

The Daibiru Group Briefing Session Material for Fiscal 2016

May 19, 2017
DAIBIRU CORPORATION
President Executive Officer
Katsumi Tamai

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<Note>

Information in this document, including opinions, forecasts, and projections, were prepared based on the Company's own analyses at the time of compilation of this document.

We do not guarantee their accuracy. Please bear in mind that future business performance may differ from the information in this document due to a variety of factors including market conditions.

I. Operating Results for Fiscal 2016

Operating Results for Fiscal 2016 - Highlight

	Fiscal 2015	Fiscal 2016	Difference		Key points
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	
Revenue	37,344	39,451	2,106	5.6	<ul style="list-style-type: none"> Leasing Revenue contributions from the Shin-Daibiru Building, the Kojimachi Daibiru Building and the ComerStone Building, etc. Facility Management Acquirement of new contracts, etc.
Operating income	9,114	10,693	1,579	17.3	<ul style="list-style-type: none"> Fixed asset tax (Building) of the Shin-Daibiru Building Decreases in utilities expenses and depreciation and amortization, etc.
Ordinary income	7,985	9,688	1,702	21.3	<ul style="list-style-type: none"> Decreases in interest expense, etc.
Net income attributable to owners of the parent	5,276	6,160	883	16.7	<p>Extraordinary income and bss</p> <p><Fiscal 2016></p> <ul style="list-style-type: none"> Extraordinary income ¥25 million Gain on sales of investment securities Extraordinary bss ¥638 million Loss on disposal of fixed assets ¥18 million Provision for environmental measures ¥620 million <p><Fiscal 2015></p> <ul style="list-style-type: none"> Extraordinary income ¥125 million Gain on sales of investment securities Extraordinary bss ¥46 million Loss on disposal of fixed assets ¥16 million, etc.

【Fiscal 2016】 Updating the height at revenue and each income stage in the past (Record-high revenue for four consecutive years)

Operating Results for Fiscal 2016 -By Segment-



	Fiscal 2015	Fiscal 2016	Difference		Key points
Revenue	(Millions of yen) 37,344	(Millions of yen) 39,451	(Millions of yen) 2,106	(%) 5.6	
Leasing	28,656	30,494	1,837	6.4	<ul style="list-style-type: none"> Revenue contributions from the Shin-Dabiru Building and the Kojimachi Dabiru Building An improvements in the occupancy rate of the CornerStone Building, etc.
Facility Management	10,380	10,802	421	4.1	<ul style="list-style-type: none"> Acquirement of new contracts
Other Businesses	595	490	(105)	(17.7)	<ul style="list-style-type: none"> Decreases in administration expense of construction and construction subcontracting values, etc.
Adjustment	(2,288)	(2,336)	(47)	—	
Operating income	9,114	10,693	1,579	17.3	
Leasing	9,554	11,534	1,979	20.7	<ul style="list-style-type: none"> Fixed asset tax (Building) of the Shin-Dabiru Building Decreases in utilities expenses and depreciation and amortization, etc.
Facility Management	663	540	(123)	(18.6)	
Other Businesses	245	190	(55)	(22.6)	
Adjustment	(1,349)	(1,570)	(220)	—	

Operating Results for Fiscal 2016 -Balance Sheets-

	Fiscal 2015	Fiscal 2016	Difference	Key points
Noncurrent assets	(Millions of yen) 343,728	(Millions of yen) 341,120	(Millions of yen) (2,608)	<ul style="list-style-type: none"> • An increase in cash and cash equivalents • An increase in investment securities of the appraised value following a recovery in stock prices • Decreases in depreciation, etc.
Current assets	8,082	10,524	2,442	
Total assets	351,810	351,645	(165)	
Long-term liabilities	176,483	190,384	13,901	<ul style="list-style-type: none"> • The recording of provision for environmental measures • A decrease in interest-bearing debt (Balance at the end of Fiscal 2015: ¥157,442 million) (Balance at the end of Fiscal 2016: ¥149,672 million), etc.
Current liabilities	31,041	10,266	(20,774)	
Total liabilities	207,524	200,651	(6,872)	
Capital	12,227	12,227	—	<ul style="list-style-type: none"> • Retained earnings +¥4,409 million • Net unrealized holding gains on securities +¥2,780 million, etc.
Total net assets	144,286	150,993	6,707	
Total liabilities and net assets	351,810	351,645	(165)	

Unrealized gain of ¥165,672 million in owned properties at the time of disclosure of the market prices of leasing properties. Net assets per share based on market price taking into consideration of unrealized gain after tax were ¥2,263. (Net assets per share based on book value were ¥1,280.)

Operating Results for Fiscal 2016 -Cash Flows-



	Fiscal 2015	Fiscal 2016	Difference	Key points
	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Net cash provided by (used in) operating activities	14,516	15,157	641	
Net cash provided by (used in) investing activities	(13,758)	(3,287)	10,470	<Fiscal 2016> • Renewal construction of the Hibiya Daibiru Building <Fiscal 2015> • Construction of the Shin-Daibiru Building, etc.
Net cash provided by (used in) financing activities	(2,661)	(9,624)	(6,962)	<Fiscal 2016> • Repayment of interest-bearing debt, etc.
Net increase (decrease) in cash and cash equivalents	(1,854)	2,409	4,264	
Cash and cash equivalents at beginning of year	7,399	5,545	(1,854)	
Cash and cash equivalents at end of year	5,545	7,954	2,409	

II. Forecasts for Fiscal 2017

Forecasts for Fiscal 2017 - Highlight

	Fiscal 2016	Fiscal 2017	Difference		Key points
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	
Revenue	39,451	40,000	548	1.4	Leasing <ul style="list-style-type: none"> Revenue contributions from the Shin-Dabiru Building, etc. Facility Management <ul style="list-style-type: none"> Full-year contribution from the Nishinon Sogo Setsubi Co., Ltd, etc.
Operating income	10,693	11,000	306	2.9	<ul style="list-style-type: none"> An increase in repairing expense of renewal construction of the Shiba Dabiru Building, etc. Decreases in depreciation and amortization
Ordinary income	9,688	10,000	311	3.2	
Net income attributable to owners of the parent	6,160	6,500	339	5.5	

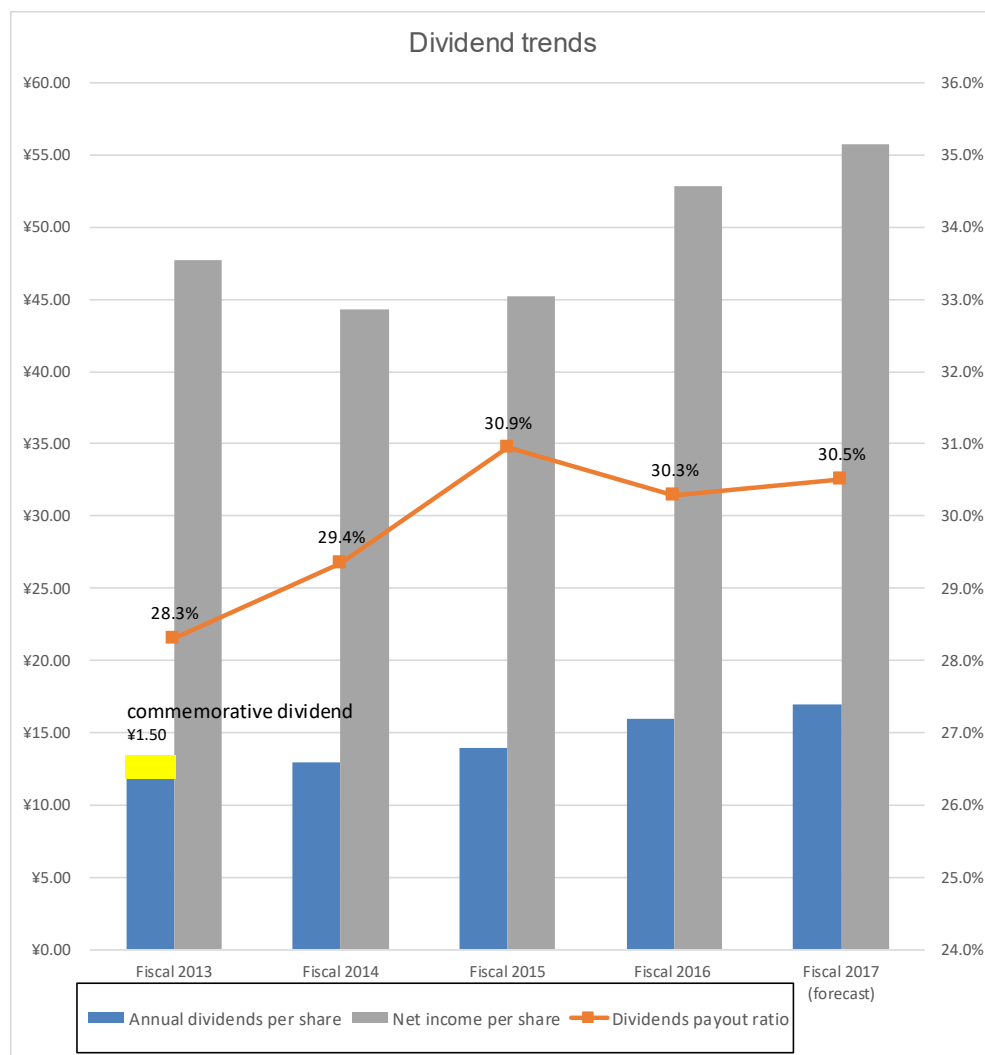
【Fiscal 2017】 The final fiscal year of medium-term Management Plan [“**Design 100**” Project Phase-I]
 Expectation of updating the height at revenue and each income stage in the past

Forecasts for Fiscal 2017 -By Segment-



	Fiscal 2016	Fiscal 2017	Difference		Key points
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	
Revenue	39,451	40,000	549	1.4	
Leasing	30,494	31,000	505	1.7	• Revenue contribution from the Shin-Daibiru Building, etc.
Facility Management	10,802	11,000	197	1.8	• Full-year contribution from the Nishinon Sogo Setsubi Co., Ltd, etc.
Other Businesses	490	300	(190)	(38.8)	• Decreases in administration expense of construction and construction subcontracting values, etc.
Adjustment	(2,336)	(2,300)	36	—	
Operating income	10,693	11,000	306	2.9	
Leasing	11,534	12,000	465	4.0	• Increases in repairing expense of renewal construction of the Shiba Daibiru Building, etc. • Decreases in depreciation and amortization, etc.
Facility Management	540	500	(40)	(7.4)	
Other Businesses	190	100	(90)	(47.4)	
Adjustment	(1,570)	(1,600)	(29)	—	

Dividends



	Annual dividends per share	Net income per share	Dividends payout ratio
Fiscal 2013	¥13.50*	¥47.70	28.3%
Fiscal 2014	¥13.00	¥44.29	29.4%
Fiscal 2015	¥14.00	¥45.24	30.9%
Fiscal 2016	¥16.00	¥52.82	30.3%
Fiscal 2017 (forecast)	¥17.00	¥55.73	30.5%

*Includes commemorative dividend of ¥1.50.

<Future dividend policy>
 Stable dividends targeting a dividends payout ratio exceeding 30%

III. References

(1) Medium-term Management Plan [“**Design 100**” Project Phase-I]

(2013~2017)

“Daibiru Excellence”

towards

Sustainable, Innovative & Global Next 100 (Century)

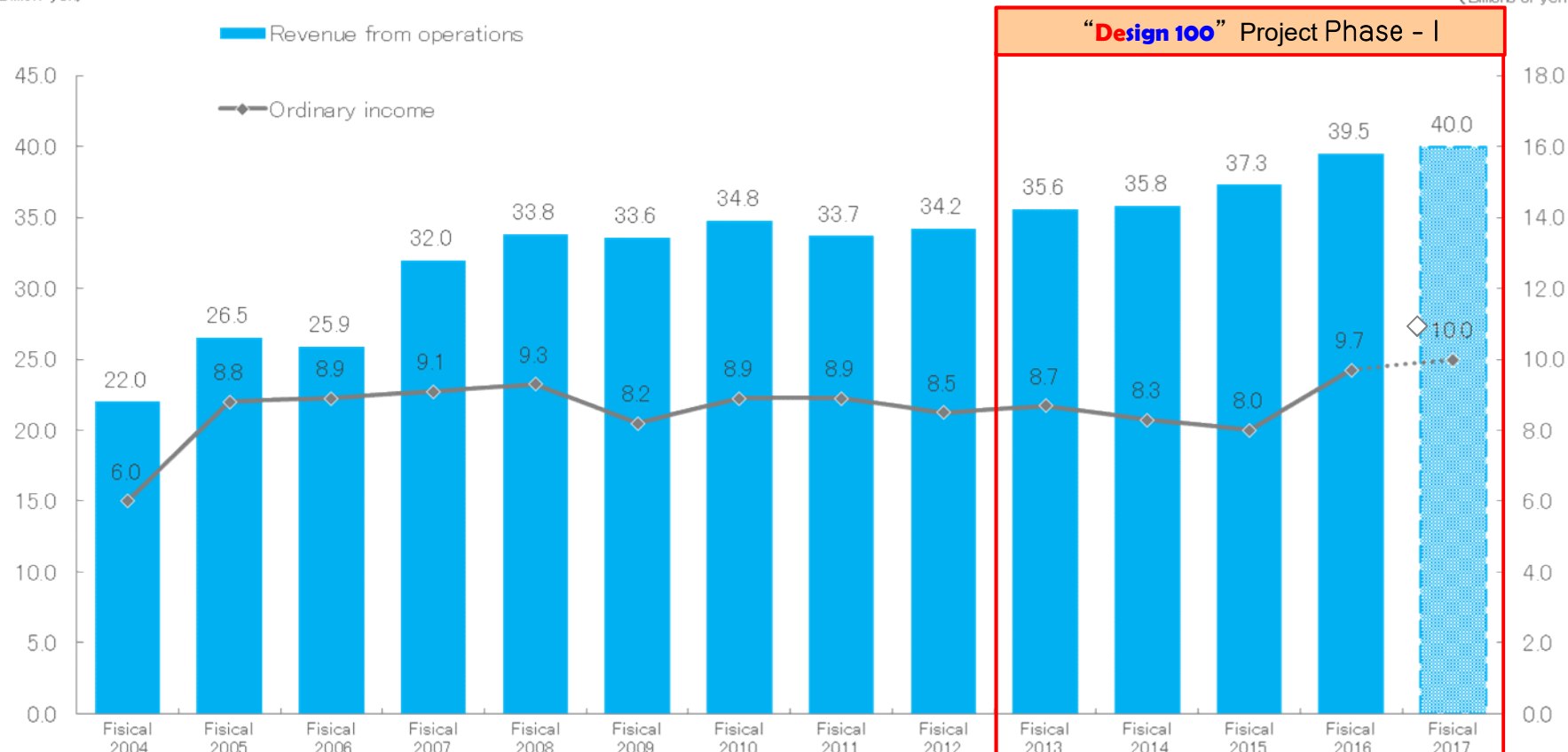
<Overview and Major Progress>

“Design 100” Project Phase-I Quantitative Performance Targets and Progress



(Billion yen)

(Billions of yen)



Revenue from operations	22.0	26.5	25.9	32.0	33.8	33.6	34.8	33.7	34.2	35.6	35.8	37.3	39.5	40.0
Operating income	7.1	10.0	10.0	9.9	10.0	9.3	10.3	10.2	9.8	10.0	9.4	9.1	10.7	11.0
Ordinary income	6.0	8.8	8.9	9.1	9.3	8.2	8.9	8.9	8.5	8.7	8.3	8.0	9.7	10.0
Net income	4.0	5.0	5.5	4.3	5.0	4.3	3.7	4.7	4.9	5.6	5.2	5.3	6.2	6.5
EBITDA	10.7	15.4	14.9	14.9	14.8	16.3	17.3	16.5	15.9	16.7	16.0	17.3	18.4	19.0
Operating CF	9.2	13.9	9.6	13.6	6.8	15.4	12.8	12.5	10.1	13.0	11.5	14.5	15.2	15.0
D/E Ratio	0.9	0.8	0.7	0.7	0.8	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.0	0.9

➤ Profit level progressed in general as planned.

(Billions of yen)

(Previous fiscal year) (Current fiscal year)

	Fiscal 2013		Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017	
	Plan	Result	Plan	Result	Plan	Result	Plan	Result	Plan	Prospects
Revenue from operations	35.5	35.6	36.5	35.8	38.5	37.3	40.0	39.5	42.0	40.0
Operating income	9.9	10.0	9.2	9.4	9.7	9.1	11.0	10.7	13.0	11.0
Ordinary income	8.6	8.7	7.4	8.3	8.0	8.0	9.5	9.7	10.5	10.0
Net income	5.1	5.6	4.0	5.2	5.0	5.3	6.0	6.2	6.5	6.5
EBITDA	16.5	16.7	16.0	16.0	18.0	17.3	19.0	18.4	21.5	19.0
Operating cash flows	13.0	13.0	10.5	11.5	15.0	14.5	16.0	15.2	16.0	15.0
D/E Ratio	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	0.9	0.9

*EBITDA: Ordinary income + Interest expense + Depreciation and amortization

*Excludes the ¥40.0 billion investment for three Wards in the central district of Tokyo from the total planned investment of ¥100.0 billion.

➤ Investment plan: Progressing mostly as planned

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Investment (Initial Plan)	<ul style="list-style-type: none"> ➤ Expand assets in senior residences (Total of ¥8.0 billion) ➤ Develop high quality office buildings in Vietnam (Total of ¥16.0 billion) ➤ Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion) ➤ Enhance competitiveness of existing buildings through renewal investment (5 buildings, ¥10.0 billion in scope) 				
Investment (Progress)	<p>About ¥48.0 billion</p> <ul style="list-style-type: none"> ➤ Aria Ebisu Minami: ¥1.3 billion ➤ CornerStone Building: About ¥10.0 billion ➤ Shin-Daibiru Building: About ¥28.0 billion ➤ Renewal: ¥6.4 billion 			<p>Amount of planned investment : About ¥12.0 billion</p>	

*Excludes the ¥40.0 billion investment for three Wards in the central district of Tokyo from the total planned investment of ¥100.0 billion.

“Design 100” Project Phase-I

Expansion of portfolio to strengthen business base

- [Domestic] ➤ Investment in high quality assets centered around three Wards in the central district of Tokyo (¥40.0 billion in scope)
 - Expand assets in senior residences (Total of ¥8.0 billion)
- [Overseas] ➤ Develop high quality office buildings in Vietnam (Total of ¥16.0 billion)

*Enhancement of competitiveness of existing assets /
Improvement of environmental quality / BCP aspect*

- Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion)
- Enhance competitiveness of existing buildings through renewal investment (5 buildings, ¥10.0 billion in scope)

Progress in Priority Investment Areas

Expansion of portfolio to strengthen business base

➤ Investment in high quality assets centered around three Wards in the central district of Tokyo

Adjacent land to the Akihabara Daibiru Building

(March 2016, April 2017: Additional acquisition, Total: ¥8.5 billion)

- Near the vibrant, high-profile Akihabara Station
- Because of its convenient location for being in front of the hub railway station(Akihabara), high occupancy can be expected for a long term as a commercial building
- Aiming to enhance the value of asset portfolio over the long-term

<Overview>

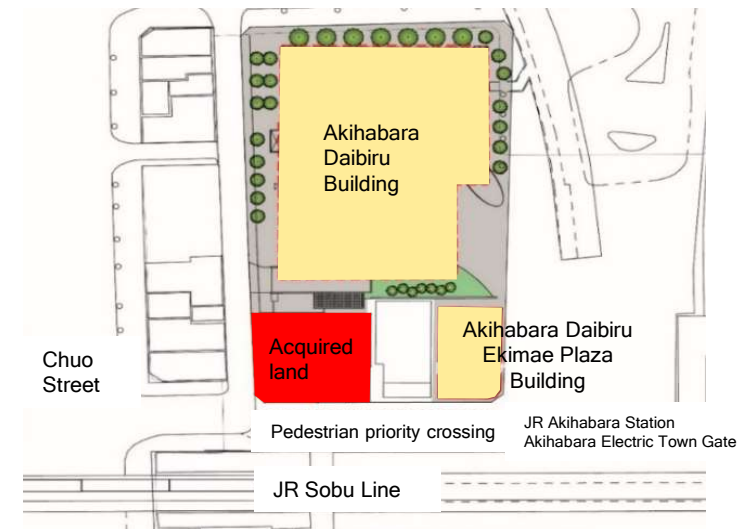
Lot area: About 577m²

Gross floor area: About 4,900m² (Plan)

Completion: Spring 2019 (Plan)

Size: 11 floors above ground, 2 floors below ground

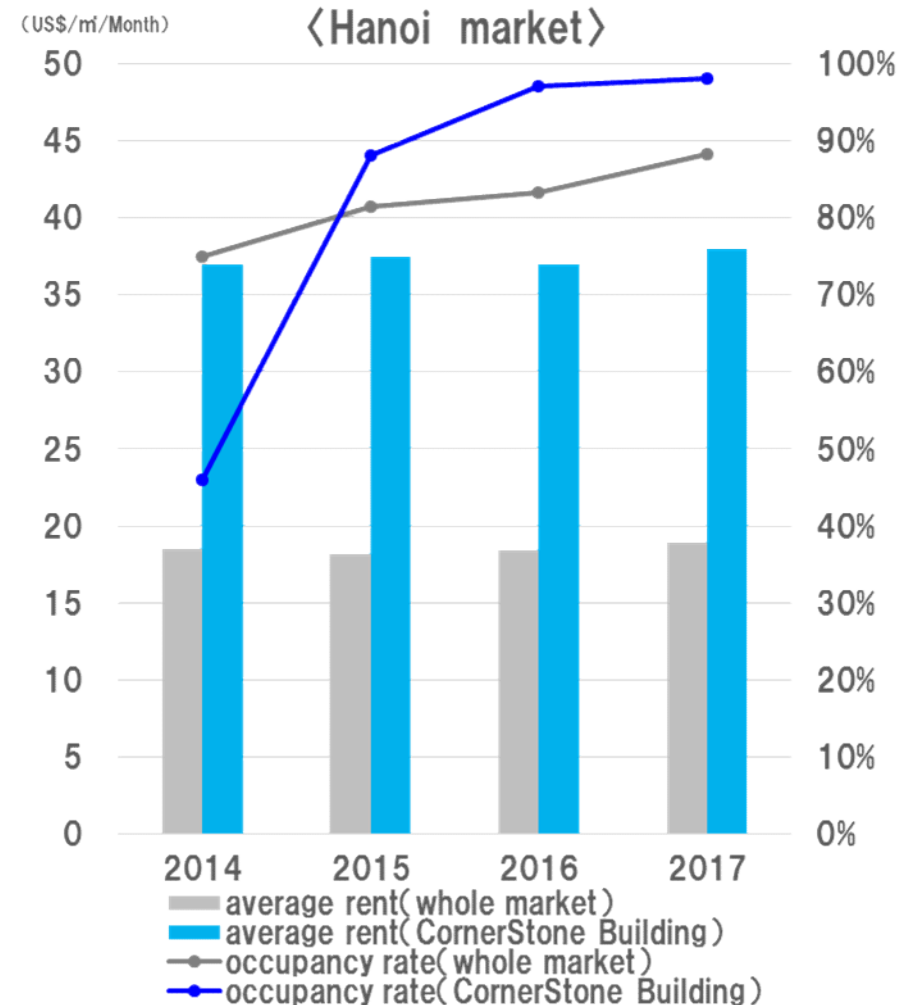
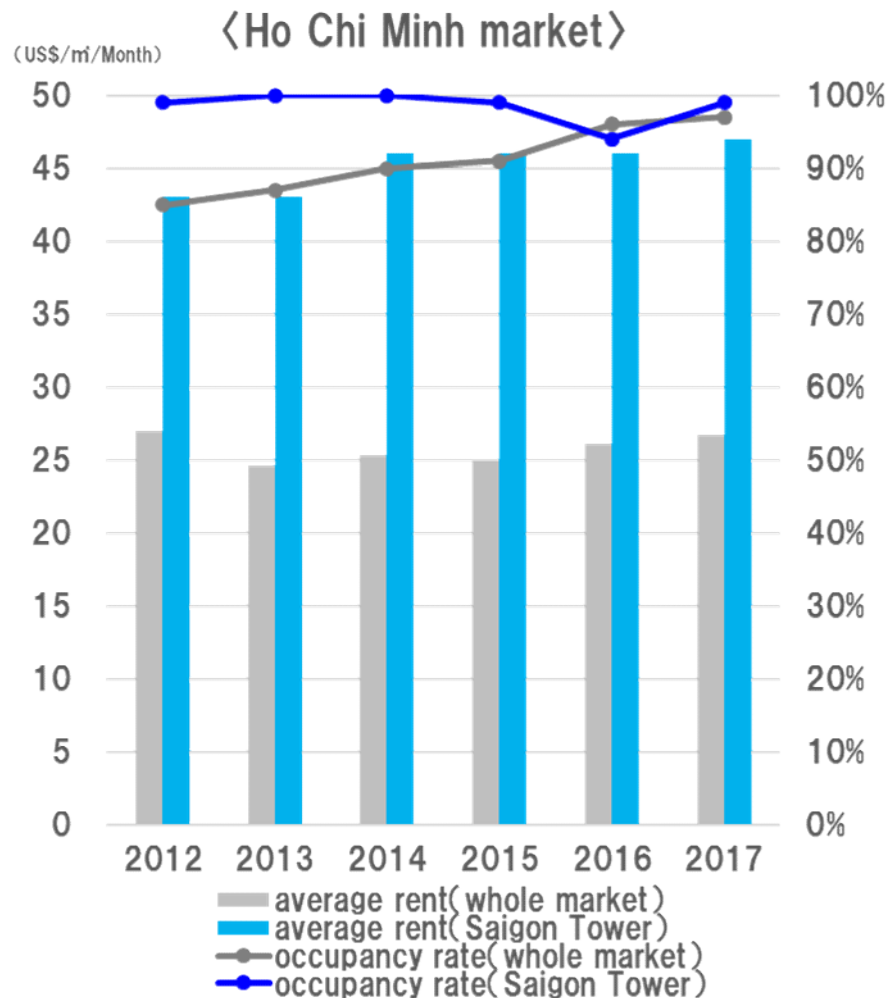
Use application : Restaurant / Shop (Plan)



Expansion of portfolio to strengthen business base

➤ Acquire and develop high quality office buildings in Vietnam

Comparison chart between our properties and office market in Vietnam



Enhancement of competitiveness of existing assets / Improvement of environmental quality / BCP aspect

➤ Enhance competitiveness of existing buildings through renewal investment

Renovations in Fiscal 2017

(Shiba Daibiru Building)

- ✓ Renewal of power receiving and transforming equipment / emergency power generators
- ✓ The lighting of the whole building is made LED(light - emitting diode)
- ✓ The overall repair in rest room and hot water service room
- ✓ Renewal of heat source and air-conditioning equipment
- ✓ Renewal of leased room equipment



<Shiba Daibiru Building>



<An example of renovation (rest room)>

“Design 100” Project Phase-I

Take office building service to the next level

- Standardization and adherence to office building service quality control standards across the entire Group

Organizational measures concerning human resources development

- Foster human resources to take charge of on-site building management
- Foster global human resources and core personnel for overseas operational hub

Increase brand recognition by implementing corporate branding strategy

Take office building service to the next level

- Standardization and adherence to office building service quality control standards across the entire Group

Provide a high-grade office building in both hard and soft aspects through building management by the Group as a whole



Increase brand recognition by implementing *corporate branding strategy*

New advertisement activity

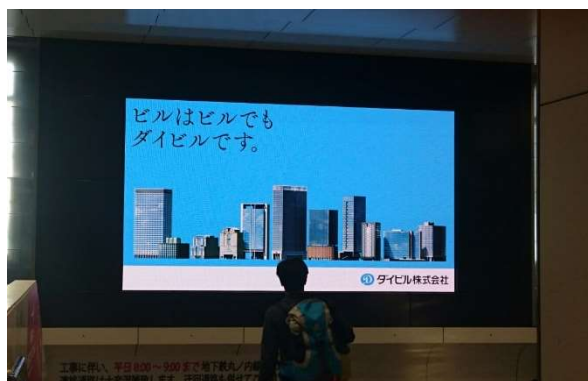
⇒ Strategic deployment of advertisements across the gateways in Tokyo Station / Airport for the purpose of improving recognition as well as contributing to the image of our Corporate brand



Yaesu gate (Tokyo Station)



Haneda Air Port (Tokyo)



Marunouchi central gate (Tokyo Station)



Stairs to Yamanote line's platform (Tokyo Station)

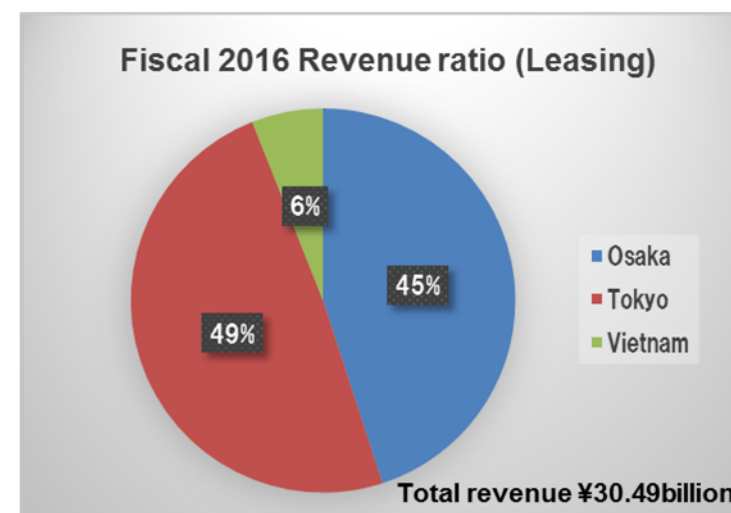
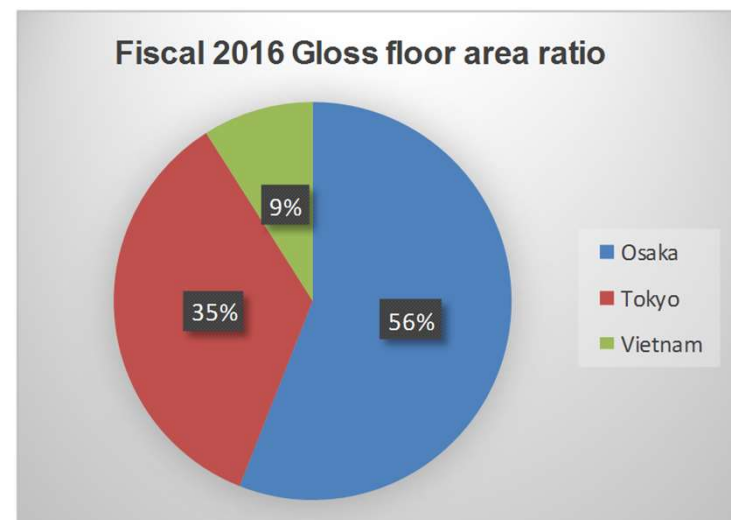
III. References

(2) Commercial Property, Vacancy Rates, and Others

Commercial Property

		Number of properties	Gross floor area
Office buildings	Osaka area	12	378,879 m ²
	Tokyo area	12	215,437 m ²
Commercial buildings	Vietnam	2	66,480 m ²
	Subtotal	26	660,796 m ²
Residences	Osaka area	2	13,184 m ²
	Tokyo area	13	26,151 m ²
	Subtotal	15	39,335 m ²
Total		41	700,131 m ²

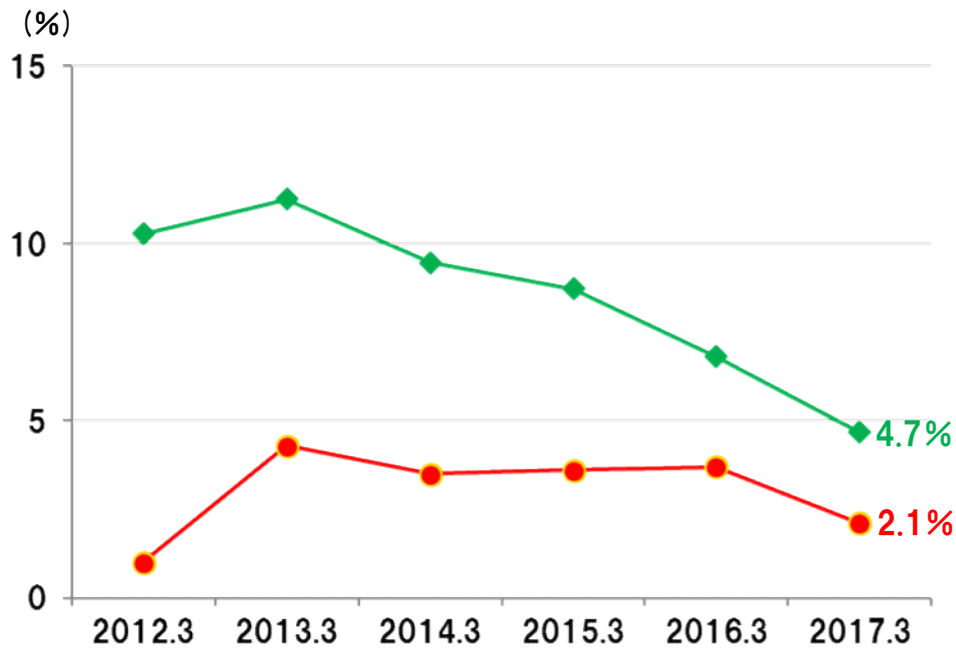
*Properties in operation as of May 19, 2017. As to the co-owned properties, our share is stated.



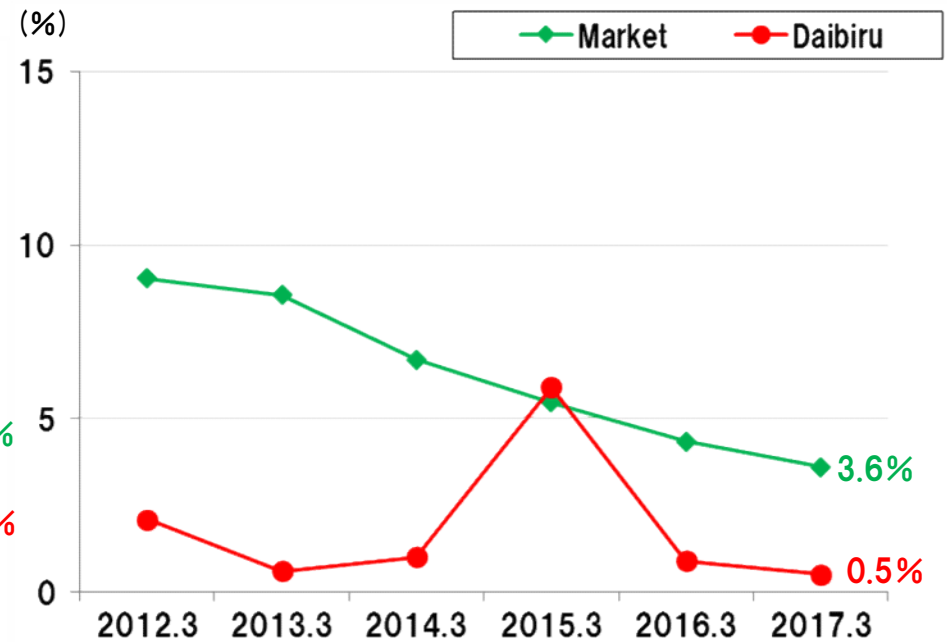
* Before the elimination of intersegment amounts

Vacancy Rates

Osaka area



Tokyo area



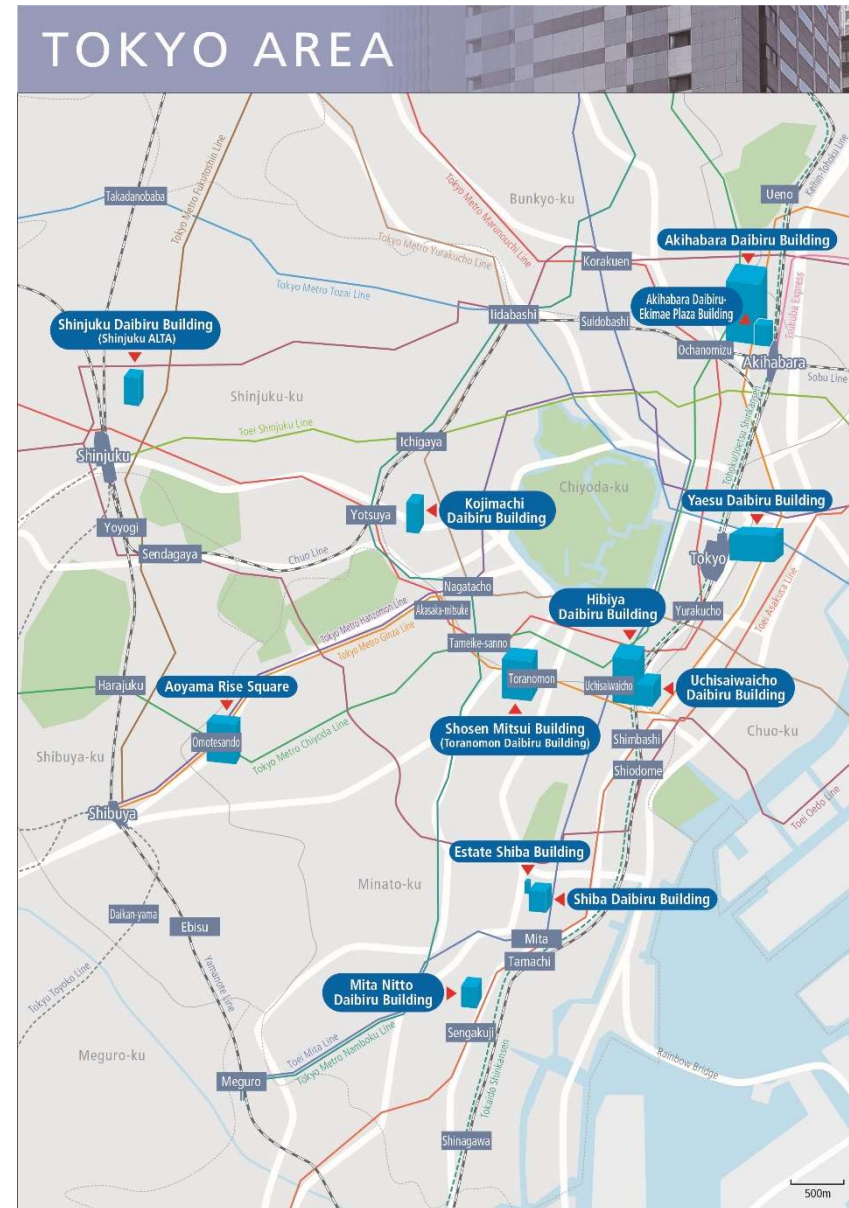
Vacancy rates for the whole Company	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3
	1.5%	2.8%	2.4%	4.4%	2.6%	1.5%

Source: Miki Shoji Co., Ltd. OFFICE MARKET DATA

【Factors for low vacancy rate】

- ① Good location & High-quality specs
- ② Relations of trust with our clients
- ③ High-quality property management service

Building Locations



List of Our Properties -Osaka-

Daibiru-Honkan Building



Gross floor area: 48,198m²
Size : 22 floors above ground,
2 floors below ground
Completion: Feb. 2013

Nakanoshima Daibiru Building



Gross floor area: 79,543m²
Size: 35 floors above
ground, 2 floors below
ground
Completion: Mar. 2009

Shin-Daibiru Building



Gross floor area: 77,388m²
Size: 31 floors above ground,
2 floors below ground
Completion: Mar. 2015

Dojima Daibiru Building (ANA Crowne Plaza Osaka)



Gross floor area: 44,770m²
Size: 23 floors above ground,
3 floors below ground
Completion: Sep.1984

Umeda Daibiru Building



Gross floor area: 42,363m²
Size: 23 floors above
ground, 3 floors
below ground
Completion: May 2000

Tosabori Daibiru building



Gross floor area: 37,497m²
Size: 17 floors above
ground, 1 floor below
ground
Completion: Jul. 2009

Midosuji Daibiru Building



Gross floor area:13,399m²
Size: 8 floors above
ground, 3 floors below
ground
Completion: Sep.1964

Yodoyabashi Daibiru Building



Gross floor area: 11,273m²
Size: 14 floors above
ground, 2 floors below
ground
Completion: Feb.1997

Awajimachi Daibiru Building



Gross floor area: 10,344m²
Size: 8 floors above ground,
1 floor below ground
Completion: May 1986

Dokita Daibiru Building



Gross floor area: 4,283m²
Size: 7 floors above
ground, 1 floor
below ground
Completion: Mar. 1986

Kita-Umeda Daibiru Building



Gross floor area: 4,185m²
Size: 8 floors above ground,
1 floor below ground
Completion: Jan. 1997

Estate Tosabori Building



Gross floor area: 5,635m²
Size: 5 floors above ground,
1 floor below ground
Completion: Oct. 1997

List of Our Properties -Tokyo-

Hibiya Daibiru Building



Gross floor area: 29,961m²
 Size: 21 floors above ground, 3 floors below ground
 Completion: Oct. 1989

Akihabara Daibiru Building (Toranomon Daibiru Building)



Gross floor area: 50,290m²
 Size: 31 floors above ground, 2 floors below ground
 Completion: Mar. 2005

Shosen Mitsui Building (Toranomon Daibiru Building)



Gross floor area: 34,655m²
 Size: 16 floors above ground, 3 floors below ground
 Completion: Nov. 1979

Yaesu Daibiru Building



Gross floor area: 26,723m²
 Size: 9 floors above ground, 5 floors below ground
 Completion: Jun. 1968

Aoyama Rise Square



Gross floor area: 25,011m²
 Size: 16 floors above ground, 2 floors below ground
 Completion: Apr. 2003

Kojimachi Daibiru Building



Gross floor area: 11,610m²
 Size: 7 floors above ground, 2 floors below ground
 Completion: Sep. 1976

Shinjuku Daibiru Building (Shinjuku ALTA)



Gross floor area: 11,255m²
 Size: 8 floors above ground, 3 floors below ground
 Completion: Apr. 1980

Shiba Daibiru Building



Gross floor area: 10,833m²
 Size: 10 floors above ground, 1 floor below ground
 Completion: Jun. 1989

Uchisaiwaicho Daibiru Building



Gross floor area: 10,122m²
 Size: 9 floors above ground, 2 floors below ground
 Completion: Jan. 1983

Mita Nitto Daibiru Building



Gross floor area: 10,008m²
 Size: 8 floors above ground, 1 floor below ground
 Completion: Sep. 1986

Akihabara Daibiru Ekimae Plaza Building



Gross floor area: 3,201m²
 Size: 9 floors above ground, 1 floor below ground
 Completion: Mar. 2005

Estate Shiba Building



Gross floor area: 499m²
 Size: 5 floors above ground
 Completion: Dec. 1987

List of Our Properties –Vietnam–

CornerStone Building



Gross floor area: 48,494m²
Completion: June 2013
**Size: 14 floors above ground,
3 floors below ground**



Saigon Tower



Gross floor area: 17,986m²
Completion: December 1996
**Size: 18 floors above ground,
2 floors below ground**

Management Policy

Constructing buildings, creating towns — pioneering the new era

Mission Statement

- 1. Provide office spaces and environments that can win the trust and attachment of customers.**
- 2. Increase enterprise value together with our tenants.**
- 3. Create beautiful cityscapes and stylish spaces.**

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.

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.