

Brief Report on the First Quarter Financial Statements for the Period Ending March 2011

[Japanese Standard] (Consolidated)

Name of listed company: DAI-DAN Co., Ltd.
Code No.: 1980 URL <http://www.daidan.co.jp/>

August. 5, 2010
Listed Shares Exchanges:
Tokyo Stock Exchange 1st section
Osaka Stock Exchange 1st section

Representative of Company : Setsu SUGAYA, Representative Director, Chairman and President

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Scheduled date to file a quarterly report: August 6, 2010

Date scheduled for dividend payment commencement: —

Yes or no of preparation of quarterly settlement supplementary explanation data: No

Yes or no of holding of quarterly settlement explanation meeting: No

(Amounts are indicated with figures less than 1 million yen discarded)

1. Consolidated business results for the first quarter of the period ending March 2010 (From April 1, 2010 to June 30, 2010)

(1) Consolidated management performance(Cumulative total)

(Percentage figures represent the changes from the same quarter period of the previous accounting year.)

	Sales amount		Operating profit		Ordinary profit		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of the period ending March 2011	21,114	-9.5	-796	—	-751	—	-684	—
First quarter of the period ending March 2010	23,321	-19.5	-259	—	-167	—	-177	—

	Quarterly net income per share (basic)		Quarterly net income per share (diluted)	
	Yen	Sen	Yen	Sen
First quarter of the period ending March 2011	-15	32	—	—
First quarter of the period ending March 2010	-3	97	—	—

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders capital rate	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
First quarter of the period ending March 2011	89,859	40,481	45.0	903	82
Period ended March 2010	98,873	41,844	42.2	934	29

(Reference) Equity capital First quarter of the period ending March 2011 40,400 Million yen Period ending March 2010 41,764 Million yen

2. Dividend status

2. Dividend status										
	Annual Dividends									
(Base date)	End of first quarter		End of second quarter		End of third quarter		Period end		Through year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
Period ending March 2010										
Period ending March 2011	—	—	8	00	—	—	8	00	16	00
Period ending March 2011 (Forecast)			8	00	—	—	8	00	16	00

(Note) Revision of the estimated dividend in the current quarter: No

3. Estimate of consolidated performance for the period ending March 2011 (From April 1, 2010 to March 31, 2011)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the 2nd quarter consolidated cumulative period.)

	Sales amount		Operating profit		Ordinary profit		Current net profit		Current net earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Second quarter (cumulative)	56,000	5.5	700	0.6	700	-0.2	250	-7.2	5	59
Total period	121,000	4.1	2,500	-17.4	2,500	-19.6	1,000	10.0	22	37

(Note) Yes or no of current quarter earnings forecast revision: No

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 56,000 Million yen

(2) Estimated amount of work order received [full year]: 127,000 Million yen

4. Others

- (1) Key subsidiary changes in the current quarter: None

(Note) This means yes or no of specific subsidiary changes requiring consolidation range alteration in the current quarter accounting period.

- (2) Application of convenient accounting procedure and particular accounting procedure: Yes

(Note) This means yes or no of application of convenient accounting procedure and accounting procedure particular to quarter consolidated financial statements preparation.

- (3) Changes in accounting principles, procedures, and disclosures

- Changes due to revisions of accounting standards: Yes

, Changes due to other reasons: No

(Note) This means yes or no of changes in accounting procedure principle, proceeding, display method, etc. pertaining to quarter consolidated financial statements preparation given in "Changes in Key Matters Etc. Basic to Quarter Consolidated Financial Statements Preparation."

- (4) Number of issued shares (common stock)

- Number of issued shares at the end of period (including treasury stock)

, Number of treasury stock at the end of period

f Average numbers of shares in the period (Quarter total)

•	First quarter of period ending March 2011	45,963,803 shares	Period ending March 2010	45,963,803 shares
,	First quarter of period ending March 2011	1,264,537 shares	Period ending March 2010	1,262,178 shares
<i>f</i>	First quarter of period ending March 2011	44,700,469 shares	First quarter of period ending March 2010	44,710,937 shares

* Display Concerning State of Quarter Review Procedure Implementation

This quarter settlement brief statement is not subject to quarter report review procedure under the Financial Commodity Transaction Law. Quarter report review under the Financial Commodity Transaction Law is implemented at the time of disclosure of this quarter settlement brief statement.

* Explanation about adequate use of achievement forecasts and other noteworthy matters

(Note on Future-Related Descriptions Etc.)

The above forecasts are based on information available at the time of preparation of this document, and contain the uncertainties of future operations. Consequently, actual results differ materially from forecasts above due to changes in business results. For precautions for use of the assumptions for the above forecasts and forecasts of business results, please refer to information in the section "1. Qualitative Information on Current Quarter Consolidated Business Performance, Etc. 3. Qualitative Information on Consolidated Earnings Forecast" on page 3.

(Reference) Estimate of individual performance

Estimate of individual performance for the period ending March 2011 (From April 1, 2010 to March 31, 2011)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the 2nd quarter consolidated cumulative period.)

	Sales amount		Operating profit		Ordinary profit		Current net profit		Current net earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Second Quarter (cumulative)	55,000	4.2	700	-0.2	700	3.5	250	10.9	5	59
Total period	119,000	3.1	2,500	-16.6	2,500	-18.8	1,000	4.7	22	37

(Note) Yes or no of current quarter individual earnings forecast revision: No

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 55,000 Million yen

(2) Estimated amount of work order received [full year]: 125,000 Million yen

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1. Qualitative Information on Current Quarter Consolidated Business Performance Etc.

(1) Qualitative Information on Consolidated Operating Results

Japan's economy in the current first quarter consolidated cumulative period saw the foundation toward business recovery beginning to get ready with the increase in export and production thanks to economic recovery in emerging countries etc. but the situation continued severe because of factors including non-progress of domestic demand expansion and jobless rate hovering at high levels.

Order acceptance environment in the construction industry continued severe with the sense of equipment excess still remaining and public investment staying at low levels despite the sense of bottoming out in equipment investment because of corporate earnings recovery.

Under these circumstances, efforts were made to secure orders and profits under the mid-term management plan "Go Back to the Starting Point to Realize Dynamic Daidan." As a result, business performance in the current first quarter consolidated cumulative period was as given below:

Accepted order work amount was 25,750 million yen with 2,379 million yen decrease from the previous year first quarter consolidated cumulative period because of the severe order acceptance environment.

Completed work amount was 21,114 million yen with 2,206 million yen decrease from the previous year first quarter consolidated cumulative period due partly to the effect of the decrease in accepted order work amount.

Completed work gross profit was 1,782 million yen with 504 million yen decrease from the previous year first quarter consolidated cumulative period because of completed work amount decrease etc.

Operating profit and loss recorded 796 million yen operating loss with 537 million yen loss increase from the previous year first quarter consolidated cumulative period because of the increase in sales expense and general administrative expense by 33 million yen from the previous year first quarter consolidated cumulative period to 2,579 million yen due to increase in depreciation expense etc. of software etc. resulting from the information system renewal implemented in the previous consolidated accounting year and the decrease in completed work gross profit etc.

Ordinary profit and loss recorded 751 million yen ordinary loss with 583 million yen loss increase from the previous year first quarter consolidated cumulative period because of the recording of 83 million yen exchange loss as non-operating expense and increase in operating loss despite the recording of 78 million yen dividends received and 85 million yen insurance premiums received etc. as non-operating earnings.

The quarter net profit and loss recorded 684 million yen quarter net loss with 507 million yen loss increase from the previous year first quarter consolidated cumulative period as a result of occurrence of 344 million yen investment securities appraisal loss as extraordinary loss and deduction of corporate tax, resident tax and enterprise tax, corporate tax etc. adjustment amount and minority stockholder loss despite the recording of 70 million yen bad debt reserve reversal as extraordinary profit.

(2) Qualitative Information on Consolidated Financial State

Total assets at the end of the current first quarter consolidated accounting period were 89,859 million yen with 9,013 million yen decrease from the end of the previous consolidated accounting year.

Current assets were 70,732 million yen with 8,444 million yen decrease from the end of the previous consolidated accounting year. Main reasons are decrease (9,696 million yen) in bills receivable, completed work accounts receivable, etc. exceeding cash and deposit increase (1,364 million yen) and deferred tax asset increase (463 million yen) etc.

Fixed assets were 19,127 million yen with 568 million yen decrease from the end of the previous consolidated accounting year. Main reasons are investment securities decrease (860 million yen) etc. exceeding intangible fixed asset increase (83 million yen), prepaid pension expense increase (147 million yen) and deferred tax asset increase (115 million yen) etc.

Total debts at the end of the current first quarter consolidated accounting period were 49,378 million yen with 7,650 million yen decrease from the end of the previous consolidated accounting year.

Current liabilities were 45,499 million yen with 7,509 million yen decrease from the end of the previous consolidated accounting year. Main reasons are decrease (6,600 million yen) in bills payable and work accounts payable, decrease (237 million yen) in short-term loans payable and decrease (794 million yen) in corporate tax payable etc. exceeding increase (624 million yen) in incomplete work accounts received etc.

Fixed liabilities were 3,878 million yen with 140 million yen decrease from the end of the previous consolidated accounting year. Main reasons are decrease (54 million yen) in long-term loans payable, decrease (64 million yen) in retirement benefit reserve and decrease (610 million yen) in officer retirement bonus reserve exceeding increase (588 million yen) in long-term accounts payable.

Net assets at the end of the current first quarter consolidated accounting period were 40,481 million yen with 1,363 million yen decrease from the end of the previous consolidated accounting year. Main reasons are earnings surplus decrease (1,042 million yen) due to surplus distribution (357 million yen) and quarter net loss recording (684 million yen) etc. and other securities appraisal variance decrease (304 million yen) and exchange conversion adjustment account decrease (16 million yen).

As a result, equity capital ratio was 45.0% with an increase of 2.8 points from the end of the previous consolidated accounting year.

State of Cash Flows

Cash and cash equivalent (“fund”) in the current first quarter consolidated accounting period was 31,300 million yen with 1,364 million yen increase from the end of the previous consolidated accounting year because cash flow increase from business operation exceeded cash flow decrease from investment activity and cash flow decrease from financial activity.

State of respective cash flows and their causal factors in the current first quarter consolidated cumulative period are as given below:

(Cash Flow from Business Operation)

Fund increase resulting from business operation was 2,240 million yen (vs. 4,046 million yen fund increase in the previous year first quarter consolidated cumulative period). Main reasons are fund increase factors like sales credit decrease etc. exceeding fund decrease factors like purchase liability decrease etc.

(Cash Flow from Investment Activity)

Fund expenditure resulting from investment activity was 153 million yen (vs. 478 million yen fund expenditure in the previous year first quarter consolidated cumulative period). Main reasons are other expenditure (software acquisition) etc.

(Cash Flow from Financial Activity)

Fund decrease resulting from financial activity was 651 million yen (vs. 2,251 million yen fund decrease in the previous year first quarter consolidated cumulative period). Main reasons are expenditure for repayment of short- and long-term loans payable and dividend payment etc. exceeding revenue from short- and long-term borrowing.

(3) Qualitative Information on Consolidated Earnings Forecast

The second quarter consolidated cumulative period and whole period earnings forecast announced on May 13, 2010 remains unchanged on accepted order work amount, completed work amount and operating profit.

Despite the recording of 83 million yen exchange loss and 344 million yen investment securities appraisal loss in the current first quarter consolidated cumulative period, the second quarter consolidated cumulative period and whole period earnings forecast announced on the said date is kept unchanged as of the present time point on ordinary profit and current period net profit because of the opacity of future exchange and stock price trends.

Revision of earnings forecast including other factors, if found necessary, will be notified promptly.

2. Others

(1) Changes in significant subsidiaries during the current period

None

(2) Outline of the simplified accounting procedures and accounting procedures specific to preparation of quarterly consolidated financial statements

1. Simplified accounting procedures

Method for computing income taxes, deferred tax assets, and deferred tax liabilities

As for the collectability of deferred tax assets, since we recognize that there is no significant change in business environment and temporary difference generation status, we adopt the forecasts of future business results and the tax planning used for the account settlement of the previous consolidated accounting year.

2. Accounting procedures specific to preparation of quarterly consolidated financial statements

None

(3) Outline of Changes in Accounting Procedure Principle, Proceeding, Display Method, Etc.

Changes in Matters Concerning Accounting Procedure Standard

“Accounting Standard Concerning Asset Elimination Debts” (Corporate Accounting Standard No.18 of March 31, 2008) and “Accounting Standard Application Guideline Concerning Asset Elimination Debts” (Corporate Accounting Standard Application Guideline No.21 of March 31, 2008) are applied effective from the current first quarter consolidated accounting period.

No adverse effect arises from the application.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(in million yen)

	End of Current First Quarter Consolidated Accounting Period (June 30, 2010)	Condensed Consolidated Balance Sheet Pertaining to End of Previous Consolidated Accounting Year (March 31, 2010)
Assets		
Current assets		
Cash on hand and in banks	31,327	29,963
Note receivables, completed work accounts receivables	36,000	45,697
Securities	100	100
Incomplete work expenditures	523	464
Inventories of raw materials and supplies	0	0
Deferred tax reserves	1,803	1,339
Others	1,031	1,686
Allowance for bad debts	-54	-75
Total current assets	70,732	79,177
Fixed assets		
Tangible fixed assets	3,436	3,465
Intangible fixed assets	837	754
Investments and other assets		
Investment securities	6,718	7,578
Deferred tax assets	1,452	1,337
Prepaid pension costs	4,910	4,763
Others	3,326	3,382
Allowance for bad debts	-1,554	-1,585
Total investments and other assets	14,853	15,475
Total fixed assets	19,127	19,695
Total assets	89,859	98,873

(in million yen)

	End of Current First Quarter Consolidated Accounting Period (June 30, 2010)	Condensed Consolidated Balance Sheet Pertaining to End of Previous Consolidated Accounting Year (March 31, 2010)
Liabilities		
Current liabilities		
Notes payable, work accounts payable	30,042	36,643
Short-term loans payable	6,694	6,932
Corporate tax, etc. payable	5	799
Incomplete work accounts received	2,534	1,910
Reserves for bonuses	549	–
Reserves for directors' premiums	20	–
Reserves for completed work compensation	104	42
Reserves for work loss	793	825
Reserves for overseas investment loss	8	11
Others	4,746	5,844
Total current liabilities	45,499	53,009
Fixed liabilities		
Long-term loans payable	1,458	1,513
Reserves for retirement benefits	1,611	1,675
Reserves for directors' retirement benefits	–	610
Reserves for environmental measure	220	220
Long-term accounts payable	588	–
Others	0	0
Total fixed liabilities	3,878	4,019
Total liabilities	49,378	57,028
Net Assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,810	4,810
Earned surplus	31,536	32,578
Treasury stock	-620	-619
Total shareholders' equity	40,205	41,248
Evaluation / Currency translation difference, etc.		
Evaluation difference of other securities	183	488
Currency translation adjustment account	10	26
Total evaluation /translation difference, etc.	194	515
Minority interest equity	81	80
Total net assets	40,481	41,844
Total liabilities and net assets	89,859	98,873

(2)Quarterly Consolidated Profit and Loss Statement
(First Quarter Consolidated Cumulative Period)

	(in million yen)	
	Previous First Quarter Consolidated Cumulative Period (From April 1, 2009 to June 30, 2009)	Current First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)
Completed work amount	23,321	21,114
Completed work cost	21,033	19,331
Completed work gross profit	2,287	1,782
Selling expenses and general administrative expenses	2,546	2,579
Operating loss (-)	-259	-796
Non-operating income		
Interests received	5	4
Dividends received	76	78
Insurance claim received	3	85
Gain on foreign exchange	43	-
Others	10	9
Total non-operating income	139	178
Non-operating expenses		
Interest payable	40	39
Payment guarantee charge	7	1
Loss on foreign exchange	-	83
Others	0	8
Total non-operating expenses	48	133
Ordinary loss (-)	-167	-751
Special profits		
Gain on sales of fixed assets	0	-
Profit gained by returning allowance for bad debts	29	70
Total extraordinary income	29	70
Special losses		
Loss on sales of fixed assets	-	0
Loss on retirement of fixed assets	6	0
Evaluation loss on investments in securities	-	344
Total extraordinary loss	6	345
Quarterly net loss before income taxes (-)	-143	-1,025
Corporate tax, residence tax and business tax	26	20
Adjustment amounts such as for corporate taxes	7	-358
Total corporate tax, etc.	33	-338
Quarterly net loss before adjustment of profit and loss of minority interests (-)	-	-686
Profit or loss of minority interests (-)	0	-1
Quarterly net loss (-)	-177	-684

(3) Quarterly Consolidated Statement of Cash Flows

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2009 to June 30, 2009)	Current First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)
Cash flow on sales activities		
Quarterly net loss before income taxes	-143	-1,025
Depression expenses	70	108
Increased or decreased amount of allowance for bad debts ("-" represents decrease.)	-23	-51
Increased or decreased in reserves for retirement benefits and directors' retirement benefits ("-" represents decrease.)	33	-
Increased or decreased in reserves for retirement benefits ("-" represents decrease.)	-	-28
Interest and dividends received	-82	-83
Interest paid	40	39
Profit or loss on appraisal of investments in securities ("-" represents profit.)	-	344
Profit or loss on sales of fixed assets ("-" represents profit.)	-0	0
Loss on retirement of fixed assets	6	0
Increased or decreased amount of sales credit ("-" represents increase.)	11,323	9,725
Increased or decreased amount of incomplete work expenditures ("-" represents increase.)	-407	-58
Increased or decreased in other current assets ("-" represents increase.)	117	575
Increased or decreased amount of procurement credits ("-" represents decrease.)	-6,949	-6,600
Increased or decreased amount of incomplete work received amount ("-" represents decrease.)	1,210	624
Increased or decreased in other current liabilities ("-" represents decrease.)	-334	-562
Increased or decreased in other fixed liabilities ("-" represents decrease.)	-	-57
Sub-total	4,861	2,950
Received amount of interests and dividends	80	82
Paid interest amount	-36	-39
Paid amount of corporate tax, etc.	-859	-752
Cash flow on sales activities	4,046	2,240
Cash flow on investment activities		
Expenditures by acquiring of securities	-0	-0
Revenue by sales or redemption of securities	0	0
Expenditures by acquiring of tangible fixed assets	-120	-27
Revenue by sales of tangible fixed assets	1	0
Expenditures by acquiring of investment securities	-3	-0
Revenue by sales or redemption of investment securities	0	0
Expenditures by loans	-1	-
Revenue from loans receivable	24	2
Other payments	-397	-140
Other revenues	17	12
Cash flow on investment activities	-478	-153

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2009 to June 30, 2009)	Current First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)
Cash flow on financial activities		
Revenue by short-term loans	3,110	7,110
Expenditures by repayment of short-term loans	-4,310	-7,260
Revenue by long-term loans	-	400
Expenditures by repayment of long-term loans	-558	-542
Expenditures by acquiring of treasury stock	-1	-1
Revenue by sales of treasury stock	0	0
Paid amount of dividends	-491	-357
Cash flow on financial activities	-2,251	-651
Translation difference relating to cash and cash equivalents	10	-71
Increased or decreased amount of cash and cash equivalents ("-" represents decrease.)	1326	1,364
Balance of cash and cash equivalents at the beginning of period	28,653	29,936
Balance of cash and cash equivalents at the end of the quarterly period	29,980	31,300

(4)Notes to Going Concern Assumption

None

(5)Notes in Case of Significant Changes in the Amount of Shareholders' Equity

Major factor causing a decrease in retained earnings is that dividend amounting to 357 million yen was paid from retained earnings in June 2010.

(6) Other Information

Divisional amount of work orders received, completed works, and works carried over (consolidated)

(in million yen)

		(Reference) First quarter of the previous consolidated accounting period		First quarter of the current consolidated accounting year		Previous consolidated accounting year	
		(From April 1, 2009 to June 30, 2009)		(From April 1, 2010 to June 30, 2010)		(From April 1, 2009 to March 31, 2010)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Component ratio %
Amount of work orders received	Electrical work	6,272	22.3	3,386	13.2	21,450	18.6
	Air-conditioning work	16,527	58.8	17,840	69.3	72,220	62.5
	Plumbing/sanitation	5,329	18.9	4,524	17.5	21,850	18.9
	Total	28,130	100.0	25,750	100.0	115,521	100.0
	(Renewal work)	13,836	49.2	12,175	47.3	50,554	43.8
	(Overseas work)	1,467	5.2	1,310	5.1	7,161	6.2
Amount of completed works	Electrical work	4,518	19.4	4,357	20.7	21,450	18.4
	Air-conditioning work	13,159	56.4	12,202	57.8	67,057	57.7
	Plumbing/sanitation	5,642	24.2	4,555	21.5	27,767	23.9
	Total	23,321	100.0	21,114	100.0	116,275	100.0
	(Renewal work)	9,665	41.4	8,883	42.1	50,329	43.3
	(Overseas work)	917	3.9	799	3.8	3,834	3.3
Amount of works carried over	Electrical work	11,377	12.8	8,651	9.9	9,622	11.6
	Air-conditioning work	54,520	61.5	61,953	70.6	56,315	67.8
	Plumbing/sanitation	22,721	25.7	17,086	19.5	17,117	20.6
	Total	88,619	100.0	87,692	100.0	83,055	100.0
	(Renewal work)	20,099	22.7	19,445	22.2	16,153	19.5
	(Overseas work)	2,149	2.4	5,437	6.2	4,927	5.9

+