

Brief Report on the Second 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/>

November. 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: November 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: Yes

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

1. Consolidated business results for the Second quarter of the period ending March 2012 (From April 1, 2011 to September 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	%
Second quarter of the period ending March 2012	52,429	12.3	539	—	458	—	1	—
Second quarter of the period ending March 2011	46,675	-12.1	-502	—	-431	—	-531	—

(Reference) Comprehensive income: Second quarter of the period ending March 2012 176 million yen (— %), Second quarter of the period ending March 2011 -971 million yen (— %)

	Quarterly net income per share (basic)		Quarterly net income per share (diluted)	
	Yen	Sen	Yen	Sen
Second quarter of the period ending March 2012	0.03	—	—	—
Second quarter of the period ending March 2011	-11.89	—	—	—

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders capital rate
	Million yen	Million yen	%
Second quarter of the period ending March 2012	92,126	41,076	44.5
Period ended March 2011	96,306	41,259	42.8

(Reference) Equity capital: Second quarter of the period ending March 2012 41,008 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	—	—	8.00	—	8.00	16.00
Period ending March 2012 (Forecast)	—	—	—	—	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 figures represent increase or decrease from the previous accounting year.)

	Sales amount		Operating profit		Ordinary profit		Current net profit		Current net earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Total period	118,000	8.0	3,000	142.7	2,800	108.5	1,500	165.5	33.57	—

(Note) Presence or absence of revision from dividend forecast published most recently: Yes

(Reference) Estimated amount of work order received [full year]: 116,000 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)

•	Second quarter of period ending March 2012	45,963,803 shares	Period ending March 2011	45,963,803 shares
,	Second quarter of period ending March 2012	1,284,509 shares	Period ending March 2011	1,280,170 shares
<i>f</i>	Second quarter of period ending March 2012	44,681,294 shares	Second quarter of period ending March 2011	44,699,140 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 3.

(Reference) Estimate of individual performance

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

(Percentage figures represent increase or decrease from the previous accounting year.)

	Sales amount		Operating profit		Ordinary profit		Current net profit		Current net earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen Sen
Total period	117,000	8.0	3,000	139.8	2,800	106.5	1,500	161.3	33.57

(Note) Presence or absence of revision from dividend forecast published most recently: Yes

(Reference) Estimated amount of work order received [full year]: 115,000 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 2nd quarter consolidated cumulative period shifted in the state of uncertain future prospects because of abrupt progress and prolongation of the strong yen, global economy stagnation due to concerns over U.S. economy slowdown and European financial uncertainty, etc. amid ever-lasting severe situation resulting from the effects of the Great East Japan Earthquake and Fukushima Daiichi Nuclear Power Station incident despite signs of recovery and improvement seen in supply chains and corporate production activities.

In the construction industry, order-acceptance environments continued severe with private-sector equipment investment recovery lacking in strength and public investment shifting at low levels despite the presence of some demand for restoration and reconstruction work.

As a result of making efforts for taking orders and securing profits under these circumstances in accordance with the interim operating plan of "Going Back to the Starting Point to Realize Vital Daidan," business results in the current 2nd quarter consolidated cumulative period were as follows:

Amount of work orders received was 54,004 million yen on par with the year-earlier same quarter consolidated cumulative period despite the severe order-taking environment.

Completed work amount increased 5,753 million yen from the year-earlier same quarter consolidated cumulative period to 52,429 million yen mainly because of progress in big-size work.

Completed work gross profit increased 955 million yen from the year-earlier same quarter consolidated cumulative period to 5,371 million yen because of increase in completed work amount and improvement of completed work gross profit rate.

Operating profit and loss recorded operating profit of 539 million yen (vs. operating loss of 502 million yen in the year-earlier same quarter consolidated cumulative period) because of increase in completed work gross profit.

Ordinary profit and loss recorded ordinary profit of 458 million yen (vs. ordinary loss of 431 million yen in the year-earlier same quarter consolidated cumulative period) because of the occurrence of 193 million yen exchange loss etc. despite increase in operating profit.

Quarter net profit and loss recorded quarter net profit of 1 million yen (vs. quarter net loss of 531 million yen in the year-earlier same quarter consolidated cumulative period) after deduction on corporate tax, residence tax, business tax, adjustment amounts such as for corporate tax and profit of minority shareholder because of increase in ordinary profit despite the occurrence of 202 million yen evaluation loss on investments in securities.

(2) Qualitative Information on Consolidated Financial State

(Assets)

Current assets at the current 2nd quarter consolidated accounting period end decreased 4,203 million yen from the previous consolidated accounting year end to 72,309 million yen mainly because decrease (3,427 million yen) in note receivables and completed work accounts receivables and decrease (756 million yen) in cash on hand and in bank exceeded increase (479 million yen) in incomplete work expenditures. Fixed assets increased 22 million yen from the previous consolidated accounting year end to 19,817 million yen mainly because increase (333 million yen) in investment securities and increase (315 million yen) in prepaid pension costs exceeded decrease (57 million yen) in tangible fixed assets and decrease (101 million yen) in intangible fixed assets.

As a result, total assets decreased 4,180 million yen from the previous consolidated accounting year end to 92,126 million yen.

(Liabilities)

Current liabilities at the current 2nd quarter consolidated accounting period end decreased 4,052 million yen from the previous consolidated accounting year end to 46,680 million yen mainly because decrease (5,991 million yen) in note payable and work accounts payable exceeded increase (1,025 million yen) in incomplete work accounts payable and increase (1,189 million yen) in reserves for bonuses. Fixed liabilities increased 54 million yen from the previous consolidated accounting year end to 4,369 million yen mainly because increase (121 million yen) in long-term loans payable exceeded decrease (58 million yen) in reserves for retirement benefits.

As a result, total liabilities decreased 3,997 million yen from the previous consolidated accounting year end to 51,049 million yen.

(Net Assets)

Total net assets at the current 2nd quarter consolidated accounting period end decreased 182 million yen from the previous consolidated accounting year end to 41,076 million yen mainly because of surplus dividend (357 million yen) and increase (178 million yen) in evaluation difference of other securities.

As a result, capital adequacy ratio was 44.5% (vs. 42.8% at the previous consolidated accounting year end).

State of Cash Flows

Cash and cash equivalents (“fund”) in the current 2nd quarter consolidated cumulative period decreased 756 million yen from the previous consolidated accounting year end to 23,154 million yen because of decrease in cash flow on sales activities, cash flow on investment activities and cash flow on financial activities.

State and factors of respective cash flows in the current 2nd quarter consolidated cumulative period are as follows:

(Cash Flow on Operating Activities)

Fund decrease as a result of operating activities was 73 million yen (vs. fund decrease of 4,239 million yen in the year-earlier same quarter consolidated cumulative period) mainly because fund decrease factors like amount of procurement credits decrease exceeded fund increase factors like posting of quarter net profit before adjustment for tax etc., decrease in sales credits, increase in incompleting work accounts received, and refund of corporate tax etc.

(Cash Flow on Investment Activities)

Fund expenditure as a result of investment activities was 230 million yen (vs. fund expenditure of 441 million yen in the year-earlier same quarter consolidated cumulative period) mainly because of expenditures by acquiring of investment securities.

(Cash Flow on Financial Activities)

Fund decrease as a result of financial activities was 227 million yen (vs. fund decrease of 286 million yen in the year-earlier same quarter consolidated cumulative period) mainly because of paid amount of dividends.

(3) Qualitative Information on Consolidated Earnings Forecasts

Business result forecasts were amended as follows:

As a result of reviewing order acceptance plans up to the business year end considering the current situation, amount of work orders received was amended to 116,000 million yen decreasing about 8,000 million yen from the published amount of 124,000 million yen.

Because of the decrease in amount of work orders received, sales were amended to 118,000 million yen decreasing about 1,000 million yen from the published amount of 119,000 million yen.

Because of the sales decrease prospect, operating profit was amended to 3,000 million yen decreasing about 500 million yen from the published amount of 3,500 million yen. Because of the decrease in operating profit and expected loss on foreign exchange due to the effect of the strong yen, ordinary profit was amended to 2,800 million yen decreasing about 700 million yen from the published amount of 3,500 million yen. Because of the prospect of ordinary profit decrease, current period net profit was amended to 1,500 million yen decreasing about 200 million yen from the published amount of 1,700 million yen.

These business result forecast amendments are prepared on the basis of information available as of the date of the publication. Actual business results may differ from business result forecast values.

2. Items Concerning Summary Information (Others)

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

No applicable matter.

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

No applicable matter.

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

No applicable matter.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2011)	Current Second Quarter Consolidated Accounting Period (September 30, 2011)
Assets		
Current assets		
Cash on hand and in banks	23,938	23,181
Note receivables, completed work accounts receivables	48,839	45,412
Securities	100	100
Incomplete work expenditures	387	867
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,092	1,087
Others	2,233	1,664
Allowance for bad debts	-80	-5
Total current assets	76,512	72,309
Fixed assets		
Tangible fixed assets	3,391	3,333
Intangible fixed assets	763	662
Investments and other assets		
Investment securities	7,033	7,366
Deferred tax assets	1,350	1,043
Prepaid pension costs	5,331	5,647
Others	2,978	2,625
Allowance for bad debts	-1,054	-861
Total investments and other assets	15,639	15,821
Total fixed assets	19,794	19,817
Total assets	96,306	92,126

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2011)	Current Second Quarter Consolidated Accounting Period (September 30, 2011)
Liabilities		
Current liabilities		
Notes payable, work accounts payable	36,344	30,353
Short-term loans payable	6,645	6,657
Corporate tax, etc. payable	2	150
Incomplete work accounts received	1,661	2,687
Reserves for bonuses	—	1,189
Reserves for directors' premiums	—	40
Reserves for completed work compensation	187	178
Reserves for work loss	811	748
Others	5,079	4,676
Total current liabilities	50,732	46,680
Fixed liabilities		
Long-term loans payable	2,095	2,217
Reserves for retirement benefits	1,544	1,485
Reserves for environmental measure	220	220
Long-term accounts payable	439	439
Reserves for overseas investment loss	13	5
Others	0	0
Total fixed liabilities	4,314	4,369
Total liabilities	55,047	51,049
Net Assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	32,428	32,072
Treasury stock	-626	-628
Total shareholders' equity	41,091	40,733
Accumulated other comprehensive profit		
Evaluation difference of other securities	73	252
Currency translation adjustment account	28	21
Total accumulated other comprehensive profit	102	274
Minority interest equity	65	68
Total net assets	41,259	41,076
Total liabilities and net assets	96,306	92,126

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

(in million yen)

	Previous Second Quarter Consolidated Cumulative Period (From April 1, 2010 to September 30, 2010)	Current Second Quarter Consolidated Cumulative Period (From April 1, 2011 to September 30, 2011)
Completed work amount	46,675	52,429
Completed work cost	42,260	47,058
Completed work gross profit	4,415	5,371
Selling expenses and general administrative expenses	4,917	4,832
Operating profit or operating loss (-)	-502	539
Non-operating income		
Interests received	12	9
Dividends received	82	93
Insurance claim received	149	84
Others	20	36
Total non-operating income	265	224
Non-operating expenses		
Interest payable	82	79
Payment guarantee charge	3	10
Loss on foreign exchange	99	193
Others	8	21
Total non-operating expenses	194	304
Ordinary profit or ordinary loss (-)	-431	458
Special profits		
Gain on sales of fixed assets	1	27
Compensation for transfer of property	-	24
Profit on sales of investment securities	48	-
Profit gained by returning allowance for bad debts	101	-
Total special profits	151	51
Special losses		
Loss on sales of fixed assets	0	-
Loss on retirement of fixed assets	0	1
Evaluation loss on investments in securities	406	202
Total special losses	407	203
Quarterly net income or net loss (-) before income taxes and other adjustment	-686	306
Corporate tax, residence tax and business tax	53	110
Adjustment amounts such as for corporate taxes	-207	190
Total corporate tax, etc.	-153	300
Quarterly net income or loss (-) before adjustment of profit and loss of minority interests	-532	6
Profit or loss of minority interests (-)	-1	4
Quarterly net loss (-)	-531	1

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

(in million yen)

	Previous Second Quarter Consolidated Cumulative Period (From April 1, 2010 to September 30, 2010)	Current Second Quarter Consolidated Cumulative Period (From April 1, 2011 to September 30, 2011)
Quarterly net income or loss (-) before adjustment of profit and loss of minority interests	-532	6
Other comprehensive profit		
Evaluation difference of other securities	-431	178
Currency translation adjustment account	-7	-8
Total other comprehensive profit	-439	170
Quarterly comprehensive profit	-971	176
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-969	174
Quarterly Comprehensive profit pertaining to minority shareholders	-2	2

(3) Quarterly Consolidated Statement of Cash Flows

(in million yen)

	Previous Second Quarter Consolidated Cumulative Period (From April 1, 2010 to September 30, 2010)	Current First Second Consolidated Cumulative Period (From April 1, 2011 to September 30, 2011)
Cash flow on sales activities		
Quarterly net income or net loss (-) before income taxes and other adjustment	-686	306
Depression expenses	219	217
Increased or decreased amount of allowance for bad debts ("-" represents decrease.)	-101	-257
Increased or decreased in reserves for retirement benefits ("-" represents decrease.)	-43	-58
Interest and dividends received	-95	-102
Interest paid	82	79
Profit or loss on appraisal of investments in securities ("-" represents profit.)	406	202
Profit or loss on sales of fixed assets ("-" represents profit.)	-48	-
Profit or loss on sales of fixed assets ("-" represents profit.)	-1	-27
Compensation for transfer of property	-	-24
Loss on retirement of fixed assets	0	1
Increased or decreased amount of sales credit ("-" represents increase.)	7,345	3,757
Increased or decreased amount of incomplete work expenditures ("-" represents increase.)	-268	-479
Increased or decreased in other current assets ("-" represents increase.)	450	323
Increased or decreased in other fixed liabilities ("-" represents decrease.)	-	-315
Increased or decreased amount of procurement credits ("-" represents decrease.)	-10,918	-5,991
Increased or decreased amount of incomplete work received amount ("-" represents decrease.)	997	1,025
Increased or decreased in other current liabilities ("-" represents decrease.)	-777	712
Increased or decreased in other fixed liabilities ("-" represents decrease.)	-50	-7
Sub-total	-3,489	-638
Received amount of interests and dividends	95	102
Paid interest amount	-83	-81
Paid or refund amount of corporate tax, etc. ("-" represents paid)	-761	543
Cash flow on sales activities	-4,239	-73
Cash flow on investment activities		
Expenditures by acquiring of securities	-50	-49
Revenue by sales or redemption of securities	50	49
Expenditures by acquiring of tangible fixed assets	-59	-73
Revenue by sales of tangible fixed assets	3	87
Expenditures by acquiring of investment securities	-403	-232
Revenue by sales or redemption of investment securities	150	-
Revenue from loans receivable	6	2
Other payments	-160	-45
Other revenues	21	30
Cash flow on investment activities	-441	-230

	Previous Second Quarter Consolidated Cumulative Period (From April 1, 2010 to September 30, 2010)	Current Second Quarter Consolidated Cumulative Period (From April 1, 2011 to September 30, 2011)
Cash flow on financial activities		
Revenue by short-term loans	21,420	15,820
Expenditures by repayment of short-term loans	-21,470	-15,920
Revenue by long-term loans	1,200	1,300
Expenditures by repayment of long-term loans	-1,075	-1,067
Expenditures by acquiring of treasury stock	-4	-2
Revenue by sales of treasury stock	1	-
Paid amount of dividends	-357	-357
Cash flow on financial activities	-286	-227
Translation difference relating to cash and cash equivalents	-46	-225
Increased or decreased amount of cash and cash equivalents ("-" represents decrease.)	-5,013	-756
Balance of cash and cash equivalents at the beginning of period	29,936	23,911
Balance of cash and cash equivalents at the end of the quarterly period	24,922	23,154

(4)Notes to Going Concern Assumption

None

(5)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 Second Quarter Consolidated Cumulative period		Current Second Quarter Consolidated Cumulative Period		Previous consolidated accounting year	
		(From April 1, 2010 to September 30, 2010)		(From April 1, 2011 to September 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	8,686	16.1	11,936	22.1	20,765	18.8
	Air-conditioning work	33,620	62.3	30,687	56.8	64,949	58.6
	Plumbing/sanitation	11,672	21.6	11,381	21.1	25,036	22.6
	Total	53,978	100.0	54,004	100.0	110,751	100.0
	(Renewal work)	26,668	49.4	33,459	62.0	55,395	50.0
	(Overseas work)	1,623	3.0	5,412	10.0	2,301	2.1
Amount of completed works	Electrical work	9,222	19.8	9,105	17.4	20,285	18.6
	Air-conditioning work	27,222	58.3	32,580	62.1	66,206	60.6
	Plumbing/sanitation	10,230	21.9	10,743	20.5	22,733	20.8
	Total	46,675	100.0	52,429	100.0	109,224	100.0
	(Renewal work)	20,800	44.6	24,963	47.6	50,294	46.1
	(Overseas work)	1,845	4.0	2,913	5.6	5,809	5.3
Amount of works carried over	Electrical work	9,086	10.1	12,933	15.0	10,101	11.9
	Air-conditioning work	62,713	69.3	53,165	61.7	55,059	65.1
	Plumbing/sanitation	18,558	20.6	20,058	23.3	19,421	23.0
	Total	90,358	100.0	86,157	100.0	84,582	100.0
	(Renewal work)	22,021	24.4	29,671	34.4	21,174	25.0
	(Overseas work)	4,705	5.2	3,918	4.6	1,419	1.7