

Financial Highlights for Fiscal 2017 (Unaudited)
(Apr. 1, 2017– Mar. 31, 2018)

DAIBIRU CORPORATION

(Unaudited Translation of 'Kessan Tanshin,' Provided for Reference Only)

Apr. 27, 2018

Name of the Company: DAIBIRU CORPORATION
 Listing of Stock: First Section of Tokyo Stock Exchange
 Securities Code: 8806
 Head Office: 3-6-32 Nakanoshima, Kita-ku, Osaka, Japan
 URL: <http://www.daibiru.co.jp/english>
 Representative: Toshiyuki Sonobe, Representative Director, President Chief Executive Officer
 Scheduled Date of the Annual Shareholders' Meeting: June 27, 2018
 Scheduled Date of Commencing Dividend Payments: June 28, 2018
 Scheduled Date of the Annual Securities Report: June 28, 2018

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for Fiscal 2017 (Apr. 1, 2017 to Mar. 31, 2018)

(i) Consolidated Results (% indicates changes from the previous corresponding period)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2017	40,400	2.4	11,055	3.4	10,640	9.8	7,260	17.9
Fiscal 2016	39,451	5.6	10,693	17.3	9,688	21.3	6,160	16.7

Note: Comprehensive income
 Mar. 31, 2018: ¥8,605 million (1.7%) Mar. 31, 2017: ¥8,457 million (124.0%)

	Net income per share	Diluted net income per share	Rate of return to shareholders' equity	Ratio of ordinary income to assets	Operating income margin ratio
	Yen	Yen	%	%	%
Fiscal 2017	62.25	–	4.8	3.0	27.4
Fiscal 2016	52.82	–	4.2	2.8	27.1

Reference: Equity in earnings (losses) of affiliates
 Mar. 31, 2018: ¥389 million Mar. 31, 2017: ¥– million

(ii) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2017	351,446	157,673	44.4	1,337.32
Fiscal 2016	351,645	150,993	42.5	1,280.88

Reference: Equity
 Mar. 31, 2018: ¥155,967 million Mar. 31, 2017: ¥149,386 million

(iii) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2017	13,957	(7,847)	(10,131)	4,155
Fiscal 2016	15,157	(3,287)	(9,624)	7,954

2. Dividends

	Dividends per share					Total dividends paid (annual)	Dividends payout ratio (consolidated)	Dividends ratio to shareholder's equity (consolidated)
	1Q	2Q	3Q	4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2016	–	8.00	–	8.00	16.00	1,866	30.3	1.3
Fiscal 2017	–	8.50	–	10.50	19.00	2,215	30.5	1.5
Fiscal 2018 (forecast)	–	9.50	–	9.50	19.00		34.1	

3. Forecast of Consolidated Results for Fiscal 2018 (Apr. 1, 2018 to Mar. 31, 2019)

(% indicates changes from the previous corresponding period)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2018	40,500	0.2	10,000	(9.6)	9,500	(10.7)	6,500	(10.5)	55.73

* Notes

(i) Significant changes of subsidiaries during the period under review (affecting specified subsidiaries which result in changes in scope of consolidation): None

(ii) Changes in accounting policies, changes in accounting estimates and corrections of errors

- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Corrections of errors: None

(iii) Total number of issued shares (common stock)

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

Fiscal 2017	116,851,049 shares
Fiscal 2016	116,851,049 shares

2) Number of treasury stock at the end of the period

Fiscal 2017	224,074 shares
Fiscal 2016	223,281 shares

3) Average number of shares issued and outstanding during the period

Fiscal 2017	116,627,295 shares
Fiscal 2016	116,628,042 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for Fiscal 2017 (Apr. 1, 2017 to Mar. 31, 2018)

(i) Non-consolidated Results (% indicates changes from the previous corresponding period)

	Revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2017	28,848	1.9	9,861	1.9	9,551	3.2	6,712	10.5
Fiscal 2016	28,319	6.5	9,677	18.9	9,251	20.7	6,075	13.3

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2017	57.55	-
Fiscal 2016	52.09	-

(ii) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2017	342,845	152,861	44.6	1,310.69
Fiscal 2016	343,420	146,453	42.6	1,255.73

Reference: Equity

Mar. 31, 2018: ¥152,861 million Mar. 31, 2017: ¥146,453 million

* Financial results are not subject to auditing.

* Explanation of the Proper Use of Performance Forecast and Other Notes

Information described in this document, such as projections, was prepared based on available information at the time of the release of this document and certain assumptions that the Company judged as rational. Actual results may be significantly different due to various factors. For the notes regarding the assumed conditions for the financial result forecast and the usage of the forecast, please refer to "1. Overview of Results of operations (4) Outlook for Fiscal 2018" on page 4 of Attached Reference.

Daibiru is scheduled to hold an analysts' meeting on May 25, 2018. Daibiru plans to upload the presentation materials distributed at such meeting to its website as soon as the meeting is over.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for Fiscal 2017

In fiscal 2017, the Japanese economy was on a moderate recovery trend as corporate earnings and employment and income environment improved, and capital investment increased under various economic policies by the government.

For the office leasing segment, strong conditions continued mainly due to continued low levels of vacancy rates of office buildings in the central business districts (CBD) of Tokyo and Osaka and a moderate upward trend in rent rates.

Amid such environment, the Daibiru Group has taken a proactive approach to expand business and sought to offer tenant services with “Daibiru Excellence” by promoting activities that improve building management quality and thus differentiate Daibiru properties from competitors’ buildings. These efforts have enabled the Daibiru Group to maintain high occupancy rates.

In the Medium-term Management Plan, “Design 100” Project Phase-I, growth strategies were established in priority investment areas, including investment in high-end office properties in the three central wards in Tokyo, enhancement of competitiveness of existing buildings through renewal investment, and development of Grade-A office buildings in Vietnam.

Under this plan, the Company started construction of the “Akihabara Project (tentative name)” (11 floors above ground and 2 floors below ground, gross floor area of approximately 5,000m²) in November last year. Renewal construction of the Shiba Daibiru Building is also making steady progress as planned.

In Vietnam, the Company participated in an office building development project together with a project partner through an investment in a company accounted for by the equity method (M&D SUN PTE. LTD.) as the Company’s third investment following the Saigon Tower and the CornerStone Building. Thereafter, the Company recorded share of profit of entities accounted for using equity method due to the sale of this project at a price above the amount of investment.

Operating results by business were as follows.

1) Leasing

Due to contributions from the Shin-Daibiru Building, revenue from operations increased ¥757 million or 2.5% year on year to ¥31,146 million in fiscal 2017. Regarding expenses, while depreciation and amortization decreased, repairing expenses and other expenses from operations increased. Accordingly, operating income increased ¥467 million, or 4.1%, to ¥12,001 million.

2) Facility Management

Revenue from operations increased ¥273 million, or 3.2%, to ¥8,844 million mainly due to orders for new commissioned properties. Operating income increased ¥27 million, or 5.1%, to ¥568 million.

3) Other Businesses

Due primarily to decreases in construction subcontracting values, revenue from operations decreased ¥81 million, or 16.6%, to ¥408 million. However, operating income increased ¥6 million, or 3.2%, to ¥196

million.

As a result, regarding the operating results of fiscal 2017, revenue from operations increased ¥948 million, or 2.4%, to ¥40,400 million, and operating income increased ¥361 million, or 3.4%, to ¥11,055 million.

As for non-operating income and expenses, ordinary income increased ¥951 million, or 9.8%, to ¥10,640 million mainly due to an increase in dividend income and share of profit of entities accounted for using equity method and a decrease in interest expense and foreign exchange losses.

Regarding extraordinary income and loss, the Company recorded loss on disposal of fixed assets of ¥41 million under extraordinary loss for fiscal 2017. Meanwhile, in the previous fiscal year, the Company recorded gain on sales of investment securities of ¥25 million under extraordinary income, and recorded extraordinary loss totaling ¥638 million from loss on disposal of fixed assets and provision for environmental measures.

All in all, profit attributable to owners of parent increased ¥1,100 million, or 17.9%, to ¥7,260 million.

(2) Overview of Financial Position for Fiscal 2017

Total assets at the end of the current fiscal year were ¥351,446 million, a decrease of ¥198 million from the end of the previous fiscal year. Current assets decreased ¥3,988 million owing mainly to a decrease in cash and cash equivalents. Noncurrent assets increased ¥3,790 million mainly as a result of an increase in investment securities following investment in a company accounted for by the equity method and a rise in stock prices, despite a decrease in buildings and structures and other intangible assets associated with depreciation.

Liabilities at the end of the current fiscal year were ¥193,773 million, a decrease of ¥6,878 million from the end of the previous fiscal year. This is primarily attributable to a decrease of ¥8,130 million in interest bearing debt.

Net assets at the end of the current fiscal year were ¥157,673 million, an increase of ¥6,679 million from the end of the previous fiscal year. This is mainly due to an increase in retained earnings and net unrealized holding gains on securities.

(3) Overview of Cash Flows for Fiscal 2017

Cash and cash equivalents for the current fiscal year were ¥4,155 million, a decrease of ¥3,798 million from the end of the previous fiscal year. Changes in cash flows and their causes are explained below:

Net cash provided by operating activities was ¥13,957 million, smaller by ¥1,199 million from the end of the previous fiscal year. This is mainly due to a decrease in guarantee deposits received and an increase in income taxes paid, despite an increase in income before income taxes and minority interests.

Net cash used in investing activities was ¥7,847 million, larger by ¥4,559 million from the end of the previous fiscal year. This is primarily due to purchases of property and equipment and purchases of investment securities following investment in a company accounted for by the equity method.

Net cash used in financing activities was ¥10,131 million, larger by ¥507 million from the end of the previous fiscal year. This is mainly due to repayment of interest bearing debt and payment of dividends.

(Reference) Changes in cash flows–related indicators

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Equity ratio (%)	41.0	38.8	40.6	42.5	44.4
Equity ratio on a market value basis (%)	39.9	39.9	31.5	32.4	40.9
Ratio of interest bearing debt to operating cash flows (years)	10.7	13.8	10.8	9.9	10.1
Interest coverage ratio (times)	8.0	7.9	9.7	12.1	11.8

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio on a market value basis: Total market capitalization / Total assets

Ratio of interest bearing debt to operating cash flows: Interest bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest paid

(Supplementary information)

1. All indicators are calculated using consolidated financial results.
2. Total market capitalization is calculated by multiplying the share price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the period (excluding treasury stock).
3. Operating cash flows refer to net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows.
4. Interest bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest paid refers to interest expense on the Consolidated Statements of Cash Flows.

(4) Outlook for Fiscal 2018

The Daibiru Group announced that it has formulated its new medium–term management plan “Design 100” Project Phase–II that extends over the next five years.

In the next fiscal year, revenue from operations is projected to remain at the same level as the current fiscal year at ¥40.5 billion, up 0.2%. Regarding expenses, depreciation and amortization and fixed property tax are expected to increase. Accordingly, operating income is expected to decrease 9.6% to ¥10.0 billion, ordinary income is expected to decrease 10.7% to ¥9.5 billion, and profit attributable to owners of parent is expected to decrease 10.5% to ¥6.5 billion.

(5) Fundamental Policy of Profit Allocations and Dividend Payment for Fiscal 2017 and 2018

For fiscal 2017, our business expanded steadily both domestically and overseas, led by revenue contributions from the Shin–Daibiru Building and other factors. Owing to this, combined with the recording of share of profit of entities accounted for using equity method, we were able to secure profit attributable to owners of parent that exceeded the initial forecast on a consolidated basis.

Our fundamental policy is to implement stable dividend distribution with business performance taken into account while strengthening our balance sheet and enhancing internal reserves for future business development. With this policy, the Company has targeted the medium– to long–term standard value of the consolidated dividend payout ratio at 30% or more.

This being the case, the year–end dividend for fiscal 2017 is expected to be ¥10.5 per share, ¥2.0 higher than our most recent dividend forecast (¥8.5). As a result, the annual dividend per share will be ¥19.0 (an interim dividend of ¥8.5 and year–end dividend of ¥10.5), with the consolidated dividend payout ratio

standing at 30.5%. Additionally, in fiscal 2018, the annual dividend per share is expected to be ¥19.0 (an interim dividend of ¥9.5 and year-end dividend of ¥9.5), with the consolidated dividend payout ratio expected to be 34.1%. In the new medium-term management plan, the consolidated dividend payout ratio was revised to “pay stable dividends with a target of 30–35%.”

2. Basic Approach on the Selection of Accounting Principles

For the purpose of ensuring comparability between periods and that between entities, the Group will prepare its consolidated financial statements based on Japanese Generally Accepted Accounting Principles (JGAAP) for the time being.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year As of March 31, 2017	Current Fiscal Year As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	8,718	4,529
Accounts receivable—trade	1,017	998
Inventories	52	53
Deferred tax assets	243	241
Other current assets	499	718
Allowance for doubtful accounts	(5)	(6)
Total current assets	10,524	6,535
Noncurrent assets		
Property and equipment		
Buildings and structures	222,696	225,629
Accumulated depreciation	(110,806)	(116,908)
Buildings and structures, net	111,890	108,720
Land	157,149	157,695
Land in trust	31,231	31,231
Construction in progress	206	198
Other	3,923	4,031
Accumulated depreciation	(3,500)	(3,635)
Other, net	423	395
Net property and equipment	300,901	298,243
Intangible assets		
Goodwill	2,084	1,857
Other	13,257	12,417
Total intangible assets	15,341	14,275
Investments and other assets		
Investment securities	22,679	30,203
Long-term loans receivable	45	18
Defined benefit assets	477	503
Deferred tax assets	126	118
Other	1,582	1,580
Allowance for doubtful accounts	(33)	(33)
Total investments and other assets	24,877	32,392
Total noncurrent assets	341,120	344,911
Total assets	351,645	351,446

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year As of March 31, 2017	Current Fiscal Year As of March 31, 2018
Liabilities		
Current liabilities		
Current portion of long-term debt	3,130	3,130
Commercial paper	–	5,000
Accrued income and enterprise taxes	1,959	1,639
Accrued consumption taxes	543	201
Accrued bonuses for directors and statutory auditors	64	79
Other current liabilities	4,569	5,993
Total current liabilities	10,266	16,044
Long-term liabilities		
Bonds payable	80,000	80,000
Long-term debt	66,542	53,412
Guarantee deposits received	25,646	25,353
Deferred tax liabilities	8,196	9,008
Deferred tax liabilities for land revaluation	8,024	8,024
Retirement benefits for directors and statutory auditors	50	61
Defined benefit liabilities	799	787
Provision for environmental measures	620	620
Other long-term liabilities	504	460
Total long-term liabilities	190,384	177,729
Total liabilities	200,651	193,773
Net assets		
Shareholders' equity		
Common stock	12,227	12,227
Capital surplus	13,852	13,852
Retained earnings	96,763	102,099
Treasury stock	(146)	(147)
Total shareholders' equity	122,697	128,032
Accumulated other comprehensive income		
Net unrealized holding gains on securities	11,899	13,512
Deferred gains on hedges	(13)	(4)
Land revaluation reserve	12,193	12,193
Foreign currency translation adjustment	2,608	2,233
Total accumulated other comprehensive income	26,688	27,934
Non-controlling interests	1,607	1,706
Total net assets	150,993	157,673
Total liabilities and net assets	351,645	351,446

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year (From Apr. 1, 2016 to Mar. 31, 2017)	Current Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)
Revenue from operations	39,451	40,400
Cost of revenue from operations	25,187	25,529
Operating gross profit	14,263	14,870
Selling, general and administrative expenses	3,569	3,814
Operating income	10,693	11,055
Non-operating income		
Interest income	31	41
Dividend income	517	587
Share of profit of entities accounted for using equity method	–	389
Other	35	30
Total non-operating income	584	1,048
Non-operating expenses		
Interest expense	1,263	1,173
Foreign exchange losses	192	101
Other	134	188
Total non-operating expenses	1,590	1,463
Ordinary income	9,688	10,640
Extraordinary income		
Gain on sales of investment securities	25	–
Total extraordinary income	25	–
Extraordinary loss		
Loss on disposal of fixed assets	18	41
Provision for environmental measures	620	–
Total extraordinary losses	638	41
Profit before income taxes	9,075	10,599
Income taxes—current	2,914	3,095
Income taxes—deferred	(87)	144
Total income taxes	2,826	3,240
Profit	6,248	7,359
Profit attributable to non-controlling interests	88	98
Profit attributable to owners of parent	6,160	7,260

Consolidated Statements of Comprehensive Income

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year (From Apr. 1, 2016 to Mar. 31, 2017)	Current Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)
Profit	6,248	7,359
Other comprehensive income		
Net unrealized holding gains on securities	2,780	1,613
Deferred gains on hedges	12	8
Land revaluation reserve	0	-
Foreign currency translation adjustment	(584)	(472)
Share of other comprehensive income of entities accounted for using equity method	-	96
Total other comprehensive income	2,209	1,246
Comprehensive income	8,457	8,605
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	8,369	8,506
Comprehensive income attributable to non- controlling interests	88	98

(3) Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen, figures are rounded down to the nearest million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2016	12,227	13,852	92,353	(146)	118,287
Changes of items during the period					
Cash dividends			(1,749)		(1,749)
Profit attributable to owners of parent			6,160		6,160
Reversal of revaluation reserve for land			(0)		(0)
Acquisition of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the Period	–	–	4,409	(0)	4,409
Balance at March 31, 2017	12,227	13,852	96,763	(146)	122,697

	accumulated other comprehensive income					Non-controlling interests	Total net assets
	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, 2016	9,119	(26)	12,193	3,193	24,479	1,518	144,286
Changes of items during the period							
Cash dividends							(1,749)
Profit attributable to owners of parent							6,160
Reversal of revaluation reserve for land							(0)
Acquisition of treasury stock							(0)
Net changes of items other than shareholders' equity	2,780	12	0	(584)	2,209	88	2,297
Total changes of items during the period	2,780	12	0	(584)	2,209	88	6,707
Balance at March 31, 2017	11,899	(13)	12,193	2,608	26,688	1,607	150,993

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

(Millions of yen, figures are rounded down to the nearest million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2017	12,227	13,852	96,763	(146)	122,697
Changes of items during the period					
Cash dividends			(1,924)		(1,924)
Profit attributable to owners of parent			7,260		7,260
Acquisition of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the Period	–	–	5,335	(0)	5,334
Balance at March 31, 2018	12,227	13,852	102,099	(147)	128,032

	accumulated other comprehensive income					Non-controlling interests	Total net assets
	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	11,899	(13)	12,193	2,608	26,688	1,607	150,993
Changes of items during the period							
Cash dividends							(1,924)
Profit attributable to owners of parent							7,260
Acquisition of treasury stock							(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	1,613	8	–	(375)	1,246	98	6,679
Balance at March 31, 2018	13,512	(4)	12,193	2,233	27,934	1,706	157,673

(4) Consolidated Statements of Cash Flows

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year (From Apr. 1, 2016 to Mar. 31, 2017)	Current Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)
Net cash provided by (used in) operating activities		
Profit before income taxes	9,075	10,599
Depreciation and amortization	7,321	6,932
Amortization of goodwill	159	159
Increase (decrease) in accrued bonuses for directors and statutory auditors	23	15
Increase (decrease) in Defined benefit liabilities	18	(12)
Decrease (increase) in Defined benefit assets	12	(26)
Increase (decrease) in retirement benefits for directors and statutory auditors	(3)	11
Increase (decrease) in provision for environmental measures	620	-
Interest and dividend income	(549)	(628)
Interest expense	1,263	1,173
Share of (profit) loss of entities accounted for using equity method	-	(389)
Loss (gain) on sales of investment securities	(25)	-
Loss on disposal of fixed assets	18	41
Increase (decrease) in guarantee deposits received	388	(281)
Decrease (increase) in guarantee deposits	1	1
Decrease (increase) in accounts receivable-trade	(24)	18
Decrease (increase) in inventories	5	(1)
Increase (decrease) in accounts payable-trade	(266)	400
Increase (decrease) in accrued taxes on purchase of real estate	(2)	-
Decrease (increase) in accrued consumption taxes	(820)	(342)
Other, net	623	213
Subtotal	17,838	17,884
Interest and dividends received	549	628
Interest paid	(1,252)	(1,187)
Income taxes paid	(1,976)	(3,367)
Net cash provided by (used in) operating activities	15,157	13,957
Net cash provided by (used in) investing activities		
Purchases of property and equipment	(3,261)	(3,065)
Purchases of investment securities	(3)	(4,671)
Proceeds from sales of investment securities	198	-
Payments into time deposits	(434)	(370)
Proceeds from withdrawal of time deposits	374	421
Purchases of investments in subsidiaries resulting in change in scope of consolidation	(133)	-
Collections of long-term loans receivable	17	27
Other, net	(45)	(188)
Net cash provided by (used in) investing activities	(3,287)	(7,847)

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous Fiscal Year (From Apr. 1, 2016 to Mar. 31, 2017)	Current Fiscal Year (From Apr. 1, 2017 to Mar. 31, 2018)
Net cash provided by (used in) financing activities		
Net increase (decrease) in commercial paper	-	5,000
Proceeds from long-term debt	5,000	10,000
Repayment of long-term debt	(7,770)	(23,130)
Proceeds from issuance of bonds	10,000	-
Redemption of bonds	(15,000)	-
Purchases of treasury stock	(0)	(0)
Dividends paid	(1,749)	(1,924)
Other, net	(103)	(76)
Net cash provided by (used in) financing activities	(9,624)	(10,131)
Effect of exchange rate change on cash and cash equivalents	163	222
Net increase (decrease) in cash and cash equivalents	2,409	(3,798)
Cash and cash equivalents at beginning of year	5,545	7,954
Cash and cash equivalents at end of year	7,954	4,155

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

None applicable

(Important Matters that Form the Basis for Preparing Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 10

MOL Kosan Co., Ltd., Daibiru Facility Management, Ltd., Kosan Kanri Service Co., Ltd., Kosan Kanri Service · West Co., Ltd., Tanshin Building Services Co., Ltd., Nishinohon Sogo Setsubi Co., Ltd., Jentower Limited, Daibiru Saigon Tower Co., Ltd., White Lotus Properties Limited, Daibiru CSB Co., Ltd. Daibiru CSB Co., Ltd. changed its name from VIBANK-NGT Co., Ltd. in April 2017.

(2) There are no unconsolidated subsidiaries.

2. Application of Equity Method

(1) Number of affiliated companies accounted for by the equity method. : 1

Affiliated company M&D SUN PTE. LTD.

M&D SUN PTE. LTD. became a company accounted for by the equity method in Current Fiscal Year.

(2) Number of affiliated companies not accounted for by the equity method: 1

Affiliated company URBAN SERVICE CO., LTD.

Companies not accounted for by the equity method do not have a material effect on profit or loss (amount corresponding to the equity interest) and retained earnings (amount corresponding to the equity interest) and also have no significance as a whole, and therefore the equity method is not applied.

(3) The affiliated companies accounted for by the equity method which have different closing dates are included in the Consolidated Financial Statements based on their respective fiscal year-end. And necessary adjustments are made on consolidation for significant transactions which occur between such closing dates and the consolidated balance sheet date.

3. Closing Dates of Consolidated Subsidiaries, etc.

Among consolidated subsidiaries, closing date of overseas consolidated subsidiaries is December 31, and the closing date of Tanshin Building Services Co., Ltd. and Nishinohon Sogo Setsubi Co., Ltd. is February 28. The consolidated financial statements are prepared using the financial statements as of their respective closing dates, and necessary adjustments are made on consolidation for significant transactions which occur between such closing dates and the consolidated balance sheet date.

(Investment and Rental Properties)

The Company and some subsidiaries are leasing land, office and commercial buildings and apartments as lessors in Osaka, Tokyo, Vietnam and other locations of Japan.

The fair values and book values were as follows:

(Millions of yen, figures are rounded down to the nearest million yen)

Book value	Previous fiscal year (From Apr. 1, 2016 to Mar. 31, 2017)	Current fiscal year (From Apr. 1, 2017 to Mar. 31, 2018)
As of the previous fiscal year	317,680	311,438
Net increase through the current fiscal year	(6,241)	(3,474)
As of the current fiscal year	311,438	307,964
Fair value of the current fiscal year	477,110	491,318

- Notes:
1. The consolidated balance sheets amounts refer to the acquisition amount after the deduction of accumulated depreciation.
 2. The main factors contributing to the increase in book value of investment and rental property through the year ended March 31, 2017, were the decrease from depreciation in the amount of ¥7,094 million.
The main factors contributing to the increase in book value of investment and rental property through the year ended March 31, 2018, were the increase from acquisition of additional purchase of the land for the “Akihabara Project (tentative name),” in the amount of ¥546 million and the decrease from depreciation in the amount of ¥6,707 million.
 3. The fair values of major properties as of the year ended March 31, 2017 and 2018 are based on appraisal reports by external real estate appraisers. Minor land values are based on adjusted values with indexes linked to market prices, and other values are based on book value. The values of properties newly acquired during the periods were based on book value, as the fluctuations in fair value were thought to be minimal.

Gain and loss from leasing properties were as follows:

(Millions of yen, figures are rounded down to the nearest million yen)

	Previous fiscal year (From Apr. 1, 2016 to Mar. 31, 2017)	Current fiscal year (From Apr. 1, 2017 to Mar. 31, 2018)
Revenue from operations	29,767	30,491
Cost of revenue from operations	17,407	17,603
Operating gross profit	12,359	12,888
Other income (expenses)	(15)	(37)

- Notes:
1. Revenue from operations and cost of revenue from operations refer to rent income of real estate and expenses corresponding thereto (depreciation and amortization, repairing expenses, utilities expenses, cleaning expenses, personnel expenses, taxes and dues, etc.)
 2. “Other income (expenses)” of previous fiscal year primarily included loss on disposal of fixed assets of ¥15 million listed under “Extraordinary loss.”
“Other income (expenses)” of current fiscal year primarily included loss on disposal of fixed assets of ¥37 million listed under “Extraordinary loss.”

(Segment Information)

1. Outline of reportable segments

The Company's reportable segments provide individual financial information, and the Board of Directors conducts periodical reviews of the information to make decisions on the allocation of management resources and to evaluate business results.

The businesses of the Daibiru Group comprise segments classified by the services they provide. For the years under review, there are two reportable segments, "Leasing" and "Facility Management."

As for "Leasing," we primarily engage in the leasing of buildings, including office buildings, land and parking spaces, and conduct janitorial services, facility management and security control for "Facility Management."

2. Method of calculation for revenue, income, assets and other items by reportable segment

Income by reportable segment is stated based on operating income. Intersegment amounts are based on market values.

3. Information on the amount of revenue, income, assets, and other items by reportable segment

Previous fiscal year (Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen, figures are rounded down to the nearest million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Leasing	Facility Management	Total				
Revenue:							
Outside customers	30,389	8,571	38,960	490	39,451	—	39,451
Intersegment	104	2,231	2,336	—	2,336	(2,336)	—
Total Sales	30,494	10,802	41,296	490	41,787	(2,336)	39,451
Segment income	11,534	540	12,074	190	12,264	(1,570)	10,693
Assets	317,877	3,269	321,146	47	321,193	30,451	351,645
Depreciation and amortization	7,307	13	7,321	—	7,321	—	7,321
Increase in property and equipment and intangible assets	1,890	3	1,893	—	1,893	—	1,893

Notes: 1. "Other" is a business segment that is not included in the reportable segments and refers to construction and real estate agency, etc.

2. The amount of adjustment is as follows:

(1) The adjustment was minus ¥1,570 million for segment income is mainly the corporate expense of ¥1,579 million that has not been allocated to reportable segments. Corporate expense is primarily expense related to administrative departments, including the Human Resources and General Affairs Department at headquarters, that does not belong to the reportable segment.

(2) The adjustment to segment assets was ¥30,451 million consisting of corporate assets of ¥30,451 million that has not been allocated to reportable segments. Corporate assets are primarily cash and cash equivalents, investment securities, and deferred tax assets, etc.

3. Segment income is adjusted to operating income on Consolidated Statements of Income.

Current fiscal year (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen, figures are rounded down to the nearest million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Leasing	Facility Management	Total				
Revenue:							
Outside customers	31,146	8,844	39,991	408	40,400	—	40,400
Intersegment	107	2,264	2,372	—	2,372	(2,372)	—
Total Sales	31,254	11,108	42,363	408	42,772	(2,372)	40,400
Segment income	12,001	568	12,569	196	12,765	(1,709)	11,055
Assets	319,365	2,651	322,017	46	322,064	29,382	351,446
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

Notes: 1. "Other" is a business segment that is not included in the reportable segments and refers to construction and real estate agency, etc.

2. The amount of adjustment is as follows:

(1) The adjustment was minus ¥1,709 million for segment income is mainly the corporate expense of ¥1,721 million that has not been allocated to reportable segments. Corporate expense is primarily expense related to administrative departments, including the Human Resources and General Affairs Department at headquarters, that does not belong to the reportable segment.

(2) The adjustment to segment assets was ¥29,382 million consisting of corporate assets of ¥29,547 million that has not been allocated to reportable segments. Corporate assets are primarily cash and cash equivalents, investment securities, and deferred tax assets, etc.

3. Segment income is adjusted to operating income on Consolidated Statements of Income.

(Related Information)

Previous fiscal year (Apr. 1, 2016 to Mar. 31, 2017)

1. Information by product and service

The information is omitted because similar information is listed in "Segment Information."

2. Geographical information

(1) Revenue

The information is omitted because the amount of sales to outside customers domestic exceeds 90% of the amount of Revenue from operations listed in the Consolidated Statements of Income.

(2) Property and equipment

The information is omitted because the amount of property and equipment that the Company owns domestically exceeds 90% of the amount of property and equipment listed in the Consolidated Balance Sheets.

3. Information by major customer

Not applicable because there is no outside customer who represent 10% or more of the revenue on the Consolidated Statements of Income.

Current fiscal year (Apr. 1, 2017 to Mar. 31, 2018)

1. Information by product and service

The information is omitted because similar information is listed in “Segment Information.”

2. Geographical information

(1) Revenue

The information is omitted because the amount of sales to outside customers domestic exceeds 90% of the amount of Revenue from operations listed in the Consolidated Statements of Income.

(2) Property and equipment

The information is omitted because the amount of property and equipment that the Company owns domestically exceeds 90% of the amount of property and equipment listed in the Consolidated Balance Sheets.

3. Information by major customer

Not applicable because there is no outside customer who represent 10% or more of the revenue on the Consolidated Statements of Income.

(Information regarding Impairment Loss on Fixed Assets by Reportable Segment)

Not applicable.

(Information regarding Goodwill Depreciation Amount and the Balance of Undepreciated Cost by Reportable Segment)

Current fiscal year (Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen, figures are rounded down to the nearest million yen)

	Reportable segment			Other	Adjustment	Consolidated
	Leasing	Facility Management	Total			
Depreciation in the current period	120	39	159	-	-	159
Balance of undepreciated cost	2,048	35	2,084	-	-	2,084

Current fiscal year (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen, figures are rounded down to the nearest million yen)

	Reportable segment			Other	Adjustment	Consolidated
	Leasing	Facility Management	Total			
Depreciation in the current period	123	35	159	-	-	159
Balance of undepreciated cost	1,857	-	1,857	-	-	1,857

(Information regarding Gain on Negative Goodwill by Reportable Segment)

Not applicable.

(Per-share information)

	Previous fiscal year (From Apr. 1, 2016 to Mar. 31, 2017)	Current fiscal year (From Apr. 1, 2017 to Mar. 31, 2018)
Net assets per share	1,280.88 yen	1,337.32 yen
Net income per share	52.82 yen	62.25 yen

(Notes) 1. Fully diluted net income per share is not presented, as there are no potentially dilutive shares.

2. Net income per share is calculated based on the following.

	Previous fiscal year (From Apr. 1, 2016 to Mar. 31, 2017)	Current fiscal year (From Apr. 1, 2017 to Mar. 31, 2018)
Net income attributable to owners of parent (million yen)	6,160	7,260
Amount not attributable to common stock shareholders (million yen)	–	–
Net income attributable to owners of the parent related to common stock (million yen)	6,160	7,260
Average number of shares outstanding during the period (thousands of shares)	116,628	116,627

3. Net assets per share is calculated based on the following.

	Previous fiscal year (From Apr. 1, 2016 to Mar. 31, 2017)	Current fiscal year (From Apr. 1, 2017 to Mar. 31, 2018)
Total Net assets (million yen)	150,993	157,673
Net assets related to common stock (million yen)	149,386	155,967
Amount deducted from total Net assets (million yen) Non-controlling Interests	1,607	1,706
Number of common stock issued and outstanding (thousands of shares)	116,851	116,851
Number of treasury stock (thousands of shares)	223	224
Number of common stock used in the calculation of net assets per share (thousands of shares)	116,627	116,626

(Significant subsequent events)

None applicable