

May 9, 2011

To whom it may concern:

Company name: DAIKYO INCORPORATED  
Representative: Akira Yamaguchi,  
Representative Executive Officer, President  
Securities code: 8840  
Listing: First Section, Tokyo Stock Exchange  
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**Announcement of Revision of Consolidated Performance Forecast  
for the Year Ended March 31, 2011**

DAIKYO INCORPORATED (the “Company”) hereby announces that based on recent trends in its financial results, it has revised the consolidated performance forecast for the year ended May 31, 2011, included with the previous forecast announced on May 12, 2010, as follows:

1. Revision of the Consolidated Performance Forecast for the Year Ended March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	290,000	12,500	8,000	7,000	¥13.95
Revised forecast (B)	295,300	13,500	10,700	9,700	¥20.06
Change (B – A)	5,300	1,000	2,700	2,700	—
Change	1.8%	8.0%	33.8%	38.6%	—

(Reference)

Reference Results for the year ended March 31, 2010 (C)	318,356	9,098	6,359	6,307	¥16.52
Change (B/C)	92.8%	148.4%	168.3%	153.8%	—

2. Reasons for the Revision

Net sales is expected ¥5,300 million above initial projections as a result of an increase in new condominium nets sales reflecting the contract and delivery for new condominium developed favorably.

Although we revised the business plan and on each project toward an outlook for the balance between supply and demand in each area, along with a write-down of ¥8,100 million to the cost of sales from operations for inventory valuations, the operating margin is expected ¥1,000 million above initial projections following increased of net sales, improved gross profit margin in the condominium business, and reduced SG&A expense.

Results from increase of operating income and reduction of other expense including interest expense, ordinary income is expected ¥2,700 million and net income is expected ¥2,700 million above initial projections.

Therefore the forecasts have upwardly revised accordingly.

<Note Regarding Performance Forecasts>

The above forecasts are based on the information available to the Company as of the date this document was published. Actual performance may differ from the forecast figures as a result of various factors.

Disclaimer

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