

# Brief Report on the First Quarter Financial Statements for the Period Ending March 2014

## [Japanese Standard] (Consolidated)

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

August 8, 2013  
Listed Shares Exchanges:  
Tokyo Stock Exchange 1st section

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

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Scheduled date to file a quarterly report: August 9, 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 first quarter of the period ending March 2014 (From April 1, 2013 to June 30, 2013)

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

(Percentage indications represent the changes from the same quarter period of the previous accounting year.)

	Sales amount		Operating profit		Ordinary profit		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of the period ending March 2014	23,681	-6.3	-525	—	-298	—	-256	—
First quarter of the period ending March 2013	25,285	16.1	-331	—	-290	—	-426	—

(Reference) Comprehensive income: First quarter of the period ending March 2014 456 million yen (— %), First quarter of the period ending March 2013 -441 million yen (— %)

	Quarterly net income per share (basic)		Quarterly net income per share (diluted)	
	Yen	Sen	Yen	Sen
First quarter of the period ending March 2014	-5.74	—	—	—
First quarter of the period ending March 2013	-9.56	—	—	—

#### (2) Consolidated financial condition

	Total assets	Net assets	Shareholders capital rate	Net assets per share
	Million yen	Million yen	%	Yen Sen
First quarter of the period ending March 2014	101,536	44,951	44.1	1,004.15
Period ended March 2013	106,155	44,988	42.3	1,005.38

(Reference) Equity capital: First quarter of the period ending March 2014 44,796 Million yen, Period ending March 2013 44,856 Million yen

### 2. Dividend status

2. Dividend status

	Annual Dividends									
	End of first quarter		End of second quarter		End of third quarter		Period end		Through year	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
Period ending March 2013	—		8.00		—		11.00		19.00	
Period ending March 2014	—									
Period ending March 2014 (Forecast)			8.00		—		8.00		16.00	

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

### 3. Estimate of consolidated performance for the period ending March 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Second quarter (cumulative)	57,500	2.3	1,000	216.4	1,000	162.2	500	—	11.21	—
Total period	126,000	3.3	3,500	27.3	3,500	6.8	1,800	12.5	40.34	—

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

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 60,500 Million yen

(2) Estimated amount of work order received [full year]: 126,000 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.: None
  - , Accounting policy change other than • : None
  - f* Accounting estimate change: None
  - „ Revision redisplay: None
- (4) Number of issued shares (common stock)
  - Number of issued shares at the end of period (including treasury stock)
  - , Number of treasury stock at the end of period
  - f* Average numbers of shares in the period (Quarter total)

•	First quarter of period ending March 2014	45,963,803 shares	Period ending March 2013	45,963,803 shares
,	First quarter of period ending March 2014	1,352,158 shares	Period ending March 2013	1,347,546 shares
<i>f</i>	First quarter of period ending March 2014	44,613,666 shares	First quarter of period ending March 2013	44,641,504 shares

\* Display Concerning State of Quarter Review Procedure Implementation

Quarter report review under the Financial Instruments and Exchange Act is implemented at the time of disclosure of this quarter settlement brief statement.

\* Explanation about adequate use of achievement forecasts and other noteworthy matters

The above forecasts are based on the information available at the time of preparation of this document and the assumption considered as reasonable. Consequently, actual results differ materially from forecasts above due to changes in business results. For precautions for use of the assumptions for the above forecasts and forecasts of business results, please refer to information in the section “1. Qualitative Information on Current Quarter Consolidated Business Performance Etc. (3) Explanation about Future Estimate Information such as Consolidated Earnings Forecast” on page 2.

(Reference) Estimate of individual performance

Estimate of individual 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Second Quarter (cumulative)	57,000	3.3	1,000	334.2	1,000	241.1	500	—	11	.21
Total period	125,000	4.1	3,500	33.7	3,500	11.6	1,800	16.8	40	.34

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

(Reference)(1) Estimated amount of work order received [End of second quarter (Cumulative total)]: 60,000 Million yen

(2) Estimated amount of work order received [full year]: 125,000 Million yen

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

### (1) Explanation about Operating Results

Japan's economy in the current first quarter consolidated cumulative period showed a mild recovery with improvement seen in corporate earnings including those of the manufacturing industry thanks to the weak yen and the resulting export profitability improvement. On the other hand, unsteady state was also witnessed since May with financial indexes — stock prices and yen rates — fluctuating violently and long-term interest rates ascending and staying at high levels.

In the construction industry, recovery was slow and order taking environments stayed severe though corporate earnings improved and private sector investment was bottoming out.

In these environments, the Company tackled with securing orders and profits according to the midterm management plans "DAIDAN Challenging the New Age." As a result, the following business results were attained in the current first quarter consolidated cumulative period:

Amount of work orders received, despite the severe order taking environments, was 29,746 million yen (up 611 million yen from the same quarter consolidated cumulative period a year ago).

Despite the steady amount of work orders received, amount of completed works was 23,681 million yen (down 1,604 million yen from the same quarter consolidated cumulative period a year ago).

Because of the decrease in amount of completed works, completed work gross profit was 2,034 million yen (down 210 million yen from the same quarter consolidated cumulative period a year ago).

Because of the decrease in completed work gross profit, operating loss was 525 million yen (up 193 million yen from the same quarter consolidated cumulative period a year ago).

Because of the increase in operating loss, ordinary loss was 298 million yen (up 8 million yen from the same quarter consolidated cumulative period a year ago) though the 83 million yen loss on foreign exchange that occurred in the same quarter consolidated cumulative period a year ago turned into an 80 million yen gain on foreign exchange in the current first quarter consolidated cumulative period.

Since the evaluation loss on investments in securities was trifling occurrence in the current first quarter consolidated cumulative period despite the increase in ordinary loss, whereas that loss had been 210 million yen in the same quarter consolidated cumulative period a year ago, quarterly net loss was 256 million yen (down 170 million yen from the same quarter consolidated cumulative period a year ago) after deduction for corporate tax, resident tax, business tax, adjustment amounts such as for corporate tax and minority interest in income.

### (2) Explanation about Financial Conditions

#### (Assets)

Current assets at the end of the current first quarter consolidated accounting period were 76,804 million yen (down 5,776 million yen from the end of the last consolidated accounting year) mainly because the decrease (7,979 million yen) in notes receivable and completed work accounts receivable exceeded the increase (1,821 million yen) in cash on hand and in bank. Fixed assets were 24,731 million yen (up 1,157 million yen from the end of the last consolidated accounting year) mainly because of investment securities increase (1,057 million yen) etc.

As a result, total assets were 101,536 million yen (down 4,618 million yen from the end of the last consolidated accounting year).

#### (Liabilities)

Current liabilities at the end of the current first quarter consolidated accounting period were 51,488 million yen (down 4,917 million yen from the end of the last consolidated accounting year) mainly because the decrease (5,578 million yen) in notes payable and work accounts payable, decrease (532 million yen) in short-term loans payable, decrease (745 million yen) in corporate tax etc. payable exceeded the increase (1,683 million yen) in incompleting work accounts received. Fixed liabilities were 5,096 million yen (up 335 million yen from the end of the last consolidated accounting year) mainly because the increase (476 million yen) in deferred tax liabilities exceeded the decrease (98 million yen) in long-term loans payable etc.

As a result, total liabilities were 56,584 million yen (down 4,582 million yen from the end of the last consolidated accounting year).

#### (Net Assets)

Total net assets at the end of the current first quarter consolidated accounting period were 44,951 million yen (slightly down from the end of the last consolidated accounting year) mainly because quarterly net loss posting (256 million yen), surplus distribution (490 million yen), etc. exceeded the increase (672 million yen) in evaluation difference of other securities etc.

As a result, net worth ratio was 44.1% (vs. 42.3% at the end of the last consolidated accounting year).

(3) Explanation about Future Estimate Information such as Consolidated Earnings Forecast

Business result forecast for the second quarter consolidated cumulative period and full period published on May 9, 2013 remains unchanged.

2. Items Concerning Summary Information (Annotations)

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

No applicable items.

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

No applicable items.

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

No applicable items.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2013)	Current First Quarter Consolidated Accounting Period (June 30, 2013)
Assets		
Current assets		
Cash on hand and in banks	22,447	24,269
Notes receivables, completed work accounts receivables	56,324	48,345
Securities	49	49
Incomplete work expenditures	314	636
Inventories of raw materials and supplies	0	0
Deferred tax assets	1,003	1,175
Others	2,446	2,333
Allowance for bad debts	-6	-5
Total current assets	82,581	76,804
Fixed assets		
Tangible fixed assets	3,970	3,932
Intangible fixed assets	417	365
Investments and other assets		
Investment securities	11,007	12,064
Deferred tax assets	2	2
Prepaid pension costs	6,587	6,756
Others	2,222	2,261
Allowance for bad debts	-632	-651
Total investments and other assets	19,186	20,433
Total fixed assets	23,574	24,731
Total assets	106,155	101,536

(in million yen)

	Previous Consolidated Accounting Year (March 31, 2013)	Current First Quarter Consolidated Accounting Period (June 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes payable, work accounts payable	39,979	34,401
Short-term loans payable	6,251	5,719
Corporate tax, etc. payable	788	43
Incomplete work accounts received	2,435	4,118
Reserves for bonuses	—	652
Reserves for directors' premiums	—	19
Reserves for completed work compensation	100	83
Reserves for work loss	391	357
Others	6,458	6,091
Total current liabilities	56,405	51,488
Fixed liabilities		
Long-term loans payable	1,378	1,280
Deferred tax liabilities	1,455	1,931
Reserves for retirement benefits	1,328	1,286
Reserves for environmental measure	220	220
Reserves for overseas investment loss	2	1
Long-term accounts payable	376	376
Others	0	0
Total fixed liabilities	4,761	5,096
Total liabilities	61,167	56,584
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Earned surplus	33,774	33,027
Treasury stock	-660	-663
Total shareholders' equity	42,403	41,653
Accumulated other comprehensive profit		
Evaluation difference of other securities	2,412	3,085
Currency translation adjustment account	40	57
Total accumulated other comprehensive profit	2,453	3,142
Minority interest equity	131	154
Total net assets	44,988	44,951
Total liabilities and net assets	106,155	101,536



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

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2012 to June 30, 2012)	Current First Quarter Consolidated Cumulative Period (From April 1, 2013 to June 30, 2013)
Completed work amount	25,285	23,681
Completed work cost	23,040	21,646
Completed work gross profit	2,245	2,034
Selling expenses and general administrative expenses	2,577	2,560
Operating loss (-)	-331	-525
Non-operating income		
Interests received	3	2
Dividends received	86	97
Insurance claim received	76	82
Gain on foreign exchange	—	80
Others	11	12
Total non-operating income	177	276
Non-operating expenses		
Interest payable	38	36
Payment guarantee charge	6	4
Loss on foreign exchange	83	—
Others	7	7
Total non-operating expenses	136	49
Ordinary loss (-)	-290	-298
Special losses		
Loss on retirement of fixed assets	6	0
Evaluation loss on investments in securities	210	0
Golf club membership appraisal loss	1	—
Total special losses	218	1
Quarterly net loss before income taxes (-)	-508	-300
Corporate tax, residence tax and business tax	29	24
Adjustment amounts such as for corporate taxes	-121	-73
Total corporate tax, etc.	-91	-49
Quarterly net loss before adjustment of profit and loss of minority interests (-)	-416	-251
Minority interests in income	10	5
Quarterly net loss (-)	-426	-256

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

(in million yen)

	Previous First Quarter Consolidated Cumulative Period (From April 1, 2012 to June 30, 2012)	Current First Quarter Consolidated Cumulative Period (From April 1, 2013 to June 30, 2013)
Loss before minority interests (-)	-416	-251
Other comprehensive profit		
Evaluation difference of other securities	-38	672
Currency translation adjustment account	13	34
Total other comprehensive profit	-25	707
Quarterly comprehensive profit	-441	456
(Particulars)		
Quarterly comprehensive profit pertaining to parent company shareholders	-458	433
Quarterly Comprehensive profit pertaining to minority shareholders	17	22

## (3) Annotation Items Concerning Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

None

## 4. Supplementary Information

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

(in million yen)

		Previous First Quarter Consolidated Cumulative Period		Current First Quarter Consolidated Cumulative Period		Previous Consolidated Accounting Year	
		(From April 1, 2012 to June 30, 2012)		(From April 1, 2013 to June 30, 2013)		(From April 1, 2012 to March 31, 2013)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Component ratio %
Amount of work orders received	Electrical work	6,106	21.0	5,044	17.0	24,171	20.1
	Air-conditioning work	16,583	56.9	19,197	64.5	71,230	59.4
	Plumbing/sanitation	6,443	22.1	5,505	18.5	24,578	20.5
	Total	29,134	100.0	29,746	100.0	119,980	100.0
	(Renewal work)	14,394	49.4	18,501	62.2	58,517	48.8
	(Overseas work)	2,828	9.7	2,640	8.9	5,599	4.7
Amount of completed works	Electrical work	5,367	21.2	5,535	23.4	24,649	20.2
	Air-conditioning work	15,309	60.6	12,954	54.7	71,194	58.4
	Plumbing/sanitation	4,609	18.2	5,191	21.9	26,075	21.4
	Total	25,285	100.0	23,681	100.0	121,919	100.0
	(Renewal work)	13,557	53.6	11,022	46.6	63,350	52.0
	(Overseas work)	2,067	8.2	670	2.8	6,552	5.4
Amount of works carried over	Electrical work	12,307	14.4	10,598	12.4	11,089	13.9
	Air-conditioning work	49,016	57.3	54,020	62.9	47,777	59.9
	Plumbing/sanitation	24,231	28.3	21,214	24.7	20,900	26.2
	Total	85,555	100.0	85,833	100.0	79,767	100.0
	(Renewal work)	26,033	30.4	27,841	32.4	20,362	25.5
	(Overseas work)	5,418	6.3	5,674	6.6	3,704	4.6