DAI-DAN Co., Ltd.

CSR REPORT 2011

Corporate Social Responsibility Report

● Any doubts or inquiries concerning this CSR report, please contact

DAI-DAN Co., Ltd. CSR REPORT PROJECT

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December, 2011

DAI-DAN Co., Ltd.

Bringing Light, Air & Water to Life

Always With You

We strive to provide amenities that are people friendly and friendly to the earth.

Our Policies for Quality Assurance and Environmental Protection

Our management principles are as follows: As a comprehensive facility works company, we always strive to create new value. We always seek to contribute toward the realization of a better global environment and sustainable social development. As a responsible member of society, we are committed to quality assurance and environmental impact reduction in our corporate activities.
We also aim to be a vibrant company by gaining customers' satisfaction and trust, contributing to environmental preservation and implementing continuous efforts for the betterment of our society.

1. We work to be a corporation that contributes to social development and environmental preservation and complying with laws and societal norms regarding quality and environmental standards as well as regulations set by our company.

2. We carry out activities, in consultation with customers, in order to meet the reliable quality requirements of customers and customers' satisfaction.

3. We are dedicated to offering environmental protection technology. We strive to use energy effectively, reduction of CO_2, promote recycling and reduce waste.

4. We, as a responsible member of society, carries out activities that contribute to environmental issues and enhance communication with society.

5. We set goals and targets for improvement of work quality and environmental measures, and educate our employees thoroughly about them. We continuously improve "Our Quality and Environmental Management Systems" based on the analysis of results and maintain system operation properly.

6. We educate all people working for Dai-Dan in our policies for quality assurance and environmental protection and also disclose them to the public.

*ISO9001, ISO14001 certificates
See the web pages of the certifying authorities for contents.
See the registration list at http://www.jtccm.or.jp/

April 1, 2011
Dai-Dan Co., Ltd.
Representative Director /
President / COO
Nobukazu Uebayashi

Editorial Policy

The purpose of this report is to inform our stakeholders*1 about our CSR activities.
This year, we carried the features about "The Response to the Great East Japan Earthquake" and "I-rack System."

The Scope of This Report

We basically report on the CSR activities of Dai-Dan itself.
Financial statements are consolidated.

The Period Covered in This Report

This report basically covers our activities between April 2010 and March 2011, but also includes some data after April 2011.

***1 stakeholders**

People, parties of entities that have an interest in the continued existence or development of company, including customers, our employees, stockholders, investors, the communities, the global environment, competitors, financial institutions, industry organizations, government officials, NGO and NPO.

CSR REPORT 2011

contents

Opening Message

We promise to contribute to achieve a better global environment and sustainable social development. We enthusiastically getting things ready to commemorate our 110th anniversary in 2013.

Dai-Dan Co., Ltd.
Representative Director / Chairman / CEO

Setsu Sugaya

Dai-Dan Co., Ltd.
Representative Director / President / COO

Nobukazu Uebayashi

About the Great East Japan Earthquake

We would like to express our heartfelt sympathy to all the bereaved families who lost their loved ones in the Great East Japan Earthquake, the affected people and those who are forced to live under the harsh circumstances caused by the accident at the Fukushima No.1 Nuclear Power Plant. At the same time, we hope and pray for the safety and good health of the afflicted people and for a quick recovery.
Our company which specializes in comprehensive facility works, has supported these disaster victims by restoring more than 600 devastated buildings and factories until the job is done, in accordance with our fundamental principles of realization of a better global environment and the contribution to social development.

The environment around us has remained in severe condition

The Great East Japan Earthquake and subsequent accident at the nuclear power plant dealt a major blow not only to the Japanese economy but also to the world economy. After six months have passed since the disaster happened, the supply chain in Japan has been making a recovery, and as a result, our production activities are getting back to a certain level, although not yet to the pre-earthquake level, mainly thanks to big business. Meanwhile, concern about our domestic production is spreading by the appreciation of the yen and the prolonged issue of the power shortage.
In the building facility industries, the construction investment which reached its peak in 1992, is now at half that level. Although some restoration work is in demand, we are still under severe conditions regarding accepting orders because the recovery of private plant investment doesn't have any momentum and public investment remains at a low level.
We are expected to require caution down the road due to the stagnation of the economy, running out of finances, relocation of production facilities to foreign countries, improvement of production power of emerging countries and so on.
Under these circumstances, we will make CSR the basis of our management and we are committed to contributing to the realization of a better global environment and social development. The whole company will engage in CSR activities to develop together with our society and gain the customers' trust.

We will aim to contribute to the realization of sustainable society

Our business areas of electrical facilities, air conditioning facilities and plumbing & sanitation facilities have a big influence on the energy consumption of buildings. We think these are areas that must not only create a comfortable environment for building occupants but also has the responsibility to protect the global environment and prevent of global warming.
We will mark the 110th anniversary of our business in March, 2013. We are committed to helping achieve solutions for these issues through the technical strength we have cultivated over our one hundred year history as a comprehensive facility works company. We have devoted our efforts to research and development concerning effective improvement and renewal of equipment since well before the renewal of existing equipment became a current issue. The facilities we supply and maintain are the lifelines of a building that provide essential functions every minute. Our work is not finished at the end of construction of a building. We believe that the maintenance of the building and its facilities after the construction is very important.
We have worked to develop energy-saving technology and reduce environmental impact by developing systems like Flow SmartR (Dai-Dan's flow control system for cooling machine pumps), which won a prize as an excellent energy saving system, ESCO energy saving service business, a filter cleaning and reconstruction technique using supercritical CO2 that was evaluated highly by NEDO (New Energy and Industrial Technology Development). We also have a certified ISO14001 environmental management system in place and operating and have worked hard to reduce environmental impact through positive efforts for environmental preservation. We will continue to contribute to the achievement of a sustainable society, while constantly advancing our environmental technology and practices.

We are committed to consolidating our corporate governance

Our management principles are to strive to create new value unremittingly and to contribute to achieving a better global environment and social development as a comprehensive facility works company. We also have management policies of pursuing corporate activities that contribute to ensuring safety and quality and environment preservation and managing our company in accordance with the spirit of compliance. We aim to continue efficient management in compliance with the trust placed in us by all of our stakeholders, including our customers, stockholders, affiliated companies, employees and the communities.
Our basic compliance policy is to ensure the soundness and transparency of decision-making with regard to important problems of management and business practices, and to achieve thorough compliance practices. In order to continue to be an enterprise that is trusted by society, I believe that sound management that is faithful to compliance is essential. I am committed to continuing to enhance our corporate governance system and educating our management and employees on the issues of compliance.
Compliance is not only a core principal of CSR but also a minimum obligation that corporations must fulfill. To prevent any possibility of violating the law and to continue to be a company that can gain trust from society I will also work to build a corporate structure through which the internal control system functions effectively.

We aim for the co-existance with society

We get involved with society by means of a construction facility. Our customers are people not only directly related to our business but also those who utilize the buildings. Aiming to provide customers with high quality that can satisfy them, we have obtained ISO9001 for a quality management system early on and year by year, we have developed the company-wide integrated quality management system. With further proposals gained by our continuing to meet customers' requests, we will continue to provide customers with spaces which are both high quality and comfortable.
We are also involved with the local community at our head offices, branch offices, and sales offices as well as a number of construction sites. We are working on social action programs such activities as cleaning and road safety etc., aiming for all employees' participation in them.
I believe it is company's responsibility to all who work here, their families and society that we can ensure their safety and health.
As we believe we should give the first priority to " safety " and "health" of our employees and those of companies we are conjunction with, we strive to provide them with comfortable working spaces with the motto "There is no quality without safety."
I request that our stakeholders to give Dai-Dan your continued cooperation and support for our corporate activities.

About the CSR of Dai-Dan Co., Ltd.

Our corporate slogans are “Bringing light, air and water to life - Always with you.” and “We strive to provide amenities that are people friendly and friendly to the earth.”
Based on these slogans, we believe that our CSR activities should aim to answer the needs of the customer through the technologies of electrical facilities, air-conditioning facilities and plumbing and sanitary facilities and to contribute to a better global environment. This is our mission that has not changed and will not change in the future. We think that promoting CSR activities means developing our business positively while faithfully abiding by our management principles and policies.

Management Principles

We always strive to create new value as a building facility works company and contribute to achievement of a better global environment and social development.

Management Policies

1. We change our company in accordance with the changes in the business environment resulting from the simultaneous slowdown of the world economy.
2. We manage our company in accordance with the spirit of compliance.
3. We conduct the corporate activities to ensure safety and assurance and to contribute to environmental preservation.
4. We achieve the corporate objectives by aligning each strategy and policy.

Corporate Code of Ethics

Our management and regular employees must comply with all laws and regulations. They have five “Principles of Action” and fourteen “Standards of Action.” The Principles of Action are points for accomplishing our daily business. The Standards of Action propose more concrete guidelines that are based on The Principles of Action.

We will achieve advanced space control and contribute to build a low-carbon society through our technology of development and construction.

We will contribute to preservation of the global environment through our energy-saving technology.

Nearly all energy consumed in an office building is for electrical facilities, air-conditioning facilities and plumbing and sanitary facilities. It is our mission to use our energy-saving technology to create environment-conscious buildings where people can work, learn, enjoy, relax and live.

We will contribute to social development through advanced space-control technology.

Temperature, humidity and cleanliness conditions of spaces in pharmaceutical plants, semiconductor factories, medical facilities and food factories must be precisely controlled. Therefore, the space-control technology corresponding to the purpose of a building has a crucial influence on the quality of products and services produced. It is our mission to contribute to the development of society through advanced space-control technology.

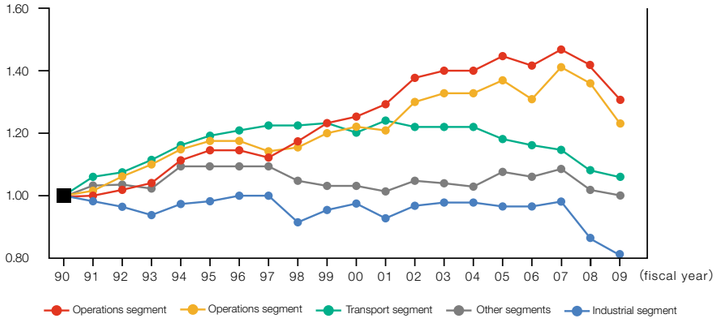
We will contribute to the improvement of infrastructure by renovating and upgrading existing facilities.

Temperature, humidity and cleanliness conditions of spaces in pharmaceutical plants, semiconductor factories, medical facilities and food factories must be precisely controlled. Therefore, the space-control technology corresponding to the purpose of a building has a crucial influence on the quality of products and services produced. It is our mission to contribute to the development of society through advanced space-control technology.

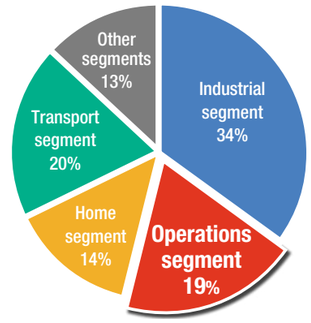
Our company in relation to the global environment

The greenhouse gas emissions in Japan in fiscal year 2009 tends to decrease the same as the previous year. It greatly decreased in the residential, operations and industries sectors. Japan's total greenhouse gas emissions in fiscal year 2009 were 1,209 million tons of carbon dioxide equivalents. This was a decrease of 4.1% compared to the base year (fiscal year 1990) and a 5.6% decrease compared to the previous year. Considering the entire economy, it seems that there are two reasons for the decrease. One reason is that the economic recession induced by the financial crisis in 2008 continued even in 2009. Another reason is that the capacity of nuclear power plants was increased. Considering the policy aspect, it seems to be due to in part the control measures of carbon-dioxide emissions that were strengthened by the issue of the revised energy saving law. It was also partly due to each municipality etc. revising its respective environmental protection code, and implementing the control measures of stricter standards set by the government law. After the volume of greenhouse gas emission reached its peak in 2007, it has tended to be lower, however the reduction of greenhouse gas emission is the global agenda that we still need to continue to address. The main factor in carbon dioxide emissions in operations divisions is operation of electrical facilities, air conditioning facilities and plumbing and sanitary installations that are our area of business. Our company takes responsibility for a very important role in reducing carbon dioxide emissions in this respect. Therefore, we promote the development of new energy-saving technology work to implement energy-conscious design and construction. In these ways we strive to contribute to preservation of global environment.

Transition of amount of carbon emissions by segment in Japan compared with 1990 *With the 1990 level as 1.00



Carbon dioxide emissions ratios by business segments in Japan for 2009



Source: National Greenhouse Gas Inventory Report of Japan April, 2011 National Institute for Environmental Studies, Japan

We were certified as a receiver of “Eco-friendly Business Support Fund” for the first time in the construction industry.

In accordance with the intent of “Fund supply aiming to strengthen the basis for growth” the Bank of Japan advocates, In October, 2010, for the first time in the construction industry, our company was certified as a receiver of “Eco-friendly Business Support Fund” which Sumitomo Mitsui Banking Corporation recently set up. Sumitomo Mitsui Banking Corporation actively supports the companies with advanced eco-friendly management, by assessing the degree of their environmental consciousness based on its own valuation standard which the Japan Research Institute, Limited set. This time, our company was highly evaluated because;

1. As one of our missions, we declared the promotion of contribution toward making a low environmental burden society in consideration of environment of buildings, and we are conducting business activities setting a goal to implement the energy-saving proposals.
2. We are advancing active research and development for the purpose of launching a new business model to save energy and resources, such as the project of commercializing air filter cleaning and recycling etc.
3. We are making a system in which we can share the education and information about the environment so that we can enhance the consciousness of our employees and promote eco-friendly proposals.

Business Activities of Dai-Dan Co., Ltd.

Dai-Dan is a company that Bringing light,air & water to life.
We employ comprehensive control of electrical facilities, air-conditioning facilities, and plumbing and sanitary facilities to create comfortable working or living spaces.

From beautiful indoor and outdoor lighting to information facilities. We breathe new life into buildings with advanced management and control technology.

Dazzling lighting brings a stage to life and a beautifully illuminated building in the town at night move and delight people. Creations like this are another part of Dai-Dan's business.

Power facilities
- Power transformers facilities
- Standby power supply
- Central supervisory boards
- Main power supply
- Lighting fixture outlets

Information-communication facilities
- Telephones
- Intercom systems
- Parking lot management
- Monitors
- Clocks
- Community antenna televisio
- ITV
- Paging systems
- Broadcast systems

Disaster prevention facilities/equipment
- Automatic fire detection systems
- Emergency lighting
- Emergency outlets
- Emergency broadcast systems
- Auxiliary radio communication systems

Special electrical facilities
- Co-generation systems
- Stage lighting systems
- Special audio systems
- Condenser lightning arresters
- Plant instrumentation
- Electromagnetic shields
- Explosion-proof equipment

We keep optimum temperature, humidity and airflow and create high quality air.

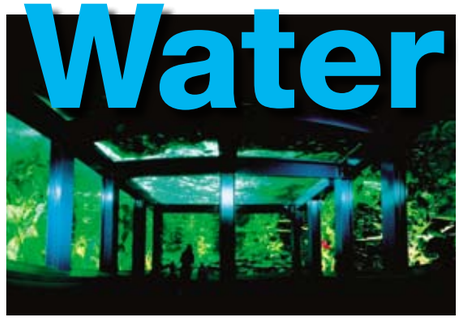
The air-conditioning technology of Dai-Dan supplies air that is appropriate for each specific building. Our aim is that those who gather in the building feel comfortable. Our eco-friendly air-conditioning technology makes it possible to enjoy clean air as a blessing of nature.

Building air-conditioning facilities
- Cold resources
- Heat resources
- Auxiliary heat resources
- Air-conditioning systems
- Duct facilities
- Plumbing facilities

Commercial-use air-conditioning facilities
- Super clean room facilities
- Grease fume exhaust systems
- Energy-saving systems
- Utility pipe work
- GMP validation assistance
- HACCP compliant facilities

Automatic control facilities
- Automatic control equipment
- Control boards
- Open control systems
- Neuro-fuzzy control systems

Special air-conditioning facilities
- Constant temperature and humidity systems
- Refrigerator and freezer facilities
- District cooling supply
- Advanced medical environment control systems
- Experiment-specific environment control systems
- Large space environment control systems



We supply clean water as well as drainage and water recycling.

The air-conditioning technology of Dai-Dan supplies air that is appropriate for each specific building. Our aim is that those who gather in the building feel comfortable. Our eco-friendly air-conditioning technology makes it possible to enjoy clean air as a blessing of nature.

Supply facilities
- Water supply systems
- Hot-water supply systems
- Gas
- Sanitary fixtures
- Well drilling
- Water treatment facilities

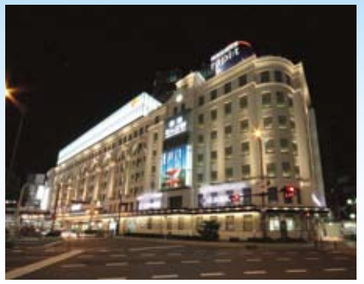
Treatment facilities
- General drainage systems
- Industrial waste water systems
- Sewage treatment
- Refuse disposal facilities
- Drainage treatment for aquaculture

Fire protection systems
- Fire hydrants
- Sprinkler fire extinguishing systems
- Foam fire extinguishing systems
- Gas fire extinguishing systems

Special sanitary equipment
- Bathroom systems
- Pool facilities
- Kitchen fixtures
- Vacuum cleaning equipment
- Special ductwork for medical use
- Aquariums
- Fountain facilities

Tokyo Haneda Airport Terminal 2

Nomura Real Estate Development Shibadaimon Building



Osaka Takashimaya new main building Nankai terminal building

Okinawa Institute of Science and Technology The center building of the research building

National Hospital Organization Yokohama Medical Center

Marui Shinjuku san-chome Kyodo building

The major completed project for the past two years

2009.4～2011.3

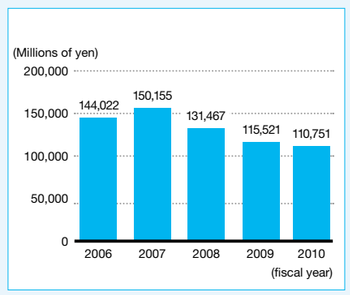
Daimaru Umeda

Mozo Wondercity

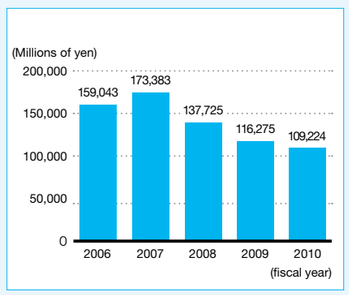
Company brochure

Company name:	Dai-Dan Co., Ltd.
Head office:	1-9-25 Edobori, Nishi-ku, Osaka, Japan
Founded:	March 4, 1903
Incorporated:	October 10, 1933
Capitalization:	4,479,725,988 yen
Employees:	1,413 (as of March 31, 2011)
Stock Listing:	The first section of Tokyo Stock Exchange
	The first section of Osaka Stock Exchange

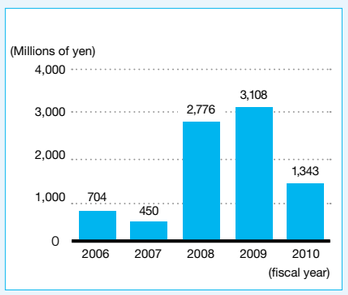
Construction Orders Received Amount



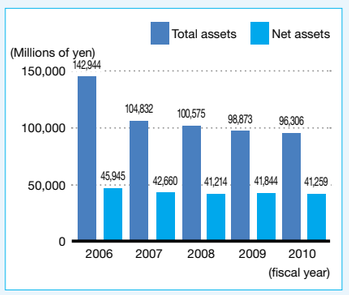
Construction Revenue Amount



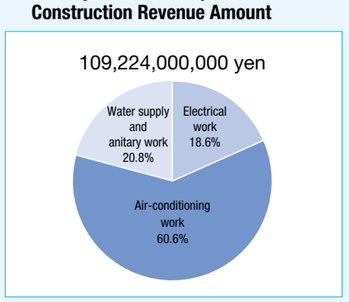
Ordinary profit



Total assets,Net assets



Fiscal year 2010 Composition ratio of Construction Revenue Amount



Feature1

About the response to the Great East Japan Earthquake

We express our heartfelt sympathy to all the disaster victims of the Great East Japan Earthquake and pray for the reconstruction of the stricken areas as quickly as possible.

Setting up the Disaster Response Headquarters

On March 12, the second day of the disaster, we set up the Disaster Response Headquarters in our Tokyo Head Office.
From the day on, we connected the Tokyo head office, the Nagoya branch, the Osaka head office, our Technical Division, our Sales Division and our General Administration Division through TV conference system to inquire about the safety of our employees and their families, know the situation in the afflicted areas, discuss the measures we have to take, and as a result, we came to establish our concerted support system. Fortunately, there was no human or property loss in our company.
Moreover, the satellite telephone installed after the Great Hanshin Earthquake worked effectively.

Checking on the damage to the buildings under construction

●Tohoku Branch (in charge of six prefectures in the Tohoku region)

After the disaster occurred on March 11, we promptly confirmed the situation of the damage to buildings under construction in the Fukushima area. On the next day, March 12, we confirmed them in the Iwate area, and we completed the confirmation of all the buildings in construction process by the 13th of the same month. As a result, no massive damage was reported in the respective area.
Regarding the buildings in a preparation step, we decided to postpone the start of full-scale construction, but we began it in July.

●Tokyo Head Office (in charge of the Kanto region)

After the disaster occurred, we also confirmed the situation of the damage to all the buildings under construction in the Kanto region under direct control of the Tokyo head office. We received reports about damage in a few cases including damage and falling of equipment and breakage of plumbing. We quickly coped with these issues.

Restoration support

●Tohoku Branch

Right after the disaster, we received reconstruction requests from the customers, and at the same time, we started to inquire about the situation of the damage. We responded to the urgent needs and launched a complete check and examination after the lifeline was restored.
The situation of damage of the customers was as follows:
Inside the buildings, the damage to the tanks of water, breakage and falling of plumbing and ducts, etc., and break due to falling and displacement of equip instruments hanging from the ceiling and instruments. Outside the buildings, the damage to underground piping waw found in many cases. In the coastal areas, in addition to the direct damage by the disaster, a number of outdoor equipment was swept away and inundated by a tsunami, which required large-scale reconstruction work.
We received about 330 requests of reconstruction work by the end of July and we almost completed them except for large-scale ones.

●Tokyo Head Office

Right after the disaster, we took action by checking and examining each facility of our customers and performed restoration work by request from our customers.
The situation of damage to the customers ‘ property was as follows:
Inside the buildings, the stoppage of equipment, falling of equip instruments hanging from the ceiling and instruments, breakage and falling of plumbing and ducts, and outside the buildings, the damage to outdoor plumbing caused by liquefaction was found in many cases.
In addition to our customers, we cooperated with restoration work of the production facilities etc., of the electronic components manufacturer in the North Kanto region which has huge impact on Japanese industry.
W e received about 250 requests of reconstruction work by the end of July and we almost completed them except large-scale ones.

Personnel dispatch aid

On March 22, in order to help reconstruction works we sent five technicians to the Tokyo head office from the Osaka head office. After that, we sent seven technicians from the Nagoya and Kyushu branches. To help the Tohoku branch, we sent a total of three technicians from the Osaka head office and the Niigata and Hokkaido branches. We maintained the support system in preparation for unexpected situations in the middle of July.

Aid supplies

We made a concerted effort to procure urgent aid supplies such as water and food, and then we shipped them to the Tohoku branch (Sendai city) from the Osaka head office and from the Nagoya branch. We distributed them to the residents and affiliates around the Tohoku branch, not to mention our employees, their families and the clients. We were also able to procure gasoline in short supply with our concerted efforts.

Construction of temporary houses

From the beginning of April to the beginning of July, we cooperated to construct temporary houses (in terms of water supply and drainage work). From April 3 to May 20, we helped with the construction of 210 houses at four places in Rikuzen Takata City, Iwate Prefecture, then with 30 houses at two places in Ishinomaki City, Miyagi Prefecture from May 19 to July 5.

*See the Power-saving measures in Summer 2011 of p27

Feature2

About the “I-rack system”

A laboratory animal breeding equipment of new concept, applying the application of air conditioning technology.

“I-rack system”, the optimum environment of animal experiments

Up until now, mankind has fought a variety of serious sicknesses and developed new curative drugs to cure them. For the development of curative drugs, animal experiments are indispensable. A laboratory animal breeding facility which rear experimental animals, should not only obtain reliable data, but also provide the optimum environment for living laboratory animals. That is, we can say that this facility plays a major role both scientifically and ethically.

For some time, our company has paid attention to a laboratory animal breeding facility and has developed lots of laboratory animal breeding equipment from a standpoint of “environment improvement of breeding facilities”, “energy saving” and “animal protection”.

“I-rack system” the operability of which we have improved etc., while maintaining its ventilation efficiency which we had developed so far, has created a favorable environment for both laboratory animals and related workers.

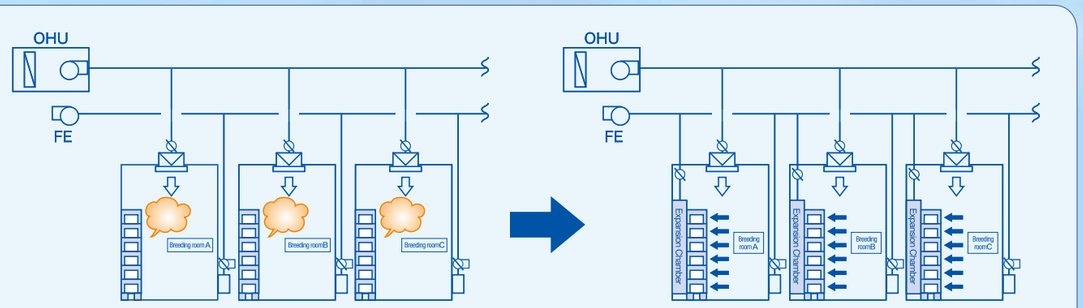
Dai-Dan’s unique technology, I-rack system

Contribution to energy saving and low-carbon society

The problems of breeding animals is the spread of 1)smell 2)allergen 3) source of allergen, etc. In order to solve the problem, we had responded by introducing a dilution ventilation and special laboratory animal equipment so far. However, these responses had required lots of energy.

I-rack system of which we realized energy saving of air-conditioning air by applying the ventilation technology in our company’s specialized genre, contributes to energy saving and a low-carbon society.

***allergen** a substance that causes an allergy



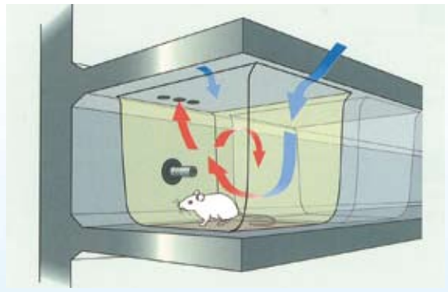
The conventional laboratory animal breeding facility (It has still problems including smell and control of allergen despite of high air-conditioning energy consumption)

The laboratory animal breeding facility based on Daidan’s proposals (It makes possible a comfortable environment with less air-conditioning energy.)

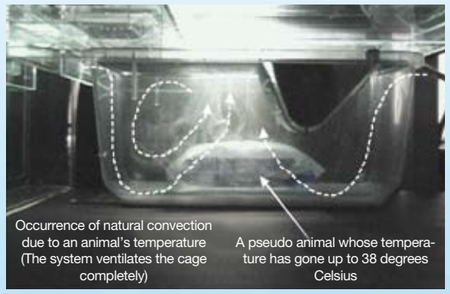
The features of “I-rack system”

The features of I-rack system

I-rack system ventilates each breeding cage. One of the merits is that it can inhibit allergen, odor and microorganisms caused by laboratory animals, from spreading across the room, and another merit is that it can ventilate with the minimum ventilation volume.



Conceptual diagram



A visualization experiment inside the cage with the use of a pseudo animal (38 degrees Celsius)

Adoption of the ventilation system of individual cages
- Minimizes the infection risk
- More than 100 times of air circulation in a cage
- Making less air volume across the rack
- Energy saving

Making advanced one-way air current
- Places it in the gap between a rack and a cage
- Prevents the air in the cage from leaking outside
- Inhibits the spread of odor, allergen and pathogenic organisms
- Safe and sanitary working environment

Removal of blocking, easy operability
- Removes blocking things of the front of the rack such as door, etc.
- Enhances the cage’s operability
- Makes the cleaning of the rack easier

Favorable distribution of temperature and humidity inside the cage
- Uniform distribution of ventilation volume makes distribution of temperature and humidity uniform
- Ventilation in the cage creates the optimum environment

Reduction of frequency of changing of *animal bedding
- Inhibits the NH_3 density inside the cage
- Maintains the dry condition of tips with effective ventilation
- Can use chips for a longer time, compared with conventional ones
- Enhances the living environment of breeding animals

Easy maintenance
- Places the door to check at the back of the equipment
- Gives easy access to inside of the rack
- Minimizes protruding objects and makes cleaning easier

***animal bedding** wooden or paper chips put on the ground of the cage

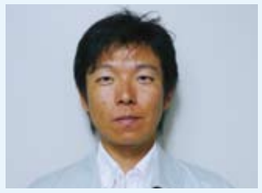
The sales achievement and future development

After we made an announcement about the “I-rack system” in the May, 2010 issue of the press release. We delivered more than 1500 pie ces of equipment so far. We can respond flexibly to the customers’ requests by meeting their needs and realizing a considerable energy saving because we can plan and design according to the air-conditioning systems of buildings.

We will continue to struggle for the further improvement for the purpose of contributing to energy savings and a low-carbon society.

The sales achievement and future development

I’m in charge of the whole process starting from I-rack system’s development and design to production, delivery, subsequent performance check and follow-up services. The I-rack system which came from the unique idea of air-conditioning engineers, has three merits of “environment improvement”, “energy saving” and “enhancement of operability”. This is by having good control of air currents. Therefore, we find that the users are very much satisfied with its high performance. Only about a year has passed since this revolutionary laboratory animal breeding equipment came out. We will continue to improve the system as well as make proposals of “the customers’ best” system meeting their needs.



Industrial Facilities Department Engineering Department Engineering Section 1
Yuichi Miura

Dai-Dan's Technology

Our company is working activity for the improvement of construction technology, and new business fields aimed at reducing negative environmental impact and achieving higher levels of advanced space control in building.

For reducing negative environmental impact

As a company whose main business fields are electrical facilities, air-conditioning facilities and plumbing and sanitary facilities, our mission is to help making the buildings where people live and work more people-friendly and environment-friendly.

In addition to offering comfortable building spaces in compliance with diverse customer needs, our company devotes efforts to the development of a variety of technologies and systems that help to protect the global environment.

Energy-saving technology: Flow Smart

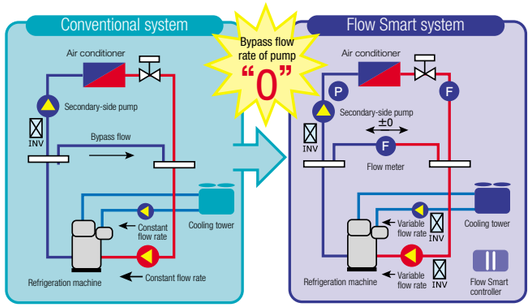
About Flow Smart

The Flow Smart system (Refrigeration pump power-saving system) has been developed by Dai-Dan is now in use in many buildings as an energy-saving system that makes it possible to reduce power consumption by the pumps in air-conditioning facilities.

The Flow Smart system controls operation of the refrigeration machine's pump, which normally runs at a fixed velocity in conventional systems. Control is done via an inverter to achieve a substantial reduction in the running cost of facilities. The system controls the pump to reduce the bypass flow rate of system water that is not used for air-conditioning to virtually zero.

By installing a Flow Smart system, the transfer power consumption of the refrigeration machine pump can be reduced by about 60%. With this technology, we can provide comfortable living/working spaces while contributing to preservation of the global environment.

Conceptual diagram



The result in effect from using Flow Smart

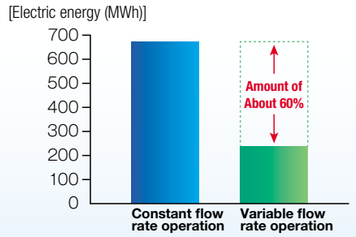
Over the 100 Flow Smart units are now in operation for our clients in 2010 and the total effect of them is calculated to be a reduction in electricity consumption of approximately 35.3 million kWh* per year. This corresponds to the annual electricity consumption of approximately 10,000 standard household and is a carbon-dioxide equivalent reduction of 20,000 tons annually.

**Estimation based on measurement result of 45 units.*

Features

- This is our original system technology that can control the pump to reduce the bypass flow rate of water.
- The technology enables us to control the energy-saving refrigeration pump and coolant pump.
- Significant energy-saving effect which is demonstrated from the result in effect from using Flow Smart

Results in effect from using Flow Smart



Energy-saving effect

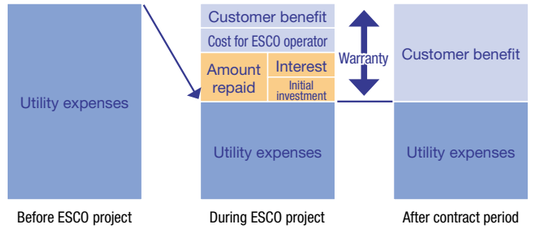
About 60%

Amount of electric power reduction About 390 [MWh/year]
Amount of CO_2 reduction About 147 [ton CO_2/year]
※basic unit: 0.378 [kg. CO_2/kWh]

"ESCO business" - Comprehensive diagnosis for energy saving and upgrading facilities

Our company promotes ESCO (Energy Service Company) business that involves thorough comprehensive analysis of the energy use situation, stating a guarantee of how much energy consumption will be reduced through upgrading systems with energy-saving technology and then carrying out the agreed renovations.

In 2001 we began ESCO business for public facilities. Based on our accumulated know-how in this field, we are now actively conducting ESCO business for private sector companies and industrial plants.



ESCO business results

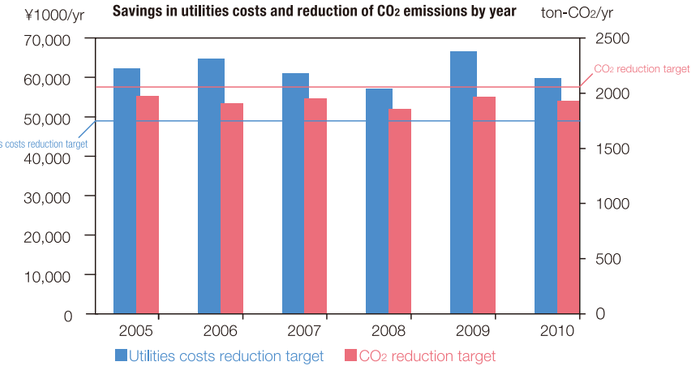
Dai-Dan has engaged in numerous ESCO (Energy Service Company) business endeavors as a selected private sector operator for public facilities owned by local governments, beginning with the Osaka Medical Center and Research Institute for Maternal and Child Health in 2001.

Currently, we are serving as the main service company for the Saiseikai Yokohama-shi Nanbu Hospital ESCO Service, the Sapporo City Hall Facilities ESCO Service and the Sapporo Medical University ESCO Service.

Energy reduction rate	Energy reduction rate	Energy reduction rate	Energy reduction rate
2001	Osaka Medical Center and Research Institute for Maternal and ChildHealth	Replace water cooling/heating equip., CGS, water saving equip. inverters, Flow Smart, etc.	24.8%
2003	Yamaguchi Grand Medical Center	CGS, high-efficiency refrigerating machine, high-efficiency lighting, Flow Smart, etc.	20.1%
2004	Saiseikai Yokohama city Nanbu Hospital	CGS, gas boiler, high-efficiency refrigerating machine, high-efficiency lighting, Flow Smart, well water use, etc.	22.5%
2005	Osaka Prefectural Government Building (Main building, Annex)	Replace water cooling/heating equip., CGS, high-efficiency lighting water saving equip., etc.	8.3%
2005	Kisiwada Keirin Track	high-efficiency refrigerating machine, high-efficiency lighting, water saving equip., etc.	19.5%
2006	Ward office facilities in Sapporo City	high-efficiency lighting, inverters, Flow Smart, water saving equip., etc.	19.5%
2008	Sapporo Medical University	CGS, heating load control equip., inverters, high-efficiency lighting, well water use, etc.	11.0%

Saiseikai Yokohama-shi Nanbu Hospital ESCO Serviceg

In the Saiseikai Yokohama-shi Nanbu Hospital ESCO Service project, our role is to provide comprehensive surveys and analysis of energy saving and utilities cost reduction results and to operate and maintain the ESCO facilities. Begun as a 12-year project, it is now in its seventh year. We hold ESCO follow-up meetings with representatives of Yokohama City, Yokohama Nanbu Hospital and the building management company about once every fiscal quarter to discuss and implement operational improvements bases on the state of the facilities.



Example of building electricity saving results for the Tokyo Electric Power Co. Peak Period Reductions

In the wake of the Great East Japana Earthquake of March 2011, emergency electricity saving measures became a pressing issue. At Saiseikai Yokohama-shi Nanbu Hospital a plan for independent electricity consumption reductions was initiated and methods for reducing electricity use in the summer months were formulated.

At the aforementioned ESCO follow-up meetings, etc., Dai-Dan applied its expertise as the ESCO operator to advise the Hospital on electricity saving and were able to achieve maximum electricity saving and energy saving though our ESCO service.

Facility	Energy reduction rate	Facility		Peak consumption reduction result (July 1 – Sept/ 9, 2011)
		Summer 2011	Daily peak electricity consumption	
Changes in gas cogeneration operation	Weekdays: 14 hr. operation (8:00-22:00) Weekends: Shut down	Weekdays: 14 hr. operation (8:00-22:00) Weekends: 14 hr. operation (8:00-22:00)	–	▲196kW
Changes in air-conditioning/heating equip.	Turbo refrigerating machine operating hrs.: 2,207 hr. Gas absorption water cooling/heating equip. operating hrs.: 1,449 hr. Mist absorption water cooling/heating equip. operating hrs.: 659 hr.	Turbo refrigerating machine: Shut down Gas absorption water cooling/heating equip. operating hrs.: 2,200 hr. Mist absorption water cooling/heating equip. operating hrs.: 2,000 hr	▲150kW	
Changes in room thermostat temp.	Room thermostat temp.: 26 C. Outdoor unit blow temp.: 18 C. (Except operating rooms, ICU, etc)	Room thermostat temp.: 28 C. (2 C. higher) Outdoor unit blow temp.: 20 C. (2 C. higher) (Except operating rooms, ICU, etc)	▲20kW	
Selective turn-off of lighting	40W lamps: 6,000 units	1/3rd of current lighting fixtures (Except operating rooms, ICU, etc)	▲60kW	
Washlet type toilet seats	Toilet seat heaters: 30 units	Switch off	–	

Cleaning and recycling technique using supercritical CO_2

To promote 3R (reduce, reuse and recycle), we have developed for practical application of technologies for cleaning and recycling products, such as the filter used for decontaminating VOC with supercritical CO_2.

Supercritical CO_2 is carbon dioxide in the state where it is neither a gas nor a liquid. It is characterized by a capacity to enter spaces of nano size to dissolve stains. In fact, you can remove a stain with supercritical CO_2 without using detergent.

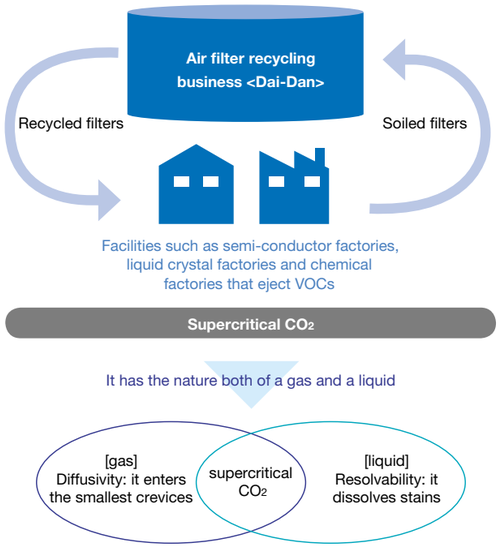
We are trying to clean and recycle the filter used for decontaminating VOCs that absorbs a slight amount of gas used in various factories such as those for semiconductors, liquid crystal displays, printing, paint chemistry and pharmaceuticals. We are also working to develop super-activated carbon as a prevention measure for air pollution, which absorbs and decontaminates elements of exhaust gas emissions from production lines.

This is considered a practical technology for innovation due to its novelty and its practical possibilities for business. It was adopted as a subsidy business by NEDO*2 in fiscal year 2008 and we set up a supercritical CO_2 cleaning facility of the largest scale in Japan. Now we have been asked to clean and recycle the air filter by a leading electronics manufacturer. Orders for operation of our recycling service is increasing.

Features

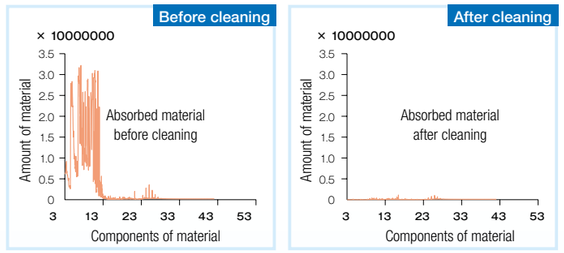
- Reunning cost reduction
- Waste Reduction
- Carbon dioxide emissions reduction
- Unnecessary initial investmentruction methods, new systems,

Business image of cleaning and recycling of air filter



●The supercritical CO_2 cleaning and recycling facility of the largest scale in Japan.

●Cleaning effect of the air filter for organic material used in clean rooms



***1 VOC**

VOC is short for volatile organic compounds. It is generic name for organic compounds that are volatile and become a gas in the atmosphere. VOC include various compounds such as Toluene or Xylene. In order to control emissions of VOC as one of the causative components of air pollution, the Ministry of Environment has implemented appropriate emission control measures for VOC. In light of this, the quantity of filters used to remove VOC from the air is likely to increase.

***2 NEDO**

New Energy and Industry Technology Development Organization

The person in charge of development

Matter can exist as a solid, liquid, or gas. The innovative features of our cleaning and recycling technique is to use the supercritical fluid as cleaning solvent that does not belong to a solid, liquid, or gas.

P.F. Drucker said that it is important to seek for innovation, which means to translate a new idea into new values having social significance, in order to become a sustainable company. The innovation group of Technical research laboratory is developing technologies and marketing research to develop a new business that may different from our existing building and facilitybusiness. We have developed the reuse technique to clean and recycle the filter used decontaminating VOCs for the first time in the world, which was born of an idea of "Mottainai" or "What a waste!." Some electron device factories have adopted the technique. It is happy for us that our innovative technique can contribute to building the circulating society

Technical Research Laboratory Innovation group
Kazuki Nakano

"Optismart®" heat source optimum operating support system

Large-sale heating source systems for factories and the like are composed a variety of equipment, including gas-driven refrigerating machines, absorber refrigerators, etc. Generally, the turning on and off of the heat source equipment is done according to the experience of sense of the operator based on the building's energy demands.

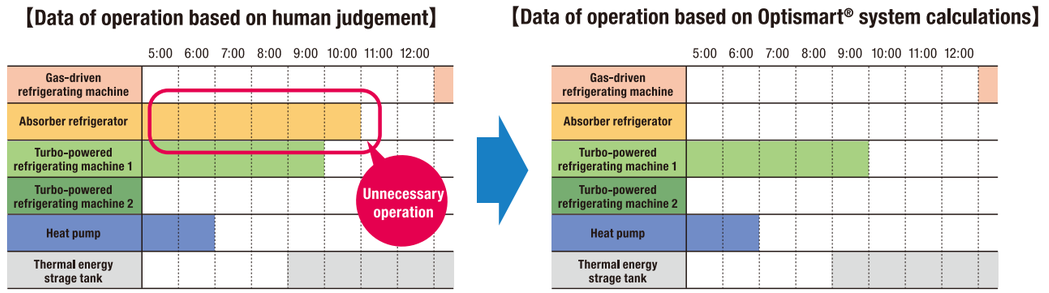
Dai-Dan has developed a support system named "Optismart®" to help optimize the efficiency of large-scale heat source system operation.

Optismart® is a system that provides heat source system operators with signals indicating the ideal timing for the turning on and shutting off of a system's various heating sources based on computer simulations. This enables the heat source operator to operate the heating source equipment in a way that provides the optimum mix of heating sources. Our Optismart® system also has a simulation function that enables estimates of the annual operating cost to the heat source equipment.

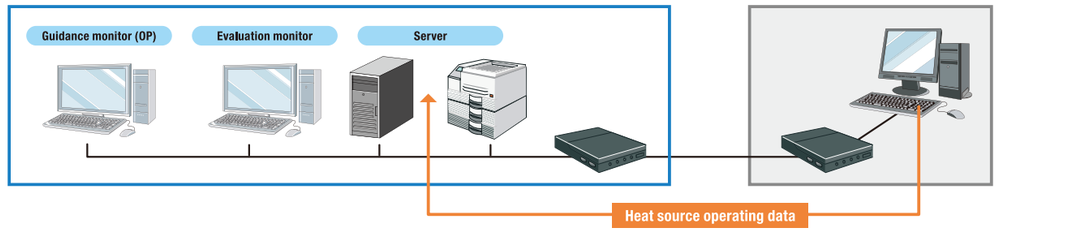
Features

- Improved efficiency for large-scale heat sources
- Reduced CO_2 emissions for a smaller environmental impact
- Standardization of operation based on objective conclusions
- Optimized gas consumption level
- More efficient operational management work

Energy savings through optimized equipment use!



System Composition



“NAVI-Smart” - Support service for energy management

We have launched our “NAVI-Smart” service in April 2010 as a business that supports energy management for buildings and helps companies comply with the recent amendments to Japan’s law concerning rational use of energy.

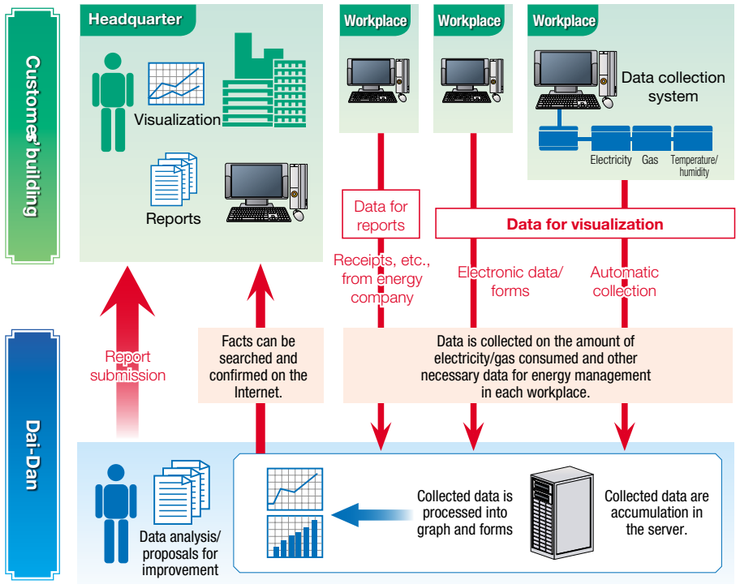
In this service, we will support “visualization” of the amount of energy used in a building and help companies prepare the various written reports relating to the law of energy saving. We offer clients proposals for improving management of facilities based on the analysis of the amount of energy consumption and consulting service in areas such as proposals for renovations to help achieve energy conservation.

As a support service for energy management, NAVI-Smart contributes to reducing energy consumption by providing customers with one-stop consulting service concerning all building utilities, including electricity, air-conditioning ,water supply and sanitation.

Features

- “Visualization” of a building’s energy consumption
- Support for preparing written reports corresponding to Japan’s revised law of energy saving
- Consulting business based on analysis of client’s energy consumption volumes

Image of “NAVI-Smart”



Visualization of energy use through “NAVI-Smart”

“Thin-type ducts” as an approach for reducing materials in duct construction

The HVAC ducts through which conditioning air is sent is generally made of galvanized sheet iron. Manufacturing this type of ducting produces large amounts of carbon dioxide emissions.* We advise companies to use “thin-type ducts” made of thinner sheet iron in order to reduce the amount of iron sheet material used as much as possible. This thin-type duct uses a special creasing process to produce iron sheeting that is about 20% thinner than conventional duct sheet iron but has basically the same strength. Thin-type ducts make it possible to reduce the amount of iron used by about 20%, which reduces CO_2 emissions in the manufacturing process by approximately 20% as well.

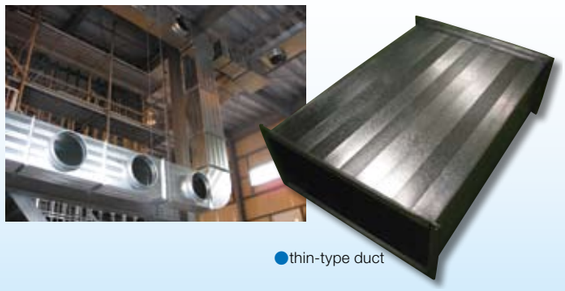
Also, because this duct material is lighter than usual ducting, it decreases CO_2 emissions related to transport and installment.

**Manufacturing one ton of galvanized sheet iron produces 1.94 tons of CO_2 emissions ;The Society of Non-Traditional Technology November, 1995*

Features

- The iron sheet is processed with a special creasing method
- The strength is equal to conventional sheet iron even though it is 20% thinner

●Example of construction using thin type ducting



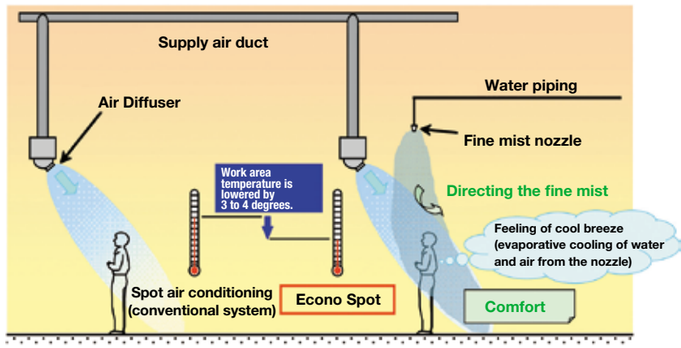
●thin-type duct

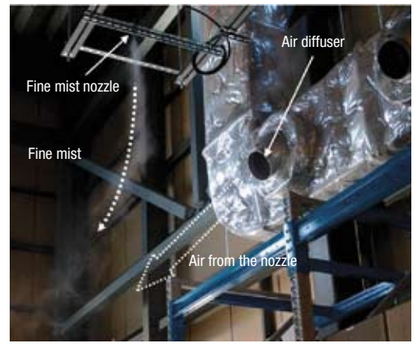
Spot Air Conditioning system used together with fine mist “Econo Spot”

Our “Econo Spot,” which employs evaporative cooling using fine mist along with the spot air conditioning of the past, is a system for factory facilities, etc., that efficiently improves the environment in the hot spots of a work area. When a fine mist nozzle is set to cover the hot area with optimum positioning in relation to the spot air conditioning, the evaporation of the fine mist can lower the temperature by 3 to 4 degrees, without dampening the floor.

Features

- **Energy saving:** efficient system from the standpoint of the global environment
- **Increased comfort:** gives the feeling of a “cool breeze” resulting from evaporation of the water and the air from the nozzle
- **Low cost:** It reduces cost of construction and operation
- **Safety and reliance:** the water mist is controlled based on monitoring temperature and humidity in the room
- **Flexibility:** easily re-positioned with moves of production line positioning





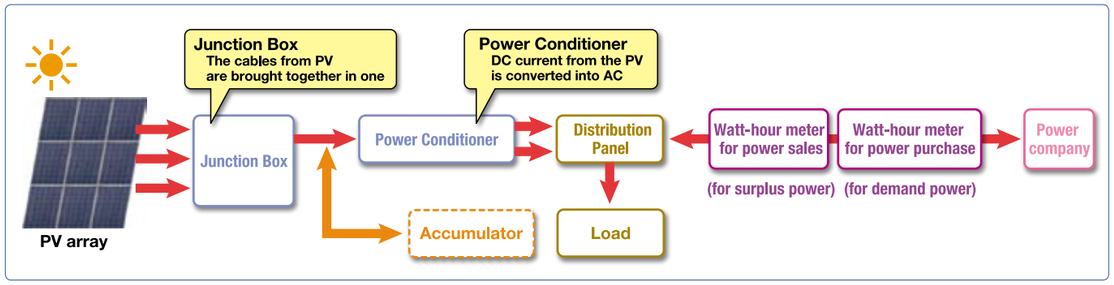
Solar photovoltaic system contributing to realization of a low-carbon society

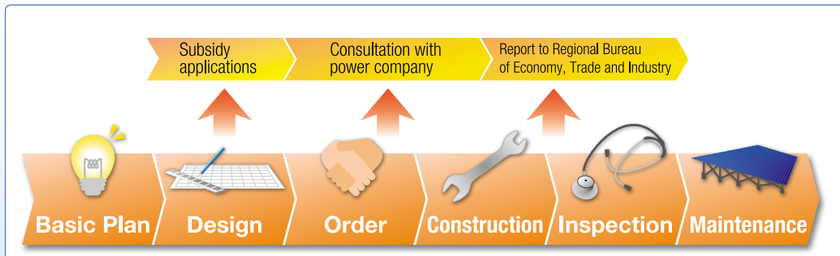
We provide one-stop service providing not only design and construction of the most suitable photovoltaic system (PV) based on a thorough grasp of customer needs but also after-sale service, including applications for subsidies and notification to public offices.

Features

- The negative environmental impact and CO_2 emissions are small
- Power generation efficiency is constant regardless of scale
- Electricity can be generated where necessary
- Simple maintenance and long system life

Composition of the photovoltaic system





●Construction sample for a PV system
Silicon module 100kW system

For advanced space control

We are developing and popularizing various technologies for creating spaces with advanced control functions like those demanded in the medical field or cutting-edge industries.

"Barrier smart" – a hybrid room pressure system

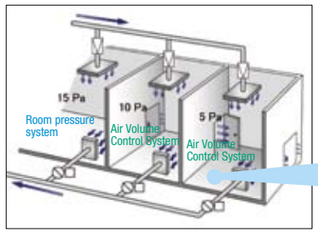
Some pharmaceutical factories have adopted the Barrier Smart system developed by Dai-Dan. Barrier Smart is a hybrid room pressure system that prevents cross-contamination and decreases the risk of mold or dust intrusion. This system provides advanced space control demanded in pharmaceutical production and medicine research and development facilities, thus contributing to the advancement of medicine.

Features

- Achieves accurate room pressure control
- Prevents cross-contamination of clean rooms when doors are opened (The flow of air is always from the clean zone to the non-clean zone)

●Example of system adoption
Daito Pharmaceutical Co., Ltd
Building No. 6

Conceptual illustration of a Barrier Smart plan



▼One-way flow of air when door is opened

Decompression Duct System for preventing fluctuations in room pressure due to seasonal winds

The decompression duct that our company has developed can exclude the influence of gusts from seasonal winds or typhoons and keep the pressure and air flow of air conditioning constant. The decompression duct helps maintain air balance and ensures air cleanliness in many production plants as well as clean rooms of pharmaceutical manufacturers.

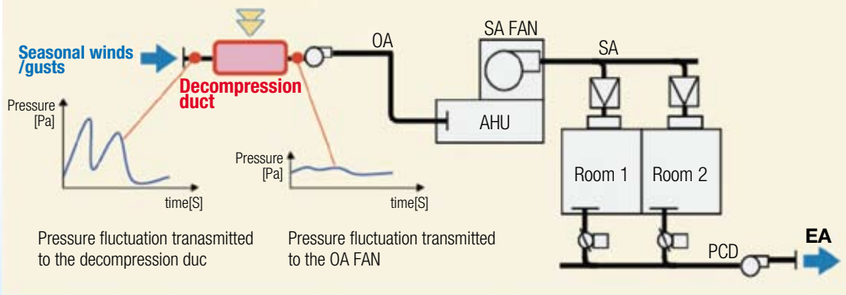
Features

- Eliminates the influence of wind gusts with an exclusive mechanism and maintains air balance
- It is applicable within existing air-conditioning systems.
- It is possible to correspond to the air taking side and the exhaust side.

Application sample of a decompression duct

Application sample of the decompression duct system

Adoption of the unit (decompression duct) developed by our company



Virtual duct clean room system (VD-CR) achieved with ductless design

Our company has developed a Virtual duct clean room system (VD-CR) which achieves uniform cleanliness in large clean room spaces with a ductness system design.

Features

- The ductless system was achieved creating high-speed clean air flow along the ceiling surface and extending the longitudinal coverage of blow-off from air conditioning machine.
- Contributing to creation and spread of clean rooms on short construction period and low budget.

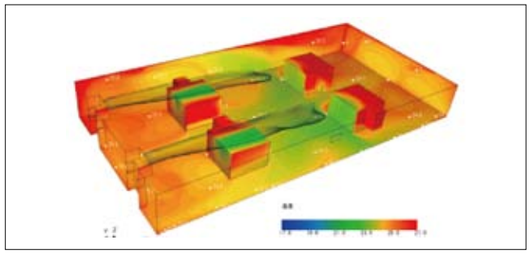
●Example of a VD-CR clean room

●Specialized outlet used by VD-CR

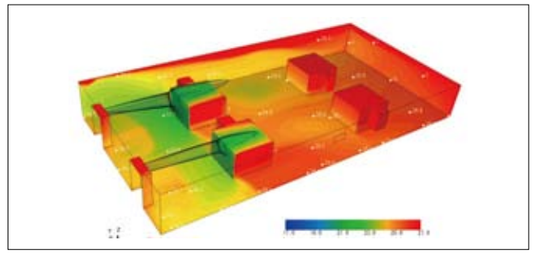
**The nozzle is devised to extend the longitudinal coverage.*

Image of a comparison simulation result for air-flow, etc. Iso-surface figure of air balloon

●VD-CR method



●Traditional method blown directly



**Irregularities in temperature distribution are reduced.*

The person in charge of development

I have been a member of the research and development team for two years that is researching room pressure system. From then I have found that the room pressure system is used in the state-of-the art fields of pharmaceutical firms etc. and become more and more intrigued with it. Our experience have started from scratch and developed it by trial and error. We have acquired confidence to continue our research by having got result. I hope that "Barrier smart" and "Decompression duct" developed by us can help room pressure control in the state-of-the-art fields of pharmaceutical firms etc.

Technical Research Laboratory
Environment system development group
Yu Furukawa

We are participating in the Challenge 25 campaign

We are participating in the Challenge 25 campaigns, a citizen movement for prevention of global warming.

< Outline of the campaign >

The Challenge 25 campaign is a citizen movement aimed at helping to achieve the government target of reducing the amount of the emissions of heat-trapping gas 25% by 2020 (compared with 1990 level). This campaign is the successor to the "Team minus 6%" campaign aimed at accomplishment of goals set in the Kyoto Protocol. This campaign calls on people to actually take action to reduce the amount of the emissions of carbon dioxide at the office and at home. Companies, organizations and individuals who agree with the aims of this campaign can register themselves as "challengers" in the campaign. The campaign period began in January 14, 2010 and ends on December 31, 2020.

チャレンジ25

For development of new fields

We want to provide customers with new value and functions. Therefore, we are pursing research to develop new fields and create new technologies.

Technical Research Laboratory

Our Technical Research Laboratory was established in 1984. The Laboratory plays a key role in generating new technologies to answer customer needs and to engage pioneering new fields.

Demonstration Experiment Wing and Second Experiment Wing

We deliver a presentation of new technology we have developed at the wing.
Customers can actually watch our new technology there and decide to adopt it or not. The demonstration Second Experiment wing is working on various verification experiments such as the model experiments to confirm the design performance on site and the verification of the performance of new facility materials.

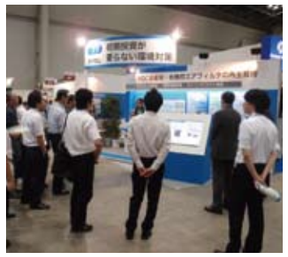
●Demonstration Experiment Wing Piping Experiment Equipment

●Second Experiment Wing (supercritical CO_2 washing and recycling equipment)

Participation in Exhibitions in 2010

Our Technical Research Laboratory and other divisions of the company have participated in the following exhibitions.

Exhibition	Dates	Venue	Main exhibits
"Ene-zoh 2010" Energy Solution & heat reserve fair	May 26 (Wednesday)-28 (Friday) 2010	Intex Osaka	Spot Air Conditioning system used together with fine mist "Econo Spot/Cleaning and recycling technique using supercritical CO_2/Support service for energy management "NAVI Smart
Energy Solution & heat reserve fair	July 28 (Wednesday)-30 (Friday) 2010	Tokyo Big Sight	Spot Air Conditioning system used together with fine mist "Econo Spot/Cleaning and recycling technique using supercritical CO_2/Support service for energy management "NAVI Smart
ENE-WAY 2010	September 8 (Wednesday)-10 (Friday) 2010	Port Messe Nagoya	Spot Air Conditioning system used together with fine mist "Econo Spot/Cleaning and recycling technique using supercritical CO_2/Support service for energy management "NAVI Smart
ECO-MAnufacture 2010	September 15 (Wednesday)-17 (Friday) 2010	Tokyo Big Sight	Cleaning and recycling technique using supercritical CO_2



Message from Chief of Technical Research Laboratory

We understand that our CSR is to answer consumer's needs and to achieve a better global environment through our corporate activities. Our laboratory is promoting research and development based on the three principles as follows.

●Research and development to provide customers with new values.

The aim of our business is to build the facility system that can provide the best performance to answer consumer's needs and social requests. For that purpose, we are developing various technologies such as energy-saving and environment load-reducing technologies and advanced room controlling systems of factories.

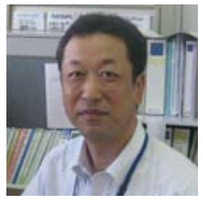
●Research and development and demonstration experiment to improve quality of building facility works.

In the field of designing and construction, we develop the noise and vibration control engineering and the corrosion proof technique for pipes, and conduct a check in advance of construction using air current simulation in order to improve technique and quality. Further more, demonstration experiment for the purpose of introduction of new technology or clarification of the accident's causes is part of our task of the technical research laboratory.

●Research and development to enlarge business field

We are now working to put into practical use of the technology of cleaning and recycling the filter used for decontaminating VOCs and there are already some signs of success.

We are trying to promote our research and development and bring results as soon as possible, which, we think, lead to increase of customer satisfaction and contribution to building of a sustainable society.



Chief of Technical Research Laboratory
Yoji Sasaki

External communications/presentations in 2010

Shown below are the external presentations we engaged in such as reports/articles published in industry journals and presentations as related conferences, etc.

Number	Content (title)	Media
1	Report on energy saving effect of heat source primary variable flow volume control after revamping the NEC Kobe System Center Heat Source System	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Kinki Branch Research Report Conference
2	Report on estimating pressure changes resulting from interference in controlled pressure rooms using an equivalent circuit model	《The Japan Society of Mechanical Engineers Society Journal – B Edition (Web)》
3	Report on technology for the cleaning and reuse of organic filter VOC adsorbent using supercritical CO2	《Compatech》
4	Research on energy saving measures for semiconductor factories (3rd report) - Presentation of technology for reducing environmental impact for semiconductor factories	《Kukiseijo》
5	Report on the status and issues of electrical equipment education for passing technology and expertise based on surveys of electrical equipment education at 5 electrical equipment installation companies and 5-4 electrical equipment technician training at Dai-Dan	《Densetsu Gijutsu》
6	Report on a new technology called a "decompression duct" for pharmaceutical manufacturing facilities	《Clean Technology》
7	Research concerning the energy environment of a hospital that adopted an all-electric heat source system (4th report) - Study of heat source system performance	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Technological Conference
8	Research concerning the energy environment of a hospital that adopted an all-electric heat source system (5th report) - Report on improvement of a geothermal heat pump system	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Technological Conference
9	Summary of a guideline for solving problems that occur during facility renovation projects	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Technological Conference
10	Research concerning the effects of outdoor wind on room pressure (1st report) – Experiments and simulations of cases where outdoor wind affects the air supply system	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Technological Conference
11	Research on predicting changes in room pressure resulting from external interference using an equivalent circuit model (1st report) – Outline of prediction method	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Technological Conference
12	First report on survey research concerning measures to prevent pitting or corrosion in copper pipes of hot water systems	Japan Conference on Materials and Environments
13	Research on energy saving measures for semiconductor factories (2nd report) – Comparative survey of simple system for calculating cumulative energy consumption in a model factory	《Kukiseijo》
14	Report on "Econospot," a spot air-conditioning system combining mist spray for large-space factories	《Heat Pumps and Their Use》
15	Products and technology for creating optimum BCR (1) "Decompression Duct / Barrier Smart," a control system for preventing changes in room pressure due to seasonal winds or opening and closing doors	《Clean Technology》
16	Monitoring and control system for water sprinkling snow melting equipment for the Joetsu Shinkansen	Institute of Electrical Installation Engineers of Japan National Conference
17	Snow melting equipment monitoring system for existing railroad lines	Institute of Electrical Installation Engineers of Japan National Conference
18	Report on lessons learned from trouble with blackout prevention electrical source equipment in unusual environmental circumstances	Institute of Electrical Installation Engineers of Japan National Conference
19	"Energy management support system and energy saving system" for energy saving and CO2 reduction measures	Architectural Facilities and Plumbing Construction
20	Clean room renovation technology –An air-conditioning system well suited for clean room renovations "Virtual Duct Clean Room System"	《Clean Technology》
21	Report of the 14th (2009) JRMA overseas railways survey group (3rd Report) - Spain (1) "Spanish Railways, Madrid Subways"	《Rolling Stock & Machinery》
22	Report of the 14th (2009) JRMA overseas railways survey group (4th Report) - Spain (2) "AVE test-ride, Barcelona Subways"	《Rolling Stock & Machinery》
23	Report on clean environment development technology aimed at total coordination capability for creating new types of clean environments	《Clean Technology》
24	Latest technological information – Air-conditioning equipment - mist assisted spot air-conditioning system "Econospot," a spot air-conditioning system combining mist spray for large-space factories	《Architectural Facilities and Plumbing Construction》

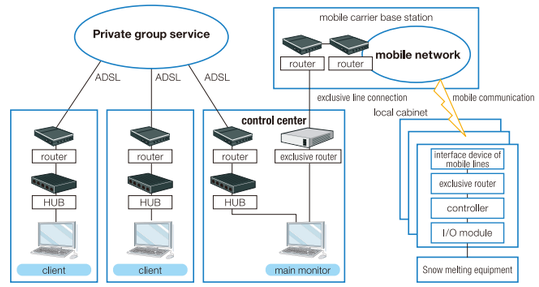
《 》is a Technical journal

Examples of external presentations

Introducing examples of external presentations.

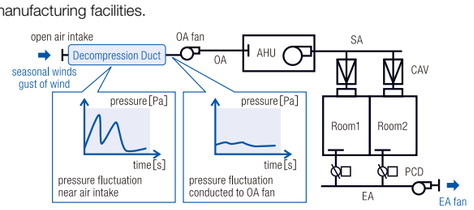
Snow melting equipment monitoring system for existing railroad lines Institute of Electrical Installation Engineers of Japan National Conference

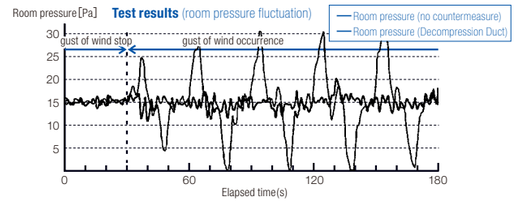
Introducing a remote monitoring system for the snow melting equipment at railroad switching points using the mobile phone communications system.
This presentation was highly acclaimed and received the Encouragement Award of the Institute of Electrical Installation Engineers of Japan National Conference.



"Decompression Duct / Barrier Smart" control system for preventing changes in room pressure due to seasonal winds or opening and closing doors 《Clean Technology》

Introducing the "Decompression Duct / Barrier Smart" control system developed to maintain the precise room pressure required in the clean rooms of pharmaceutical manufacturing facilities.





About the CSR Promotion System

For the purpose of developing the business activities according to our corporate principles and managerial policies, we aim to establish an internal control system and achieve thoroughness in compliance. We are now strengthening our systems of corporate governance.

Corporate governance system

We have established a corporate governance system consisting of the Board of Directors, Auditor's meeting and Accounting Auditors. This system aims to execute a proper, efficient management by separating the auditory function from the administrative function and enabling prompt and well-informed decision-making.

Board of Directors

The Board meets once a month and in special meetings when necessary. It not only decides about matters of weigh related to our corporate management, including the subjects discussed in the Executive Committee meetings, but also audits the status of business operations. The certificate of incorporation of our company provides that the Board of Director consist of 12 people or less.

Auditor's meeting

Four auditors (two outside auditors) hold the auditor meetings, in principle before Board of Directors meeting. They carefully examine the minutes of the Board's agenda, attend the Board meetings and give their views when necessary.

Executive Committee meeting

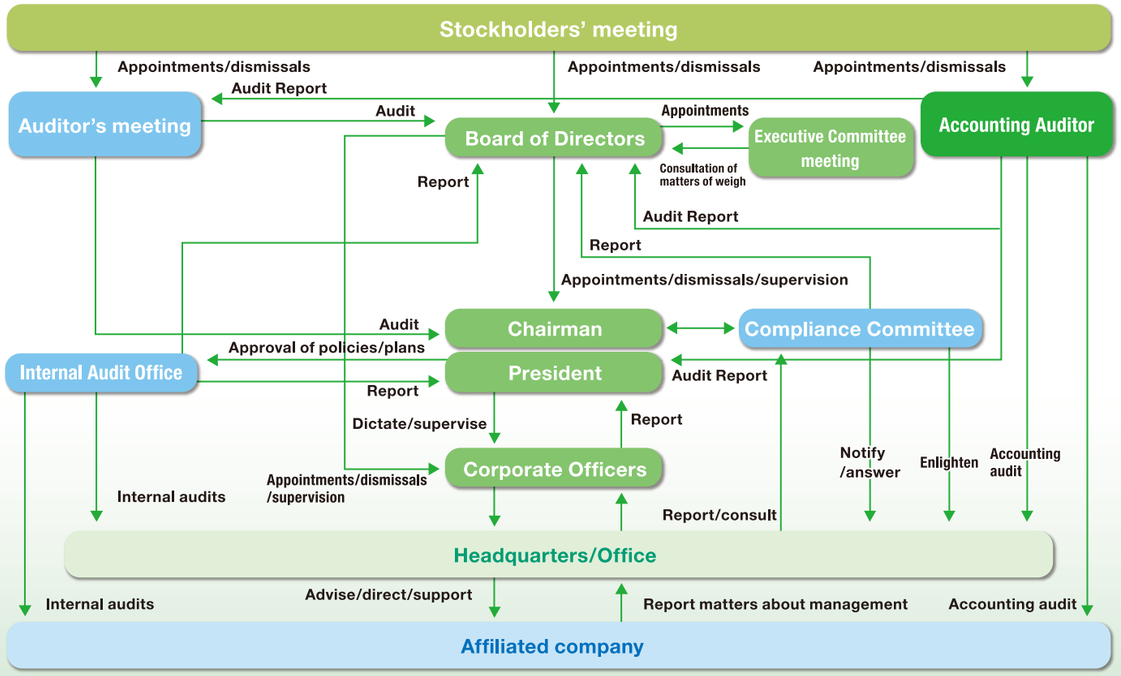
Executive Committee meeting are held when necessary. The meeting consists of basic members who are selected by Board of Directors and temporary members selected according to the contents of the agenda. It plans management policies and examines the process of business, discusses management strategy and matters of weight concerning overall management and makes proposals to the Board of Directors as needed.

Corporate officer's meeting

The Corporate officer's meeting is held once a month in principle and transmits business and important managerial policies, as well as transmitting resolutions made by the Board of Directors. Each Corporate officer makes reports on the status of his/her division's business operations at the meeting.

General manager's meeting

General manager's meeting is held once a month in principle to accomplish the execution of duty in an integrated manner. Managerial policies and measures are explained, and the status of business operations in each office and the issues they face are discussed and prompt solutions sought.



Strengthening of the compliance system

Based on the "Charter of Corporate Behavior" of the Nippon Keidanren, our company has established a "Corporate Code of Ethics" that forms the basis of compliance. It dictates five "principles of behavior" and fourteen "rules of behavior" that our executives and employees must observe strictly. We have also established a hotline for consultations and receiving feedbacks of internal misconduct and have set up a compliance committee.

To promote understanding and practice of compliance, we focus on the following measures.

①Training in corporate ethics has been added to our new employee training program, the training programs at the different employee levels and the training programs of each office. Many executives band regular employees have undergone this training.
②We publish a "Compliance News" semi-annually.
③All executives and regular employees carry a "Compliance Card"
④We put up posters addressing the importance of compliance in each office and site office.

Excerpt from the Corporate Code of Ethics

Principles of behavior

1. Observe laws and social norms, conduct business activities in a sensible manner.
2. Participate in construction of a society that can sustain its development.
3. Respect for fundamental human rights of all people.
4. Maintain a fair and transparent relationship with stakeholders.
5. Be aware as a member of society and aim to realize better society.

Behavior Standard

Relationships with user/customer

- Executives and employees shall always consider and act from the standpoint of customers/users and shall gain satisfaction, peace of mind and trust of them.
- Executives and employees shall provide information about company's technology and service to its customers/users in appropriate manner.

Safety and Quality

- Executives and employees shall secure safety of technologies and services and also guarantee their quality.
- In case of accidents or troubles in relation with provided technologies or services, executives and employees shall respond to them quickly and appropriately, minimize the spreading of the damage and identify root causes to prevent their recurrence.

Fair and open competition

- Executives and employees shall comply with antitrust and other laws and make their efforts to ensure appropriate profit by fair and free competition.
- Executives and employees shall not send or receive money or valuables, or give or receive excessive entertainment that are beyond the scope of social conventions.

Proper purchasing transactions

- In deals with supplier of devices/materials and subcontractors of work implementation, executives and employees shall comply with laws and ordinances and deal with them in faithful manner by following the contracts.
- Executives and employees shall not ask for unjustifiable or personal benefit in their orders to business partners.

Fair disclosure of corporate information

- Executives and employees shall disclose information about their corporate activities to stakeholders in appropriate timing and manner.
- Executives and employees shall manage information appropriately in order to prevent insider tradings.

Proper management of critical information

- Executives and employees manage all important information they knew on business properly and strictly and shall not use for other than justifiable objectives.
- Executives and employees shall not obtain information such as trade secrets of the third parties by improper means.

Protection and respect of intellectual property rights

- Executives and employees shall proactively protect outcome of newly developed technologies as intellectual property and aim at creating entirely new market.
- Executives and employees respect the third parties' intellectual property rights and shall not use them illegally or infringe them.

Improvement of working conditions and work environment

- Executives and employees shall make efforts to realize comfort and affluence in terms economics, psychology and time by improving working conditions.
- Executives and employees shall endeavor to secure safe and healthy environment at every workplace.

Respect for human rights and individuality

- Executives and employees shall establish workplace that have no action which hurt human dignity by respecting human rights and individuallity of all people.
- Executives and employees shall improve environment and system to realize workplace in which diversified talents can fully utilize their individual ability.

Effort for environmental issues

- Executives and employees must be aware that building facilities greatly impact to regional or global environment and shall endeavor to develop technologies that contribute to environment conservation and to provide highly efficient building facilities.
- Executives and employees shall practice activities to lower environmental burden every day as a member of society and shall endeavor to save resources and energy.

Proper accounting and tax

- Executives and employees shall observe to applicable laws and regulations in the area of corporate accounting and taxation, try to understand them correctly all the time and conduct accounting and taxation process properly.

Relationship with politics and administration

- Executives and employees shall maintain sound and normal relationship with politics and administration.
- Executives and employees shall not conduct illegal political donations, illegal profit-sharing or bribery.

Relations with antisocial forces

- Executives and employees shall take decisive action against anti-social forces that threaten social order and sound business activities and should not have any relationship.
- Executives and employees shall not provide any payoff to anti-social forces regardless of the nominal terms.

Prohibition of private actions

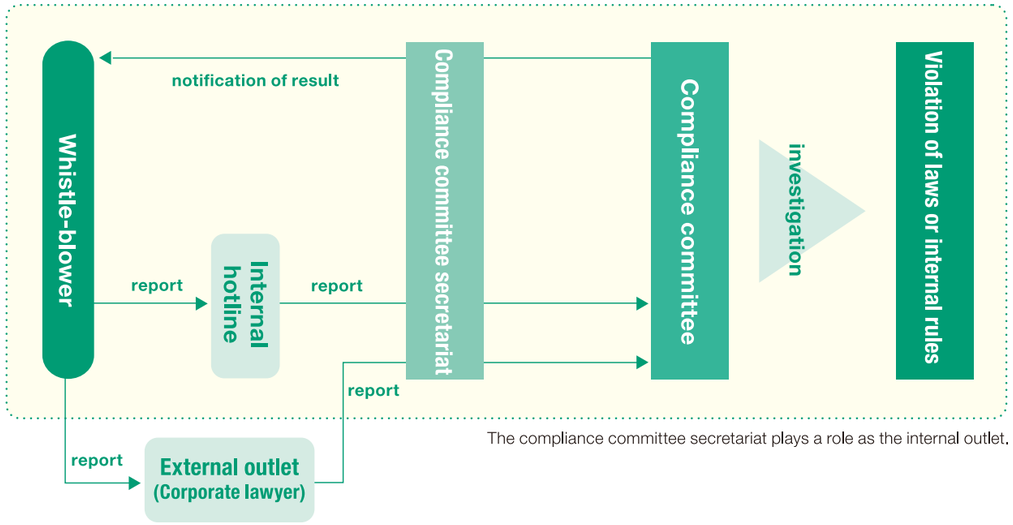
- Executives and employees shall strongly acknowledge that a company is a public arena and strictly separate public and private and must always act correctly.
- Executives and employees shall not use company assets for their private objectives, shall not abuse position or authority in duty, avoid conflict-of-interest actions and shall not conduct private activities such as political or religious activities at work.

Compliance committee

Our Compliance committee has been set up for the purpose of ensuring compliance with laws and internal rules, and strengthening fair, sincere compliance management. The committee, chaired by the chairperson of the Board of Directors, has the responsibility of enlightening executives and employees about compliance, receiving reports about violations of laws, investigating fact relevance and considering measures to prevent reoccurrence. The meeting was held 13 times in 2010.

Establishment of a hot line for consultations and receiving feedbacks of internal misconduct

We have set up a route (hotline) for reporting problems or misconduct that is independent from the business chain of command. The aim of the hotline is earlier detection of the problems (violations of laws or internal rules, or acts that contradict social norms) that otherwise might not be detected. The internal report and consultation hotline is set up in-house. Problems can be also reported to or consulted on with the corporate lawyers.



The compliance committee secretariat plays a role as the internal outlet.

Strengthening the internal control system

The basic policy for building the internal control system

We have basic policies concerning the building of the internal control system based on the Companies Act so as to ensure thorough compliance, make sure that all laws and corporate edicts are obeyed in the execution of the one's job and ensure the proper accomplishment of business.

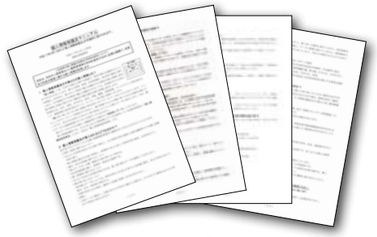
Furthermore, In order to make the system efficient and legal, we check it and strive to constantly improve it.

The internal control system related to financial reporting

The internal audit office, which is under the direct supervision of the president, verifies and evaluates whether "the internal control system related to financial reporting" put into operation in April 2008 based on the Financial Instruments and Exchange Act is functioning properly or not. We reached the conclusion that the internal control system related to financial reporting was functioning properly as of the end of year 2010. A similar evaluation was received from an independent auditing company.

Approach to "Protection of Personal Information"

The leakage of personal information about individuals is a significant risk that can cause the loss of trust in a company. So we have strengthened our internal structure for protecting personal information and post our "Personal Information Protection Policy" on our home page. We have also created a manual based on "Personal Information Protection Regulations" and distribute it to all executives and regular employees.



●Personal Information Protection Regulations

Approach to exclusion of antisocial forces

We will strongly refuse any unjustified demands by anti-social forces and will not have any relationships with them. This is our basic policy and it is described clearly in our Corporate Code of Ethics. We aim at achieving thorough abidance by the policy in our employee training, etc. Our subcontract work contract provides that the contract can be terminated if antisocial forces are admitted to take part in any operations so as to effectively exclude antisocial forces at the construction stage.

Approach to strengthening information security

Almost everyone has a personal computer today, work or communication become difficult without one. A lot of information is computerized and saved on the hard disk of ones PC. The theft or loss of a PC might lead to leakage of vital information. The leakage of information is an important risk threatening the reliability of an enterprise. Therefore, our company adopts various measures to strengthening information security.

The "Information system usage guideline" providing guidelines for a proper approach to electronic information is issued for the executives and employees who connect to the in-house network via PC.

Instruction in information security is included in new employees training and executive staff training.

To protect against information leakage on job sites in the field due to the theft of a personal computer, USB security has been introduced. Employees of an affiliated companies are allowed to bring PC in to our offices or site offices only after it is confirmed that they have received information security education by means of the "Security Handbook" and neither a file-swapping software nor other illegal software are installed in those PC. Moreover, when the project ends, it is confirmed that the sensitive information etc. have been blotted out.

●Security Handbook

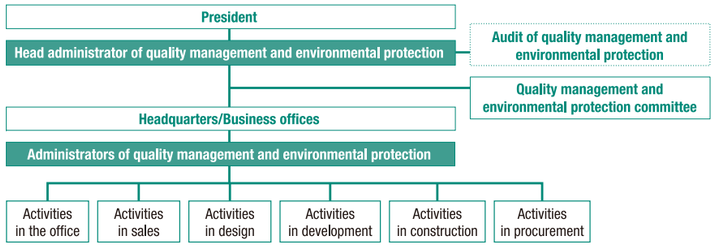
Our Approach to Environmental Preservation

We are working companywide to tackle the issues of reducing the negative environmental impact generated by the active conduct of business

Environmental management system (ISO14001)

Our company operates the Dai-Dan Environmental Management System in accordance with the ISO14001 environmental management system standard and sets various goals to reduce negative environmental impact. In order to achieve these goals, the entire company is tackling the issues of reducing negative environmental impact at construction sites and in our offices according to our annual action plans.

System of Quality management and environmental protection



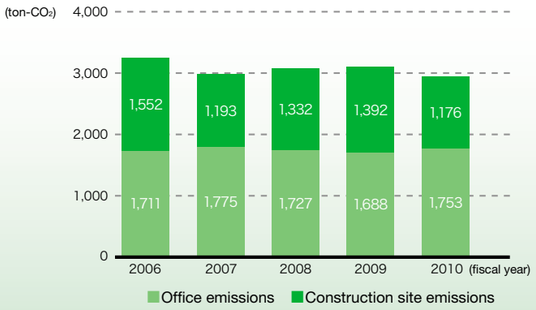
Our approach to the reduction of energy use

We are promoting the reduction of CO_2 emissions both in offices and construction sites. In the 2010 fiscal year, the amount of CO_2 emissions from our office and construction sites was 1.753 tons and 1.176 tons respectively. This result was caused by the extreme heat of the summer which forced us to use more power in our offices.

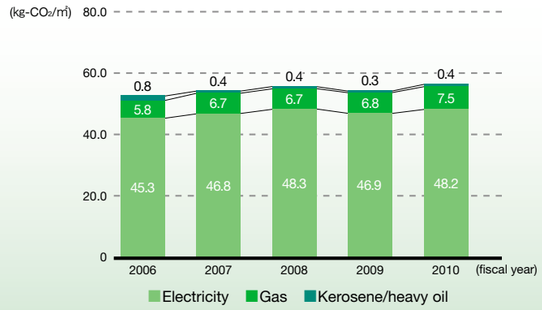
Power-saving measures in summer 2011

We took measures to cope with the electricity shortages triggered by the accident at Fukushima Dai-ichi nuclear power plant such as removing a number of unnecessary fluorescent lights, putting out the lights during lunch breaks, keeping temperature settings of air conditioners at an appropriate level, using power-saving functions in PCs, stopping one of several elevators from operating.
As a result of such measures, we achieved a 19.6% of reduction in energy usage throughout the whole company during the period from April to August, compared to the previous year.
We will take further measures to conserve energy including switching to LED lighting. We will also continue our efforts to reduce the CO_2 emissions on the construction sites as much as possible, though the volume of construction activities largely affect the amount of CO_2 emissions.

Transition of CO_2 emissions from the construction site and the office



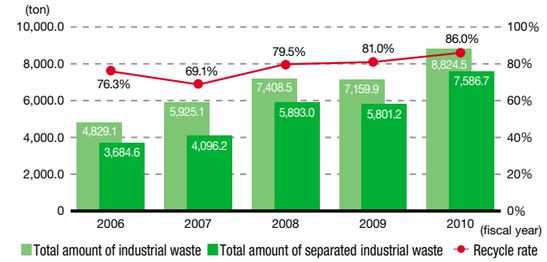
Transition of office CO_2 emissions per unit of floor space



Toward the creation of a resource recycling society

We are promoting activities that encourage resource recycling on all our worksites. The amount of industrial waste was about 8,820 tons, and the recycling rate was 86.0 % for fiscal year 2010 on the worksites where we were the company responsible for emissions. We are promoting educational activities to enlighten everyone involved on control of emissions and industrial waste and are promoting recycling in offices. The amount of general industrial waste from offices was about 108 tons and the recycle rate was 60.0% in fiscal year 2010

Transition of the amount of industrial waste from the construction site



Green purchase of materials and machine parts

Our development, business, design and technology divisions are engage in “Green procurement of materials and equipment” from their respective standpoints. Practically speaking, the “green procurement items” are decided beforehand for the five areas of “Adoption of energy-saving and highly efficient equipment,” “Adoption of energy saving materials,” Adoption of long-life equipment,” “Adoption of low air-pollution equipment” and “Adoption of water saving type facilities.” Each section can receive points whenever it purchases these items. The points accrued by each section are then calculated. The rate of purchase of green procurement items in fiscal year 2010 was 31.5%, which was approximately a 6% decrease from the previous year. We will further promote to purchase green.

Approach to procurement and delivery

To reduce the carbon dioxide emissions from transport trucks when materials are delivered, and to reduce industrial waste, we are advancing on an approach that can reduce negative environmental impact from procurement and delivery of materials. We are also making efforts to reduce packaging materials, promoting the recycle of them, reducing the delivery frequency of materials in cooperation with the manufactures, etc., and recently using returnable boxes for smaller materials.

Purchase of Green Power

We purchase “SORABEA Tradable Green Certificates” issued by Japan Wind Development Co., Ltd. and contribute to the spread of wind power generation. At the same time, we cooperate with the nonprofit organization SORABEA Foundation, which promotes the spread of wind power and educates children about environmental conservation.

Response to accidents related to the environment

There were 5 accidents in which facilities constructed by Dai-Dan negatively affecting the environment in 2010. In all cases they were corrected appropriately in accordance with all related laws.

Main contents

Type	Contents	Response effect
Occurrence of a Fire	A fire resulted from the burning of a VVF cable in the ceiling of the rear office of a machine room as a result of a ground wire coming in contact with a copper bar with electric current, cause high-voltage current to flow in the ground wire.	After confirming that the burned cable was extinguished and there was no recurring heat, the cable was removed.
Leakage of oil	A VTC side flange was mistakenly removed, causing oil leakage. It was verified that the leaked oil did not contain PBC.	The leaked oil was recovered and cleaned up.
Leakage of fluorinated acid solution	The link of the pressure gauge of a hydrofluoric acid pump corroded and fell off, causing acid leakage.	A drainage pump was used to dispose of the leaked hydrofluoric acid properly. The pressure gauge, pump and trestle parts were replaced and a check was made to verify that there was no further leakage.
Leakage of Refrigerant gas	Running vibration of an interior unit caused closely bunched pipes to rub each other until a pinhole opened and refrigerant gas to leak.	After repairing the leaking part, an air-tightness test was conducted and confirmed there was no leakage. Also, silicon tubes were used to eliminate the possibility of recurrence in the parts where friction was feared.
Leakage of Refrigerant gas	When a hole was opened in instrumentation piping and the installation made without checking the inside of the machine, a copper pipe in a heat exchanger was damaged, resulting in leakage.	The heat exchanger was replaced with a new unit.

For Our Customers

**Up to now, our company has helped many customers achieve “Comfort and safety.”
Our company is continuing its efforts to improve the quality of design
and ensure adequate construction quality control
in order to maintain and improve on the quality of this “Comfort and safety.”**

Customers of Dai-Dan extend unlimitedly

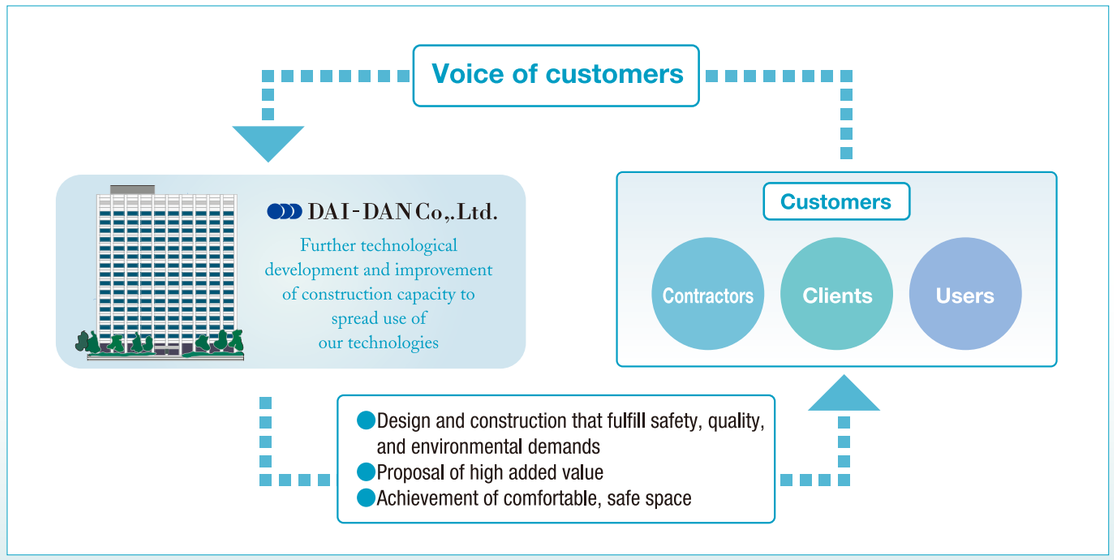
Not only the owners/clients directly related to our business but also all the people who use the buildings we have built facilities for are our “Customers” too. We believe in producing design and construction that customers with their respective standpoints can be satisfied with and developing technology that help fulfills customer needs is what raise the value of our company as a corporate citizen.

We put the customer’s evaluations to practical use

Our company conducts "Customer satisfaction rating surveys" for the buildings where we have completed facility works. The customer evaluates our technology and construction from their own perspective using a four-point grading system (four points = full score), and we also ask them to make requests for future improvement. We received about 640 questionnaires answered in fiscal year 2010 and the average score they gave us for the comprehensive assessment was 3.5 points. This shows us the things that the customer is satisfying with and what they are not satisfied with, and we used this information to direct further technological development to improve our construction strength to spread the technologies we can offer.
Our company will continue to deepen communications with the customers through surveys and direct talks moving forward.

Satisfaction rating survey result in fiscal year 2010

Item	Average score
Facility work quality	3.5
How the work proceeded	3.4
Response to customer needs	3.5
Construction management	3.4
Overall evaluation	3.5



Customer First philosophy running through all processes from design to construction

For the better design solution

The character of our design division in the construction industry

As a company, we have produced a lot of architectural facilities systems so far. Based on the experience from these works, we make design suggestions conceived by approaching jobs from the customer's perspective with top priority on real customer needs and benefits. We set up a study committee for each design project, to evaluate designs from various perspective with persons in charge from the technical departments, the business departments and other related sections with the aim of achieving high quality, lowering costs and energy saving to answer customer's needs with the best solutions possible.
We verify the design on the construction site after an order is received, and spare no efforts to ensure top quality and contribute to environmental preservation.
When receiving orders for facility works from other contractors as well, we participate in “construction handover meetings” and ”construction review meetings” and go over the problems of the design, verify the quality by the VE proposal and examine possible cost reductions, etc. with the persons in charge of the site. Thus, we provide design support to the site.

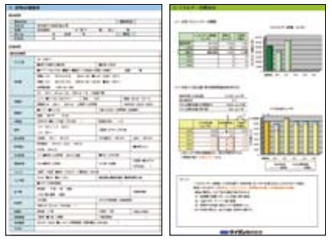
Follow-up after a building is completed

A building is a product that deteriorates over time. For instance, the lifespan of a ferroconcrete office building is said to be about 50 years. On the other hand, among the building’s facilities, the life of the electrical work, the air conditioning facilities, and the plumbing and sanitary facilities is about 15 years, and the life of the firefighting equipment related to disaster prevention, the smoke control systems, and the automatic fire information equipment is about 8 years.
While the service life is not exactly the lifetime of buildings themselves, major items or materials of each facility generally come to a need for updates when they pass the service life.
We maintain frequent correspondence with the customer after a building is completed, and we keep track of the product life of the major items of equipment and the materials, etc., for each facility. We also conduct energy-saving diagnosis concerning the building's utility and offer valuable advice and proposals to the customer about best options and solutions. Thus, we are cooperating in the operation and maintenance in the building on an ongoing basis.

Building medical record system

In May, 2010 we launched an exclusive system we call the "Building medical record system." This system unifies the management of information related to buildings that our company has constructed so that we can offer timely service related to the life cycle of the building. We have connections to many buildings as a result of our work over the years as a comprehensive facility works company in the areas of electrical facilities, air-conditioning facilities and the plumbing & sanitary facilities. The needs that a company like ours that supports the functioning of the building must answer vary greatly in terms of scale and duration, ranging from the replacement of equipment parts to the renovation of a large-scale heat source systems, etc. In order to grasp the current state of a building accurately and ensure proper management and operation, it is important to have a full grasp of information on the building’s facility construction history and architectural blueprints, and energy consumption data, etc., and to have mechanisms in place for continued accumulation of such information. “Building medical record system” is a system developed in-house that enables management of the life cycle of the building, based not only on the latest information on the building but also things like past estimates and the history of construction, etc.
We use our Building medical record system to manage the facilities of the building with certainly and effectiveness, and in dong so we aim heighten customer satisfaction.

The report output with “Building medical record system”



The voice of a person in charge of design

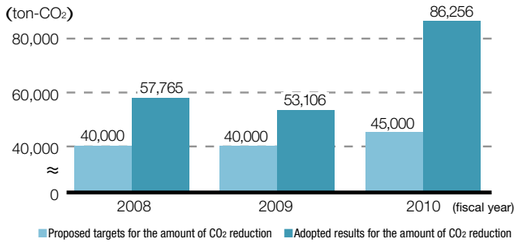
We have design teams for electrical facilities, air conditioning facilities, plumbing and sanitary facilities in our company. I am in the plumbing and sanitary facility team and mainly work on designing facilities such as medical institutions, factories, laboratories, offices and shopping malls.
Required elements in designing vary according to the buildings' use or the clients. We keep in mind to reflect clients' needs accurately on the design as well as taking measures for saving energy and lowering costs, which are the most requested issues today. This makes it possible for us not only to satisfy the clients' requests, but to aim at environment-friendly designs.
We should again recognize the great role of architectural equipment in environmental conservation. Instead of just designing comfortable spaces for human beings, we would like to willingly propose our original technology such as the save-energy technology, so that we could offer our clients both an ECO and comfortable space with user and environment-friendly designs.

Kyushu Branch
Engineering Department Design Section
Hiroyuki Murayama

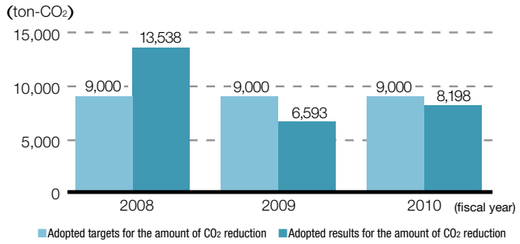
Approach to energy conservation proposals

We actively offer our customers proposals with energy-saving systems at the design stage, drawing mainly on our exclusive technologies in efforts to reduce CO_2 emissions.
The amount of the CO_2 reduction (results, targets) that we offered in our design proposals in fiscal year 2010 totaled about 86,200 tons, while the amount of CO_2 reduction (results) the customers actually adopted was the equivalent of about 8,200 tons.
With increased efforts to make proposals to our clients, the number of cases proposed was significantly higher than that of last year's.
Adopted results for the amount of CO_2 reduction however could not reach the targets by a narrow margin.
The amount of reduction per proposed case increased a great deal.

Targets and results of CO_2 reduction by design proposal



Targets and results of the amount of adopted CO2 reduction



Holding case presentation meetings that spread "Wisdom and Innovation" companywide

In December 2010, we held the second round of our "case presentation Meeting," which was held for the first time in 2008 and was well received. In this meeting, individual employees present the results of "Wisdom and Innovation" practices that he/she has put to use in their everyday work in order to achieve customer satisfaction. The company then gives awards to the highest achiever.
A lot of cases were submitted from around country for this meeting including cases of improvement with industrial methods in the past, improvement of construction efficiency by adopting new building methods and new facility components, design cases considering conservation of energy and the environment, examples of improvement informed by previous failure, cases of cost decrease and cases of safety and quality improvements based on management techniques.
Some 202 applications were evaluated in total and the second judging of the 50 cases that passed the first screening was conducted.
Finally, a total of 18 (16 groups and the individual 2) winners were chosen for 2 President's Prize, 2 Technological General Manager Prizes, 4 Excellence Prizes, and 10 efforts Best Effort Prizes.
The duct to take in the open air made by stainless panel of water tank by the Nagoya branch and the improvement of construction efficiency for stratification layer of temperature heat storage tank system by the Tokyo head office were selected for the President's Prize as the highest award.
By having representatives of each office and each site take the winning cases from this meeting back to share with their employees a recommended best practices, we hope to raise the skill and knowledge levels of our employees and, consequently, improve the technology of Dai-Dan.

The Voice of a Prize Winner of the Presidents

I am truly honored that our case was chosen from among many and received the award at the 3rd Case Presentation Meeting.
Our presentation was about a case where we achieved quality improvement and cost reduction by a further consideration of the shape of the intake hood attached to the large volume drawing air duct on rooftops as well as utilizing ready made water tank panels as the hood.
For the problems encountered at work sites, we sought solutions from different point of views other than conventional views and each member of us exchanged ideas of wisdom and innovation with each other. With guidance and advice from our superiors, seniors and affiliated company staff, we worked in unison to tackle the issue by sharing problem awareness among us. I think all these processes made it possible for us to win the award.
While our company owns the technology and the know how that have been accumulated in our long corporate history, I think we need to further study about the equipment, systems and construction methods which develop in the current of the times.
I hope that sharing information about "wisdom and innovation" at Case Presentation Meetings will help stimulate awareness and improve the skill level of employees and that we will be able to contribute to the society and clients' needs with our better technique.

Nagoya Branch
Engineering Department 3
Engineering Section 2
Takeshi Osumi

Quality management system (ISO 9001)

We build the Daidan quality management system certified by ISO 9001 which is international standard, and put it into practice. We're also making efforts to maintain and to improve our products by setting the goals of quality assurance. Please refer to page1 for our policies and to page 27 for details of concrete management systems.

The contents of a construction job are examined beforehand.
・Construction study committee meetings are held before the project starts
・The scheme of execution is planned.

Management during construction
・Standardization of construction is promoted to ensure high quality.
・Execution of patrols by expert technical team

Inspection and completion
・Inspection based on law
・Our exclusive final function confirmation inspection is conducted

Technology Information Hour

We regularly hold meetings called "Technology Information Hour" aimed at helping our staff of the business, design and technology divisions understand and use new technologies as soon as possible. The subject areas are "Recent technology information," "quality control," "measures for safety" and "technology for energy conservation."
In order to offer building facilities and systems that customer can use at ease, we think it is important that nurture the human resources that handle the construction of the facilities as well.
The meetings are held using a video-conference system twice a month and they last about an hour in the evening after work.
Attendees can get CPD points* as an amenity for being "a member of in-house training and OJT." Mainly technological headquarters selects the subjects and lecturers, but in the future we are planning to accept case presentations from each business office.
We use the convenience of video-conferencing, which enables us to discuss things with each other on an interactive system.

see page 33 for details about CPD points.

Important subjects taken up in past meetings

- Econo Spot
- Room pressure control system
- Measures for safety, heat stroke, etc.
- Measurement in the clean room
- I-rack System
- Case study of special duct work
- LED lighting and cold cathode fluorescent

The Medical Care Facilities Promotion Department

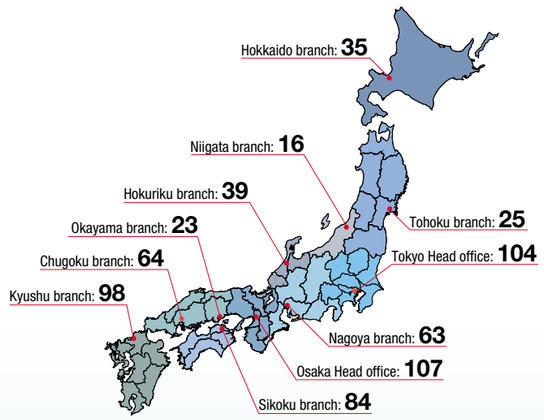
Establishment of the Medical Care Facilities Promotion Department

The advancement of the medicine is bringing about an accelerating trend toward subdivision and specialization in hospitals. New medical equipment for the diagnosis and treatment of diseases are being developed one after another, and accordingly electrical facilities, air-conditioning facilities, and plumbing & sanitary facilities are also developing in accordance with these changes. As a company that has constructed facilities in a lot of new hospitals, we have established a hospital team so that we can respond to the rapid changes in hospitals while taking advantage of the know-how that we have accumulated up to now.

Renovation and redevelopment of existing hospital facilities

In medical facilities, it is necessary for all facilities and equipment to keep functioning around the clock as patient support systems. We ensure not only the facility/equipment function, but also safety and comfort for the patients. Our aim is to responding to the demands of society by ensuring proper functioning of medical facilities and equipment. In renovation and redevelopment of existing hospital facilities, we not provide replacements of equipment when necessary, but also actively promote conservation of energy and resource-saving. Thus, we provide effective support for environment-friendly renovation andupgrading of facilities.

Distibution of Construction results for hospitals



Construction results for newly built hospitals that have over 600 beds.

Construction results for newly built hospitals that have over 600 beds.70/265 facilities across the country

For Our Employees

We strive to protect the safety and health of all group employees and create workplace environments where they can work to the fullest of their individuality abilities and skills, and live active, fulfilling lives.

At Dai-Dan people are our most precious assets

Our company thinks people are our greatest assets of all. We support our employees in way that enable them to realize their individual talents to the fullest and working energetically in a fulfilling atmosphere.

Acquisition encouragement system for official qualifications

The acquisition of the official qualification has enormous influence regarding the reliability of knowledge and persuasive power. We consider it to be a very important as an objective judging criterion of the engineer nature. Our company encourages the official qualification acquisition to answer the posture in which every employee tries to improve technology, and fully equip the backup system for it.

When the employee tries to acquire any official qualification that the company accepts as necessary to acquire, the company assists in the cost according to acquisition, and provides the successful applicants with rewards and an official qualification acquisition allowance. The company is aiming at the qualified person's securing and the improvement of a technological nature by this system.

Number of qualifications acquired by our employees

	Number of acquirers
Doctor	4
Professional engineer	33
Registered architect	15
Architects and building mechanical and electrical engineers	9
Level 1 electrical construction management engineer	210
Level 1 Pluming Heating and Airconditioning construction management engineer	773
Professional building services	170
Level 1 professional instrumentation	251
Qualified energy manager	39
Type I electrician	219
Health professional society for air conditioning equipment (air conditioning)	504
Health professional society for air conditioning equipment (sanitary)	449
Level 1 professional accountant for construction	11

*The number of acquirers includes those with multiple certifications. *The number of acquirers as of March, 2011.

CPD* System for technology improvement

There is no limit in specialization and the upgrading of technology. We operate a database on employee educational history called the "Dai-Dan CPD system" to support the ongoing efforts for technology improvement of the employee, and this system is used for the personnel training. Our company submits individual employee's educational history to the Society of Heating, Air-Conditioning and Sanitary Engineers of Japan (SHASE), and examinations are received and the results verified for an educational promotion.

CPD* System for technology improvement

	Points last time	Points this time
Attending a training association lecture in enterprise and OJT	34,382	30,340
Attending group training by Personnel Department	5,641	4,219
Official qualification acquisition	4,160	4,660
Auditing such as courses outside the company	3,320	3,114
Lecturer of group training by Personnel Department	2,251	3,155
Attending a course related to qualification acquisition outside the company	5,325	4,700
Writing for journals, specialized magazines and publication, etc.	1,128	1,041
Business that obtains results	2,720	5,260
Exhibition and product briefings	2,877	5,516
Lecturer of training association in enterprise	2,299	2,425
Guidance by construction study committee, making rounds of sites, safety patrols, and study meetings	1,020	1,110
Dissemination to outside the company	144	400
Participation in study groups as a chairman.	267	507
Participation in excursions, etc. outside the company	240	363
Others	1,171	2,966
Total	66,945	69,776

*CPD: CPD is abbreviation of Continuing Professional Development and means continual ability development over an engineer's career.
*CPD points: CPD points are digitized in accordance with the proper standard which is set depending on the category of continuing professional development and publicly certify CPD record (performance results)

*The last time is status of acquisition from April, 2009 to March, 2010.
*This time is status of acquisition from April, 2010 to March, 2011.

Educational Training System that nurtures professionals

Our company needs people with talent who can undergo personal transformation at any time and are never satisfied with the status quo.
We operate a diversified educational training system, and maintain an environment that nurtures the professional esteem and autonomy on each employee and answers their desire to grow.

Diversified educational training system policy

1 On-the-job training system (OJT)

The boss at work teaches subordinates the knowledge of a specialized field, the technology, how to negotiate with the other business segments and the methods of problem solving, and enhances subordinate's technology and abilities for business accomplishment.

2 Off-the-job training system (OFF-JT)

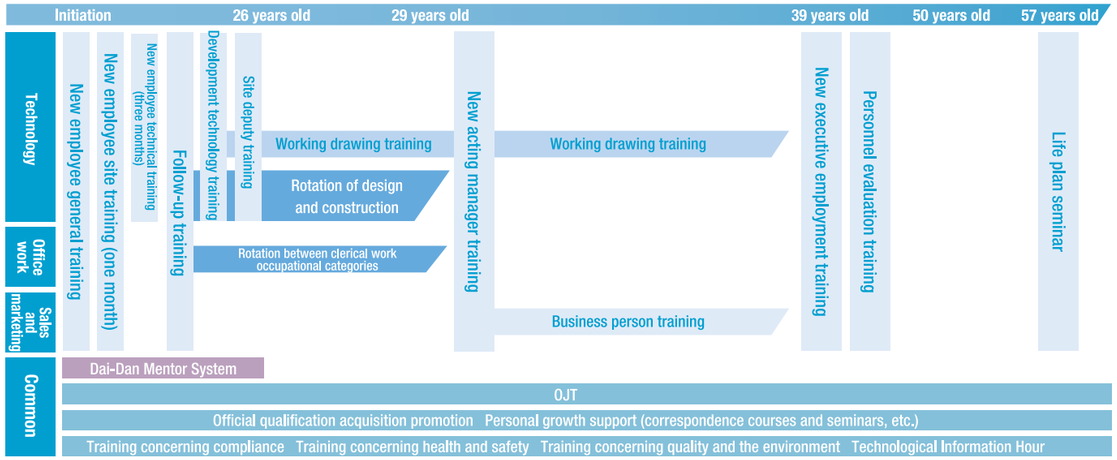
Our company chiefly invites an in-house lecturer or outside lecturers for our training institute in Yao, Osaka-fu, and is running the training and development.

- **Training in employee seniority** Training is done to acquire a suitable consciousness and attitude for each qualification class according to the class.
- **Training according to function** Training is executed to strengthen the expertise in each occupational category.
- **Special training** Executed as necessary.

3 External training

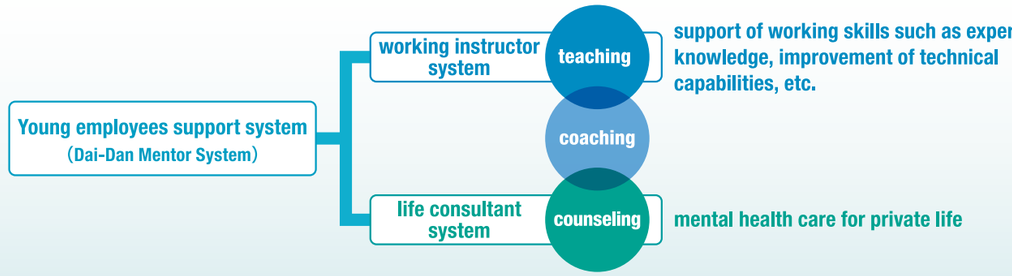
The employee participates in training at an educational institution outside the company to achieve knowledge necessary for their work and the improvement of the skills.

Educational Training System diagram



Young employees support system (Dai-Dan Mentor System)

We have young employees support system, Dai-Dan Mentor System which consists of the working instructor system and the life consultant system. The former supports improvement their capacity to work and the latter supports mental healthcare for their private life. The system aims at developing human resources who have high technological skills and a high tolerance for stress.
The principle of the Dai-Dan Mentor System is that the company is consisted of individuals. In previous time, human resources of company were naturally cultivated through practices of communal living such as bachelors' dormitory, club activities, recreation activities and so on but now our company purposefully cultivates them through nurturing a personal relationships with other employees and group consciousness. Our company believes that people develop their ability in the process of supporting other people.



Creating workplaces where the employee can be vividly and active

Our company supports the employee's self-actualization and the maintenance of a positive work/life balance by respecting the employee's career goals and intentions, and offering a workplace environment where the employee can work in a lively and fulfilling atmosphere.

Support for health care

To protect and to improve employee's health, we have industrial physicians in the main office around the country practicing detailed health care and providing guidance. Moreover, the health insurance union of Dai-Dan regularly issues a journal and works to provide timely information.

We make efforts to provide mental/emotional health care in recent years, and are working on the prevention of depression on the mental health side while cooperating with an external consultation organization.

Child Care and Nursing Care Leave System

We have introduced a childcare and nursing care leave plan for so that the employee may keep a positive work-life balance. This contributes as a measure to counter Japan's declining birthrate and the growing proportion of elderly people that is rapidly advancing in Japan. 4 people for the child-care leave and 1 person for the Aged-care leave acquired in fiscal year 2010. In these ways we strive to achieve a working style that matches the employee's lifestyle.

The voice of a child-care leave acquirer

I acquired childcare leave from April 2010 to July 2010. After being reinstated, I made use of "the part time working system". Though I was anxious if I was able to manage with both work and childcare at the time of reinstatement, I was able to engage in caring for my child without any concerns thanks to the understanding and cooperation of my superiors and colleagues. Also, the system makes it possible for me to use my time efficiently and enjoy looking after my child on a daily basis.

Osaka Head Office
Sales Administration Department
Akiko Sakamoto

Welfare Program that promotes work-life balance

We have introduced the subscription public welfare system as part of our efforts to create an environmental that encourages a lively lifestyle and brings out the maximum power of each employee. Moreover, there is also a refreshment leave system that the employee can allocate to the enhancement of hobbies, family duties, travel and so on.

The voice of the Human Resource Department

I think that the fundamental strength of an enterprise is the sum total of the thought and actions of its employees.
I believe that an enterprise with a high level of fundamental strength in this sense is the kind of outstanding company that can advance steadily even through times of economic transition.
Dai-Dan is constructing an educational system based on this idea. In training, our company not only improves individual's technological level but also cultivates their ability to take action and the flexibility to be able to deal with any difficulty they may face. As a result, a high-quality engineer is nurtured. In all training according to the hierarchy and the function, we use curriculum concerning corporate ethics, CSR, the information security, protection of individual information, and the internal control, and we are working to spread a solid understanding of compliance. The company employs a variety of welfare systems corresponding to the employees life stage, and we offer opportunities and support so that employees can enjoy fulfilling lives with a positive balance of work and home life that enables them to working energetically and productively.

General Administration Division
Human Resource Department
Masashi Hirai

Second life support

Our company has a "Life plan seminar" for the employees who are reaching their retirement age. This seminar provides training to help the employee think about "How do you live your second life after retirement?" from various angles with focuses on after retirement life design and lifestyle design. The company offers the employee the chance to contemplate whether to keep working at Dai-Dan or to step forward to a new life.

Continued employment system

The company has introduced a continued employment system as part of our approach to the issues of Japan's declining birthrate and the growing proportion of elderly people. The employees who have the desire to work and have maintained a constant standard of work can elect to continue working for the company after the retirement age. Thus, the company provides the employment opportunities to put to use the technology and the knowledge that the employee cultivated for many years. Through this program we are promoting dissemination of technology and training of successors. 92 employees have elected to continue working under this program and are taking an active part in each field as of September, 2011.

Union Activities that is a communications between the company and the employee

The company is talking positively with the labor union so that employees and management can share the same vision and move forward together. The company held conferences with the Dai-Dan labor union nine times in fiscal year 2010. Conferences were held on salaries, welfare benefits and the working environment, etc., and the building of better labor relations was encouraged. Moreover, the company also holds informal labor and management meetings and strives to understand employee needs on a timely. In these ways we are working to optimize the working environment.

The Voice of the Labor Union

38 years have passed since the Dai-Dan labor union was established in 1973. The significance of the existence of the union and the contents of the discussions have changed over these 38 years.
Our union activities give priority to the improvement of the working environment now, though they gave priority mainly to working conditions and pay, etc., at the time of Union's establishment. There is diversity in regionality and each person's ideas concerning the working environment, and we occasionally have a hard time bringing things together, but we face the conference with the company while positively implementing the chance for conversation with union members. We will continue to place top priority on conversation with the union members, and we want to build a strong foundation for both company and union members to advance positively.

General secretary **Takuya Yamashita** Chairperson **Kentaro Tsuji** Vice-chairperson Engineer **Isao Tanimoto**

Dai-Dan family Bulletin

We publish a communications magazine for the employees and their families once a year. This magazine has abundant content such as "Dai-Dan at the forefront" that plainly explains completed work cases, an order report, and the latest technology of Dai-Dan, the "Baby hello" page that introduces the child of an employee who was newly born, recommended spots in the vicinity of each office and pages that introduce the hobbies and pets of employees. This magazine helps to activate communications between each employee and their family by sending it directly to the family.

With Our Partners

Our company has progressed together with our affiliated companies. We are cooperating closely with them in all respects, including safety, quality and in environmental issues. Furthermore, we are making efforts to improve the technology of Dai-Dan and to maximize implementation of our technology with the cooperation of our affiliated companies.

Our Safety Hygiene activities with the affiliated companies

We promote safety hygiene activities in cooperation with our affiliated companies, and we are approaching to create an office environment that is free of accident and disasters so that the employee and staff of the affiliated companies can work free from anxiety.

Safety hygiene policy

Safety hygiene principles

"Ensuring safety and hygiene" is an obligation that should be fulfilled to people who are working for our company, their families, and the society.

Dai-Dan makes "Safety" and "Health" top priorities. All employees cooperate hand in hand under top management, making efforts to create a more comfortable and safer office environment, and aiming to be a company that is trusted by society.

Action agenda

1. We establish a labor safety hygiene management system aimed at eliminating industrial injuries, and we continuously work to improve the labor safety/health activities aimed at eliminating danger and hazardous property in all the activities.
2. We the company, the affiliated companies, the building site aim at the activation of the safety/health activities with concerted efforts, establishing excellent communications and clearly of individual role among them.
3. We keep the applicable labor safety/health laws and regulations and our safety/health management rules, etc. , and approach to the improvement of the health and safety.
4. We disseminate our safety hygiene policies to all employees working for Dai-Dan, and release it to the public.

Approach with the affiliated companies

Industrial injury prevention rally

We holds the industrial injury prevention rally every year at 11 nationwide halls during the period of the national safety week for the awareness building campaign of the safety hygiene activity. About 2,500 of our chairman, president, executives, employees and people of the affiliated companies participated in the rally in fiscal year 2011. Those who had achieved excellent results at worksites regarding the approach on the health and safety were given award to. Moreover, the activity announcement about the health and safety activities on site was done, and we reaffirmed our determination to prevent the industrial accident.

●Industrial injury prevention rally in Chugoku branch 2011

Safety patrol and safety and health education

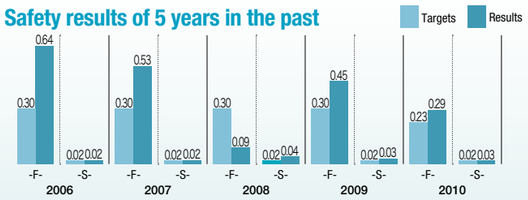
Our company executes the safety patrol and the safety and health education, etc. with the cooperation association of affiliated company on safety and hygiene, and is doing the approach that aims at the improvement of the safety hygiene level.

●Safety and health education at the industrial injury prevention rally

Labor safety hygiene management system

We have been working on the safety hygiene activity in accordance with Construction Occupation Health and Safety Management System “COHSMS" since 2004. We post various safety data, safety hygiene information, and important improvement activities on internet. We offer information at the right time by distributing internal notification, "News flash" and "Disaster report". We will also establish further the risk assessment and promote health safety hygiene education using the TV conferencing system etc. Furthermore, we will disseminate safety hygiene information promptly and aim at prevention of the industrial injury and health maintenance cooperating closely with affiliated companies.

Safety results of 5 years in the past



-F- frequency rate of lost working-time injuries / -S- Severity rate of injuries

frequency rate of lost working-time injuries: lost working-time injuries (four days or more)/total working hours×1,000,000

Severity rate of injuries: work-days lost/total working hours×1,000

Activity with affiliated companies

The system of cooperation by which the affiliated company that work on the production site performs a task combining with our company is indispensable to offer the building utility that is our product by a safe, high-quality, appropriate cost. Our company is in longtime mutual trust and the organization "DAIGEN association" of the proven cooperation company exists in each office.

There is a subcommittee meeting at each special construction such as electricity, piping, and ducts there, and the DAIGEN association is acting actively.

The content of the activity includes securing the safety, the efficiency improvement of work (construction rationalization), rationalization of cost, utilization of new building methods and the exotic materials, compliances, sharing of a variety of external information, and environmental protections, etc. Our company and affiliated companies share the view and cooperate to solve the problems, and improve the “Tsukurikomi” (to support the technology from systems and management) on site that is the place of the stating point of “Monodukuri” (making things). The result of the activity with these affiliated companies is continuously reported to the site, and moreover, we improve "Technology" that summarizes the quality, the cost, and the term of works, and answer customer's needs.

Osaka DAIGEN Association: Activity Theme in Fiscal year 2010

Subcommittee meeting	Main activities theme
Electric and creation division	How to increase order volume, Eco proposal, how to use subsidy
Electric and mechanics division	Introduction of new industrial tools and construction method, preparation of electric notebook, How to hand our techniques to the next generation
Duct division	Cost reduction by using tz ribduct of duct thickness of 0.45mm
Piping division	Study of how to make the improvement version of the Dai-Dan-made marking jig and the VP insert machine, Preparation of the guidebook for how to hook up different pipes.
Refrigerant and piping division	How to hook up drains, Measures against dew formation
Heat insulation and painting division	Making comparison between other companies in the same line of business and our group, Indication of the points for cost reduction
Misc works division	Proposal of cost cut by review of installation method
Administration and outsourcing division	How to simplify the mechanism to prevent vibration of cassette-type equipment
Materials division	Energy-saving equipment, Low cost products, Publishing new products in the StarOffice, Preparation of complete version for maker list

The voice of an affiliated company

It has already passed seven years from the start of subcommittee meeting activities. We have addressed the various issues of review of working instruction, study and introduction of new building methods, elimination of waste and so on in each division. Dai-Dan has watched with anticipation to these activities.

We live in difficult times because we cannot survive in this business world unless we give high priority to cost reduction. We, Osaka Daigen Association, try to find the best way to address maintenance of high quality, working place safety and cost-cutting, and aim to ensure prosperity of Dai-Dan and its affiliated companies.

Every company of Osaka Daigen Association will corporate with each other and Dai-Dan developing each company’s originality.

Vice Chairman of Osaka Daigen Health and Safety Association
Kotobukikogyousho Co., Ltd.
Shigeka Yamada

Creating work sites where foremen can be more active

We established Dai-Dan Meister Program so that foremen of our affiliated companies engaging at our work sites can fully show their abilities in order to have safer and higher quality work sites.

Dai-Dan Meister Program

Rewarding the foremen

A foreman of an affiliated company plays an essential role in the operational management in a work site.

He needs to use his capability fully in order to offer clients the architectural facilities that represent our high quality corporate products and to manage the operations safely at construction sites.

We created the Dai-Dan Meister Program so as to evaluate the improvement of the performances of the foremen and reward the excellent ones.

We will reward the foremen, selected through fair screening, as Meisters in their honor.

Rewarding affiliated companies

To contribute to the development of affiliated companies, we will support those companies that Meisters belong to with tuition fees for registered mainstay technicians or certified technicians to attend lectures.

●The poster of Dai-Dan Meister Program

For the Regional Society

Our company is promoting the activity to attempt the coexistence of the society and the environment as a member in the society. We will deepen these activities in the future and contribute to the society as accountable citizens

Approach to information sending and contribution to society

Our company contributes to the society through sending information of equipment technology outside the company and spreading it widely. Moreover, we contribute to the creation of a better regional society to attempt symbiosis with the regional society.

Sending Technological information outside the company

To contribute to the development of the architectural equipment industry of our country, our company supports the society activity management, and sends the lecturer to an external organization. Especially, in the lecturer dispatch to an external organization, our engineer has guided equipment technology at the training organization or at the school juridical person in the whole country. Moreover we are involved in the management of the WorldSkills Competition (The alias: vocational Olympic).

The voice of a lecturer

The promotion of the tube construction pursuer in Osaka is a mission of our company that makes Osaka a birthplace. In this training school, a lot of senior people are the lecturer up to now. Here, I am taking charge of not construction but multiplication. Multiplication is an important factor in the business. I hope that this skill is absorbed by engineer active by tube construction industry in the future and the skilled labors, and they can use them for their career progress . Hereafter, I will keep making an effort.

Osaka Piping Higher Training School Lecturer / Osaka Head Office Design Department
Tomoyuki Koike

At the dispatch destination External group name	Lecturer Committee (committee member) name
The Society of Heating, Air-Conditioning and Sanitary Engineering of Japan	Director Business scheme committee etc.
The Institute of Electrical Installation Engineering of Japan	Director Business committee
The Association of Japan Instrumentation Industry	Management manager
Japan Building Mechanical and Electrical Engineering Association	Director Member committee
Osaka Electrical Construction Association	Director Public Relations Committee
Tokyo Electrical Construction Association	Tokyo electric engineering school lecturer
Air-Conditioning & Plumbing Contractors Association of Japa	Lecturer of training association for beginner's class engineer
Japan Electric Engineer Association	Director Course training committee
Kanto Plumbing Industries Association	Lecturer of training association for beginner's class engineer
Osaka Piping Higher Training School	Lecturer (multiplication)

Participation in agreement of regional disaster prevention

Our company is participating in the agreement of disaster prevention concerning the activity of the emergency policy such as local governments at a large-scale disaster through the industry group that belongs.We supports the restoration at the early stage of life in the local populace and the regional business activity by positively participating in the activity for the restoration of the region in which it is struck.

Agreement of regional disaster prevention that our company is participating

Office concerned	Belonging group name	Other party	Name of agreement	Agreement day
Hokkaido Branch	The Constractors Association of Air-Conditioning and Plumbing Systems in Obihiro	Obihiro City	Agreement concerning emergency policy business that can be put in a time of disaster	September 22, 2006
Nigata Branch	The Society of Heating, Air-Conditioning and Sanitary Engineering of Niigata	Niigata pref.	Agreement concerning assistance business at disaster	March 30, 2006
Tokyo Head office	The Society of Heating, Air-Conditioning and Sanitary Engineering of Tokyo	Tokyo	Agreement concerning cooperation of emergency measures of water-service installation at earthquake	February 19, 2002
	Tokyo Electrical Construction Association	Tokyo	Agreement concerning emergency policy business of electric installation at earthquake etc. at metropolitan school	April 1, 2009
	The Society of Heating, Air-Conditioning and Sanitary Engineering of Kanagawa	Yokohama City	Agreement concerning cooperation of emergency measures at earthquake of relations to Yokohama City public building	June 17, 2008
Nagoya Branch	The Society of Heating, Air-Conditioning and Sanitary Engineering of Aichi	Nagoya City	Agreement concerning emergency policy business that can be put in a time of disaster	August 6, 2010
	Aichi Electrical Construction Association	Nagoya City	Agreement concerning emergency policy business that can be put in a time of disaster	August 6, 2010
Hokuriku Branch	Ishikawa Prefecture Pluming Heating and Airconditioning Constructor's Association	Kanazawa City	Agreement concerning emergency policy business that can be put in a time of disaster	January 17, 1997
Osaka Head Office	Osaka City Pluming Heating and Airconditioning Constructor's Association	Osaka City waterworks bureau	Memo concerning cooperation of emergency measures at emergency disaster of lying to Osaka City water service facilities etc.	March 1, 1993
	Osaka Electrical Construction Association	Governor of Osaka Pref.	Agreement concerning disaster recovery support of Osaka Prefecture	December 28, 2007
	The Society of Heating, Air-Conditioning and Sanitary Engineering of Osaka	Osaka pref.	Agreement concerning disaster recovery support in main government building (integrated window)	December 28, 2007
Okayama Branch	Okayama City Pluming Heating and Airconditioning Constructor's Association	Okayama City waterworks bureau	Memorandum of agreement concerning emergency restoration of water network at disaster etc.	August 1, 2008
Shikoku Branch	Kagawa Prefecture Pluming Heating and Airconditioning Business Association	Kagawa pref.	Memorandum of agreement concerning incidental equipment of emergency temporary shelter that can be put in a time of disaster	September 1, 1996
	Kagawa Prefecture Electricity Business Association	Kagawa pref.	Memorandum of agreement concerning incidental equipment of emergency temporary shelter that can be put in a time of disaster	September 1, 1996
Kyushu Branch	Fukuoka Electrical Construction Association	Fukuoka pref.	Agreement concerning disaster recovery support of electric facilities	March 27, 2009

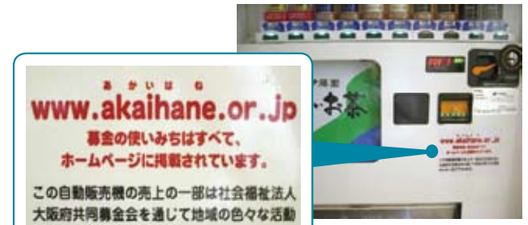
Promotion with Dai-Dan society activity fund

We established "Dai-Dan social activity fund" in the Osaka community foundation as part of the regional contribution activity of the 90th anniversary of founding business in April, 1993. We are doing the activity support to the handicapped person by the operation earnings.

- **Fiscal year 2008:** Support business where handicapped person and handicapped child swim in pool
- **Fiscal year 2009:** There is no promotion activity.
- **Fiscal year 2010:** Training association by which handicapped person and family make bamboo wares and feel fish that lives.
- **Fiscal year 2011:** On-the-job training program for handicapped children to be part of society

Situation of donation activity

The donation activity is done in various fields for the creation of a better society.
We did the donation to a natural environmental protection, the donation to the scholarship fund etc. of the university, and the donation activity of the support in the address of a nationwide office to regional events etc.
Moreover, a part of sales of soft drink that employees buy in the Tokyo head office, the Nagoya branch and the Osaka head office has been donated to Red Feather Community Chest Movement, JAOG Ogyaa Donation Foundation and National Land Aforestation Promotion Organization through the beverage manufacturers



Social Contribution Activities (the approach at our offices)

Being aware of the significance of participation by all members of staff, we are promoting social contributions such as cleaning and traffic safety campaigns in the communities.

Blood donation

In March 2011, many staff members of the Hokkaido branch and affiliated companies donated blood with cooperation of the Japanese Red Cross Society.

ECO cap campaign

Staff members of our offices nationwide have been collecting plastic bottle caps and donating them to the Japan committee of "Vaccinne for the Worlds' Children" through the Ecocap Movement to purchase vaccinnes since April 2010. We have collected 320,000 caps so far, which are worth of vaccinnes for 402 children.

Calendar market for charity

We donated 1107 volumes of unneeded calendars and notebooks to the Charity Calendar Market planned by the specified non-profit corporation Nippon Volunteer Network Active in Disaster from our offices nationwide.

Clean up campaigns in the communities

We continuously participate in cleaning activities in communities such as "Akiba Smile Project" in Tokyo and "Machi Bika (Clean the Town) Partners Program" in Osaka.

Planting trees campaigns

Staff members at Technical Development Division, Technical Construction Division, Technical Research Laboratory and Medical Care Facilities Promotion Department (Miyoshi City, Iruma county, Saitama Pref.), regularly take part in organizing trivial woods forest which is a project by the community planning network "Green Environment Group". We plant trees, clear away underbush, and collect firewood in this activity.

Clean activities in a grove, Miyoshi-cho (June 2011)

Staff members of the Chugoku Branch joined the "Volunteering in Peace Memorial Park Greenery" program in Hiroshima and planted tulip bulbs and nursery stock from atomic-bombed cherry trees in December 2010.
In November 2010, staff members of the Hokuriku Branch participated in the "Ishikawa Ryomin no Mori Zukuri in Komatsu" (Creating forest for Ishikawa fishermen program). They helped with the planting of young cherry trees in “Kizuna no Mori”(the Woods of Bondage) in Komatsu city and with the removing of non-native species for the conservation of the ecosystem in Hakusan in this program. Also, the Kyushu Branch staff joined the planting of flower beds at "Fuku-haku deai Bridge"project organised by the "Fukuoka wo Genki ni suru kai"(Cheer up Fukuoka association).

Planting atom-bombed cherry trees campaign in the Peace Monument Park (December 2010)

Planting nursery cherry trees campaign in Kizunanomori, Komatsu city (November 2010)

Third-parties Opinions

This opinion document expresses opinion about this report based on “Corporate Social Responsibility (CSR) Guideline 2009”(hereinafter called the Guideline) published by Japan Federation of Bar Associations in cooperation with its multiple member attorneys in the association’s Kinki branch by browsing internal rules and other relevant documents and hearing from responsible persons in each department.

Attorney/Former Chairman of Osaka Bar Association
Director of Japan CSR Promotion Association Branch
Manager of Kinki Branch
Tsuneo Yamada

No.1 Overall comment

Dai-Dan Co., Ltd. creates this report by not a specific department only but as an entire company and that indicates the company’s positive efforts to raise awareness about CSR.
The contents of this report also cover most of the key perspectives stipulated in the Guideline, such as internal governance, environment, labor, regional contribution and so on.
Furthermore, from a perspective to secure objectiveness or neutrality of the contents, many opinions from employees or business partner companies are posted and that helps readers to understand the Dai-Dan Co., Ltd.’s relationship with society very well and its corporate attitude to ask for stakeholders opinions exactly get along with philosophies of CSR.
However, the report contains much text and special terminologies where I believe a room for improvement should exist from the perspective of easiness to read or understand, and also further efforts are necessary by using more pictures and charts.

No.2 Points of good evaluation

1. Activities against environmental issues through high level technology

To realize sustainable society, efforts like preservation of global environment or prevention of global warming are extremely important challenges.
Dai-Dan Co., Ltd. utilizes its highly sophisticated technological capabilities to develop products that pay attention to environmental protection with clear policy which is “to endeavor to propose/provide technologies that pay attention to environmental protection, to effectively use resources and energy, co2 reduction, promotion of recycles and reduction of wastes” based on the characteristics of the company’s business.
These efforts can be highly evaluated and I wish further innovation in their technological capabilities.

2. Efforts to fully communicate and enhance awareness of compliance to executives and employees.

Dai-Dan Co., Ltd. has been positively working hard to communicate/enhance awareness of compliance among executives and employees even among its affiliates through implementation of trainings or issuance of periodical compliance newsletters.
As for internal alarming system, the company has been making announcements regularly to communicate better.
Also, its compliance committee is materially functioning and positively working on investigation of factorial relationships or consideration of recurrence preventive measures.
In order to fully communicate or enhance awareness level of compliance, across-the-board and continuous efforts are required and Dai-Dan Co., Ltd.’s activities in this area can be highly evaluated.

No. 3 Points we expect improvement

1. Description about employee’s workplace environment

One of the key challenges in CSR is about maintaining workplace environment for staffs.
This report specifically describe about efforts in employment/labor related areas such as efforts to support staffs’ self-realization, however, on the other hand current improvement level of staffs workplace environment, its future policy or targets are not clear.
I recommend setting rational numerical targets by considering actual characteristics of the workplaces by trying to quantify situations and clarifying achievement status as much as possible.
However, it is also important to consider not making the companies dream or objectives too small by setting lower target value by focusing too much on their achievement level.

2. Efforts from perspectives of PDCA

Objective of CSR report is to review the company’s own activities in CSR area, set target for next year and beyond, and work continuously to achieve the target through creation of the report.
Also by making efforts continuously, it is necessary to grasp where the challenges exist and analyze them.
In this report, these PDCA perspectives are not adequately reflected and for target value setting, specific disclosure of the company’s policy is expected, but process of such efforts are not clearly described in this report.
In future, I am hoping that the company works on CSR activities from the perspective of PDCA.

Location of our Offices

Business Places	Zip code	Address	Telephone number
Headquarter's Organization			
General Administration Division	550-8520	1-9-25 Edobori Nishi-ku Osaka-city	06-6447-8000
Sales Division	102-0071	2-15-10 Fujimi Chiyoda-ku Tokyo	03-6594-8231
Technical Construction Division	354-0044	390 Nagai Miyoshi-cho Iruma-gun Saitama Pref.	049-258-1511
Technical Development Division	354-0044	390 Nagai Miyoshi-cho Iruma-gun Saitama Pref.	049-258-1511
Technical Research Laboratory	354-0044	390 Nagai Miyoshi-cho Iruma-gun Saitama Pref.	049-258-1511
Industrial Facilties Department	102-8175	2-15-10 Fujimi Chiyoda-ku Tokyo	03-5276-4710
Medical Care Facilities Promotion Department	354-0044	390 Nagai Miyoshi-cho Iruma-gun Saitama Pref.	049-258-1891
Business Places Organization			
Hokkaido Branch	**001-0020**	**1-43 Nishi 5 Kita 20 Kita-ku Sapporo-city**	**011-716-9116**
Obihiro Branch	080-0010	Aobatokachi Bldg. 4F 12-20 Odoriminami Obihiro-city Hokkaido	0155-25-3559
Hakodate Branch	041-0851	4-17-40 Hondori Hakodate-city Hokkaido	0138-55-7086
Tohoku Branch	**980-0811**	**1-15-17 Ichiban-cho Aoba-ku Sendai-city**	**022-225-7901**
Aomori Branch	030-0802	Tanuma Bldg 4F 2-4-10 Hon-cho Aomori-city	017-773-1582
Akita Branch	010-0951	Sannopiares 6F 2-2-17 Sanno Akita-city	018-824-6491
Morioka Branch	020-0032	Hiramatsu Bldg. 2-16 Yugaose-cho Morioka-city	019-654-3023
Fukusima Branch	960-8031	Fukushimasakaecho Bldg. 4F10-21 Sakae-cho Fukushima-city	024-521-4213
Yamagata Branch	990-0043	Honcho Bldg. 1F 2-4-3 Hon-cho Yamagata-city	023-634-2620
Niigata Branch	**950-0088**	**2-4-3 Bandai Chuo-ku Niigata-city**	**025-247-0201**
Tokyo Head Offuce	**102-8175**	**2-15-10 Fujimi Chiyoda-ku Tokyo**	**03-3261-8231**
Kanto Branch	330-0854	Ginza Yamato 3 Bldg. 3F 1-10-2 Sakuragi-cho Omiya-ku Saitama-city	048-644-8468
Gunma Branch	371-0805	Daidoseimeimaebashi Bldg. 7F 3-9-5 Minami-cho Maebashi-city	027-226-7720
Tochigi Branch	321-0953	Yamaguchi Bldg. 6F 4-1-20 Higashisyukugo Utsunomya-city	028-637-3380
Ibaraki Branch	300-0037	Sumitomoseimeitsuchiura Bldg. 7F 1-16-12 Sakura-cho Tsuchiura-city	029-826-6656
Chiba Branch	261-0023	NTT Makuhari Bldg. 25F 1-6 Nakase Mihama-ku Chiba-city	043-211-8881
Yokohama Branch	231-0062	Nissekiyokohama Bldg.7F 1-1-8 Sakuragi-cho Naka-ku Yokohama-city	045-683-1050
Nagoya Branch	**461-0005**	**AbannetNagoya Bldg. 16F 1-1-10 Higashisakura Higashi-ku Nagoya-city**	**052-973-4750**
Toyoda Branch	471-0835	1-20 Akebono-cho Toyoda-city	0565-28-1841
Mikawa Branch	448-0011	5-6-4 Tsukiji-cho Kariya-city Aich Pref.	0566-27-0324
Nagano Branch	380-0824	Choeidaiich Bldg. 5F 1282-11 Minamiishido-cho Nagano-city	026-228-3820
Matsumoto Branch	390-0811	Orii Bldg. 2F 1-1-2 Chuo Matsumoto-city	0263-33-7016
Shizuoka Branch	422-8067	Sausupottoshizuoka 17F-1704 18-1 Minami-cho Suruga-ku Shizouoka-city	054-281-3501
Mie Branch	514-0004	Kasama Bldg. 2F-B 3-261 Sakae-cho Tsu-city	059-225-3840
Gifu Branch	500-8175	Daininagazumi Bldg.2F 1-9 Nagazumi-cho Gifu-city	058-265-8224
Hokuriku Branch	**920-0902**	**1-6-15 Owari-cho Kanazawa-city**	**076-261-6147**
Toyama Branch	930-0019	1-10-20 Yayoi-cho Toyama-city	076-441-3371
Fukui Branch	910-0005	Fukuihosokaikan 4F 3-4-1 Ote Fukui-city	0776-23-2166
Osaka Head Office	**550-8520**	**1-9-25 Edobori Nishi-ku Osaka-city**	**06-6441-8231**
Tenri Branch	632-0012	4-228 Toyoda-cho Tenri-city Nara Pref.	0743-63-1231
Kobe Branch	651-0084	Konkorudiakobe 7F 3-1-7 Isobedori Chuo-ku Kobe-city	078-221-7777
Kyoto Branch	604-8186	Abannekkusu Oike Bldg. East Wing 2F 361-1 Umeya-cho Kurumayaoike-sugaru Nakagyo-ku Kyoto-city	075-251-6411
Wakayama Branch	640-8203	Nankaiwakayama Bldg. 6F 3-6 Higashikuramae-cho Wakayama-city	073-433-9431
Shiga Branch	527-0025	Janti21 11 6-55 Yokaichihigashihon-cho Higashiomi-city Shiga Pref.	0748-25-5400
Okayama Branch	**700-0984**	**6-10 Kuwata-cho Kita-ku Okayama-city**	**086-223-3106**
Tottori Branch	680-0056	Wakazakura Bldg. 3F 29 Shokunin-cho Tottori-city	0857-21-6487
Chugoku Branch	**730-0812**	**2-22 Kako-cho Naka-ku Hiroshima-city**	**082-241-4171**
Yamaguchi Branch	754-0011	Sanyo Bldg. Kogori 4F 4-6 Kogorimiyuki-cho Yamaguchi-city	083-976-0121
Sanin Branch	690-0015	Haitsusharomu 103 2-29-13 Kaminogi Matsue-city	0852-27-5890
Shikoku Branch	**760-0018**	**11-20 Tenjinmae Takamatsu-city**	**087-861-6030**
Matsuyama Branch	790-0065	2-208-1 Miyanishi Matsuyama-city	089-922-7161
Kochi Branch	780-0088	10-16 Kitakubo Kochi-city	088-884-8231
Tokushima Branch	770-0872	4-1-10 Kitaokinosu Tokushima-city	088-664-8121
Kyushu Branch	**810-0023**	**3-1-24 Keigo Chuo-ku Fukuoka-city**	**092-771-4361**
Kumamoto Branch	862-0941	1-7-6 Izumi Kumamoto-city	096-364-7134
Miyata Branch	823-0016	680-1 Shiromaru Wakamiya-city Fukuoka Pref.	0949-33-2602
Saga Branch	841-0031	Sangadenyarita 101 436-1 Yarita-matchi Torisu-city Saga Pref.	0942-84-2350
Nagasaki Branch	850-0862	Dejimaasahiseimeiaoki Bldg. 8F 1-14 Dejima-cho Nagasaki-city	095-828-0772
Oita Branch	870-0033	Matsumoto Bldg. 402 1-3-22 Chiyo-matchi Oita-city	097-532-4350
Miyazaki Branch	880-0933	Inoue Bldg.201 2189-2 Kusabazaki Otsubo-cho Miyazaki-city	0985-54-6382
Kagoshima Branch	890-0052	Arima Bldg. 201 26-5 Uenosono-cho Kagoshima-city	099-256-3662
Okinawa Branch	900-0015	Arute Bldg. Naha 4F 3-15-9 Kumoji Naha-city	098-868-1700
Singapore Branch	—	**315 Outram Road #15-09, Tan Boon Liat Building, Singapore, 169074**	**010-65-62218488**
Hong Kong Branch	—	Level 28,Three Pacific Place,1 Queen’s Road East,Hong Kong	010-852-29801888
Philippine Branch	—	FABTECH Building, 1229 Quezon Avenue, 1104 Quezon City Metro Manila Philippines	010-63-2-413-3333
Malaysia Branch	—	57-3A Jalan SS 23/15, Taman SEA, 47400 Petaling Jaya, Selangor, Malaysia	010-60-3-78055443

**denotes district headquarters.*