

# Brief Report on the First Quarter Financial Statements for the Period Ending March 2013 [Japanese Standard] (Consolidated)

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

August. 9, 2012  
Listed Shares Exchanges:  
Tokyo Stock Exchange 1st section  
Osaka Securities Exchange 1st section

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

Inquiries to be addressed to: Hirokazu KAWAKUBO, Director, Senior Executive Corporate Officer, Head of General Administration Division

Tel. : 06 - 6447 - 8003

Scheduled date to file a quarterly report: August 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 first quarter of the period ending March 2013 (From April 1, 2012 to June 30, 2012)

### (1) Consolidated management performance (Cumulative total)

(Percentage indications 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 2013	25,285	16.1	-331	—	-290	—	-426	—
First quarter of the period ending March 2012	21,772	3.1	-629	—	-507	—	-480	—

(Reference) Comprehensive income: First quarter of the period ending March 2013 -441 million yen (— %), First quarter of the period ending March 2012 -412 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 2013	—	-9.56	—	—
First quarter of the period ending March 2012	—	-10.76	—	—

### (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 2013	97,692	41,397	42.3	925.31
Period ended March 2012	103,345	42,197	40.8	943.57

(Reference) Equity capital: First quarter of the period ending March 2013 41,306 Million yen, Period ending March 2012 42,123 Million yen

## 2. 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 2012	—	8.00	—	8.00	16.00
Period ending March 2013	—				
Period ending March 2013 (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 2013 (From April 1, 2012 to March 31, 2013)

(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)	58,500	11.6	750	39.1	750	63.5	300	—	6.72	
Total period	121,000	-0.9	3,000	11.4	3,000	9.6	1,500	27.6	33.60	

(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]: 121,000 Million yen

\* Annotations

- (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
  - ① Accounting policy change due to revision of accounting standards etc.: Yes
  - ② Accounting policy change other than ①: None
  - ③ Accounting estimate change: Yes
  - ④ Revision redisplay: None

(Note) These come under Article 10-5 of the “Regulations on Terms, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.” For details, please refer to Attached Data p.3 “2. Matters Concerning Summary Information (Annotations) (3) Representation of Changes in Accounting Policies and Changes and Revisions in Accounting Estimates.”

- (4) Number of issued shares (common stock)
  - ① Number of issued shares at the end of period (including treasury stock)
  - ② Number of treasury stock at the end of period
  - ③ Average numbers of shares in the period (Quarter total)

①	First quarter of period ending March 2013	45,963,803 shares	Period ending March 2012	45,963,803 shares
②	First quarter of period ending March 2013	1,322,817 shares	Period ending March 2012	1,321,248 shares
③	First quarter of period ending March 2013	44,641,504 shares	First quarter of period ending March 2012	44,682,270 shares

\* Display Concerning State of Quarter Review Procedure Implementation

Quarter report review 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 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 2013 (From April 1, 2012 to March 31, 2013)

(Percentage indications show increase or decrease from the previous period for total 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)	58,000	11.6	750	40.2	750	83.0	300	-		6 .72
Total period	120,000	-0.3	3,000	14.1	3,000	12.8	1,500	31.3		33 .60

(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]: 120,000 Million yen

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

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

Japan's economy in the current first quarter consolidated cumulative period remained unpredictable because of concerns over power shortage due to operation curtailment at nuclear power plants in addition to low stock prices against the background of European debt problems, foreign exchange rates turning to another strong yen, etc. despite a mild recovery of production activities, corporate revenues, etc.

In the construction industry, order taking environments continued severe because of factors including the persistent sense of equipment excess despite signs of feeble recovery seen in private sector equipment investments.

Under these circumstances, we tackled taking orders and ensuring profits under the mid-term business plan "DAI-DAN Challenging the New Age." As a result, business results for the current first quarter consolidated cumulative period were as follows:

Amount of work orders received was 29,134 million yen (up 3,299 million yen from the year-earlier same period) despite the severe order taking environments.

Amount of completed work was 25,285 million yen (up 3,513 million yen from the year-earlier same period) because of the effect of the amount of work orders received increase etc.

Completed work gross profit was 2,245 million yen (up 302 million yen from the year-earlier same period) because of the amount of completed work increase.

Operating loss was 331 million yen (down 297 million yen from the year-earlier same period) because of the completed work gross profit increase.

Ordinary loss was 290 million yen (down 217 million yen from the year-earlier same period) because of the operating loss decrease despite exchange loss of 83 million yen (up 82 million yen from the year-earlier same period).

Quarterly net loss after deduction for corporate tax, resident tax, business tax, adjustment for corporate tax etc., and minority interests in income was 426 million yen (down 54 million yen from the year-earlier same period) because of the ordinary loss decrease despite investment securities appraisal loss of 210 million yen (up 73 million yen from the year-earlier same period).

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

#### (Assets)

Current assets at the end of the current first quarter consolidated accounting period were 78,151 million yen (down 5,603 million yen from the end of the previous consolidated accounting year) mainly because decrease (13,221 million yen) etc. in bills receivable and completed work accounts receivable exceeded increase (8,024 million yen) etc. in cash and deposits. Fixed assets were 19,541 million yen (down 49 million yen from the end of the previous consolidated accounting year) mainly because decrease (38 million yen) in intangible fixed assets, decrease (269 million yen) etc. in investment securities exceeded increase (83 million yen) in tangible fixed assets, increase (208 million yen) etc. in prepaid pension expense.

As a result, total assets were 97,692 million yen (down 5,652 million yen from the end of the previous consolidated accounting year).

#### (Liabilities)

Total current liabilities at the end of the current first quarter consolidated accounting period were 52,836 million yen (down 4,531 million yen from the end of the previous consolidated accounting year) mainly because decrease (6,101 million yen) etc. in notes payable and work accounts payable exceeded increase (1,255 million yen) etc. in incompleting work accounts received. Fixed liabilities were 3,458 million yen (down 321 million yen from the end of the previous consolidated accounting year) mainly because of decrease (325 million yen) etc. in long-term loans payable.

As a result, total liabilities were 56,294 million yen (down 4,853 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 41,397 million yen (down 799 million yen from the end of the previous consolidated accounting year) mainly because of quarterly net loss posting (426 million yen), surplus distribution (357 million yen), etc.

As a result, net worth ratio was 42.3% (vs. 40.8% 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 9, 2012 remains unchanged.

2. Items concerning Summary Information (Annotations)

(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

Changes in Accounting Policies

(Changes in Depreciation Methods)

Because of the Corporate Tax Law revision, the Company, effective from the current first quarter consolidated accounting period, changed the depreciation methods to those under the revised Corporate Tax Law for application to tangible fixed assets acquired on and after April 1, 2012.

Effects of the change are minor.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2012)	Current First Quarter Consolidated Accounting Period (June 30, 2012)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	22,663	30,687
Note receivables, completed work accounts receivables	57,434	44,213
Securities	99	99
Incomplete work expenditures	466	775
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,228	1,408
Others	1,867	970
Allowance for bad debts	-6	-4
Total current assets	83,754	78,151
Fixed assets		
Tangible fixed assets	3,267	3,351
Intangible fixed assets	590	552
Investments and other assets		
Investment securities	8,118	7,849
Deferred tax assets	—	2
Prepaid pension costs	5,929	6,138
Others	2,497	2,476
Allowance for bad debts	-814	-828
Total investments and other assets	15,731	15,638
Total fixed assets	19,590	19,541
Total assets	103,345	97,692

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2012)	Current First Quarter Consolidated Accounting Period (June 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes payable, work accounts payable	41,235	35,133
Short-term loans payable	6,233	6,519
Corporate tax, etc. payable	489	48
Incomplete work accounts received	2,404	3,660
Reserves for bonuses	—	604
Reserves for directors' premiums	—	21
Reserves for completed work compensation	168	196
Reserves for work loss	1,152	960
Others	5,682	5,691
Total current liabilities	57,367	52,836
Fixed liabilities		
Long-term loans payable	1,623	1,297
Reserves for retirement benefits	1,433	1,407
Reserves for environmental measure	220	220
Long-term accounts payable	433	424
Reserves for overseas investment loss	5	4
Deferred tax liabilities	63	103
Others	0	0
Total fixed liabilities	3,780	3,458
Total liabilities	61,148	56,294
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	32,889	32,105
Treasury stock	-647	-647
Total shareholders' equity	41,531	40,747
Accumulated other comprehensive profit		
Evaluation difference of other securities	564	525
Currency translation adjustment account	27	33
Total accumulated other comprehensive profit	591	559
Minority interest equity	73	91
Total net assets	42,197	41,397
Total liabilities and net assets	103,345	97,692



## (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, 2011 to June 30, 2011)	Current First Quarter Consolidated Cumulative Period (From April 1, 2012 to June 30, 2012)
Completed work amount	21,772	25,285
Completed work cost	19,829	23,040
Completed work gross profit	1,942	2,245
Selling expenses and general administrative expenses	2,572	2,577
Operating loss (-)	-629	-331
Non-operating income		
Interests received	3	3
Dividends received	87	86
Insurance claim received	82	76
Others	10	11
Total non-operating income	184	177
Non-operating expenses		
Interest payable	39	38
Payment guarantee charge	2	6
Loss on foreign exchange	1	83
Others	20	7
Total non-operating expenses	62	136
Ordinary loss (-)	-507	-290
Special losses		
Loss on retirement of fixed assets	0	6
Evaluation loss on investments in securities	136	210
Golf club membership appraisal loss	-	1
Total special losses	136	218
Quarterly net loss before income taxes (-)	-644	-508
Corporate tax, residence tax and business tax	23	29
Adjustment amounts such as for corporate taxes	-186	-121
Total corporate tax, etc.	-163	-91
Quarterly net loss before adjustment of profit and loss of minority interests (-)	-480	-416
Minority interests in income	0	10
Quarterly net loss (-)	-480	-426

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

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2011 to June 30, 2011)	Current First Quarter Consolidated Cumulative Period (From April 1, 2012 to June 30, 2012)
Loss before minority interests (-)	-480	-416
Other comprehensive profit		
Evaluation difference of other securities	78	-38
Currency translation adjustment account	-9	13
Total other comprehensive profit	68	-25
Quarterly comprehensive profit	-412	-441
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-413	-458
Quarterly Comprehensive profit pertaining to minority shareholders	1	17

## (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, 2011 to June 30, 2011)		(From April 1, 2012 to June 30, 2012)		(From April 1, 2011 to March 31, 2012)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Component ratio %
Amount of work orders received	Electrical work	5,137	19.9	6,106	21.0	23,195	19.5
	Air-conditioning work	14,035	54.3	16,583	56.9	68,541	57.4
	Plumbing/sanitation	6,662	25.8	6,443	22.1	27,496	23.1
	Total	25,834	100.0	29,134	100.0	119,233	100.0
	(Renewal work)	15,443	59.8	14,394	49.4	66,916	56.1
	(Overseas work)	2,746	10.6	2,828	9.7	10,407	8.7
Amount of completed works	Electrical work	3,483	16.0	5,367	21.2	21,729	17.8
	Air-conditioning work	14,024	64.4	15,309	60.6	75,858	62.1
	Plumbing/sanitation	4,264	19.6	4,609	18.2	24,521	20.1
	Total	21,772	100.0	25,285	100.0	122,109	100.0
	(Renewal work)	9,957	45.7	13,557	53.6	62,894	51.5
	(Overseas work)	877	4.0	2,067	8.2	7,169	5.9
Amount of works carried over	Electrical work	11,755	13.3	12,307	14.4	11,567	14.2
	Air-conditioning work	55,069	62.1	49,016	57.3	47,742	58.4
	Plumbing/sanitation	21,819	24.6	24,231	28.3	22,396	27.4
	Total	88,644	100.0	85,555	100.0	81,706	100.0
	(Renewal work)	26,660	30.1	26,033	30.4	25,196	30.8
	(Overseas work)	3,289	3.7	5,418	6.3	4,657	5.7