



The Daibiru Group Business Performance for FY2018 2nd Quarter

October 31, 2018
DAIBIRU CORPORATION

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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.

Operating Results for FY2018 2Q - Highlight -

- Revenue slightly decreased compared with the same period of the FY2017.
- All income items at and below operating income decreased due to a decrease in leasing revenue and an increase in depreciation/amortization of Yaesu Daibiru building and Midosuji Daibiru building which are planned to be reconstructed.

(Millions of yen)

	Q1+2/17	Q1+2/18	Difference	Key points
Revenue	20,098	20,090	△ 8 (△0.0%)	<Leasing> • Revenue decreased due to tenant vacating at Nakanoshima Daibiru Building, etc. <Facility Management> • Increase in new orders etc.
Operating Income	5,819	5,056	△ 762 (△13.1%)	• Increases in depreciation and amortization (Change of useful lives of Yaesu Daibiru Building and Midosuji Daibiru Building) • Increase in fixed asset tax, etc.
Ordinary Income	5,400	5,017	△ 382 (△7.1%)	• Recording of the profit of an equity-method company • Decrease in exchange-rate losses etc.
Net income attributable to owners of the parent	3,686	3,463	△ 222 (△6.0%)	Extraordinary income and loss <Q2/18> • Extraordinary income: None • Extraordinary loss: None <Q2/17> • Extraordinary income: None • Extraordinary loss: ¥2 million Loss on disposal of fixed assets ¥2 million

Operating Results for FY2018 2Q -By Segment-

(Millions of yen)

	Q1+2/17	Q1+2/18	Difference	Key points
Revenue	20,098	20,090	△ 8 (△0.0%)	
Leasing	15,556	15,305	△ 250 (△1.6%)	• Revenue decreased due to tenant vacating at Nakanoshima Daibiru Building, etc.
Facility Management	5,533	5,734	200 (3.6%)	• Increase in new orders, etc.
Other Businesses	180	253	72 (40.4%)	• Increase in construction subcontracting values, etc.
Adjustment	△ 1,171	△ 1,202	△ 30 -	
Operating Income	5,819	5,056	△ 762 (△13.1%)	
Leasing	6,244	5,561	△ 683 (△10.9%)	• Increases in depreciation and amortization • Increase in fixed asset tax, etc.
Facility Management	298	257	△ 41 (△13.7%)	
Other Businesses	86	106	20 (23.9%)	
Adjustment	△ 809	△ 868	△ 58 -	

Operating Results for FY2018 2Q -Balance Sheets-

(Millions of yen)

	FY2017 As of Mar-31, 2018	FY2018 As of Sep-30, 2018	Deference	Key points
Current assets	6,294	20,342	14,048	• An increase in cash and cash equivalents
Noncurrent assets	344,996	340,037	△ 4,959	• A decrease in investment securities (The refund from an equity-method company due to a capital reduction etc.)
Total assets	351,291	360,380	9,089	• Decreases in depreciation, etc.
Current liabilities	16,044	33,079	17,035	• An increase in interest-bearing debt, etc. (Balance at the end of 4Q/17 141,542 million) (Balance at the end of 2Q/18 147,977 million)
Long-term liabilities	177,573	165,877	△ 11,695	
Total liabilities	193,617	198,957	5,339	
Capital	12,227	12,227	—	• Retained earnings increased by 2,239 million
Total net assets	157,673	161,422	3,749	• Net unrealized holding gains on securities increased by 1,909 million, etc.
Total liabilities and net assets	351,291	360,380	9,089	

※ We have applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” effective from the beginning of the 1Q. Accordingly, the key management indicators associated with the previous consolidated FY, shown in the table above and p8, have been retrospectively adjusted to reflect the application of the aforementioned standard.

Operating Results for FY2018 2Q -Cash Flows-

(Millions of yen)

	Q1+2/17	Q1+2/18	Difference	Key points
Net cash provided by (used in) operating activities	6,953	5,988	△965	
Net cash provided by (used in) investing activities	△ 5,964	2,607	8,571	• The refund from an equity-method company due to a capital reduction etc.
Net cash provided by (used in) financing activities	△ 2,498	5,210	7,708	
Net increase (decrease) in cash and cash equivalents	△ 1,402	13,859	15,261	
Cash and cash equivalents at beginning of year	7,954	4,155	△3,798	
Cash and cash equivalents at end of year	6,551	18,014	11,463	

➤ There has been no change from the forecasts announced on April 27, 2018.

(Millions of yen)

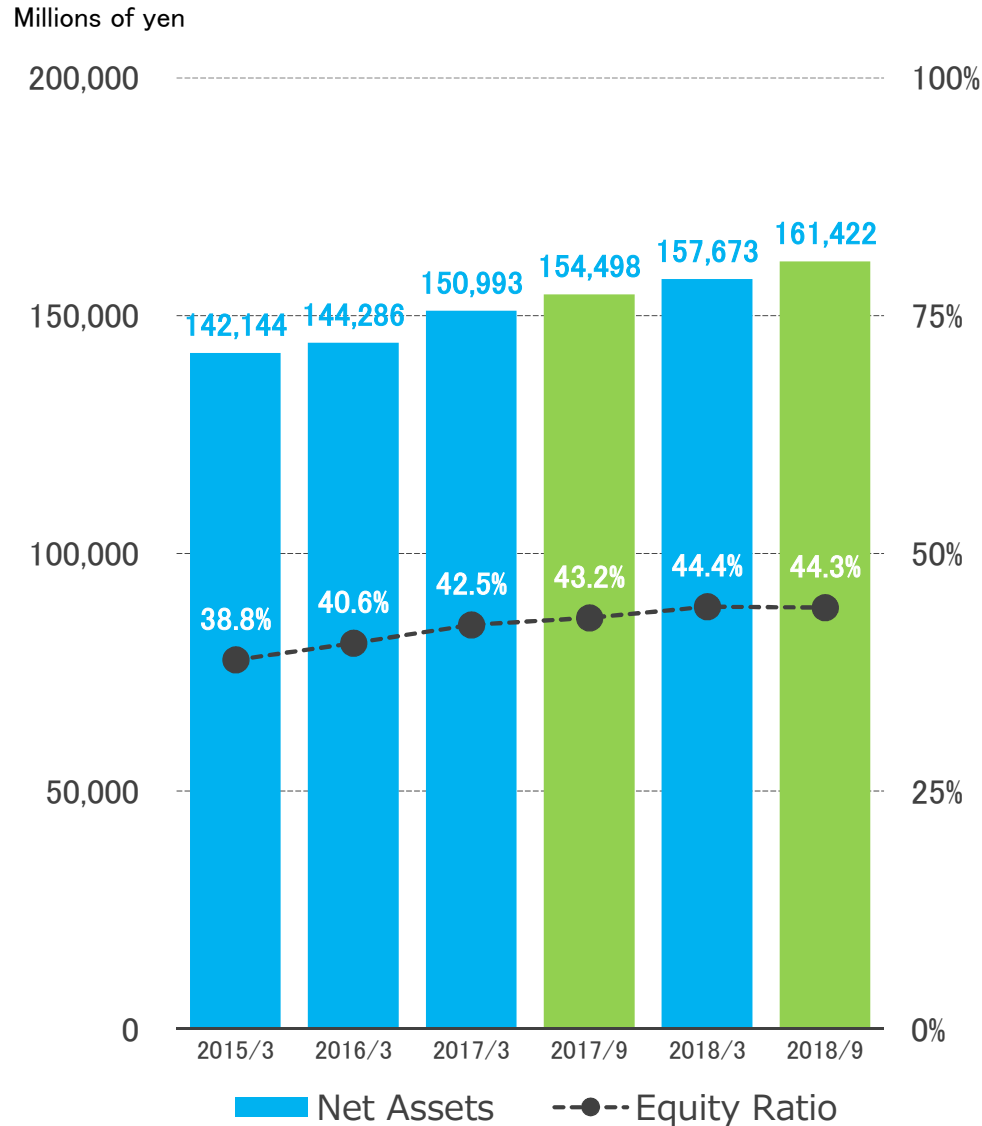
	FY2017	FY2018	Difference	Key points
Revenue	40,400	40,500	99 (0.2%)	< Leasing > • Revenue decreased due to tenant vacating at Nakanoshima Daibiru Building, etc. < Facility Management > • Increase in new orders, etc.
Operating income	11,055	10,000	△1,055 (△9.6%)	• Increases in depreciation and amortization (Change of useful lives of Yaesu Daibiru Building and Midosuji Daibiru Building) • Increase in fixed asset tax, etc.
Ordinary income	10,640	9,500	△1,140 (△10.7%)	
Net income attributable to owners of the parent	7,260	6,500	△760 (△10.5%)	

Forecasts for FY2018 -By Segment-

(Millions of yen)

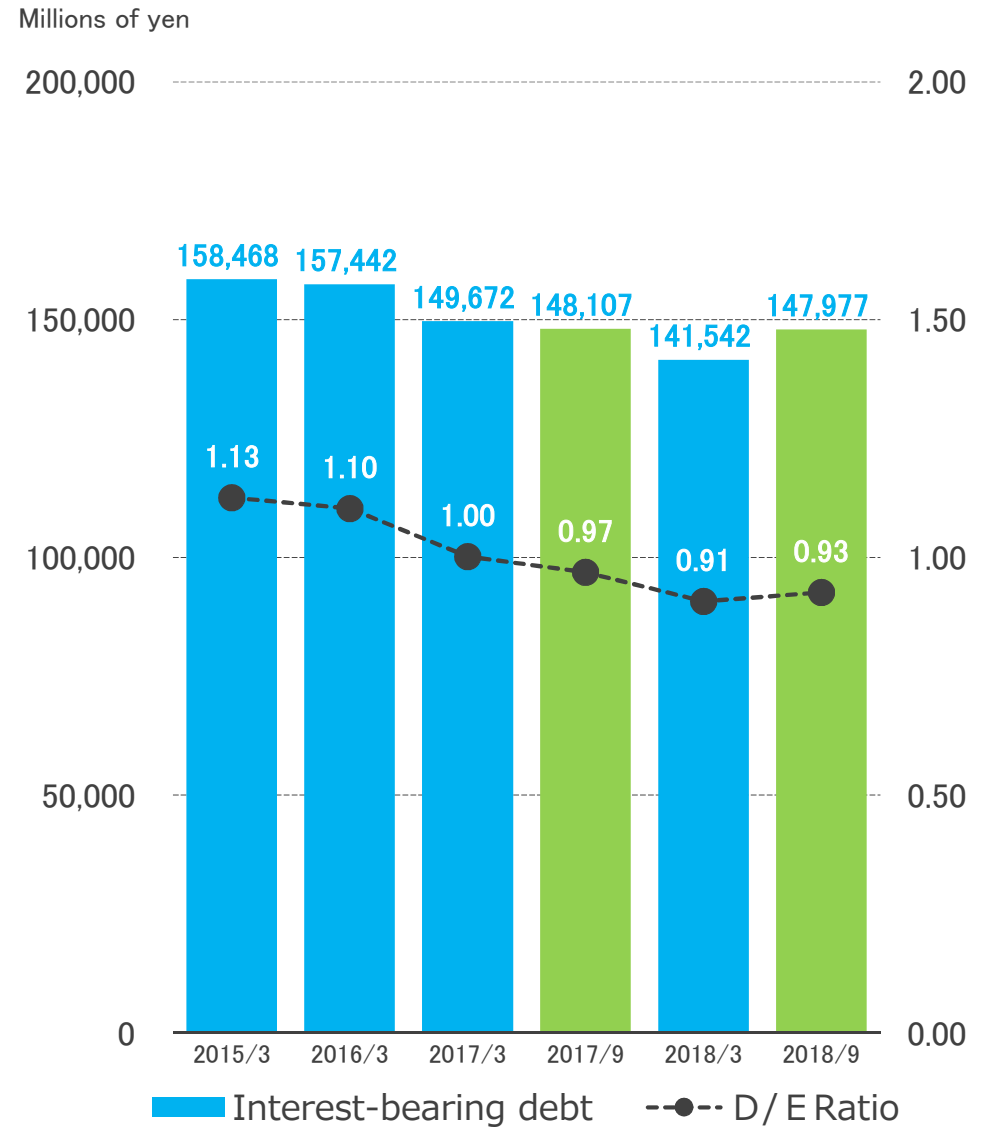
	FY2017	FY2018	Difference	Key points
Revenue	40,400	40,500	99 (0.2%)	
Leasing	31,254	30,900	△ 354 (△ 1.1%)	• Revenue decreased due to tenant vacating at Nakanoshima Daibiru Building , etc.
Facility Management	11,108	11,500	391 (3.5%)	• Increase in new orders, etc.
Other Businesses	408	500	91 (22.3%)	
Adjustment	△ 2,372	△ 2,400	△ 27 -	
Revenue	11,055	10,000	△ 1,055 (△ 9.6%)	
Leasing	12,001	11,200	△ 801 (△ 6.7%)	• Increases in depreciation and amortization (Change of useful lives of Yaesu Daibiru Building and Midosuji Daibiru Building) • Increase in fixed asset tax, etc.
Facility Management	568	600	31 (5.6%)	
Other Businesses	196	100	△ 96 (△ 49.0%)	
Adjustment	△ 1,709	△ 1,900	△ 190 -	

Net assets/Equity ratio



(Note) Equity ratio=Equity/Total assets

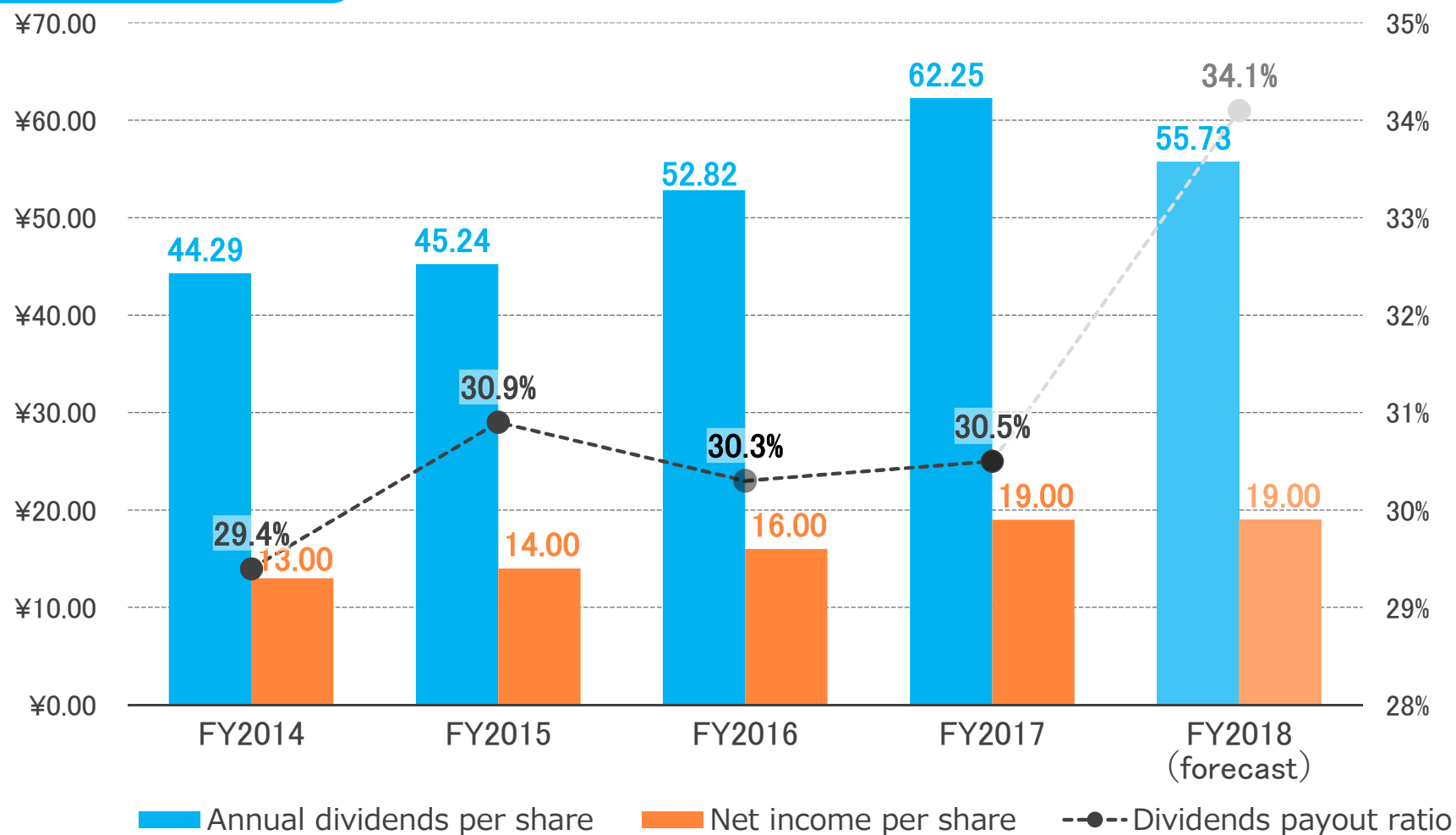
Interest-bearing debt/ D/E ratio



(Note) D/E Ratio=Interest-bearing Debt/Equity

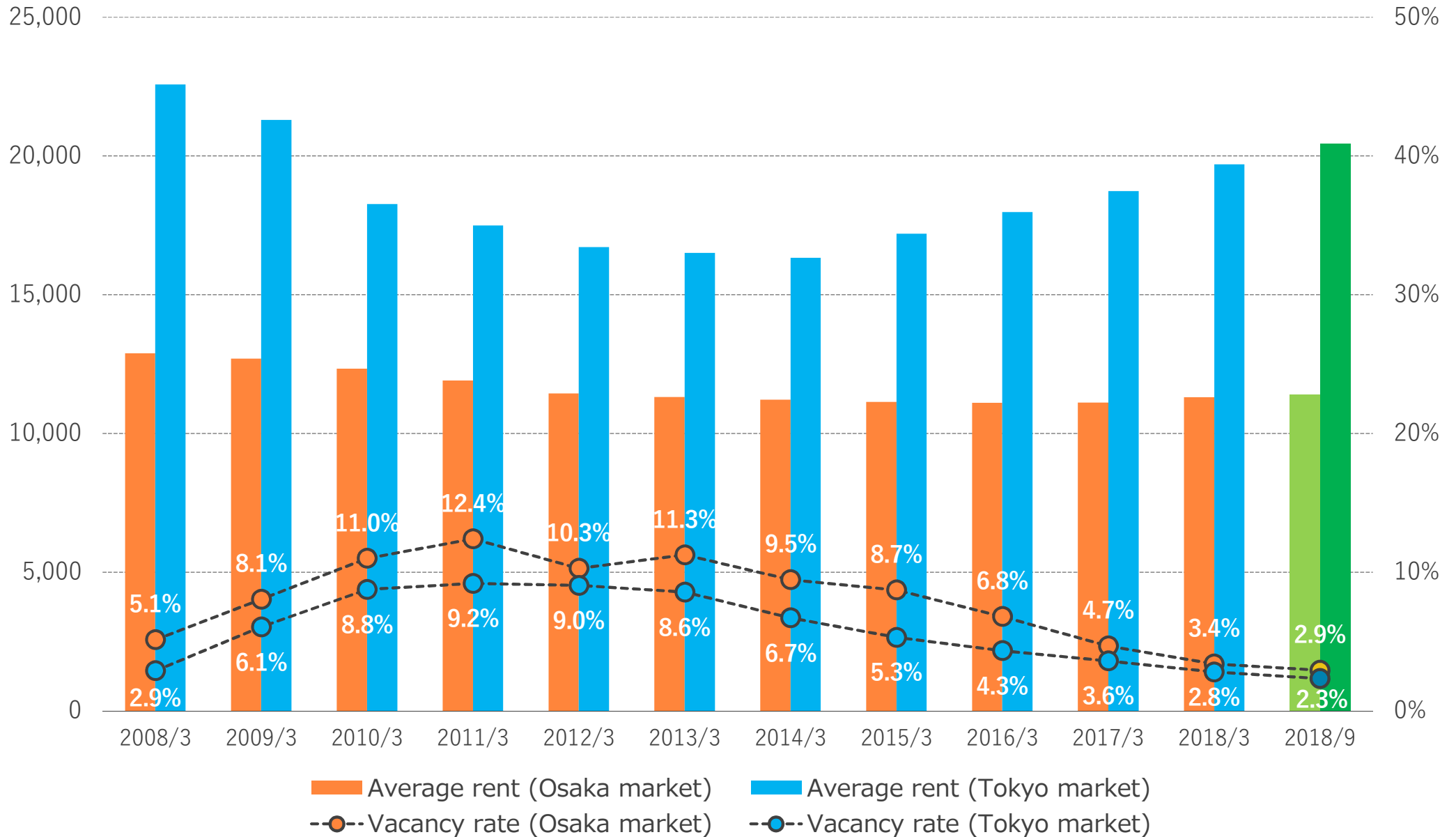
- The annual dividend will be ¥19.0, unchanged from the previous forecast.
- New dividend policy : Stable dividends with a target dividends payout ratio of 30-35%

Dividend trends



References -Vacancy Rates · Average Rents (Market)-

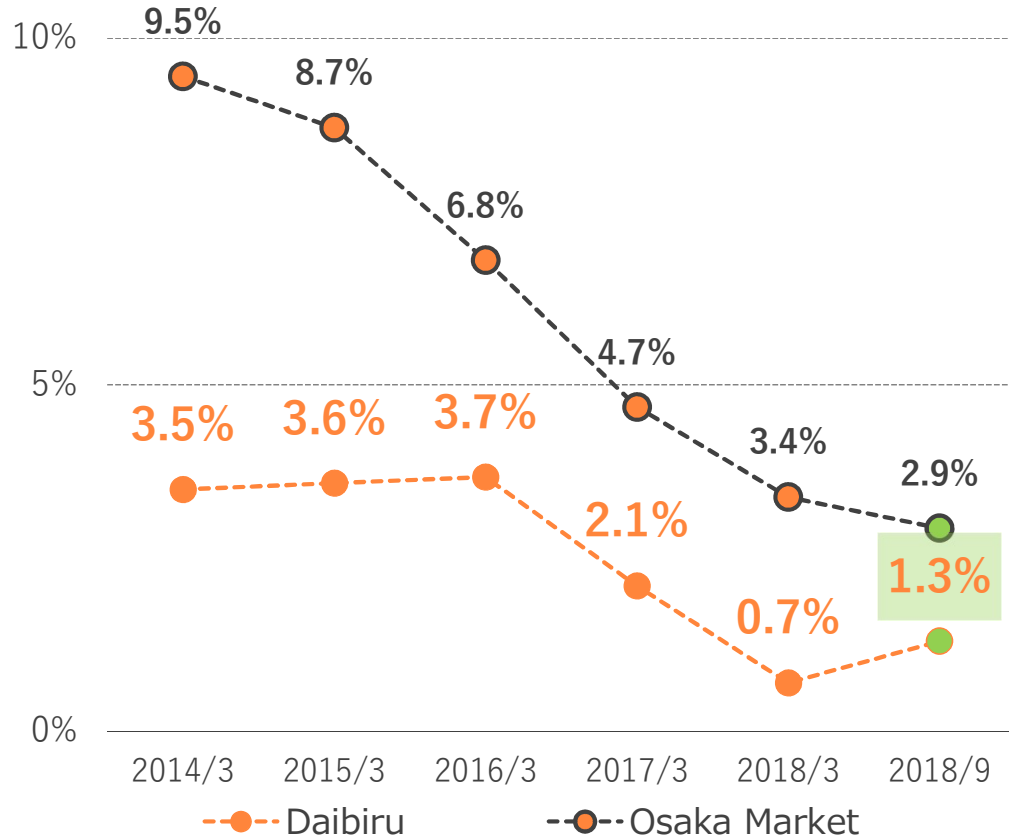
(Yen/*tsubo*)



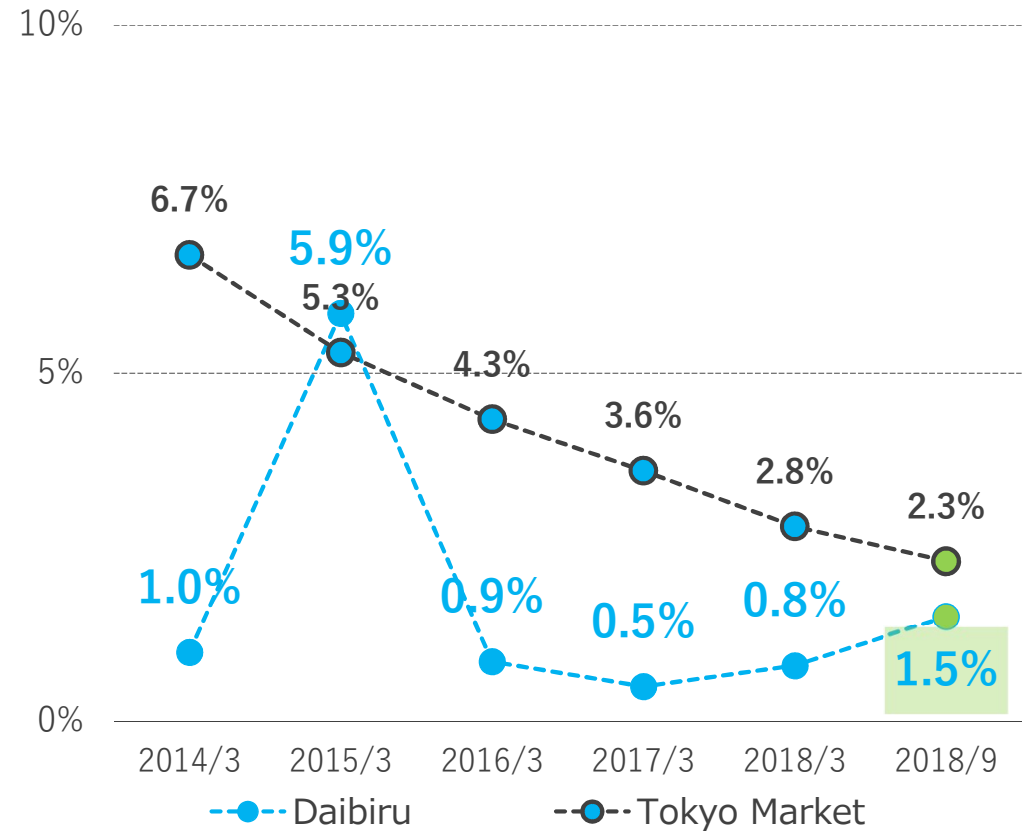
Source: Miki Shoji Co., Ltd. OFFICE MARKET DATA

References -Vacancy Rates (The Company)-

Osaka area



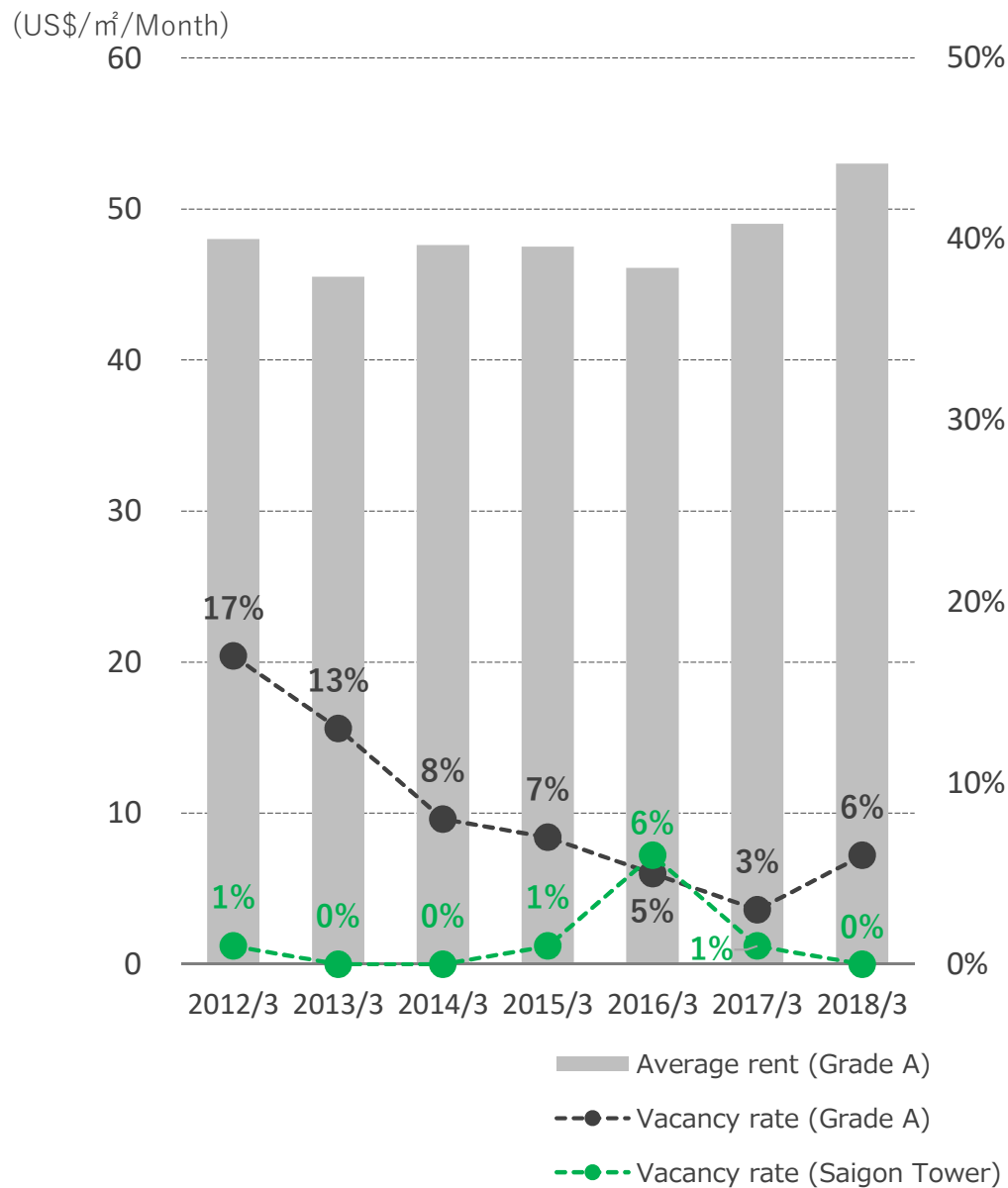
Tokyo area



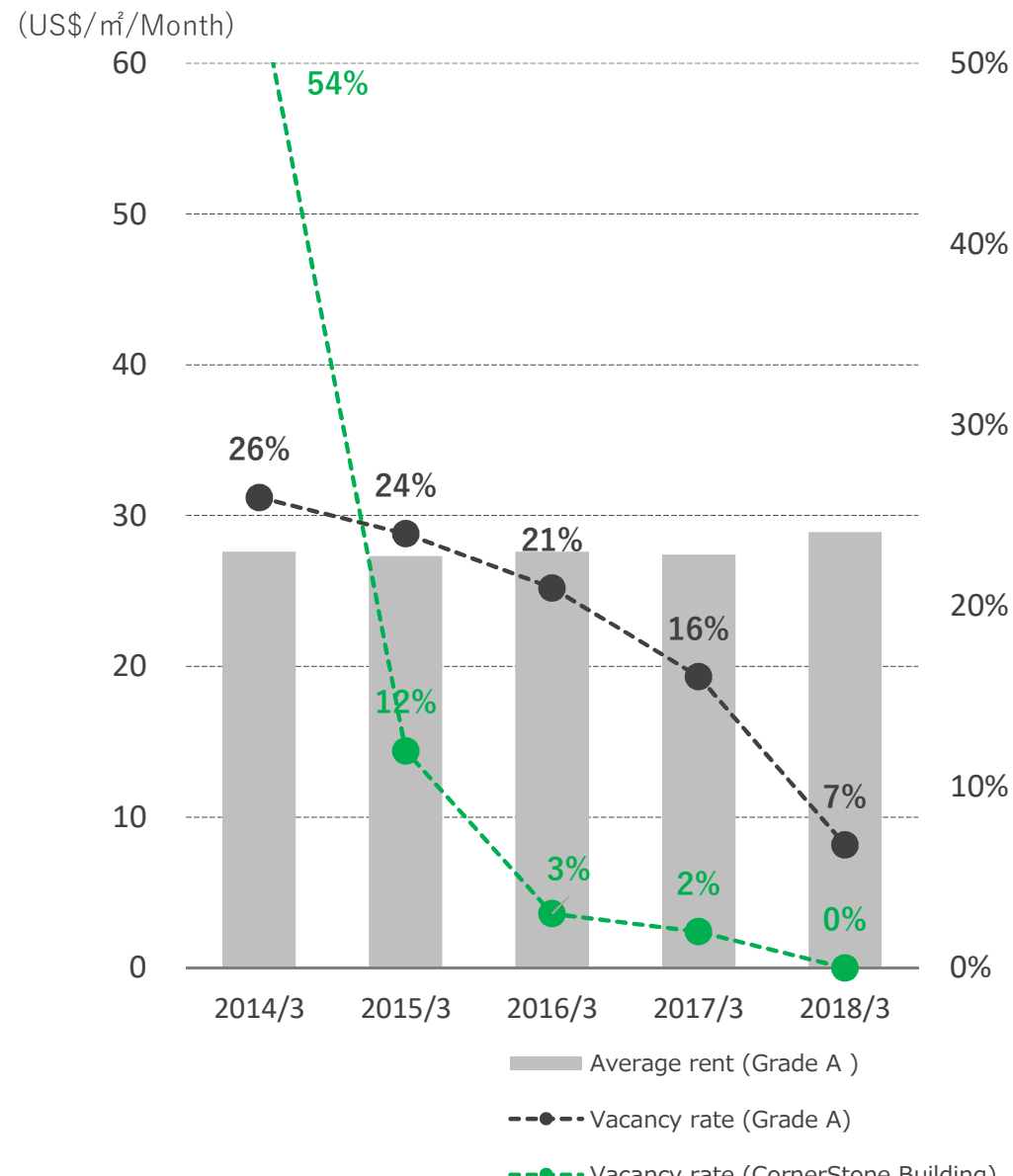
	2014/3	2015/3	2016/3	2017/3	2018/3	2018/9
Vacancy rates for the whole Company	2.4%	4.4%	2.6%	1.5%	0.7%	1.4%

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

Ho Chi Minh

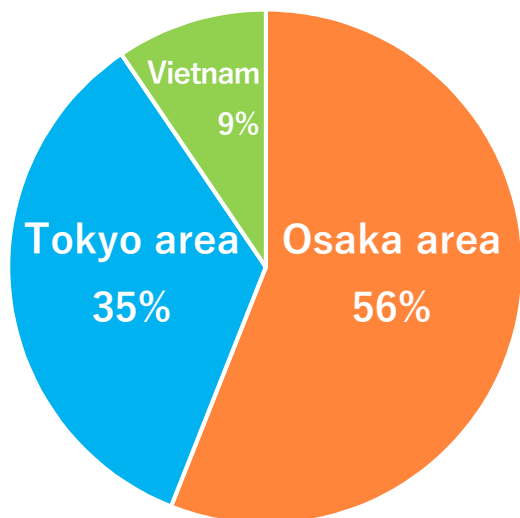


Hanoi

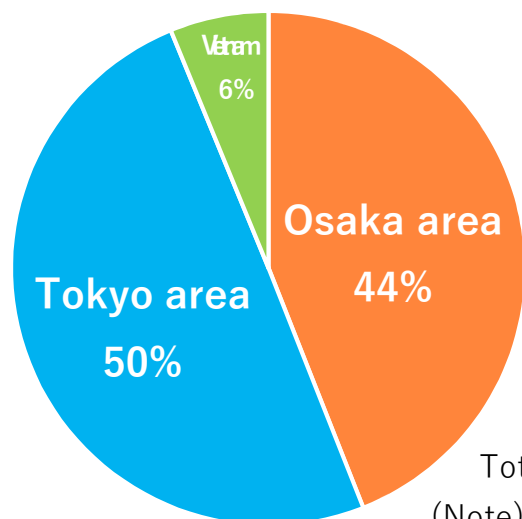


Source: Savills Market Report

Gross floor area



Revenue (2Q/18 Leasing Segment)



Total revenue ¥15.3 billion

(Note) Before the elimination of intersegment amounts

	Number of properties	Gross floor area	
Office buildings and Commercial buildings	26	660,796m²	(199,891 tsubo)
Osaka area	12	378,879m ²	(114,611 tsubo)
Tokyo area	12	215,437m ²	(65,170 tsubo)
Vietnam	2	66,480m ²	(20,110 tsubo)
Residences	15	39,335m²	(11,899 tsubo)
Osaka area	2	13,184m ²	(3,988 tsubo)
Tokyo area	13	26,151m ²	(7,911 tsubo)
Total	41	700,131m²	(211,790 tsubo)

(Note) Properties in operation as of Sep 30, 2018. As to the co-owned properties, our share is stated.

References -List of Our Properties (Osaka)-

Daibiru-Honkan Building



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

Nakanoshima Daibiru Building



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

Shin-Daibiru Building



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

Dojima Daibiru Building (ANA Crowne Plaza Osaka)



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

Umeda Daibiru Building



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

Tosabori Daibiru building



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

Midosuji Daibiru Building



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

Yodoyabashi Daibiru Building



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

Awajimachi Daibiru Building



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

Dokita Daibiru Building



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

Kita-Umeda Daibiru Building



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

Estate Tosabori Building



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

References -List of Our Properties (Tokyo)-

Hibiya Daibiru Building



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

Akihabara Daibiru Building



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

**Shosen Mitsui Building
(Toranomom Daibiru Building)**



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

Yaesu Daibiru Building



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

Aoyama Rise Square



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

Kojimachi Daibiru Building



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

**Shinjuku Daibiru Building
(Shinjuku ALTA)**



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

Shiba Daibiru Building



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

Uchisaiwaicho Daibiru Building



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

Mita Nitto Daibiru Building



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

Akihabara Daibiru Ekimae Plaza Building



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

Estate Shiba Building



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

Osaka area



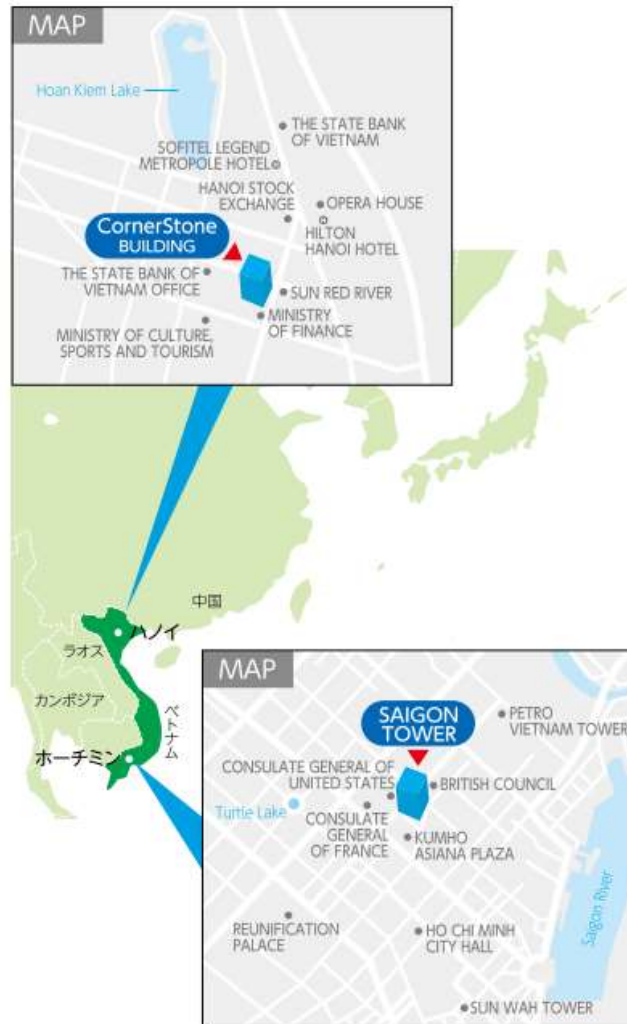
Tokyo area



CornerStone Building



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



Saigon Tower



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