

# Brief Report on the First Quarter Financial Statements for the Period Ending March 2012

## [Japanese Standard] (Consolidated)

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

August. 9, 2011  
Listed Shares Exchanges:  
Tokyo Stock Exchange 1st section  
Osaka Stock Exchange 1st section

Representative of Company : Nobukazu UEBAYASHI, Representative Director, President and Chief Operating Officer (C.O.O.)

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Scheduled date to file a quarterly report: August 10, 2011

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 2012 (From April 1, 2011 to June 30, 2011)

(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 2012	21,772	3.1	-629	—	-507	—	-480	—
First quarter of the period ending March 2011	21,114	-9.5	-796	—	-751	—	-684	—

(Reference) Comprehensive income: First quarter of the period ending March 2012 -412 million yen (— %), First quarter of the period ending March 2011 -1,004 million yen (— %)

	Quarterly net income per share (basic)		Quarterly net income per share (diluted)	
	Yen	Sen	Yen	Sen
First quarter of the period ending March 2012	-10.76	—	—	—
First quarter of the period ending March 2011	-15.32	—	—	—

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders capital rate
	Million yen	Million yen	%
First quarter of the period ending March 2012	91,252	40,488	44.3
Period ended March 2011	96,306	41,259	42.8

(Reference) Equity capital: First quarter of the period ending March 2012 40,421 Million yen, Period ending March 2011 41,193 Million yen

2. Dividend status

	Annual Dividends					
(Base date)	End of first quarter		End of second quarter		End of third quarter	
	Yen	Sen	Yen	Sen	Yen	Sen
Period ending March 2011	—	—	8.00	—	8.00	16.00
Period ending March 2012	—	—	—	—	—	—
Period ending March 2012 (Forecast)	—	—	8.00	—	8.00	16.00

(Note) Presence or absence of revision from dividend forecast published most recently: None

3. Estimate of consolidated performance for the period ending March 2012 (From April 1, 2011 to March 31, 2012)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the 2<sup>nd</sup> 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)	57,500	23.2	1,200	—	1,200	—	500	—	—	11.19
Total period	119,000	8.9	3,500	183.0	3,500	160.5	1,700	200.7	—	38.04

(Note) Presence or absence of revision from dividend forecast published most recently: None

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 60,500 Million yen

(2) Estimated amount of work order received [full year]: 124,000 Million yen

#### 4. Others

- (1) Key subsidiary changes in the current quarter consolidated cumulative period (changes in specific subsidiaries requiring changes of consolidation scope): None
- (2) Application of particular accounting to the preparation of quarter consolidated financial statements: None
- (3) Accounting policy change, accounting estimate change, revision redisplay
  - Accounting policy change due to revision of accounting standards etc.: None
  - , Accounting policy change other than • : None
  - f* Accounting estimate change: None
  - „ Revision redisplay: None
- (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 2012	45,963,803 shares	Period ending March 2011	45,963,803 shares
,	First quarter of period ending March 2012	1,282,730 shares	Period ending March 2011	1,280,170 shares
<i>f</i>	First quarter of period ending March 2012	44,682,270 shares	First quarter of period ending March 2011	44,700,469 shares

#### \* Display Concerning State of Quarter Review Procedure Implementation

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

The above forecasts are based on the information available at the time of preparation of this document and the assumption considered as reasonable. 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 2.

(Reference) Estimate of individual performance

Estimate of individual performance for the period ending March 2012 (From April 1, 2011 to March 31, 2012)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the 2<sup>nd</sup> 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)	57,000	23.1	1,200	-	1,200	-	500	-		11.19
Total period	118,000	8.9	3,500	179.6	3,500	158.0	1,700	195.7		38.04

(Note) Presence or absence of revision from dividend forecast published most recently: None

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 60,000 Million yen

(2) Estimated amount of work order received [full year]: 123,000 Million yen

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

### (1) Qualitative Information on Consolidated Operating Results

While Japan's economy in the current first quarter consolidated cumulative period remained in a severe state due to the effect of the Great East Japan Earthquake disaster, anxiety spread over the domestic production because of the prolonged strong yen and power shortage problems etc. despite signs of improvement seen in corporate production activities with the progress of supply chain recovery.

In the construction industry, order-taking environments remained severe because of factors including private sector equipment investment lacking in recovery strength and public investment staying at low levels despite some demand seen for restoration work.

Under these circumstances, efforts were made to secure orders and profits in accordance with the mid-term management plan "Realize Dynamic Dai-Dan by Going Back to The Starting Point." As a result, the business results for the current first quarter consolidated cumulative period were as given below:

Work on received orders was 25,834 million yen (up 84 million yen from the same period a year ago) despite the severe order-taking environments.

Completed work was 21,772 million yen (up 658 million yen from the same period a year ago) thanks to the effect of the increase in work on received orders etc.

Completed work gross profit was 1,942 million yen (up 160 million yen from the same period a year ago) thanks to the increase in completed work etc.

As for operating profit and loss, operating loss was 629 million yen (down 167 million yen from the same period a year ago) thanks to the increase in completed work gross profit.

As for ordinary profit and loss, ordinary loss was 507 million yen (down 243 million yen from the same period a year ago) because exchange loss was 1 million yen (down 82 million yen from the same period a year ago) and because of the decrease in operating loss.

As for quarter net profit and loss, quarter net loss was 480 million yen (down 203 million yen from the same period a year ago) after deduction on corporate tax, resident tax, business tax, adjustment for corporate tax etc. and minority shareholder profit because investment securities appraisal loss was 136 million yen (down 207 million yen from the same period a year ago) and because of the decrease in ordinary loss.

### (2) Qualitative Information on Consolidated Financial State

#### (Assets)

Liquid assets at the end of the current first quarter consolidated accounting period were 71,528 million yen (down 4,983 million yen from the end of the previous consolidated accounting year). Main causes are the decrease (7,637 million yen) in bills receivable, completed work accounts receivable, etc. exceeding the increase (2,397 million yen) in cash and deposits, etc. Fixed assets were 19,723 million yen (down 70 million yen from the end of the previous consolidated accounting year). Main causes are the decrease (59 million) in intangible fixed assets and the decrease (120 million yen) in deferred tax assets etc. exceeding the increase (58 million yen) in investment securities and the increase (169 million yen) in prepaid pension expense etc.

As a result, total assets were 91,252 million yen (down 5,054 million yen from the end of previous consolidated accounting year).

#### (Liabilities)

Liquid liabilities at the end of the current first quarter consolidated accounting period were 46,869 million yen (down 3,863 million yen from the end of the previous consolidated accounting year). Main causes are the decrease (4,978 million yen) in bills payable, work accounts payable, etc. exceeding the increase (907 million yen) in uncompleted work accounts received etc. Fixed liabilities were 3,894 million yen (down 420 million yen from the end of the previous consolidated accounting year). Main causes are the decrease (385 million yen) in long-term borrowings etc.

As a result, total liabilities were 50,763 million yen (down 4,283 million yen from the end of the previous consolidated accounting year).

#### (Net assets)

Total net assets at the end of the current first quarter consolidated accounting period were 40,488 million yen (down 770 million yen from the end of the previous consolidated accounting year). Main causes are quarter net loss recording (480 million yen) and surplus dividend (357 million yen).

As a result, equity capital ratio was 44.3% (vs. 42.8% at the end of the previous consolidated accounting year).

### (3) Qualitative Information on Consolidated Earnings Forecast

Business result forecast for the second quarter consolidated cumulative period and full period published on May 12, 2011 remains unchanged.

2. Items concerning Summary Information (Others)

(1) Changes in major subsidiaries in the current quarter consolidated cumulative period

No applicable items.

(2) Application of particular accounting to the preparation of quarter consolidated financial statements

No applicable items.

(3) Changes in accounting policies, changes in accounting estimates, revision redisplay

No applicable items.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2011)	Current First Quarter Consolidated Accounting Period (June 30, 2011)
Assets		
Current assets		
Cash on hand and in banks	23,938	26,335
Note receivables, completed work accounts receivables	48,839	41,202
Securities	100	100
Incomplete work expenditures	387	763
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,092	1,352
Others	2,233	1,802
Allowance for bad debts	-80	-29
Total current assets	76,512	71,528
Fixed assets		
Tangible fixed assets	3,391	3,406
Intangible fixed assets	763	703
Investments and other assets		
Investment securities	7,033	7,092
Deferred tax assets	1,350	1,229
Prepaid pension costs	5,331	5,501
Others	2,978	2,780
Allowance for bad debts	-1,054	-991
Total investments and other assets	15,639	15,613
Total fixed assets	19,794	19,723
Total assets	96,306	91,252

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2011)	Current First Quarter Consolidated Accounting Period (June 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes payable, work accounts payable	36,344	31,365
Short-term loans payable	6,645	6,399
Corporate tax, etc. payable	2	0
Incomplete work accounts received	1,661	2,569
Reserves for bonuses	–	651
Reserves for directors' premiums	–	21
Reserves for completed work compensation	187	176
Reserves for work loss	811	776
Others	5,079	4,908
Total current liabilities	50,732	46,869
Fixed liabilities		
Long-term loans payable	2,095	1,710
Reserves for retirement benefits	1,544	1,516
Reserves for environmental measure	220	220
Long-term accounts payable	439	439
Reserves for overseas investment loss	13	6
Others	0	0
Total fixed liabilities	4,314	3,894
Total liabilities	55,047	50,763
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	32,428	31,590
Treasury stock	-626	-627
Total shareholders' equity	41,091	40,251
Accumulated other comprehensive profit		
Evaluation difference of other securities	73	152
Currency translation adjustment account	28	17
Total accumulated other comprehensive profit	102	169
Minority interest equity	65	67
Total net assets	41,259	40,488
Total liabilities and net assets	96,306	91,252



(2)Quarterly Consolidated profit and loss statement and consolidated comprehensive income statement  
 (Quarterly Consolidated Profit and Loss Statement)  
 (First Quarter Consolidated Cumulative Period)

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)	Current First Quarter Consolidated Cumulative Period (From April 1, 2011 to June 30, 2011)
Completed work amount	21,114	21,772
Completed work cost	19,331	19,829
Completed work gross profit	1,782	1,942
Selling expenses and general administrative expenses	2,579	2,572
Operating loss (-)	-796	-629
Non-operating income		
Interests received	4	3
Dividends received	78	87
Insurance claim received	85	82
Others	9	10
Total non-operating income	178	184
Non-operating expenses		
Interest payable	39	39
Payment guarantee charge	1	2
Loss on foreign exchange	83	1
Others	8	20
Total non-operating expenses	133	62
Ordinary loss (-)	-751	-507
Special profits		
Profit gained by returning allowance for bad debts	70	-
Total special profits	70	-
Special losses		
Loss on sales of fixed assets	0	-
Loss on retirement of fixed assets	0	0
Evaluation loss on investments in securities	344	136
Total special losses	345	136
Quarterly net loss before income taxes (-)	-1,025	-644
Corporate tax, residence tax and business tax	20	23
Adjustment amounts such as for corporate taxes	-358	-186
Total corporate tax, etc.	-338	-163
Quarterly net loss before adjustment of profit and loss of minority interests (-)	-686	-480
Profit or loss of minority interests (-)	-1	0
Quarterly net loss (-)	-684	-480

(Quarterly Consolidated comprehensive income statement)  
 (First Quarter Consolidated Cumulative Period)

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)	Current First Quarter Consolidated Cumulative Period (From April 1, 2011 to June 30, 2011)
Quarterly net profit before adjustment for minority shareholder profit and loss	-686	-480
Other comprehensive profit		
Evaluation difference of other securities	-304	78
Currency translation adjustment account	-12	-9
Total other comprehensive profit	-317	68
Quarterly comprehensive profit	-1,004	-412
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-1,005	-413
Quarterly Comprehensive profit pertaining to minority shareholders	1	1

## (3)Notes to Going Concern Assumption

None

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

None

## 4. Supplementary Information

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

(in million yen)

		Previous First Quarter Consolidated Cumulative period		Current First Quarter Consolidated Cumulative Period		Previous consolidated accounting year	
		(From April 1, 2010 to June 30, 2010)		(From April 1, 2011 to June 30, 2011)		(From April 1, 2010 to March 31, 2011)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Component ratio %
Amount of work orders received	Electrical work	3,386	13.2	5,137	19.9	20,765	18.8
	Air-conditioning work	17,840	69.3	14,035	54.3	64,949	58.6
	Plumbing/sanitation	4,524	17.5	6,662	25.8	25,036	22.6
	Total	25,750	100.0	25,834	100.0	110,751	100.0
	(Renewal work)	12,175	47.3	15,443	59.8	55,395	50.0
	(Overseas work)	1,310	5.1	2,746	10.6	2,301	2.1
Amount of completed works	Electrical work	4,357	20.7	3,483	16.0	20,285	18.6
	Air-conditioning work	12,202	57.8	14,024	64.4	66,206	60.6
	Plumbing/sanitation	4,555	21.5	4,264	19.6	22,733	20.8
	Total	21,114	100.0	21,772	100.0	109,224	100.0
	(Renewal work)	8,883	42.1	9,957	45.7	50,294	46.1
	(Overseas work)	799	3.8	877	4.0	5,809	5.3
Amount of works carried over	Electrical work	8,651	9.9	11,755	13.3	10,101	11.9
	Air-conditioning work	61,953	70.6	55,069	62.1	55,059	65.1
	Plumbing/sanitation	17,086	19.5	21,819	24.6	19,421	23.0
	Total	87,692	100.0	88,644	100.0	84,582	100.0
	(Renewal work)	19,445	22.2	26,660	30.1	21,174	25.0
	(Overseas work)	5,437	6.2	3,289	3.7	1,419	1.7