

Brief Report on the Third 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/>

February 7, 2013
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: February 8, 2013

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 2013 (From April 1, 2012 to December 31, 2012)

(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 2013	83,600	2.1	303	-32.9	649	80.8	43	—
Third quarter of the period ending March 2012	81,854	13.9	452	—	359	—	-319	—

(Reference) Comprehensive income: Third quarter of the period ending March 2013 669 million yen (— %), Third quarter of the period ending March 2012 -178 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 2013		0.97		—
Third quarter of the period ending March 2012		-7.16		—

(2) Consolidated financial condition

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Third quarter of the period ending March 2013	94,751	42,148	44.4		941.70
Period ending March 2012	103,345	42,197	40.8		943.57

(Reference) Equity capital: Third quarter of the period ending March 2013 42,033 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	
	Yen	Sen	Yen	Sen	Yen	Sen
Period ending March 2012	—		8.00		—	
Period ending March 2013	—		8.00		—	
Period ending March 2013 (Forecast)					11.00	19.00

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

Breakdown of March 2013 term-end dividend: Ordinary dividend ¥8.00, memorial dividend ¥3.00.

3. Estimate of consolidated performance for the period ending March 2013 (From April 1, 2012 to March 31, 2013)

(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	116,000	-5.0	2,500	-7.1	2,500	-8.7	1,200	2.1		26.88

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

(Reference) 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
 • Accounting policy change due to revision of accounting standards etc.: Yes
 , Accounting policy change other than • : None
 ƒ Accounting estimate change: Yes
 „ 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)
 • Number of issued shares at the end of period (including treasury stock)
 , Number of treasury stock at the end of period
 ƒ Average numbers of shares in the period (Quarter total)

•	Third quarter of period ending March 2013	45,963,803 shares	Period ending March 2012	45,963,803 shares
,	Third quarter of period ending March 2013	1,328,754 shares	Period ending March 2012	1,321,248 shares
ƒ	Third quarter of period ending March 2013	44,638,955 shares	Third quarter of period ending March 2012	44,677,233 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 Settlement, (3) Qualitative Information on Consolidated Earnings Forecast” on page 3.

(Reference) Estimate of individual performance

Estimate of individual performance for the period ending March 2013 (From April 1, 2012 to March 31, 2013)

(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	115,000	-4.5	2,500	-4.9	2,500	-6.0	1,200	5.1	26	.88

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

(Reference) Estimated amount of work order received [full year]: 120,000 Million yen

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1. Qualitative Information on Current Quarter Consolidated Business Settlement.

(1) Qualitative Information on Consolidated Operating Results

Japan's economy in the current third quarter consolidated cumulative period stayed on the basic trends of weak yen and strong stock prices because of expectations for credit easing etc. from the new government that started near the period end. However, the production activities and corporate earnings during the period stayed almost at mild recovery and with European debt problems yet to be settled the economy remained unpredictable.

In the construction industry, order-taking environment remained severe with the sense of excess equipment etc. still remaining and the mild recovery seen in private-sector equipment investment was still devoid of strength.

Under these circumstances, as a result of efforts to secure orders and profits under the mid-term management plan "DAI-DAN Challenging the New Age," the performance attained in the current third quarter consolidated cumulative period was as follows:

Accepted order work amount, despite severe order-taking environment, was 88,443 million yen or up 3,502 million yen from the same quarter consolidated cumulative period a year before.

Finished work amount was 83,600 million yen or up 1,746 million yen from the same quarter consolidated cumulative period a year before mainly because of the increase in accepted order work amount.

Finished work gross profit was 7,624 million yen or down 58 million yen from the same quarter consolidated cumulative period a year before because of the decrease in finished work gross profit rate despite the increase in finished work amount.

Operating profit was 303 million yen or down 148 million yen from the same quarter consolidated cumulative period a year before because of the increase of 90 million yen in selling expenses and general administrative expenses from the same quarter consolidated cumulative period a year before and the decrease in finished work gross profit.

Ordinary profit was 649 million yen or up 290 million yen from the same quarter consolidated cumulative period a year before mainly because the exchange loss of 231 million yen in the same quarter consolidated cumulative period a year before turned into the exchange profit of 193 million yen in the current third quarter consolidated cumulative period.

As for quarterly net profit and loss, quarterly net profit was 43 million yen (vs. quarterly net loss of 319 million yen for the same quarter consolidated cumulative period a year before) mainly because investment securities appraisal loss was 159 million yen or down 163 million yen from the same quarter consolidated cumulative period a year before and as a result of deduction of corporate tax, resident tax and business tax, adjustment for corporate tax etc., and on minority shareholder profit because of 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 were 73,699 million yen or down 10,055 million yen from the end of the previous consolidated accounting year mainly because of the decrease (1,191 million yen) in cash and deposit and the decrease (10,006 million yen) in bills receivable and finished work accounts receivable. Fixed assets were 21,051 million yen or up 1,461 million yen from the end of the previous consolidated accounting year mainly because the increase (379 million yen) in tangible fixed assets, the increase (752 million yen) in investment securities, and the increase (535 million yen) in prepaid pension expenses exceeded the decrease (130 million yen) in intangible fixed assets.

As a result, total assets were 94,751 million yen or down 8,593 million yen from the end of the previous consolidated accounting year.

(Liabilities)

Current liabilities at the end of the current third quarter consolidated accounting period were 48,737 million yen or down 8,630 million yen from the end of the previous consolidated accounting year mainly because of the decrease (7,564 million yen) in bills payable and work accounts payable, the decrease (597 million yen) in short-term loans payable, and the decrease (457 million yen) in corporate tax etc. payable. Fixed liabilities were 3,865 million yen or up 85 million yen from the end of the previous consolidated accounting year mainly because the increase (503 million yen) in deferred tax liabilities exceeded the decrease (338 million yen) in long-term loans payable and the decrease (62 million yen) in retirement benefit reserve.

As a result, total liabilities were 52,602 million yen or down 8,545 million yen from the end of the previous consolidated accounting year.

(Net Assets)

Total net assets at the end of the current third quarter consolidated accounting period were 42,148 million yen or down 48 million yen from the end of the previous consolidated accounting year mainly because surplus distribution (714 million yen) exceeded quarterly net profit posting (43 million yen) and other securities appraisal difference increase (582 million yen).

As a result, the equity capital ratio was 44.4% (vs. 40.8% at the end of the previous consolidated accounting year).

(3) Qualitative Information on Consolidated Earnings Forecasts

The whole-period performance forecast published on November 8, 2012 remains unchanged.

2. Items Concerning Summary Information (Annotations)

(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

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 Third Quarter Consolidated Accounting Period (December 31, 2012)
Assets		
Current assets		
Cash on hand and in banks	22,663	21,472
Note receivables, completed work accounts receivables	57,434	47,428
Securities	99	99
Incomplete work expenditures	466	1,055
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,228	1,105
Others	1,867	2,542
Allowance for bad debts	-6	-5
Total current assets	83,754	73,699
Fixed assets		
Tangible fixed assets	3,267	3,647
Intangible fixed assets	590	459
Investments and other assets		
Investment securities	8,118	8,870
Prepaid pension costs	5,929	6,465
Others	2,497	2,437
Allowance for bad debts	-814	-829
Total investments and other assets	15,731	16,944
Total fixed assets	19,590	21,051
Total assets	103,345	94,751

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2012)	Current Third Quarter Consolidated Accounting Period (December 31, 2012)
Liabilities		
Current liabilities		
Notes payable, work accounts payable	41,235	33,670
Short-term loans payable	6,233	5,636
Corporate tax etc. payable	489	31
Incomplete work accounts received	2,404	2,826
Reserves for bonuses	—	799
Reserves for directors' premiums	—	44
Reserves for completed work compensation	168	182
Reserves for work loss	1,152	882
Others	5,682	4,663
Total current liabilities	57,367	48,737
Fixed liabilities		
Long-term loans payable	1,623	1,284
Deferred tax liabilities	63	567
Reserves for retirement benefits	1,433	1,370
Reserves for environmental measure	220	220
Reserves for overseas investment loss	5	2
Long-term accounts payable	433	420
Others	0	0
Total fixed liabilities	3,780	3,865
Total liabilities	61,148	52,602
Net Assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	32,889	32,218
Treasury stock	-647	-650
Total shareholders' equity	41,531	40,857
Accumulated other comprehensive profit		
Evaluation difference of other securities	564	1,147
Currency translation adjustment account	27	28
Total accumulated other comprehensive profit	591	1,175
Minority interest equity	73	115
Total net assets	42,197	42,148
Total liabilities and net assets	103,345	94,751

(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, 2011 to December 31, 2011)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2012 to December 31, 2012)
Completed work amount	81,854	83,600
Completed work cost	74,170	75,975
Completed work gross profit	7,683	7,624
Selling expenses and general administrative expenses	7,230	7,320
Operating profit	452	303
Non-operating income		
Interests received	11	9
Dividends received	138	147
Insurance claim received	98	98
Exchange profit	—	193
Others	46	35
Total non-operating income	294	485
Non-operating expenses		
Interest payable	119	117
Payment guarantee charge	13	11
Exchange loss	231	—
Others	23	9
Total non-operating expenses	388	139
Ordinary profit	359	649
Special profits		
Gain on sales of fixed assets	27	—
Compensation for transfer of property	34	—
Total special profits	61	—
Special losses		
Loss on retirement of fixed assets	23	37
Evaluation loss on investments in securities	322	159
Golf club membership appraisal loss	11	2
Total special losses	357	199
Quarterly net income before income taxes and other adjustment	63	450
Corporate tax, residence tax and business tax	104	70
Adjustment amounts such as for corporate taxes	267	296
Total corporate tax etc.	371	366
Quarterly net income or loss (-) before adjustment of profit and loss of minority interests	-308	83
Minority interests in income	11	39
Quarterly net loss (-)	-319	43

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

(in million yen)

	Previous Third Quarter Consolidated Cumulative Period (From April 1, 2011 to December 31, 2011)	Current Third Quarter Consolidated Cumulative Period (From April 1, 2012 to December 31, 2012)
Quarterly net income or loss (-) before adjustment of profit and loss of minority interests	-308	83
Other comprehensive profit		
Evaluation difference of other securities	114	582
Currency translation adjustment account	15	3
Total other comprehensive profit	130	585
Quarterly comprehensive profit	-178	669
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-183	627
Quarterly Comprehensive profit pertaining to minority shareholders	5	41

(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 Third Quarter Consolidated Cumulative period		Current Third Quarter Consolidated Cumulative Period		Previous consolidated accounting year	
		(From April 1, 2011 to December 31, 2011)		(From April 1, 2012 to December 31, 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	17,454	20.6	16,866	19.1	23,195	19.5
	Air-conditioning work	49,202	57.9	53,199	60.1	68,541	57.4
	Plumbing/sanitation	18,283	21.5	18,376	20.8	27,496	23.1
	Total	84,940	100.0	88,443	100.0	119,233	100.0
	(Renewal work)	51,245	60.3	42,656	48.2	66,916	56.1
	(Overseas work)	7,379	8.7	4,345	4.9	10,407	8.7
Amount of completed works	Electrical work	13,805	16.9	17,398	20.8	21,729	17.8
	Air-conditioning work	51,385	62.8	48,444	58.0	75,858	62.1
	Plumbing/sanitation	16,663	20.3	17,757	21.2	24,521	20.1
	Total	81,854	100.0	83,600	100.0	122,109	100.0
	(Renewal work)	40,185	49.1	43,933	52.6	62,894	51.5
	(Overseas work)	4,479	5.5	5,636	6.7	7,169	5.9
Amount of works carried over	Electrical work	13,751	15.7	11,036	12.8	11,567	14.2
	Air-conditioning work	52,876	60.3	52,497	60.6	47,742	58.4
	Plumbing/sanitation	21,040	24.0	23,015	26.6	22,396	27.4
	Total	87,668	100.0	86,549	100.0	81,706	100.0
	(Renewal work)	32,234	36.8	23,918	27.6	25,196	30.8
	(Overseas work)	4,319	4.9	3,366	3.9	4,657	5.7