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Sales Division

2-15-10 Fujimi, Chiyoda-ku, Tokyo 102-8175
TEL.03-3261-8231

Technical Construction Division

390 Kita-Nagai, Miyoshi-machi, Iruma-gun, Saitama 354-0044
TEL.049-258-1891

Technical Development Division

390 Kita-Nagai, Miyoshi-machi, Iruma-gun, Saitama 354-0044
TEL.049-258-1891

Business Places Organization

Hokkaido Branch

1-43 Nishi 5, Kita 20, Kita-ku, Sapporo City 001-0020
TEL.011-716-9116

Tohoku Branch

1-15-17 Ichiban-cho, Aoba-ku, Sendai City 980-0811
TEL.022-225-7901

Niigata Branch

2-4-3 Bandai, Chuo-ku, Niigata City 950-0088
TEL.025-247-0201

Tokyo Head Office

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TEL.03-3261-8231

Nagoya Branch

16F Urbannet Nagoya Bldg. 1-1-10 Higashisakura, Higashi-ku,
Nagoya City 461-0005
TEL.052-973-4750

Hokuriku Branch

1-6-15 Owari-cho, Kanazawa City 920-0902
TEL.076-261-6147

Technical Research Laboratory

390 Kita-Nagai, Miyoshi-machi, Iruma-gun, Saitama 354-0044
TEL.049-258-5725

Industrial Facilities Department

2-15-10 Fujimi, Chiyoda-ku, Tokyo 102-8175
TEL.03-5276-4710

Medical Care Facilities Promotion Department

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TEL.049-258-1891

Osaka Head Office

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TEL.06-6441-8231

Okayama Branch

6-10 Kuwata-cho, Kita-ku, Okayama City 700-0984
TEL.086-223-3106

Chugoku Branch

2-22 Kako-cho, Naka-ku, Hiroshima City 730-0812
TEL.082-241-4171

Shikoku Branch

11-20 Tenjinmae, Takamatsu City 760-0018
TEL.087-861-6030

Kyushu Branch

3-1-24 Keigo, Chuo-ku, Fukuoka City 810-0023
TEL.092-771-4361

Singapore Branch

315 Outram Road #15-09, Tan Boon Liat Building, Singapore,
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TEL.010-65-62218488

CSR REPORT

Corporate Social Responsibility Report

2012

Dai-Dan's Management Principles

— Bringing Light, Air & Water to Life —

Always With You

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

Management Principles

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

Management Policies

1. We keep pace with changes of business environment through our customer-centered philosophy.
2. We manage our company in accordance with the spirit of compliance.
3. We conduct the corporate activities to ensure safety/quality and to contribute to environmental preservation.
4. We achieve the corporate targets 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.

Corporate Code of Ethics

Excerpt from the Corporate Code of Ethics

— Principles of Action —

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.

— Action Standards —

1. Good relationships with users/customers
2. Ensuring safety and quality
3. Fair and open competition
4. Proper purchasing transactions
5. Fair disclosure of corporate information
6. Proper management of critical information
7. Protection and respect of intellectual property rights
8. Improvement of working conditions and work environments
9. Respect for human rights and individuality
10. Efforts for environmental issues
11. Proper accounting and tax payment
12. Sound relationships with politics and administration
13. Elimination of relations with antisocial forces
14. Prohibition of private actions

Relationship with our stakeholders

Dai-Dan conducts business in association with our customers as well as with our various stakeholders like employees, partners and people in the regional society. For a company to grow continuously, we find it important to grasp accurately each stakeholder's expectations and requirements and to cater to them through our business activities.



Stakeholder	Dai-Dan's Responsibility	
Customers	We try not only to cater to our customers' requirements but also to offer high-value added proposals and high-quality comfortable environment.	·Provision of safe and secure building equipment ·Appropriate management of client information
Shareholders/Investors	We recognize that enhancing the corporate value is our responsibility, maintain the transparent and sound management and strive to disclose information timely and appropriately.	·Increase in corporate value ·Fair profit reduction ·Timely and appropriate information discovery
Employees	We prioritize our employees' 'safety' and 'health' and strive to create a comfortable working environment.	·Promoting and maintaining employment ·Respect for human rights and diversity ·Development of human resources ·Ensuring of a pleasant working environment ·Ensuring of occupational health and safety
Partners/Clients	We strive to establish sound partnerships with our partners and clients through the fair/transparent/equal deals.	·Equal and fair deals ·Instruction of construction technology ·Consideration to health and safety
Regional Society	We are aware of being members of society and aim for coexistence with the regional society through our local contribution activities as responsible citizens.	·Accident prevention during construction ·Good relations with regional people ·Contribution activities for the regional society
Global Environment	We strengthen our efforts in developing environmentally-friendly construction methods and energy-saving technology.	·Prevention of global warming ·Efficient use of resources ·Global environmental protection

CSR Report 2012 Contents

Dai-Dan's Management Principles	1
Opening Message	3
Business Activities of Dai-Dan Co., Ltd	5
Features: Our Completed Work	7
Dai-Dan's Technology	9
The performance for 2011 and the target for the next fiscal year of CSR activities	15
For fair and transparent business activities	17
For environmental preservation	21
For our customers	23
For our employees	25
With our partners	29
For the regional society	31
For our stakeholders/investors	33
Third-Party's Opinions	34

Editorial Policy
The purpose of this report is to inform our stakeholders about our CSR activities. This year, we carried the features about 'Our Completed Work'.

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 from April 2011 to March 2012, but also includes some data after April 2012.

Reference Guidelines
GRI Guideline (G3)
Ministry of the Environment 'Environmental Reporting Guidelines (2012)'
Japanese Standards Association 'ISO26000:2010'

Opening Message

We promise to contribute to achieve
better a global environments and
sustainable social development,
and try to cater to our stakeholders' expectations.



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

Setsu Sugaya



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

Nobukazu Uebayashi

We have a Management Policies that 'we constantly attempt to create new values and contribute to realization of a better global environment and to social development as a comprehensive facility works company. The social challenge we lay weight on is global environmental problem. To tackle this challenge, we contribute to the society through our development and construction technology.

We contribute to the global environment with our energy-saving technology.

Almost all the energy consumed in office buildings is supplied by electric, air-conditioning or plumbing sanitary services. With our energy-saving technology, we construct buildings which are not only comfortable in various scenes for working, learning, playing, relaxing, living and so on but also eco-friendly.

We contribute to social development with our advanced space control technology.

It is necessary to highly control temperature/humidity/cleanliness of the space at pharmaceutical plants, semiconductor plants, medical facilities, food factories etc. Therefore, space control technology which meets aims of each building greatly

affects quality of products. We contribute to social development with our advanced and accurate space control technology.

We contribute to redevelopment of social infrastructure by rebuilding/improving existing facilities.

We bring new life to existing buildings by renewal (rebuilding/improving) of premises and equipment. We positively innovate environmental technology such as ESCO project* and Flow Smart (Pumping flow control system for chiller) developed by us and appropriately support renewal of premises and equipment.

*ESCO project: It stands for Energy Service Company, and this is a project of repair work for energy saving by comprehensively judging energy usage situation of each building and by guaranteeing amount of emission cut of energy to use.

As a responsible company

There are not only global environment problems but also many more challenges and responsibilities which we should take on, such as compliance, soundness of management and finance, provision of safe and secure building equipment, fair and equal deal, respect for human rights, contribution activities for the regional society.

Last year, issues of compliance drew attention in Japanese

society. We have fundamental principles of our corporate governance to ensure soundness and transparency of decision-making of operational key problems and management and to seek to strengthen compliance. Compliance is a core of CSR and a minimum responsibility that a company must fulfill. In April 2012, we reviewed internal control system of our corporation law, revised the contents from the perspective of 'contents which are easier to understand and more specific' and also clarified elimination of antisocial forces.

As a responsible company, we strengthen compliance and build an organization where internal control functions.

With the society

We connect with the society through our building equipment. Not only people directly related to our business but also people who use buildings are our customers. We offer safe and secure, comfortable space and facilities.

Besides, our main office, business sites and many construction sites connect with regional societies. We also engage in social contribution activities in our local communities such as cleanup activities, traffic safety activities and so on.

From 110th anniversary to the next decade

Last year, disasters caused more than ever before, like the Great East Japan Earthquake and following tsunami hazard and nuclear power plant accident, landslide by the typhoon, heavy flood in Thailand and so on. In addition, threats of financial crisis started from Europe startled the world and it hasn't been resolved yet.

In this time with uncertainty over the future, we will commemorate 110th anniversary in March 2013. Thanks to our stakeholders, we could have overcome the turbulent transitions and continue to operate since the establishment, which we deeply appreciate. We will enter the next decade while challenging new fields as a comprehensive facility works company.

We continuously cater to expectation of our various stakeholders like customers, shareholders, employees, partners, regional societies and so on.

We would be grateful for your further understanding and cooperation for Dai-Dan's CSR activities.

Business Activities of Dai-Dan Co., Ltd.

Corporate Profile

Company name : Dai-Dan Co., Ltd.

Head office : 1-9-25 Edobori, Nishi-ku, Osaka, Japan

Founded : March 4, 1903

Incorporated : October 10, 1933

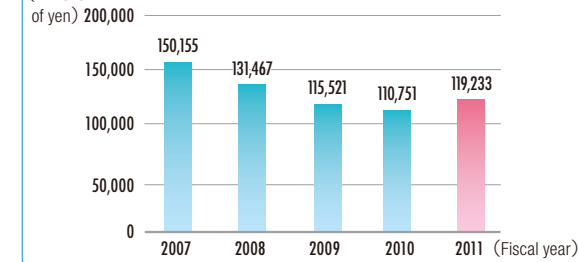
Capital Fund : 4,479,725,988 yen

Employees : 1,435 (as of March 31, 2012) Consolidation

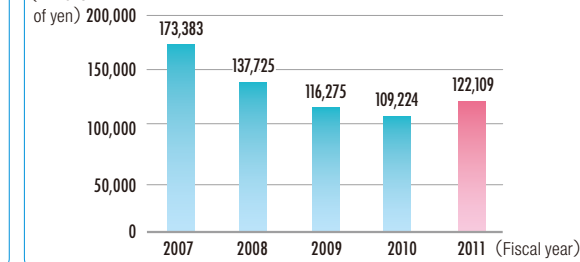
Stock Listing : The first section of Tokyo Stock Exchange

The first section of Osaka Stock Exchange

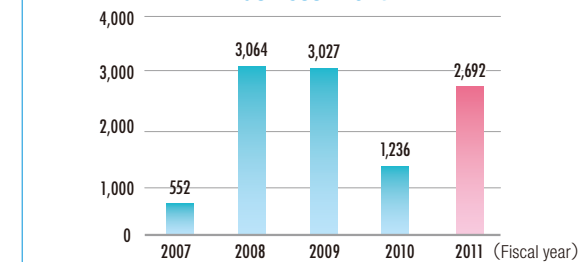
Construction Orders Received Amount



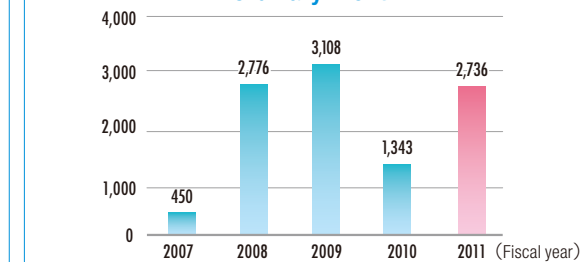
Construction Revenue Amount



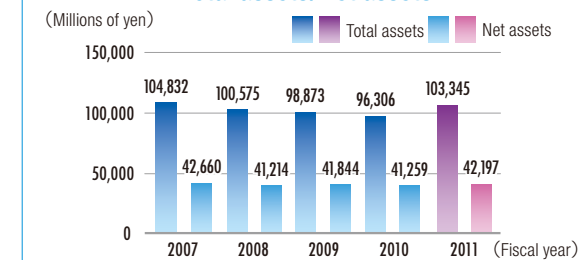
Business Profit



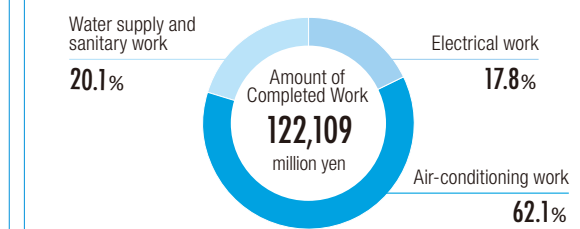
Ordinary Profit



Total assets/Net assets



Fiscal year 2011 Composition ratio of Construction Revenue Amount

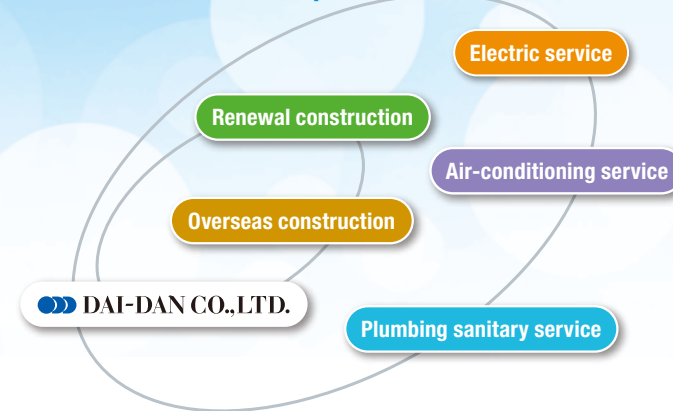


Corporate History

- 1903 March** Foundation
- 1933 October** Established Osaka Denki Shokai Osaka Danbo Shokai Co., Ltd.
- 1943~1945** Construction related to army and military
- 1943 September** Changed the corporate name to Osaka Denki Tekkan Kogyo Co., Ltd.
- 1945 ~ 1948** Construction related to the occupation army
- 1946 December** Changed the corporate name to Osaka Denki Shokai Osaka Danbo Shokai Co., Ltd.
- 1949 October** Registered as a building constructor due to the enforcement of Construction Industry Act

- 1955** Defense Training Institute
- 1964** Nippon Budokan
- 1965 January** Changed the corporate name to Osaka Denki Danbo Co., Ltd.
- 1974** The Supreme Court Building
- 1975 October** Listed on the second section of Osaka Stock Exchange
- 1979** Shinjuku Center Building
- 1981 September** Listed on the first section of Osaka Stock Exchange
- 1986** Hotel New Otani Osaka

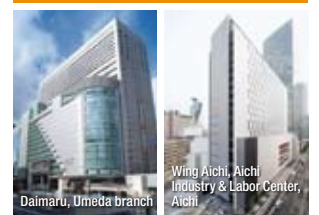
Our business lineup



Electric service

Providing electric facilities indispensable for people's living and industrial societies is one of our business domains. We comprehensively provide electric facilities from highly-efficient lighting facilities with the use of LED or solar energy generation facilities to privately-owned electrical power facilities possible to supply power even during a blackout.

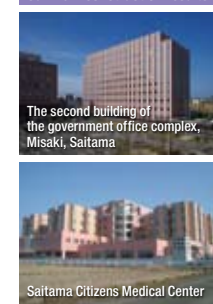
Our main construction results



Air-conditioning service

In recent years, air-conditioning facilities required for buildings have been diversifying. We provide the best air-conditioning facilities according to various needs from office air-conditioning that pursue energy-saving as well as 'amenity' to industrial air-conditioning at pharmaceutical plants or precision equipment plants that seek for advanced temperature/humidity control.

Our main construction results



Plumbing sanitary service

Usage of water, the limited natural resource, is also our strong area. We provide various facilities related to 'water' from effective supply of indispensable drinking water or domestic water to special effluent facilities required for hospitals or factories.

Our main construction results



Renewal construction

Using existing buildings for a long time instead of rebuilding them. The demand for renewal of facilities has been extremely increasing recently. By repeated discussions with our customers, we suggest facilities better than their needs. We provide high value-added equipment supporting energy-saving such as introduction of highly-efficient equipment instruments, 'visualization' of energy etc.

Our main construction results



Overseas construction

We conduct overseas business at factories/laboratories utilizing our technologies mainly in Singapore, Thailand and Malaysia. Superior performance has been achieved there with our strong technologies like constructions related to clean room, energy-saving and so on, which our customers highly esteem. We aim to be valuable companies in each country and provide high-quality facilities.

Our main construction results



- Features - Our Completed Work

Here is a part of construction work completed in 2011.

CREATE



Location	1 CREATE Way Singapore 138602
Size	Total floor area 74,432m ² , 1 basement/16-storey/1-storey rooftop structure
Purpose	Laboratory, research room
Client	National Research Foundation
Main tenants	Research institutions of the top universities in the world, e.g. MIT (Massachusetts Institute of Technology) of US, etc.
Architectural feature	It is an institute, consisting of a multistoried building (16-storey) and low-rise buildings (7-, 6- and 5-storey), where university researchers of all over the world conduct high value-added studies in Singapore. Government of Singapore basically offers the institution and so on. It shares the same premise with existing University of Singapore, so there have been flourishing exchanges between them.
Work period	Dec. 2009 ~ Jul. 2011
Type of construction	Electricity/air-conditioning/sanitation *CREATE: CAMPUS FOR RESEARCH EXCELLENCE AND TECHNOLOGICAL ENTERPRISE

About the construction site 《Any problems, impressions etc.》

The entire work period was planned to be 2 years, but the actual period for our company was about 1 year, so I had been concerned about the schedule management. Besides, it rained more than usual years, which delayed the completion of the building structure, and on the top of this, most of the equipment were supposed to be set on the rooftop, so it was hard to keep the schedule.



Masahide Sano,
Singapore branch

Itabashi Campus of Teikyo University



Location	2-11-1 Kaga, Itabashi-ku, Tokyo
Size	Total floor area 81,977m ² , 2 basements/10-storey/1-storey rooftop structure
Purpose	University
Client	Teikyo University
Architectural feature	This is a medical university consisting of medical faculty, pharmacology faculty and medical technology faculty to improve recent healthcare environments. The lower floors have student classrooms, cafeterias and a library as well as laboratories for each faculty. The upper floors have research individual chambers for each department where draft chamber corresponding to experiment are installed. 2 basements are fully equipped with facilities where most-advanced researches can be conducted such as animal experiment, anatomy, RI, electron area and so on.
Work period	Jun. 2009 ~ Jan. 2012
Type of construction	Air-conditioning

About the construction site 《Any problems, impressions etc.》

For this site, we started from changing the design before the authority submission for approval, and its biggest point was that we could solve problems by the initiation date through cooperation of sales/design/technology workers. During the busiest time, the Great East Japan Earthquake occurred, which made it very hard to get equipment and materials, so we had difficulty meeting the deadline.



Takahiko Shimaoka,
Tokyo Main Office

Ise Red Cross Hospital



Location	810 Takabuku, Misono-cho, Ise-shi, Mie
Size	Total floor area 52,500m ² , 5-storey/2-storey rooftop structure
Purpose	Hospital
Client	Teikyo University
Architectural feature	This is a 5-storeyed building where every effort was made not to be too high, to respect the community's spirit not to have built higher than Ise Shrine. Therefore, the hospital wards (655 beds) upper than the third floor are very large with 8 nursing per 1 floor, besides it is planar shaped turning north-south by 45 degrees with consideration for houses around the premise. The fixed-interval transfer system of Ise Shrine was adopted for the location of the facility and the premise has enough space for the future development.
Work period	Sep. 2009 ~ Jan. 2012
Type of construction	Air-conditioning

About the construction site 《Any problems, impressions etc.》

While succeeding the tradition of Yamada Red Cross Hospital that had supported local healthcare in 'Ise' for 104 years, we constructed with the prospect of 'building a hospital/facility capable of responding sufficiently to the future local healthcare situation'. In addition, we also constructed its Energy Center (an energy service operation), so we could check integrity of the system in the course of building and make suggestions leading to energy-saving from the aspect of plumbing flow control and reflux temperature compensation, which was good.



Shinichi Ogata,
Nagoya Branch

East Wholesale Market of Osaka Municipal Central Wholesale Market



Location	1-2-68 Imabayashi, Higashi-sumiyoshi-ku, Osaka City, Osaka
Size	Total floor area 47,290m ² , 5-storey/1-storey rooftop structure
Purpose	Market
Client	Osaka City, Osaka
Main tenants	Vegetable and Fruit/ Seafood Wholesale Association
Architectural feature	In the spacious premise, this consists of seafood wholesale building/seafood intermediate wholesale building/vegetable and fruit wholesale building/vegetable and fruit intermediate wholesale building/refrigerator building/related buildings (3) and refuse disposal buildings(3), which is a hub to supply 'vegetables and fruits' and 'seafood' to the eastern area of Osaka City.
Work period	Sep. 2008 ~ Mar. 2012
Type of construction	Air-conditioning/ sanitation

About the construction site 《Any problems, impressions etc.》

It was a long construction with 40 months period, and we conducted the renovation work while they were operating the seafood/vegetable and fruit wholesale. Moreover, vegetable and fruit wholesale building/refrigerator building/related buildings were newly constructed after having torn the old ones down, so it was hard to arrange the construction schedule and working hours. Additionally, for the reason of the working hours and workable area, we carried equipment using 160 ton cranes, and we could construct successfully with Osaka City officials' cooperation.



Katsuhiko Nakagawa,
Osaka Main Office

Nagasaki University Hospital



Location	1-7-1 Sakamoto, Nagasaki City, Nagasaki
Size	Total floor area 36,990m ² , 1-basement/12-storey
Purpose	Hospital
Client	Nagasaki University
Architectural feature	1~7 basements: hospital outpatient/8~12 floors: university research facilities Electric rooms are installed on the 1 basement and the rooftop deck, where each 2 high pressure lines can be received from the special high transforming station on the premise. LED is used for the lightning of the communal area, and energy-saving strategy is conducted by motion/central control. In the research facilities on the 8~12 floors, entering and leaving are managed by card keys (It depends on the time at the outpatient clinic).
Work period	Dec. 2008 ~ Dec. 2011
Type of construction	Electricity

About the construction site 《Any problems, impressions etc.》

It was a long construction with 3 years' period, and earthquake-resistant/total interior renovation while operating the main hospital building. 35 years had already passed since it was built, so there were facility wiring not shown in the plan and many wiring coming from the separate building to the main building. Therefore, it took time for research and operational construction of the existing ones and switching plan. In terms of safe environment, it was necessary to give consideration to the hospital workers and their patients, so we had difficulty with work adjustment due to noise, shake, dust etc.



Naoki Nishimura,
Kyushu Branch

TOPICS

Awarded Technology Promotion Prize of Society of Heating, Air-conditioning and Sanitary Engineers of Japan, a public interest incorporated association.

In May 2011, 'All-electric heat source system with foundation pile-utilizing type earth thermal heat pump incorporated' in Funabashi Municipal Rehabilitation Hospital was awarded Technology Promotion Prize of Society of Heating, Air-conditioning and Sanitary Engineers of Japan, a public interest incorporated association.

To bring 'Eco-hospital' into reality, we not only electrified totally by integrating heat supply systems of air-conditioning and hot water supply which are high-energy consuming but also tried to reduce the amount of CO₂ emission by enhancing efficiency of heating water with the use of earth thermal that is one of the unutilized energy.



Heat Collecting Pipe



Funabashi Municipal Rehabilitation Hospital

Dai-Dan's Technology

To respond to our customers' complicated and diversifying needs and pioneer a new business field, we tackle the development of multiple technologies.

For better facilities

We tackle the technical development for our customers to use 'good' facilities for a 'long' time.

Anticorrosion 'Open Degasifier' of Copper Pipe for Hot Water Supply

We developed 'Open Degasifier' designed to reduce corrosion of central-type copper pipe for hot water supply* in collaboration with Sumitomo Light Metal Industries, Ltd. This device separate factors of corrosion contained in supplied hot water such as residual chlorine, dissolved oxygen and free carbonate from water and emit them from the copper pipe for hot water supply by aerosolizing supplied hot water in the 'Open Degasifier' connected to the hot water supply pipe. Atomization of supplied hot water enables the surface area contacting with air to enlarge and emission effects to increase.

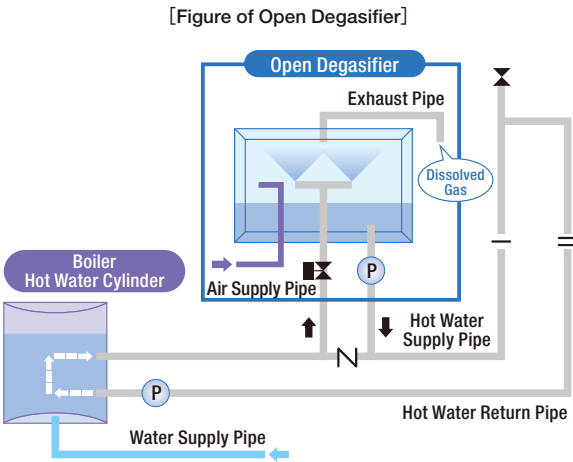
*central-type copper pipe for hot water supply: Hot water supply equipment with a hot water return pipe and a hot water supply circulation pump is called 'central-type hot water supply equipment', and this is a copper pipe used for it.

Features

- Reduction in residual chlorine, dissolved oxygen and free carbonate
- Corresponding to extensive pressure and used amount of hot water supply
- Easy to install
- Daily maintenance is not required



[Supplied Water Before and After Degassing Treatment]



[Figure of Open Degasifier]



[Figure of Open Degasifier]

From the Developer

For dealing with metal materials, corrosion is an unavoidable event. Many researchers like material makers have been working on this problem, but problems by corrosion have repeatedly occurred. Especially, regarding to hot water supply copper pipe problems of which our company also had the cases, no drastic solutions had been found yet at present, and the situation had been deplorable for me as a project owner. So we started this research development from going back to our first objective and reviewing a huge amount of corrosion case data in study reports and books on hot water supply copper pipes, instead of seeking for new technology development.

It is often said that 'Ideas are important for research development', but we think understanding the past researches are more important for new ideas. In our opinion, creation is began in tandem between predecessors and modern people, and regardless of times or fields, technology advances by connections between people. We would be delighted if the technology of Open Degasifier we developed this time could help the future technology progress.



Noriyuki Tanaka,
Technical Research Laboratory,
Department of Construction
System Development

For reduction of environmental load

We have been working on environmental load reduction by our developmental techniques.

Cleaning and recycling technique using supercritical CO₂

We provide the service of cleaning and recycling products such as filters to remove VOC* by supercritical CO₂.

Supercritical CO₂ is carbon dioxide that is neither gas nor liquid, has a trait to enter nanosized gaps and dissolve dirt and can wash out the dirt without using cleanser.

We have received requests to clean/reuse air filters from a major electric device maker and analytic research institutions, and operation of renewal service has been expanding.

*VOC: It stands for Volatile Organic Compounds, which is one of the causes of air pollution such as toluene or xylene.

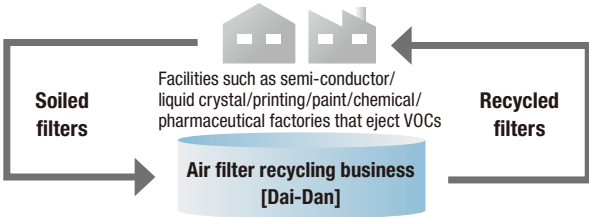
Features

- Reducing costs for exchanging filters
- Reducing the amount of discarded material
- Promoting exchanging filters properly



The supercritical CO₂ cleaning and recycling facility of the largest scale in Japan.

[Business image of cleaning and recycling of air filter]



"Optismart" Heat Source Optimum Operating Support System

Large-scale heating source systems for factories and the like consist of a variety of equipment, including gas-driven chillers, absorption chillers, etc. Generally, the turning on and off of such heat source equipment is done according to the experiences and senses of the operator based on the building's energy demands.

Dai-Dan has developed a support system named "Optismart" to help improve 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 combination of heating sources. Our Optismart system also has a simulation function that enables to estimate the annual operating cost of the heat source equipment.

Features

- Improved efficiency for large-scale heat sources
- Reducing environmental load
- Standardization of operation based on objective conclusions
- Optimized gas consumption level
- More efficient operational management work

[Data of operation based on human judgment]

	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00
Gas-driven chiller								
Absorption chiller								
Turbo-powered chiller 1								
Turbo-powered chiller 2								
Heat pump								
Thermal energy storage tank								

Unnecessary operation

[Data of operation calculated by Optismart system]

	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00
Gas-driven chiller								
Absorption chiller								
Turbo-powered chiller 1								
Turbo-powered chiller 2								
Heat pump								
Thermal energy storage tank								

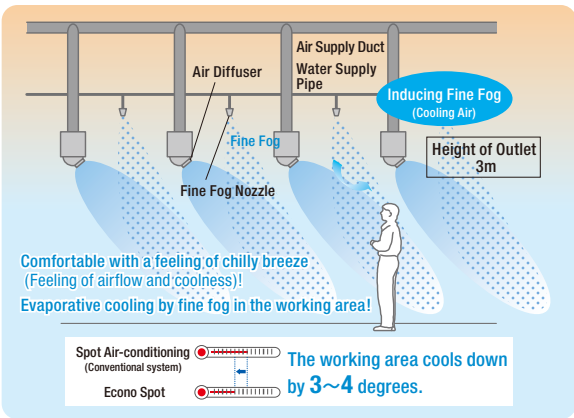
Spot Air-Conditioning system used together with fine mist "Econo Spot"

Our "Econo Spot," which employs evaporative cooling using fine mist along with the conventional spot air-conditioning, is a system for factory facilities, etc., that efficiently improves the environment in the hot spots of a work area.

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

[Figure of Econo Spot]



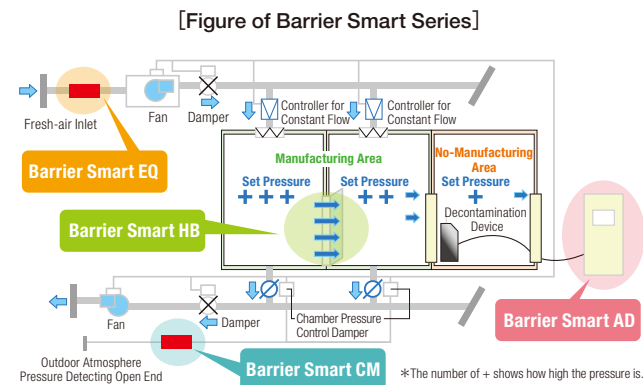
For advanced space control

We have been working on development of space control technology for purposes of buildings.

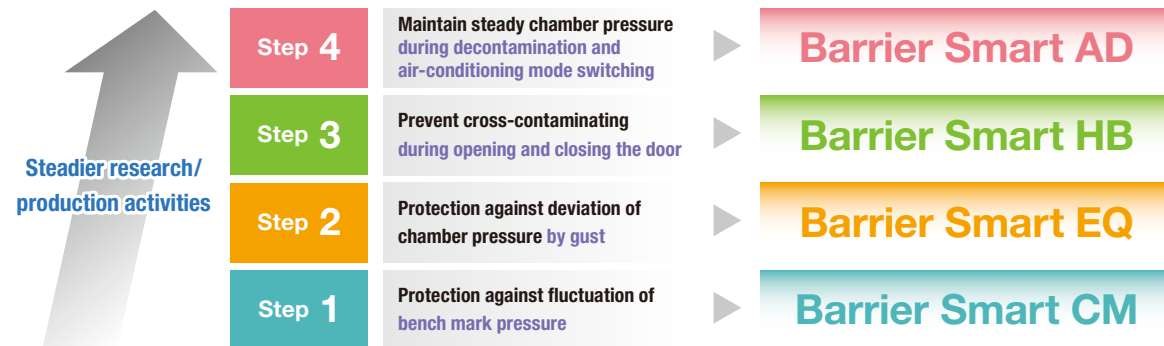
■ 'Barrier Smart Series', total technology regarding to chamber pressure control for pharmaceutical facilities.

To keep clean rooms clean, chamber pressure control technology is inevitable which pressurizes inside of the room and maintains it. Especially, in pharmaceutical facilities as presented by 'biological clean room', chamber pressure should not deviate from the specified range even when disturbance* occurs. 'Barrier Smart Series' are our original pressure control technology corresponding to disturbance.

***disturbance**: disorder of chamber pressure associated with opening/closing of doors and change/switch operations of air intake and exhaust volume



4 steps to thoroughly control chamber pressure/airflow



Step1 Barrier Smart CM

Bench mark pressure stabilization unit by distance attenuation effect

Features

- Stabilization technology of 'bench mark pressure'
 - Stabilization of bench mark pressure that tends to be disordered
 - Easy to introduce to existing systems
 - Resolve stop of production and yield degradation and contribute to stable production

Step2 Barrier Smart EQ

Unit to depressurize fluctuation by gust within the duct

Features

- Depressurize effects by gust within the duct and ensure space differential pressure
 - Realize stable production activities even during a typhoon
 - Reduce frequency of chamber pressure defect alarm by gust etc. and help to improve operation rates of clean rooms

Step3 Barrier Smart HB

Hybrid control system by chamber pressure control and air volume control

Features

- Actively control airflow
 - Reduce cross-contamination risk during opening and closing the door
 - Doesn't disorder chamber pressure even when the local ventilation equipment starts/stops
 - Chamber pressure recovery time is quick (About 1/5 of the conventional system <compared with our conventional products>)

Step4 Barrier Smart AD

Integration control system of air-conditioning equipment prioritizing stability of chamber pressure

Features

- Conduct mode transition and decontamination operations safely and reliably by high-precision chamber pressure control technology
 - Make barriers exact after decontamination operations
 - Doesn't disarray the orders of chamber pressure by chamber pressure priority control even during the event* of air-conditioning system

***during the event**: when the air-conditioning system starts/stops, day-night switching etc.

■ "I-rack system", the optimum environment for animal experiments

Animal experiments are inevitable for developing medical products and healthcare technologies. Animal rooms to keep test animals tend to accumulate allergen* and bad odor and are at risk for microbial contamination. Thus, environmental control in animal rooms has been a problem for a long time.

Our company has paid attention to test animal rearing facilities from before and has developed a lot of test animal rearing facilities from the perspectives of 'environment improvement of rearing facilities', 'energy saving' and 'animal protection'.

'I-rack System' has improved operability while maintaining the ventilation efficiency of test animal rearing facilities we have developed, which creates favorable environment both for test animals and for operators. By ventilating each breeding cage, allergen, bad odor and disease agents arising from test animals don't diffuse into the entire room, as well as ventilating with a little airflow.

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

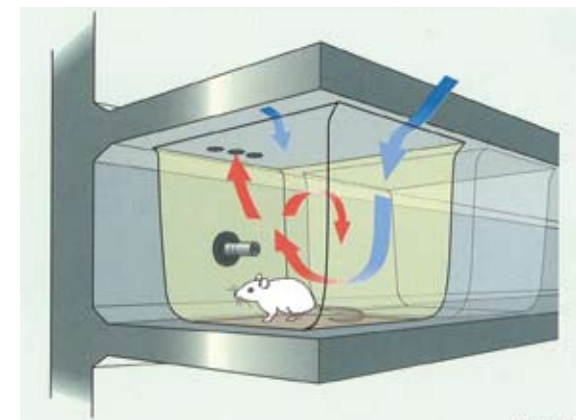
Features

- Adoption of the ventilation system of individual cages
- Making advanced one-way air current
- Easy operability without blocking
- Favorable distribution of temperature and humidity inside the cage
- Reduction of frequency of changing of *animal bedding
- Easy maintenance

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



I-rack System



[Figure of inside of the breeding cage]

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

In clean rooms such as electronic device factories, many outlets are necessary to keep high cleanliness level and accurate temperature and humidity environment. Therefore, they have plenty of ducts and HEPA filters* which have brought high cost problems.

Our company developed a system that has the largely reduced number of ducts and HEPA filters by devising the shape of outlet and the installation method. This 'Virtual Duct Clean Room System (VD-SR)' has often been adopted in clean rooms mainly of class 1,000 (ISO class 6) ~ class 10,000 (ISO class 8).

***HEPA filter**: It stands for High Efficiency Particulate Air, which is a filter to remove dirt and dust from the air and to clean it.

Features

- Realized the desirable temperature/cleanliness level distribution at low cost
- 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.

For optimal healthcare environments

We have been working on improvement of healthcare environments with our abundant construction experiences.

Compromised Patient Ward BCC-P

This is a ward to protect patients with weak defense power such as hematopoietic stem cell transplant (bone-marrow transplant patients) or leukemia patients from microbial contamination. We realized sterile environments of general ward type with consideration to patients' habitability and easiness for medical practice.

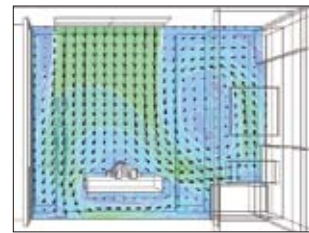
Features

- Prevent bacteria from invading by adopting vertical laminar flow system and maintaining positive pressure* compared to surrounding rooms

*positive pressure: Condition with higher air pressure than the exterior



Vertical Laminar Flow Type Compromised Patient Ward



Vertical Laminar Flow Type Airflow distribution

Collecting Sputum Booth DTB-01

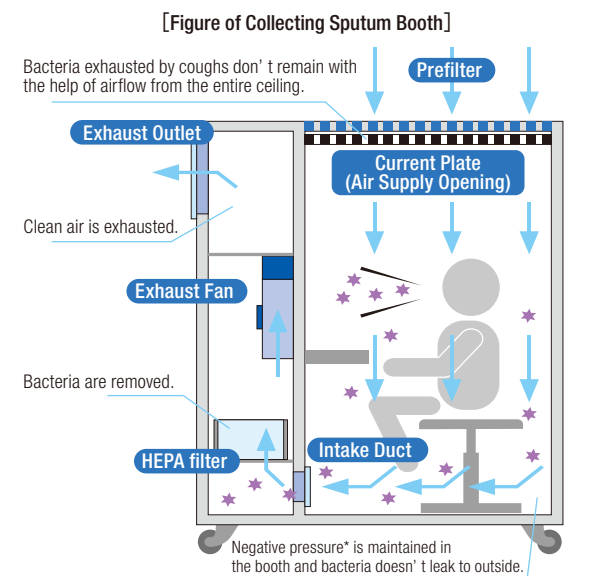
This is a booth to collect sputum from patients infected with droplet nuclei infection (Air-borne infection) like tuberculosis without affecting the surrounding environments.

Features

- Prevent tuberculosis bacteria scattered by patients' coughs from diffusing
- Thoroughly remove bacteria contained in exhaust by a HEPA filter and emit the clean air to outside.



Collecting Sputum Booth DTB-01



*negative pressure: Condition with lower air pressure than the exterior

Infection control Unit INF Series

This is a unit to conduct 'Air cleaning' and 'negative pressurizing' at the same time to prevent airborne infection, which is suitable for simple infection control in infection wards, waiting rooms and clinics.

Features

- Any major renovation construction is not necessary
- Compact size that doesn't take up much installation space
- Low noise, less than 40dB during low operation
- Clean circulating air/exhausted air by a HEPA filter



Infection Control Unit INF-101



Infection Control Unit INF-201

※INF-201 is set by opening an existing window, so exhaust duct construction is not necessary.

As a core of research development

It is a mission of our Technical Research Laboratory to provide our customers new values and functions.

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

The demonstration Experiment wing is working on the model experiments and the performance verification experiments. Customers can actually watch our new technology there.

Second Experiment Wing

Second Experiment Wing has the supercritical CO₂ washing and recycling equipment of the largest scale in Japan, as well as the analytical equipment to verify cleaning effects.



Research Development Wing



Demonstration Experiment Wing



Demonstration Experiment Wing Duct Experiment Facilities



Second Experiment Wing (Supercritical CO₂ cleaning and recycling Equipment)

TOPICS

Construction of our new research building

Our new research building is now under construction in the Technical Research Laboratory as a place to accelerate research development of industry air-conditioning toward next generation facilities and the future growing fields and to appeal our technologies. We aim to accomplish it in March, 2013.

At the new research building, we plan to build laboratories where we can replicate environments necessary for production of devices, rechargeable batteries, medicines and so on, to accumulate know-how on construction and to work on development of our original energy saving systems.



Message from Technical Research Laboratory

At Technical Research Laboratory, we promote research development with the following 3 points as our pillars to 'provide environments friendly to people/things/the earth'.

Research to ensure quality and benefits

For the purpose of providing quality and service responding to our customers' needs, we conduct research development on noise and vibration control technology, pipe anticorrosion technology and review before construction by airflow simulation. Besides, it is also our role to conduct verification experiment for clarifying causes in case quality accidents/complaints occur.

Research development to provide new values to our customers

We analyze changes of customer needs and market trends for growing fields such as pharmaceutical/medical field, electronic device field and green field and timely advance development of environmental load reducing technology and space control technology.

Research development to pioneer new source of revenue

Through collaboration with universities and different industries, we promote innovation not limited to utility work field. As an example, cleaning and recycling technology by supercritical CO₂ has gained high reputations due to realization of basic research by industry-academic collaborative research.

We will continue to always consider what kind of social contributions we can offer as Technical Research Laboratory and make greater efforts to bring it to reality.



















Makoto Nakamura,
Deputy Director of Technical
Research Laboratory

The performance for 2011 and the target for the next fiscal year of CSR activities

To constantly improve CSR activities, we set a target each year and work on PDCA. In this report, the performance for 2011 and the target for the next fiscal year are summarized according to ‘the 7 core themes’ of ISO26000.

Self-assessment  Target achievement  Target non-achievement

Theme	Item to approach	Target/Task	Performance of 2011	Self-assessment	Target for 2012	Core Themes of ISO26000							Page
						Corporate governance	Human rights	Labor practice	Environment	Business practices	Tasks on customers	Participation in communities and development	
For fair and transparent business activities	Corporate Governance System	Building/maintaining the system to ensure that operations are conducted appropriately	Establishment of Compliance Rules and Regulations with 2 of our group businesses		Review of internal control system of the corporation law	✓							P17
	Compliance	Continuity of enlightenment of compliance	<ul style="list-style-type: none"> Issuing Compliance News (twice a year). Learning at trainings for each rank. Registered our executive officer information in J-IRISS 		Continuity enlightenment of compliance	✓	✓			✓			P18
	Risk Management	Drawing up Business Continuity Plan (BCP)	Drawing up (temporary) Business Continuity Plan		<ul style="list-style-type: none"> Drawing up Business Continuity Plan Upgrading of stockpiles Implementation of emergency and evacuation drills 	✓				✓			P19
Approach to protect environment	Environment Management System	Accomplishment of planned targets for Environment Management System	<ul style="list-style-type: none"> Reached the reduction target of energy usage, including electricity usage. The suggestion target for CO₂ reduction by design suggestions wasn't reached, but the target for the adopted amount of CO₂ reduction was achieved. 		Accomplishment of planned targets for Environment Management System				✓				P21
For our customers	Quality Management System	Accomplishment of planned targets for Quality Management System	Though quality accidents and complaints reduced compared with 2010, the target for 2011 wasn't reached.		Accomplishment of planned targets for Quality Management System						✓		P23
For our employees	Respect for human rights	Continuity of enlightenment of respect for human rights	Enlightenment at New Employee Trainings		Continuity of enlightenment of respect for human rights		✓						P25
	Development of human resources	Introduction of Young Employee Support System	Full-fledged introduction since August after assigning new employees		Settlement of Young Employee Support System			✓					P26
		Strengthening technological capabilities	<ul style="list-style-type: none"> Held Workshops of Case Examples. Revision of technical data. Publication of Dai-Dan Technology Report 		Continuity of strengthening of technologies			✓					P27
	Ensuring of occupational health and safety	Support for long-hours workers	Encouraged eligible workers to have hearing of advices by doctors (Consultation rate: 69.7%)		Support for long-hours workers			✓					P28
		Approach for mental health	Held Mental Health Trainings		<ul style="list-style-type: none"> Expanding of mental health trainings Introducing it to curriculums of new employee trainings/ trainings for each rank 			✓					P28
With our partners	Activities with our partners	Sharing information of training sessions	Presentation of activity results on TV conferences		Continuity of activities			✓					P29
		Introduction of Dai-Dan Meister System	Acknowledged the first Dai-Dan Meister		Upgrading/settlement of Dai-Dan Meister System			✓					P29
	Approach for safety	Accomplishment of planned targets for Occupational Health and Safety Management System	<ul style="list-style-type: none"> Labor accidents increased compared with 2010. One serious case occurred and the safety result didn't reach the target. 		Accomplishment of planned targets for Occupational Health and Safety Management System			✓					P30
For the regional society	Transmitting technology information toward outside of the company	Contribution to the construction industry	<ul style="list-style-type: none"> 3 lectures at national conventions of Institute of Electrical Installation Engineers of Japan, General Incorporated Association. 6 lectures at national conventions of Society of Heating, Air-conditioning and Sanitary Engineers of Japan, Public Interest Incorporated Association etc. 		Continuity of activities							✓	P31
	Social contribution activities	Conducted more than 200 activities	316 voluntary activities at branches across the country		Continuity of activities							✓	P32
For our stakeholders/investors	Timely disclosure of information passively	Timely and appropriate disclosure	Compliance with laws and immediate disclosure of information		Positive disclosure of information						✓		P33

*ISO26000: Guidance regarding to social responsibilities for all organizations including corporations

For fair and transparent business activities

To be trusted by our stakeholders, we make efforts to improve and strengthen our corporate governance system that is the foundation of CSR activities. In addition, each of our executive officer engages in business activities with high ethical standards.

Improving and strengthening our corporate governance system

Outline of Corporate Governance System

We have established a corporate governance system consisting of the Board of Directors, Board of Auditors 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 important matters related to our corporate management, including the subjects discussed in the Executive Committee Meetings, but also supervises conditions of business operations. The articles of incorporation of our company provide that the Board of Director should consist of 12 people or less.

Board of Auditors

Four auditors (two of them are outside auditors) hold the auditor meetings, in principle prior to 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

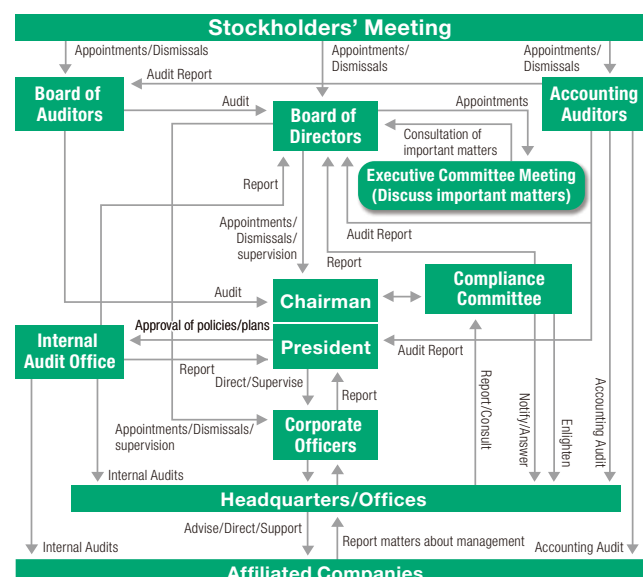
Executive Committee meetings are held when necessary. The meeting consists of basic members who are selected by Board of Directors and temporary members selected according to the contents of the agenda. It plans management policies and examines the process of business, discusses management strategy and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

Corporate Officers' meeting

Corporate Officers' meetings are held once a month in principle and transmit 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 Managers' meeting

General Managers' meetings are 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.



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 articles of incorporation are obeyed in the execution of duties 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", which was put into operation in April 2008 based on the Financial Instruments and Exchange Act, is functioning properly or not.

We estimated that the internal control system related to financial reporting was functioning properly as of the end of year 2011. An independent auditing company gave us the similar evaluation.

Compliance

Corporate Code of Ethics

Based on the "Charter of Corporate Behavior" of a general incorporated association called the Nippon Keidanren, our company has established "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. (See page 1) We have also established a hotline for consultations and receiving feedbacks of internal misconduct and have set up a compliance committee.

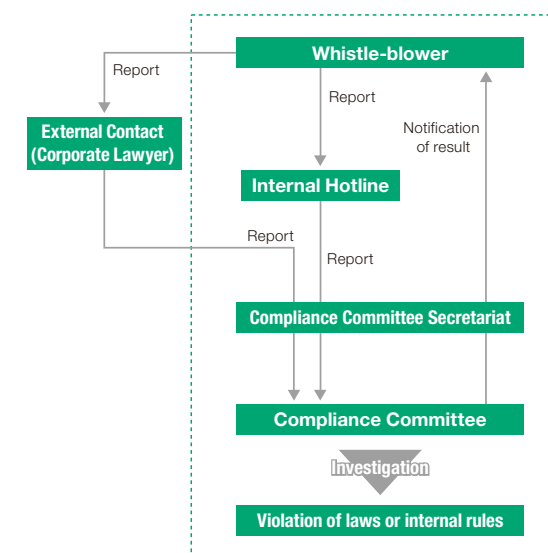
Compliance Committee

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 enlightening consciousness of executives and employees about compliance, receiving reports about violations of laws, investigating fact relevance and considering measures to prevent reoccurrence. The meeting was held 4 times in 2011.

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.

Corporate Code of Ethics guarantees that a whistle-blower shouldn't be subject to unjust treatment because of his/her internal report based on a good reason. In addition, it allows reporting anonymously to consider his/her privacy protection.



*The compliance committee secretariat plays a role as the internal contact.

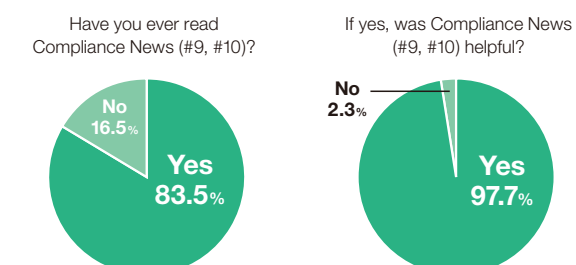
To promote understanding and practice of compliance

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

- Training in corporate ethics has been added to our new employee training program, the training programs for each rank and the training programs at each office. Many executive officers have attended the trainings.
- We publish a "Compliance News" semi-annually.
- All executive officers carry a "Compliance Card"
- We put up posters addressing the importance of compliance in each office and site office.



Results of the questionnaire within the company on Compliance News (#9, #10) (May 2012, Response Rate 85.3%)



Prevention of Insider Trading

To forestall foul stock trading by corporate insiders, protect benefits of general stakeholders and establish a sound and fair securities market, strict rules are imposed on sales transaction of stocks, based on 'Insider Trading Control Ordinance'.

Additionally, on our corporate intranet, we have 'Introduction on Insider Trading Ordinance for Executive Officers of Listed Companies' created by Tokyo Stock Exchange to improve environments for our executive officers to understand insider trading properly.

Registration in J-IRISS

In August 2011, our executive officers were registered in Japan-Insider Registration & Identification Support System (J-IRISS) operated by Japan Securities Dealers Association. We ensured a system to forestall insider trading, including unintended trading.

Protection and Respect for Intellectual Property

We positively apply for patents, because we consider invention and design originating not only from Technological Research Laboratory but also from our construction sites as intellectual property. In 2011, we received 10 patents related to clean systems, air-conditioning heat source systems and so on. There wasn't any utility model patent. Moreover, we approach to risk management not to infringe intellectual property of other companies.

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. 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.

Risk Management

Risk Management Regulations

We established 'Risk Management Regulations' in April 2011, with basic principles to predict all risks like natural disaster or leaking of confidential information, which could damage the company, and to forestall damages to the minimum. In case of any risk, we establish countermeasures headquarters and immediately grasp the situation and share information with all staffs united as one.

Business Continuity Plan

We work on drawing up Business Continuity Plan (BCP) in accord with responses in the Great East Japan Earthquake. The basic principles of the Business Continuity Plan are to prioritize doing our best to ensure security of lives/bodies of our employees and their family members. As for activities to restart our business, we think the main points are how quick to create support systems for devastated areas, more specifically, how quick to conduct first responses (checking disaster situations) and that our branches at devastated areas should ensure our workers (employees and sub-contractors) and materials and equipment and other branches should provide human and material support smoothly.

Emergency Drill

In September 2012, we conducted an emergency drill based on (temporary) Business Continuity Plan. We did mainly first responses like rescue work, evacuation behaviors, safety confirmation and communication method confirmation.



Drill at Tokyo Head Office

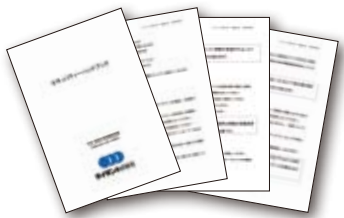
Approach to strengthening information security

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 the 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. Every year, instruction in information security is included in new employees training and executive staff training for each rank.

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 sub-contractors 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.

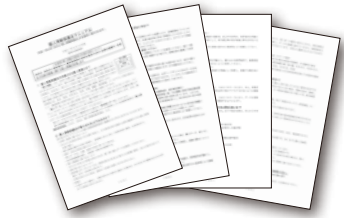


Security Handbook

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 web 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

Mid-Term Management Plan

In April 2012, we established 'Dai-Dan to challenge a New Era' which was a Mid-Term management plan from April 2012 to March 2015. The basic principles are as follows:

- Develop business activities from a 'customer-centered' point of view and accurately grasp changes of customer needs and market trends. 'Continuing to be chosen' by our customers is our pride and ideal, and this corporate culture should be succeeded steadily in the new era.
- Strengthen personal 'on site strength' supported by each staff's knowledge and experience and corporate 'on site strength' supported by continuous improvement of management

approaches and provide quality and service responding to customer needs.

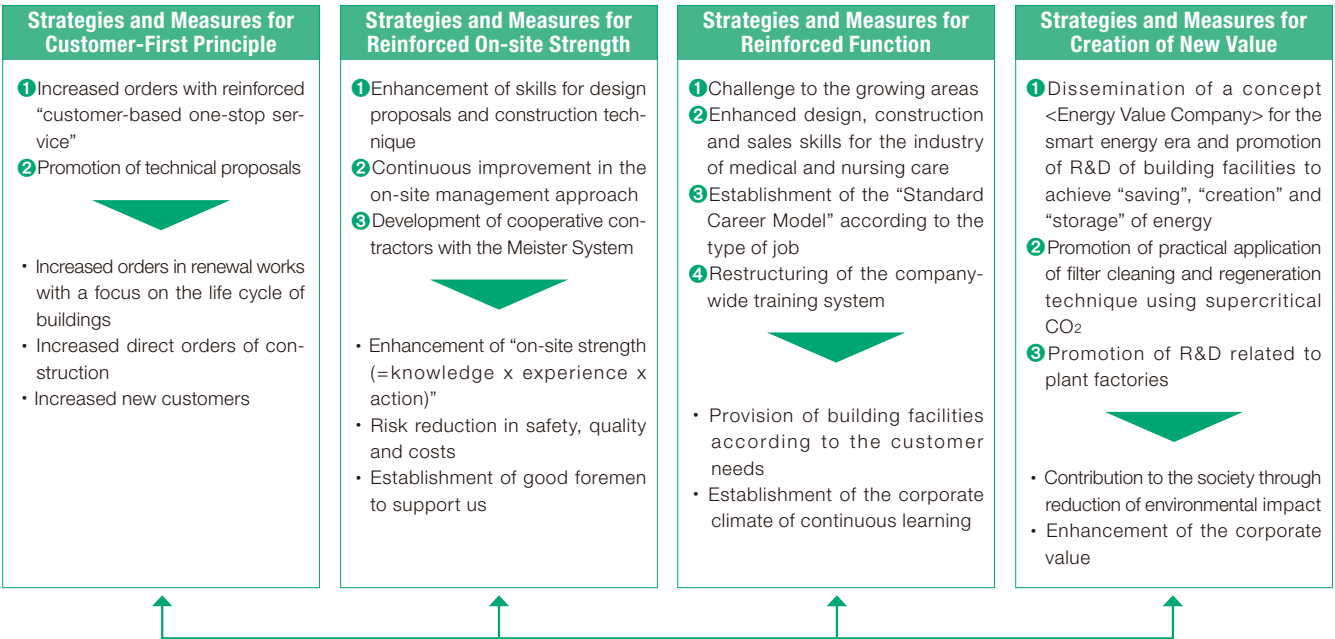
- Challenge growing fields and provide building equipment responding to customer needs. In addition, rebuild structures of human resource cultivation to establish corporate culture where staffs keep on learning.
- In the smart energy era where optimal realization of 'saving', 'creation' and 'storage' of energy is ideal, implement measures to be a corporation which can provide new values of building equipment.

Management Principles

Constantly challenge for the creation of new values and contribute to the realization of a better global environment and development of society as a general facilities construction company.

Management Policies

1. Respond to changes in the managerial environment based on a customer first principle.
2. Practice business management in line with the compliance spirit.
3. Practice business activities to secure safety and quality and to contribute to environment preservation.
4. Attain business goals through interlinking of respective strategies and measures.



For environmental preservation

To realize better global environment, we work on efficient environment protection activity by Environment Management System.

Environmental Management System (ISO14001)

Our company creates and promotes Dai-Dan Environment Management System complying with Environment Management System (ISO14001). In February 2002, all offices were certified all at once and work on constant resource-saving and energy-saving activities.

The specific examples are as follows:

- CO2 reduction by development technology and design proposals
- Resources/energy reduction during construction stage
- Segregation/recycling of generated wastes
- Company-wide social contribution activities such as cleaning activities

In addition, we integrated operations of Environment Management System and Quality Management System (See p.23) in 2006. Quality Principles and Environment Principles were unified and specified as Quality Environment Principles. We regularly conduct an internal audit as Quality Environment audits and audit both systems at the same time. As for the organizational aspect, the main organization for Quality Management and Environment Management were put together into one. We aim for efficiency of operation by the integration.

*ISO14001 Registration Certificate: For the contents of registration, see the registration list in the website of the examination organization (http://www.jtccm.or.jp/).



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.

- 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.
- We carry out activities, in consultation with customers, in order to meet the reliable quality requirements of customers and customers' satisfaction.
- We are dedicated to offering environmental protection technology. We strive to use energy effectively, reduction of CO2, promote recycling and reduce waste.
- We, as a responsible member of society, carries out activities that contribute to environmental issues and enhance communication with society.
- 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.
- We educate all people working for Dai-Dan in our policies for quality assurance and environmental protection and also disclose them to the public.

Nobukazu Uebayashi
Representative Director / President / COO
Dai-Dan Co., Ltd.
1st April 2012
植林 信一

System of Quality Management and Environmental Protection



Main Environmental Target/Results of Activities in 2011 and Environmental Targets for 2012

Self-assessment ○Target achieved △Target not achieved –Target not set

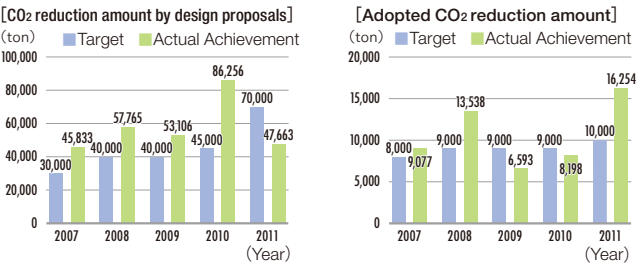
Activities and Department in Charge		Main Target or Supervision Items	Target for 2011	Actual Achievement Value of 2011	Evaluation	Target for 2012
Proposal, Plan and Design	Sales Department Design Department	Number of adopted proposals of our self-developed technology etc. Amount of CO2 reduction by design proposals Adopted amount of CO2 reduction	Over 45 Over 70,000 ton. Over 10,000 ton.	28 47,663 ton. 16,254 ton.	△ △ ○	Over 50 Over 60,000 ton. Over 15,000 ton.
Construction	Construction Department Purchase Department	Energy usage CO2 conversion	—	1,483 ton.	—	—
		Promotion of green purchase	Over 35%	29.2%	△	Over 35%
		Improvement of industry wastes recycle rate	Over 80%	89.4%	○	Over 80%
		Adoption of laminate ducts	—	28,685㎡	—	Over 80,000㎡
		Removal of thermal insulation of drainpipes	—	15,624m	—	Over 15,000m
Office activities	All staffs	Energy Usage CO2 conversion	Under 1,600 ton.	1,499 ton.	○	Under 1,450 ton.
		Usage amount of copy paper	Under 67 ton.	65.5 ton.	○	Under 65 ton.
		Introduction of hybrid cars	—	15%	—	20%
		Improvement of general wastes recycle rate	—	79.2%	—	—

Approach to energy-saving suggestions

When designing, we positively encourage our customers to use our energy saving proposals, mainly our self-developed technologies in order to reduce CO2.

In 2011, the total reduction amount we suggested was about 47,600 ton., and the total reduction amount that our customers adopted was about 16,200 ton.

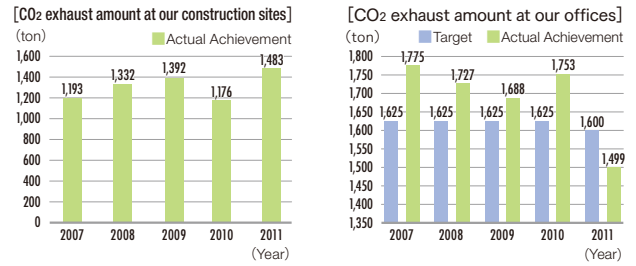
Although the suggested amount didn't reach the target, the adopted amount largely surpassed the target.



Approach to energy usage reduction

We try to reduce energy usage like electricity, gas or gasoline and usage amount of copy paper at our construction sites and offices.

If the used energy was converted to the CO2 exhaust amount, 1,483 ton. came from the construction sites and 1,499 ton. from the offices in 2011.



About the amount of electricity use reduction

The amount of electricity use at all of our offices in 2011 was less than that of 2010 by 15.2%.

As for the target '15% reduction compared with the previous year within Tokyo Electric Power Company's jurisdiction', it was less than the previous year by 17.6%, which reached the target. The amount of electricity use from December to March didn't vary largely compared with the previous year, but we could achieve the goal by doing more than 25 % reduction for 7 months from April to November.

All of our offices will continue to try to save energy in 2012 like we did last year.

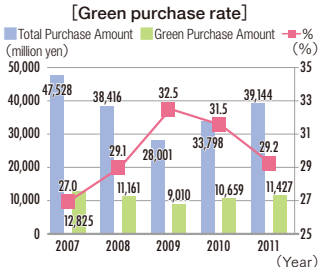
Introduction of hybrid cars

We have promoted to introduce eco cars (fuel-efficient cars) for company-owned vehicles and hired vehicles, and the introduction rate reached to 97% in 2011. Therefore, in 2012, we changed the target to introduce hybrid cars. Additionally, the rate of hybrid cars was 15% at the end of the previous year. The target is 20% this year.

Approach to green purchase

We promote 'green purchase of materials/equipment at each department of development/sales/design. Specifically, 'items for green purchase' are specified and measured in 5 activities i.e. 'introduction of energy-saving/high-efficiency equipment' 'introduction of ecological materials', 'introduction of highly-durable equipment', 'introduction of low air pollution devices' and 'introduction of water-saving apparatus etc.'

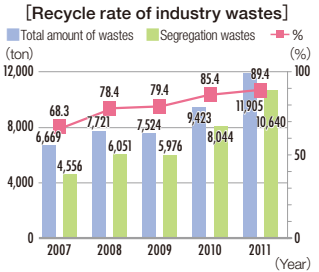
The green purchase rate in 2011 was 29.2%, which was less than the previous year by about 2%. We will continuously make efforts to promote green purchase.



Approach to recycling industry wastes

We promote recycling industry wastes at all of our construction sites. The amount of industry wastes that our company discarded at construction sites in 2011 was about 11,905 ton., and the recycle rate was 89.4%.

Besides, we promote recycling industry wastes at our offices, too. In 2011, the amount of general wastes at the offices was about 131 ton., while the recycle rate was about 72.9%.



Response to environment-related accidents

In 2011, 7 environment-related accidents occurred at property our company constructed, which we properly dealt with all of them according to the law.

Type of Accident	Contents	Result of the Response
Gas leakage	Gas leakage occurred when the scoop click of a power shovel damaged the gas pipe during excavation.	Gas leakage was recovered after having wound the pipe-wrap around the pipe and made an emergency call to the gas company.
Refrigerant Leakage (Accident caused by a maker's product)	An outdoor internal heat exchanger of a multi-air-conditioner for buildings was damaged (a copper pipe was cut) and refrigerant gas was found to be leaking. (3 other cases caused by makers' products)	It was recovered after we had exchanged the damaged heat exchanger part to a new one.
Refrigerant Leakage (Accident caused by installation)	An outdoor multi-air-conditioner for buildings had a pinhole and refrigerant gas was found to be leaking. (Another case caused by construction)	We filled refrigerant gas by collecting refrigerant gas and repairing copper pipe weld. Then we tested and adjusted the machine, and it was recovered.

Whether environment-related or not, all quality accidents/complaints/emergency situations have been registered in the company-wide Information System that is our information system. We aim to reduce accidents by sharing the recurrence status of accidents and recurrence prevention measures of the entire company.

For our customers

To provide high-quality building equipment, we certainly promote Quality Management System. In addition, we approach to strengthening support systems after the final completion.

Quality Management System (ISO9001)

Our company creates and promotes Dai-Dan Quality Management System complying with Quality Management System (ISO9001). Each office obtained the certification by December 1999, and then in 2006, all offices were certified all at once. We work on maintenance and improvement of quality at construction sites. The specific examples are as follows:

- Ensuring quality at construction sites
- Enhancement of engineers and inheritance of technologies
- Reduction of quality accidents/complaints etc.

We make efforts to ensure quality and lead it to improvement of our customers' satisfaction by steady promotion in accordance with Quality Management Plan.

Main Operation Follow of Construction Department

Review of construction contents beforehand	<ul style="list-style-type: none">Holding a construction review meeting before starting constructionDrawing up construction plans
Management during construction	<ul style="list-style-type: none">Promotion of construction standardization for high-qualityImplementation of technology patrol by specialist teams
Inspection/final completion	<ul style="list-style-type: none">Inspection based on lawOur company's original Final Function Confirmation Inspection

In addition, we integrated operations of Environment Management System (See p.21) and Quality Management System in 2006. (See p.21 about Quality Environment Principles and Quality Environment Management System)



*ISO9001 Registration Certificate: For the contents of registration, see the registration list in the website of the examination organization (<http://www.jtccm.or.jp/>).

Building Chart System

To utilize our abundant construction experiences, we have promoted a corporate information system called 'Building Chart System' since May, 2010. We can check the past construction history and precautions of the same customer's other constructions by recording contents of completed constructions as a chart (=history information) for each customer's building. We propose renovating facilities according to the life cycle of each building and aim to improve our customers' satisfaction.

Message from Design Assignee

I have designed mainly air-conditioning/plumbing sanitary facilities of factories, medical facilities, geriatric health facilities, school lunch centers or office buildings.

In recent years, while our customers' requests for equipment diagnosis, energy-saving suggestions and the like have been increasing, the helpful information system is 'Building Chart System'. By utilizing this, we can refer to construction history, estimation history or completion drawing of each building on the list, so it is possible to respond quickly and grasp our customers' needs. Furthermore, we collect information on subsidy and try to lead it to energy-saving proposals.

Building equipment seems to be required to be more high-quality/low-cost/energy-saving, so we always collect new information and hope to provide facilities including our self-developed technologies which satisfy our customers.

Takahiro Miki
Hokuriku Branch,
Engineering Department,
Administration Section

Construction Review Meeting

Through our long company history, we have abundant construction know-how and construction results. To utilize these, we hold Review Meeting where all staffs of sales and technology per each project participate. We review from various aspects like functions/quality/cost/energy-saving as well as what our customers ask our company, whether design contents include items like environment-friendliness or energy-saving and aim to provide the best building equipment for our customers.

Customer support after delivering the final completion

Even after having delivered facilities to our customers, our staffs that are familiar with each premise equipment contact closely with the customers, check conditions of main equipment etc, give advices of operations improvement and propose renewal of facilities with proper timing. When our customers ask us to renovate facilities, staffs of Design Department and Renewal Department undertake thorough equipment diagnosis, investigate status of use and energy consumption situation of premise equipment and make the best proposals based on the latest trend of product technologies and so on.

Message from Large Property Construction Assignee

Currently, I'm in charge of air-conditioning/sanitary facilities of multi-storey buildings. About 100 staffs including the ones from our partners work on this section, and 13 of them are resident at the office of the site. In my opinion, how much I can convey my vision and how to bring together other staffs' visions/ideas are very important to manage such a large workplace. I assign a suitable job to each staff according to his/her competences, check and support progresses. To share information like design change etc, we assimilate everyone's vectors and work on tasks in our charge with responsibility.

Benchmark designs are just concepts, and just constructing according exactly to them gives no existence value of a facility company. Before starting construction, we discuss thoroughly with architects based on the design intentions and repeatedly consider how to make the facilities better from the sides of our clients and users. We would like to provide facilities that make our customers happy even after having delivered them.

Takahiro Ueki
Niigata Branch,
Engineering Department,
Engineering Section 2

Message from Renewal Construction Assignee

I have engaged in renewal constructions for about 10 years. Renewal constructions are normally conducted (on holidays or at night) when our customers business isn't affected, so we can't discuss with our customers during construction. Therefore, it is both important and hard to plan closely beforehand and understand our customers' demands well. However, when we can make high-value added proposals at our prior-discussion, it directly leads to our customers' satisfaction and makes me very delighted as a construction assignee.

There are high risks of quality accidents/complaints for renewal construction, so we think it is important how much we can predict contingency situations to prevent them from occurring. We make efforts to reduce quality accidents/complaints by making full use of our imagination and sharing information with our customers beforehand.

Renewal is not only 'making things new' but also enhancing added values and making our customers' living space more comfortable. We would like to provide living space which satisfies each customer by utilizing the renewal capabilities of our company.

Hideki Kubo
Tokyo Head Office,
Engineering Department 5,
Engineering Section 1

Customers' Evaluation

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 4-point grading system (4 points = full score), and we also ask them to make requests for future improvement.

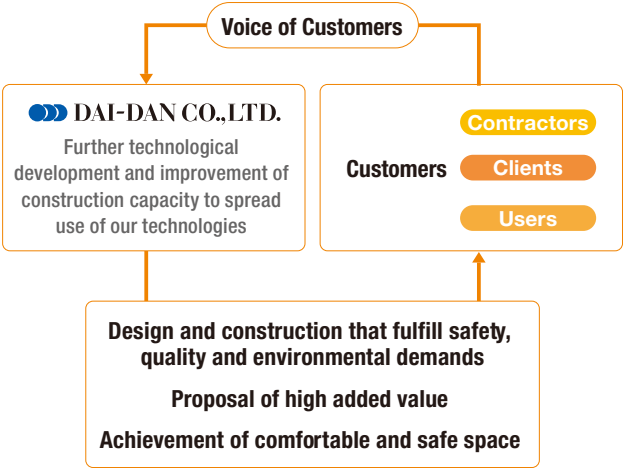
We received about 739 questionnaires answered in fiscal year 2011 and the average score they gave us for the comprehensive assessment was 3.5 points. This shows us the things that the customers are satisfying with and what they are not satisfied with, and we used this information to direct further technological 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.

Satisfaction Rating Survey Result

Item	2009	2010	2011
Facility work quality	3.58	3.47	3.50
How the work proceeded	3.40	3.37	3.40
Response to customer needs	3.54	3.50	3.51
Construction management	3.50	3.44	3.49
Overall evaluation	3.54	3.46	3.50

[Number of the Replies] 2009:240, 2010: 639, 2011:739

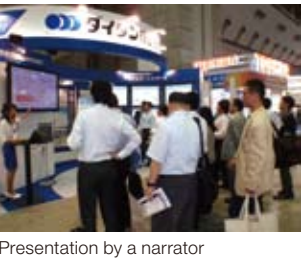


We participated in the 25th Interphex Japan

'The 25th Interphex Japan' was held in Tokyo Big Sight for 3 days from 27 to 29 June, 2012. This is the largest international pharmaceutical exhibition in Asia. Our company exhibited the following technologies for medicinal chemical manufacturing facilities at the Plant Engineering Zone, where many people visited.

Our exhibition:

- Chamber pressure control system 'Barrier Smart Series'
- Test animals rearing facilities 'I-rack System'
- Energy-saving system 'Flow Smart'
- Cleaning and recycling technology by supercritical CO₂



Presentation by a narrator

For fair and transparent business activities

For environmental preservation

For our customers

For our employees

With our partners

For the regional society

For our stakeholders/investors

For our employees

We respect each employee and work on cultivating employees who take on challenges to create new values and promote work-life balance (balance between work and life).

Respect for human rights/ Development of human resources

Approach to human rights issues

Our company specifies 'Respect for human rights and personality' in Standards of Action in Corporate Code of Ethics, values personal dignity and makes efforts to improve our working environments. At new employee trainings, we enlighten our employees on respect of basic human rights.

- Respect for human rights and individuality - Excerpt from Standards of Action in Corporate Code of Ethics

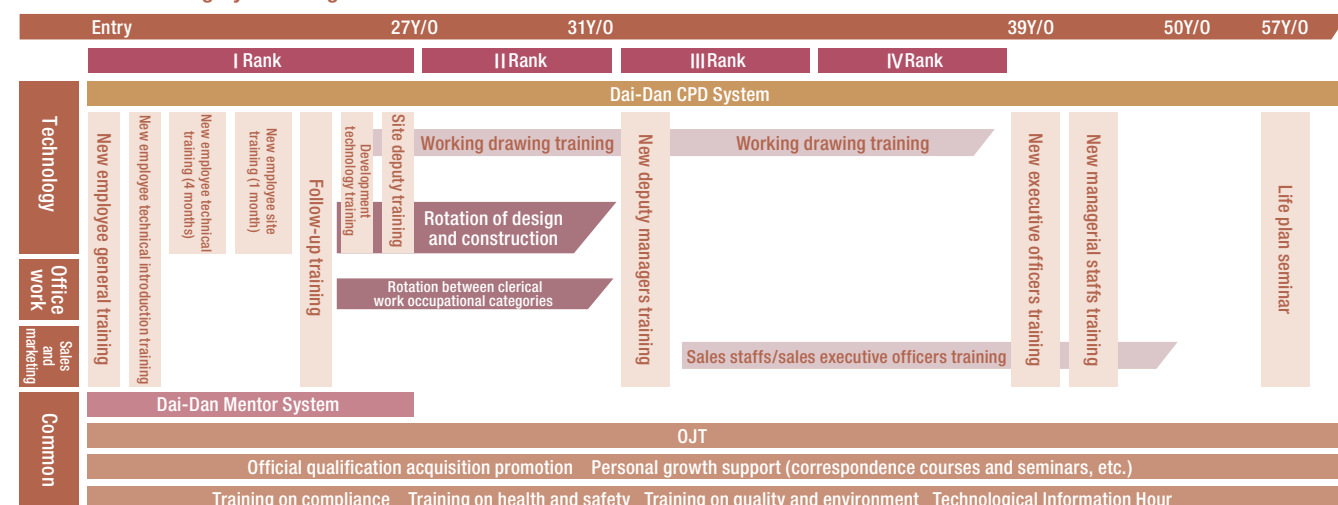
- Executives and employees shall establish workplaces that have no action which hurt human dignity by respecting human rights and individuality of all people.
- Executives and employees shall improve environment and system to realize workplaces in which diversified talents can fully utilize their individual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

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 self-initiative on each employee and answers their desire to grow.

Educational Training System diagram



Diversified educational training system policy

① On-the-Job Training System (OJT)

A boss at work teaches his/her 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 the subordinate's technology and abilities for business accomplishment.

② Off-the-Job Training System (OFF-JT)

Our company regularly invites in-house lecturers or outside lecturers for our training institute mainly in Yao, Osaka-fu.

Training for each rank: Trainings are held to acquire suitable consciousness and attitudes for each rank class according to the qualified rank.

Training for each professional skill: Trainings are held to strengthen the expertise in each occupational category.

Special training: Compliance trainings and so on are held when necessary.

③ External training

The employees participate in trainings at an educational institution outside the company to achieve knowledge necessary for their work and the improvement of the skills.

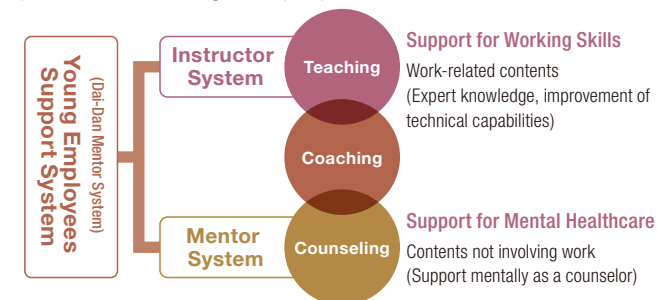


Snapshot from New Employees Training in 2012

Young Employees Support System (Dai-Dan Mentor System)

After a year's experimental period since August 2011, we combined 'Instructor System' to support working skills aspects and 'Mentor System' to support mental healthcare aspects and introduced 'Young Employees Support System (Dai-Dan Mentor System)' as a support system for new employees. The system comprehensively supports both working skills and mental healthcare aspects, and the system aims at developing human resources who have high technological skills and a high tolerance for stress.

This system returned to the key principle that 'a company is an aggregation of people', arranged in modern style 'creation of relationships beyond organizations and human corporate network' which were naturally cultivated through living in a dormitory, club activities, recreation activities and so on and instituted our company's culture to cultivate resources, i.e. "people develop in the process of cultivating other people".



We implemented Mentor (superior staff) Training in time with introduction of Mentor System.

After the support from my mentor

I had been supported by Young Employee Support System (Dai-Dan Mentor System) for a year since I was assigned to the current department in August 2011 after the group training.

I was really lucky, because my mentor (superior staff) was a female and graduated from the same university as I, so she was very friendly and easy to consult.

When I first started to work, there were a lot of things I didn't know and felt concerned about, so most of the troubles I consulted her were work-related. However, as I got used to my job, the topics ranged over subjects like my private life.

My mentor has experienced construction sites, and I could be ready for the future from hearing directly about her troubles and experiences special to women, which can be great treasures for me. She sometimes had meals with me and sometimes listened to lots of my consultations with others, I sincerely appreciate it.

The one year's consultation period of Mentor System is over now, but I hope to keep good relationships with her.

Though I'm still unskilled, I would like to grow more and become a person who can support my junior staffs as a mentor some years later. I feel so through my one year's experience of Mentor System.



Hikari Yamazaki
Osaka Head Office,
Design Department,
Design Section 2,
Entered the company in 2011

Acquisition encouragement system for official qualifications

Acquiring an official qualification can be a personal backbone to work and has great influence in terms of the reliability and persuasiveness of the knowledge. Especially, it is closely related to operations at construction sites for engineers whether they are officially qualified or not, so acquisition of an official qualification is essential for them.

Our company encourages our employees and backs them up to acquire it to respond to each engineer's attitude to improve his/her skills, ensure qualified workers and enhance the overall technical level of the company. We subsidize the expenses for employees who acquired the official qualifications approved to be necessary by the company, as well as paying rewards and official qualification acquisition benefits.

(As of the end of March 2012)

Qualification	Number of acquirers
Doctor	5
Professional Engineer	31
Registered Architect (Architect and Building Mechanical and Electrical Engineers)	19(13)
Level 1 Electrical Construction Management Engineer	217
Level 1 Plumbing Heating and Airconditioning Construction Management Engineer	774
Professional Building Services	159
Level 1 Professional Instrumentation	281
Qualified Energy Manager	40
Type 1 Electrician	215
Health Professional Society for Air-conditioning Equipment Engineer (Air-conditioning)	508
Health Professional Society for Air-conditioning Equipment Engineer (sanitary)	468
Level 1 Professional Accountant for Construction	12

*The number of acquirers includes those with multiple certifications.

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 employees, 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.

Category	CPD Points *2	Main Contents
I. Technology information absorbing etc.	12,837	Attending external trainings, external qualification-related trainings, exhibition/product sessions, tours etc.
II. In-house training/OJT	17,808	Attending in-house trainings, OJT
III. Self-learning	473	Taking recommended correspondence course or self-learning by specialized books etc.
IV. Work experience	5,750	Successful operation, in-house award winning, construction review sessions/patrol in sites/safety patrol/instruction at workshops, reviewing contents of patent application or commissioner of drawing up in-house technical data
V. Research/technology, accomplishment report	1,044	Published in research paper, writing for journals/publications
VI. Information supplement/technical guidance	665	Information supplement/technical guidance to outside of the company, participation as a commissioner at academic meetings/research councils etc. or instructor at exam training classes for official qualification etc.
VII. Instructor	2,347	In-house training instructor, part-time lecturer at universities/technical schools
VIII. Award winning/qualification acquisition/others	4,855	Award winning outside the company, technology/health and safety-related official qualification acquisition, degree acquisition or grant of a patent
Total	45,778	

*1 CPD: It stands for Continuing Professional Development and means continual ability development over an engineer's career.
*2 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). Acquisition conditions from April 2011 to March 2012.

■ The case presentation was held to spread 'wisdom and innovation' to the entire company

A 'case presentation' was launched in 2008 and the 4th was held in November 2011. This is where our employees report their accomplishments of 'wisdom and innovation' they have worked during their daily jobs and we grant awards to them.

This time, the presentation was broadcasted to our offices all over the country by the teleconference system.

Many cases were sent from all parts of the country such as improved cases of conventional construction methods, efficiency of construction by adopting new construction methods/new equipment, design cases in consideration of energy-saving/ecology, improved cases toward failures, cost-reduction cases, improved cases of management methods in safety/quality and so on.

The applications were 199 in total, 55 of them passed the 1st selection, and through 2nd selection, 21 was chosen in total (14 groups and 7 individuals) as 1 Chairperson Award, 1 President Award, 2 Technical Construction Chief Awards, 5 Outstanding Performance Awards, 3 Incentive Awards and 9 Effort Awards.

For Chairperson Award which is the best award, a construction case from Nagoya Branch, 'Large Water Receiving Tank Renewal utilizing University Lifeline'. By taking back what was appraised at case presentation to each office/site to share and recommend as prominent accomplishments, they can lead to boost up the levels of our employees and Dai-Dan's further enhancement of technology.



Snapshot of Award Winners



Case Presentation

Message from a Chairperson Award Winner

I feel deeply honored to receive the Chairperson Award out of masses of cases from all over the country at the 4th Case Presentation.

This time we reported on the case where we implemented the cost-reduction and the third party disaster zero planning by assembling water receiving tanks and reviewing switching procedures of renewal of large water receiving tanks while utilizing the lifeline without affecting university operations.

I attribute this winning of the Chairperson Award to the considerations of other solutions without being bound by any conventional ideas when we had to solve the problems at the construction site. By prioritizing 'ensuring the water source', we found out this technology improvement, 'design specifications change and plan change of switching procedures of water receiving tanks'.

I hope to contribute to requirements of the society and our customers by sharing the know-how that has been accumulated through our company's long history and 'wisdom and innovation' that each of the employees have worked during their daily jobs will lead to the further technology improvement and by offering better technologies.



Takahiro Nakamura
Nagoya Branch,
FM Department,
Engineering Section 1

■ Technological Information Hour

'Technological Information Hour' is held for sales/design/technology staffs via the teleconference system after work twice a month to share ever-changing information such as 'the latest technology information', 'quality management', 'safety measures' and 'energy-saving technology'. 2 and half years have passed since it was introduced, and it has been held more than 50 times. Total of 5,065 staffs have participated until September 2012.

Engineers of Technical Development Division normally choose subjects and instructors, but other programs are also added, e.g. 'technology lectures by lecturers outside of the company' or 'training sessions at each office'. Recorded data on DVDs are distributed / shown to employees who couldn't attend due to their jobs to increase opportunities to learn for each staff.

Main subjects held in the past one year

- Records of the Great East Japan Earthquake
- Brine recycle technology and plate heat exchanger cleaning technology
- BCP measures of hospital facilities
- Pressure loss in the bended part of elongated flexible ducts
- Presentation of construction examples of heat source optimum operation support system
- Alternating quantity and COP assessment of inverter turbo
- Development of hot water supply copper pipe anticorrosion equipment
- Tendencies and measures against quality accidents/industrial accidents



Technological Information Hour via the teleconference system

■ Publication of 'Dai-Dan Gihou' (Dai-Dan Technology News)

'Dan-Dan Gihou', a leaflet, is published in every September for the purpose of introducing our development technology and researches to outside of the company. It explains in detail from experiment/verification methods to analysis results, using graphs and photos. The 105th edition was issued in September 2011. The leaflets are dedicated to National Diet Library in Japan.



Work-Life Balance/Occupational Health and Safety of our Employees

■ Vacation System

We arrange various vacation systems so that our employees can make their lives full and refresh themselves during the vacations.

Most of the staffs enjoy long refreshment vacations, traveling abroad, doing hobbies they usually can't on work days, etc.

In addition to the vacations, longtime employees receive travelling coupons according to their service years to encourage family trips and so on.

Main Vacation Systems (Except for the statutory annual paid holidays)

Type of Vacation	Content of Vacation
Summer Vacation	3 days in a row in summer
Refreshment Vacation	5 days in a row (once a year)
Long-service leave	If the service years are 10 years, 3 days
	If the service years are 20 years, 5 days
	If the service years are 30 years, 7 days
	If the service years are 40 years, 5 days
Congratulation or Condolence Leave	Predefined number of days on occasions such as marriage

The Voice of a Child-care Leave Acquirer

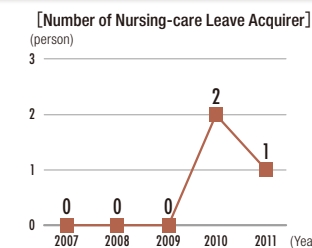
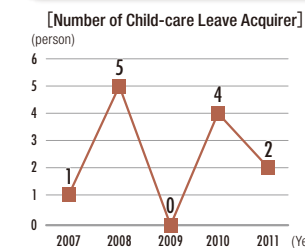
I took a childbirth leave from May 2010 and a child-care leave from August 2010 to June 2011. As I was the first one to take these kinds of leaves at Nagoya Branch, I was very worried at first, like whether I could keep working while raising my child after returning. I would bother others and so on. However, my boss contacted me once in 2 months during the leaves, so I could restart working at ease.

After I came back, I try to deal with my family life and career at the same time, using Short-Hour Working System, while appreciating my boss' and colleagues' understanding/cooperation/warm words.

Thanks to Child-care Leave/ Short-Hour Working System, I can find my job more rewarding than before even during my limited working hours and spend my busy days happily.



Mami Matsuoka
Nagoya Branch,
Design Department,
Design Section 2



■ 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. (In 2011, 33 were at the age of retirement and 28 of them chose to continue working under this program. The rate of continued employment was 84.8 %.)

■ Support for long-hour working employees

To promote the work-life balance, our company approach to restructuring of working style and long-hour working reduction which should be its preconditions. We discuss at meetings and the like to improve operational efficiency such as proper arrangement of personnel, daily operations etc. Good proposals or cases are adopted as examples to enhance each staff's consciousness and to make operations more efficient.

We conduct the doctor's consultations for long-hour working employees once a month to manage their health conditions and improve them based on the doctor's advices.

■ Approach to metal health

Our company approaches to mental health to support mental aspects of our employees.

'Mental Health Training' was introduced to the curriculum of New Employees Training to learn about basic knowledge of mental health and self-care. In addition to this, at New Managerial Staffs Training, they learned about how to care their employees as a managerial staff.

In Osaka Branch in February 2012, a lecture session was held with a lecturer from Mental Health Measurements Support Center, Japan Labor Health and Welfare Organization, an independent administrative institution.

The Voice of the Labor Union

Dai-Dan Labor Union was established in 1973, and this is the 39th year.

We operate to maintain the life and working environment of our union members which our precursors have built through the long history of the Labor Union and to improve them more.

At offices in Japan and abroad with union members from various kinds of works like engineering (construction at sites), design, estimation, research and development, sales, clerical work and so on, it is not easy to collect opinions and arrange them, but we continue to appropriately grasp our union members' needs before discussions with the company and hope to improve labor conditions/working environments steadily, step by step.



Vice-Chairperson Engineer
Kiyoyuki Kitagawa
Chairperson
Takuya Yamashita
General Secretary
Kenichi Machida

With our partners

Workers from our vendors and sub-contractors and we trust each other with the common aim for completion of high-quality construction. We work on creating safe and comfortable construction sites to work which we can be proud of.

Activity with our vendors and sub-contractors

Our company constructs with many vendors and sub-contractors at construction sites, cooperative working systems (systems to complete jobs united as one) between us are inevitable. Our company has 'Dai-Gen Kai', an organization of our partners backed up by the long confidential relationships and 'Health and Safety Cooperation Society' in each office. (The names vary depending on the office.) 'Dai-Gen Kai' and 'Health and Safety Cooperation Society' mainly conduct activities to improve quality/productivity at each section. For example, efficiency of construction, rationalization of costs, sharing of new construction methods/new technologies information, compliance and so on.

Activity results of each section of the offices are reported at presentation via the teleconference system to share the information with the employees all over the country.

Activities of section Society

Through activities of 'Dai-Gen Kai/Health and Safety Cooperation Society', we make efforts to strengthen relationships with our vendors and sub-contractors aiming to enhance further ensuring/improvement of health and safety and 'technology capabilities' such as quality and cost etc.

Section Society of Tokyo Dai-Gen Kai's activities in 2011

Implementation of Quality Patrol, Prevention of quality accidents/complaints, Approach to improve productivity (About extraction of obstructive factors and measurements)

Section Society	Main Activity Theme
Electricity Group	Prevention of quality accidents at construction sites
Duct Group	Creation of environment to ensure benefits - Promotion of quality patrol and economize activities by check lists
Plumbing Group	Extermination of water leakage accidents - drawing up of a plumbing operation procedures manual, using it at sites, check and follow-up
Insulation Group	Proposals to save energy by insulation construction/promotion of utilizing the existing documents (construction manual with photos/self-inspection check list)
Refrigerant Group	Drawing up of quality improvement and cost reduction check lists of refrigerant plumbing construction, formulation of improvement strategies to improve the utilization/construction efficiency
Construction Management Group	Consideration about recurrence prevention based on the failures at repair work sites - Drawing up and utilization of a check list
Installation/Various Construction Group	Consideration of measures against installation construction quality accidents, consideration of proposals to equipment makers on installation cost reduction and various kinds of standards at all construction
Instrumentation Group	Holding a liaison meeting

Dai-Dan Meister System

Purpose of the system

The key persons of operational management to construct smoothly are foremen of affiliated companies.

The purpose of 'Dai-Dan Meister System' is to improve their safe and efficient operations at construction sites and their consciousness toward quality management. We evaluate foremen's efforts to improve their abilities and grant awards to brilliant ones.

'Meister Approval Ceremony'

The 1st 'Meister Approval Ceremony' was held in December 2011. High-level foremen and excellent foremen were chosen among many foremen engaged in the construction sites, and the most brilliant 7 were certified as Meister. The Meisters were given certificate, helmets for a Meister, testimonial shields and reward money.



Snapshot from Meister Approval Ceremony

The Voice of an sub-contractor

This year, Safety Division in Tokyo Head Office was promoted to be Safety Department, which I feel strongly that it shows an intention to enhance health and safety activities more. For one of Dai-Dan's management policies, 'Ensuring safety/quality', Health and Safety Cooperation Society continues to promote talking and reminding/encouragement of finger pointing and call and 'Alone KY Activity' and try to create environments where everyone of Dai-Dan Co., Ltd and Health and Safety Cooperation Society can work safely and well under the banner of 'No quality without safety'.

This is the 7th year for Section Society activities of Tokyo Dai-Gen Kai, and we have approached on a wide variety of activities such as quality patrol, reduction of quality accidents/complaints, cost reduction/efficiency of operations etc. with the main subject 'Productivity improvement, prime cost reduction and extraction of obstructive factors to improve them'. We are certain that close cooperation between the company and Dai-Gen Kai/ Health and Safety Cooperation Society will lead to improvement of quality.



Yoshiyuki Sekiguchi,
Noda Kogyo Co., Ltd.
Vice Chairperson of Tokyo Dai-Gen Kai
Chairperson of Health and Safety
Cooperation Society
in Tokyo Head Office

Occupational Health and Safety Management System

Our company prioritizes 'health' and 'safety' of people who work under our managerial tops and implements health and safety activities with sites, workplaces and our vendors and sub-contractors united as one. We continuously try to remove/reduce dangerousness of labor accidents, maintain/enhance health and promote to create more comfortable working environments aiming to improve the health and safety levels.

Specifically, the headquarters formulate every year 'Company-wide Health and Safety Management Plan' including numerical targets and priority targets reviewed from the past activity results, based on the Health and Safety Policy manifested by the President. Each office formulates and use 'Office Health and Safety Management Plan' with added priority targets per each office based on 'Company-wide Health and Safety Management Plan'. Workplaces draw up 'Office Health and Safety Management Plan' when starting construction and 'Construction Management Targets (Safety/Quality/Environment)' based on hazardous factors etc. characteristic for each construction, and use them while reviewing them when necessary, depending on the construction progress and changes.

Furthermore, offices and the headquarters regularly conduct health and safety audits, patrols and the like to investigate/evaluate whether the Health and Safety Management Plan is properly observed, try to maintain/settle the system and lead to review/improve it.

It is a social responsibility to ensure health and safety, so we strive to constantly improve and enhance health and safety activities, using Occupational Health and Safety Management System for the purpose of being a company which is trusted by the society.

Approaches and Results in 2011

Target: Reduce industrial accidents

priority issues:

- Encouragement of safety measures while using portable scaffolds
- Observation of usage rules of electrical tools and the like
- Thoroughness of heat attack measures

The number of industrial accidents increased, compared with the previous year. The main accidents were 'being cut / scraped' and 'getting wedged / caught'. Most of the causes were related to unsafe behaviors and human errors, especially careless handling of tools/electrical tools which was conspicuous. From the second half year, we started 'encouragement of finger pointing and call' and 'Alone KY Activity' to prevent human errors. Additionally, a serious accident happened, therefore the number of lost working days increased and resulted in deterioration of the severity rate.

Safety Patrol, Health and Safety Education

We conduct safety patrols and health and safety educations as well as safety patrols by the President together with Health and Safety Cooperation Society to improve our health and safety levels.



Safety Patrol by the President

TOPICS

Obtained OHSAS18001 Certification

We were certified OHSAS*18001 at Singapore Branch.

***OHSAS:** It stands for Occupational Health and Safety Assessment Series which is an international certification standard of occupational health and safety management systems.



Our policies for Health and Safety

Health and Safety Philosophy

"Ensuring Health and Safety" is our obligation to all the employees of our companies, their families and the society.

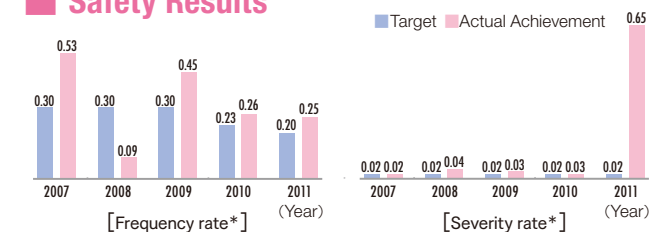
In Dai-Dan, we give top priority to "Safety" and "Health". We strive to be the corporation which the society trusts, with Dai-Dan's top management and employees working together to enhance the safety and comfortable working environment.

Action Statements

1. We utilize "Health and Safety Management Systems" to eradicate all industrial accidents. We endeavor to eliminate dangers from potential hazards and harmful characteristics in all work activities and continuously improve and enhance the health and safety of our workplace.
2. We promote cooperation among offices, work-sites, associate companies, with good communication and participation in health and safety activities, and defining each role independently.
3. We observe work-safety and health-related laws including our company's internal health & safety management systems regulations for the enhancement of health and safety standard of our employees and staff, preserving and improving their health
4. We educate all people working for Dai-Dan in our policies for health and safety and also disclose them to the public.

Nobukazu Uebayashi
Representative Director / President / COO
Dai-Dan Co., Ltd.
1st April 2012
植林 信一

Safety Results



***Frequency rate (Frequency of occurrence of labor accidents):**

The number of injured or dead by the accidents (four days or more day-offs) / Total working hours × 1,000,000

***Severity rate of injuries (Severity of the accident contents):**
work-days lost / Total working hours × 1,000

Industrial Injury Prevention Rally

We held the Industrial Injury Prevention Rally at 11 nationwide halls during the period of the national safety week for the awareness building campaign of the health and safety activity. About 2,500 of our chairman, president,

executives, employees and people of the affiliated companies participated in the rally, and 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 accidents.



Industrial Injury Prevention Rally in Tokyo Head Office, 2012

For the regional society

We work on various contribution activities for the industries, communities and societies as responsible corporate citizens.

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 lecturers to external organizations. Especially, in the lecturer dispatch to external organizations, our engineers have instructed equipment technologies at training organizations or school juridical persons in the whole country. Moreover we are involved in the management of the World Skills Competition (The alias: Vocational Olympic).

(As of April 1, 2012)

Name of External for Group Dispatch Destination	Name of Post, Committee or Lecturer
(PIIA) The Society of Heating, Air-Conditioning and Sanitary Engineering of Japan	Vice Chairperson Commissioner of Headquarters
(GIA) The Institute of Electrical Installation Engineering of Japan	Commissioner of Headquarters
(GIA) Air-Conditioning & Plumbing Contractors Association of Japan	Vice Chairperson
(GIA) Japan Electric Engineer Association	Advisory Counselor
(GIA) The Association of Japan Instrumentation Industry	Councilor Editorial Committee
(GIA) Japan Building Mechanical and Electrical Engineering Association	Commissioner of Headquarters
(GIA) Japan Electrical Worker Association	Commissioner
(GIA) Osaka Electrical Construction Association	Commissioner Public Relations Committee
(GIA) Aichi Electrical Construction Association	Commissioner
(GIA) Tokyo Electrical Construction Association	Commissioner
Osaka Piping Higher Training School	Lecturer (multiplication)

* (PIIA): Public Interest Incorporated Association (GIA): General Incorporated Association

The Voice of a Lecturer

The Institute of Electrical Installation Engineering of Japan, a general incorporated association, aims to develop engineering and technologies of electrical facilities and contribute to development of our country and enhancement of the people's living by conducting research studies of electrical facilities and by research and planning the standards. One of the activities is the national contest of The Institute of Electrical Installation Engineering of Japan, and I accepted to give a lecture so that my experiences could be of any help.

Energy-saving methods are diversified, and picked up a theme 'Energy Saving at Department Stores' and reported on the electric power reduction cases by switching to high-efficient lighting apparatus and introducing inverter control of a cool temperate water pump.

I hope to make further efforts myself to enhance electrical facilities technologies.



Yuichi Kinami, Hokkaido Branch, Engineering Department

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 support the restoration lives of the local populace at the early stage and the regional business activities by positively participating in the activities for the restoration of the devastated areas.

Aid by Dai-Dan Society Activity Fund

We established "Dai-Dan Social Activity Fund" in the Osaka community foundation, a public interest incorporated association, as part of the regional contribution activity of the 90th anniversary of founding business in April, 1993. We are doing the activity support to handicapped people by the operation earnings.

Fiscal year 2010: Training association by which handicapped people and their family make bamboo wares and touch living fish.

Fiscal year 2011: Nursing support during night

Fiscal year 2012: Dolphin Camp for developmental disability children and our volunteers

Situation of donation activity

Donation activities are done in various fields to create a better society.

We did the donation to natural environmental protection and scholarship funds etc. of universities, and donation activities to support the local events and so on at our nationwide offices.

Moreover, a part of sales of beverage vending machines that employees use 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 Afforestation Promotion Organization, a public interest incorporated association.

For devastated areas of the Great East Japan Earthquake, we continuously donated in March 2012 as we did in March 2011.

Social Contribution Activities (Approaches at our offices)

Being aware of the significance of participation by all staffs, we are promoting social contributions such as cleaning and traffic safety campaigns in the local communities. Each social contribution activity is on the intranet bulletin board of the company to enlighten social contribution activities.

Volunteer to operate a venue at an event

'The 66th National Sport Festival' was held in September 2011, where staffs of Chugoku Branch participated in the volunteer of operations like guiding in the stadium, security etc. at Hiroshima City General Indoor Pool (Hiroshima Big Wave) which was a venue for diving competitions.



Entrance for players and coaches in front of Hiroshima Big Wave

Moreover, staffs of Shikoku Branch became members of Koebi-Tai, i.e. Setouchi International Art Festival Supporters, and guided and conducted clean-up activities at the exhibitions of Ogishima, Takamatsu City, in October 2011.

Kandagawa River Water Quality Purification Promotion Movement

Tokyo Head Office promotes 'Kandagawa River Water Quality Purification Promotion Movement' to purify the water quality of Kandagawa River by throwing EM (effective microorganism) into there for the purpose of revitalizing and reviving the river where people will be able to swim in the future.



Participants throwing EM dumplings into Kandagawa River

Traffic safety observation activity on the streets

In February 2012, Toyota Branch conducted an observation activity to enlighten drivers on traffic safety at Akebono Intersection in Toyota City, Aichi. Besides, staffs of Hokkaido Branch also joined 'Cycle Safety Up', a street enlightenment activity toward bicycle users at Sapporo Station North Exit Intersection in July 2011.



Participants of the traffic safety enlightenment activity, in front of Toyota Branch

Volunteer to arrange books

We arranged books sent to 'Communication and Learning Place for Senior Citizens' at former Futaba Elementary School in Kobe City in March 2012.

Underbrush cutting activity at Suigen-no-mori

Hokuriku Branch participated in 'Underbrush cutting activity at Suigen-no-mori' in July 2011 and cut underbrush in the woods of Gomijima ward, Hakusan City, Ishikawa.



Group photo of Underbrush cutting activity at Suigen-no-mori

Participation in Smoking on the Street Prevention Ordinance Enforcement Campaign

Staffs of Chiba Office distributed enlightenment giveaways (flower seeds and garbage bags) with the mayor of Chiba City and 'Chiiba-kun' and 'Herasou-kun', mascots of Chiba, as part of campaigns for 'Ordinance of Chiba regarding Prevention of Smoking on the Street and Scattering Empty Cans etc.' executed in January 2011.



Snapshot from the campaign

Clean-up activities in local communities

Our offices all over the country constantly participate in clean-up activities in local communities.

Office	Name	Place
Hokkaido Branch	'Trash-picking Beach Walk'	Ishikari-hama Beach
Tohoku Branch	'Sendai City Beautification Support Program'	Around Tohoku Branch
Niigata Branch	'Shinanogawa River Clean Mission'	Banks of Shinanogawa River
Tokyo Head Office • General Administration Division (Tokyo) • Sales Division • Industry Facilities Department	'akiba smile project'	Around Akihabara
Nagoya Branch	—	Around Urbannet Nagoya Building and Hisaya Oodori Park
Hokuriku Branch	'Picking up Trash and Love the City Campaign'	Around Kohrinbo in Kanazawa City and Chuo Park in Kaga City
Osaka Head Office • Internal Audit Office • General Administration Division (Osaka) • Sales Division (Osaka) • Technical Development Division (Osaka) • Industry Facilities Department (Osaka)	'Osaka City Beautification Partner System'	Around Yotsubashi-suji Walkway near Osaka Head Office
Okayama Branch	—	Around Okayama Branch
Chugoku Branch	'Peace Memorial Park Clean Volunteer'	Around Hiroshima Peace Memorial Park
Shikoku Branch	'Clean-up Together at Sunport Takamatsu/Chuo Dori etc.'	Around Takamatsu Chuo Park
Kyushu Branch	—	Around Maizuru Park and Hamanomachi Park
Technical Construction Division Technical Development Division Technical Research Laboratory Medical Care Facilities Promotion Department	'Miyoshi Green Support Squad'	Thicket at Miyoshi-machi, Iruma-gun, Saitama (clean-up, arrangement, planting trees and so on)



Tokyo Head Office



Osaka Head Office

Company-wide activities

Eco-cap Activity	In 2011, 280,000 (equivalent to vaccines for 354 people) caps were collected.
Charity Calendar Market	In January 2012, 1,202 calendars and datebooks were collected from all over the country.

For our stakeholders/investors

In the rapidly changing economic circumstances, we work on winning credibility from our stakeholders, investors and markets by properly and timely transmitting management/finance information to outside of the company.

■ Communication with our stakeholders/investors

Stakeholders' Meeting

The 83rd annual stakeholders' meeting was held in the building of Osaka Head Office of our company on June 28, 2012. We consider annual stakeholders' meetings as important opportunities to communicate with our stakeholders. We attempt to make it better to understand by showing the contents of our business reports on the large monitor so that our stakeholders can see them while listening to narrations. Before the meetings start, we show 'Dai-Dan's Technology' on the screen to introduce our latest development technologies and construction methods. Additionally, we try to send meeting notices early enough to give sufficient time to consider report issues and resolution matters well.



Contents of the screens on the large monitor

Results Briefing Session

Briefing sessions for investment analysts are held twice a year (June and December) on our full-year accounting and second quarter accounting. We explain about outlines of the accounting, business environments and prospects as well as progressing conditions of medium-term management plan and so on. In addition, a small meeting with investment analysts was held in April, 2012.

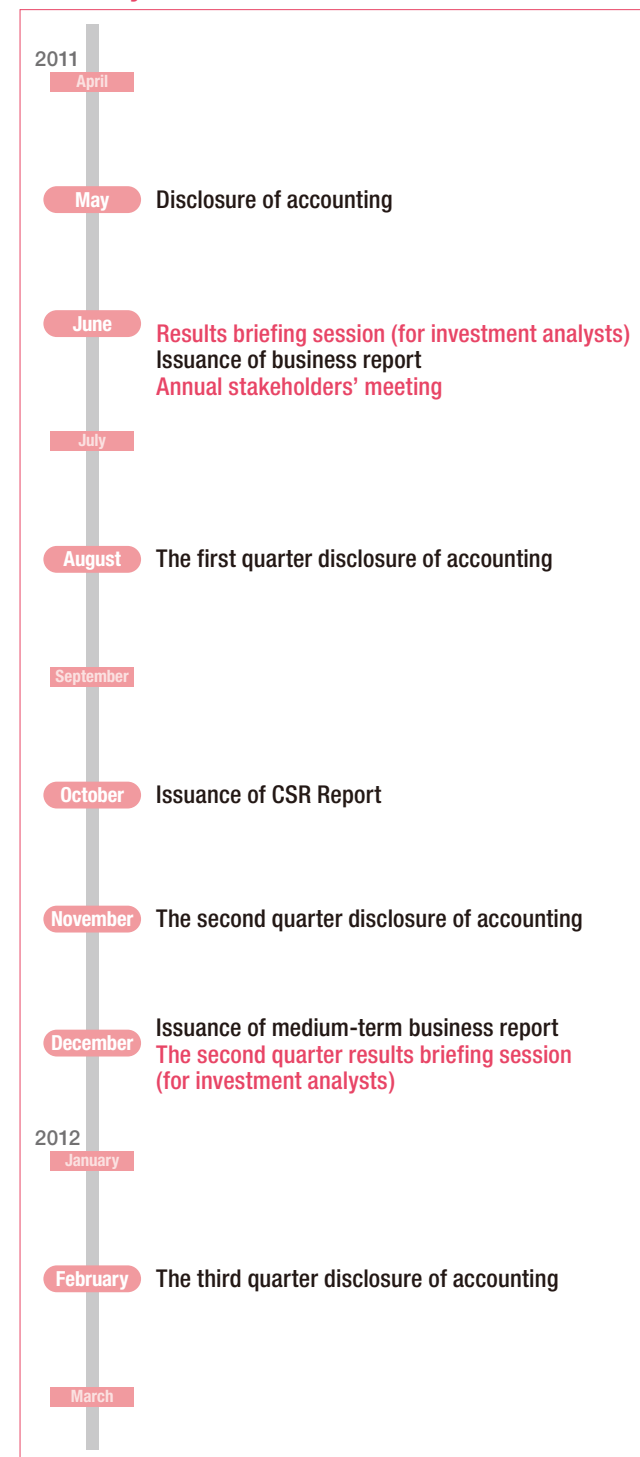
IR Tool

On the investor information page of our web site, earnings briefings, valuable securities reports and other important disclosure issues can be seen. Besides, it offers information such as our business report, medium-term business report and convocation notice. The information is constantly up-dated as IR News on the top page of our web site.



Investor information screen on our web site

IR Activity Status in 2011



Third Party's Opinions

This opinion document is to express opinions about this report by asking 24 questions in cooperation with its multiple member attorneys in the association's Kinki Branch, based on "Corporate Social Responsibility (CSR) Guideline 2009" published by Japan Federation of Bar Associations on the basis of operations such as reviewing internal rules and other relevant documents and hearing from responsible persons of each division, etc.



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

Tsuneo Yamada

In the Third Party's Opinions on CSR Report of the last year, I pointed out setting targets, approaches to achieving them and achievement status-conscious approaches to CSR from the viewpoint of PDCA. The CSR Report of this year comprehensively describes the targets/tasks and the achievements of the previous year, self-assessment and the targets for next year, per ISO26000's 'the 7 core themes' as 'the performance for 2011 and the target for the next fiscal year of CSR activities', which I can highly estimate.

Moreover, the constitution of this report is more conscious of relationships between the company and its stakeholders, while having many direct voices of their employees etc. According to the company, this report was made by taking in the employees' opinions about the CSR Report throughout, and the report indicates their company-wide efforts toward CSR.

In addition, the report is distributed widely to their stakeholders also as a corporate brochure, so I expect they promote more approaches to CSR so that the society will estimate their business activities more through CSR Reports.

Approach to compliance

Needless to say, consciousness of executives is essential for a company's approach to compliance. Dai-Dan's executives are highly conscious of compliance and positively take the lead to attempt to increase/settle compliance consciousness in the entire company. They occasionally hold compliance committees where issues on the company's compliance and improvement strategies are discussed enthusiastically, besides, they regularly issue Compliance News and actively conduct compliance educations for their employees at various trainings etc.

While corporate scandals are still occurring in succession due to the lack of compliance consciousness, Dai-Dan's approaches are sincerely commendable.

Approach toward working environments for employees

Arranging working environments for employees is a great issue for the approach to CSR and also a company's mission and responsibility at the same time.

This company strives to enhance various kinds of vacation systems, support for long-hour working employees, mental healthcare, continued employment system and the like, which I praise their efforts to enable their employees to continue working comfortably and well. However, as I pointed out last year, too, the targets toward these approaches are not very clear, therefore the promotional effects by using these systems seem to be weak. I expect further approaches toward arrangement of working environments from the view of PDCA by setting numerical targets as quantitatively as possible while considering characteristics of the workplaces and by grasping the progressing conditions.

Approach to environmental preservation

Dai-Dan, as a comprehensive facility works company, makes positive efforts to environmental preservation activities as their business activities to realize a sustainable society through creating and operating Environmental Management System and pursues to enhance corporate values with consideration to public values of the global environment. This report describes numerical target setting, achievements and targets for next year more specifically than the previous year, considering corporate activity itself as embodiment of CSR and has an ingenious attempt to use plenty of graphs, which makes it easier to understand. I expect that more considerations will be paid hereafter to setting numerical targets for next year to be rational, based on actual achievements of the previous year.

On the Third Party's Opinions

I deeply appreciate the opinions and suggestions on our company's CSR Report 2012 given by Mr. Tsuneo Yamada, an attorney, as the third party's opinions last year and this year. We will sincerely accept what he had pointed out this time and strive to improve them.

We will continuously strain to disclose information comprehensively so that our stakeholders can understand it well and make efforts to promote CSR activities further for the purpose of achievement of better global environments and social development as our Management Principles hold.



Hirokazu Kawakubo
Chief Director/Member of Executive Council
Chief of General Administration Division