

# Brief Report on the third 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/>

February 9, 2012  
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: February 10, 2012

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 third quarter of the period ending March 2012 (From April 1, 2011 to December 31, 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	%
Third quarter of the period ending March 2012	81,854	13.9	452	—	359	—	-319	—
Third quarter of the period ending March 2011	71,836	-9.3	-407	—	-353	—	-402	—

(Reference) Comprehensive income: Third quarter of the period ending March 2012 -178 million yen (— %), Third quarter of the period ending March 2011 -644 million yen (— %)

	Quarterly net income per share (basic)		Quarterly net income per share (diluted)	
	Yen	Sen	Yen	Sen
Third quarter of the period ending March 2012	-7.16	—	—	—
Third quarter of the period ending March 2011	-9.00	—	—	—

(2) Consolidated financial condition

	Total assets		Net assets		Equity capital ratio	
	Million yen		Million yen		%	
Third quarter of the period ending March 2012	94,190		40,350		42.8	
Period ended March 2011	96,306		41,259		42.8	

(Reference) Equity capital: Third quarter of the period ending March 2012 40,279 Million yen, Period ending March 2011 41,193 Million yen

2. Dividend status

1. Dividend status										
	Annual Dividends									
	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 2011	—		8.00		—		8.00		16.00	
Period ending March 2012	—		8.00		—					
Period ending March 2012 (Forecast)							8.00		16.00	

(Note) Presence or absence of revision of 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	2,500	102.3	2,300	71.3	1,000	77.0	22.38	—

(Note) Presence or absence of revision of 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 cumulative total)

•	Third quarter of period ending March 2012	45,963,803 shares	Period ending March 2011	45,963,803 shares
,	Third quarter of period ending March 2012	1,313,258 shares	Period ending March 2011	1,280,170 shares
<i>f</i>	Third quarter of period ending March 2012	44,677,233 shares	Third quarter of period ending March 2011	44,696,177 shares

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

Review procedure of the quarter financial statement under the Financial Instruments and Exchange Act 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 can differ materially from forecasts above due to various factors. For precautions for the assumptions for the above forecasts and the use of forecasts of business results, please refer to information in the section “1. Qualitative Information on Current Quarter Account Settlement. (3) Qualitative Information on Consolidated Earnings Forecasts” on page 3 of the attached information.

(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	2,500	99.8	2,300	69.6	1,000	74.2	22	38

(Note) Presence or absence of revision of 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 Account Settlement

## (1) Qualitative Information on Consolidated Operating Results

Japan's economy in the current third quarter consolidated cumulative period remained in the state of uncertain prospects due to the ever-lasting severe conditions resulting from the effects of the Great East Japan Earthquake disaster and the Fukushima Daiichi Nuclear Power Plant accidents in addition to the drastic strong yen progression and prolongation, feeble U.S. economy recovery, still worrisome European financial turmoils and so on despite signs of supply chain recovery and upward corporate production activities.

Order-acceptance circumstance still remains severe in the construction industry mainly due to private-sector investment lacking in strength and public-sector investment hovering at low levels despite some demand for restoration and recovery work.

Under these circumstances, efforts were made to secure orders and profits under the mid-term operating plan "Go Back to the Starting Point to Realize Viable DAI-DAN." As a result, the following results were attained in the current third quarter consolidated cumulative period:

Accepted-order work amount increased 7,566 million yen from the year-earlier same quarter consolidated cumulative period to 84,940 million yen despite the severe order-acceptance circumstances.

Completed-work amount increased 10,017 million yen from the year-earlier same quarter consolidated cumulative period to 81,854 million yen because of the increase in accepted-order amount and progression in large-size works.

Completed-work gross profit increased 975 million yen from the year-earlier same quarter consolidated cumulative period to 7,683 million yen because of the increase in completed-work amount.

As for operating profit and loss, 452 million yen operating profit (vs. 407 million yen operating loss in the year-earlier same quarter consolidated cumulative period) was recorded because of the increase in completed-work gross profit.

As for ordinary profit and loss, 359 million yen ordinary profit (vs. 353 million yen ordinary loss in the year-earlier same quarter consolidated cumulative period) was recorded because of the occurrence of 231 million yen exchange loss etc. despite the increase in operating profit.

As for quarterly net profit and loss, 319 million yen quarterly net loss (vs. 402 million yen quarterly net loss in the year-earlier same quarter consolidated cumulative period) was recorded because of the occurrence of 322 million yen investment securities appraisal loss, 67 million yen increase in adjustment for corporate tax etc. due to deferred tax asset disposition, and so on despite the increase in ordinary profit.

## (2) Qualitative Information on Consolidated Financial State

### (Assets)

Liquid assets at the end of the current third quarter consolidated accounting period decreased 2,010 million yen from the end of the preceding consolidated accounting year to 74,501 million yen mainly because of the decrease (2,019 million yen) in bills receivable and completed-work accounts receivable and the decrease (208 million yen) in cash and deposits. Fixed assets decreased 105 million yen from the end of the preceding consolidated accounting year to 19,688 million yen mainly because the decrease (80 million yen) in tangible fixed assets, the decrease (135 million yen) in intangible fixed assets, the decrease (317 million yen) in deferred tax assets, etc. exceeded the increase (200 million yen) in investment securities, the increase (458 million yen) in prepaid pension expense, etc.

As a result, total assets decreased 2,116 million yen from the end of the preceding consolidated accounting year to 94,190 million yen.

### (Liabilities)

Liquid liabilities at the end of the current third quarter consolidated accounting period decreased 875 million yen from the end of the preceding consolidated accounting year to 49,856 million yen mainly because the decrease (3,255 million yen) in bills payable, work accounts payable, etc. exceeded the increase (856 million yen) in uncompleted work accounts received, the increase (938 million yen) in bonus payment reserve, the increase (434 million yen) in work loss reserve, etc. Fixed liabilities decreased 331 million yen from the end of the preceding consolidated accounting year to 3,983 million yen mainly because of the decrease (230 million yen) in long-term loans payable, the decrease (92 million yen) in retirement benefit reserve, etc.

As a result, total liabilities decreased 1,207 million yen from the end of the preceding consolidated accounting year to 53,839 million yen.

### (Net Assets)

Total net assets at the end of the current third quarter consolidated accounting period decreased 909 million yen from the end of the preceding consolidated accounting year to 40,350 million yen mainly because quarterly net loss posting (319 million yen), surplus dividend (714 million yen), etc. exceeded the increase (114 million yen) in other securities appraisal variance and the increase (22 million yen) in exchange conversion adjustment accounts.

As a result, the equity capital ratio was 42.8% or at the same level as at the end of the preceding consolidated accounting year.

(3) Qualitative Information on Consolidated Earnings Forecasts

See “Notice on Business Performance Forecast Amendment” published today for March 2012 period business performance forecast amendment and contents.

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 Third Quarter Consolidated Accounting Period (December 31, 2011)
Assets		
Liquid assets		
Cash and deposits	23,938	23,730
Bills receivables, completed work accounts receivables	48,839	46,819
Securities	100	99
Uncompleted work expenditures	387	1,022
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,092	1,077
Others	2,233	1,756
Allowance for bad debts	-80	-5
Total liquid assets	76,512	74,501
Fixed assets		
Tangible fixed assets	3,391	3,310
Intangible fixed assets	763	627
Investments and other assets		
Investment securities	7,033	7,234
Deferred tax assets	1,350	1,032
Prepaid pension expense	5,331	5,789
Others	2,978	2,514
Allowance for bad debts	-1,054	-820
Total investments and other assets	15,639	15,749
Total fixed assets	19,794	19,688
Total assets	96,306	94,190

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2011)	Current Third Quarter Consolidated Accounting Period (December 31, 2011)
<b>Liabilities</b>		
Lipuid liabilities		
Bills payable, work accounts payable	36,344	33,088
Short-term loans payable	6,645	6,631
Corporate tax, etc. payable	2	60
Uncompleted work accounts received	1,661	2,518
Reserves for bonus payment	—	938
Reserves for directors' bonuses	—	44
Reserves for completed work compensation	187	191
Reserves for work loss	811	1,246
Others	5,079	5,137
Total liquid liabilities	50,732	49,856
Fixed liabilities		
Long-term loans payable	2,095	1,865
Reserves for retirement benefits	1,544	1,451
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	3,983
Total liabilities	55,047	53,839
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	32,428	31,393
Treasury stock	-626	-642
Total shareholders' equity	41,091	40,040
Accumulated other comprehensive profit		
Appraisal variance of other securities	73	188
Exchange conversion adjustment account	28	50
Total accumulated other comprehensive profit	102	238
Minority interest equity	65	70
Total net assets	41,259	40,350
Total liabilities and net assets	96,306	94,190



(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement  
 (Quarterly Consolidated Profit and Loss Statement)  
 (Third Quarter Consolidated Cumulative Period)

(in million yen)

	Previous Third Quarter Consolidated Cumulative Period (From April 1, 2010 to December 31, 2010)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2011 to December 31, 2011)
Completed work amount	71,836	81,854
Completed work cost	65,129	74,170
Completed work gross profit	6,707	7,683
Selling expenses and general administrative expenses	7,114	7,230
Operating profit or operating loss (-)	-407	452
Non-operating income		
Interests received	17	11
Dividends received	119	138
Insurance claim received	151	98
Others	31	46
Total non-operating income	318	294
Non-operating expenses		
Interest payable	122	119
Guarantee charge payable	7	13
Loss on foreign exchange	122	231
Others	12	23
Total non-operating expenses	264	388
Ordinary profit or ordinary loss (-)	-353	359
Special profits		
Profit on sales of fixed assets	1	27
Profit on sales of investment securities	48	-
Reversal of allowance for bad debts	178	-
Compensation for transfer of property	-	34
Total special profits	228	61
Special losses		
Loss on sales of fixed assets	0	-
Loss on retirement of fixed assets	0	23
Appraisal Quarterly net loss on investment securities	102	322
Appraisal loss on golf-club membership	-	11
Total special losses	102	357
Quarterly net income or net loss (-) before income taxes and other adjustment	-226	63
Corporate tax, residence tax and business tax	80	104
Adjustment amounts such as for corporate taxes	104	267
Total corporate tax, etc.	185	371
Quarterly net loss (-) before adjustment of profit and loss of minority interests	-412	-308
Profit or loss of minority interests (-)	-9	11
Quarterly net loss (-)	-402	-319

(Quarterly Consolidated Comprehensive Income Statement)  
(Third Quarter Consolidated Cumulative Period)

(in million yen)

	Previous Third Quarter Consolidated Cumulative Period (From April 1, 2010 to December 31, 2010)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2011 to December 31, 2011)
Quarterly net loss (-) before adjustment of profit and loss of minority interests	-412	-308
Other comprehensive profit		
Appraisal variance of other securities	-226	114
Exchange conversion adjustment account	-5	15
Total other comprehensive profit	-231	130
Quarterly comprehensive profit	-644	-178
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-634	-183
Quarterly Comprehensive profit pertaining to minority shareholders	-9	5

## (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 Third Quarter Consolidated Cumulative period		Current Third Quarter Consolidated Cumulative Period		Previous consolidated accounting year	
		(From April 1, 2010 to December 31, 2010)		(From April 1, 2011 to December 31, 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	13,533	17.5	17,454	20.6	20,765	18.8
	Air-conditioning work	46,922	60.6	49,202	57.9	64,949	58.6
	Plumbing/sanitation	16,917	21.9	18,283	21.5	25,036	22.6
	Total	77,373	100.0	84,940	100.0	110,751	100.0
	(Renewal work)	39,242	50.7	51,245	60.3	55,395	50.0
	(Overseas work)	2,052	2.7	7,379	8.7	2,301	2.1
Amount of completed works	Electrical work	13,418	18.7	13,805	16.9	20,285	18.6
	Air-conditioning work	42,883	59.7	51,385	62.8	66,206	60.6
	Plumbing/sanitation	15,534	21.6	16,663	20.3	22,733	20.8
	Total	71,836	100.0	81,854	100.0	109,224	100.0
	(Renewal work)	32,880	45.8	40,185	49.1	50,294	46.1
	(Overseas work)	3,436	4.8	4,479	5.5	5,809	5.3
Amount of works carried over	Electrical work	9,737	11.0	13,751	15.7	10,101	11.9
	Air-conditioning work	60,354	68.1	52,876	60.3	55,059	65.1
	Plumbing/sanitation	18,500	20.9	21,040	24.0	19,421	23.0
	Total	88,592	100.0	87,668	100.0	84,582	100.0
	(Renewal work)	22,420	25.3	32,234	36.8	21,174	25.0
	(Overseas work)	3,543	4.0	4,319	4.9	1,419	1.7