

Brief report on the Financial Statements for the period ending March, 2017

[Japanese Standard] (Consolidated)

May 11, 2017

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

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

Stock Exchange Listing:

Tokyo Stock Exchange 1st section

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Division

Date scheduled for ordinary shareholders general meeting convention: June 29, 2017

Date scheduled for asset securities report submission: June 29, 2017

Date scheduled for dividend payment commencement: June 30, 2017

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 business results for the period ending March, 2017 (From April 1, 2016 to March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ending March 2017	125,253	-9.5	6,750	3.3	6,939	2.5	4,638	9.2
Period ending March 2016	138,346	13.6	6,537	43.8	6,770	38.9	4,248	45.4

(Note) Comprehensive income Period ending March 2017 4,362 Million yen (121.0%) Period ending March 2016 1,973 Million yen (-75.9%)

	Profit per share		Profit per share after making potential share adjustments		Equity capital vs. profit ratio	Total asset vs. Ordinary profit ratio	Net sales vs. Operating profit ratio
	Yen	Sen	Yen	Sen	%	%	%
Period ending March 2017	104.02	-	-	-	8.3	5.8	5.4
Period ending March 2016	95.26	-	-	-	7.9	5.7	4.7

(Reference) Investment income or loss on equity method Period ending March 2017 - Million yen Period ending March 2016 - Million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Period ending March 2017	118,454	58,004	48.8	1,296.64	
Period ending March 2016	122,312	54,583	44.5	1,219.41	

(Reference) Equity capital Period ending March 2017 57,817 Million yen Period ending March 2016 54,379 Million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Period ending March 2017	5,395	-1,442	-925	26,549
Period ending March 2016	611	-493	-894	23,536

2. Dividends

	Annual dividends					Total dividend (through year)	Dividend trend (consolidated)	Net asset vs. dividend ratio (consolidated)
	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	Million yen	%	%
Period ending March 2016	-	9.00	-	11.00	20.00	891	21.0	1.7
Period ending March 2017	-	10.00	-	13.00	23.00	1,025	22.1	1.8
Period ending March 2018 (Forecast)	-	11.50	-	23.00	-		21.8	

(Note) 1. Breakdown of dividend at the end of the current period of March 2016: ordinary dividend 9.00 yen and special dividend 2.00 yen
Breakdown of dividend at the end of the current period of March 2017: ordinary dividend 10.00 yen and special dividend 3.00 yen

(Note) 2. Because we are scheduled to have a stock merger of 2 common shares to 1 common share, which will become effective on October 1, 2017, we are describing the period-end dividend per share in March 2018 (expected) as the figure after the stock merger of the shares, and are describing the sum of annual dividends as "-". The period-end dividend per share (expected) in March 2018 when stock merger is not considered will be 11.50 yen and the annual dividend will be 23.00 yen.

3. Estimate of consolidated performance for the period ending March 2018 (From April 1, 2017 to March 31, 2018)

(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 consolidated cumulative period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen	Sen
2nd quarter consolidated cumulative period	65,500	11.6	3,200	3.7	3,200	9.9	2,100	14.6		94.18
Total period	141,000	12.6	7,200	6.7	7,200	3.8	4,800	3.5		215.28

(Reference) 1. Estimated net sales of construction contract orders (the 2nd quarter consolidated cumulative period) 70,500 Million yen

2. Estimated net sales of construction contract orders (Total period) 146,000 Million yen

(Note) Because we are scheduled to have a stock merger of 2 common shares to 1 common share, which will become effective on October 1, 2017, we are describing profit per share in the 2nd quarter consolidated cumulative period and total period in the foresight of consolidated results in March 2018 in the figures where we consider the stock merger. The profits per share of the 2nd quarter consolidated cumulative period and total period when we do not consider the stock merger are as follows.

The 2nd quarter consolidated cumulative period: 47.09 yen, and total period: 107.64 yen.

* Annotations

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

(2) Changes in accounting policies, changes in accounting estimates, restatement

① Changes in accounting policies due to revision of accounting standards etc.: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement: None

For details, please refer to the section “3. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policy)” on page 12.

(3) Number of issued shares (common stock)

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

Period ending March 2017 45,963,803 shares Period ending March 2016 45,963,803 shares

② Number of treasury shares at the end of period

Period ending March 2017 1,373,273 shares Period ending March 2016 1,368,636 shares

③ Average number of shares during the period

Period ending March 2017 44,593,407 shares Period ending March 2016 44,598,149 shares

(Reference) Outline of individual performance

1. Individual business results the period ending March 2017 (From April 1, 2016 to March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ending March 2017	123,878	-9.6	6,743	3.9	6,929	3.1	4,630	9.8
Period ending March 2016	137,072	13.7	6,489	43.7	6,721	41.1	4,216	48.0

	Profit per share		Profit per share after making potential share adjustments	
	Yen	Sen	Yen	Sen
Period ending March 2017		103.83		—
Period ending March 2016		94.54		—

(2) Individual financial condition

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Period ending March 2017	118,127	57,868	49.0		1,297.79
Period ending March 2016	121,538	54,161	44.6		1,214.51

(Reference) Equity capital Period ending March 2017 57,868 million yen Period ending March 2016 54,161 million yen

2. Estimate of individual performance for the period ending March 2018 (From April 1, 2017 to March 31, 2018)

(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.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen	Sen
2nd quarter consolidated cumulative period	65,000	12.0	3,200	4.0	3,200	10.2	2,100	15.1		94.18
Total period	140,000	13.0	7,200	6.8	7,200	3.9	4,800	3.7		215.28

(Reference) 1. Estimated net sales of construction contract orders (the 2nd quarter consolidated cumulative period) 70,000 million yen

2. Estimated net sales of construction contract orders (Total period) 145,000 million yen

(Note) Because we are scheduled to have a stock merger of 2 common shares to 1 common share, which will become effective on October 1, 2017, we are describing profit per share in the 2nd quarter consolidated cumulative period and total period in the foresight of individual results in March 2018 in the figures where we consider the stock merger. The profits per share of the 2nd quarter consolidated cumulative period and total period when we do not consider the stock merger are as follows.
The 2nd quarter consolidated cumulative period: 47.09 yen, and total period: 107.64 yen.

※ Brief report on the financial statements is beyond the object of audit

※ 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 the section “1. Summary of Operating Results (4) Future Foresight” on page 3.

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1. Summary of Operating Results

(1) Summary of Operating Results on the Current Accounting Year

Though favorable employment environment continued in the economy of our country in the current consolidated accounting year, individual consumption transited at low level. In addition, due to unstable financial market which arose from the decision of monetary policy by the Bank of Japan, foreign exchange and stock market etc. continued in a non-transparent state for the future. On the other hand, production and export bounced up and corporate results showed an improvement driven by USA and China, partly as a bright movement.

In the construction industry, public investment solidly transited and private equipment investment transited solidly thanks to the improvement of corporate profits.

Under the circumstances, based on our mid-term management plan “Dai-Dan — Creating the environments our customers require — Always With You,” we tackled the securing of orders received and profit, resulting in the following results in the current consolidated accounting year.

Net sales of construction contract orders received increased by 503 million yen, resulting in 144,007 million yen compared to the previous consolidated accounting year.

Net sales of completed construction contracts decreased by 13,092 million yen, resulting in 125,253 million yen compared to the previous consolidated accounting year.

Gross profit on completed construction contracts increased by 1,075 million yen, resulting in 17,788 million yen compared with the previous consolidated accounting year, though the amount of completed construction contracts decreased, but thanks to the improvement of the rate of gross profit on completed construction contracts.

Operating profit increased by 213 million yen, resulting in 6,750 million yen compared with the previous consolidated accounting year thanks to the increase of the gross profit of completed construction contracts.

Ordinary profit increased by 168 million yen, resulting in 6,939 million yen compared with the previous consolidated accounting year thanks to the increase of the operating profit.

Profit attributable to owners of parent increased by 390 million yen, resulting in 4,638 million yen compared with the previous consolidated accounting year because of the 52 million yen of gain on sales of non-current assets as a special profit and 76 million yen caused by a disaster (loss related to the Kumamoto Earthquake) as a special loss were posted, and income taxes-current, income taxes-deferred and the loss attributable to non-controlling interests were deducted.

(2) Summary of Financial Conditions on the Current Accounting Year

Total asset as of the end of the current consolidated accounting year decreased by 3,857 million yen, resulting in 118,454 million yen compared with the end of the previous consolidated accounting year.

Current assets decreased by 4,187 million yen, resulting in 87,516 million yen compared with the end of the previous consolidated accounting year. Major factors are the decreases of notes receivable-trade, accounts receivable for completed construction contracts (6,958 million yen) etc.

Non-current assets increased by 329 million yen, resulting in 30,938 million yen compared with the end of the previous consolidated accounting year. Major factors are the increase of buildings and structures (688 million yen) etc.

Total liabilities as of the end of the current consolidated accounting year decreased by 7,279 million yen, resulting in 60,450 million yen compared with the end of the previous consolidated accounting year.

Current liabilities decreased by 7,728 million yen, resulting in 53,705 million yen compared with the end of the previous consolidated accounting year. Major factors are that the decrease of notes payable and accounts payable for construction contracts (22,016 million yen) surpassed the posting of electronically recorded liabilities (16,384 million yen) that were introduced from the current consolidated accounting year etc.

Non-current liabilities increased by 449 million yen, resulting in 6,744 million yen compared with the end of the previous consolidated accounting year. Major factors are the increase of long-term loans payable (653 million yen) etc.

Net assets as of the end of the current consolidated accounting year increased by 3,421 million yen, resulting in 58,004 million yen compared with the end of the previous consolidated accounting year. Major factors are the increase of retained earnings (3,702 million yen) etc.

(3) Summary of Cash Flows on the Current Consolidated Accounting Year

Cash and cash equivalents in the current consolidated accounting year (hereinafter referred to as the “funds”) resulted in 26,549 million yen, increasing by 3,012 million yen compared with the end of the previous consolidated accounting year. The situations of each cash flows and their factors in the current consolidated accounting year are as follows.

(Cash Flows from Operating Activities)

As a result of operation activities, the funds increased by 5,395 million yen (611 million yen increase in the previous consolidated accounting year).

The main factors for this is that the increase factors of the funds such as the posting of profit before income taxes and the decrease in notes and accounts receivable-trade surpassed the decrease factors of the funds such as the decrease in notes in accounts payable-trade etc.

(Cash Flows from Investing Activities)

As a result of investing activities, the funds decreased by 1,442 million yen (493 million yen decrease in the previous consolidated accounting year).

Main factor for this is the purchase of property, plant and equipment.

(Cash Flows from Financing Activities)

As a result of financing activities, the funds decreased by 925 million yen (894 million yen decrease in the previous consolidated accounting year).

Main factor for this is that the repayment of short- and long-term loans payable and dividends paid surpassed proceeds from short- and long-term loans payable.

(Reference) Transition of cash flow-related indexes

	Period ending March 2013	Period ending March 2014	Period ending March 2015	Period ending March 2016	Period ending March 2017
Equity capital ratio	42.3%	41.7%	46.9%	44.5%	48.8%
Equity capital ratio at market value	21.1%	21.8%	32.2%	27.1%	39.9%
Cash flow to interest-bearing liability ratio	6.0 years	2.4 years	2.5 years	9.7 years	1.1 years
Interest coverage ratio	8.2 times	20.7 times	15.7 times	4.2 times	40.5 times

Equity capital ratio:

Equity capital/Total assets

Equity capital 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 shares excluding treasury shares.

* Operating cash flow uses cash flows from operating activities given in the Consolidated Statement of Cash Flows.

* Interest-bearing liabilities cover all interest-paying liabilities of the liabilities given in the Consolidated Balance Sheets.

Interest expenses paid given in the Consolidated Statement of Cash Flows is used for interest payment.

(4) Future Foresight

In expectation of an increase in private capital investment due to improved corporate earnings, we forecast that consolidated operating results of the next period will achieve net sales of construction contract orders received of 146,000 million yen, net sales of completed construction contracts of 141,000 million yen, Operating profit of 7,200 million yen, Ordinary profit of 7,200 million yen, and Profit attributable to owners of parent of 4,800 million yen.

2. Fundamental Philosophy for Selection of Accounting Standard

Dai-Dan group adopts Japanese accounting standards because of small business overseas and less financing needs from overseas. Adoption of Japanese accounting standards secures comparability with other companies in the same business in Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(in million yen)

	Previous Consolidated Accounting Year (As of March 31, 2016)	Current Consolidated Accounting Year (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	23,563	26,576
Notes receivable, accounts receivable from completed construction contracts	56,157	49,198
Electronically recorded monetary claims - operating	8,095	8,216
Costs on uncompleted construction contracts	385	478
Raw materials and supplies	0	0
Deferred tax assets	1,392	1,194
Other	2,117	1,857
Allowance for doubtful accounts	-7	-6
Total current assets	91,704	87,516
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,392	6,229
Accumulated depreciation	-2,908	-3,057
Buildings and structures, net	2,484	3,172
Machinery, equipment and vehicles	164	170
Accumulated depreciation	-132	-136
Machinery, equipment and vehicles, net	32	33
Tools, furniture and fixtures	808	775
Accumulated depreciation	-650	-476
Tools, furniture and fixtures, net	158	298
Land	1,063	1,137
Construction in progress	439	51
Total property, plant and equipment	4,178	4,694
Intangible assets	594	682
Investments and other assets		
Investment securities	16,543	16,574
Deferred tax assets	1	0
Net defined benefit asset	7,866	7,560
Other	1,612	1,615
Allowance for doubtful accounts	-188	-188
Total investments and other assets	25,836	25,562
Total non-current assets	30,608	30,938
Total assets	122,312	118,454

(in million yen)

	Previous Consolidated Accounting Year (As of March 31, 2016)	Current Consolidated Accounting Year (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	42,067	20,051
Electronically recorded obligations - operating	—	16,384
Short-term loans payable	4,519	3,880
Income taxes payable	1,622	1,143
Advances received on uncompleted construction contracts	2,794	3,028
Provision for warranties for completed construction	81	76
Provision for loss on construction contracts	628	254
Provision for environmental measures	2	—
Other	9,717	8,887
Total current liabilities	61,434	53,705
Non-current liabilities		
Long-term loans payable	1,401	2,054
Deferred tax liabilities	3,208	3,046
Net defined benefit liability	1,376	1,339
Provision for foreign investment loss	5	7
Long-term accounts payable – other	303	296
Other	0	0
Total non-current liabilities	6,295	6,744
Total liabilities	67,729	60,450
Net Assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Retained earnings	39,588	43,290
Treasury shares	-674	-678
Total shareholders' equity	48,203	51,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,326	6,344
Foreign currency translation adjustment	20	13
Remeasurements of defined benefit plans	-169	-441
Total accumulated other comprehensive income	6,176	5,916
Non-controlling interests	203	186
Total net assets	54,583	58,004
Total liabilities and net assets	122,312	118,454

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(in million yen)

	Previous Consolidated Accounting Year (From April 1, 2015 to March 31, 2016)	Current Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)
Net sales of completed construction contracts	138,346	125,253
Cost of sales of completed construction contracts	121,632	107,465
Gross profit on completed construction contracts	16,713	17,788
Selling, general and administrative expenses	10,176	11,038
Operating profit	6,537	6,750
Non-operating income		
Interest income	13	7
Dividends income	250	278
Real estate rent	34	34
Insurance fee	106	109
Other	5	4
Total non-operating income	410	434
Non-operating expenses		
Interest expenses	144	133
Guarantee commission	11	6
Foreign exchange losses	11	81
Other	9	24
Total non-operating expenses	177	245
Ordinary profit	6,770	6,939
Extraordinary income		
Income on sales of non-current assets	2	52
Gain on sales of investment securities	4	—
Profit reversed from the allowance for the loss relating to the antimonopoly law	47	—
Total extraordinary income	54	52
Extraordinary losses		
Loss on retirement of non-current assets	1	4
Loss on valuation of investment securities	18	—
Loss on valuation of golf club membership	2	—
Loss on disaster	—	76
Total extraordinary losses	22	80
Profit before income taxes	6,802	6,911
Income taxes - current	2,405	2,134
Income taxes - deferred	150	147
Total income taxes	2,556	2,282
Profit	4,246	4,628
Loss attributable to non-controlling interests (-)	-2	-10
Profit attributable to owners of parent	4,248	4,638

(Consolidated Statements of Comprehensive Income)

(in million yen)

	Previous Consolidated Accounting Year (From April 1, 2015 to March 31, 2016)	Current Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)
Profit	4,246	4,628
Other comprehensive income		
Valuation difference on available-for-sale securities	-470	17
Foreign currency translation adjustment	-39	-12
Remeasurements of defined benefit plans, before tax	-1,762	-271
Total other comprehensive income	-2,273	-266
Comprehensive income	1,973	4,362
Comprehensive income attribute to		
Comprehensive income attributable to owners of parent	1,995	4,378
Comprehensive income attributable to non-controlling interests	-22	-16

(3) Consolidated Statements of Changes in Equity

Previous consolidated accounting year (From April 1, 2015 to March 31, 2016)

(in million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	4,479	4,809	36,186	-669	44,807
Changes of items during the period					
Dividends from surplus			-847		-847
Profit attributable to owners of parent			4,248		4,248
Purchase of treasury shares				-5	-5
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	3,401	-5	3,395
Balance at the end of current period	4,479	4,809	39,588	-674	48,203

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	6,797	39	1,592	8,429	225	53,462
Changes of items during the period						
Dividends from surplus						-847
Profit attributable to owners of parent						4,248
Purchase of treasury shares						-5
Net changes of items other than shareholders' equity	-470	-19	-1,762	-2,252	-22	-2,275
Total changes of items during the period	-470	-19	-1,762	-2,252	-22	1,120
Balance at the end of current period	6,326	20	-169	6,176	203	54,583

Current Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)

(in million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	4,479	4,809	39,588	-674	48,203
Changes of items during the period					
Dividends from surplus			-936		-936
Profit attributable to owners of parent			4,638		4,638
Purchase of treasury shares				-4	-4
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	3,702	-4	3,697
Balance at the end of current period	4,479	4,809	43,290	-678	51,901

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	6,326	20	-169	6,176	203	54,583
Changes of items during the period						
Dividends from surplus						-936
Profit attributable to owners of parent						4,638
Purchase of treasury shares						-4
Net changes of items other than shareholders' equity	17	-6	-271	-259	-16	-276
Total changes of items during the period	17	-6	-271	-259	-16	3,421
Balance at the end of current period	6,344	13	-441	5,916	186	58,004

(4) Consolidated Statements of Cash Flows

(in million yen)

	Previous Consolidated Accounting Year (From April 1, 2015 to March 31, 2016)	Current Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit before Income taxes	6,802	6,911
Depreciation	284	428
Increase (decrease) in allowance for doubtful accounts	-1	-0
Increase (decrease) amount of net defined benefit liability	-82	-15
Increase (decrease) in provision for environmental measures	-105	-2
Interest and dividend income	-263	-286
Interest expenses	144	133
Increased (decrease) in provision for foreign investment loss	-0	1
Loss (gain) on valuation of investment securities	18	—
Loss (gain) on sales of investment securities	-4	—
Loss (gain) on sales of non-current assets	-2	-52
Loss on retirement of non-current assets	1	4
Increase (decrease) in loss reserve related to antimonopoly law	-47	—
Decrease (increase) in notes and accounts receivable - trade	-11,450	6,836
Decrease (increase) in costs on uncompleted construction contracts	39	-93
Decrease (increase) in other current assets	-164	257
Decrease (increase) in other non-current assets	4	10
Decrease (increase) in net defined benefit asset	-749	-106
Increase (decrease) in notes and accounts payable - trade	4,130	-5,631
Increase (decrease) in advances received on uncompleted construction contracts	1,294	233
Increase (decrease) in other current liabilities	2,898	-577
Increase (decrease) in other non-current liabilities	-48	-6
Subtotal	2,696	8,043
Interest and dividends income received	263	286
Interest expenses paid	-143	-130
Loss related to antimonopoly law paid	-342	—
Income taxes (paid) refund	-1,862	-2,804
Net cash provided by (used in) operating activities	611	5,395

(in million yen)

	Previous Consolidated Accounting Year (From April 1, 2015 to March 31, 2016)	Current Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	27	27
Payments into time deposits	-27	-27
Purchase of property, plant and equipment	-259	-1,027
Proceeds from sales of property, plant and equipment	2	26
Purchase of investment securities	-4	-4
Proceeds from sales and redemption of investment securities	13	0
Payments of loans receivable	-2	—
Collection of loans receivable	3	1
Purchase of other non-current assets	-269	-506
Proceeds from sales of other non-current assets	23	67
Net cash provided by (used in) investing activities	-493	-1,442
Cash flows from financing activities		
Increase in short-term loans payable	39,010	35,060
Decrease in short-term loans payable	-38,710	-35,860
Proceeds from long-term loans payable	1,800	3,000
Repayment of long-term loans payable	-2,142	-2,184
Purchase of treasury shares	-5	-4
Cash dividends paid	-847	-936
Net cash provided by (used in) financing activities	-894	-925
Effect of exchange rate change on cash and cash equivalents	-45	-14
Net increase (decrease) in cash and cash equivalents	-822	3,012
Cash and cash equivalents at beginning of period	24,358	23,536
Cash and cash equivalents at end of period	23,536	26,549

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

No applicable items.

(Changes in Accounting Policy)

(Application of the handling in administrative work relating to the change of the method of depreciation concerning the revision of taxation in FY 2017)

Accompanying the revision of the Corporation Tax Act, we applied “the Handling in Administrative Work Relating to the Change of the Method of Depreciation concerning the Revision of Taxation in FY 2017” (Administrative Work Response Report No.32 dated June 17, 2016) to the current consolidated accounting year and the method of depreciation related to the facilities attached to buildings and structures that were acquired on April 1, 2016 and later was changed from the declining-balance method to the straight-line method.

The influence by this change is minute.

(Segment Information)

Previous consolidated accounting year (From April 1, 2015 to March 31, 2016) and

Current consolidated accounting year (From April 1, 2016 to March 31, 2017)

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

(Per-share Information)

Items	Previous consolidated accounting year (From April 1, 2015 to March 31, 2016)	Current consolidated accounting year (From April 1, 2016 to March 31, 2017)
Net assets per share	1,219.41 yen	1,296.64 yen
Profit per share	95.26 yen	104.02 yen

(Note) 1. Profit per share after making potential share adjustments is not mentioned because of the absence of potential shares.

2. Profit per share is calculated on the basis of the following:

	Previous consolidated accounting year (From April 1, 2015 to March 31, 2016)	Current consolidated accounting year (From April 1, 2016 to March 31, 2017)
Profit attributable to owners of parent (million yen)	4,248	4,638
Amount not belonging to common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	4,248	4,638
Average number of common stock shares during the period (thousand shares)	44,598	44,593

(Important Events Subsequent to Balance Sheet Date)

(Change of the number of share unit, stock merger and partial change of the Articles of Incorporation)

At the meeting of the board of directors held today, we made resolutions on the change of the number of share unit and partial change of the Articles of Incorporation. In addition, at the same meeting of the board of directors, we made a resolution that stock merger will be an agenda at the 88th annual shareholders' meeting which is scheduled to be held on June 29, 2017.

4. Individual Financial Statements and Major Notes

(1) Balance Sheets

(in million yen)

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	22,853	25,786
Notes receivable - trade	2,456	1,733
Electronically recorded monetary claims - operating	8,095	8,216
Accounts receivable from completed construction contracts	53,460	47,313
Costs on uncompleted construction contracts	353	484
Raw materials and supplies	0	0
Prepaid expenses	15	12
Advances paid	771	897
Deferred tax assets	1,388	1,192
Other	1,316	934
Allowance for doubtful accounts	-6	-6
Total current assets	90,706	86,565
Non-current assets		
Property, plant and equipment		
Buildings	5,246	6,061
Accumulated depreciation	-2,792	-2,935
Buildings, net	2,454	3,125
Structures	143	165
Accumulated depreciation	-115	-120
Structures, net	27	44
Machinery and equipment	15	15
Accumulated depreciation	-10	-11
Machinery and equipment, net	4	3
Vehicles	126	133
Accumulated depreciation	-100	-103
Vehicles, net	25	29
Tools, furniture and fixtures	777	751
Accumulated depreciation	-623	-455
Tools, furniture and fixtures, net	154	295
Land	1,063	1,137
Construction in progress	439	51
Total property, plant and equipment	4,170	4,689
Intangible assets		
Software	82	613
Other	507	65
Total intangible assets	590	679

(in million yen)

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Investments and other assets		
Investment securities	16,478	16,508
Stocks of subsidiaries and associates	289	289
Long-term loans receivable from employees	5	3
Long-term loans receivable from subsidiaries and associates	44	44
Guarantee deposits	654	649
Long-term insurance premiums	144	144
Claims provable in bankruptcy, claims provable in rehabilitation and other	29	27
Prepaid pension cost	7,918	8,025
Golf club membership	597	595
Other	94	93
Allowance for doubtful accounts	-186	-187
Total investments and other assets	26,071	26,193
Total non-current assets	30,831	31,561
Total assets	121,538	118,127
Liabilities		
Current liabilities		
Notes payable - trade	7,047	2,718
Electronically recorded obligations - operating	—	16,384
Accounts payable for construction contracts	34,899	17,174
Short-term loans payable	2,700	1,900
Current portion of long-term loans payable	1,819	1,980
Accounts payable-other	1,026	629
Accrued expenses	3,615	3,323
Income taxes payable	1,602	1,142
Accrued consumption taxes	643	841
Advances received on uncompleted construction contracts	2,755	3,019
Deposits received	3,688	3,323
Deposits received from employees	688	714
Provision for warranties for completed construction	81	75
Provision for loss on construction contracts	628	254
Provision for environmental measures	2	—
Other	2	10
Total current liabilities	61,201	53,492
Non-current liabilities		
Long-term loans payable	1,401	2,054
Deferred tax liabilities	3,283	3,240
Provision for retirement benefits	1,181	1,166
Provision for foreign investment loss	5	7
Long-term accounts payable - other	303	296
Other	0	0
Total non-current liabilities	6,175	6,765
Total liabilities	67,376	60,258

(in million yen)

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Net Assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus		
Legal capital surplus	4,716	4,716
Other capital surplus	93	93
Total capital surplus	4,809	4,809
Retained earnings		
Legal retained earnings	1,119	1,119
Other retained earnings		
Reserve for advanced depreciation of non-current assets	55	51
General reserve	29,720	29,720
Retained earnings brought forward	8,324	12,022
Total retained earnings	39,220	42,913
Treasury shares	-674	-678
Total shareholders' equity	47,835	51,524
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,326	6,344
Total valuation and translation adjustments	6,326	6,344
Total net assets	54,161	57,868
Total liabilities and net assets	121,538	118,127

(2) Statements of Income

(in million yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Net sales of completed construction contracts	137,072	123,878
Cost of sales of completed construction contracts	120,555	106,237
Gross profit on completed construction contracts	16,517	17,641
Selling, general and administrative expenses	10,027	10,898
Operating profit	6,489	6,743
Non-operating income		
Interest income	10	5
Dividend income	250	278
Real estate rent	34	34
Insurance fee	106	109
Other	5	3
Total non-operating income	407	432
Non-operating expenses		
Interest expenses	144	132
Guarantee commission	11	6
Foreign exchange losses	10	82
Other	9	24
Total non-operating expenses	175	246
Ordinary profit	6,721	6,929
Extraordinary income		
Gain on sales of non-current assets	0	52
Gain on sales of investment securities	4	—
Profit reversed from the allowance for the loss relating to the antimonopoly law	47	—
Total extraordinary income	52	52
Extraordinary losses		
Loss on retirement of non-current assets	1	4
Loss on valuation of investment securities	18	—
Loss on valuation of golf club membership	2	—
Loss on disaster	—	76
Total extraordinary losses	22	80
Profit before income taxes	6,751	6,900
Income taxes – current	2,383	2,125
Income taxes – deferred	152	145
Total income taxes	2,535	2,270
Profit	4,216	4,630

(3) Statements of Changes in Equity

Previous Fiscal Year (From April 1, 2015 to March 31, 2016)

(in million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	4,479	4,716	93	4,809	1,119	58	29,720	4,952	35,850
Changes of items during the period									
Reversal of reserve						-3		3	—
Dividends from surplus								-847	-847
Profit								4,216	4,216
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	—	—	—	-3	—	3,372	3,369
Balance at the end of current period	4,479	4,716	93	4,809	1,119	55	29,720	8,324	39,220

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	-669	44,471	6,797	6,797	51,268
Changes of items during the period					
Reversal of reserve disposition		—			—
Dividends from surplus		-847			-847
Profit		4,216			4,216
Purchase of treasury shares	-5	-5			-5
Net changes of items other than shareholders' equity			-470	-470	-470
Total changes of items during the period	-5	3,363	-470	-470	2,892
Balance at the end of current period	-674	47,835	6,326	6,326	54,161

DAI-DAN Co., Ltd. (1980) Brief report on the Financial Statements for the period ending March, 2017

Current Fiscal Year (From April 1, 2016 to March 31, 2017)

(in million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	4,479	4,716	93	4,809	1,119	55	29,720	8,324	39,220
Changes of items during the period									
Reversal of reserve						-3		3	—
Dividends from surplus								-936	-936
Profit								4,630	4,630
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	—	—	—	-3	—	3,697	3,693
Balance at the end of current period	4,479	4,716	93	4,809	1,119	51	29,720	12,022	42,913

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	-674	47,835	6,326	6,326	54,161
Changes of items during the period					
Reversal of reserve		—			—
Dividends from surplus		-936			-936
Profit		4,630			4,630
Purchase of treasury shares	-4	-4			-4
Net changes of items other than shareholders' equity			17	17	17
Total changes of items during the period	-4	3,689	17	17	3,707
Balance at the end of current period	-678	51,524	6,344	6,344	57,868

(4) Notes to Individual Financial Statements

(Notes to Going Concern Assumption)

None

5. Others

(1) Board Member Changes

1) Changes in Representative Directors

None

2) Change in other board members

- Nominees as new director

Director, Corporate Officer, Deputy Group Head of Technical Construction Group, Head of the Technical Construction Division and Deputy General Manager of Tokyo Head Office

Kazuhiko Chikaraishi	(currently, Senior Corporate Officer, Deputy Group Head of Technical Construction Group, Head of the Technical Construction Division and Deputy General Manager of Tokyo Head Office)
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3) Scheduled Date of Appointment

June 29, 2017

(2) Others

Divisional net sales of construction contract orders received, completed construction contracts, and
uncompleted construction contracts (consolidated)

(in million yen)

(in million yen)

		Previous consolidated accounting year		Current consolidated accounting year		Difference	
		(From April 1, 2015 to March 31, 2016)		(From April 1, 2016 to March 31, 2017)			
		Amount	Component ratio %	Amount	Component ratio %	Amount	%
Net sales of construction contract orders received	Electrical equipment installations	27,700	19.3	28,933	20.1	1,232	4.4
	Air-conditioning installations	83,880	58.5	84,106	58.4	226	0.3
	Plumbing	31,922	22.2	30,967	21.5	-955	-3.0
	Total	143,503	100.0	144,007	100.0	503	0.4
	(Renovations)	75,814	52.8	74,313	51.6	-1,500	-2.0
	(Overseas operations)	4,260	3.0	4,246	3.0	-13	-0.3
Net sales of completed construction contracts	Electrical equipment installations	30,805	22.3	25,926	20.7	-4,878	-15.8
	Air-conditioning installations	77,298	55.9	72,501	57.9	-4,797	-6.2
	Plumbing	30,242	21.8	26,825	21.4	-3,416	-11.3
	Total	138,346	100.0	125,253	100.0	-13,092	-9.5
	(Renovations)	77,421	56.0	71,355	57.0	-6,065	-7.8
	(Overseas operations)	9,381	6.8	4,560	3.6	-4,820	-51.4
Net sales of uncompleted construction contracts	Electrical equipment installations	14,425	14.8	17,432	15.0	3,006	20.8
	Air-conditioning installations	59,379	60.8	70,985	60.9	11,605	19.5
	Plumbing	23,921	24.4	28,063	24.1	4,141	17.3
	Total	97,727	100.0	116,480	100.0	18,753	19.2
	(Renovations)	25,661	26.3	28,618	24.6	2,957	11.5
	(Overseas operations)	2,942	3.0	2,628	2.3	-314	-10.7

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (individual)

(in million yen)

		Previous fiscal year		Current fiscal year		Difference	
		(From April 1, 2015 to March 31, 2016)		(From April 1, 2016 to March 31, 2017)			
		Amount	Component ratio %	Amount	Component ratio %	Amount	%
Net sales of construction contract orders received	Electrical equipment installations	27,465	19.3	28,700	20.1	1,235	4.5
	Air-conditioning installations	83,335	58.5	83,486	58.5	151	0.2
	Plumbing	31,572	22.2	30,614	21.4	-957	-3.0
	Total	142,372	100.0	142,801	100.0	428	0.3
	(Renovations)	74,668	52.4	73,100	51.2	-1,568	-2.1
	(Overseas operations)	3,814	2.7	3,747	2.6	-66	-1.7
Net sales of completed construction contracts	Electrical equipment installations	30,475	22.2	25,630	20.7	-4,845	-15.9
	Air-conditioning installations	76,682	56.0	71,860	58.0	-4,822	-6.3
	Plumbing	29,914	21.8	26,387	21.3	-3,526	-11.8
	Total	137,072	100.0	123,878	100.0	-13,194	-9.6
	(Renovations)	76,134	55.5	69,965	56.5	-6,168	-8.1
	(Overseas operations)	8,751	6.4	3,963	3.2	-4,787	-54.7
Net sales of uncompleted construction contracts	Electrical equipment installations	14,332	14.7	17,401	15.0	3,069	21.4
	Air-conditioning installations	59,248	60.8	70,874	60.9	11,625	19.6
	Plumbing	23,806	24.5	28,033	24.1	4,227	17.8
	Total	97,386	100.0	116,309	100.0	18,922	19.4
	(Renovations)	25,318	26.0	28,453	24.5	3,134	12.4
	(Overseas operations)	2,779	2.9	2,563	2.2	-216	-7.8