

Constructing buildings, creating towns, pioneering the new era



# Daibiru Report 2019







Corporate Principles

# Constructing buildings, creating towns, pioneering the new era

The Daibiru Group creates comfortable, life-enhancing office and commercial spaces which bring bustling activity to local streets and towns. We try to be a pioneer, establishing a new era while always staying keenly attuned to the context of the times, allowing people to foster and pursue dreams in these new environments.

Mission Statement

## 1 Provide office spaces and environments that can win the trust and attachment of customers

Winning the trust and attachment of our customers is the heart of Daibiru Group's office building leasing and property management businesses.

## 2 Increase enterprise value together with our tenants

Our customers' business success means the improvement of our corporate value. Listening carefully to our customers and responding accurately to their ever-changing needs, we will assume our social responsibility.

## 3 Create beautiful cityscapes and stylish spaces

To create elegant and graceful urban landscapes, we must build an appropriate customer base.

Group Message

**We will make collective efforts as a group to focus on creating comfortable, safe and reassuring spaces and environments.**

# Message from the President

Daibiru has more than 95 years of history since its founding in 1923. The Company has grown steadily with the basic stance of integrated management of top-tier office buildings, from development to reconstruction. In its Medium-term Management Plan, "Design 100" Project Phase-II, that started in April last year, Daibiru holds a "Return to Corporate Principles" as its basic policy, and we are striving to push forward the boundaries of our business for further leaps in the next 100 years.

Under the corporate principle of "Constructing buildings,

creating towns — pioneering the new era," we will continue to pursue the maximization of sustainable growth and corporate value.

We hope that our stakeholders would utilize this report as a tool to help them deepen their understanding of the Daibiru Group, and ask for their continued support.

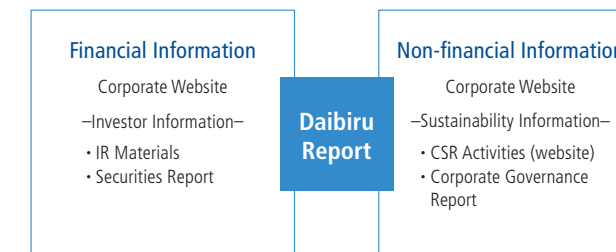
Representative Director  
President Chief Executive Officer

**Toshiyuki Sonobe**

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Positioning of Daibiru Report



Information Disclosure

More information is available at our website in addition to this report.  
<http://www.daibiru.co.jp/english/>

Editorial policy

The Company publishes an integrated report in order to communicate the value creation story of the Daibiru Group to our stakeholders. This integrated report summarizes and publishes non-financial information such as environmental and CSR activities, human resources and governance, as well as management strategies and financial information. For more detailed information, please refer to our corporate website and other various communication tools available. We hope that this report will help readers better understand our Company.

Note concerning projections

This integrated report contains statements on our future plans and strategies, and our projections and forecasts regarding our corporate performance. These statements incorporate predictions, plans, and judgments based on information available to us at this point in time and thus contains many potential risks, uncertain factors, and hypotheses. Actual results and performance may possibly differ greatly from our projections, due to fluctuations in these variables.

Reporting period

This report is mainly based on results for the year ended March 2019 (April 2018 to March 2019). Some contents may cover our activities and projections before or after this period.

Reference guidelines

- Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation"
- The International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework"

# A history of continuously responding to the needs of the times

Daibiru was one of the first to start the office building leasing business in 1923 at the dawn of office development in Japan. Since our founding, we have built up achievements over more than 95 years as a pioneer in office building business, continuously creating building with values even as the times change. The history of the Japanese office buildings is synonymous with the history of Daibiru, an enterprise that responds to the needs of the era.

In 1925, just two years after its foundation, Daibiru constructed the “Daibiru-Honkan Building,” one of the major office buildings in western Japan in expectation of future concentration of businesses in cities. Another two years later, in 1927, we completed the “Hibiya Daibiru Building,” adopting the “center core system” that integrates elevators, hallways, and other common areas in the center of the floor. This rational and economical approach paved the way for future high-rise buildings.

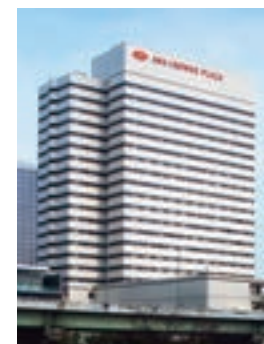


Picture 1 The former Daibiru-Honkan Building



Picture 2 The former Hibiya Daibiru Building (right: Building No. 1 / left: Building No. 2)

Picture 4 Dojima Daibiru Building



Picture 3 The former Shin-Daibiru Building

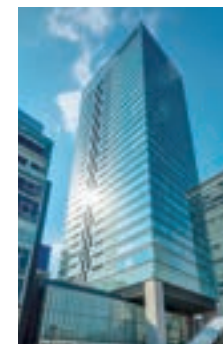
In anticipation of future business expansion, we proceeded to acquire the land of Dojimahama, Osaka, which was condemned by the occupation forces at the time. After the land was released, construction of the South Wing and the North Wing of the Shin-Daibiru Building, the large-scale office building, was completed in 1958 and 1963. The North Wing of the Shin-Daibiru Building features a garden of about 1,000 tsubo on its rooftop in hopes of creating harmony between building construction and nature. This effort paved the way for the subsequent rooftop gardening.

Furthermore, we took on unprecedented challenges in building constructions such as the “Dojima Daibiru Building (ANA Crowne Plaza Osaka)” completed in 1984, which made a sophisticated use of land and space though the acquisition of air rights.



Picture 5 Hibiya Daibiru Building

The reconstruction of the Hibiya Daibiru Building was an unprecedented project with almost no similar case of reconstruction project in the industry at the time. The theme of the new building was to incorporate new features and provide comfortable office spaces while maintaining the taste of the former building, and enhance the view of the surrounding area. This set a precedent for the subsequent redevelopment projects in Osaka.



Picture 6 Akihabara Daibiru Building

The Akihabara Daibiru Building was completed in 2005 as one of the core facilities of the redevelopment project in front of Akihabara Station, which allowed the world-famous Akihabara Electric Town to evolve into a leading-edge IT stronghold. The building stands 150 meters high, with 31 floors above the ground. Towering over the station, it is now the landmark of Akihabara, which drastically transformed through redevelopment projects in areas neighboring the station.

After more than 20 years of advancing the 3-chome Nakanoshima joint development (a joint project with the Kansai Electric Power Group) since its initial planning in 1989, the Nakanoshima Daibiru Building and the Daibiru-Honkan Building were completed in 2009 and 2013, respectively. During the same period, development projects for the Tosabori Daibiru Building (completed in 2009) and the Shin-Daibiru Building (completed in 2015) were also in progress, resulting in a large-scale redevelopment project for a total of four buildings being jointly undertaken.



Picture 7 Nakanoshima Daibiru Building

Picture 8 Tosabori Daibiru Building

Picture 10 Daibiru-Honkan Building

Picture 12 Shin-Daibiru Building

While concerns grew over the dwindling domestic market due to the low birthrate and aging population, the Company turned to the rapidly growing market in Vietnam and acquired Saigon Tower in Ho Chi Minh City in 2012. This is the first full-scale entry into the office building leasing business in Vietnam by a Japanese developer. Subsequently, in 2014, we acquired the CornerStone Building in Hanoi, the second of the buildings acquired in the country, and we have been steadily expanding our businesses in Vietnam.



Picture 9 Saigon Tower



Picture 11 CornerStone Building



Picture 13 275 George Street

As the second pillar of our overseas business following Vietnam, we focused on the office building market in Australia. Currently, an office building development project is underway in the Sydney CBD (central business district) (to be completed in 2020). (Picture shows the architectural rendering)

## Pioneering Stage

## After World War II

## Reinforcement Period

## Expansion Period

### Major events

- 1923.10** Osaka Building Co., Ltd. (capital: 3 million yen) established through joint capital investment of three companies: O.S.K. Line, Ujigawa Electric Power Co., Ltd. and Nippon Electric Power Co., Ltd.
- 1925.9** Construction of Daibiru-Honkan Building in Nakanoshima, Kita-ku, Osaka, completed. (Picture 1)
- 1927.7** Construction of Hibiya Daibiru Building No. 1 in Uchisaiwaicho, Chiyoda-ku, Tokyo, completed.
- 1931.4** Construction of Hibiya Daibiru Building No. 2 next to Hibiya Daibiru Building No. 1 completed. (Picture 2)

- 1945.10** Company name changed to Osaka Tatemono Co., Ltd.
- 1946.6** Hibiya Daibiru Building No. 1 and No. 2 seized (For 12 years and five months until December 1958 under the occupation of the U.S. forces stationed in Japan).

- 1958.4** Construction of the South Wing of Shin-Daibiru Building in Dojimahama, Kita-ku, Osaka, completed.
- 1963.10** Construction of the North Wing of Shin-Daibiru Building completed. (Picture 3)
- 1968.6** Construction of Yaesu Daibiru Building in Kyobashi, Chuo-ku, Tokyo, completed.
- 1983.12** Listed on the first section of Tokyo Stock Exchange.
- 1984.9** Construction of Dojima Daibiru Building (ANA Crowne Plaza Osaka) in Dojimahama, Kita-ku, Osaka, completed. (Picture 4)

- 1989.10** The first phase of the Hibiya Daibiru Building reconstruction project is completed and construction of a new building completed. (Picture 5)
- 1992.1** Company name changed to Daibiru Corporation.
- 2000.5** Construction of Umeda Daibiru Building in Umeda, Kita-ku, Osaka, completed.
- 2004.10** The Company became a consolidated subsidiary of Mitsui O.S.K. Lines, Ltd.
- 2005.3** Construction of Akihabara Daibiru Building in Sotokanda, Chiyoda-ku, Tokyo completed. (Redevelopment project in front of Akihabara Station) (Picture 6)
- The Company acquired Shosen Mitsui Building (Toranomon Daibiru Building) in Toranomon, Minato-ku, Tokyo.

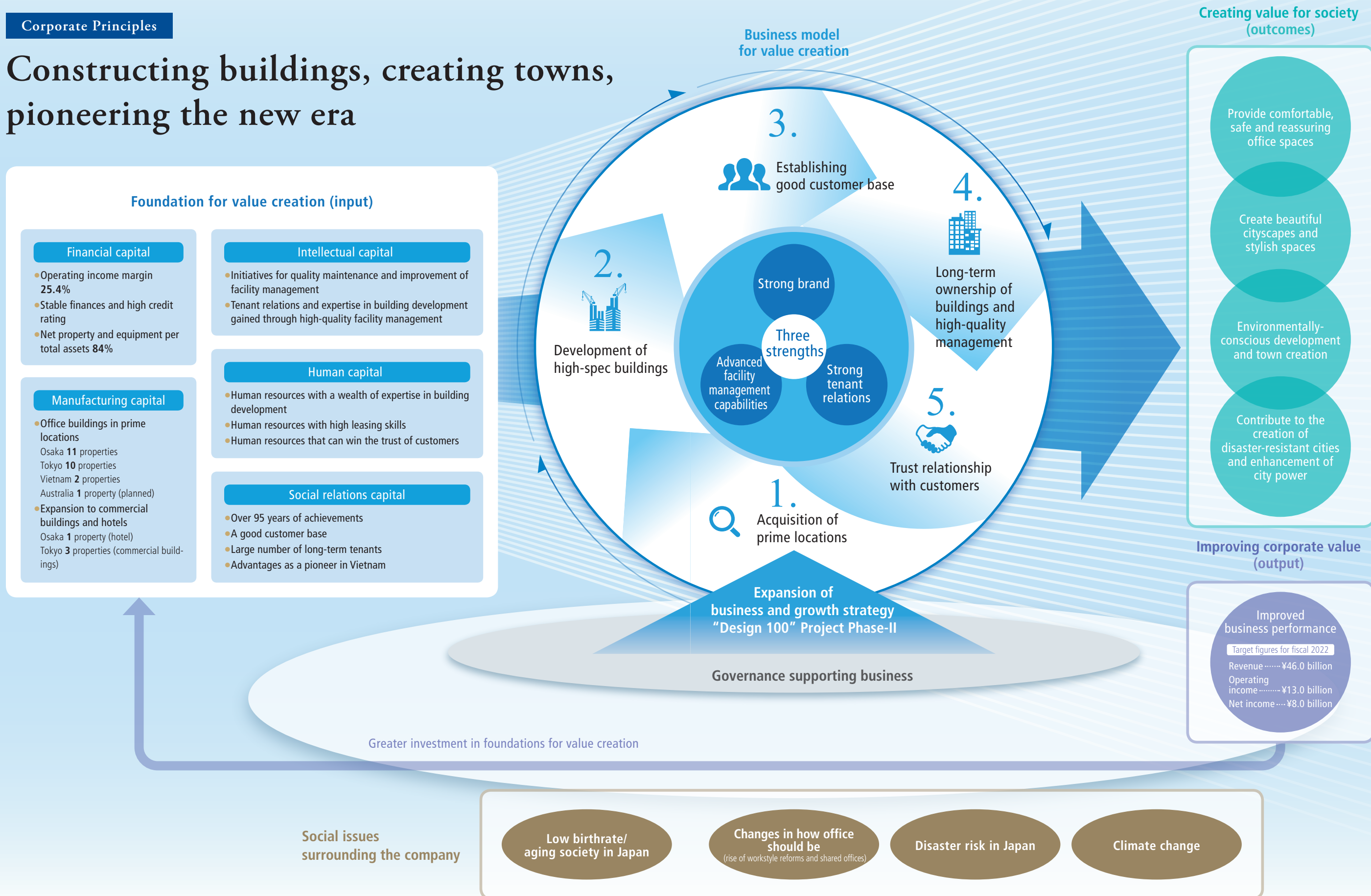
- 2007.7** The Company made “MOL Kosan Co., Ltd.” a consolidated subsidiary.
- 2009.3** Construction of Nakanoshima Daibiru Building in Nakanoshima, Kita-ku, Osaka, completed. (3-chome Nakanoshima joint development) (Picture 7)
- 2009.7** Construction of Tosabori Daibiru Building in Tosabori, Nishi-ku, Osaka, completed. (Picture 8)
- 2010.4** The Company acquired (trust beneficial rights of) Aoyama Rise Square in Minamiaoyama, Minato-ku, Tokyo.
- 2012.1** Acquired “Saigon Tower” in Ho Chi Minh City, Vietnam. (Overseas expansion for the first time) (Picture 9)

- 2013.2** The Daibiru-Honkan Building reconstruction project in Nakanoshima, Kita-ku, Osaka, completed and construction of new building completed. (The Company commemorated its 90th anniversary at the site of its establishment.) (Picture 10)
- 2014.12** Acquired the “CornerStone Building” in Hanoi, Vietnam. (Picture 11)
- 2015.3** The Shin-Daibiru Building reconstruction project in Dojimahama, Kita-ku, Osaka, completed and construction of a new building completed. (Picture 12)
- 2018.8** Signed a contract to acquire “275 George Street,” an office building development project in the Sydney CBD. (Picture 13)



Corporate Principles

# Constructing buildings, creating towns, pioneering the new era



# Steady Progress for the Phase-II Investment Plan

## We Continue Our Challenges To Acquire New Projects

The Company has set forth proactive investment policies in Phase-II (fiscal 2018-2022), the second half of the 10-year “Design 100” Project. President Toshiyuki Sonobe explains business performance for the first fiscal year of Phase-II and the progress status of the investment plan.

Representative Director  
President Chief Executive Officer  
**Toshiyuki Sonobe**



### We have achieved record-high revenue from operations for six consecutive years.

In order to pave the way for the next 100 years as we are heading towards the 100th anniversary in fiscal 2023, we launched the 10-year “Design 100” Project in fiscal 2013, and started Phase-II in fiscal 2018, the second 5 years of this project.

In fiscal 2018 (the fiscal year ended March 31, 2019), the first year of Phase-II, we achieved a record high sales for six consecutive years, backed by factors such as an increase in new orders in the facility management business, although a major tenant left the Na-

kanoshima Daibiru Building (now fully occupied). Turning to profit and loss, we recorded a decrease in income due to increases in depreciation costs for the Yaesu Daibiru Building and the Midosuji Daibiru Building, which are scheduled to be reconstructed, as well as increases in property tax and personnel expenses in the facility management business.

As a result, in the fiscal year ended March 31, 2019, we had revenue from operations of ¥40,637 million (up 0.6% year over year), operating income of ¥10,329 million (down 6.6%), ordinary income of ¥9,953 million (down 6.5%), and profit attributable to owners of parent of ¥6,993 million (down 3.7%). (See ▶ p.11)

### In the Medium-term Management Plan Phase-II, we promote investments that will become the seeds of growth.

In Phase-I, the first five years of the plan, we mostly achieved our targets for revenue and profit. However, we could not make an investment to envision a track to growth in the medium to long term as we intended. Therefore in Phase-II, with the theme of a return to our corporate principle of “Constructing buildings, creating towns, pioneering the new era,” we set forth five priority strategies of “Investment in high-end office properties in CBD,” “Expansion of investments targets,” “Improvement of overseas businesses,” “Investment to enhance the competitiveness of existing assets,” and “Enhancement and expansion of property maintenance businesses.” The primary aim is to build up projects that can become the seeds of our future growth in line with these priority strategies. We plan to make investments of ¥120.0 billion in total over the five years of Phase-II.

### In line with the strategy of “Expansion of investments targets,” we have invested in commercial buildings and small and medium-scale buildings.

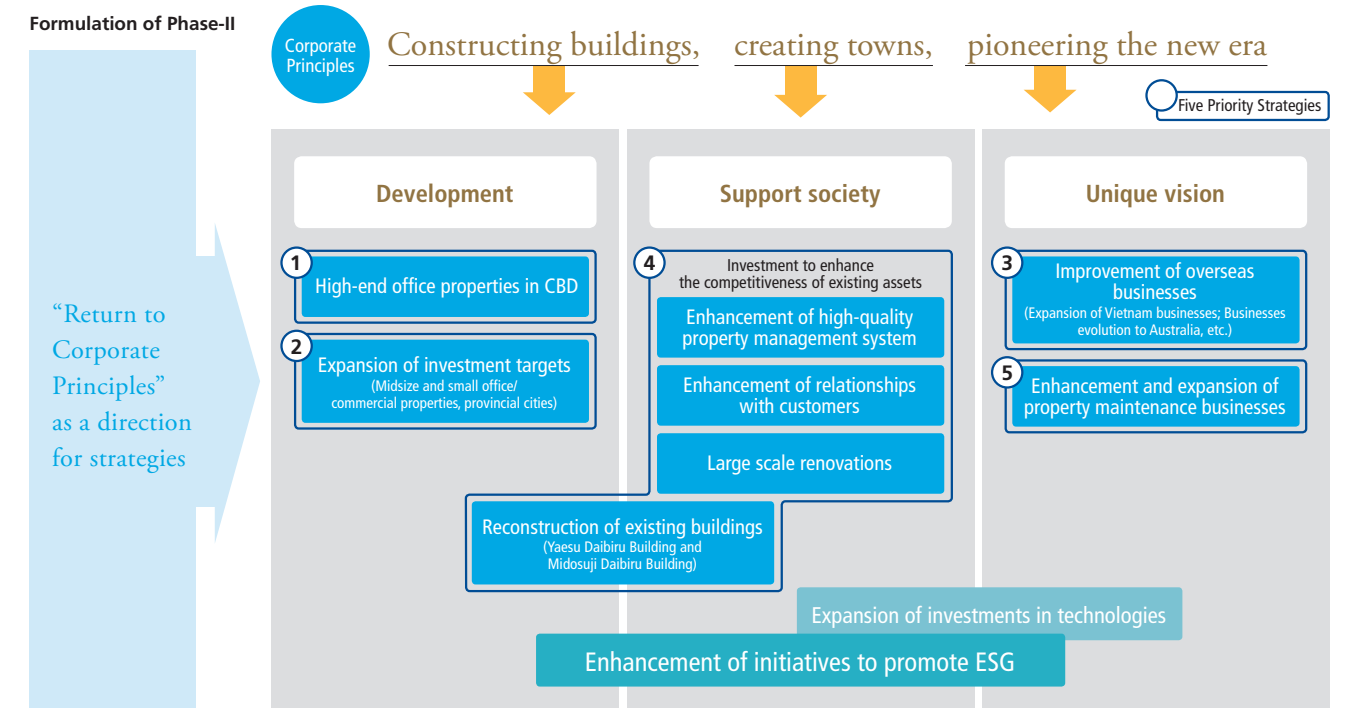
In fiscal 2018, the first year of Phase-II, we decided on ¥35.0 billion investment primarily in two priority strategies, “Expansion of investments targets” and “Improvement of overseas businesses,” reach-

ing a 30% progress towards the total planned investment amount of ¥120 billion in Phase-II. (See ▶ p.11)

The first project for the “Expansion of investments targets” strategy is the Akihabara Project (tentative name). Excellently located in just one minute walk from the Akihabara Station Electric Town exit, adjacent to our Akihabara Daibiru Building and Akihabara Daibiru-Ekimae Plaza Building, this is our first development project for an entirely commercial building. Scheduled to be completed in July 2019 and for a grand opening in November, almost all tenant spaces are fully booked on all floors mainly for restaurants.

The second project is the Nihonbashi 3-chome Building acquired in April 2019. This is a medium-sized commercial building entirely for leasing. In addition to its excellent location just four minutes on foot from Tokyo Station, a rise in the value of the area can be expected through redevelopment of the surrounding areas. Although we intend to manage this building as an existing asset for the time being, as it is located close to our Yaesu Daibiru Building, we intend to plan redevelopment schemes with various options, such as having the building share functions with the Yaesu Daibiru Building in the future to provide a building suitable for flexible working styles.

As represented by these two projects, the primary aim of this strategy is to expand our investments targets not only for our traditional high-end office properties in CBD but also for other properties such as commercial and small/medium-sized buildings. We are also currently collecting information to invest in core regional cities with a certain scale of economic blocs.





**For “Improvement of overseas businesses,” Daibiru acquired a development project in Sydney, Australia.**

Daibiru’s overseas business already operates the leasing of two office buildings in Vietnam, which has been greatly contributing to our consolidated profit. On the other hand, to further strengthen our overseas business, as a second target for overseas investment, we focused on Australia, a country that is expected to see a steady population growth despite being a developed country and has a strong transparency and liquidity in the real-estate sales and purchases market. We continued gathering information on properties with investment possibilities.

As a result, we signed a contract in August 2018 to acquire 275 George Street, an office building development project in Sydney.

This is a project to construct a new office building with 15 above-ground and 3 below-ground floors in the Sydney CBD. The project adopts a scheme in which we acquire a land from the John Holland Group (JHG), a leading general contractor and developer in Australia, and entrust the office building development work to the group as a seller.

Of the ¥120.0 billion investment plan for Phase-II, ¥40.0 billion is scheduled to be allocated to the investment for “Improvement of overseas businesses” strategy. The current investment has already contributed to achieving approximately 50% progress rate towards the investment plan. We are continuing to gather information for investments of the remaining amount in Vietnam and Australia.

With the reconstruction of the Midosuji Daibiru Building (to be closed at the end of 2020 and completed in fiscal 2023) and the Yaesu Daibiru Building (closed at the end of 2021 and completed in fiscal 2025), rental income is expected to gradually decline due to

the closure of the buildings. However, combined revenues from the three new properties (Akihabara Project (tentative name), Nihonbashi 3-chome Building, and 275 George Street) will make up for a decrease of the revenues due to the reconstruction of these two buildings.

**We adopt a more flexible investment attitude, taking into account the overheated real estate market.**

Daibiru currently owns 25 properties in Japan. However, as new investments are essential for further growth, we will work on our business activities to realize this as early as possible.

On the other hand, vacancy rates in the office building leasing market in Tokyo are at all-time lows, while rents continue to be on a rising trend. The momentum of demand in Osaka is not as high as in Tokyo, but the market is still expected to come to its peak trailing behind Tokyo, backed by factors such as EXPO 2025 OSAKA and promotion of integrated resorts. Backed by the favorable condition of the office building leasing market, property prices are becoming overheated, making it difficult to obtain buildings. Given this situation, we need to change our way of thinking as we approach investments targets.

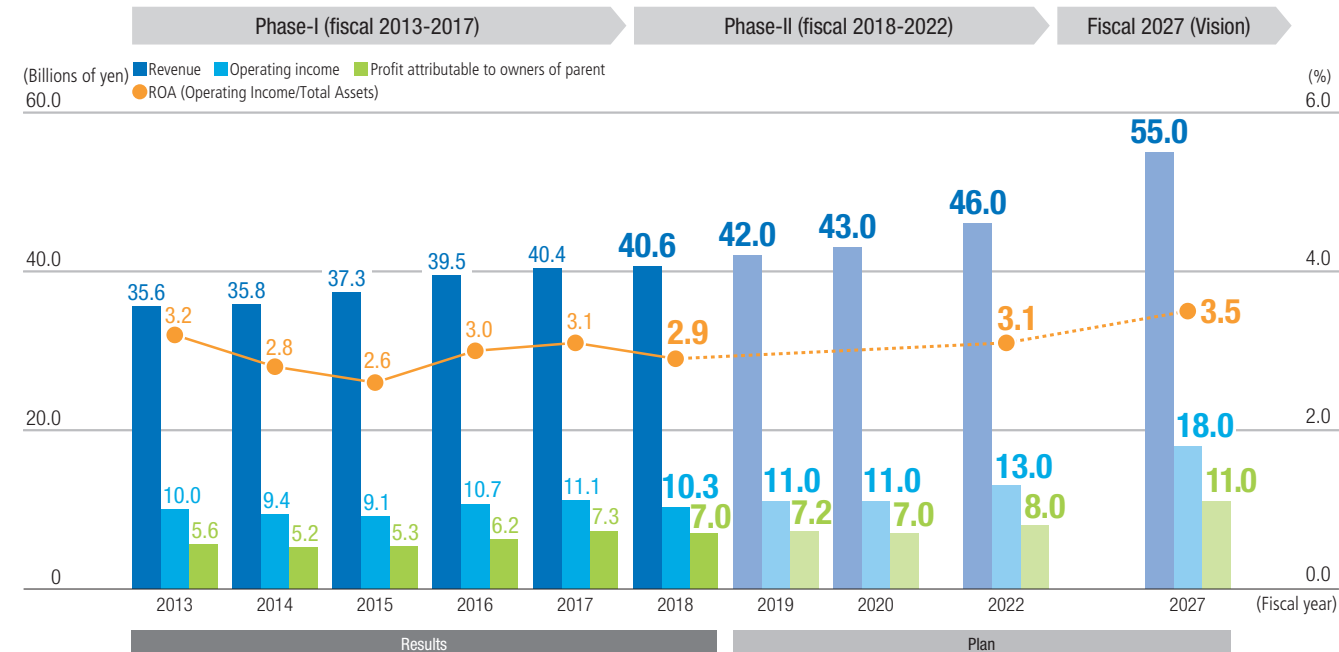
Traditionally, our business stance may have been taken as conservative one that prefers not to sell properties that are owned and buys only those in CBD (Central Business District). However, if there is a chance to newly acquire a highly profitable building by selling our existing property, we will find such opportunities to consider as a matter of course. In addition, together with the promotion of “Expansion of investments targets” mentioned earlier, we will look into a participation in joint projects by small investments not limited to major investments.

**We will enhance securing and training of human resources for customer services in order to maintain good tenant relations.**

One of Daibiru’s advantages is our long-term solid relationship with our tenant companies. In maintain the relationship, the facility management work, such as cleaning and facility maintenance plays an essential role. There is a shortage of human resources responsible for the facility management work. As we aim to sustain growth, steadily securing, retaining, and training human resources has become a big challenge. While we will also look into labor-saving initiatives utilizing AI, we must secure sufficient human resources in advance in order to increase the number of properties we own.

To address such an issue, we will continue to strengthen our

**Quantitative Targets**



recruiting activities, review our working conditions, and further enhance training programs. Through these measures, we will maintain and strengthen our efforts to provide safe, secure and comfortable spaces and services. In addition, in recent years, we are accepting interns from Vietnam under the Technical Intern Training Program. We believe these initiatives will also contribute to securing a steady rental income.

**Our aim is to improve our ROA<sup>(\*)</sup> in order to develop and acquire assets with good returns continuously.**

The projects we decided to invest in for fiscal 2018 have attractive returns. We will continue to invest in projects with higher returns.

As for financing method, we are planning to secure funds by issuing corporate bonds and borrowing from financial institutions. Accordingly, our debt equity ratio will increase slightly from the current 1.0 to 1.1 in the last fiscal year of Phase-II (fiscal 2022). However, we are aware that our financial position will remain sound enough. Also, we aim to improve our current ROA of 2.9% to 3.1% in the final fiscal year. Because of the nature of our business in which we develop or acquire high-cost assets such as buildings and gain stable rent revenues over a long period, there may be some limitations on how far ROA can increase, but we will operate our business with capital efficiency constantly kept in mind.

As for shareholder returns, starting from fiscal 2018, the first

year of Phase-II, we have increased dividend payout ratio, targeting a ratio of 30 to 35%. We steadily aim for stable dividends in accordance with the growth of our business performance.

(\*) Return on Assets

**We would like to reach our 100th anniversary by allowing a challenging spirit to take root.**

Daibiru started its business from owning an office building. There were times when we faced adversity and struggled, but we recovered every time through new challenges and achieved growth while learning from our failures. However, as our business performances have become stable in recent years, we are concerned that we tend to forget the challenging spirit by which our predecessors faced changes.

Phase-II is a five-year period in which Daibiru steps up for transformation. Furthermore, we will have the challenging spirit take root, while taking these five years as a period to lay the foundation to leap forward towards the next 100 years following the 100th anniversary. For this to happen, we need to transform the awareness of our employees. Specifically, we will rotate our human resources more actively, and provide more opportunities for each individual employee to grow, such as training, study abroad, or secondment to other companies. Through these initiatives, we expect that a culture that encourages a challenging spirit will be fostered.



Medium-term Management Plan (Fiscal 2018 - 2022)

# “Design 100” Project Phase-II

“Daibiru Excellence” towards Sustainable, Innovative & Global Next 100 (Century)

~ Return to Corporate Principles ~  
(Progress of the Medium-term Management Plan)

### Direction of Design 100

Daibiru will welcome its 100th anniversary in 2023, the year after the conclusion of this medium-term management plan. We would strive to push forward the boundaries of our business for further leaps in the next 100 years. The plan focuses on our core Corporate Principles, aiming for sustainable growth which enables us to continue developing properties and creating towns that support society and carry our unique vision of urban development.

(Billions of yen)

Quantitative Targets	“Design 100” Project Phase-II				FY 2027 (Vision)
	FY2018		FY2020	FY2022	
	Plan	Results	Plan	Plan	
Revenue	40.5	40.6	43.0	46.0	55.0
Operating Income	10.0	10.3	11.0	13.0	18.0
Net Income	6.5	7.0	7.0	8.0	11.0
ROA [Operating Income/Total Assets]	2.8%	2.9%		3.1%	3.5%
Debt Equity Ratio	0.9	1.0		1.1	1.2
Dividend Payout Ratio	Stable dividends targeting a ratio of 30~35%				

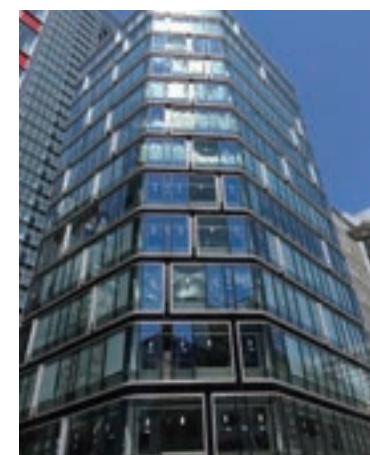
### Five Priority Strategies

(Billions of yen)

	Priority Strategies	Investment Plan (fiscal 2018-2022)	Decided (as of April 2019)
Investment for growth	① Investment in high-end office properties in CBD		
	② Expansion of investment targets <b>CLOSE UP</b> Midsize and small office/commercial properties, provincial cities ⇒ Akihabara Project (tentative name), Nihonbashi 3-chome Building	65.0	about 11.0
	③ Improvement of overseas businesses <b>CLOSE UP</b> Expansion of Vietnam businesses; Businesses evolution to Australia, etc. ⇒ 275 George Street	40.0	about 20.0
Enhancement of business bases	④ Investment to enhance the competitiveness of existing assets Promotion of reconstruction of Yaesu Daibiru Building and Midosuji Daibiru Building Large-scale renovations of existing buildings, etc.	15.0	about 4.0
	⑤ Enhancement and expansion of property maintenance businesses (Non-Asset Based)		
	Total	120.0	about 35.0

### Expansion of investments targets **CLOSE UP**

#### Akihabara Project (tentative name)



The “Akihabara Project”(tentative name/commercial building) in progress in front of Akihabara Station, is to be completed in July 2019 followed by a grand opening in November.

This property is located in a highly thriving and well-known neighborhood near Akihabara Station, which is easily accessible from most locations. It is adjacent to the Akihabara Daibiru Building and in the same city block as the Akihabara Daibiru-Ekimaie Plaza Building (commercial building).

Through this project Daibiru intends to make the Akihabara Station area more and attractive and contribute to the improvement of its overall value.

#### Overview of Construction

<b>Location:</b>	1-18-19 Sotokanda, Chiyoda-ku, Tokyo	<b>Structure:</b>	Steel construction (reinforced concrete construction partially)
<b>Gross floor area:</b>	Approx. 5,000 m <sup>2</sup> (approx. 1,500 tsubo)	<b>Usage:</b>	Rental commercial facility
<b>Floors:</b>	11 floors above ground, 2 floors below ground, 2 rooftop floors	<b>Design supervision:</b>	Nikken Sekkei Ltd
		<b>Construction:</b>	Kajima Corporation

#### Nihonbashi 3-chome Building



In April 2019 Daibiru acquired the “Nihonbashi 3-chome Building,” a commercial building in an outstanding location within walking distance of JR Tokyo Station. Leveraging our knowhow of operating and managing commercial establishments accumulated in Akihabara, we will also pursue operational efficiencies together with the Yaesu Daibiru Building nearby.

This area is currently undergoing a major redevelopment, which can be expected to result in a greater value for this city block in the future.

#### Overview of Construction

<b>Location:</b>	3-2-17 Nihonbashi, Chuo-ku, Tokyo	<b>Structure:</b>	Steel framed reinforced concrete construction
<b>Gross floor area:</b>	2,305m <sup>2</sup> (697 tsubo)	<b>Usage:</b>	Rental commercial facility
<b>Floors:</b>	7 floors above ground, 2 floors below ground	<b>Completion:</b>	March 1989

### Improvement of overseas businesses **CLOSE UP**

#### 275 George Street



In August 2018, we have signed contracts with the John Holland Group (JHG), a leading general contractor and developer in Australia, to acquire an office building development project in the Sydney CBD (central business district).

The scheme of this project is to acquire the land from the JHG and commission them to work on the office building development there. This project is scheduled for completion in mid-2020. (See ▶ p.13 for the Feature Article on this project)

#### Overview of Construction

<b>Location:</b>	275 George Street, Sydney, NSW, Australia	<b>Structure:</b>	Reinforced concrete construction
<b>Net leasable area:</b>	Approx. 7,200 m <sup>2</sup> (approx. 2,200 tsubo)	<b>Usage:</b>	Office and retail
<b>Floors:</b>	15 floors above ground, 3 floors below ground	<b>Architect:</b>	Architectus
		<b>Construction:</b>	John Holland Group



Feature



# 275 George Street

275 George Street is our second overseas investment following Vietnam. This feature looks at the background and overview of the project.

## Why Australia?

We entered the Vietnamese market in 2012, and now own and operate two highly profitable properties. In the meanwhile, about three years ago, we began to seek a second investment destination following Vietnam. As the population of Japan declines toward the future, we started with an idea that we must further strengthen our overseas business.

After looking into the next investment destination, we focused on Australia, a country where population growth is still expected due to active acceptance of skilled migrants despite being a developed country. The Australian real estate market was also attractive for its high level of transparency and liquidity. As we gathered information and built local networks mainly in Sydney and Melbourne through efforts such as deploying our employees on a long-term basis, we finally acquired this project.

## Extremely good location

275 George Street is located in a prime area facing George Street, Sydney's main road running north-to-south through its CBD, and adjoining Wynyard Station, one of the city's main stations (equivalent of Otemachi Station in Tokyo). A light rail (tram) network is scheduled to start operation on George Street in 2020, as the convenience of this area is expected to be further enhanced in the future.

## Environmentally compatible

The new building will acquire a high rating by NABERS(\*) as well as another environment performance rating called Green Star for its environmentally-conscious design specification. End-of-trip facilities (car park, locker rooms, shower space) will be available on the second basement floor, supporting bicycle commuting which is popular among highly health-conscious people in Australia.

(\*) National Australian Built Environment Rating System



## All-out effort for contract negotiations

Overseas Business Department Hiroshi Kumada

The volume of the contract document related to this project was over 500 pages, and the Overseas Business Department was forced to make an all-out effort to conclude the final negotiations in Australia. Meetings continued for consecutive days from dawn to midnight, with the fatigue of participating staff members reaching their peak. However, they overcame the difficulties and managed to reach the signing of the contract. At the time of the final agreement, all members from both sides praised each other for their perseverance, leaving behind a memorable scene in which they looked satisfied. Our members currently attend project meetings held once a month, working with the John Holland Group to finalize the design and specifications of the building. As the appearance of the building gradually gets closer to reality, we look forward to seeing its completion in full scale in mid-2020.



## Business Information

### Office Building Leasing

Daibiru owns and leases 25 properties that meet diverse client needs for offices, hotel buildings, and retail complexes in central Tokyo and Osaka. Our long history of reliability and wealth of experience enable us to satisfy a variety of tenant requirements, and we constantly strive to provide a comfortable business environment through major renovation of aging buildings.

Also, we acquired overseas office buildings, in Ho Chi Minh City and in Hanoi, Vietnam in January 2012 and December 2014, respectively, and will complete a new office building in Sydney, Australia in 2020. We have expanded our operations overseas capitalizing on our building management know-how accumulated over many years in Japan.

### Residential Property Leasing

Daibiru applies its expertise acquired through building management in our residential property leasing business. We develop residence halls for students, apartment buildings for businesspeople on temporary assignment away from their families as well as condominiums for families. We have further expanded the scope of our business activities to include urban residences that foster fulfilling lifestyles.

### Facility Management

The functions required for operating buildings — “Facility maintenance,” “Cleaning” and “Security” — are held within the Group. Real estate specialists of each Group company offer quality services with the latest know-how.

### Contracting and Construction Management

The Group carries out a wide range of constructions relating to buildings, including major repairs originating from its building maintenance operations.

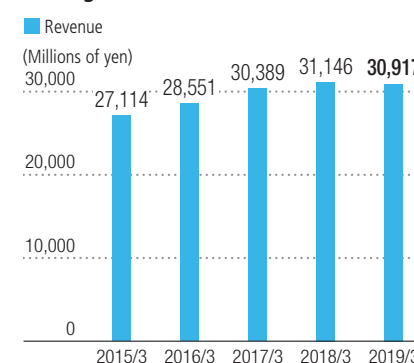
### Real Estate Agency

Daibiru engages in real estate intermediation, focusing primarily on office properties.



### Revenue

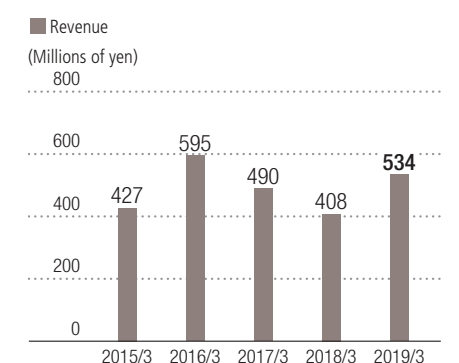
#### Leasing



#### Facility Management

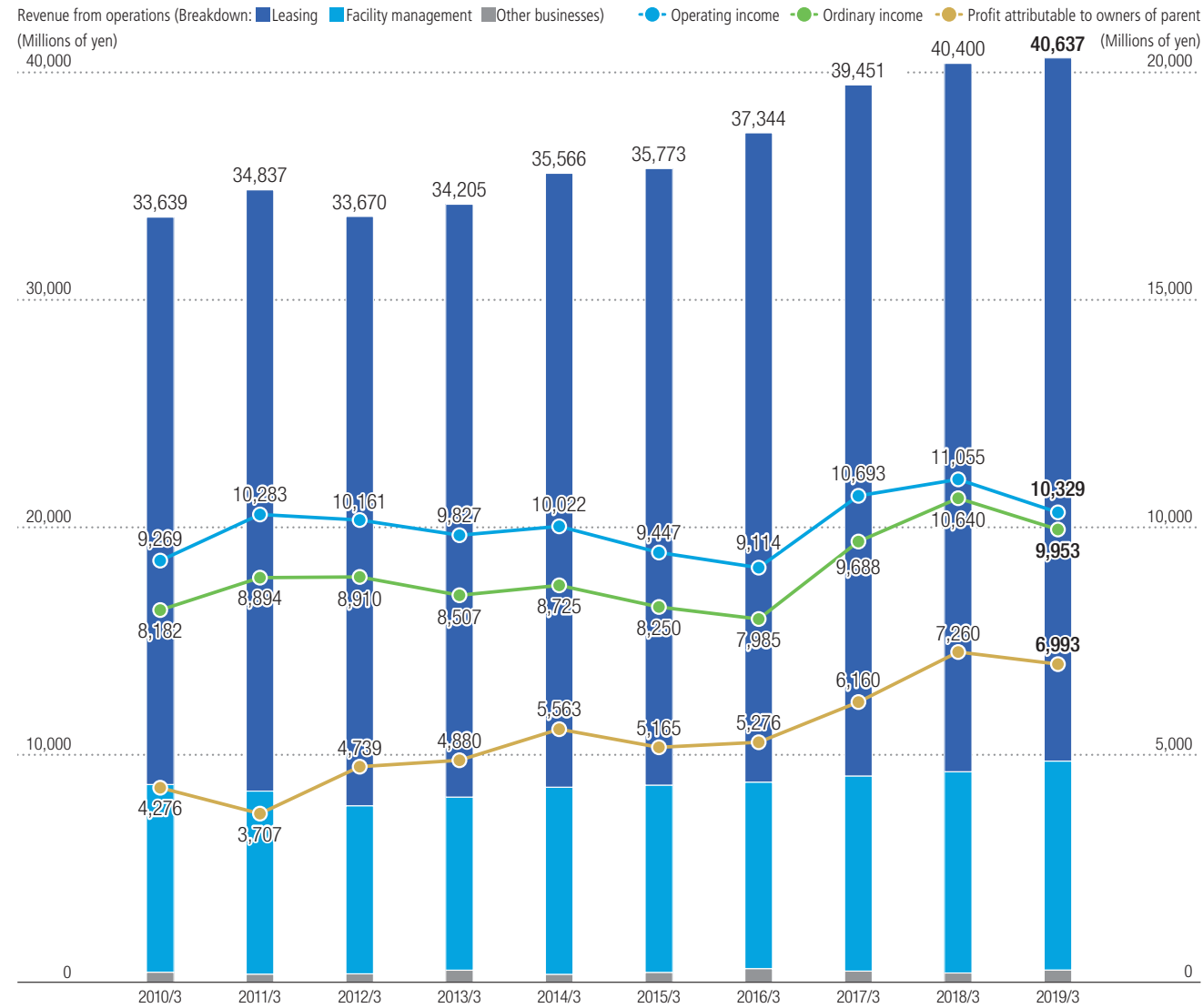


#### Other businesses

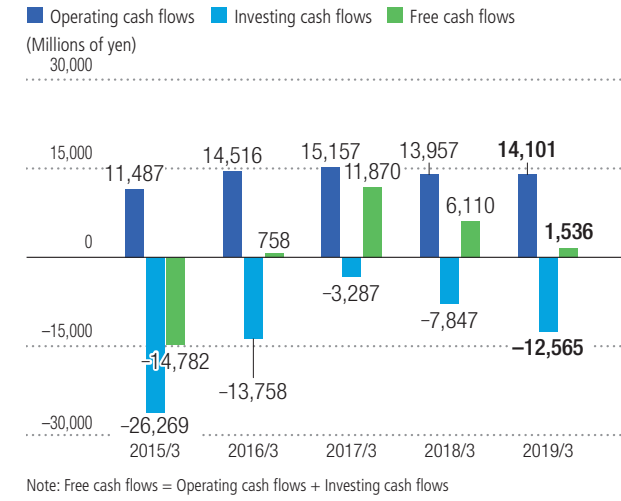




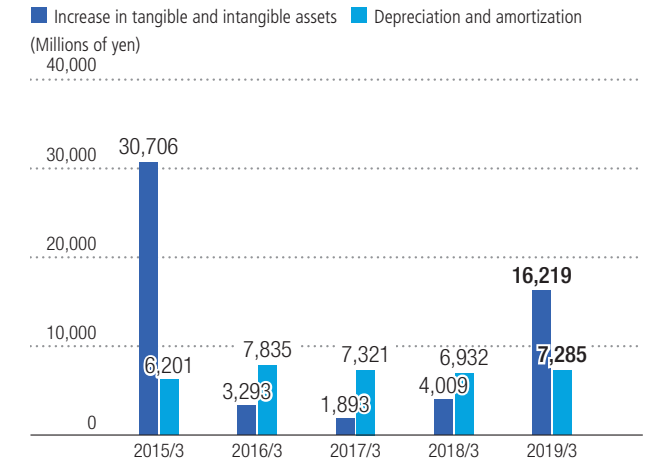
## Revenue from operations / Operating income / Ordinary income / Profit attributable to owners of parent



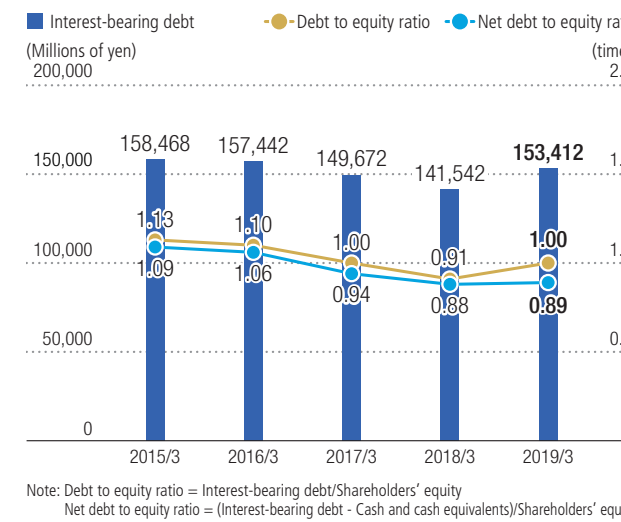
## Cash flows



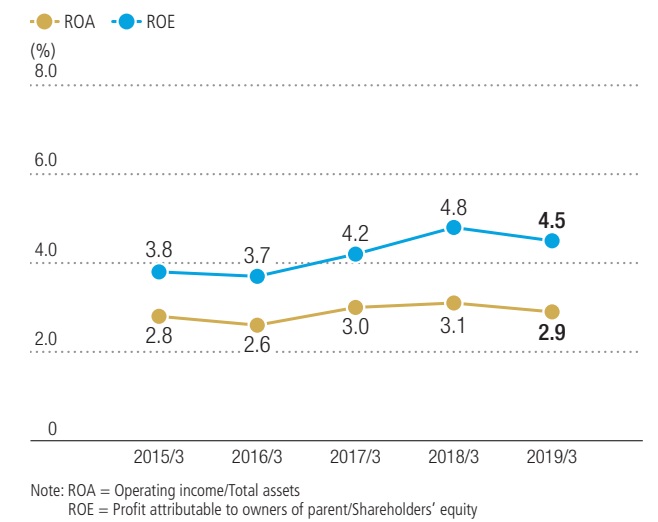
## Increase in tangible and intangible assets / Depreciation and amortization



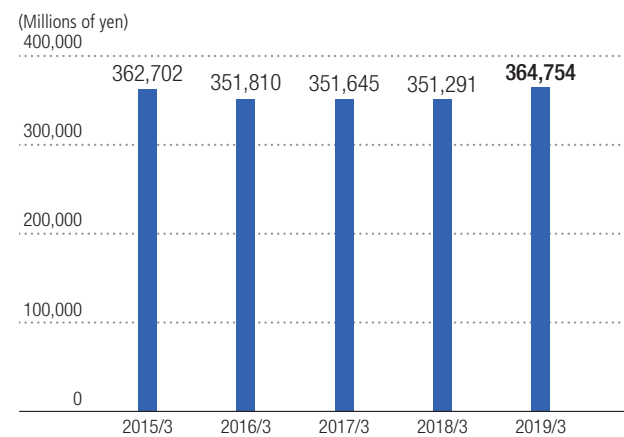
## Interest-bearing debt / Debt to equity ratio



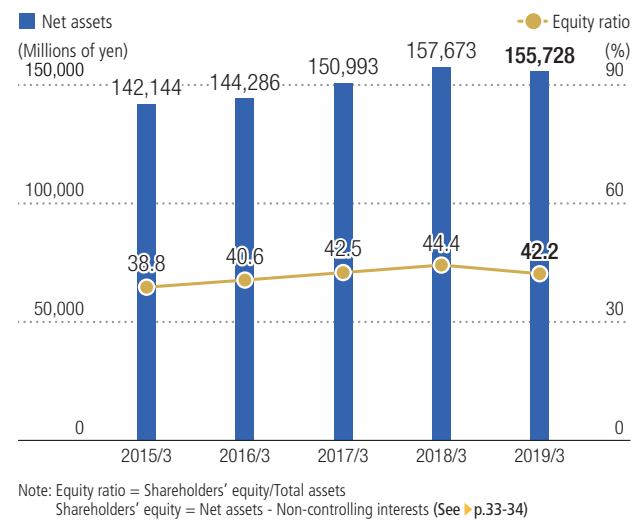
## ROA (Return on Assets) ROE (Return on Equity)



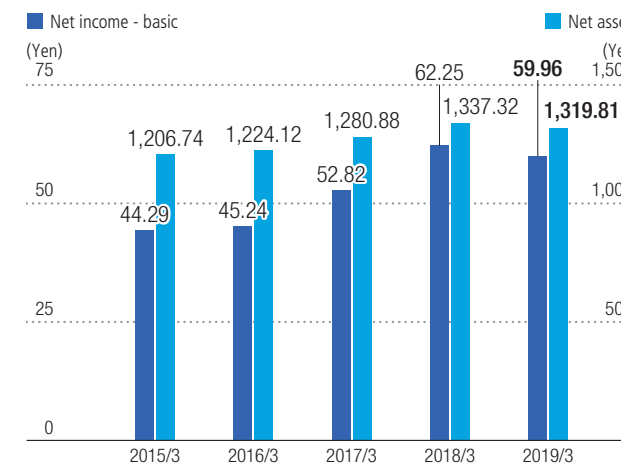
## Total assets



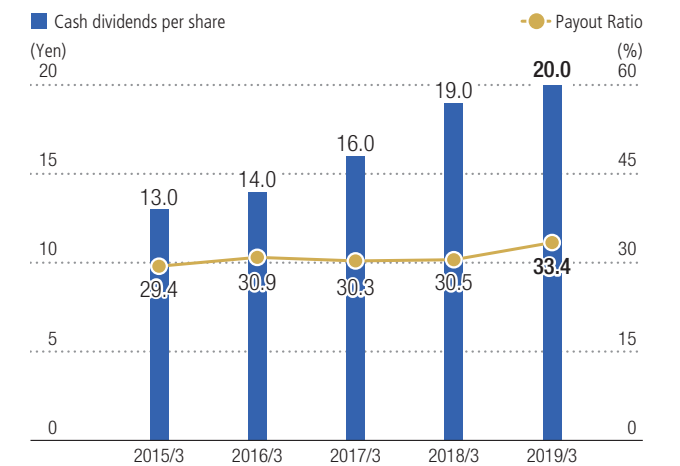
## Net assets / Equity ratio



## Per Share Data

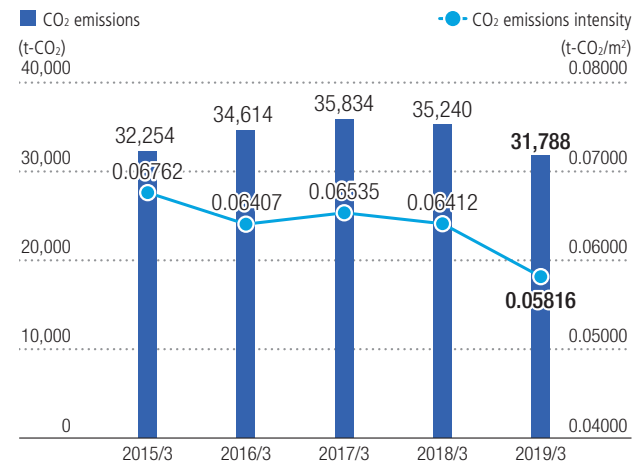


## Cash dividends per share / Payout ratio



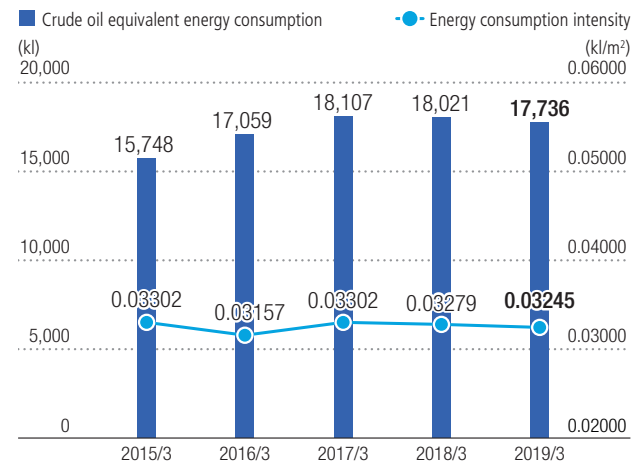
# Non-financial Information Highlights

## CO<sub>2</sub> emissions



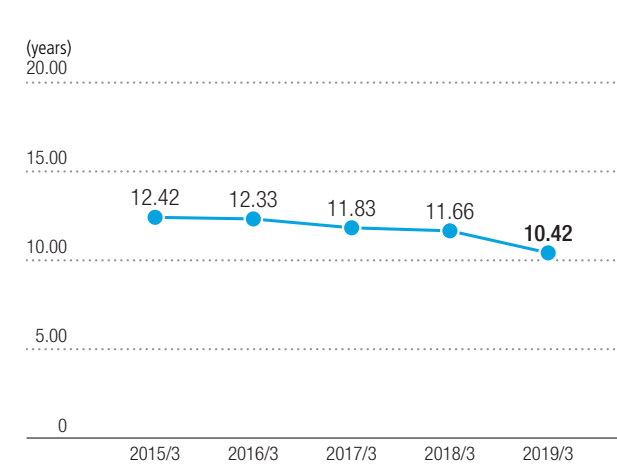
Note: Scope of the data: 23 office and commercial buildings owned by the Company

## Energy use

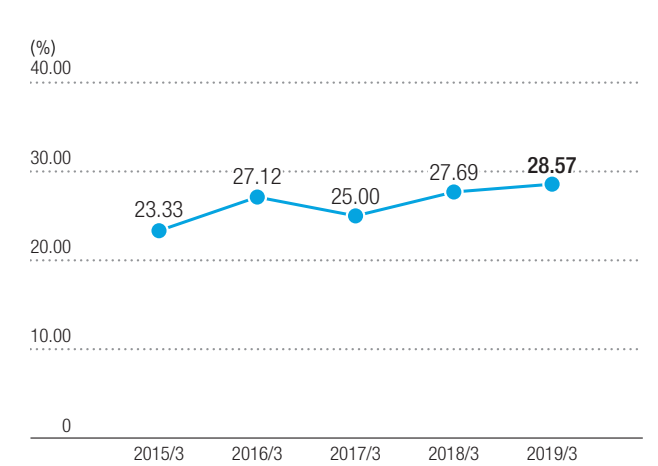


Note: Scope of the data: 23 office and commercial buildings owned by the Company

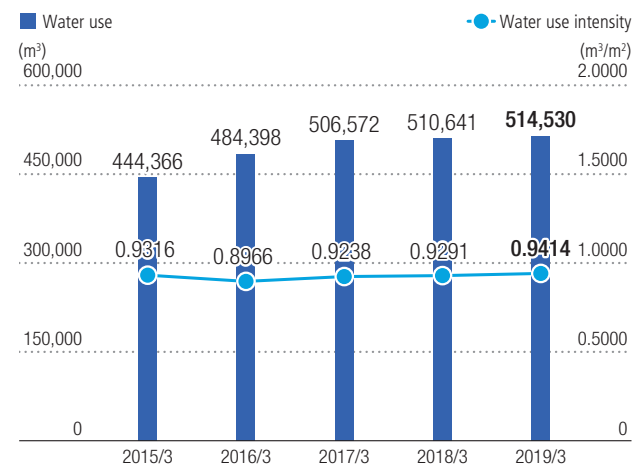
## Average years of service (non-consolidated)



## Percentage of female employees (non-consolidated)

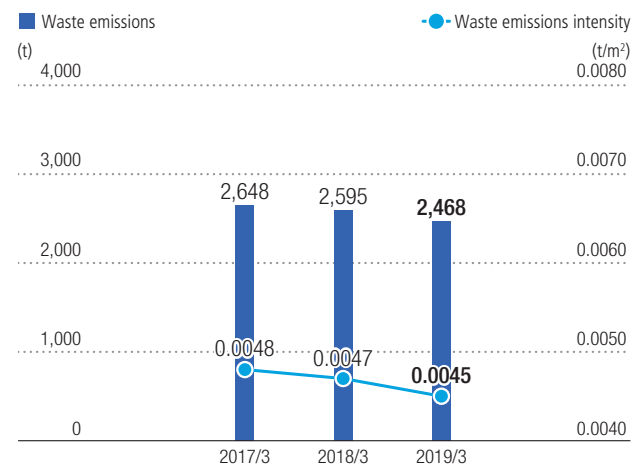


## Water use



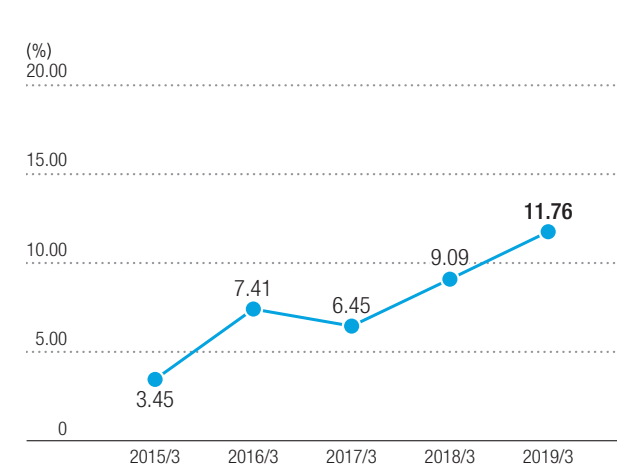
Note: Scope of the data: 23 office and commercial buildings owned by the Company

## Waste emissions



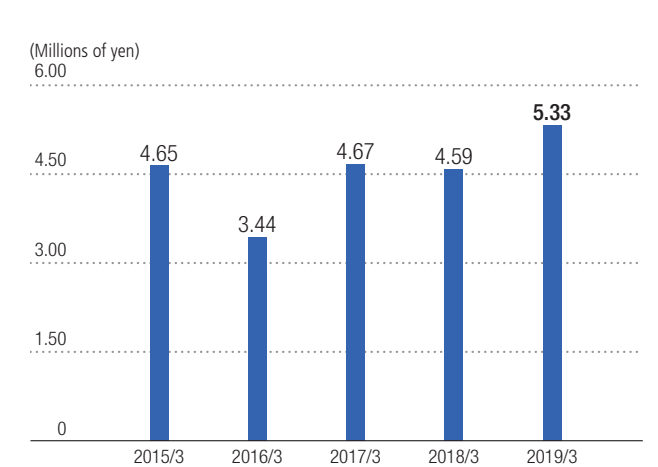
Note: Scope of the data: 22 office and commercial buildings owned by the Company

## Percentage of female managers (non-consolidated)

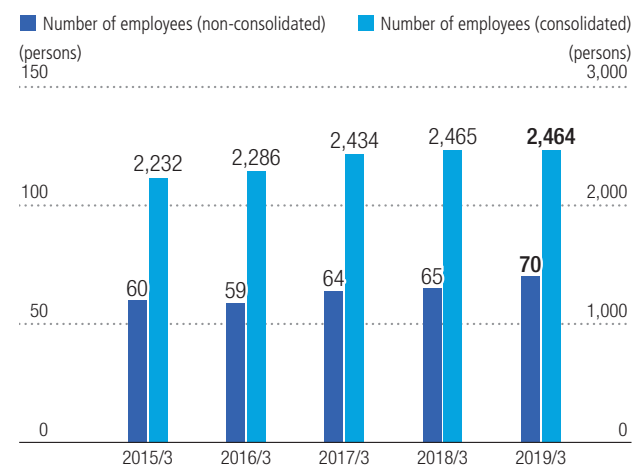


Note: Calculated by female managers divided by the total number of managers

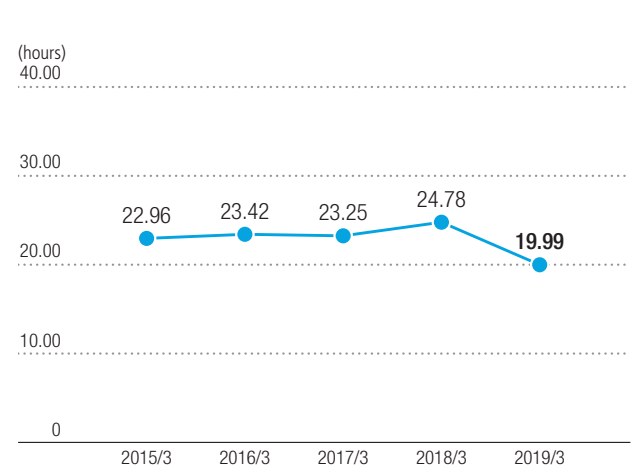
## Education and training expenses (non-consolidated/per year)



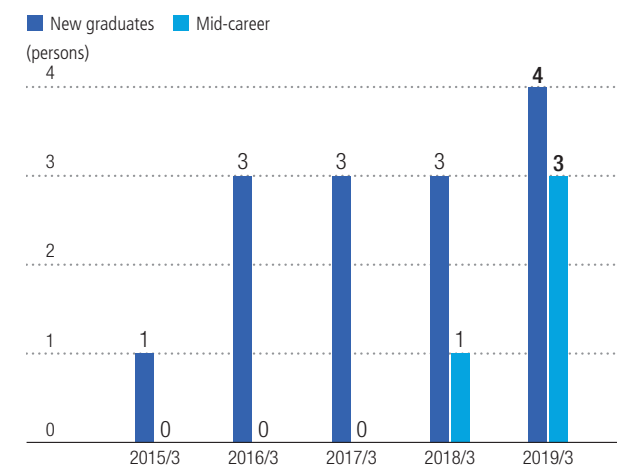
## Number of employees



## Average overtime (non-consolidated/per month)



## Number of recruits (non-consolidated)



Turnover rate (non-consolidated/ voluntary termination/5-year cumulative total) **1.08%**

Utilization rate of childcare leave (non-consolidated/female/5-year cumulative total) **100%**

Utilization rate of leave for childbirth of spouse (non-consolidated/male/5-year cumulative total) **85%**

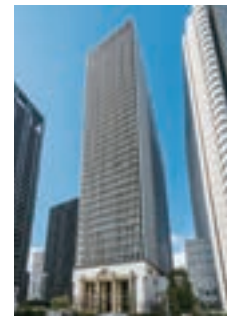
\* The data of average overtime, education and training expenses, and utilization rate of childcare leave of include contract employees



# Osaka



**Daibiru-Honkan Building**  
**Location**  
 3-6-32, Nakanoshima, Kita-ku, Osaka  
**Floors**  
 22 floors above ground, 2 floors below ground  
**Gross floor area**  
 48,197.75m<sup>2</sup>  
**Completion**  
 Feb. 2013



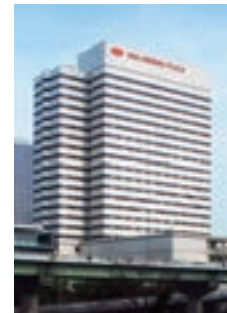
**Nakanoshima Daibiru Building**  
**Location**  
 3-3-23, Nakanoshima, Kita-ku, Osaka  
**Floors**  
 35 floors above ground, 2 floors below ground  
**Gross floor area**  
 79,543.04m<sup>2</sup>  
**Completion**  
 Mar. 2009



**Shin-Daibiru Building**  
**Location**  
 1-2-1, Dojimahama, Kita-ku, Osaka  
**Floors**  
 31 floors above ground, 2 floors below ground  
**Gross floor area**  
 77,388.49m<sup>2</sup>  
**Completion**  
 Mar. 2015



**Umeda Daibiru Building**  
**Location**  
 3-3-10, Umeda, Kita-ku, Osaka  
**Floors**  
 23 floors above ground, 3 floors below ground  
**Gross floor area**  
 42,363.23m<sup>2</sup>  
**Completion**  
 May 2000



**Dojima Daibiru Building (ANA Crowne Plaza Osaka)**  
**Location**  
 1-3-1, Dojimahama, Kita-ku, Osaka  
**Floors**  
 23 floors above ground, 3 floors below ground  
**Gross floor area**  
 44,770.16m<sup>2</sup>  
**Completion**  
 Sep. 1984



**Tosabori Daibiru Building**  
**Location**  
 2-2-4, Tosabori, Nishi-ku, Osaka  
**Floors**  
 17 floors above ground, 1 floor below ground  
**Gross floor area**  
 37,496.96m<sup>2</sup>  
**Completion**  
 Jul. 2009



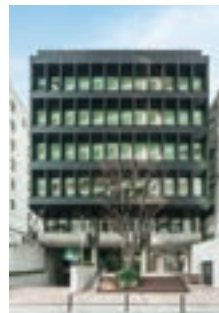
**Midosuji Daibiru Building**  
**Location**  
 4-1-2, Minami-kyuhojimachi, Chuo-ku, Osaka  
**Floors**  
 8 floors above ground, 3 floors below ground  
**Gross floor area**  
 13,399.13m<sup>2</sup>  
**Completion**  
 Sep. 1964



**Yodoyabashi Daibiru Building**  
**Location**  
 4-4-9, Koraihashi, Chuo-ku, Osaka  
**Floors**  
 14 floors above ground, 2 floors below ground  
**Gross floor area**  
 11,273.19m<sup>2</sup>  
**Completion**  
 Feb. 1997



**Awajimachi Daibiru Building**  
**Location**  
 3-1-9, Awajimachi, Chuo-ku, Osaka  
**Floors**  
 8 floors above ground, 1 floor below ground  
**Gross floor area**  
 10,344.37m<sup>2</sup>  
**Completion**  
 May 1986



**Dokita Daibiru Building**  
**Location**  
 1-2-5, Dojima, Kita-ku, Osaka  
**Floors**  
 7 floors above ground, 1 floor below ground  
**Gross floor area**  
 4,282.71m<sup>2</sup>  
**Completion**  
 Mar. 1986



**Kita-Umeda Daibiru Building**  
**Location**  
 1-5-22, Nakatsu, Kita-ku, Osaka  
**Floors**  
 8 floors above ground, 1 floor below ground  
**Gross floor area**  
 4,184.83m<sup>2</sup>  
**Completion**  
 Jan. 1997



**Estate Tosabori Building**  
**Location**  
 2-2-17, Tosabori, Nishi-ku, Osaka  
**Floors**  
 5 floors above ground, 1 floor below ground  
**Gross floor area**  
 5,634.91m<sup>2</sup>  
**Completion**  
 Oct. 1997

# Tokyo



**Hibiya Daibiru Building**  
**Location**  
 1-2-2, Uchisaiwaicho, Chiyoda-ku, Tokyo  
**Floors**  
 21 floors above ground, 3 floors below ground  
**Gross floor area**  
 29,960.50m<sup>2</sup>  
**Completion**  
 (first phase) Oct. 1989  
 (second phase) Nov. 1991



**Akihabara Daibiru Building**  
**Location**  
 1-18-13, Sotokanda, Chiyoda-ku, Tokyo  
**Floors**  
 31 floors above ground, 2 floors below ground  
**Gross floor area**  
 50,289.59m<sup>2</sup>  
**Completion**  
 Mar. 2005



**Shosen Mitsui Building (Toranomon Daibiru Building)**  
**Location**  
 2-1-1, Toranomon, Minato-ku, Tokyo  
**Floors**  
 16 floors above ground, 3 floors below ground  
**Gross floor area**  
 34,655.23m<sup>2</sup>  
**Completion**  
 Nov. 1979



**Yaesu Daibiru Building**  
**Location**  
 1-1-1, Kyobashi, Chuo-ku, Tokyo  
**Floors**  
 9 floors above ground, 5 floors below ground  
**Gross floor area**  
 26,723.04m<sup>2</sup>  
**Completion**  
 Jun. 1968



**Aoyama Rise Square**  
**Location**  
 5-21-22, Minamiaoyama, Minato-ku, Tokyo  
**Floors**  
 16 floors above ground, 2 floors below ground  
**Gross floor area**  
 25,010.81m<sup>2</sup>  
**Completion**  
 Apr. 2003



**Kojimachi Daibiru Building**  
**Location**  
 5-7-1, Kojimachi, Chiyoda-ku, Tokyo  
**Floors**  
 7 floors above ground, 2 floors below ground  
**Gross floor area**  
 11,609.67m<sup>2</sup>  
**Completion**  
 Sep. 1976



**Shinjuku Daibiru Building (Shinjuku ALTA)**  
**Location**  
 3-24-3, Shinjuku, Shinjuku-ku, Tokyo  
**Floors**  
 8 floors above ground, 3 floors below ground  
**Gross floor area**  
 11,254.82m<sup>2</sup>  
**Completion**  
 Apr. 1980



**Shiba Daibiru Building**  
**Location**  
 5-21-6, Shiba, Minato-ku, Tokyo  
**Floors**  
 10 floors above ground, 1 floor below ground  
**Gross floor area**  
 10,833.24m<sup>2</sup>  
**Completion**  
 Jun. 1989



**Uchisaiwaicho Daibiru Building**  
**Location**  
 1-3-3, Uchisaiwaicho, Chiyoda-ku, Tokyo  
**Floors**  
 9 floors above ground, 1 floor below ground  
**Gross floor area**  
 10,121.85m<sup>2</sup>  
**Completion**  
 Jan. 1983



**Mita Nitto Daibiru Building**  
**Location**  
 3-11-36, Mita, Minato-ku, Tokyo  
**Floors**  
 8 floors above ground, 1 floor below ground  
**Gross floor area**  
 10,008.21m<sup>2</sup>  
**Completion**  
 Sep. 1986



**Akihabara Daibiru-Ekima Plaza Building**  
**Location**  
 1-18-18, Sotokanda, Chiyoda-ku, Tokyo  
**Floors**  
 9 floors above ground, 1 floor below ground  
**Gross floor area**  
 3,201.22m<sup>2</sup>  
**Completion**  
 Mar. 2005

# Vietnam

Ho Chi Minh City, Vietnam



**Saigon Tower**  
**Location**  
 29 Le Duan Boulevard, District 1, Ho Chi Minh City, Vietnam  
**Floors**  
 18 floors above ground, 2 floors below ground  
**Gross floor area**  
 17,986m<sup>2</sup>  
**Completion**  
 Dec. 1996

(Note) Owned by Daibiru Saigon Tower Co., Ltd.

Hanoi, Vietnam



**CornerStone Building**  
**Location**  
 16 Phan Chu Trinh Street, Hoan Kiem District, Hanoi, Vietnam  
**Floors**  
 14 floors above ground, 3 floors below ground, 1 rooftop floor  
**Gross floor area**  
 48,494m<sup>2</sup>  
**Completion**  
 Jun. 2013

(Note) Owned by Daibiru CSB Co., Ltd.



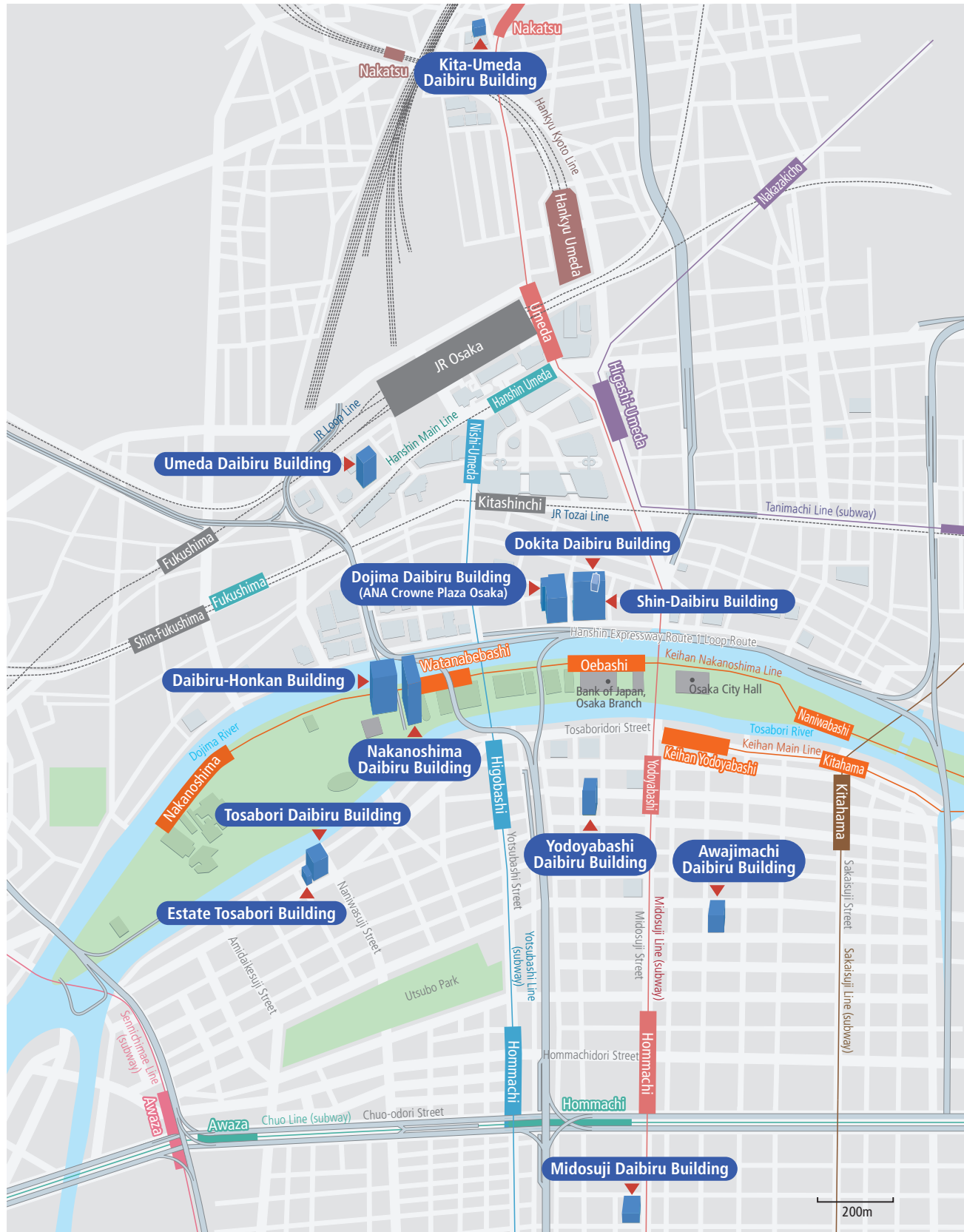
**Estate Shiba Building**  
**Location**  
 5-17-2, Shiba, Minato-ku, Tokyo  
**Floors**  
 5 floors above ground  
**Gross floor area**  
 498.92m<sup>2</sup>  
**Completion**  
 Dec. 1987



**Nihonbashi 3-chome Building**  
**Location**  
 3-2-17 Nihonbashi, Chuo-ku, Tokyo  
**Floors**  
 7 floors above ground, 2 floors below ground  
**Gross floor area**  
 2,304.78m<sup>2</sup>  
**Completion**  
 Mar. 1989



# Osaka



# Tokyo





# Corporate Governance

## Board of Directors



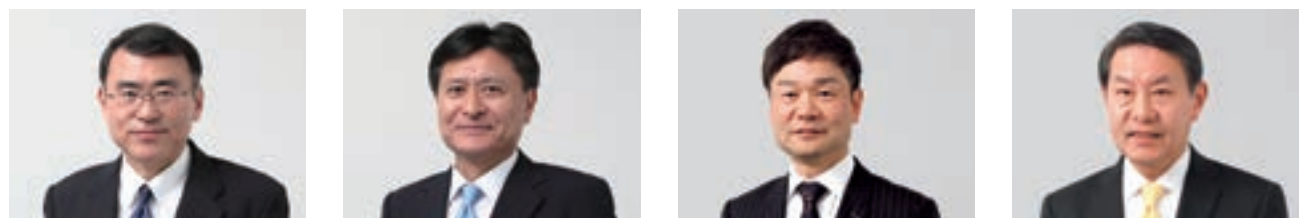
- 1 Toshiyuki Sonobe**  
Representative Director,  
President Chief Executive Officer
- 2 Atsushi Oi**  
Director (Outside/Independent)
- 3 Atsushi Miyano**  
Director (Outside/Independent)
- 4 Junichi Narita**  
Representative Director,  
Senior Managing Executive Officer,  
Supervisor for Finance & Accounting  
Department, Responsible for;  
General Affairs Department,  
Human Resources Department,  
Internal Audit Office
- 5 Takeo Yada**  
Director,  
Senior Managing Executive Officer,  
Supervisor for Construction &  
Technical Management Department,  
Responsible for Information  
Systems Office,  
President of Daibiru Facility  
Management, Ltd.
- 6 Kensuke Tanaka**  
Director, Managing Executive Officer,  
Supervisor for; Business Planning  
Department, Osaka Office Leasing &  
Operations Department,  
Responsible for; Tokyo Office Leasing &  
Operations Department, Real Estate  
Development Office
- 7 Takehiko Ota**  
Director, Managing  
Executive Officer,  
Responsible for; Corporate  
Planning Department,  
Overseas Business  
Department, Investor  
Relations

## Audit & Supervisory Board Members



- 1 Yoshihiro Nishiguchi**  
Audit & Supervisory Board Member
- 2 Hideo Horiguchi**  
Audit & Supervisory Board Member
- 3 Hiroshi Tanaka**  
Audit & Supervisory  
Board Member  
(Outside/Independent)
- 4 Shigeki Taenaka**  
Audit & Supervisory  
Board Member  
(Outside/Independent)

## Executive Officers



- Yoichi Hayashi**  
Executive Officer,  
Responsible for Finance & Accounting  
Department,  
Secondarily Responsible for General Affairs  
Department
- Kazuhiko Yamada**  
Executive Officer,  
Responsible for; Business Planning Department,  
Osaka Office Leasing & Operations Department
- Hideki Tainaka**  
Executive Officer,  
Responsible for Construction & Technical  
Management Department,  
General Manager of Construction & Technical  
Management Department
- Hidetoshi Minematsu**  
Group Executive Officer,  
President of MOL Kosan Co., Ltd.

### ◆ Basic Approach to Corporate Governance

Under the management policy of “Constructing buildings, creating towns — pioneering a new era,” with a view to enhance corporate value over the long term through sustainable and stable growth of the Group, the Company believes that fair, transparent, prompt and bold decision making is crucial to corporate governance. From these, the Company has formulated the “Basic Policy for Corporate Governance\*,” and work to achieve its vision accordingly.

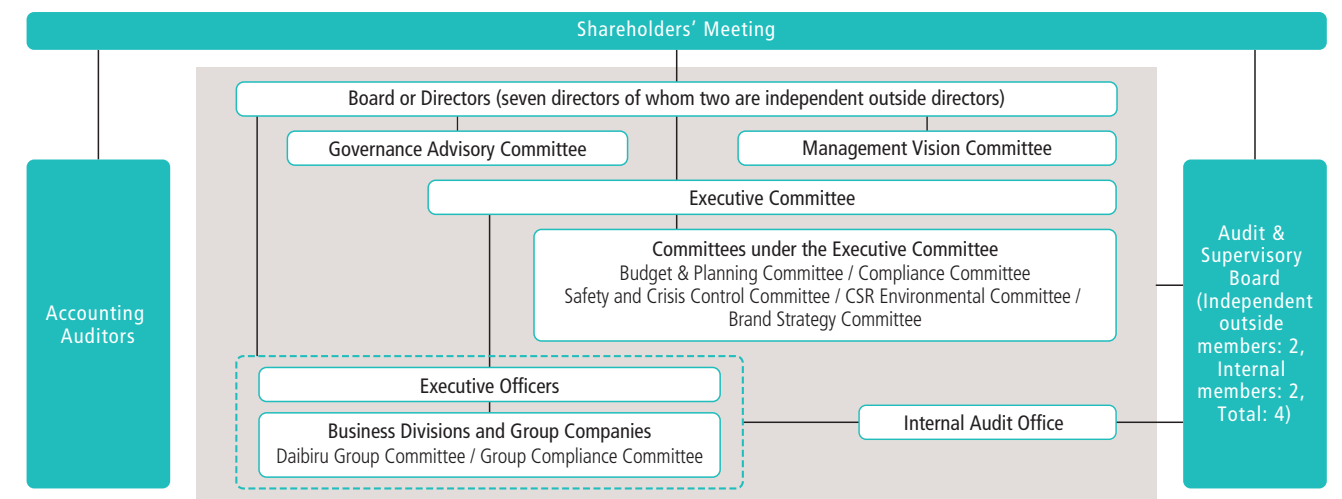
\*www.daibiru.co.jp/english/company/governance/

### ◆ Overview of Corporate Governance Framework

The Company has adopted the Audit & Supervisory Board system, having concluded that the Audit & Supervisory Board system functions effectively in providing oversight to the Company’s management. Of the seven directors, two are independent outside directors, and of the four Audit & Supervisory Board members, two are independent outside Audit & Supervisory Board members. This enables the corporate governance system to supervise and audit the management from a neutral and objective standpoint at all times.

### Corporate Governance Organization

(As of July 2019)



### Board of Directors

The Board of Directors meets once per month in principle, and otherwise as required, and decides the basic policies for overall management of the Company while also supervising the execution of duties of Directors and Executive Officers. All important management issues are put before the Board of Directors to be deliberated and decided upon. The Board of Directors also receives reports on business execution performance as needed.

Representative Director and President serves as the chairman of the Board of Directors.

### Management Vision Committee

Apart from the Board of Directors, which is a forum for making decisions on the basic policies for overall corporate management, the “Management Vision Committee” is held around three times a year, to present a forum for review on such basic policies. The Management Vision Committee is composed of Directors, Audit & Supervisory Board Members and Executive Officers.

#### Agendas of the Management Vision Committee

- ROE and sustainable growth
- Enhancement of competitiveness at Daibiru Group
- Promotion of active participation by female workforce/Diversity
- Overseas business strategies
- Domestic investment strategies
- Medium-term Management Plan
- Reduction of cross-shareholdings
- Path toward work-style reforms

### Governance Advisory Committee

A “Governance Advisory Committee” comprising two independent Outside Directors and President Chief Executive Officer (chaired by an independent Outside Director) has been established as a voluntary advisory body to the Board of Directors. This committee provides advice to the Board of Directors on matters such as the appointment and dismissal of Directors and Executive Officers, the determination of remuneration, etc. for Directors and Executive Officers, and succession plans for President Chief Executive Officer.

### Executive Committee

The “Executive Committee,” comprising President Chief Executive Officer, Senior Managing Executive Officer, and Managing Executive Officer, meets three times a month, in principle, at which the members conduct thorough deliberation to make decisions on important matters related to business execution, based on the basic policies for overall management set out by the Board of Directors.

## Executive Officers

In June 2007, the Company introduced an executive officer system to expedite decision making at the business execution level and to enhance its business operating capabilities. Executive officers are elected at the Board of Directors, and engaged in business execution as a person responsible for each department. The authority for business execution is delegated from President Chief Executive Officer.

## Assessment of the Effectiveness of the Board of Directors

The Company conducts an assessment of the effectiveness of the Board of Directors in order to enhance the effectiveness of the Board.

In the assessment in fiscal 2018, an onymous questionnaire survey was conducted for all Directors and Audit & Supervisory Members who made a self-assessment on the composition and operations of the Board of Directors based on the "Basic Policy for Corporate Governance." The results of the survey were subsequently discussed at the meeting of the Board of Directors.

The result has confirmed that the Board of Directors of the Company is, although it still has rooms to consider the diversity of its members, maintaining a high level of fairness and transparency, and that it is fulfilling its responsibilities to secure greater long-term corporate value of the Daibiru Group. Based on the assessment above, the Company will continue to further enhance the effectiveness of the board through ongoing discussions at meetings of the Board of Directors.

### Attendance at meetings of the Board of Directors by outside Directors and outside Audit & Supervisory Board members (FY2018)

- Akira Takamatsu (Director) 10 out of 10 times
- Atsushi Oi (Director) 7 out of 8 times
- Hiroshi Tanaka (Audit & Supervisory Board Member) 10 out of 10 times
- Mikio Konishi (Audit & Supervisory Board Member) 3 out of 4 times
- Hiroshi Morimoto (Audit & Supervisory Board Member) 4 out of 4 Times

## Process for Determining Compensation for Directors and Executive Officers

Monthly remunerations of directors shall be at a stable level commensurate with their job titles and responsibilities in light of the business characteristics of the Company that aims for stable growth over the medium to long term. Specifically, they shall be within the aggregate amount of compensation decided by resolutions at the Shareholders' Meeting. Individual monthly compensations are decided upon consultation with the "Governance Advisory Committee" on proposals for the remuneration amount made by the chairman of the Board of Directors.

On the other hand, the amounts of bonus for directors shall be linked to the business results of the Company and reflect their job titles, responsibilities and individual performance evaluation, and the total amount of bonus shall be decided by resolutions at the Annual Shareholders' Meeting for the relevant fiscal year upon consultation with the "Governance Advisory Committee" on proposals for the amount made by the chairman of the Board of Directors. Individual amounts are decided by President Chief Executive Officer re-delegated by the Board of Directors based on a calculation method presented to the Governance Advisory

Committee, which was determined after discussions with outside consultants. An outline of the calculation method is disclosed in the annual Securities Report. In addition, outside directors are only paid a fixed monthly remuneration; there are no performance-linked bonuses.

The monthly remuneration of Audit & Supervisory Board Members is decided after consultations by Audit & Supervisory Board Members within the aggregate amount of compensation decided by resolutions at the Shareholders' Meeting. They are only paid a fixed monthly remuneration; they do not receive performance-linked bonuses.

## Compliance

Based on the recognition that compliance is a basic element of corporate governance, the Company shall "comply with laws and regulations and conduct its operations with integrity as a member of society, acting in accordance with social norms and corporate ethics," as prescribed in the "Group Code of Conduct (2. Legal compliance)." The Company also established the "Compliance Committee" to ensure promotion of compliance structures, aiming to ensure compliance in day-to-day operating activities.

### Example themes of compliance training

- Preventing power harassment
- Common inquires at the outside compliance consultation counter
- Insider trading regulations

## Internal Control

The Board of Directors of the Company has decided on a system for ensuring appropriate business operations (Basic Policy regarding the Construction of Internal Control Systems) as prescribed by the Companies Act of Japan and the Regulation for Enforcement of the Companies Act.

### Overview of operating status of the system for ensuring appropriate business operations

1. Compliance (e.g. establishment of internal contact points and an external contact point that is independent of the Company)
2. Management of risk of loss (e.g. holding the Safety and Crisis Control Committee meetings)
3. Ensure appropriate and effective business execution (e.g. Board of Directors' business execution reports)
4. Ensure appropriate business operations of the Group (e.g. holding Daibiru Group Committees twice a year)
5. Ensure effectiveness of reporting to Audit & Supervisory Board Members and audit by the Audit & Supervisory Board Members (e.g. attendance of standing statutory Audit & Supervisory Board Members at the Executive Committee and other key committees)

## Risk Management

The Company established "Risk Management Regulations" according to the basic policy to maintain and improve our corporate value by appropriately managing risks of the Group.

Based on this, we strive to address individual risks in each division and each Group company, and to further enhance the monitoring function of our Executive Committee.

# Environmental Activities

As part of our social obligation to contribute towards the sustainable development of society, the Daibiru Group is proactive in reducing the environmental impact of its activities and seeks to create cityscapes that harmonize with the natural landscape. Furthermore, the Daibiru Group works with all its stakeholders, including customers, local communities, and business partners, to ensure that its activities compliment and harmonize with the natural environment.

## Environmental Policy of the Group

### 1. Coexisting With the Natural Environment

Strive to minimize the environmental impact at every business stage—from planning to design, construction, operation, and demolition—with the aim of creating natural and environmentally friendly urban environments.

### 2. Contribute to Global Warming Countermeasures and the Creation of a Recycling-based Society

Work to prevent global warming by conserving resources and energy and utilizing renewable energy in order to curb the generation of greenhouse gases, and contribute to the development of a recycling based society by reducing waste and reusing/recycling resources.

### 3. Establish Frameworks for Environmental Conservation

Set goals and guidelines and establish frameworks for environmental conservation.

### 4. Improve Awareness of Environmental Conservation

Through environmental education and awareness activities, strive to enhance Group employees' awareness of environmental conservation.

### 5. Cooperate With Stakeholders

Work closely with our stakeholders, including customers, local communities and business partners, to promote coexistence with the natural environment.

### 6. Comply With Environmental Laws and Regulations

Comply with environmental laws and regulations to ensure our activities harmonize with the natural environment.

## Coexisting with the Natural Environment

### Shin-Daibiru Building Dojima-no-mori

The former Shin-Daibiru Building featured a rooftop tree garden that was loved by the wide public, which was at the vanguard of the building greening movement in a design that emphasized nature itself. After reconstruction, "Dojima-no-mori," a garden of about 1,000 tsubo in area, was built on the site of the "Shin-Daibiru Building." Some of the trees planted in the former building's "rooftop tree garden," including Japanese zelkovas and maples that are around 50 years old, have been replanted into this area to make it a space where people can enjoy a walk.

Acquired "AAA," the highest rank in JHEP Certification (Japan Habitat Evaluation and Certification Program) / Acquired "2014 five stars," the highest rank in DBJ Green Building Certification / Acquired an "S," the highest rank in the CASBEE OSAKA Mirai (Comprehensive Assessment System for Building Environmental Efficiency) / Received the "Nikkei Inc Prize, Rooftop Greening Section" at the 15th "Competition for Specialized Greening Technology for Rooftops, Wall Facings and New Green Spaces" / Received the "Chairman of Organization for Landscape and Urban Green Infrastructure Award, Green Business Activities Category" at the 36th "Green City Awards" / Received the "Governor of Osaka Award," Landscape Design Category, at the 6th "Green Town Planning Award (Osaka Landscape Award)" / Received the "Governor of Osaka Award" and "Biodiversity Award" at the 10th "Osaka Excellent Greening Award" / Recognized as an "Urban Oasis" by SEGES (Social and Environmental Green Evaluation System) / Received the "Mayor of Osaka Award" at the 37th "City of Osaka Scenic Architecture Award (Osaka Machinami Award)"



### Daibiru-Honkan Building Nakanoshima Shiki-no-oka

"Nakanoshima Shiki-no-oka" is planted with a variety of trees such as plum, cherry, Japanese dogwood, and maple, along with ground-covering vegetation, to evoke a sense of the four seasons. The land is hilly, and the ground-covering vegetation spread out at the foot of the trees is designed to bring the area together as a unified green space. Most of the trees on the hill are flowering trees that bear plenty of fruit, making it a spot friendly to living creatures that attracts wild birds, butterflies, bees and other insects. In addition, mist machines installed along the slope (operating in summer only) draw the cool breeze from Osaka Bay into the block to create a cool spot and help control the heat island effect in the city.

Received the "Governor of Osaka Award," Landscape Design Category, at the 4th "Green Town Planning Award (Osaka Landscape Award)" / Received the "Encouragement Award, Green Business Activities Category" at the 34th "Green City Awards" / Received the "Nikkei Inc Prize, Rooftop Greening Section" at the 13th "Competition for Specialized Greening Technology for Rooftops, Wall Facings and New Green Spaces" / Received the "Governor of Osaka Award" at the "Osaka Excellent Greening Award" in fiscal 2014 / Received the "Mayor of Osaka Award" at the 34th "City of Osaka Scenic Architecture Award (Osaka Machinami Award)" / Received the "first Prize" in the CASBEE OSAKA OF THE YEAR 2013





## Ecosystem of Shin-Daibiru Building Dojima-no-mori

The Shin-Daibiru Building Dojima-no-mori carries on the spirit of the rooftop tree garden of the (former) Shin-Daibiru Building, with the concept of "a forest that is friendly to people as well as living things." Some of the trees grown at the rooftop garden of the former Shin-Daibiru Building were transplanted to a temporary location for a conservative purpose during reconstruction, and then transplanted again to the new building with more native trees added, which resulted in the creation of a green zone covering approximately 1,000 tsubo (about 3,300m<sup>2</sup>). Through these initiatives, the Company was rewarded the "JHEP Certification" with the highest score of "AAA," which evaluates contributions to the ecosystem.

This was the first time for a company in Western Japan to win this rank. In order to ascertain the level of contribution to the ecosystem, an external organization monitored organisms there, and as a result, confirmed that a specific level of food chain had been established in Dojima-no-mori. A Habitat in the urban area like this is precious for birds and insects, and its contribution to the ecosystem was highly evaluated.

### Shin-Daibiru Building Dojima-no-mori Results of Organism Monitoring

**Monitoring Period**  
April 2016 to March 2017

#### Species Confirmed by On-site Survey

**Birds:** 15 species including the Japanese great tit, bulbul, bush warbler, short-tailed bush warbler, turtle dove, and Japanese white-eye

**Insects:** 54 species including the Asian mantis, white-tailed skimmer dragonfly, and blue triangle butterfly

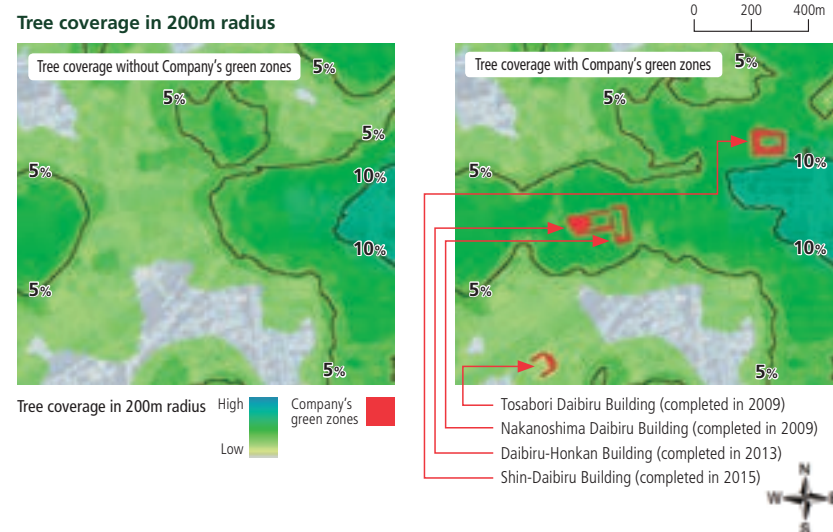


Image of Ecosystem Pyramid  
\* All photos were taken in Shin-Daibiru Building Dojima-no-mori

## Assessment of Contribution of the Company's Green Zone over a Wide Scale

In addition to the Shin-Daibiru Building, Daibiru-Honkan Building, Nakanoshima Daibiru Building, and Tosabori Daibiru Building have green zones in their premises. The figures to the right show tree coverage in a 200m radius, comparing the case where the Company's green zones exist with the case where don't exist. Tree-dwelling birds like the Japanese great tit are living in green zones that are dotted over the city center.

The Company's green zones were given high marks for linking the split green zone network, contributing to the vitalization of the avian ecosystem.



## Contribute to Global Warming Countermeasures and the Creation of a Recycling-based Society

### Reducing greenhouse gas (CO<sub>2</sub>) emissions and minimizing energy consumption

The CO<sub>2</sub> emissions, energy use, and their intensity (per operating floor area) of our properties\* over the past five fiscal years are shown in the diagram on the right. The operating floor area differs in each fiscal year and energy use has changed. But we have proceeded with initiatives to reduce the environmental impact, and as a result the intensity is on a declining trend.

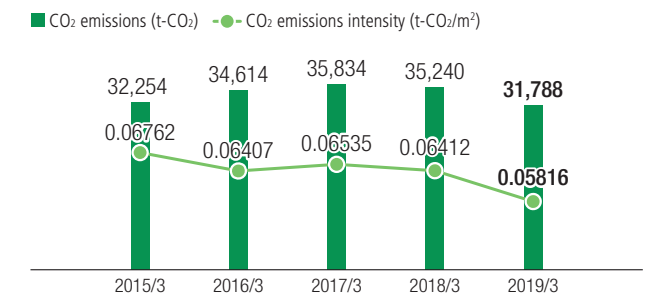
#### [Efficient operation of facility equipment, etc.]

Energy consumption is minimized by actively leveraging energy-efficient products such as LED lighting and optimizing the operation of facility equipment.

#### [Adoption of environment-friendly facilities in new buildings]

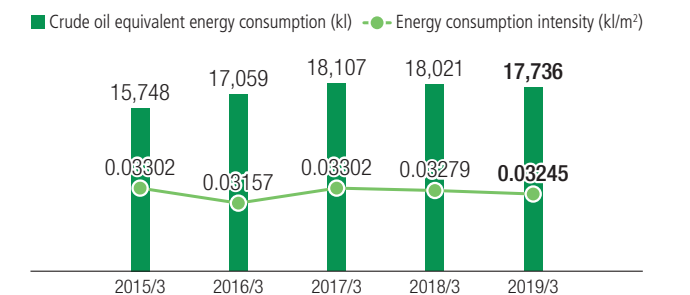
In addition to using highly insulated facades (for exteriors such as windows and walls), the Nakanoshima Daibiru Building and the Daibiru-Honkan Building have adopted a district heating and cooling system utilizing river water.

#### CO<sub>2</sub> emissions



\* Scope of the data: 23 office and commercial buildings owned by the Company (buildings subject to the Energy-Saving Act [Act on the Rational Use of Energy])

#### Energy use

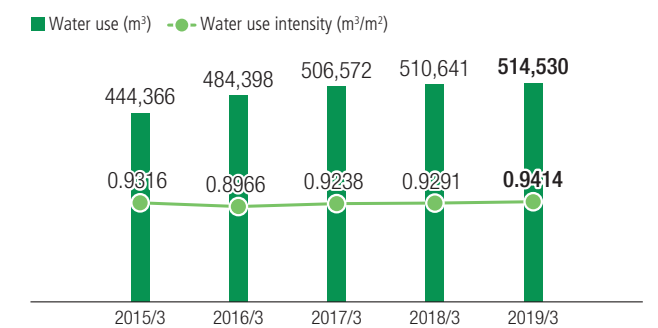


\* Scope of the data: 23 office and commercial buildings owned by the Company (buildings subject to the Energy-Saving Act [Act on the Rational Use of Energy])

### Reuse and conservation of water resources

The water use and intensity (per operating floor area) of our properties\* over the past five fiscal years are shown in the diagram on the right. Water use in fiscal 2018 increased by 15.8% in volumes compared to fiscal 2014 due to an increase in the number of properties, however, the intensity remained almost flat. The Company strives to utilize water resources effectively through efforts such as adopting the latest sanitary fixtures when renovating or constructing new buildings as well as utilizing rainwater for plant irrigation.

#### Water use

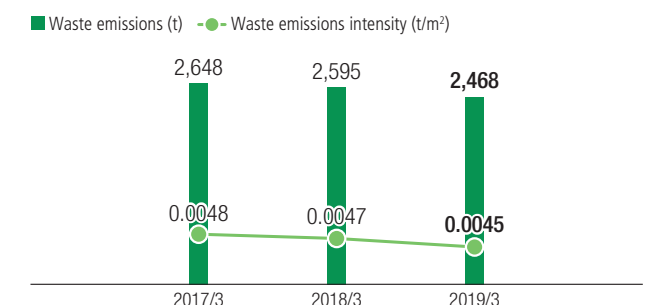


\* Scope of the data: 23 office and commercial buildings owned by the Company (buildings subject to the Energy-Saving Act [Act on the Rational Use of Energy])

### Minimizing waste emissions and promoting recycling

The waste emissions and intensity (per operating floor area) of our properties\* over the past three fiscal years are shown in the diagram on the right. Waste emissions and intensity are both on a declining trend. The Company strives to minimize waste emissions, and established a system for sorted collection of waste in order to promote recycling.

#### Waste emissions



\* Scope of the data: 22 office and commercial buildings owned by the Company

# CSR Activities

The Daibiru Group considers its corporate social responsibility initiatives to be one of its most important missions. The “Group Code of Conduct” was formulated with this in mind. The Daibiru Group will focus on the corporate principles and comply with the “Group Code of Conduct” in its corporate activities while at the same time making the utmost efforts to achieve sustainable growth in harmony with society.

## Group Code of Conduct

### 1. Good corporate citizenship

Daibiru strives always to be a good corporate citizen acting in good faith and conduct business activities in line with social responsibility and the highest ethical standards.

### 2. Legal compliance

With legal and regulatory compliance as a given, Daibiru conducts itself with integrity as a member of society, acting in accordance with social norms and corporate ethics. The Company takes a resolute stance against anti-social forces, and does not carry out any anti-social activities.

### 3. Fair disclosure

Daibiru conducts its business activities always in a fair and transparent manner, giving timely and accurate information to shareholders and the public at large whenever it is necessary.

### 4. Addressing environmental problems

Viewing concern for the environment as a priority management issue, Daibiru is determined to promote energy conservation, recycling and other initiatives to better the environment.

### 5. Social contribution

Recognizing itself as part of local communities, Daibiru strives through its corporate activities to grow in step with those communities.

### 6. Respect for human rights

Daibiru has an abiding respect for human rights, and is determined to realize a society free of discrimination.

### 6. Corporate culture where autonomy is valued

Encouraging everyone to take the lead in their work, Daibiru is forging a working environment that enables full expression of the individuality and abilities of its workforce.

## Town Planning Together with the Community

### Building a Pedestrian Bridge

“Nakanoshima Shiki-no-oka” is connected by a pedestrian bridge to the promenade beside the Dojima River that runs past the northern side of the site. In the future, we intend to build a pedestrian bridge connecting to Nakanoshima 4-chome as well, where Osaka City plans to locate a museum of modern art. This will increase foot traffic in the Nakanoshima district, and will contribute to the enhancement of pedestrian safety by separating walking areas from those used by cars.



### Chiyoda-ku Disaster Response Training Concerning Stranded Persons

We have been cooperating in disaster response training concerning stranded persons together with companies and groups in the Akihabara Station area every year since 2010 with the purpose of providing a support system to those who find it difficult to get home after an occurrence of a major disaster.



## Cultural Activities Leveraging Our Long History

### Daibiru Salon 1923

In the “Daibiru Salon ‘1923’” on the first floor of the “Daibiru-Honkan Building,” we have recreated the atmosphere of the “Daibiru Club” that used to be set up in the “former Daibiru-Honkan Building.” Furthermore, in order to carry on the great architecture of the past, decors such as the terra cotta used for the eaves cornice section of the former building are on display. In addition, the “Daibiru Archives,” a large touch-panel display, has been installed to allow visitors to view numerous photographs and maps, so that the history of the merchant town Nakanoshima in Osaka will be widely passed down.



### Living Architecture Museum Festival Osaka

We participate in the Living Architecture Museum Festival Osaka which is the Osaka version of the event exemplified by the Open House London, involving opening buildings to the general public free of charge so people can get a first-hand architectural experience. This event involves providing guided tours and children’s workshops in our buildings.



## Social Contributions and Cultural Activities Utilizing Building Spaces

### Osaka Classic

The Osaka Classic is a classical music festival which started in 2006. The main venues for the concerts include parts of office buildings and cafes so even those who are not familiar with classical music can enjoy it. Daibiru has provided spaces with an atrium as stages in our Nakanoshima Daibiru Building, the Daibiru-Honkan Building and the Shin-Daibiru Building to a number of different orchestras including the Osaka Philharmonic Orchestra every year since September 2009, as a way to contribute to local cultural activities.



### Japan for UNHCR Refugee Support Campaign

In July 2019, we cooperated with the campaign for supporting refugees organized by Japan for UNHCR, an official support agency of UNHCR (the Office of the United Nations High Commissioner for Refugees). This campaign explains UNHCR’s support activities in approximately 135 countries to provide international protection and aid for refugees and displaced persons who fled their homeland due to war or oppression and to seek solutions for refugee problems, and introduces ongoing support programs. We joined their cause and offered a campaign site in the Shin-Daibiru Building.



### Joining the UN Global Compact

In 2010, the Daibiru Group has joined the “UN Global Compact.” The UN Global Compact, declared in January 1999 by the former United Nations Secretary General Kofi Annan and established in 2000 at the UN Headquarters in New York, is an initiative that calls on companies to voluntarily support and practice in their corporate activities ten universally accepted principles in the four areas of human rights, labour, environment, and anti-corruption. Recognizing that the “Group Code of Conduct” and these ten principles share a common philosophy, we will pursue our CSR activities even more vigorously through participation in the “UN Global Compact.”



Network Japan  
WE SUPPORT

## With Children

### Smiles x Children x Nakanoshima

Starting in 2012, the art event “Smiles x Children x Nakanoshima” has been held at the Nakanoshima Daibiru Building. This event, which fosters the imaginative power of children through the process of making things, is a project that lets children experience art up close. Activities include the creation of a huge koinobori (carp streamer) assembled from drawings by the children, and a panel of about two meters in length on which artists paint pictures on the theme of “smiles.”



### Akihabara CAMP Children’s Workshop

“CAMP (Children’s Art Museum & Park)” is held at the “Akihabara Daibiru Building” in order to help enhance the creativity and communicative ability of the children who are the bearers of the next generation. CAMP is a workshop focused on making things, based on the concept of allowing children to expand their circle of communication by discovering their own ways of expressing themselves while having fun, through the experience of creating pictures or handicrafts, working on group projects and presenting their creations.



## Beyond Japan

### Charity events in Hanoi and Ho Chi Minh City

In overseas as well, we are making effort to realize coexistence with local communities through CSR activities.

In 2018, representatives from Daibiru visited Children Hospital No. 2, which is adjacent to Saigon Tower in Ho Chi Minh City, and Children Hospital No. 1, the biggest pediatric hospital in southern Vietnam, to engage in donation activities to support children who are hospitalized due serious diseases.

Also in Hanoi, we visited social welfare facilities, to donate food, everyday goods, and Japanese children’s books translated into Vietnamese. With our local subsidiaries taking the lead, we will proceed with our initiatives to contribute to friendship between Japan and Vietnam and to the local communities.





# Human Resources Management

## Making Better Workplaces

### Introducing Benefit Systems

Expectant and nursing mothers leave	Expectant and nursing mothers (female employees who are pregnant or within one year after giving birth) can receive up to 5 days paid leave in addition to annual paid leave.
Staggered working hours	Employees under certain circumstances such as pregnancy, childcare, or nursing care can arrive at or leave work up to one hour earlier or later than their regular working hours.
Nursing care leave	Employees who are giving a family member nursing care can take a nursing care leave up to three times for a cumulative period of one year per family member.
Special refreshment leave	Eligible employees can take two consecutive days of paid leave per year, in addition to annual paid leave.
Mobile working	Eligible employees can work outside the office or on business trips using mobile devices provided by the Company.
Enforcing No-overtime Day	The first and third Wednesdays of every month are designated as No-overtime Day on which all employees must leave the office by 6:00 p.m.
Overtime regulations under the Article 36 Agreement	Overtime hours exceeding statutory working hours per year are limited to 75 hours per month (up to 100 hours per month according to the law).

### Health Initiatives

The health of our officers and employees is essential to the continuity and growth of our business operations.

We aim to ensure that our officers and employees can continue to work healthily by providing general health check-ups, subsidizing the cost of re-exams, subsidizing the cost of comprehensive full medical screening in cooperation with the health insurance society, as well as through specified health guidance programs and activities by the health committee.

Health checkup participation rate  
(Non-consolidated, figure for FY2018)

94%

Stress checkup participation rate  
(Non-consolidated, figure for FY2018)

98%

### TOPICS

#### Working as a young manager at an overseas operation base in Vietnam Daibiru CSB CO., LTD. Toshiaki Inui

Since I was a student, I was internationally-minded and wanted to go abroad to take on challenges in an unknown world. I joined Daibiru in 2012, attracted to the Company that was developing its business in Vietnam. First, I was assigned to the Corporate Strategy Office (current Corporate Planning Department), and then to the Tokyo Office Leasing Department.

In the Corporate Strategy Office, I was mainly involved in the formulation of the Medium-term Management Plan and the entire corporate budget. In the Leasing Department I took part in contract negotiations and also worked to raise the level of overall quality of our facility management as a member of the "Team Daibiru Secretariat," which was formed to create more comfortable building environment. At the end of 2017, my assignment in Hanoi was decided, and I am currently working as a manager at Daibiru CSB CO., LTD.

My current mission is to improve the facility management quality at the CornerStone Building, where we have over 60 companies as our tenants, and solidify the Daibiru brand in Hanoi. My duties include management duties in an overall corporate capacity, as well as sales activities for Japanese tenants. There was no precedence where someone in his/her twenties was assigned as an expatriate for a managerial position, so I was anxious in the beginning. But once I arrived, I was blessed with a warm work environment, and realized there were many instances in which I could put my experience in Japan to use. Now I really feel that our facility management is improving

every day. When we successfully completed a project to invite and open a Japanese restaurant on the rooftop of our building, so many people gave us grateful remarks, which made me truly feel that we were able to enhance the convenience and the appeal of our building.

Six years after completion of the building, we are entering a period of stable operation. My next goal is to foster a culture that allows local staff members to take on creative initiatives that go beyond maintaining the status quo. In preparation for the emergence of new competing properties in rapidly-developing Hanoi, I want to create a corporate culture where each employee can transmit and practice their ingenuity and ideas that would deepen and expand our facility management quality that can differentiate ourselves from others.

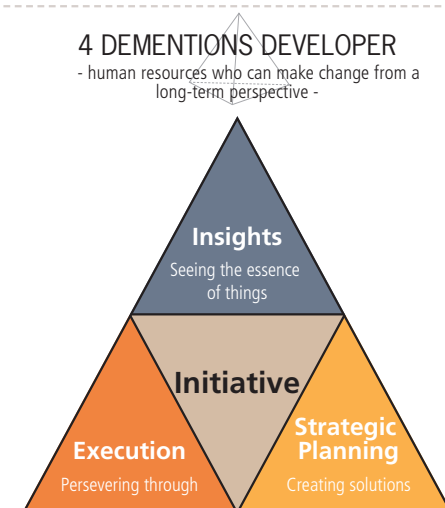


## Developing Human Resources

### Ideal Human Resources

Our job is to construct giant three-dimensional structures called buildings, while keeping in mind the fourth dimension: the continuity of past, present, and future. Daibiru wishes to make the most of the relationship with our long-term customers, and give a wide range of opportunities to the human resources who are unafraid to change and create, in order to continue to develop on a permanent basis. From this passion, we have set forth a vision for ideal human resources under the concept of **"4 DEMENTIONS DEVELOPER: human resources who can make change from a long-term perspective."**

For a company like ours with a small but highly selective team, we believe that people who can make change from a long-term perspective need to have the following four key elements: "Initiative" the ability to proactively take on challenges with awareness of issues; "Insights," the ability to see the essence of things; "Strategic Planning," the ability to take into consideration various environments and people involved and create solutions; and "Execution," the ability to persevere through in order to accomplish their goals. Daibiru seeks and nurture people with potentials to become "4 DIMENTIONS DEVELOPER," valuing diversities such as individual characters, gender, age, personality, skills, interests, and specializations.



### Training system

We inspire a growth of our employees through our training systems and make it into a growth of the Company.

Stratified training	Training for new recruits over their first month with the Company covers business manners, property inspections, lectures on our various departments and so on, in order to gain the necessary business skills and knowledge about Daibiru's operations prior to the assignment to their posts. Further training is provided at the two-year mark, five-year mark, first managerial post, as well as for middle-management posts and for executive posts, providing required skills at each rank.
English Comprehension Program	This system allows employees with a certain level of TOEIC score or those who require English as part of their work to utilize language-learning schools. They can take individual English conversation lessons or join group sessions involving meeting or presentation practices.
Overseas Training Courses	The program includes market and property inspections in Vietnam, one of our investment destinations, as well as exchanges with local employees.
Online courses	Employees can select from over 100 choices and take educational courses, including business skills, English, and certifications (real estate broker, bookkeeping, business-related legal affairs, etc.) They can study at their own pace by making use of their spare time and improve their skills.
Cafeteria-Style elective training	Employees can select and take seminars of the field they want to learn more about, such as business skills, communication skills, or management skills. The seminars are available in half- or full day course at venues outside the Company.
Certified Building Administrator Training course	Employees can take a systematic course covering overall knowledge relating to facility management. The aim is to be certified as Certified Building Administrator (CBA) through the completion of the course and the certification exam.
Certification by the Association for Real Estate Securitization (ARES) ARES Certified Masters Training Course	Employees can take a course covering real estate securitization and investing. The aim is to be certified as ARES Certified Masters through the completion of the course and the certification exam.

### TOPICS

#### Training in Japan for executives from Vietnamese subsidiaries

Two executives each from two Vietnamese subsidiaries were invited to Japan for the 12-day Daibiru training program in March 2019.

This year, the training participants were in charge of human resources and security departments. Therefore, in addition to the regular program, opinions were exchanged with Human Resources Department of Head Office about hiring, training, and evaluation methods, and facility management inspections were conducted such as operations during peak use of elevators in the morning.

Some discussions were developed into possible solutions for issues each company was facing in Japan and Vietnam, greatly enhancing mutual understanding among the Daibiru Group.



Training participants interacting with Vietnamese cleaning staff (four on the right)

	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	
<b>For the Fiscal Year:</b>	<i>(Millions of yen)</i>											
Revenue from operations:	33,845	33,639	34,837	33,670	34,205	35,566	35,773	37,344	39,451	40,400	<b>40,637</b>	
Leasing	23,428	24,947	26,433	25,916	26,069	26,993	27,114	28,551	30,389	31,146	<b>30,917</b>	
Facility management	8,736	8,252	8,053	7,383	7,605	8,230	8,232	8,197	8,571	8,844	<b>9,186</b>	
Other businesses	1,681	439	350	370	530	342	427	595	490	408	<b>534</b>	
Operating income	9,984	9,269	10,283	10,161	9,827	10,022	9,447	9,114	10,693	11,055	<b>10,329</b>	
Ordinary income	9,270	8,182	8,894	8,910	8,507	8,725	8,250	7,985	9,688	10,640	<b>9,953</b>	
Profit attributable to owners of parent	4,998	4,276	3,707	4,739	4,880	5,563	5,165	5,276	6,160	7,260	<b>6,993</b>	
Depreciation and amortization	4,310	6,747	6,779	6,007	5,745	6,367	6,201	7,835	7,321	6,932	<b>7,285</b>	
Increase in tangible and intangible assets	23,086	16,720	39,856	3,534	17,853	7,935	30,706	3,293	1,893	4,009	<b>16,219</b>	
Net cash provided by operating activities	6,799	15,365	12,753	12,523	10,121	12,960	11,487	14,516	15,157	13,957	<b>14,101</b>	
Net cash used in investing activities	(11,994)	(27,536)	(38,602)	(9,098)	(18,652)	(8,098)	(26,269)	(13,758)	(3,287)	(7,847)	<b>(12,565)</b>	
Net cash provided by (used in) financing activities	5,057	12,460	26,663	(2,616)	7,904	(1,532)	14,286	(2,661)	(9,624)	(10,131)	<b>9,453</b>	
<b>Per Share Data:</b>	<i>(Yen)</i>											
Net income - basic	42.85	36.66	31.79	40.64	41.84	47.70	44.29	45.24	52.82	62.25	<b>59.96</b>	
Net assets	948.68	927.67	977.10	1,018.04	1,071.37	1,130.47	1,206.74	1,224.12	1,280.88	1,337.32	<b>1,319.81</b>	
Cash dividends	11.0	11.0	11.0	11.0	11.5	13.5	13.0	14.0	16.0	19.0	<b>20.0</b>	
											<i>(Includes a commemorative dividend of 1.5 yen per share)</i>	
<b>At Year End:</b>	<i>(Millions of yen)</i>											
Current assets	6,005	5,027	5,435	6,330	7,266	10,661	10,785	8,082	10,524	6,294	<b>17,958</b>	
Net tangible assets	230,464	240,340	270,490	268,577	280,901	282,091	310,178	306,011	300,901	298,243	<b>306,809</b>	
Investments and other noncurrent assets	16,665	19,675	15,609	14,849	17,751	20,731	24,393	21,139	24,877	32,478	<b>26,464</b>	
Total assets	253,251	265,167	291,666	295,837	312,613	321,254	362,702	351,810	351,645	351,291	<b>364,754</b>	
Current liabilities	39,876	15,771	15,857	13,948	40,735	34,165	30,711	31,041	10,266	16,044	<b>21,083</b>	
Interest-bearing debt	88,609	102,354	130,398	129,068	138,312	138,557	158,468	157,442	149,672	141,542	<b>153,412</b>	
Net assets	111,694	114,641	115,189	120,058	126,391	133,141	142,144	144,286	150,993	157,673	<b>155,728</b>	
Equity	110,649	113,445	113,961	118,736	124,955	131,846	140,741	142,767	149,386	155,967	<b>153,925</b>	
<b>Other Statistics:</b>												
Ratio of interest-bearing debt to operating cash flows	<i>(times)</i>	13.0	6.7	10.2	10.3	13.7	10.7	13.8	10.8	9.9	10.1	<b>10.9</b>
Equity ratio	<i>(%)</i>	43.7	42.8	39.1	40.1	40.0	41.0	38.8	40.6	42.5	44.4	<b>42.2</b>
Debt to equity ratio	<i>(times)</i>	0.80	0.90	1.14	1.09	1.11	1.05	1.13	1.10	1.00	0.91	<b>1.00</b>
Number of shares outstanding	<i>(thousand)</i>	116,851	116,851	116,851	116,851	116,851	116,851	116,851	116,851	116,851	116,851	<b>116,851</b>
Number of employees	<i>(non-consolidated basis)</i>	46	51	53	54	56	58	60	59	64	65	<b>70</b>
Total floor area	<i>(m<sup>2</sup>)</i>	571,218	566,809	506,087	526,712	577,364	574,248	700,131	700,131	700,131	700,131	<b>703,591</b>
Vacancy rate at end of year	<i>(%)</i>	0.8	2.1	1.6	1.5	2.8	2.4	4.4	2.6	1.5	0.7	<b>0.2</b>
Stock price: High	<i>(Yen)</i>	1,282	928	937	739	1,129	1,600	1,335	1,383	1,108	1,492	<b>1,364</b>
Stock price: Low	<i>(Yen)</i>	534	613	520	436	502	989	937	753	802	932	<b>984</b>

Note: Main cash-equity trading platform has been changed to the Tokyo Stock Exchange from the Osaka Securities Exchange, as they integrated their operations as of July 16, 2013.



## Consolidated Balance Sheets

	(Millions of yen)	
	2018/3	2019/3
<b>Assets</b>		
Current assets		
Cash and cash equivalents	4,529	15,765
Accounts receivable-trade	998	1,079
Inventories	53	52
Other current assets	718	1,072
Allowance for doubtful accounts	(6)	(11)
Total current assets	6,294	17,958
Noncurrent assets		
Property and equipment		
Buildings and structures	225,629	227,004
Accumulated depreciation	(116,908)	(123,445)
Buildings and structures, net	108,720	103,558
Land	157,695	159,559
Land in trust	31,231	31,231
Construction in progress	198	12,118
Other	4,031	4,092
Accumulated depreciation	(3,635)	(3,752)
Other, net	395	340
Total property and equipment	298,243	306,809
Intangible assets		
Goodwill	1,857	1,698
Other	12,417	11,823
Total intangible assets	14,275	13,522
Investments and other assets		
Investment securities	30,203	24,124
Long-term loans receivable	18	10
Defined benefit assets	503	435
Deferred tax assets	204	267
Other	1,580	1,642
Allowance for doubtful accounts	(33)	(15)
Total investments and other assets	32,478	26,464
Total noncurrent assets	344,996	346,796
<b>Total assets</b>	<b>351,291</b>	<b>364,754</b>
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term debt	3,130	3,680
Current portion of bond	—	10,000
Commercial paper	5,000	—
Accrued income and enterprise taxes	1,639	2,021
Accrued consumption taxes	201	470
Accrued bonuses for directors and statutory auditors	79	63
Other current liabilities	5,993	4,847
Total current liabilities	16,044	21,083
Long-term liabilities		
Bonds payable	80,000	80,000
Long-term debt	53,412	59,732
Guarantee deposits received	25,353	24,802
Deferred tax liabilities	8,852	8,103
Deferred tax liabilities for land revaluation	8,024	13,439
Retirement benefits for directors and statutory auditors	61	66
Defined benefit liabilities	787	799
Provision for environmental measures	620	620
Other long-term liabilities	460	379
Total long-term liabilities	177,573	187,942
<b>Total liabilities</b>	<b>193,617</b>	<b>209,025</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	12,227	12,227
Capital surplus	13,852	13,852
Retained earnings	102,099	106,759
Treasury stock	(147)	(148)
Total shareholders' equity	128,032	132,692
Accumulated other comprehensive income		
Net unrealized holding gains on securities	13,512	12,962
Deferred gains on hedges	(4)	(7)
Land revaluation reserve	12,193	6,779
Foreign currency translation adjustment	2,233	1,498
Total accumulated other comprehensive income	27,934	21,233
Non-controlling interests	1,706	1,803
<b>Total net assets</b>	<b>157,673</b>	<b>155,728</b>
<b>Total liabilities and net assets</b>	<b>351,291</b>	<b>364,754</b>

## Consolidated Statements of Income

	(Millions of yen)	
	2018/3	2019/3
Revenue from operations:	40,400	40,637
Cost of revenue from operations	25,529	26,310
Operating gross profit	14,870	14,327
Selling, general and administrative expenses	3,814	3,997
Operating income	11,055	10,329
Non-operating income		
Interest income	41	40
Dividend income	587	665
Share of profit of entities accounted for using equity method	389	229
Other	30	55
Total non-operating income	1,048	990
Non-operating expenses		
Interest expense	1,173	1,199
Foreign exchange losses	101	46
Other businesses	188	121
Total non-operating expenses	1,463	1,367
Ordinary income	10,640	9,953
Extraordinary income		
Gain on sales of investment securities	—	297
Total extraordinary income	—	297
Extraordinary loss		
Loss on building reconstruction	—	65
Loss on disposal of fixed assets	41	40
Loss on valuation of investment securities	—	21
Loss on sales of investment securities	—	19
Other	—	4
Total extraordinary losses	41	150
Income before income taxes and minority interests	10,599	10,100
Income taxes-current	3,095	3,488
Income taxes-deferred	144	(478)
Total income taxes	3,240	3,009
Profit	7,359	7,090
Profit attributable to non-controlling interests	98	97
Profit attributable to owners of parent	7,260	6,993

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	2018/3	2019/3
Profit	7,359	7,090
Other comprehensive income		
Net unrealized holding gains on securities	1,613	(550)
Deferred gains on hedges	8	(2)
Land revaluation reserve	—	(5,414)
Foreign currency translation adjustment	(472)	(649)
Share of other comprehensive income of entities accounted for using equity method	96	(84)
Total other comprehensive income	1,246	(6,701)
Comprehensive income	8,605	388
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	8,506	291
Comprehensive income attributable to non-controlling interests	98	97

## Consolidated Statements of Changes in Net Assets

Current Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred gains on hedges	Land revaluation reserve	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Net assets at April 1, 2017	12,227	13,852	96,763	(146)	122,697	11,899	(13)	12,193	2,608	26,688	1,607	150,993
Changes of items during the period												
Cash dividends			(1,924)		(1,924)							(1,924)
Profit attributable to owners of parent			7,260		7,260							7,260
Acquisition of treasury stock				(0)	(0)							(0)
Net changes of items other than shareholders' equity						1,613	8		(375)	1,246	98	1,345
Total changes of items during the period	—	—	5,335	(0)	5,334	1,613	8	—	(375)	1,246	98	6,679
<b>Balance at March 31, 2018</b>	<b>12,227</b>	<b>13,852</b>	<b>102,099</b>	<b>(147)</b>	<b>128,032</b>	<b>13,512</b>	<b>(4)</b>	<b>12,193</b>	<b>2,233</b>	<b>27,934</b>	<b>1,706</b>	<b>157,673</b>

Current Fiscal Year (From Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred gains on hedges	Land revaluation reserve	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Net assets at April 1, 2018	12,227	13,852	102,099	(147)	128,032	13,512	(4)	12,193	2,233	27,934	1,706	157,673
Changes of items during the period												
Cash dividends			(2,332)		(2,332)							(2,332)
Profit attributable to owners of parent			6,993		6,993							6,993
Acquisition of treasury stock				(0)	(0)							(0)
Disposal of treasury stock		0		0	0							0
Net changes of items other than shareholders' equity						(550)	(2)	(5,414)	(734)	(6,701)	97	(6,604)
Total changes of items during the period	—	0	4,660	(0)	4,660	(550)	(2)	(5,414)	(734)	(6,701)	97	(1,944)
<b>Balance at March 31, 2018</b>	<b>12,227</b>	<b>13,852</b>	<b>106,759</b>	<b>(148)</b>	<b>132,692</b>	<b>12,962</b>	<b>(7)</b>	<b>6,779</b>	<b>1,498</b>	<b>21,233</b>	<b>1,803</b>	<b>155,728</b>

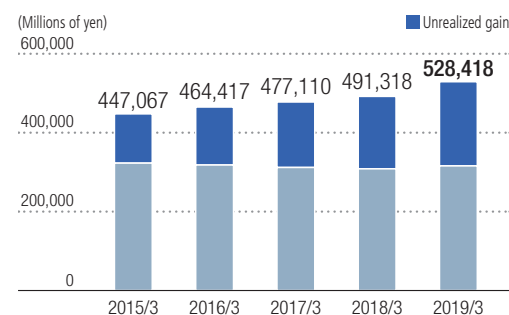
## Appraised Value of Investment and Rental Properties

(Millions of yen)

	2015/3	2016/3	2017/3	2018/3	2019/3
Fair value	447,067	464,417	477,110	491,318	<b>528,418</b>
Unrealized gain	124,645	146,737	165,672	183,354	<b>213,030</b>
Book value	322,422	317,680	311,438	307,964	<b>315,388</b>

Note: Total of investment and rental properties in Japan and overseas.

## Fair value



## Consolidated Statements of Cash Flows

(Millions of yen)

	2018/3	2019/3
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	10,599	<b>10,100</b>
Depreciation and amortization	6,932	<b>7,285</b>
Amortization of goodwill	159	<b>120</b>
Increase (decrease) in accrued bonuses for directors and statutory auditors	15	<b>(15)</b>
Increase (decrease) in defined benefit liabilities	(12)	<b>11</b>
Decrease (increase) in defined benefit assets	(26)	<b>68</b>
Increase (decrease) in retirement benefits for directors and statutory auditors	11	<b>4</b>
Interest and dividend income	(628)	<b>(705)</b>
Interest expense	1,173	<b>1,199</b>
Share of (profit) loss of entities accounted for using equity method	(389)	<b>(229)</b>
Loss (gain) on sales of investment securities	—	<b>(277)</b>
Loss (gain) on valuation of investment securities	—	<b>21</b>
Loss on disposal of fixed assets	41	<b>40</b>
Increase (decrease) in guarantee deposits received	(281)	<b>(540)</b>
Decrease (increase) in guarantee deposits	1	<b>(2)</b>
Decrease (increase) in accounts receivable-trade	18	<b>(80)</b>
Decrease (increase) in inventories	(1)	<b>0</b>
Increase (decrease) in accounts payable-trade	400	<b>(322)</b>
Decrease (increase) in accrued consumption taxes	(342)	<b>268</b>
Other, net	213	<b>130</b>
Subtotal	17,884	<b>17,077</b>
Interest and dividends received	628	<b>1,320</b>
Interest paid	(1,187)	<b>(1,185)</b>
Income taxes paid	(3,367)	<b>(3,111)</b>
Net cash provided by (used in) operating activities	13,957	<b>14,101</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(3,065)	<b>(17,294)</b>
Purchases of investment securities	(4,671)	<b>—</b>
Proceeds from sales of investment securities	—	<b>347</b>
Proceeds from capital reduction of investment securities	—	<b>4,671</b>
Payments into time deposits	(370)	<b>(388)</b>
Proceeds from withdrawals of time deposits	421	<b>369</b>
Collections of long-term loans receivable	27	<b>8</b>
Other, net	(188)	<b>(279)</b>
Net cash provided by (used in) investing activities	(7,847)	<b>(12,565)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in commercial paper	5,000	<b>(5,000)</b>
Proceeds from long-term debt	10,000	<b>10,000</b>
Repayment of long-term debt	(23,130)	<b>(3,130)</b>
Proceeds from issuance of bonds	—	<b>10,000</b>
Purchases of treasury stock	(0)	<b>(0)</b>
Dividends paid	(1,924)	<b>(2,332)</b>
Other, net	(76)	<b>(83)</b>
Net cash provided by (used in) financing activities	(10,131)	<b>9,453</b>
Effect of exchange rate change on cash and cash equivalents	222	<b>258</b>
Net increase (decrease) in cash and cash equivalents	(3,798)	<b>11,247</b>
Cash and cash equivalents at beginning of year	7,954	<b>4,155</b>
Cash and cash equivalents at end of year	4,155	<b>15,403</b>



### Consolidated Segment Information

Previous Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Reportable segment			Other	Total	Adjustment	Consolidated
	Leasing	Facility management	Total				
<b>Revenue:</b>							
Outside customers	31,146	8,844	39,991	408	40,400	—	40,400
Intersegment	107	2,264	2,372	—	2,372	(2,372)	—
<b>Total Sales</b>	<b>31,254</b>	<b>11,108</b>	<b>42,363</b>	<b>408</b>	<b>42,772</b>	<b>(2,372)</b>	<b>40,400</b>
Segment income	12,001	568	12,569	196	12,765	(1,709)	11,055
Assets	319,365	2,651	322,017	46	322,064	29,226	351,291
<b>Other items</b>							
Depreciation and amortization	6,920	12	6,932	—	6,932	—	6,932
Increase in property and equipment and intangible assets	4,001	7	4,009	—	4,009	—	4,009

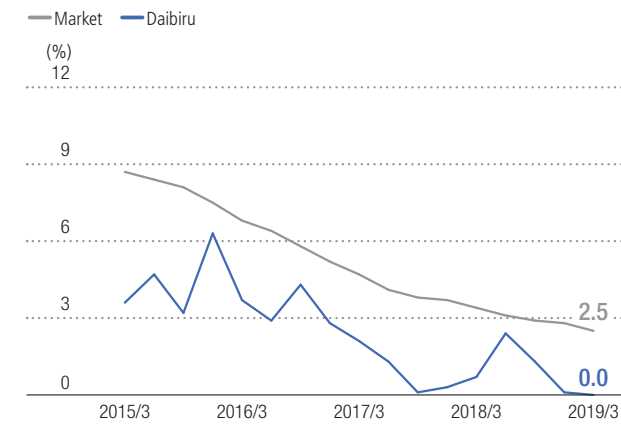
Current Fiscal Year (From Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

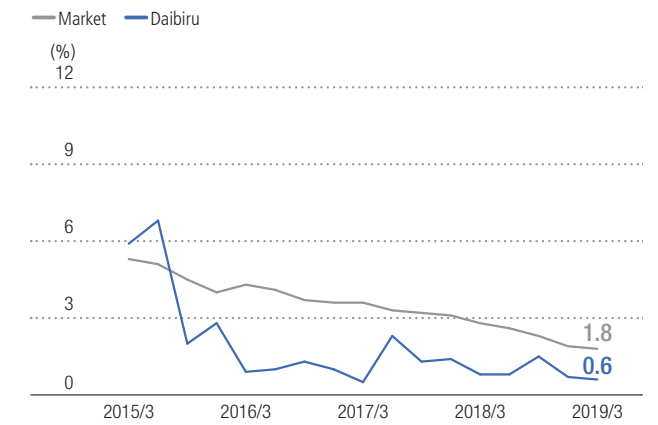
	Reportable segment			Other	Total	Adjustment	Consolidated
	Leasing	Facility management	Total				
<b>Revenue:</b>							
Outside customers	30,917	9,186	40,103	534	40,637	—	40,637
Intersegment	112	2,308	2,420	—	2,420	(2,420)	—
<b>Total Sales</b>	<b>31,029</b>	<b>11,494</b>	<b>42,524</b>	<b>534</b>	<b>43,058</b>	<b>(2,420)</b>	<b>40,637</b>
Segment income	11,407	533	11,940	206	12,147	(1,817)	10,329
Assets	323,227	2,825	326,053	45	326,098	38,656	364,754
<b>Other items</b>							
Depreciation and amortization	7,273	11	7,285	—	7,285	—	7,285
Increase in property and equipment and intangible assets	16,204	15	16,219	—	16,219	—	16,219

### Vacancy rates

Osaka area vacancy rates



Tokyo area vacancy rates



Trends in vacancy rates

(%)

Daibiru (term-end)	2015/3	2015/9	2016/3	2016/9	2017/3	2017/9	2018/3	2018/9	2019/3
Osaka area	3.6	3.2	3.7	4.3	2.1	0.1	0.7	1.3	0.0
Tokyo area	5.9	2.0	0.9	1.3	0.5	1.3	0.8	1.5	0.6
Whole Company	4.4	2.7	2.6	3.2	1.5	0.6	0.7	1.4	0.2

Note: Figures as of March 2019 do not include the Midosuji Daibiru Building (Osaka) and the Yaesu Daibiru Building (Tokyo) which are due to be renovated.

Market (term-end)	2015/3	2015/9	2016/3	2016/9	2017/3	2017/9	2018/3	2018/9	2019/3
Osaka area	8.7	8.1	6.8	5.8	4.7	3.8	3.4	2.9	2.5
Tokyo area	5.3	4.5	4.3	3.7	3.6	3.2	2.8	2.3	1.8

Note: Market vacancy rates: from the data created by Miki Shoji Co., Ltd. (on six major wards in Osaka area and five in Tokyo area).

### Commercial Property Gross floor area/Number of properties (Osaka area/Tokyo area/Vietnam)

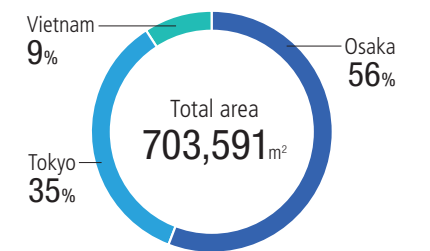
Gross floor area

(m<sup>2</sup>)

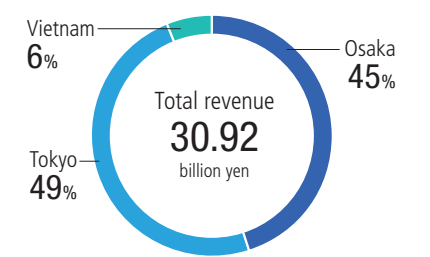
	2015/3	2016/3	2017/3	2018/3	2019/3	Number of properties
<b>Office buildings, commercial buildings</b>						
Osaka area	378,879	378,879	378,879	378,879	378,879	12
Tokyo area	215,437	215,437	215,437	215,437	218,897	13
Vietnam	66,480	66,480	66,480	66,480	66,480	2
Subtotal	660,796	660,796	660,796	660,796	664,256	27
<b>Residences</b>						
Osaka area	13,184	13,184	13,184	13,184	13,184	2
Tokyo area	26,151	26,151	26,151	26,151	26,151	13
Subtotal	39,335	39,335	39,335	39,335	39,335	15
Total of Osaka area	392,063	392,063	392,063	392,063	392,063	14
Total of Tokyo area	241,588	241,588	241,588	241,588	245,048	26
Vietnam	66,480	66,480	66,480	66,480	66,480	2
Total	700,131	700,131	700,131	700,131	703,591	42

Note: As to the co-owned properties, our share was recorded.

Composition of floor area



Composition of revenue (Leasing)



Note: Before elimination of intersegment amounts.

Stock Information (As of March 31, 2019)

Stock Summary

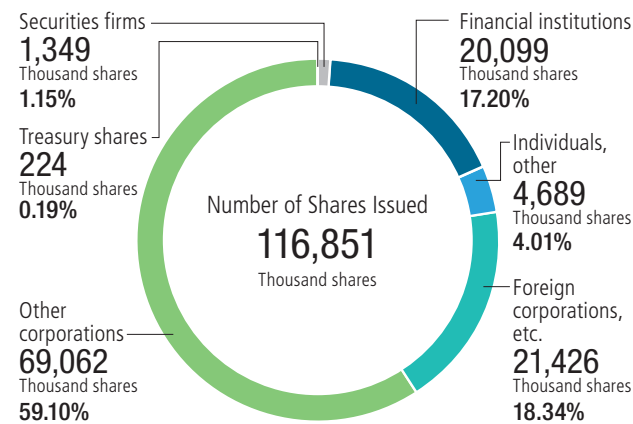
Number of Shares Authorized	300,000,000 shares
Number of Shares Issued	116,626,636 shares (Excluding 224,413 treasury stocks)
Number of Shareholders	3,678
Number of Shares per Trading Unit	100 shares
Listed Financial Instruments Exchange	First Section of the Tokyo Stock Exchange
Share Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

Principal Shareholders (Top 10 shareholders)

Name	Number of Shares Held (Thousand shares)	Shareholding Ratio (%)
Mitsui O.S.K. Lines, Ltd.	59,527	51.04
Sumitomo Mitsui Banking Corporation	5,802	4.97
Japan Trustee Services Bank, Ltd. (Trust account)	5,000	4.28
The Master Trust Bank of Japan, Ltd. (Trust account)	3,072	2.63
The Kansai Electric Power Co., Inc.	2,953	2.53
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,137	0.97
RBC ISB S/A DUB NON RESIDENT/ TREATY RATE UCITS-CLIENTS ACCOUNT	1,100	0.94
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/ABERDEEN STANDARD SICAV I CLIENT ASSETS	1,080	0.92
JP MORGAN CHASE BANK	1,031	0.88
THE BANK OF NEW YORK MELLON 140044	1,014	0.86

Notes: 1. The number of shares held is rounded down to the nearest thousand.  
2. The Shareholding ratio is calculated excluding treasury shares.

Breakdown of Shares by Type of Shareholder



Stock Price Chart

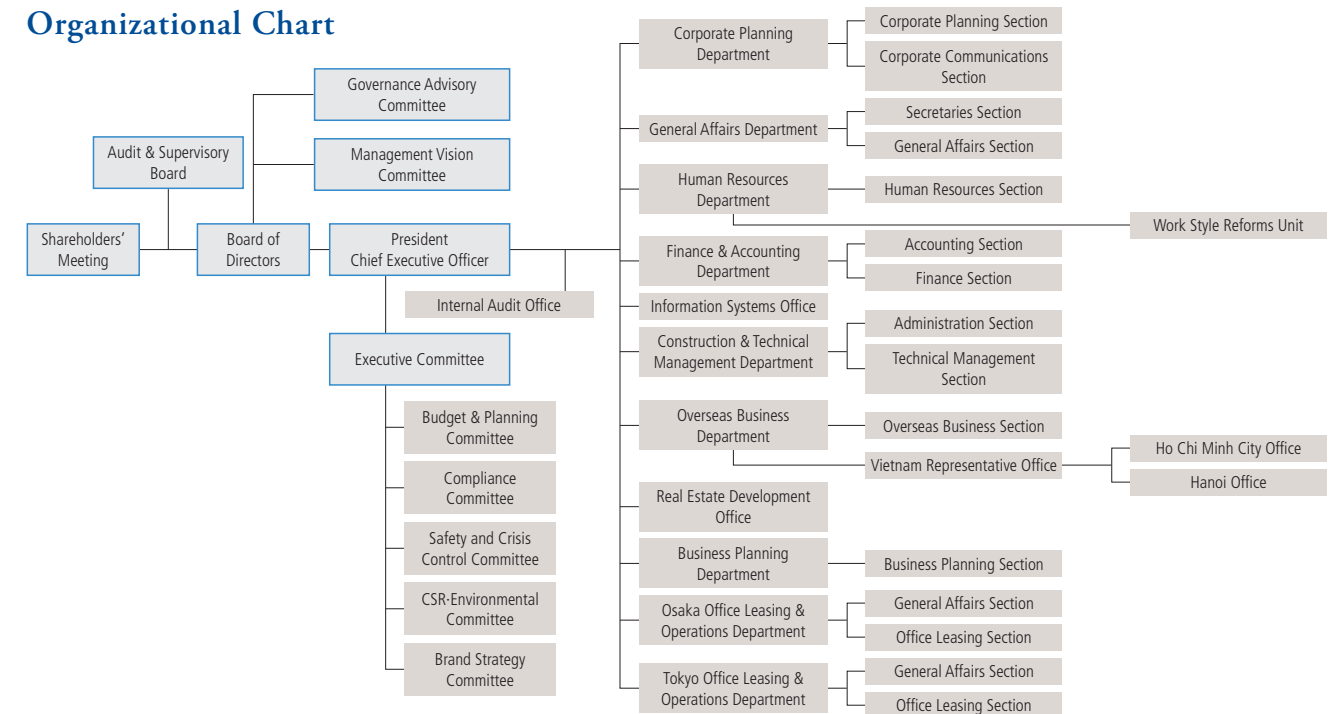


Corporate Data

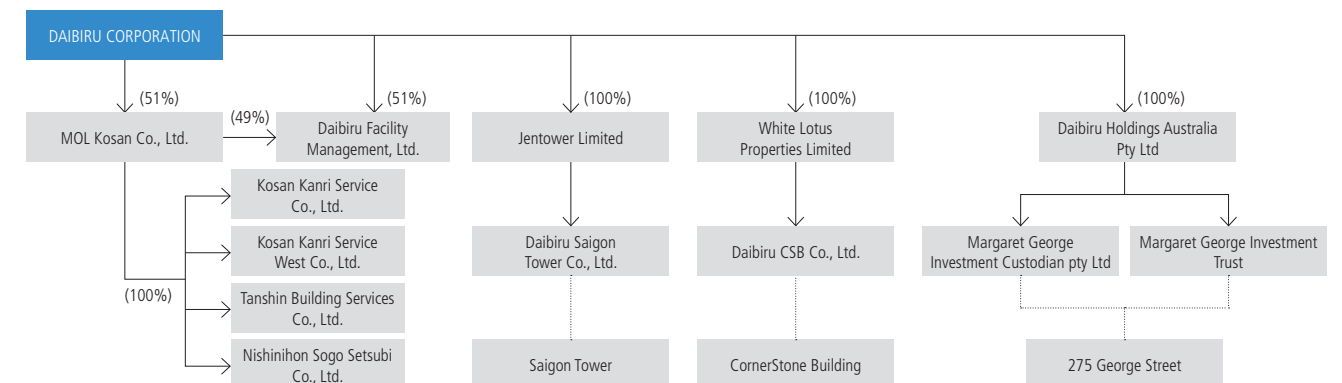
<b>Corporate Name</b>	DAIBIRU CORPORATION
<b>Representative</b>	Representative Director President Chief Executive Officer Toshiyuki Sonobe
<b>Establishment</b>	October 15, 1923
<b>Capital</b>	12,227,847,277 yen
<b>Principal Shareholders</b>	Mitsui O.S.K. Lines, Ltd. / Sumitomo Mitsui Banking Corporation / The Kansai Electric Power Co., Inc.
<b>Main business</b>	Ownership, operation, management and leasing of real estate
<b>Number of employees</b>	Consolidated: 2,464 / Non-consolidated: 70
<b>Head Office</b>	3-6-32, Nakanoshima, Kita-ku, Osaka 530-0005, Japan TEL: 81-6-6441-1932

<b>Osaka Office</b>	3-6-32, Nakanoshima, Kita-ku, Osaka 530-0005, Japan TEL: 81-6-6441-1936
<b>Tokyo Office</b>	1-2-2, Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011, Japan TEL: 81-3-3506-7441
<b>Vietnam Representative Office</b>	<b>Ho Chi Minh City Office</b> 15th Floor, Saigon Tower, 29 Le Duan Boulevard, District 1, Ho Chi Minh City, Vietnam TEL: 84-28-3822-5350 <b>Hanoi Office</b> 4th Floor, CornerStone Building, 16 Phan Chu Trinh Street, Hoan Kiem District, Hanoi, Vietnam TEL: 84-24-3824-5777

Organizational Chart



Composition of Group Companies (Figures in ( ) indicate the investment ratio)





Increase brand recognition  
by implementing corporate branding strategy

We have developed advertising activities using our  
corporate slogan "Daibiru Excellence."



"Statue of an eagle and a girl" Tangible  
Cultural Property Designated by Osaka City

In March 2015, the "statue of an eagle and a girl"  
placed in the Daibiru-Honkan Building was designated  
as a tangible cultural property by Osaka City.



 **DAIBIRU CORPORATION**

<http://www.daibiru.co.jp/english/>

Osaka Office | Daibiru-Honkan Building, 3-6-32,  
Nakanoshima, Kita-ku, Osaka 530-0005, Japan  
TEL: 81-6-6441-1932

Tokyo Office | Hibiya Daibiru Building, 1-2-2,  
Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011, Japan  
TEL: 81-3-3506-7441