



Daito Trust Construction Co., Ltd.

Securities code : 1878

45th Term

Six Months
(Consolidated)
ended

DAITO REPORT

FY2018 (April 1, 2018 ▶ September 30, 2018)

CONTENTS

TO OUR SHAREHOLDERS	P1
FINANCIAL HIGHLIGHTS	P2
(CONSOLIDATED)	
CONSOLIDATED FINANCIAL STATEMENTS ..	P3
BUSINESS SEGMENT	P5
(CONSOLIDATED)	
FINANCIAL FORECASTS	P7
SHAREHOLDER RETURNS	P8
POSITION WITHIN THE INDUSTRY ...	P9
TOPICS	P10
SHAREHOLDER BENEFIT PLAN	P15
CORPORATE DATA / OFFICERS /	
THE COMPANY'S STOCK	P17
INFORMATION FOR SHAREHOLDERS ..	P18



Greeting

I would like to express my gratitude to our shareholders and investors for their continued support. The consolidated operating results and activities of the Daito Group for the six months ended September 30, 2018 (from April 1 to September 30, 2018) are reported as below.

In the housing industry during the consolidated first half of the fiscal term, the number of new residential housing starts decreased by 1.1% year-on-year. In the rental housing sector, the Daito Group's main area of focus, the number of housing starts declined 2.8% year-on-year, in part because of tighter financing by financial institutions. The rental housing market is shifting from a temporary boom to a market environment of normalization.

Under this market environment, the Daito Group reported higher revenues and lower profit in the first half for the first time in six years, but we will pay an interim dividend of 297 yen per share, up 18 yen, as planned at the beginning of the fiscal year. Going forward, we will continue to practice "customer first" while keeping in mind that "customer satisfaction is the sole indicator of our business success" so that we can be a corporate group capable of development long into the future. I look forward to your continued support in the future.

Naomi Kumakiri

President and Representative Director, Chief Executive Officer
Daito Trust Construction Co., Ltd.
November 2018

Q Please give a brief description of the business environment for the six months ended September 30, 2018.

During the period under review, the domestic economy continued to show signs of improvement in corporate results and employment and maintained a moderate recovery. On the other hand, uncertainty in overseas economies and geopolitical risks are rising, so the future outlook remains uncertain. In the construction market as a whole, although there was some easing of the labor shortage due to effects from the Great East Japan Earthquake, the outlook remains uncertain regarding the supply and demand of construction workers as infrastructure development picks up prior to the Tokyo Olympic and Paralympic Games. In the rental housing market, negative reporting in the mass media and tighter financing by financial institutions have presented adverse conditions, but we made every effort to achieve positive results.

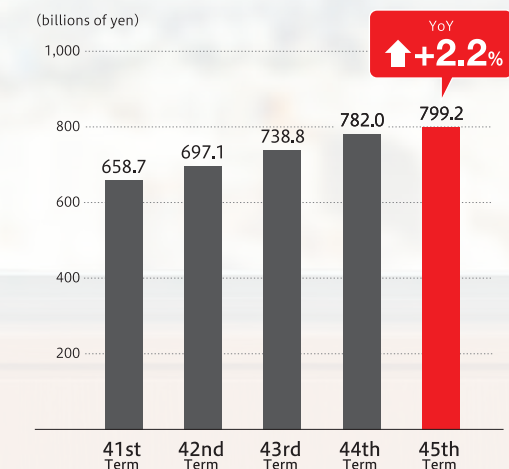
Q How were the business results for the first half against the backdrop of that business environment?

During the consolidated period under review, the Group reported net sales of 799.2 billion yen (up 2.2% year-on-year), operating income of 75.9 billion yen (down 4.2%), ordinary income of 78.6 billion yen (down 4.0%), and net income attributable to owners of the parent company of 54.6 billion yen (down 2.4%). There are no changes to our initial plans for the entire fiscal year. To meet the expectations of our stakeholders, the entire Daito Group with Daito Trust Construction Co., Ltd., Daito Kentaku Leasing Co., Ltd., and Daito Kentaku Partners Co., Ltd. at its core will work together to achieve our plans for the fiscal term.

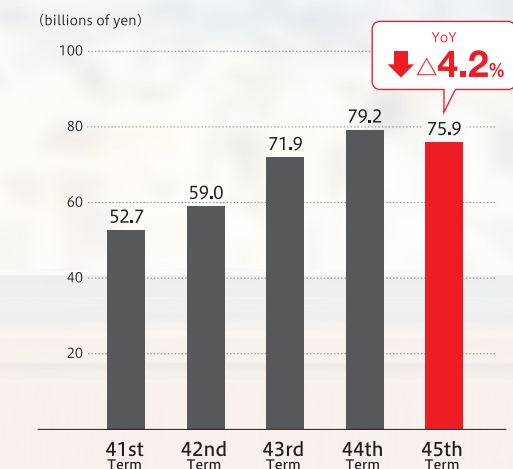
2nd quarter Financial Highlights (Consolidated)

(April 1, 2018 to September 30, 2018)

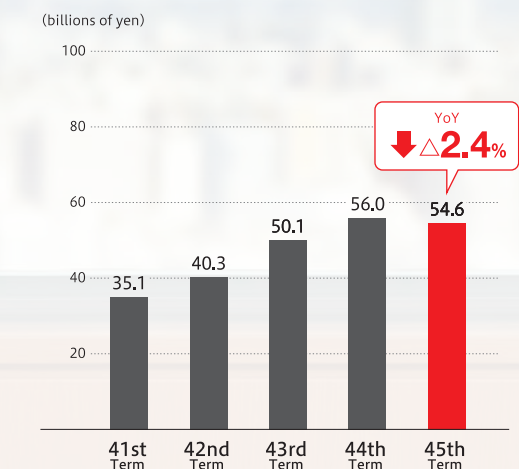
Net sales **¥799.2billion**



Operating income **¥75.9billion**



Net income attributable to owners of the parent **¥54.6billion**



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

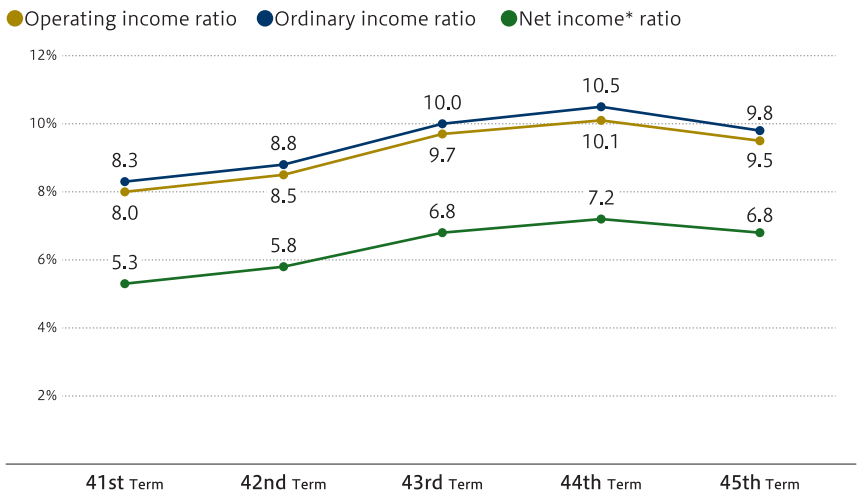
(Millions of yen)

Account Item	Six months ended September 30, 2017 (From April 1, 2017 to September 30,2017)	Initial plan for the six months ended September 30, 2018 (From April 1, 2018 to September 30,2018)	Year-on-year change
Net sales	782,069	799,220	+2.2%
Completed construction contracts	322,701	313,365	△2.9%
Net sales, real estate business	432,465	459,831	+6.3%
Net sales, other businesses	26,902	26,022	△3.3%
Cost of sales	627,753	645,534	+2.8%
Gross profit	154,315	153,685	△0.4%
Gross profit, completed projects	103,984	97,584	△6.2%
Gross profit, real estate business	40,802	45,854	+12.4%
Gross profit, other businesses	9,528	10,247	+7.5%
Selling, general and administrative expenses	75,041	77,767	+3.6%
Operating income	79,273	75,918	△4.2%
Non-operating income	3,184	3,122	△1.9%
Non-operating expense	552	380	△31.2%
Ordinary income	81,905	78,661	△4.0%
Extraordinary income	55	1,090	—
Extraordinary loss	231	617	+166.3%
Profit before taxes and other adjustments	81,729	79,133	△3.2%
Income taxes	25,627	24,390	△4.8%
Net income	56,101	54,742	△2.4%
Net income attributable to non-controlling interests	94	81	△13.9%
Net income attributable to owners of the parent	56,006	54,661	△2.4%

POINT

- Decreased because of the decline in completed construction contracts and lower gross profit margin due to effects from Tokyo Olympic and Paralympic Games related construction and the tight labor supply.
- Increased as the result of higher rental income in conjunction with the increase in rental properties entrusted by land owners and higher revenues from the guarantor-free service.
- Increased due to a higher number of LP gas supply customers and an expansion of the hotel business as a result of acquisition of the Hilton Kuala Lumpur in Malaysia.
- Rose due to higher new system development and software depreciation expenses and higher expenses in conjunction with acquisition of the Hilton Kuala Lumpur hotel in Malaysia.

Changes in income ratios



*Net income=Net income attributable to owners of the parent

Consolidated balance sheet

(Millions of yen)

Account Item	Preceding fiscal year (March 31, 2018)	Fiscal year (September 30, 2018)	Comparison with the End of Previous Term
Assets			
Current assets	509,844	495,039	△2.9%
Noncurrent assets	333,133	339,892	+2.0%
Tangible fixed assets	147,884	147,014	△0.6%
Intangible assets	23,663	24,792	+4.8%
Investments and other assets	161,585	168,086	+4.0%
Total assets	842,978	834,931	△1.0%
Liabilities			
Current liabilities	296,238	272,344	△8.1%
Noncurrent liabilities	249,700	245,754	△1.6%
Total liabilities	545,939	518,098	△5.1%
Net assets			
Shareholders' equity	299,507	319,382	+6.6%
Capital stock	29,060	29,060	±0.0%
Capital surplus	34,540	34,540	+0.0%
Retained earnings	253,108	284,846	+12.5%
Treasury stock	△17,203	△29,065	—
Accumulated other comprehensive income	△5,479	△5,607	—
Stock acquisition rights	415	462	+11.3%
Non-controlling interests	2,596	2,596	+0.0%
Total net assets	297,039	316,833	+6.7%
Total liabilities and net assets	842,978	834,931	△1.0%

Cash flow statement

(Millions of yen)

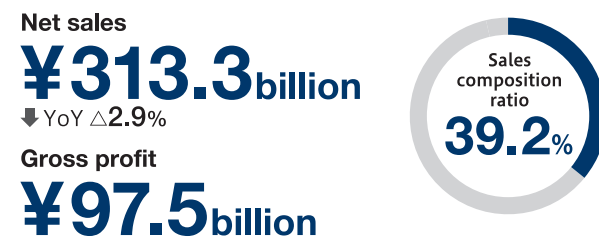
Account Item	Six months ended September 30, 2017 (From April 1, 2017 to September 30,2017)	Initial plan for the six months ended September 30, 2018 (From April 1, 2018 to September 30,2018)	Year-on-year change
Cash flows from operating activities	6,301	31,829	+405.1%
Cash flows from investing activities	△16,139	△25,603	—
Cash flows from financing activities	△46,043	△54,474	—
Translation differences in accordance with the cash and cash equivalents	△964	△363	—
Increase or decrease in cash and cash equivalents	△56,846	△48,612	—
Cash and cash equivalents at beginning of year	200,180	213,714	+6.8%
Quarter-end balance of cash and cash equivalents	143,334	165,102	+15.2%

POINT

- Although operating rents and completed construction accounts receivable increased, cash and deposits fell, leading to a decline.
- Construction accounts receivable increased, but allowances for bonuses, unpaid corporate taxes, and other accounts decreased, resulting in a decline.
- Treasury stock was acquired, but retained earnings were up, resulting in an increase.
- Corporate income taxes and bonuses were paid, but net income before taxes and other adjustments was reported, resulting in 31.8 billion yen in positive cash flows.
- As a result of acquisition of software, deposit of funds into time deposits, repayment, and other factors, 25.6 billion yen was used.
- Due to payment of dividends, acquisition of treasury stock, repayment of long-term debts, and other factors, 54.4 billion yen was used.

BUSINESS SEGMENT (CONSOLIDATED)

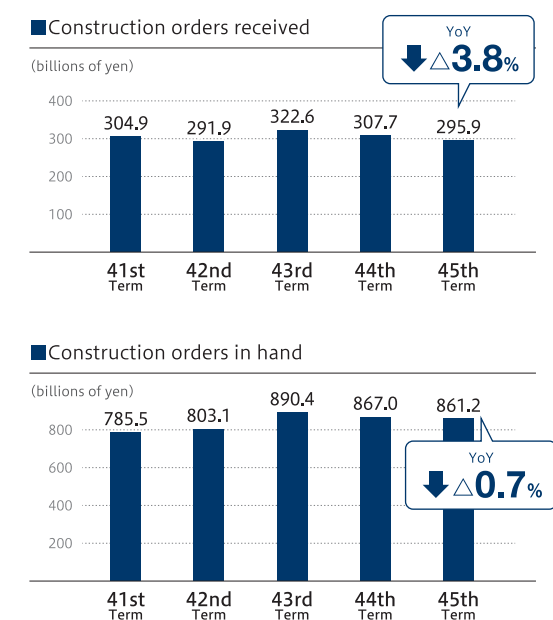
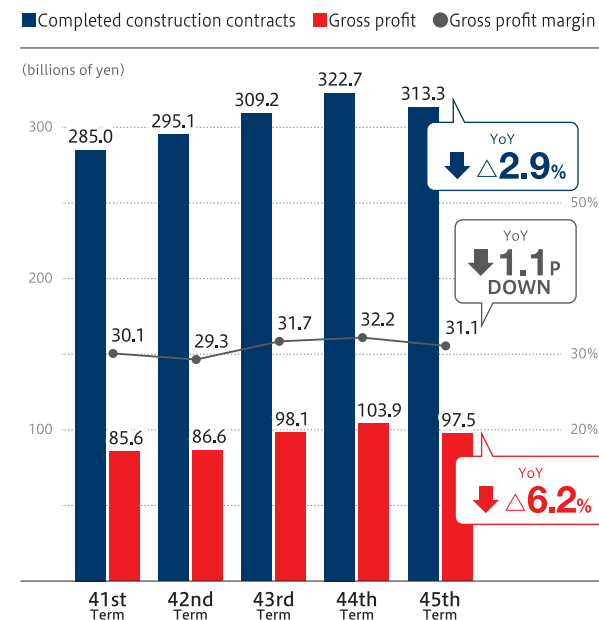
Construction Business



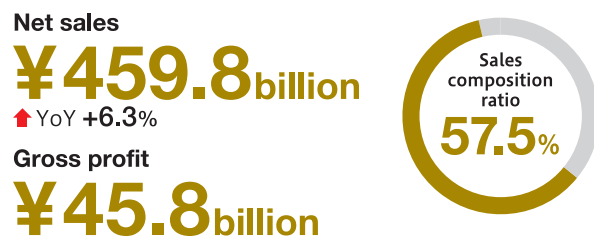
- Completed construction contracts decreased by 2.9% year-on-year to 313.3 billion yen.
- The gross profit margin on completed projects fell 1.1 points to 31.1% due to higher labor expenses in conjunction with Tokyo Olympic Games related construction and a tight balance of labor supply and demand.



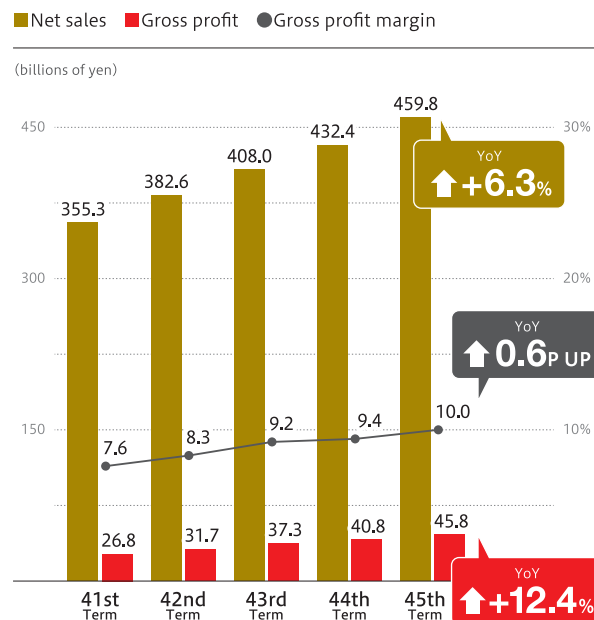
- Orders received decreased by 3.8% year-on-year to 295.9 billion yen. The construction orders in hand remained flat at 861.2 billion yen.



Real Estate Business

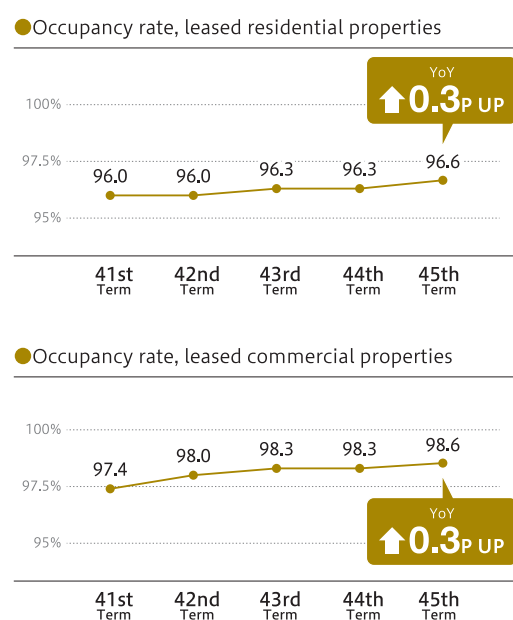


- Net sales increased by 6.3% year-on-year to 459.8 billion yen as a result of higher rental income in conjunction with increase in integrated rental properties using the Lease Management Trust System and other factors.
- The number of tenants recruited by the three main companies* was up 7.9% to 148,111.



- The occupancy rate of leased residential properties in September rose 0.3 points to 96.6%, and the occupancy rate of leased commercial properties rose 0.3 points to 98.6%.

* Daito Trust Construction Co., Ltd., Daito Kentaku Leasing Co., Ltd., and Daito Kentaku Partners Co., Ltd.



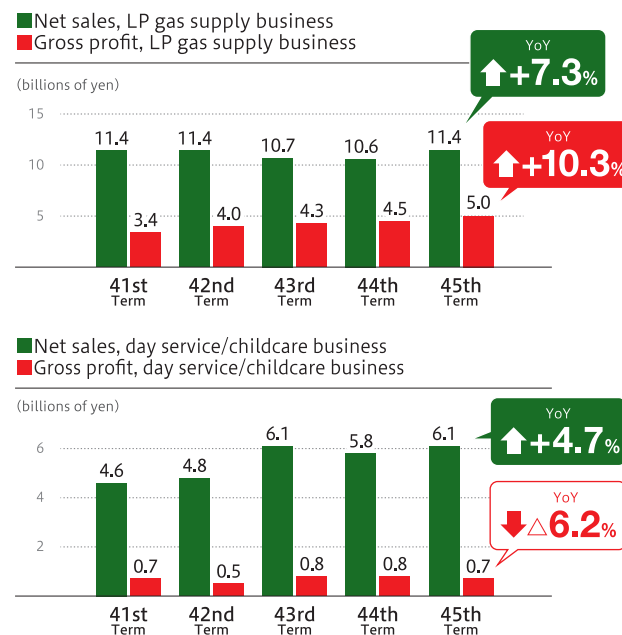
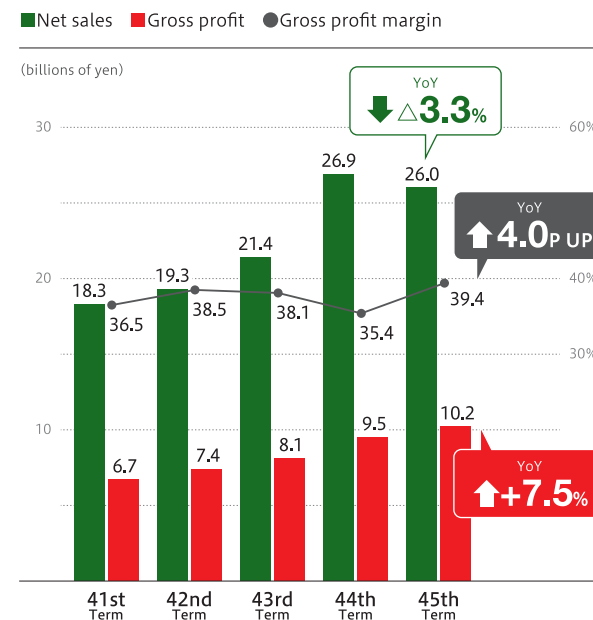
Other Businesses



- Net sales decreased by 3.3% year-on-year to 26.0 billion yen. The main positive factors were growth in the number of households supplied LP gas by the Gaspal Group, which is in the LP gas supply business; an increase in the number of users of facilities operated by Care Partner Co., Ltd., which operates daycare facilities; and contributions to sales by the Hilton Kuala Lumpur, a hotel in Malaysia that the Group acquired last year. The main negative factor was a reduction in the scale of business of Daito Energy Co., Ltd.



- Net sales in the LP gas supply business increased 7.3% year-on-year to 11.4 billion yen. Net sales in the day service and childcare business increased 4.7% year-on-year to 6.1 billion yen.



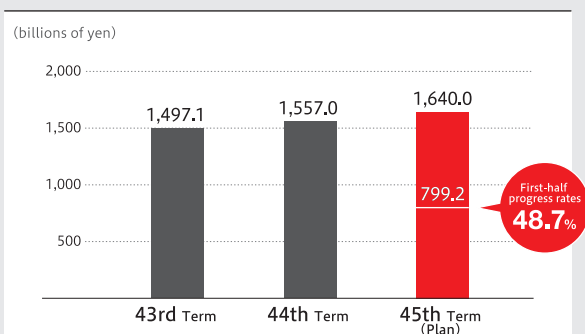
FINANCIAL FORECASTS

Higher revenues and higher profit planned for the year

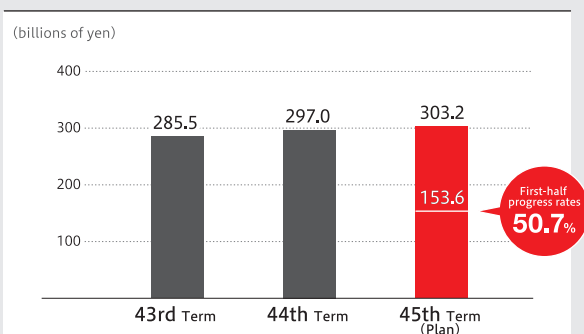
No changes have been made to the figures initially announced in our plan for the 45th fiscal term (the fiscal year ending March 31, 2019).

The Group plans to record net sales of 1,640.0 billion yen, gross profit of 303.2 billion yen, operating income of 128.0 billion yen, ordinary income of 133.0 billion yen, and net income attributable to owners of the parent of 90.0 billion yen. The entire Group is working together to achieve higher revenues and income for the 11th consecutive fiscal term.

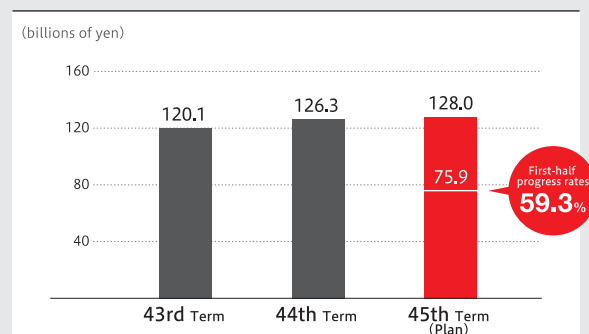
Net sales **¥1,640.0billion**



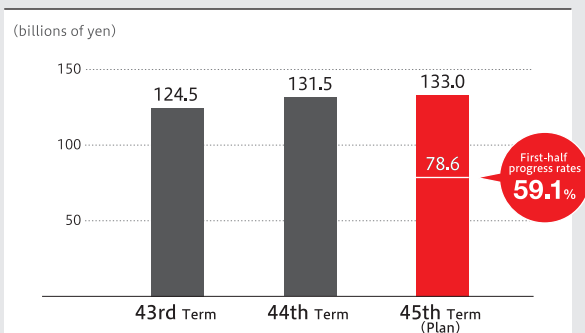
Gross profit **¥303.2billion**



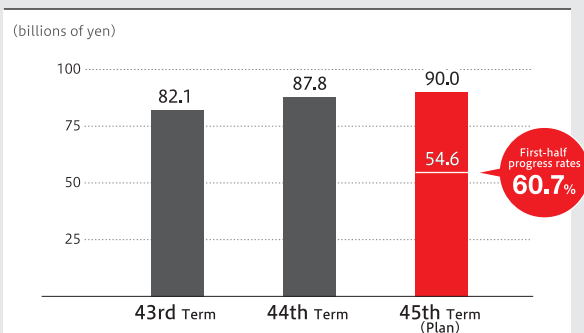
Operating income **¥128.0billion**



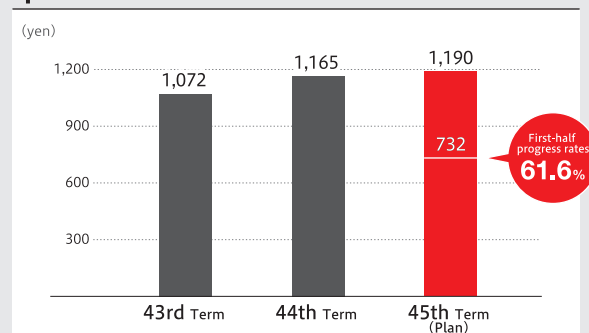
Ordinary income **¥133.0billion**



Net income* **¥90.0billion**



Net income* per share **¥1,190**

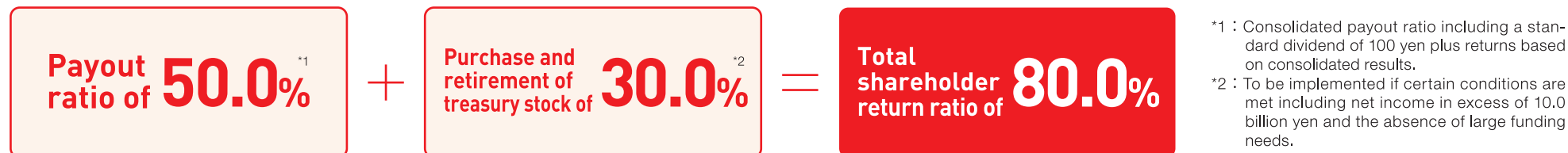


*Net income attributable to owners of the parent

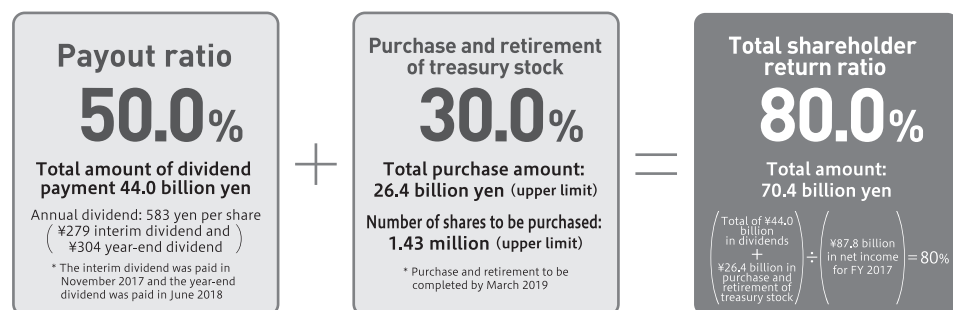
SHAREHOLDER RETURNS

The Company recognizes profit returns to shareholders as the most important management matter and practices it.

Fundamental Policy



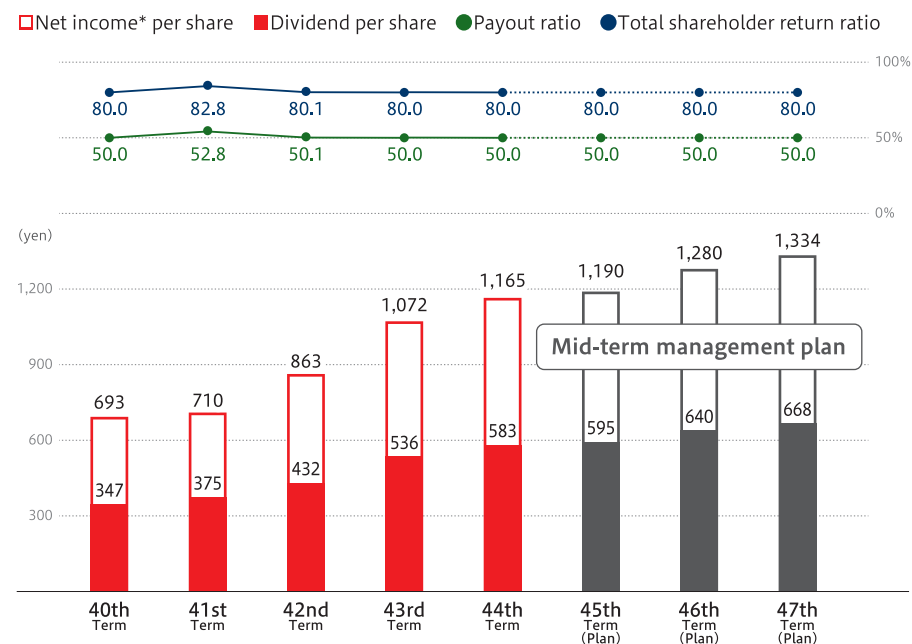
Return of profit to shareholders in FY 2017



Return of profit to shareholders in FY 2018 (Dividends)



Actual and Planned dividend per share, payout ratio, and total shareholder return ratio



* Net income = Net income attributable to owners of the parent

POSITION WITHIN THE INDUSTRY



Ranking of 276 Leading Suppliers of Detached Houses and Condominiums

Nationwide Detached House Supplier Rankings

The Daito Group's housing supply of 62,869 units in FY 2017 placed the Group in the number one position in the FY 2017 Nationwide Detached House Supplier Rankings.

The ranking is prepared by the Real Estate Economic Institute Co., Ltd. and the Market Economy Research Institute Ltd. based on annual investigations of the construction results and sales plans of leading condominium and house (detached houses and rental housing) suppliers nationwide. This year's ranking covered 171 house suppliers and 105 condominium suppliers. The Daito Group was ranked number one for the 10th consecutive year.

FY 2017 Nationwide Detached House Supplier Rankings (top 10)

For 10 Consecutive Years
No.1

1	Daito Trust Construction Co., Ltd.	62,869units
2	Daiwa House Industry Co., Ltd.	49,481units
3	Sekisui House, Ltd.	45,645units
4	Asahi Kasei Homes Corporation	16,672units
5	Toyota Housing Corporation	16,222units
6	Token Corporation	14,510units
7	Ichijo Co., Ltd.	11,506units
8	Sekisui Chemical Co., Ltd.	9,880units
9	Sumitomo Forestry Co., Ltd.	9,217units
10	Leopalace21 Corporation	7,586units

Source: Real Estate Economic Institute Co., Ltd. and Market Economy Research Institute Ltd. press release of July 26, 2018.



Rankings Cover 952 Real Estate Companies Nationwide

Rental Housing Management Rankings

The Daito Group had 1,036,640 rental housing units (for residential purposes) under management as of the end of March 2018,* placing it in first place in the 2018 Rental Housing Management Rankings of 952 Companies announced by the weekly Zenkoku Chintai Jutaku Shimibun.

This is a ranking of 952 responding companies that manage 300 or more rental housing units based on a survey of approximately 3,600 real estate companies located nationwide conducted by the newspaper regarding the number of rental housing units under management as of the end of March 2018. The Group has been in the number one position of this ranking for 22 consecutive years since 1997.

2018 Rental Housing Management Rankings of 952 Companies (number of units under management, top 10)

For 22 Consecutive Years
No.1

1	Daito Group	1,036,640units
2	Sekisui House Group	607,000units
3	Leopalace21 Corporation	570,672units
4	Daiwa Living Co., Ltd.	535,661units
5	Starts Group	523,787units
6	Token Corporation	226,016units
7	House Mate Group	210,369units
8	MiniTech Corporation	181,000units
9	Village House Management	97,001units
10	Asahi Kasei Realty & Residence Corporation	88,142units

Source: Zenkoku Chintai Jutaku Shimibun (issued by Zenkoku Chintai Jutaku Shimibun Co., Ltd.), July 30, 2018
* 1,061,794 units as of the end of September 2018

TOPICS 01

Awards for Excellence in Corporate Disclosure— Won in Construction, Housing, and Real Estate Segment for 8th Consecutive, 9th Time Overall!

The Company was ranked first in the FY 2018 Awards for Excellence in Corporate Disclosure given by Securities Analysts (conducted by the Securities Analysis Association of Japan) in the construction, housing, and real estate segment. The Company has been ranked number one for eighth consecutive starting in FY 2009 and a total of nine times.



* Evaluation in the construction, housing, and real estate segment was suspended in FY 2011 and FY 2016.

Awards for Excellence in Corporate Disclosure given by Securities Analysts

Companies that excel in disclosures are selected for their active disclosure measures and serving as models for other companies based on rigorous evaluations conducted by more than 500 securities analysts with at least three years of experience.

Overview of Assessment Points (excerpted from selection result notification materials)

- | | |
|---|---|
| ① Management stance on investor relations (2nd place) | ■ Members of the management team attend quarterly briefings, create opportunities for dialogue with analysts and investors, and distribute messages to the market |
| ② Briefings (1st place) | ■ Results and plans are clearly stated in briefings, interim reports, briefing materials and so on and explanations that are adequate for increasing understanding are provided |
| ③ Fair disclosure (1st place) | ■ Matters that are significant for investor decisions are promptly disclosed.
■ Briefing materials and data can be obtained fairly and in a timely manner in English as well |
| ④ Corporate governance (1st place) | ■ Progress regarding medium and long-term management plans and specific measures for carrying them out are adequately explained |
| ⑤ Voluntary information disclosures (2nd place) | ■ Rental housing tours and other events are conducted |

TOPICS 02



2018 LPGA Sanctioned Tournament Daito Kentaku Eheyant Ladies

Held from July 26 (Thu.) to 29 (Sun.), 2018

Ah-Reum Hwang (South Korea) Wins for the First Time in Nine Years!

The Group is the main sponsor of this event, which was again held at the Narusawa Golf Club in Yamanashi Prefecture, known as a scenic course that makes full use of the natural environment of the foothills of Mount Fuji. Of the 119 competing athletes, 62 advanced to the final tournament. On the final day, Ah-Reum Hwang defeated Min-Young Lee (South Korea) in a playoff to win a second tour victory, following her first in 2009.

There were concerns that the course would be affected by Typhoon Jongdari, but a total of 8,473 spectators attended the four-day event.

Tournament Overview

Sponsor
Daito Trust Construction Co., Ltd.

Sanctioning body
The Ladies Professional Golfers' Association of Japan

Host venue
Narusawa Golf Club
(5224 Narusawa-mura,
Minami-Tsuru-gun, Yamanashi)

Total prize money
120 million yen (21.6 million
yen for the first place winner)

Tournament URL
<https://e-heya.kentaku.net/golf/>



TOPICS 03

Construction of ROOFLAG, Exhibition place of Future Rental Housing, Starts!

The Group is constructing ROOFLAG, Exhibition place of Future Rental Housing, in Shinonome, Koto-ku, Tokyo. A groundbreaking ceremony was conducted on October 11, 2018. Construction is scheduled to be completed in 2020.

The exhibition space will be an information dissemination facility that will convey information on future lifestyles through new surprises and discoveries in rental housing. It will supplement the Group's existing showrooms at the Shinagawa Head Office and the Nagoya Branch. By providing a facility that can be toured by anyone, we will convey information on the future of rental housing and lifestyles to even more people.

The facility will feature a structure that combines wood and Reinforced Concrete (RC), and the facade with a large roof structure using Cross Laminated Timber* (CLT), wood material, will create a strong impression of the incineration for the environment. By using wood with an advanced and futuristic feel as a construction material, we hope to convey the future and potential of rental housing.



* Cross Laminated Timber: Thick panels created by gluing lumber together in alternating perpendicular layers to increase strength. CLT has high energy-saving effects from heat insulation properties and is lightweight compared to RC construction, making it excellent for earthquake-proof construction.



TOPICS 04

New DK SELECT Television Commercials, “Pet Heaven,” Third in the “My Sister is a Sorceress” Series, Currently Airing



Actors Hiroshi Tamaki and Fumino Kimura perform a brother and sister in a new DK SELECT television commercial in the “My Sister is a Sorceress” series.

In the “Pet Heaven” version, which follows the “Paris” and “Tahiti” versions, the setting is the new home of the sister (Kimura). The brother (Tamaki), who has long looked forward to his sister’s magic, seems to be dissatisfied with the apartment, which is simpler than he expected. When he looks away for a moment, however, the apartment becomes a total “pet heaven.”

The commercial features many of the useful items unique to “Adaptable Apartment DK SELECT” as well as adorable performance by Boss, the sister’s pet dog, and Niko, the brother’s pet cat, who are appearing for the first time.



Watch the commercial and see why Tamaki exclaims, “This is such an adaptable apartment!” >> <http://www.dk-select.jp/cm/>

TOPICS 05

お部屋さがしは
いい部屋ネット

New Commercials for e-Heya Net “Pet” version, Currently Airing

The theme of the new “Pet” version commercial of the e-Heya Net apartment search website that is currently airing is apartments where residents can live with their pets.

Hinako Sakurai seems uneasy about finding a new apartment where she can live with her beloved cat. The cat gives her advice on how to find an apartment.

Sakurai, who was in earlier commercials, appears with Haruna Kondo and Haruka Minowa, known for the popular comedy show Harisenbon. The three work together to introduce a function for searching with specific conditions in order to find apartments that allow pets.

In this commercial, Shuhen-Kiki-chan (Minowa) appears in the guise of a smart watch. Please enjoy Sakurai’s adorable imitation of a cat and the sudden appearance of the e-Heya Nekko-chan (Kondo).

A web-only making-of video can be seen here!

>> <http://www.eheya.net/cm/>



TOPICS 06

Rental Housing Forum 2018 Held, Creating an Image of the Future of Rental Housing

The Group held the Rental Housing Forum 2018 on August 27, 2018 with 436 financial institutions, suppliers, and other companies participating and 806 persons attending.

The forum is held to increase understanding of and disseminate information on the rental housing industry and the Group's business activities, and the theme of this year's forum, which was the ninth, was "Considering Rental Housing in 2030: Outlook 10 Years after the Tokyo Olympics." We explored the rental housing industry of the near future and its prospects from a variety of perspectives in a two-part panel discussion by experts in various fields. During general comments, President and CEO Kumakiri said, "Supplying rental housing is one part of living infrastructure. We hope to use your knowledge and capabilities and will endeavor to contribute to society throughout Japan into the future."



A scene of the forum venue



Experiencing smart housing by observing an exhibit



Daito Trust Construction President and CEO Naomi Kumakiri

TOPICS 07

Trials Begin of "cocoDaTe," Japan's First Custom Order Detached Rental Housing Business Scheme

We began trials of a custom order detached rental housing business scheme called "cocoDaTe" that makes proposals for previously unseen and new housing formats that have benefits of both rental and privately owned houses.

We began recruiting tenants for just two units in Kikkodai, Kashiwa City, Chiba Prefecture on August 23, 2018. Residents can choose the appearance, floorplan, interior design, and other features by taking a custom order. In addition, home purchase costs, fixed asset taxes, and maintenance fees for repairs and so on are not required, and the rent gradually decreases according to the term of residents. Accordingly, the longer a resident stays in a unit, the better the cost performance becomes. A variety of housework and cleaning services are also available to tenants to support residents in their 30s and 40s with children.

"cocoDaTe" will provide convenient and comfortable homes for residents while maintaining the benefits of rental housing.

The earlier residential applications are submitted, the closer custom orders can be made to the tenant's ideals.



TOPICS 08

Elder Garden Yanaze, Senior Housing with Services, Opens



We began providing housing and services at the Elder Garden Yanaze, the Group's first senior housing facility with services, on October 1, 2018.

Elder Garden Yanaze (Utsunomiya City, Tochigi Prefecture) also serves as a nursing care facility (nursing home care, out-patient nursing care, and in-home nursing care support) operated by Care Partner Co., Ltd., a Group company. The facility is able to respond to a wide range of needs from active seniors to those who require nursing care.

In addition to giving consideration for privacy in independent units equipped with a kitchen, cooking stove, and bath, the facility has a community lounge where residents can interact with one another and can also be used by local residents. There are two floor plans—a one-bedroom unit with the kitchen and a two-bedroom unit with a living room/dining room/kitchen.



Exterior of Elder Garden Yanaze



A residential unit (rendering)



The community lounge (rendering)

TOPICS 09

Daito Registered as ZEH Developer That Supplies Low Environmental Impact ZEH Rental Housing

The Company was registered on May 28, 2018 as a ZEH developer under the FY 2018 Net Zero Energy House Support Project conducted by the Ministry of Economy, Trade and Industry and Ministry of the Environment. The Company will continue its efforts to expand ZEH rental housing with low environmental impact by providing condominium units that satisfy the ZEH standards.



Lutan Soleil

TOPICS 10

Daito Included in SNAM Sustainability Index for Seventh Consecutive Year



Daito was selected in June 2018 for inclusion in the SNAM Sustainability Index, which was independently established by Sampo Japan Nipponkoa Asset Management Co., Ltd. (SNAM), for the seventh consecutive year. This operational project is intended to contribute to long-term investor asset formation by identifying management qualities and hidden risks that do not appear in financial statements and evaluating corporate value from a long-term perspective. The Company's integrated activities that closely link business to CSR were highly evaluated.

SHAREHOLDER BENEFIT PLAN

The following benefits are available according to the number of shares held and the duration of holding.

Number of shares held as of end of September	All shareholders holding 100 or more shares							
	All of ① through ⑤ (right) may be selected (twice a year)	① ¥300,000 rebate on a construction contract (Note 1)	② ¥300,000 rebate on the purchase of a condominium unit (Note 1)	③ 10% increase in referral awards (Note 2)	④ Optional equipment service for building construction (equipment specified by the Company, maximum of ¥300,000) (Note 1)	⑤ One free ticket for lease brokerage commission (Note 3) * Shareholders who wish to receive their free ticket by postal mail: please contact us at the following contact e-mail address.		
Number of shares held and years of ownership as of end of March	All shareholders holding 100 or more shares	All of ① through ⑤ (right) may be selected (twice a year)	① ¥300,000 rebate on a construction contract (Note 1)	② ¥300,000 rebate on the purchase of a condominium unit (Note 1)	③ 10% increase in referral awards (Note 2)	④ Optional equipment service for building construction (equipment specified by the Company, maximum of ¥300,000) (Note 1)	⑤ One free ticket for lease brokerage commission (Note 3) * Shareholders who wish to receive their free ticket by postal mail: please contact us at the following contact e-mail address.	
+	100 or more shares, with shares held for 1 year or longer	Either A or B (right) is available (once a year)	A Gift certificates				B Donation to the Daito Group Mirai Fund*	
			Gift certificates are granted in accordance with the number of shares held as follows				Donations can be made in accordance with the number of shares held as follows	
			100 to 299 shares ¥1,000 300 to 499 shares ¥3,000 500 to 999 shares ¥5,000 1,000 or more shares ¥10,000				100 to 299 shares ¥1,000 300 to 499 shares ¥3,000 500 to 999 shares ¥5,000 1,000 or more shares.. ¥10,000	
								
+	300 or more shares, with shares held for 3 years or longer	One of a, b, c or d is available (once a year)	a Tea (350 ml X 24 bottles)	b water (350 ml X 24 bottles)	c Gift certificates	d Donation to the Daito Group Mirai Fund		
			Barley tea manufactured by Care Partner Co., Ltd.	Natural spring water from Azumino in Shinshu	¥1,000	¥1,000		
								
			* Same amount regardless of number of shares held				* Same amount regardless of number of shares held	
+	300 or more shares, with shares held for 3 years or longer	One of 1, 2, 3 or 4 is available (once a year)	1 50% discount ticket for one-night stay at The Strings By InterContinental Tokyo (Note 4)		3 Gift certificates		4 Donation to the Daito Group Mirai Fund	
			 		¥10,000		¥10,000	
			2 50% discount ticket for three-night stay at Le Méridien Kuala Lumpur (Malaysia) (Note 4)		 		¥10,000	
			* Same amount regardless of number of shares held				* Same amount regardless of number of shares held	

The benefit plan is available by submitting an application when using the Company services

The benefit plan is available by submitting an application using the postcard delivered at the end of June

For inquiries regarding the shareholder benefit plan

Daito Trust Construction
Shareholder Benefit Support Center

E - MAIL

keiki@kentaku.co.jp

* Please provide us with your shareholder number, name, address, and telephone number when you contact us. Complimentary tickets will be sent to the registered address.
* If your address has changed, please perform the procedures specified by your securities company.

(Note 1) · Your name must be in the shareholders registry as of the contract date. · Shareholders as of March 31, 2018: Applicable to contracts concluded from April 1, 2018 to September 30, 2018
· Shareholders as of September 30, 2018: Applicable to contracts concluded from October 1, 2018 to March 31, 2019
(Note 2) · 1.1% of construction contract (compared with the normal rate of 1%) · ¥11,000 regardless of the amount of rent (compared with the normal rate of ¥10,000)
(Note 3) · Valid period for shareholders as of March 31, 2018: July 1–December 31, 2018 · Valid period for shareholders as of September 30, 2018: January 1–June 30, 2019
(Note 4) · Transport expenses to the hotel shall be borne by the shareholder · Room availability is subject to confirmation

FAQ related to the Shareholder Benefit Plan

Benefits available to shareholders as of both March 31 and September 30

Q Please explain how to receive benefits ① through ⑤ in shareholder benefit plan.

A

Benefits ①, ② and ④



- Please inform staff in charge of sales at the Company of your wish to receive the benefit.
- You will be given a "Shareholder Benefit Application Form".
- Please fill out the "Shareholder Benefit Application Form", and submit it to the staff in charge of sales at the Company before concluding the construction contract (or in the case of ②, the purchase agreement).
- The optional construction for which the benefit can be used is determined; please inquire with your sales representative for details.

Benefits ③



- Please contact Daito Trust Construction Shareholder Benefit Support Center.
- Our staff in charge of sales will contact the referred customer (i.e., the person who will be entering into the contract).

Benefits ⑤



- Please contact Daito Trust Construction Shareholder Benefit Support Center to have the ticket sent.
- The ticket will be sent to the registered address.
- Please present the complimentary tickets when applying for housing at an office directly operated by Daito Kentaku Leasing Co., Ltd.. Preferential treatment will be applied with regard to the lease brokerage commission.

Q Am I entitled to only one of the benefits from among ① through ⑤ in shareholder benefit plan?

A You are entitled to all of ① through ⑤ in shareholder benefit plan. However, you cannot receive benefits ③ and ⑤ simultaneously for the same building lease agreement.

Q We have a rental apartment currently under construction. We would like to receive the construction contract the ¥300,000 rebate under the shareholder benefit plan. Will we be eligible for these benefits if we purchase the Company's shares before the completion of the building?

A Shareholders recorded in the register of shareholders at the time of contract execution are eligible for the shareholder benefit program (record dates: last day of March and September). Accordingly, the benefit cannot be used in the case discussed above.

Q We would like to use the construction contract the ¥300,000 rebate. Can we use it for repair work at a building that has already been completed?

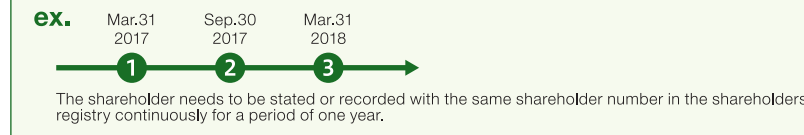
A This benefit can be used when signing a new construction contract (for new construction) with the Company. Accordingly, the benefit cannot be used in the above case.

Benefits available to shareholders as of March 31

Q Please explain how the holding period is calculated in reference to: one year or longer; and three years or longer.

A Shareholders who have held shares for one year or longer

This refers to shareholders who have been stated or recorded in the shareholders registry as of March 31 and September 30 (i.e., the record dates of the shareholders registry of the Company) at least three times in a row with the same shareholder number.



A Shareholders who have held shares for three years or longer

This refers to shareholders who have been stated or recorded in the shareholders registry as of March 31 and September 30 (i.e., the record dates of the shareholders registry of the Company) at least seven times in a row with the same shareholder number.



CORPORATE DATA / OFFICERS / THE COMPANY'S STOCK

Corporate Data

(As of September 30, 2018)

Corporation Name	Daito Trust Construction Co., Ltd.
Established	June 20, 1974
Capital	29,060,991,263 yen
Head Office	2-16-1, Konan, Minato-ku, Tokyo 108-8211, Japan
Branch Offices	227
Employees	9,393
Business Activities	<p>①Design and construction of apartments, condominiums, rental retail buildings, factories, warehouses, and office buildings</p> <p>②Real estate brokerage such as tenant recruiting, building maintenance, and property management including contracting arrangements</p>

Officers

Directors

President and Representative Director, Chief Executive Officer	Naomi Kumakiri
Senior Managing Director	Katsuma Kobayashi
Managing Director	Shuji Kawai
Managing Director	Kei Takeuchi
Director	Kanitsu Uchida
Director	Kazuhiko Saito
Director	Takeshi Nakagawa
Director	Koji Sato
Director	Fumiaki Nakagami
Director (Outside)	Toshiaki Yamaguchi
Director (Outside)	Mami Sasaki
Director (Outside)	Takashi Shoda

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member (Outside)	Masayasu Uno
Audit & Supervisory Board Member (Outside)	Hideo Hachiya
Audit & Supervisory Board Member (Outside)	Kazumitsu Futami
Audit & Supervisory Board Member (Outside)	Kazuo Fujimaki

Executive Officers

Senior Executive Officer	Shuichi Ogawa
Senior Executive Officer	Takashi Suzuki
Executive Officer	Shouji Yamada
Executive Officer	Masayoshi Tanaka
Executive Officer	Hiromichi Ono
Executive Officer	Kazunori Fukuda
Executive Officer	Yoshihiro Mori
Executive Officer	Eiji Kawahara
Executive Officer	Masafumi Tate
Executive Officer	Masayuki Koishikawa
Executive Officer	Kouichi Nakamura
Executive Officer	Satoru Miyake
Executive Officer	Jun Matsufuji

(As of September 30, 2018)

The Company's Stock

Number of shares and number of shareholders

Number of shares authorized	329,541,100 shares
Number of shares issued	75,628,879 shares
Number of shareholders	16,667 shareholders

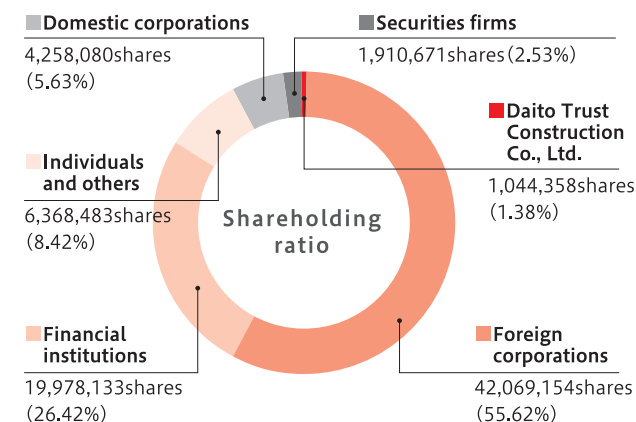
Principal shareholders

Name of shareholder	Number of shares owned (shares)	Shareholding ratio
JP Morgan Chase Bank 380055	4,540,760	6.09%
The Master Trust Bank of Japan, Ltd. (Trust account)	3,905,900	5.24%
Japan Trustee Services Bank, Ltd. (Trust account)	3,355,700	4.50%
SSBTC Client Omnibus Account	1,660,883	2.23%
Sumitomo Realty & Development Co., Ltd.	1,606,700	2.15%
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,555,900	2.09%
Cooperative Daito Trust Construction Stock Association	1,510,105	2.02%
State Street Bank West Client — Treaty 505234	1,508,185	2.02%
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account)	1,474,800	1.98%
The Bank of New York Mellon 140044	1,234,853	1.66%

(Note) Shareholding ratio is calculated after deducting treasury stock 1,044,358 shares).

Composition of shareholders

(As of September 30, 2018)



INFORMATION FOR SHAREHOLDERS

Information for Shareholders

Fiscal year	April 1 to March 31
General Meeting of Shareholders	June
Record date	Ex-rights Date: March 31 Year-end dividend: March 31 Interim dividend: September 30
Trading unit	100 shares
Stock exchange listing	Tokyo Stock Exchange (1st Section) Nagoya Stock Exchange (1st Section)
Securities code	1878
Transfer agent and special account management institution	1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation

Method of public notices

Public notices shall be electronically posted on the Company's website.
<http://www.kentak.co.jp/ir/koukoku.html>
 However, in the case where electronic public notice is not available due to an accident or other unavoidable reasons, a notice shall be published in the Nihon Keizai Shimbun.

Share transfer procedures

Shareholders who hold shares in a securities account

For more information, please contact the securities company where you maintain an account.

Shareholders who do not conduct transactions with a securities company

For more information, please contact Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division
 1-1 Nikkocho, Fuchu, Tokyo, Japan

 **0120-232-711** Inquiries are accepted from 9:00 to 17:00 excluding Saturdays, Sundays and public holidays

Have You Submitted Your Individual Number?

The Individual Number (My Number) for which you received notice from your municipality is necessary for performing share related tax procedures. As a result, shareholders are required to inform financial transaction brokers and so on of their Individual Numbers.

Shareholders who started transactions with a securities company in or after January 2016

➡ It is necessary for you to inform the securities company of your Individual Number.

Shareholders who started transactions with a securities company in or before December 2015

➡ You must inform the securities company of your Individual Number by the end of 2018.

Use of Individual Numbers in Share-Related Operations

In accordance with laws and regulations, shareholder Individual Numbers are indicated in payment records and the information is provided to the tax office.

Main Payment Records

- Payment records relating to dividends
- Payment records relating to share transfer transactions such as requests for purchase of shares of less than one trading unit

Contact Information for Inquiries Regarding Notice of Individual Numbers

Shareholders who hold shares in a securities account

Please inquire with your securities company.

Shareholders who do not conduct transactions with a securities company

Please inquire with Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation

 **0120-232-711**

生きることは、託すこと。



Daito Trust Construction Co., Ltd.

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<http://www.kentaku.co.jp>

