

# Brief report on the Financial Statements for the period ending March, 2013

## [Japanese Standard] (Consolidated)

May 9, 2013

Name of listed company: DAI-DAN Co., Ltd.

Code No.: 1980 URL: <http://www.daidan.co.jp/>

Listed Shares Exchanges:

Tokyo Stock Exchange 1<sup>st</sup> section and

Osaka Securities Exchange 1<sup>st</sup> section

Tel. (06) 6447 - 8003

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

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Head of General Administration Division

Date scheduled for ordinary shareholders general meeting convention: June 27, 2013

Date scheduled for asset securities report submission: June 27, 2013

Date scheduled for dividend payment commencement: June 28, 2013

Creating supplements to the financial statement: None

Holding a briefing sessions on the financial statement: Yes

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

### 1. Consolidated performance for the period ending March, 2013 (From April 1, 2012 to March 31, 2013)

(1) Consolidated management performance (Percentage indications show increase or decrease from the previous period.)

|                          | Sales amount |      | Operating profit |       | Ordinary profit |       | Current net profit |       |
|--------------------------|--------------|------|------------------|-------|-----------------|-------|--------------------|-------|
|                          | Million yen  | %    | Million yen      | %     | Million yen     | %     | Million yen        | %     |
| Period ending March 2013 | 121,919      | -0.2 | 2,749            | 2.1   | 3,278           | 19.8  | 1,599              | 36.0  |
| Period ending March 2012 | 122,109      | 11.8 | 2,692            | 117.7 | 2,736           | 103.7 | 1,175              | 108.0 |

(Note) Comprehensive profit Period ending March 2013 3,518 million yen (110.3%) Period ending March 2012 1,673 million yen (— %)

|                          | Current net earnings per share |     | Current net earning per share after making potential share adjustments |     | Equity capital vs. current period net profit ratio |  | Total asset vs. ordinary profit ratio |  | Sales amount vs. operating profit ratio |  |
|--------------------------|--------------------------------|-----|--|-----|--|--|---------------------------------------|--|---|--|
|                          | Yen                            | Sen | Yen  | Sen | %  |  | %                                     |  | %                                       |  |
| Period ending March 2013 | 35.83                          |     | —  |     | 3.7  |  | 3.1                                   |  | 2.3                                     |  |
| Period ending March 2012 | 26.32                          |     | —  |     | 2.8  |  | 2.7                                   |  | 2.2                                     |  |

(Reference) Investment profit or loss on equity method Period ending March 2013 - million yen Period ending March 2012 - million yen

### (2) Consolidated financial condition

|                          | Total assets |  | Net assets  |  | Shareholders capital rate |  | Shareholder's capital per share |     |
|--------------------------|--------------|--|-------------|--|---------------------------|--|---------------------------------|-----|
|                          | Million yen  |  | Million yen |  | %                         |  | Yen                             | Sen |
| Period ending March 2013 | 106,155      |  | 44,988      |  | 42.3                      |  | 1,005.38                        |     |
| Period ending March 2012 | 103,345      |  | 42,197      |  | 40.8                      |  | 943.57                          |     |

(Reference) Equity capital Period ending March 2013 44,856 million yen Period ending March 2012 42,123 million yen

### (3) Consolidated cash flow condition

|                          | Cash flow from operating activities |  | Cash flow from investment activities |  | Cash flow from financial activities |  | Period end balance of cash and equivalent items |  |
|--------------------------|-------------------------------------|--|--------------------------------------|--|-------------------------------------|--|---|--|
|                          | Million yen                         |  | Million yen                          |  | Million yen                         |  | Million yen                                     |  |
| Period ending March 2013 | 1,261                               |  | -740                                 |  | -955                                |  | 22,420  |  |
| Period ending March 2012 | 876                                 |  | -397                                 |  | -1,619                              |  | 22,635  |  |

### 2. Dividend status

2. Dividend status

|  | Per-share dividend   |     |                       |     |                      |     | Total dividend<br>(through year) | Dividend trend<br>(consolidated) | Net asset vs. dividend ratio<br>(consolidated) |            |     |
|--|----------------------|-----|-----------------------|-----|----------------------|-----|----------------------------------|----------------------------------|--|------------|-----|
|  | End of first quarter |     | End of second quarter |     | End of third quarter |     |                                  |                                  |  | Period end |     |
|  | Yen                  | Sen | Yen                   | Sen | Yen                  | Sen | Yen                              | Sen                              | Million yen                                    | %          | %   |
| Period ending March 2012               | —                    |     | 8.00                  |     | —                    |     | 8.00                             |                                  | 714  | 60.8       | 1.7 |
| Period ending March 2013               | —                    |     | 8.00                  |     | —                    |     | 11.00                            |                                  | 847  | 53.0       | 1.9 |
| Period ending March 2014<br>(Forecast) | —                    |     | 8.00                  |     | —                    |     | 8.00                             |                                  | 16.00  | 39.7       |     |

### 3. Estimate of consolidated performance for the period ending March 2014 (From April 1, 2013 to March 31, 2014)

(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 |     |
|--|--------------|-----|------------------|-------|-----------------|-------|--------------------|------|--------------------------------|-----|
|  | Mil. yen     | %   | Mil. yen         | %     | Mil. yen        | %     | Mil. yen           | %    | Yen                            | Sen |
| 2nd quarter consolidated cumulative period | 57,500       | 2.3 | 1,000            | 216.4 | 1,000           | 162.2 | 500                | —    | 11.21                          |     |
| Full year                                  | 126,000      | 3.3 | 3,500            | 27.3  | 3,500           | 6.8   | 1,800              | 12.5 | 40.34                          |     |

(Reference) 1. Estimated amount of work order received (the 2<sup>nd</sup> quarter consolidated cumulative period) 60,500 million yen

2. Estimated amount of work order received (full year) 126,000 million yen

#### 4. Others

(1) Changes in key subsidiaries in the period (changes in specific subsidiaries requiring changes of consolidation scope) None

(2) 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 14-7 of the “Regulations on Terms, Forms and Preparation Methods of Consolidated Financial Statements (cases in which changes in accounting policies are difficult to distinguish from changes in accounting estimates).” For details, please refer to Attached Data p.13 “4. Consolidated Financial Statements, (5) Annotation items concerning consolidated financial statements (Changes in Accounting Policies).”

(3) Number of issued shares (common stock)

① Number of issued shares at the end of period (including treasury stock)

Period ending March 2013 45,963,803 shares Period ending March 2012 45,963,803 shares

② Number of treasury stock at the end of period

Period ending March 2013 1,347,546 shares Period ending March 2012 1,321,248 shares

③ Average numbers of shares during period

Period ending March 2013 44,634,770 shares Period ending March 2012 44,669,285 shares

(Reference) Outline of individual performance

1. Individual performance during the period ending March 2013 (From April 1, 2012 to March 31, 2013)

(1) Individual management performance (Percentage indications show increase or decrease from the previous period.)

|                          | Sales amount |      | Operating profit |       | Ordinary profit |      | Current net profit |      |
|--------------------------|--------------|------|------------------|-------|-----------------|------|--------------------|------|
|                          | Million yen  | %    | Million yen      | %     | Million yen     | %    | Million yen        | %    |
| Period ending March 2013 | 120,085      | -0.3 | 2,617            | -0.5  | 3,137           | 17.9 | 1,541              | 34.9 |
| Period ending March 2012 | 120,393      | 11.1 | 2,630            | 110.1 | 2,660           | 96.1 | 1,142              | 98.8 |

|                          | Current net earnings per share |     | Current net earning per share after making potential share adjustments |     |
|--------------------------|--------------------------------|-----|--|-----|
|                          | Yen                            | Sen | Yen  | Sen |
| Period ending March 2013 | 34.53                          | —   | —  | —   |
| Period ending March 2012 | 25.58                          | —   | —  | —   |

(2) Individual financial condition

|                          | Total assets | Net assets  | Shareholders capital rate | Shareholder's capital per share |
|--------------------------|--------------|-------------|---------------------------|---------------------------------|
|                          | Million yen  | Million yen | %                         | Yen Sen                         |
| Period ending March 2013 | 105,452      | 44,623      | 42.3                      | 1,000.17                        |
| Period ending March 2012 | 102,806      | 41,962      | 40.8                      | 939.97                          |

(Reference) Equity capital Period ending March 2013 44,623 million yen Period ending March 2012 41,962 million yen

2. Individual performance forecast for the period ending March 2014 (From April 1, 2013 to March 31, 2014)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the 2nd quarter cumulative period.)

|   | Sales amount |     | Operating profit |       | Ordinary profit |       | Current net profit |      | Current net earnings per share |     |
|---|--------------|-----|------------------|-------|-----------------|-------|--------------------|------|--------------------------------|-----|
|   | Mil. yen     | %   | Mil. yen         | %     | Mil. yen        | %     | Mil. yen           | %    | Yen                            | Sen |
| 2nd quarter consolidated cumulated period | 57,000       | 3.3 | 1,000            | 334.2 | 1,000           | 241.1 | 500                | —    | 11.21                          | —   |
| Full year                                 | 125,000      | 4.1 | 3,500            | 33.7  | 3,500           | 11.6  | 1,800              | 16.8 | 40.34                          | —   |

(Reference) ① Estimated amount of work orders received (the 2<sup>nd</sup> quarter consolidated cumulative period) 60,000 million yen

② Estimated amount of work orders received (full year) 125,000 million yen

※ Display concerning state of audit proceeding implementation

Financial statement audit proceeding in accordance with Financial Instruments and Exchange Act is under way at the time of disclosure of this brief report.

※ Explanation about adequate use of achievement forecasts and other noteworthy matters

Future-related descriptions like achievement prospects etc. given in this report are based on information currently available to the Company and given premises determined rationally by the Company, and actual achievements etc. may vary widely owing to various factors. Please see Attachment, Page 2 “1. Management Record / Analysis Concerning Financial Positions (1) Analysis Concerning Operating Results” for caution etc. on the use of hypotheses as achievement forecast premises and achievement forecasts.

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## 1. Analysis Concerning Operating Results and Financial Positions

### (1) Analysis Concerning Operating Results

#### 1) Operating Results in the Current Consolidated Accounting Year

Japan's economy in the current consolidated accounting year was on the way toward a moderate business recovery because of the demand for reconstruction from the Great East Japan Earthquake disaster. On the other hand, signs of business recovery were seen because financial policies of the new administration turned the yen value lower and stock prices higher despite the presence of unpredictability such as European debt problems and slowdown of economic growth in emerging countries including China.

In the construction industry, despite the presence of some demand for reconstruction-related works, order taking environment continued severe with private sector equipment investment lacking in vitality and a sense of excess still remaining in equipment front.

Under these circumstances, efforts were made to secure orders and profits in accordance with the mid-term business plan "Dai-Dan Challenging the New Age." As a result, the following business results were obtained in the current consolidated accounting year:

Received order work amount, despite the severe order taking environments, was 119,980 million yen or up 747 million yen from the previous consolidated accounting year.

Completed work amount was 121,919 million yen with a slight decrease from the previous consolidated accounting year.

Completed work gross profit was 12,742 million yen or up 365 million yen from the previous consolidated accounting year because of the increase in completed work gross profit rate.

Despite 308 million yen increase in selling expenses and general administration expenses from the previous consolidated accounting year, operating profit was 2,749 million yen with a slight increase from the previous consolidated accounting year because of the increase in completed work gross profit.

Ordinary profit was 3,278 million yen or up 541 million yen from the previous consolidated accounting year mainly because the 75 million yen exchange loss that occurred in the previous consolidated accounting year turned into 383 million yen exchange gain in the current consolidated accounting year.

As a result of posting 49 million yen loss on retirement of fixed asset etc. as special losses and deducting for corporate tax, resident tax, business tax, adjustment for corporate tax etc. and minority shareholder profit, the current period net profit was 1,599 million yen or up 423 million yen from the previous consolidated accounting year.

#### 2) Prospects for the Next Period

Future prospects are expected to allow no prediction because of the presence of unpredictability overseas economy including Europe and China though corporate earnings are expected to improve because of the effect of the financial policies of the government.

In the construction industry, unpredictability is expected to remain in the business prospects though private sector equipment investment is expected to increase because of mild recovery of corporate business performance.

In view of these circumstances, the prospects for the next business period are 126,000 million yen respectively for received order work amount and completed work amount, 3,500 million yen respectively for operating profit and ordinary profit, and 1,800 million yen for current period net profit.

### (2) Analysis Concerning Financial Positions

#### 1) States of Assets, Liabilities and Net Assets

Total assets at the end of the current consolidated accounting year were 106,155 million yen with an increase of 2,809 million yen from the end of the previous consolidated accounting year.

Current assets were 82,581 million yen with a decrease of 1,173 million yen from the end of the previous consolidated accounting year mainly because of decrease (1,110 million yen) in bills receivable and completed work accounts receivable.

Fixed assets were 23,574 million yen or up 3,983 million yen from the end of the previous consolidated accounting year mainly because of increase (702 million yen) in tangible fixed assets, increase (2,889 million yen) in investment securities and increase (657 million yen) in prepaid pension costs.

Total liabilities at the end of the current consolidated accounting year were 61,167 million yen or up 18 million yen from the end of the previous consolidated accounting year.

Current liabilities were 56,405 million yen or down 962 million yen from the end of the previous consolidated accounting year mainly because decrease (1,255 million yen) in bills payable and work accounts payable and decrease (761 million yen) in work loss reserves exceeded increase (299 million yen) in corporate taxes etc. payable.

Fixed liabilities were 4,761 million yen or up 981 million yen from the end of the previous consolidated

accounting year mainly because increase (1,391 million yen) in deferred tax liability exceeded decrease (245 million yen) in long-term loans payable and decrease (104 million yen) in retirement benefit reserve. Net assets at the end of the current consolidated accounting year were 44,988 million yen or up 2,790 million yen from the end of the previous consolidated accounting year mainly because current period net profit posting (1,599 million yen) and increase (1,847 million yen) in evaluation difference of other securities exceeded dividend of earned surplus (714 million yen).

## 2) State of Cash Flows

Cash and cash equivalents (“funds”) in the current consolidated accounting year were 22,420 million yen (with 1.0% decrease) or down 215 million yen from the end of the previous consolidated accounting year. Given below are the state of respective cash flows and their factors in the current consolidated accounting year.

### (Cash Flow from Operating Activities)

Fund increase from operating activities was 1,261 million yen (vs. 876 million yen fund increase in the previous consolidated accounting year) mainly because fund increasing factors such as posting of current period net profit before adjustment for tax etc. and decrease in sales credits exceeded fund decreasing factors such as decrease in trade payables and payment of corporate tax etc.

### (Cash Flow from Investment Activities)

Fund expense from investment activities was 740 million yen (vs. 397 million yen fund expense in the previous consolidated accounting year) mainly because of expense for tangible fixed asset acquisition.

### (Cash Flow from Financial Activities)

Fund decrease from financial activities was 955 million yen (vs. 1,619 million yen fund decrease in the previous consolidated accounting year) mainly because total of short- and long-term loans payable repayments exceeded total of revenues from short- and long-term borrowings and because of dividend payment.

## (Reference) Transition of cash flow-related indexes

|   | Period ending<br>March 2009 | Period ending<br>March 2010 | Period ending<br>March 2011 | Period ending<br>March 2012 | Period ending<br>March 2013 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Shareholders' equity ratio                    | 41.0%                       | 42.2%                       | 42.8%                       | 40.8%                       | 42.3%                       |
| Shareholders' equity ratio at market value    | 19.7%                       | 21.2%                       | 23.6%                       | 22.2%                       | 21.1%                       |
| Cash flow to interest-bearing liability ratio | 1.1 years                   | 2.3 years                   | —                           | 9.0 years                   | 6.0 years                   |
| Interest coverage ratio                       | 47.5 times                  | 26.3 times                  | —                           | 5.5 times                   | 8.2 times                   |

Shareholders' equity ratio:

Shareholders' equity/Total assets

Shareholders' equity ratio at market value:

Aggregate market value of shares/Total assets

Cash flow to interest-bearing liability ratio:

Interest-bearing liabilities/Operating cash flow

Interest coverage ratio:

Operating cash flow/Interest payment

\* Indexes are all calculated by financial values on a consolidated basis.

\* Total market-price stock values are calculated on the basis of the number of issued stocks excluding treasury stock.

\* Operating cash flow uses cash flow from operating activities given in consolidated cash flow calculation sheets.

\* Interest-bearing liabilities cover all interest-paying liabilities of the liabilities given in the consolidated balance sheet.

Interest payment amount given in the consolidated cash flow calculation sheets is used for interest payment.

## 2. State of Corporate Group

Disclosure is omitted because of the absence of major changes from “Business Systematic Chart (Content of Business)” and “State of Affiliate Companies” in the latest securities report (submitted on June 28, 2012).

## 3. Management Policies

### **(1) Basic policy on management**

Our Company Group enforces the management policy of “challenging to create a new value and contributing to the achievement of more favorable global environment and the progress of society at all times as a general facility work company” and provides customers with technologies and services, which are ahead of their needs, thus working toward upgrading the corporate value.

Furthermore, the company has an on-target grasp of changes in the industrial structure and conducts the speedy and practical management with an eye toward becoming a vigorous company.

### **(2) Management index goal:**

In the 3-year mid-term business plan starting in 2012 the Company Group aims at work amount on accepted orders of 131,000 million yen, completed work amount of 131,000 million yen and operating profit of 4,000 million yen as consolidated business results for the final year 2014.

### **(3) Mid- and Long-Term Management Strategies and Problems to be Addressed**

The Company has tackled to reinforce business foundations for revenue ensuring and future growth in accordance with the mid-term business plan “Dai-Dan Challenging the New Age” that started in April 2012. Environments surrounding the Company suggest recovery of equipment investment minds with improvement in corporate performance but spread of ripple effects of investment in construction equipment will take time. To meet this situation and to keep on development of the Company as a general equipment work company it is important to raise corporate added values by promoting mid-term business plan strategies and policies.

The mid-term business plan promotes the following strategies and measures:

- 1) The new research facilities that were under construction at the technological research laboratory were completed in March and inaugurated in April 2013. The new research facilities have experiment zones that simulate indoor environment necessary to manufacture of storage batteries, pharmaceuticals, etc. This allows promotion of industrial air-conditioning R&D and progressive challenge on fields where high-level technologies of device, bio, etc. are required. Further, suggestion business will be reinforced in the medical fields where we have rich results. Experiment facilities will be installed on renewable energy like solar power and distributed energy (co-generation) to promote and realize “saving-creating-storaging” energy technology R&D for smart energy that is a component of a smart community.
- 2) As a part of customer-cohesion type one-stop service considering building life cycle, a “customer consultation service” was installed at all business offices in the country. After inauguration and delivery, the customer support system will be reinforced to meet various needs, upgrade services and increase taking orders for renewal works.
- 3) Aiming at workplace safety, quality improvement, and cost reduction, the Meister system introduced in 2011 was revised partially for implementation of measures to foster more and more excellent foremen, senior foremen.

All these efforts will realize proactive Daidan, always allow us to challenge new value creation, and contribute to realization of a better global environment and development of society.

## 4. Consolidated Financial Statements

## (1) Consolidated balance sheet

(in million yen)

|   | Previous consolidated<br>accounting year<br>(As of March 31, 2012) | Current consolidated<br>accounting year<br>(As of March 31, 2013) |
|---|--|---|
| <b>Assets</b>   |  |   |
| Current assets  |  |   |
| Cash on hand and in banks   | 22,663   | 22,447  |
| Bills receivables, completed work accounts<br>receivables             | 57,434   | 56,324  |
| Securities  | 99   | 49  |
| Incomplete work expenditures  | 466  | 314   |
| Inventories of raw materials and supplies                             | 0  | 0   |
| Deferred tax assets   | 1,228  | 1,003   |
| Others  | 1,867  | 2,446   |
| Allowance for bad debts   | -6   | -6  |
| <b>Total current assets</b>   | <b>83,754</b>  | <b>82,581</b>   |
| Fixed assets  |  |   |
| Tangible fixed assets   |  |   |
| Buildings and structures  | 4,568  | 5,417   |
| Accumulated depreciation  | -2,639   | -2,718  |
| Buildings and structures (net values)                                 | 1,929  | 2,699   |
| Machinery and equipment, and transportation<br>equipment              | 139  | 146   |
| Accumulated depreciation  | -105   | -111  |
| Machinery and equipment, and transportation<br>equipment (net values) | 34   | 34  |
| Tools and facilities  | 753  | 766   |
| Accumulated depreciation  | -549   | -587  |
| Tools and facilities (net values)                                     | 204  | 179   |
| Land  | 1,057  | 1,057   |
| Construction in progress  | 42   | —   |
| <b>Total tangible fixed assets</b>                                    | <b>3,267</b>   | <b>3,970</b>  |
| Intangible fixed assets   | 590  | 417   |
| Investments and other assets  |  |   |
| Investment securities   | 8,118  | 11,007  |
| Deferred tax assets   | —  | 2   |
| Prepaid pension costs   | 5,929  | 6,587   |
| Others  | 2,497  | 2,222   |
| Allowance for bad debts   | -814   | -632  |
| <b>Total investments and other assets</b>                             | <b>15,731</b>  | <b>19,186</b>   |
| <b>Total fixed assets</b>   | <b>19,590</b>  | <b>23,574</b>   |
| <b>Total assets</b>   | <b>103,345</b>   | <b>106,155</b>  |

(in million yen)

|  | Previous<br>consolidated accounting year<br>(As of March 31, 2012) | Current consolidated<br>accounting year<br>(As of March 31, 2013) |
|--|--|---|
| <b>Liabilities</b>                           |  |   |
| Current liabilities                          |  |   |
| Bills payable, work accounts payable         | 41,235   | 39,979  |
| Short-term loans payable                     | 6,233  | 6,251   |
| Corporate taxes, etc. payable                | 489  | 788   |
| Incomplete work accounts received            | 2,404  | 2,435   |
| Completed work compensation reserve          | 168  | 100   |
| Work loss reserves                           | 1,152  | 391   |
| Others                                       | 5,682  | 6,458   |
| Total current liabilities                    | 57,367   | 56,405  |
| Fixed liabilities                            |  |   |
| Long-term loans payable                      | 1,623  | 1,378   |
| Deferred tax liability                       | 63   | 1,455   |
| Retirement benefits reserve                  | 1,433  | 1,328   |
| Environment measure reserve                  | 220  | 220   |
| Overseas investment loss reserve             | 5  | 2   |
| Long-term accounts payable                   | 433  | 376   |
| Others                                       | 0  | 0   |
| Total fixed liabilities                      | 3,780  | 4,761   |
| Total liabilities                            | 61,148   | 61,167  |
| <b>Net Assets</b>                            |  |   |
| Shareholders' equity                         |  |   |
| Capital stock                                | 4,479  | 4,479   |
| Capital surplus                              | 4,809  | 4,809   |
| Earned surplus                               | 32,889   | 33,774  |
| Treasury stock                               | -647   | -660  |
| Total shareholders' equity                   | 41,531   | 42,403  |
| Accumulated other comprehensive profit       |  |   |
| Evaluation difference of other securities    | 564  | 2,412   |
| Currency translation adjustment account      | 27   | 40  |
| Total accumulated other comprehensive profit | 591  | 2,453   |
| Minority interest equity                     | 73   | 131   |
| Total net assets                             | 42,197   | 44,988  |
| Total liabilities and net assets             | 103,345  | 106,155   |



(2) Consolidated profit and loss statement and consolidated comprehensive income statement  
(Consolidated profit and loss statement)

(in million yen)

|  | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012<br>to March 31, 2013) |
|--|---|--|
| Completed work amount  | 122,109   | 121,919  |
| Completed work cost  | 109,732   | 109,177  |
| Completed work gross profit  | 12,377  | 12,742   |
| Selling expenses and general administrative expenses                                 | 9,684   | 9,992  |
| Operating profit   | 2,692   | 2,749  |
| Non-operating revenue  |   |  |
| Interests received   | 17  | 15   |
| Dividends received   | 150   | 162  |
| Real estate rent   | 35  | 34   |
| Insurance claim received   | 97  | 98   |
| Gain on foreign exchange   | —   | 383  |
| Others   | 20  | 11   |
| Total non-operating income   | 321   | 705  |
| Non-operating expenses   |   |  |
| Interest payable   | 160   | 154  |
| Payment guarantee charge   | 14  | 12   |
| Loss on foreign exchange   | 75  | —  |
| Others   | 25  | 10   |
| Total non-operating expenses   | 276   | 177  |
| Ordinary profit  | 2,736   | 3,278  |
| Special profits  |   |  |
| Profit on sales of fixed assets  | 28  | —  |
| Compensation for transfer of property  | 34  | —  |
| Total special profits  | 62  | —  |
| Special losses   |   |  |
| Loss on retirement of fixed assets   | 24  | 49   |
| Evaluation loss on investments in securities   | 27  | —  |
| Appraisal loss on golf-club membership   | 11  | 4  |
| Total special losses   | 63  | 54   |
| Current net profit before tax adjustments, etc.                                      | 2,736   | 3,224  |
| Corporate tax, residence tax and business tax  | 531   | 1,007  |
| Adjustment amounts such as for corporate taxes                                       | 1,013   | 574  |
| Total corporate taxes etc.   | 1,545   | 1,582  |
| Current period net profit before adjustment for minority shareholder profit and loss | 1,191   | 1,641  |
| Minority shareholder profit  | 15  | 42   |
| Current net profit   | 1,175   | 1,599  |

(Consolidated comprehensive income statement)

(in million yen)

|   | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Current period net profit before adjustment for minority<br>shareholder profit and loss | 1,191   | 1,641  |
| Other comprehensive profit  |   |  |
| Other securities appraisal variance   | 490   | 1,847  |
| Exchange conversion adjustment account  | -8  | 28   |
| Total other comprehensive profit  | 482   | 1,876  |
| Comprehensive profit  | 1,673   | 3,518  |
| (Particulars)   |   |  |
| Comprehensive profit pertaining to parent company<br>shareholders                       | 1,665   | 3,460  |
| Comprehensive profit pertaining to minority<br>shareholders                             | 8   | 57   |

## (3) Statement of changes in consolidated shareholders' equity, etc.

(in million yen)

|  | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012<br>to March 31, 2013) |
|--|---|--|
| <b>Shareholders' equity</b>            |   |  |
| Capital stock                          |   |  |
| Balance at the start of current period | 4,479   | 4,479  |
| Current period variables               |   |  |
| Current period variables total         | —   | —  |
| Current period-end balance             | 4,479   | 4,479  |
| Capital surplus                        |   |  |
| Balance at the start of current period | 4,809   | 4,809  |
| Current period variables               |   |  |
| Disposition of treasury stock          | -0  | 0  |
| Current period variables total         | -0  | 0  |
| Current period-end balance             | 4,809   | 4,809  |
| Earned surplus                         |   |  |
| Balance at the start of current period | 32,428  | 32,889   |
| Current period variables               |   |  |
| Dividend of earned surplus             | -714  | -714   |
| Current net profit                     | 1,175   | 1,599  |
| Current period variables total         | 460   | 885  |
| Current period-end balance             | 32,889  | 33,774   |
| Treasury stock                         |   |  |
| Balance at the start of current period | -626  | -647   |
| Current period variables               |   |  |
| Acquisition of treasury stock          | -22   | -14  |
| Disposition of treasury stock          | 1   | 1  |
| Current period variables total         | -20   | -13  |
| Current period-end balance             | -647  | -660   |
| <b>Total shareholders' equity</b>      |   |  |
| Balance at the start of current period | 41,091  | 41,531   |
| Current period variables               |   |  |
| Dividend of earned surplus             | -714  | -714   |
| Current net profit                     | 1,175   | 1,599  |
| Acquisition of treasury stock          | -22   | -14  |
| Disposition of treasury stock          | 1   | 1  |
| Current period variables total         | 440   | 871  |
| Current period-end balance             | 41,531  | 42,403   |

(in million yen)

|   | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Accumulated other comprehensive profit  |   |  |
| Other securities appraisal variance   |   |  |
| Balance at the start of current period  | 73  | 564  |
| Current period variables  |   |  |
| Fluctuation amount (net amount) in current period<br>in items other than shareholder equity | 490   | 1,847  |
| Current period variables total  | 490   | 1,847  |
| Current period-end balance  | 564   | 2,412  |
| Exchange conversion adjustment account  |   |  |
| Balance at the start of current period  | 28  | 27   |
| Current period variables  |   |  |
| Fluctuation amount (net amount) in current period<br>in items other than shareholder equity | -1  | 13   |
| Current period variables total  | -1  | 13   |
| Current period-end balance  | 27  | 40   |
| Total accumulated other comprehensive profit  |   |  |
| Balance at the start of current period  | 102   | 591  |
| Current period variables  |   |  |
| Fluctuation amount (net amount) in current period<br>in items other than shareholder equity | 489   | 1,861  |
| Current period variables total  | 489   | 1,861  |
| Current period-end balance  | 591   | 2,453  |
| Minority interest equity  |   |  |
| Balance at the start of current period  | 65  | 73   |
| Current period variables  |   |  |
| Fluctuation amount (net amount) in current period<br>in items other than shareholder equity | 8   | 57   |
| Current period variables total  | 8   | 57   |
| Current period-end balance  | 73  | 131  |
| Total net assets  |   |  |
| Balance at the start of current period  | 41,259  | 42,197   |
| Current period variables  |   |  |
| Dividend of earned surplus  | -714  | -714   |
| Current net profit  | 1,175   | 1,599  |
| Acquisition of treasury stock   | -22   | -14  |
| Disposition of treasury stock   | 1   | 1  |
| Fluctuation amount (net amount) in current period<br>in items other than shareholder equity | 497   | 1,919  |
| Current period variables total  | 937   | 2,790  |
| Current period-end balance  | 42,197  | 44,988   |

## (4) Statement of consolidated cash flow

(in million yen)

|   | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated accounting<br>year<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| <b>Cash flow from operating activities</b>  |   |  |
| Current net profit before tax adjustments, etc.   | 2,736   | 3,224  |
| Depression expenses   | 437   | 402  |
| Increased or decreased amount of allowance for bad debts<br>("—" represents decrease.)          | -311  | -186   |
| Increased or decreased amount of reserves for retirement benefits<br>("—" represents decrease.) | -111  | -104   |
| Earned interest and dividends received  | -167  | -177   |
| Interest paid   | 160   | 154  |
| Evaluation loss on investments in securities<br>("—" represents profit.)                        | 27  | —  |
| Profit or loss on sales of fixed assets ("—" represents profit.)                                | -28   | —  |
| Loss on retirement of fixed assets  | 24  | 49   |
| Compensation for transfer of property   | -34   | —  |
| Appraisal loss on golf-club membership  | 11  | 4  |
| Increased or decreased amount of sales credits<br>("—" represents increase.)                    | -8,191  | 1,283  |
| Increased or decreased amount of incomplete work expenditures<br>("—" represents increase.)     | -78   | 152  |
| Other current asset increase and decrease<br>("—" represents increase.)                         | 27  | -780   |
| Other fixed assets increase and decrease ("—" represents increase.)                             | -597  | -657   |
| Increased or decreased amount of procurement credits<br>("—" represents decrease.)              | 4,891   | -1,255   |
| Increased or decreased amount of incomplete work received<br>amount ("—" represents decrease.)  | 742   | 30   |
| Other current liability increase and decrease<br>("—" represents decrease.)                     | 932   | -126   |
| Other fixed liability increase and decrease<br>("—" represents decrease.)                       | -8  | -60  |
| <b>Sub-total</b>  | <b>461</b>  | <b>1,952</b>   |
| Received amount of interests and dividends  | 167   | 177  |
| <b>Paid interest amount</b>   | <b>-159</b>   | <b>-153</b>  |
| Corporate taxes paid or refund ("—" represents paid)  | 406   | -714   |
| <b>Cash flow from operating activities</b>  | <b>876</b>  | <b>1,261</b>   |
| <b>Cash flow from investment activities</b>   |   |  |
| Revenue from time deposit refund  | 27  | 27   |
| Expenditures by depositing of time deposits   | -27   | -27  |
| Expenditures by acquiring of securities   | -99   | -49  |
| Revenue by sales and redemption of securities   | 100   | 99   |
| Expenditures by acquiring of tangible fixed assets  | -142  | -845   |
| Revenue by sales of tangible fixed assets   | 99  | —  |
| Expenditures by acquiring of investment securities  | -355  | -3   |
| Revenue by sales and redemption of investment securities  | —   | 2  |
| Expenditures by loans   | -3  | -30  |
| Revenue by recovery of loans  | 4   | 34   |
| Expenditures by acquiring of other fixed assets   | -98   | -68  |
| Revenue by sales of other fixed assets  | 99  | 121  |
| <b>Cash flow from investment activities</b>   | <b>-397</b>   | <b>-740</b>  |

(in million yen)

|   | Previous consolidated<br>accounting year<br>(From April 1, 2011<br>to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Cash flow from financial activities   |   |  |
| Revenue by short-term loans   | 32,570  | 32,380   |
| Expenditures by return of short-term loans  | -33,070   | -32,230  |
| Revenue by long-term loans  | 1,750   | 1,800  |
| Expenditures by return of long-term loans   | -2,134  | -2,177   |
| Expenditures by acquiring of treasury stock   | -22   | -14  |
| Revenue by sales of treasury stock  | 1   | 1  |
| Paid amount of dividends  | -714  | -714   |
| Cash flow from financial activities   | -1,619  | -955   |
| Translation difference relating to cash and cash equivalents                          | -134  | 217  |
| Increased or decreased amount of cash and cash equivalents ("—" represents decrease.) | -1,275  | -215   |
| Balance of cash and cash equivalents at the start of period                           | 23,911  | 22,635   |
| Balance of cash and cash equivalents at the end of period                             | 22,635  | 22,420   |

## (5) Annotation items concerning consolidated financial statements

(Annotation concerning going concern premise)

No applicable items.

(Changes in Accounting Policies)

Because of the Corporate Tax Law revision, the Company, effective from the current 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.

(Relating to consolidated balance sheet)

## 1. Bills maturing at the end of a consolidated accounting year

Accounting of bills maturing at the end of a consolidated accounting year is settled as of the date of bill clearance. Bills maturing at the end of the next consolidated accounting year are included in the balance at the end of the consolidated accounting year since the end of the current consolidated accounting year was a bank holiday.

|                   | Previous consolidated accounting year<br>(March 31, 2012) | Current consolidated accounting year<br>(March 31, 2013) |
|-------------------|---|--|
| Bills receivables | 61 million yen  | 39 million yen   |

## 2. Mortgaged assets and secured liabilities

Mortgaged assets and secured liabilities are as follows:

|                                       | Previous consolidated accounting year<br>(March 31, 2012) | Current consolidated accounting year<br>(March 31, 2013) |
|---------------------------------------|---|--|
| Investment securities                 | 76 million yen  | 103 million yen  |
| Liability corresponding to the above: |   |  |
| Short-term loans payable              | 100 million yen   | 75 million yen   |
| Long-term loans payable               | 75  | —  |

In addition to the above, the following asset is provided as mortgage for loans payable by the Company's investment companies engaged in PFI business:

|                       |                |                |
|-----------------------|----------------|----------------|
| Investment securities | 29 million yen | 29 million yen |
|-----------------------|----------------|----------------|

Further, the following asset is provided as mortgage for purchase liability performance bond of consolidated subsidiaries:

|              |                |                |
|--------------|----------------|----------------|
| Time deposit | 27 million yen | 27 million yen |
|--------------|----------------|----------------|

## 3. Contingent liability

Loss indemnity is given to investors to the following consolidated subsidiary on the amount of investment:

|                              | Previous consolidated accounting year<br>(March 31, 2012) | Current consolidated accounting year<br>(March 31, 2013) |
|------------------------------|---|--|
| DAI-DAN (THAILAND) CO., LTD. | 13 million yen  | 16 million yen   |

(Relating to consolidated profit and loss statement)

Main items of selling expenses and general administrative expenses are as follows:

|                                    | Previous consolidated accounting year<br>(From April 1, 2011 to March 31, 2012) | Current consolidated accounting year<br>(From April 1, 2012 to March 31, 2013) |
|------------------------------------|---|--|
| Employee salary and allowance      | 3,635 million yen   | 3,682 million yen  |
| Retirement benefit                 | 525   | 417  |
| Communication and traffic expenses | 897   | 882  |
| Computer expense                   | 445   | 441  |
| Depreciation expense               | 431   | 396  |
| Bad debt reserve transfer          | -251  | -9   |

(Account statement of changes in consolidated shareholder's equity etc.)

Previous consolidated accounting year (From April 1, 2011 to March 31, 2012)

1. Items relating to the type and number of issued stocks

| Type of stock                  | Start of the current consolidated accounting period | Increase | Decrease | End of the current consolidated accounting period |
|--------------------------------|---|----------|----------|---|
| Common stock (thousand shares) | 45,963  | —        | —        | 45,963  |

2. Items relating to the type and number of treasury stocks

| Type of stock                  | Start of the current consolidated accounting period | Increase | Decrease | End of the current consolidated accounting period |
|--------------------------------|---|----------|----------|---|
| Common stock (thousand shares) | 1,280   | 44       | 3        | 1,321   |

(Outline of variation causes)

Main items of increases are as follows:

Increase due to odd stock purchase request 44 thousand shares

Main items of decreases are as follows:

Decrease due to odd stock sale request. 3 thousand shares

3. Matters pertaining to new share subscription right etc.

There are no matters that come under this paragraph.

4. Items relating to dividend

(1) Paid amount of dividend

| Resolution  | Type of stock | Total dividends<br>(in million yen) | Dividend per stock<br>(in yen) | Record date        | Effective date   |
|---|---------------|-------------------------------------|--------------------------------|--------------------|------------------|
| Ordinary general meeting of shareholders on June 29, 2011 | Common stock  | 357                                 | 8.00                           | March 31, 2011     | June 30, 2011    |
| Board of directors on November 9, 2011                    | Common stock  | 357                                 | 8.00                           | September 30, 2011 | December 1, 2011 |

(2) Of the dividends with their record date belonging to the current consolidated accounting year, those becoming effective in the next consolidated accounting period.

| Resolution  | Type of stock | Resource for dividend | Total dividends<br>(in million yen) | Dividend per stock<br>(in yen) | Record date    | Effective date |
|---|---------------|-----------------------|-------------------------------------|--------------------------------|----------------|----------------|
| Ordinary general meeting of shareholders on June 28, 2012 | Common stock  | Surplus earnings      | 357                                 | 8.00                           | March 31, 2012 | June 29, 2012  |



Current consolidated accounting year (From April 1, 2012 to March 31, 2013)

1. Items relating to the type and number of issued stocks

| Type of stock                  | Start of the current consolidated accounting period | Increase | Decrease | End of the current consolidated accounting period |
|--------------------------------|---|----------|----------|---|
| Common stock (thousand shares) | 45,963  | —        | —        | 45,963  |

2. Items relating to the type and number of treasury stocks

| Type of stock                  | Start of the current consolidated accounting period | Increase | Decrease | End of the current consolidated accounting period |
|--------------------------------|---|----------|----------|---|
| Common stock (thousand shares) | 1,321   | 29       | 2        | 1,347   |

(Outline of variation causes)

Main items of increases are as follows:

Increase due to odd stock purchase request 29 thousand shares

Main items of decreases are as follows:

Decrease due to odd stock sale request 2 thousand shares

3. Matters pertaining to new stock subscription right etc.

There are no matters that come under this paragraph.

4. Items relating to dividend

(1) Paid amount of dividend

| Resolution  | Type of stock | Total dividends (in million yen) | Dividend per stock (in yen) | Record date        | Effective date   |
|---|---------------|----------------------------------|-----------------------------|--------------------|------------------|
| Ordinary general meeting of shareholders on June 28, 2012 | Common stock  | 357                              | 8.00                        | March 31, 2012     | June 29, 2012    |
| Board of directors on November 8, 2012                    | Common stock  | 357                              | 8.00                        | September 30, 2012 | December 3, 2012 |

(2) Of the dividends with their record date belonging to the current consolidated accounting year, those becoming effective in the next consolidated accounting period.

| Resolution  | Type of stock | Resource for dividend | Total dividends (in million yen) | Dividend per stock (in yen) | Record date    | Effective date |
|---|---------------|-----------------------|----------------------------------|-----------------------------|----------------|----------------|
| Ordinary general meeting of shareholders on June 27, 2013 | Common stock  | Surplus earnings      | 490                              | 11.00                       | March 31, 2013 | June 28, 2013  |

(Relating to consolidated cash flow statement)

The following table shows the relationship between the balance of cash and cash equivalents at the end of full-year period and the amounts of accounts listed in the full-year consolidated balance sheet

|  | Previous consolidated accounting year<br>(From April 1, 2011 to March 31, 2012) | Current consolidated accounting year<br>(From April 1, 2012 to March 31, 2013) |
|--|---|--|
| Cash and deposit accounts                                | 22,663 million yen  | 22,447 million yen   |
| Time deposits with time period of more than three months | -27   | -27  |
| Cash and cash equivalents                                | 22,635  | 22,420   |

(Segment Information etc.)

(Segment Information)

Previous consolidated accounting year (From April 1, 2011 to March 31, 2012)

Current consolidated accounting year (From April 1, 2012 to March 31, 2013)

Descriptions are omitted since the Company Group is a single segment of equipment work business.

(Per-share information)

| Items                               | Previous consolidated<br>accounting year<br>(From April 1, 2011 to March 31, 2012) | Current consolidated<br>accounting year<br>(From April 1, 2012 to March 31, 2013) |
|-------------------------------------|--|---|
| Per-share net asset                 | 943.57 yen   | 1,005.38 yen  |
| Per-share current period net profit | 26.32 yen  | 35.83 yen   |

(Note) 1. Per-share current period net profit after adjustment for potential shares is not mentioned because of the absence of potential shares.

2. Per-share current period net profit is calculated on the basis of the following:

|   | Previous consolidated accounting year<br>(From April 1, 2011 to March 31, 2012) | Current consolidated accounting year<br>(From April 1, 2012 to March 31, 2013) |
|---|---|--|
| Current period net profit (million yen)   | 1,175   | 1,599  |
| Amount not belonging to common stock<br>(million yen)                           | —   | —  |
| Current period net profit pertaining to<br>common stock (million yen)           | 1,175   | 1,599  |
| Average number of common stock<br>shares during the period (thousand<br>shares) | 44,669  | 44,634   |

(Important events subsequent to balance sheet date)

Not applicable

(On disclosure omission)

Disclosure of annotations concerning real estate and consolidated comprehensive income statement such as lease transactions, tax effect accounting, financial products, securities, retirement benefit, asset retirement obligation, lease and etc. is omitted since disclosure necessity in the brief report on the financial statements is considered small.

No annotations exist concerning information of the parties concerned, derivative transactions, stock options etc. and business combination etc.

## 5. Individual Financial Statements

## (1) Balance sheet

(in million yen)

|   | Previous fiscal year<br>(As of March 31, 2012) | Current fiscal year<br>(As of March 31, 2013) |
|---|--|---|
| <b>Assets</b>                               |  |   |
| Current assets                              |  |   |
| Cash on hand in banks                       | 22,300   | 21,771  |
| Bills receivables                           | 3,311  | 2,084   |
| Completed work accounts receivables         | 53,781   | 54,056  |
| Securities                                  | 99   | 49  |
| Incomplete work expenditures                | 469  | 307   |
| Inventories of raw materials and supplies   | 0  | 0   |
| Prepaid expense                             | 20   | 19  |
| Advance payments                            | 1,314  | 1,526   |
| Deferred tax assets                         | 1,226  | 1,001   |
| Others                                      | 522  | 892   |
| Allowance for bad debts                     | -5   | -5  |
| Total current assets                        | 83,043   | 81,704  |
| Fixed assets                                |  |   |
| Tangible fixed assets                       |  |   |
| Buildings                                   | 4,423  | 5,273   |
| Accumulated depreciation                    | -2,517   | -2,613  |
| Buildings (net values)                      | 1,905  | 2,659   |
| Structures                                  | 145  | 144   |
| Accumulated depreciation                    | -121   | -104  |
| Structures (net values)                     | 23   | 39  |
| Machinery and equipment                     | 17   | 17  |
| Accumulated depreciation                    | -16  | -7  |
| Machinery and equipment (net values)        | 0  | 9   |
| Vehicle and delivery equipment              | 99   | 102   |
| Accumulated depreciation                    | -80  | -89   |
| Vehicle and delivery equipment (net values) | 19   | 13  |
| Tools and facilities                        | 735  | 744   |
| Accumulated depreciation                    | -537   | -571  |
| Tools and facilities (net values)           | 198  | 172   |
| Land  | 1,057  | 1,057   |
| Construction in progress                    | 42   | —   |
| Total tangible fixed assets                 | 3,248  | 3,952   |
| Intangible fixed assets                     |  |   |
| Software                                    | 533  | 375   |
| Others                                      | 53   | 38  |
| Total intangible fixed assets               | 587  | 413   |

(in million yen)

|   | Previous fiscal year<br>(As of March 31, 2012) | Current fiscal year<br>(As of March 31, 2013) |
|---|--|---|
| <b>Investments and other assets</b>                           |  |   |
| Investment securities   | 8,052  | 10,942  |
| Affiliate company stock                                       | 289  | 289   |
| Long-term loans receivables                                   | 2  | -   |
| Long-term loan to employees                                   | 4  | 3   |
| Long-term loan to affiliate companies                         | 44   | 44  |
| Deposited guaranty money                                      | 634  | 648   |
| Long-term insurance premiums                                  | 367  | 309   |
| Bankruptcy-reorganization credit etc.                         | 325  | 110   |
| Prepaid pension costs   | 5,929  | 6,587   |
| Golf-club membership  | 651  | 599   |
| Others  | 101  | 99  |
| Allowance for bad debts                                       | -476   | -250  |
| Total investments and other assets                            | 15,928   | 19,382  |
| <b>Total fixed assets</b>                                     | <b>19,763</b>                                  | <b>23,748</b>                                 |
| Total assets  | 102,806  | 105,452                                       |
| <b>Liabilities</b>  |  |   |
| Current liabilities   |  |   |
| Bills payable   | 6,980  | 5,792   |
| Work accounts payable   | 34,095   | 34,040  |
| Short-term loans payable                                      | 4,240  | 4,390   |
| Long-term loans payable scheduled for repayment within 1 year | 1,993  | 1,861   |
| Accounts payable  | 395  | 568   |
| Expenses payable  | 2,126  | 2,122   |
| Corporate tax payable etc.                                    | 482  | 778   |
| Consumption tax payable etc                                   | 45   | 263   |
| Incomplete work accounts received                             | 2,337  | 2,342   |
| Accounts entrusted  | 2,451  | 2,813   |
| Accounts entrusted by employees                               | 606  | 630   |
| Completed work compensation reserve                           | 167  | 99  |
| Work loss reserves  | 1,152  | 391   |
| Others  | 14   | 2   |
| Total current liabilities                                     | 57,090   | 56,097  |
| Fixed liabilities   |  |   |
| Long-term loans payable                                       | 1,623  | 1,378   |
| Deferred tax liability  | 38   | 1,427   |
| Retirement benefits reserve                                   | 1,431  | 1,326   |
| Environment measure reserve                                   | 220  | 220   |
| Overseas investment loss reserve                              | 5  | 2   |
| Long-term accounts payable                                    | 433  | 376   |
| Others  | 0  | 0   |
| Total fixed liabilities                                       | 3,753  | 4,731   |
| <b>Total liabilities</b>                                      | <b>60,843</b>                                  | <b>60,829</b>                                 |

(in million yen)

|  | Previous fiscal year<br>(As of March 31, 2012) | Current fiscal year<br>(As of March 31, 2013) |
|--|--|---|
| Net Assets   |  |   |
| Shareholders' equity                                     |  |   |
| Capital stock  | 4,479  | 4,479   |
| Capital surplus  |  |   |
| Capital reserve  | 4,716  | 4,716   |
| Other capital surplus                                    | 93   | 93  |
| Capital surplus total                                    | 4,809  | 4,809   |
| Earned surplus   |  |   |
| Profit reserve   | 1,119  | 1,119   |
| Other profit surplus                                     |  |   |
| Fixed asset advanced depreciation reserve                | 68   | 65  |
| Contingent reserve                                       | 29,720   | 29,720  |
| Carried over profit surplus                              | 1,847  | 2,677   |
| Earned surplus total                                     | 32,755   | 33,582  |
| Treasury stock   | -647   | -660  |
| Total shareholders' equity                               | 41,398   | 42,211  |
| Evaluation / Currency translation difference, etc.       |  |   |
| Evaluation difference of other securities                | 564  | 2,412   |
| Total evaluation / Currency translation difference, etc. | 564  | 2,412   |
| Total net assets   | 41,962   | 44,623  |
| Total liabilities and net assets                         | 102,806  | 105,452                                       |

## (2) Profit and loss statement

(in million yen)

|  | Previous fiscal year<br>(From April 1, 2011 to<br>March 31, 2012) | Current fiscal year<br>(From April 1, 2012 to<br>March 31, 2013) |
|--|---|--|
| Completed work amount                                | 120,393   | 120,085  |
| Completed work cost                                  | 108,200   | 107,594  |
| Completed work gross profit                          | 12,193  | 12,490   |
| Selling expenses and general administrative expenses | 9,563   | 9,872  |
| Operating profit                                     | 2,630   | 2,617  |
| Non-operating revenue                                |   |  |
| Interests received                                   | 15  | 13   |
| Dividends received                                   | 150   | 162  |
| Real estate rent                                     | 35  | 34   |
| Insurance premium received                           | 97  | 98   |
| Gain on foreign exchange                             | -   | 377  |
| Others   | 20  | 8  |
| Total non-operating revenue                          | 319   | 696  |
| Non-operating expenses                               |   |  |
| Interest payable                                     | 160   | 154  |
| Payment guarantee charge                             | 14  | 12   |
| Loss on foreign exchange                             | 88  | -  |
| Others   | 24  | 10   |
| Total non-operating expenses                         | 289   | 177  |
| Ordinary profit                                      | 2,660   | 3,137  |
| Special profits                                      |   |  |
| Profit on sales of fixed assets                      | 27  | -  |
| Compensation for transfer of property                | 34  | -  |
| Total special profits                                | 61  | -  |
| Special losses                                       |   |  |
| Loss on retirement of fixed assets                   | 24  | 49   |
| Evaluation loss on investments in securities         | 27  | -  |
| Appraisal loss on golf-club membership               | 11  | 4  |
| Total special losses                                 | 63  | 54   |
| Current period net profit before tax                 | 2,658   | 3,083  |
| Corporate tax, residence tax and business tax        | 502   | 967  |
| Adjustment amounts such as for corporate taxes       | 1,013   | 575  |
| Total corporation tax etc.                           | 1,515   | 1,542  |
| Current net profit                                   | 1,142   | 1,541  |

## (3) Statement of changes in shareholders' equity, etc.

(in million yen)

|   | Previous fiscal year<br>(From April 1, 2011 to<br>March 31, 2012) | Current fiscal year<br>(From April 1, 2012 to<br>March 31, 2013) |
|---|---|--|
| <b>Shareholders' equity</b>               |   |  |
| Capital stock                             |   |  |
| Balance at the start of current period    | 4,479   | 4,479  |
| Current period variables                  |   |  |
| Current period variables total            | —   | —  |
| Current period-end balance                | 4,479   | 4,479  |
| <b>Capital surplus</b>                    |   |  |
| Capital reserve                           |   |  |
| Balance at the start of current period    | 4,716   | 4,716  |
| Current period variables                  |   |  |
| Current period variables total            | —   | —  |
| Current period-end balance                | 4,716   | 4,716  |
| <b>Other capital surplus</b>              |   |  |
| Balance at the start of current period    | 93  | 93   |
| Current period variables                  |   |  |
| Disposition of treasury stock             | -0  | 0  |
| Current period variables total            | -0  | 0  |
| Current period-end balance                | 93  | 93   |
| <b>Capital surplus total</b>              |   |  |
| Balance at the start of current period    | 4,809   | 4,809  |
| Current period variables                  |   |  |
| Disposition of treasury stock             | -0  | 0  |
| Current period variables total            | -0  | 0  |
| Current period-end balance                | 4,809   | 4,809  |
| <b>Earned surplus</b>                     |   |  |
| Profit reserve                            |   |  |
| Balance at the start of current period    | 1,119   | 1,119  |
| Current period variables                  |   |  |
| Current period variables total            | —   | —  |
| Current period-end balance                | 1,119   | 1,119  |
| <b>Other earned surplus</b>               |   |  |
| Fixed asset advanced depreciation reserve |   |  |
| Balance at the start of current period    | 71  | 68   |
| Current period variables                  |   |  |
| Reserve disposition                       | -3  | -3   |
| Current period variables total            | -3  | -3   |
| Current period-end balance                | 68  | 65   |
| Contingent reserve                        |   |  |
| Balance at the start of current period    | 29,720  | 29,720   |
| Current period variables                  |   |  |
| Reserve disposition                       | —   | —  |
| Current period variables total            | —   | —  |
| Current period-end balance                | 29,720  | 29,720   |

(in million yen)

|  | Previous fiscal year<br>(From April 1, 2011 to<br>March 31, 2012) | Current fiscal year<br>(From April 1, 2012 to<br>March 31, 2013) |
|--|---|--|
| <b>Carried over profit surplus</b>   |   |  |
| Balance at the start of current period   | 1,416   | 1,847  |
| <b>Current period variables</b>  |   |  |
| Reserve disposition  | 3   | 3  |
| Dividend of earned surplus   | -714  | -714   |
| Current net profit   | 1,142   | 1,541  |
| <b>Current period variables total</b>  | <b>430</b>  | <b>829</b>   |
| Current period-end balance   | 1,847   | 2,677  |
| <b>Profit surplus total</b>  |   |  |
| Balance at the start of current period   | 32,327  | 32,755   |
| <b>Current period variables</b>  |   |  |
| Reserve disposition  | -   | -  |
| Dividend of earned surplus   | -714  | -714   |
| Current net profit   | 1,142   | 1,541  |
| <b>Current period variables total</b>  | <b>427</b>  | <b>826</b>   |
| Current period-end balance   | 32,755  | 33,582   |
| <b>Treasury stock</b>  |   |  |
| Balance at the start of current period   | -626  | -647   |
| <b>Current period variables</b>  |   |  |
| Acquisition of treasury stock  | -22   | -14  |
| Disposition of treasury stock  | 1   | 1  |
| Current period variables total   | -20   | -13  |
| <b>Current period-end balance</b>  | <b>-647</b>   | <b>-660</b>  |
| <b>Total shareholders' equity</b>  |   |  |
| Balance at the start of current period   | 40,990  | 41,398   |
| <b>Current period variables</b>  |   |  |
| Reserve disposition  | -   | -  |
| Dividend of earned surplus   | -714  | -714   |
| Current net profit   | 1,142   | 1,541  |
| Acquisition of treasury stock  | -22   | -14  |
| Disposition of treasury stock  | 1   | 1  |
| Current period variables total   | 407   | 813  |
| <b>Current period-end balance</b>  | <b>41,398</b>   | <b>42,211</b>  |
| <b>Evaluation / Currency translation difference, etc.</b>                                |   |  |
| <b>Evaluation difference of other securities</b>   |   |  |
| Balance at the start of current period   | 73  | 564  |
| <b>Current period variables</b>  |   |  |
| Fluctuation amount (net amount) in current period in items other than shareholder equity | 490   | 1,847  |
| <b>Current period variables total</b>  | <b>490</b>  | <b>1,847</b>   |
| Current period-end balance   | 564   | 2,412  |
| <b>Total evaluation / currency translation difference, etc.</b>                          |   |  |
| Balance at the start of current period   | 73  | 564  |
| <b>Current period variables</b>  |   |  |
| Fluctuation amount (net amount) in current period in items other than shareholder equity | 490   | 1,847  |
| <b>Current period variables total</b>  | <b>490</b>  | <b>1,847</b>   |
| Current period-end balance   | 564   | 2,412  |



(in million yen)

|   | Previous fiscal year<br>(From April 1, 2011 to<br>March 31, 2012) | Current fiscal year<br>(From April 1, 2012 to<br>March 31, 2013) |
|---|---|--|
| Total net assets  |   |  |
| Balance at the start of current period  | 41,064  | 41,962   |
| Current period variables  |   |  |
| Reserve disposition   | —   | —  |
| Dividend of earned surplus  | -714  | -714   |
| Current net profit  | 1,142   | 1,541  |
| Acquisition of treasury stock   | -22   | -14  |
| Disposition of treasury stock   | 1   | 1  |
| Fluctuation amount (net amount) in current period in<br>items other than shareholder equity | 490   | 1,847  |
| Current period variables total  | 897   | 2,661  |
| Current period-end balance  | 41,962  | 44,623   |

- (4) Annotation items concerning individual finance statements  
(Annotation Concerning Going Concern Premise)

No applicable items.

## 6. Others

- (1) Board member changes

- 1) Changes in Representative Directors

No applicable items.

- 2) Change in other board members

- Newly appointed director candidate

Director, Corporate Officer, Head  
of Technical Development Division

Kazuya Yoshida

(Currently Senior Corporate Officer,  
Head of Technical Development  
Division)

- 3) Scheduled Date of Assumption of Office  
June 27, 2013

## (2) Others

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

(in million yen)

|                                   |                             | Previous consolidated<br>accounting year |                      | Current consolidated<br>accounting year   |                      | Difference |       |
|-----------------------------------|-----------------------------|--|----------------------|---|----------------------|------------|-------|
|                                   |                             | (From April 1, 2011<br>to March 31,2012) |                      | (From April 1, 2012<br>to March 31, 2013) |                      |            |       |
|                                   |                             | Amount                                   | Component<br>ratio % | Amount                                    | Component<br>ratio % | Amount     | %     |
| Amount of work orders<br>received | Electrical work             | 23,195                                   | 19.5                 | 24,171                                    | 20.1                 | 976        | 4.2   |
|                                   | Air-conditioning work       | 68,541                                   | 57.4                 | 71,230                                    | 59.4                 | 2,689      | 3.9   |
|                                   | Plumbing/sanitation<br>work | 27,496                                   | 23.1                 | 24,578                                    | 20.5                 | -2,917     | -10.6 |
|                                   | Total                       | 119,233                                  | 100.0                | 119,980                                   | 100.0                | 747        | 0.6   |
|                                   | (Renewal work)              | 66,916                                   | 56.1                 | 58,517                                    | 48.8                 | -8,399     | -12.6 |
|                                   | (Overseas work)             | 10,407                                   | 8.7                  | 5,599                                     | 4.7                  | -4,807     | -46.2 |
| Amount of completed<br>works      | Electrical work             | 21,729                                   | 17.8                 | 24,649                                    | 20.2                 | 2,920      | 13.4  |
|                                   | Air-conditioning work       | 75,858                                   | 62.1                 | 71,194                                    | 58.4                 | -4,663     | -6.1  |
|                                   | Plumbing/sanitation<br>work | 24,521                                   | 20.1                 | 26,075                                    | 21.4                 | 1,553      | 6.3   |
|                                   | Total                       | 122,109                                  | 100.0                | 121,919                                   | 100.0                | -189       | -0.2  |
|                                   | (Renewal work)              | 62,894                                   | 51.5                 | 63,350                                    | 52.0                 | 456        | 0.7   |
|                                   | (Overseas work)             | 7,169                                    | 5.9                  | 6,552                                     | 5.4                  | -617       | -8.6  |
| Amount of works carried<br>over   | Electrical work             | 11,567                                   | 14.2                 | 11,089                                    | 13.9                 | -478       | -4.1  |
|                                   | Air-conditioning work       | 47,742                                   | 58.4                 | 47,777                                    | 59.9                 | 35         | 0.1   |
|                                   | Plumbing/sanitation<br>work | 22,396                                   | 27.4                 | 20,900                                    | 26.2                 | -1,496     | -6.7  |
|                                   | Total                       | 81,706                                   | 100.0                | 79,767                                    | 100.0                | -1,938     | -2.4  |
|                                   | (Renewal work)              | 25,196                                   | 30.8                 | 20,362                                    | 25.5                 | -4,833     | -19.2 |
|                                   | (Overseas work)             | 4,657                                    | 5.7                  | 3,704                                     | 4.6                  | -952       | -20.5 |

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

(in million yen)

|                                   |                             | Previous fiscal year                     |                      | Current fiscal year                       |                      | Difference |       |
|-----------------------------------|-----------------------------|--|----------------------|---|----------------------|------------|-------|
|                                   |                             | (From April 1, 2011<br>to March 31,2012) |                      | (From April 1, 2012<br>to March 31, 2013) |                      |            |       |
|                                   |                             | Amount                                   | Component<br>ratio % | Amount                                    | Component<br>ratio % | Amount     | %     |
| Amount of work orders<br>received | Electrical work             | 22,397                                   | 19.1                 | 23,652                                    | 20.0                 | 1,255      | 5.6   |
|                                   | Air-conditioning work       | 67,540                                   | 57.8                 | 70,550                                    | 59.7                 | 3,009      | 4.5   |
|                                   | Plumbing/sanitation<br>work | 27,086                                   | 23.1                 | 24,066                                    | 20.3                 | -3,019     | -11.1 |
|                                   | Total                       | 117,023                                  | 100.0                | 118,269                                   | 100.0                | 1,245      | 1.1   |
|                                   | (Renewal work)              | 64,600                                   | 55.2                 | 56,770                                    | 48.0                 | -7,830     | -12.1 |
|                                   | (Overseas work)             | 8,763                                    | 7.5                  | 4,416                                     | 3.7                  | -4,347     | -49.6 |
| Amount of completed<br>works      | Electrical work             | 21,142                                   | 17.6                 | 24,064                                    | 20.0                 | 2,921      | 13.8  |
|                                   | Air-conditioning work       | 75,074                                   | 62.3                 | 70,406                                    | 58.6                 | -4,668     | -6.2  |
|                                   | Plumbing/sanitation<br>work | 24,176                                   | 20.1                 | 25,615                                    | 21.4                 | 1,438      | 6.0   |
|                                   | Total                       | 120,393                                  | 100.0                | 120,085                                   | 100.0                | -308       | -0.3  |
|                                   | (Renewal work)              | 61,151                                   | 50.8                 | 61,480                                    | 51.2                 | 329        | 0.5   |
|                                   | (Overseas work)             | 5,969                                    | 5.0                  | 5,247                                     | 4.4                  | -721       | -12.1 |
| Amount of works carried<br>over   | Electrical work             | 11,337                                   | 14.0                 | 10,926                                    | 13.8                 | -411       | -3.6  |
|                                   | Air-conditioning work       | 47,463                                   | 58.5                 | 47,607                                    | 60.0                 | 144        | 0.3   |
|                                   | Plumbing/sanitation<br>work | 22,305                                   | 27.5                 | 20,756                                    | 26.2                 | -1,549     | -6.9  |
|                                   | Total                       | 81,106                                   | 100.0                | 79,290                                    | 100.0                | -1,816     | -2.2  |
|                                   | (Renewal work)              | 24,595                                   | 30.3                 | 19,885                                    | 25.1                 | -4,710     | -19.2 |
|                                   | (Overseas work)             | 4,155                                    | 5.1                  | 3,323                                     | 4.2                  | -831       | -20.0 |