b>	+7.1%	<b>11,355</b>
Gross profit	9,110	10,276	+12.8%	11,745	9,920	10,446	+5.3%	10,909
SG&A Expenses	1,428	2,985	+109.0%	3,852	8,973	9,370	+4.4%	9,813
Operating income	7,681	<b>7,290</b>	△5.1%	<b>7,893</b>	946	<b>1,076</b>	+13.7%	<b>1,096</b>
Ordinary income	7,692	<b>7,295</b>	△5.2%	<b>7,897</b>	1,177	<b>1,328</b>	+12.8%	<b>1,344</b>
Net income	5,208	<b>4,959</b>	△4.8%	<b>5,479</b>	757	<b>856</b>	+13.0%	<b>880</b>

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Profit & Loss of major subsidiaries  
 (Finance businesses) <FY18/3>

(¥ mn)

	Other businesses (Financial business)											
	Daito Finance				House Guard				D.T.C			
	2017/3	2018/3	Y o Y	2019/3 Plan	2017/3	2018/3	Y o Y	2019/3 Plan	2017/3	2018/3	Y o Y	2019/3 Plan
Net sales	1,391	<b>1,531</b>	<b>+10.0%</b>	<b>1,332</b>	1,964	<b>2,427</b>	<b>+23.5%</b>	<b>2,829</b>	3,334	<b>3,328</b>	<b>Δ0.2%</b>	<b>3,359</b>
Gross profit	1,085	<b>1,199</b>	<b>+10.5%</b>	<b>1,148</b>	694	<b>1,087</b>	<b>+56.6%</b>	<b>1,323</b>	1,355	<b>1,356</b>	<b>+0.1%</b>	<b>1,351</b>
SG&A expenses	144	<b>153</b>	<b>+6.1%</b>	<b>179</b>	697	<b>851</b>	<b>+22.0%</b>	<b>1,072</b>	16	<b>16</b>	<b>+0.2%</b>	<b>15</b>
Operating Income	940	<b>1,046</b>	<b>+11.2%</b>	<b>968</b>	Δ3	<b>236</b>	—	<b>250</b>	1,338	<b>1,339</b>	<b>+0.1%</b>	<b>1,335</b>
Ordinary Income	941	<b>1,046</b>	<b>+11.2%</b>	<b>969</b>	Δ3	<b>236</b>	—	<b>250</b>	1,353	<b>1,150</b>	<b>Δ15.0%</b>	<b>1,335</b>
Net income	659	<b>750</b>	<b>+13.8%</b>	<b>672</b>	Δ30	<b>152</b>	—	<b>237</b>	1,353	<b>1,150</b>	<b>Δ15.0%</b>	<b>1,335</b>

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 Profit & Loss of major subsidiaries  
 (Other businesses-1) <FY18/3>

(¥ mn)

	Other businesses (Gas supply business · Care business)							
	Gaspal Group				Care Partner			
	2017/3	2018/3	Y o Y	2019/3 Plan	2017/3	2018/3	Y o Y	2019/3 Plan
Net sales	23,596	<b>25,000</b>	<b>+5.9%</b>	<b>27,231</b>	11,411	<b>11,644</b>	<b>+2.0%</b>	<b>11,736</b>
Gross profit	9,621	<b>10,776</b>	<b>+12.0%</b>	<b>11,873</b>	1,310	<b>1,355</b>	<b>+3.4%</b>	<b>1,173</b>
SG&A Expenses	5,816	<b>6,515</b>	<b>+12.0%</b>	<b>7,032</b>	975	<b>985</b>	<b>+1.0%</b>	<b>1,023</b>
Operating Income	3,805	<b>4,261</b>	<b>+12.0%</b>	<b>4,840</b>	334	<b>370</b>	<b>+10.5%</b>	<b>150</b>
Ordinary income	3,752	<b>4,011</b>	<b>+6.9%</b>	<b>4,425</b>	337	<b>370</b>	<b>+9.7%</b>	<b>150</b>
Net income	970	<b>2,803</b>	<b>+188.9%</b>	<b>3,070</b>	194	<b>199</b>	<b>+2.2%</b>	<b>103</b>

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### Profit & Loss of major subsidiaries (Other businesses-2) <FY18/3>

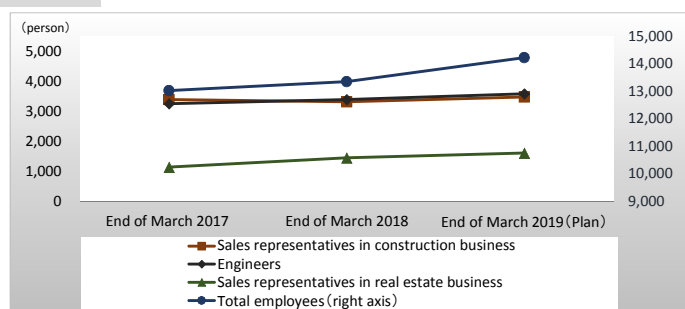
(¥ mn)

	Other businesses (Energy business · Overseas business)											
	Daito Energy				DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD.				DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN. BHD.			
	2017/3	2018/3	Y o Y	19/3 Plan	2017/3	2018/3	Y o Y	19/3 Plan	2017/3	2018/3	Y o Y	19/3 Plan
Net sales	4,059	11,245	+177.0%	4,219	2,609	3,117	+19.5%	3,220	—	366	—	4,584
Gross profit	272	418	+53.5%	168	1,144	1,421	+24.3%	1,483	—	174	—	2,196
SG&A Expenses	774	986	+27.4%	126	877	1,041	+18.7%	1,059	—	111	—	1,345
Operating Income	△501	△567	—	42	266	380	+43.0%	424	—	62	—	851
Ordinary income	△580	△774	—	8	△75	988	—	368	—	96	—	753
Net income	△580	△847	—	8	△91	884	—	341	—	89	—	609

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### Transition of number of employees in each business section (Major 3 companies)



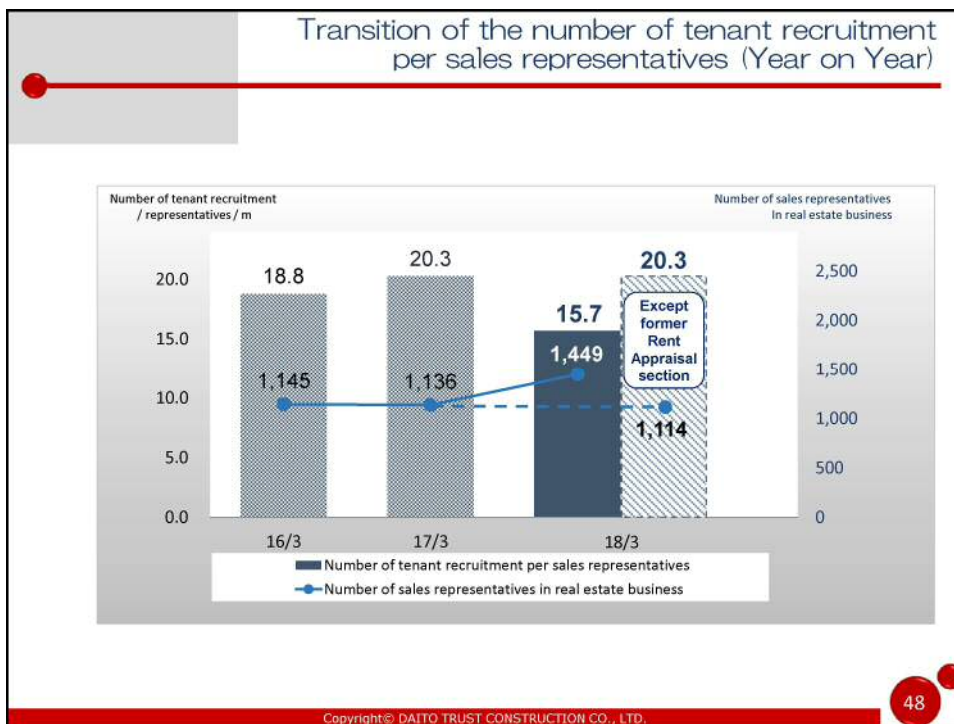
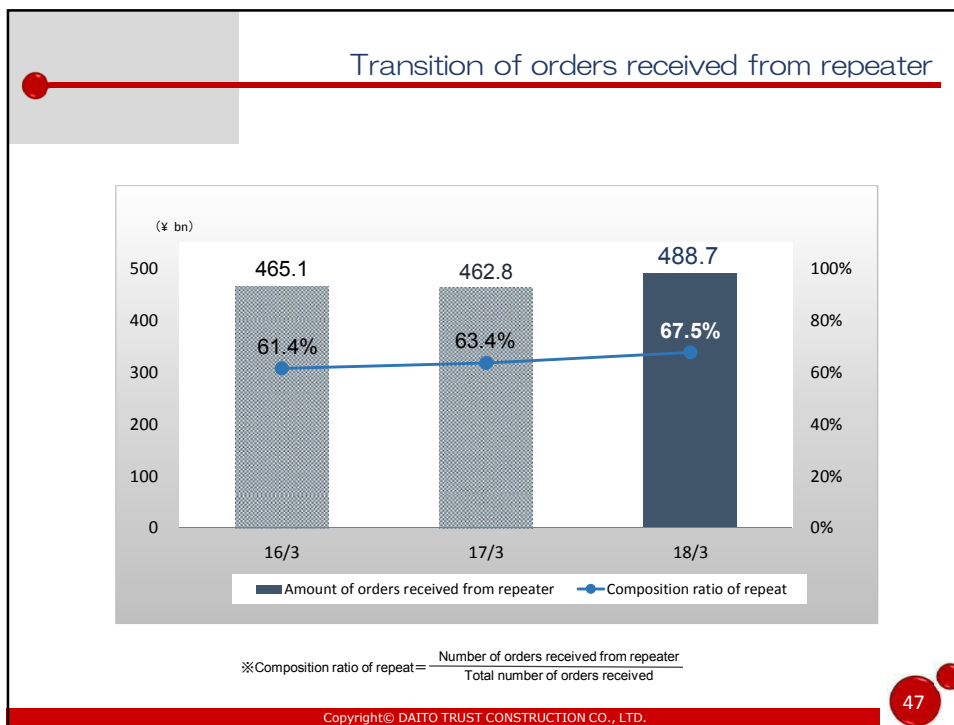
	End of March 2017	End of March 2018	(Y o Y)	End of March 2019 (Plan)
Total employees	13,017	13,348	+331	14,220
Sales representative in construction business*1	3,383	3,313	△70	3,470
Engineers	3,243	3,387	+144	3,580
Sales representative in real estate business*2	1,136	1,449	+313	1,600

\*1 Including Customer Support Department (specialized in support of existing customers)

\*2 From FY 18/3, total number of leasing sales personnel in Daito Kentaku Leasing and Daito Kentaku Partners

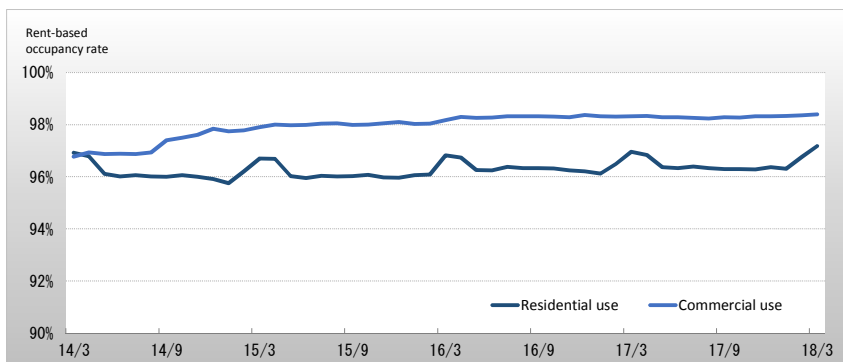
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### Transition of rent-based occupancy rate



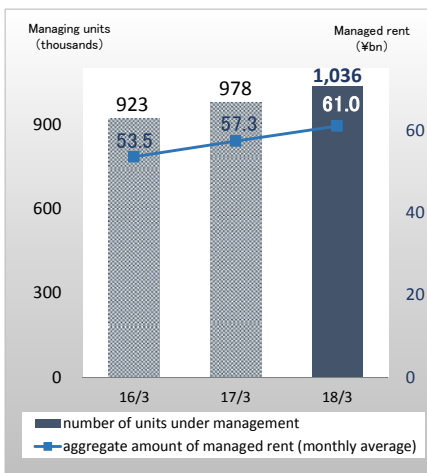
Rent-based occupancy rate	14/3	15/3	16/3	17/3	18/3	Y o Y
Residential use (%)	96.9%	96.7%	96.8%	96.9%	97.2%	+0.3p
Commercial use (%)	96.8%	97.9%	98.2%	98.3%	98.4%	+0.1p

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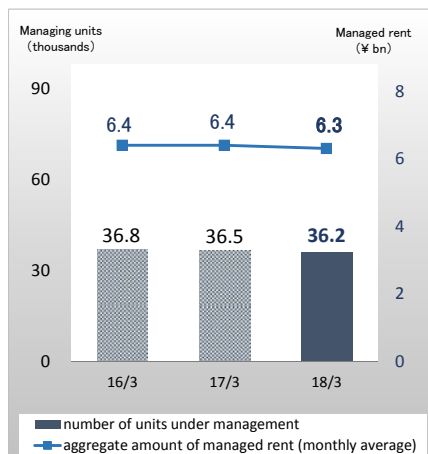
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### Transition of number of units under management & aggregate amount of rent

#### Residential use



#### Commercial use



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Customer's funds route

Resources of finance for construction (Based on construction start dates)

