



The Daibiru Group Business Performance For Fiscal 2019 2nd Quarter

October 31, 2019
DAIBIRU CORPORATION

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Consolidated Operating Results for Fiscal 2019 2Q – Highlight –



- The second year of the medium-term management plan “Design 100” Project Phase-II (FY2018- 2022)
- Increase in revenue and income compared to the same period of the previous fiscal year due to improvements in the operating efficiency of existing buildings such as Nakanoshima Daibiru Building, revenue contributions from Nihonbashi 3-Chome Building (acquired in April 2019) and reductions in operating expenses.
- Steady progress toward achieving the full-year forecasts for the fiscal 2019

(Millions of yen)

	Results Q1+2/18	Results Q1+2/19	Difference	Key points	Forecasts FY/19	Progress
Revenue	20,090	21,001	911 (4.5%)	<ul style="list-style-type: none"> Improvements in the operating efficiency of existing buildings such as Nakanoshima Daibiru Building Acquisition of Nihonbashi 3-Chome building(April 2019) , etc. 	42,000	(50.0%)
Operating Income	5,056	5,973	917 (18.1%)	<ul style="list-style-type: none"> Decreases in depreciation and repair expenses Increase in real estate acquisition tax and fixed asset tax, etc. 	11,000	(54.3%)
Ordinary Income	5,017	5,572	554 (11.1%)	<ul style="list-style-type: none"> Decrease in exchange-rate losses Peeling off effect of the profit contribution from an equity-method company, etc. 	10,500	(53.1%)
Net Income attributable to owners of the parent	3,463	3,748	284 (8.2%)	Extraordinary income and loss < Q1+2/Fiscal 2019 > <ul style="list-style-type: none"> Extraordinary income: None Extraordinary loss: <ul style="list-style-type: none"> Loss on building reconstructions ¥135 million Loss on disposal of fixed assets ¥5 million < Q1+2/Fiscal 2018 > <ul style="list-style-type: none"> Extraordinary income: None Extraordinary loss: None 	7,200	(52.1%)

Consolidated Operating Results for Fiscal 2019 2Q – By Segment

	Results Q1+2/18	Results Q1+2/19	Difference		Key points
Revenue	20,090	21,001	911	(4.5%)	
Leasing	15,305	16,120	814	(5.3%)	<ul style="list-style-type: none"> Improvements in the operating efficiency of existing buildings such as Nakanoshima Daibiru Building Acquisition of Nihonbashi 3-Chome building(April 2019) , etc.
Facility Management	5,734	5,775	41	(0.7%)	
Other Businesses	253	367	114	(45.0%)	<ul style="list-style-type: none"> Increase in construction subcontracting values, etc.
Adjustment	△ 1,202	△ 1,262	△ 59	–	
Operating Income	5,056	5,973	917	(18.1%)	
Leasing	5,561	6,424	863	(15.5%)	<ul style="list-style-type: none"> Decreases in depreciation and repair expense Increase in real estate acquisition tax and fixed asset tax, etc.
Facility Management	257	298	41	(16.1%)	
Other Businesses	106	96	△ 9	(△9.1%)	
Adjustment	△ 868	△ 846	21	–	

(Millions of yen)

	As of Mar.31,2019	As of Sep.30,2019	Difference	Key points
Current assets	17,958	23,887	5,929	
Noncurrent assets	346,796	350,386	3,589	<ul style="list-style-type: none"> • Increase in cash and cash equivalents • Increase in property and equipment due to acquisition of Nihonbashi 3-Chome building, completion of BiTO AKIBA, etc.
Total assets	364,754	374,273	9,518	
Current liabilities	21,083	24,918	3,835	
Long-term liabilities	187,942	191,685	3,743	<ul style="list-style-type: none"> • Increase in interest-bearing debts, etc. (Balance as of Sep-30,2019 ¥161,412 million) (Balance as of Mar-31,2019 ¥153,412 million)
Total liabilities	209,025	216,603	7,578	
Total net assets	155,728	157,669	1,940	<ul style="list-style-type: none"> • Retained earnings + ¥2,519 Million • Foreign currency translation adjustment △¥913 million, etc.
Total liabilities and total assets	364,754	374,273	9,518	

Consolidated Operating Results for Fiscal 2019 2Q – Cash Flows



(Millions of yen)

	Results Q1+2/18	Results Q1+2/19	Difference	Key points
Net cash provided by (used in) operating activities	5,988	7,103	1,114	
Net cash provided by (used in) investing activities	2,607	△ 8,706	△ 11,313	• Payments for acquisition of property and equipment, etc.
Net cash provided by (used in) financing activities	5,210	6,645	1,435	
Net increase (decrease) in cash and cash equivalents	13,859	5,036	△ 8,822	
Cash and cash equivalents at beginning of year	4,155	15,403	11,247	
Cash and cash equivalents at end of year	18,014	20,439	2,425	

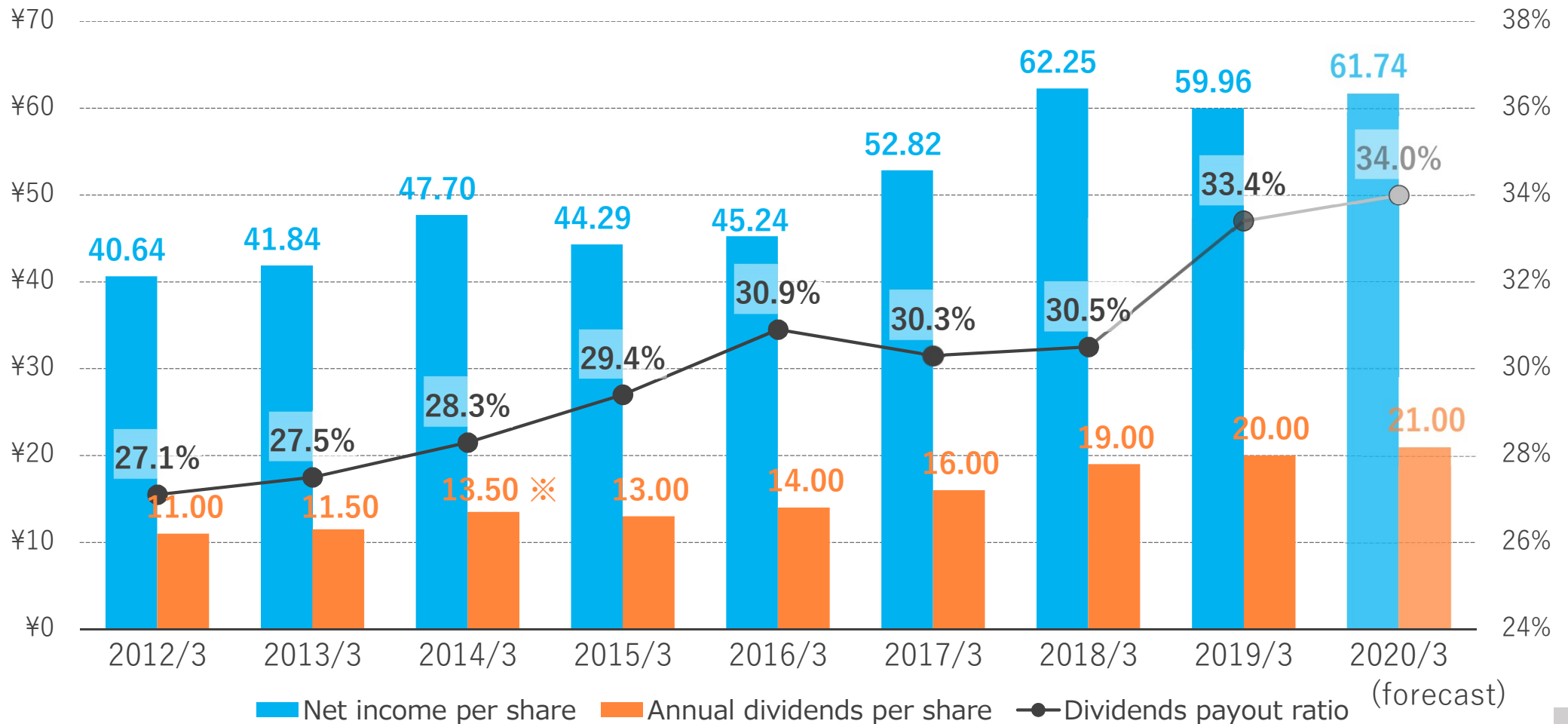
Forecasts for Fiscal 2019

- There has been no change from the previous forecasts announced on April 26, 2019
- Revenue from operations is expected to renew the height for seven consecutive years, and incomes at each income stage are also expected to increase. (Millions of yen)

	Results FY/18	Forecasts FY/19	Differences		Key points
Revenue	40,637	42,000	1,362	(3.4%)	
Leasing	31,029	32,300	1,270	(4.1%)	<ul style="list-style-type: none"> • Improvements in the operating efficiency of existing buildings such as Nakanoshima Daibiru Building • Acquisition of Nihonbashi 3-Chome Building, • Start of operation of the BiTO AKIBA, etc.
Facility Management	11,494	11,600	105	(0.9%)	<ul style="list-style-type: none"> • Increase of new contracts, etc
Other Businesses	534	600	65	(12.3%)	<ul style="list-style-type: none"> • Increase in construction subcontracting values, etc.
Adjustment	△ 2,420	△ 2,500	△ 79	—	
Operating income	10,329	11,000	670	(6.5%)	
Leasing	11,407	12,300	892	(7.8%)	<ul style="list-style-type: none"> • Decrease in depreciation • Increase in real estate acquisition tax, fixed asset tax, etc.
Facility Management	533	550	16	(3.2%)	
Other Businesses	206	150	△ 56	(△27.4%)	
Adjustment	△ 1,817	△ 2,000	△ 182	—	
Ordinary income	9,953	10,500	546	(5.5%)	<ul style="list-style-type: none"> • Peeling off effect of the profit contribution from an equity-method company
Net income attributable to owners of the parent	6,993	7,200	206	(3.0%)	

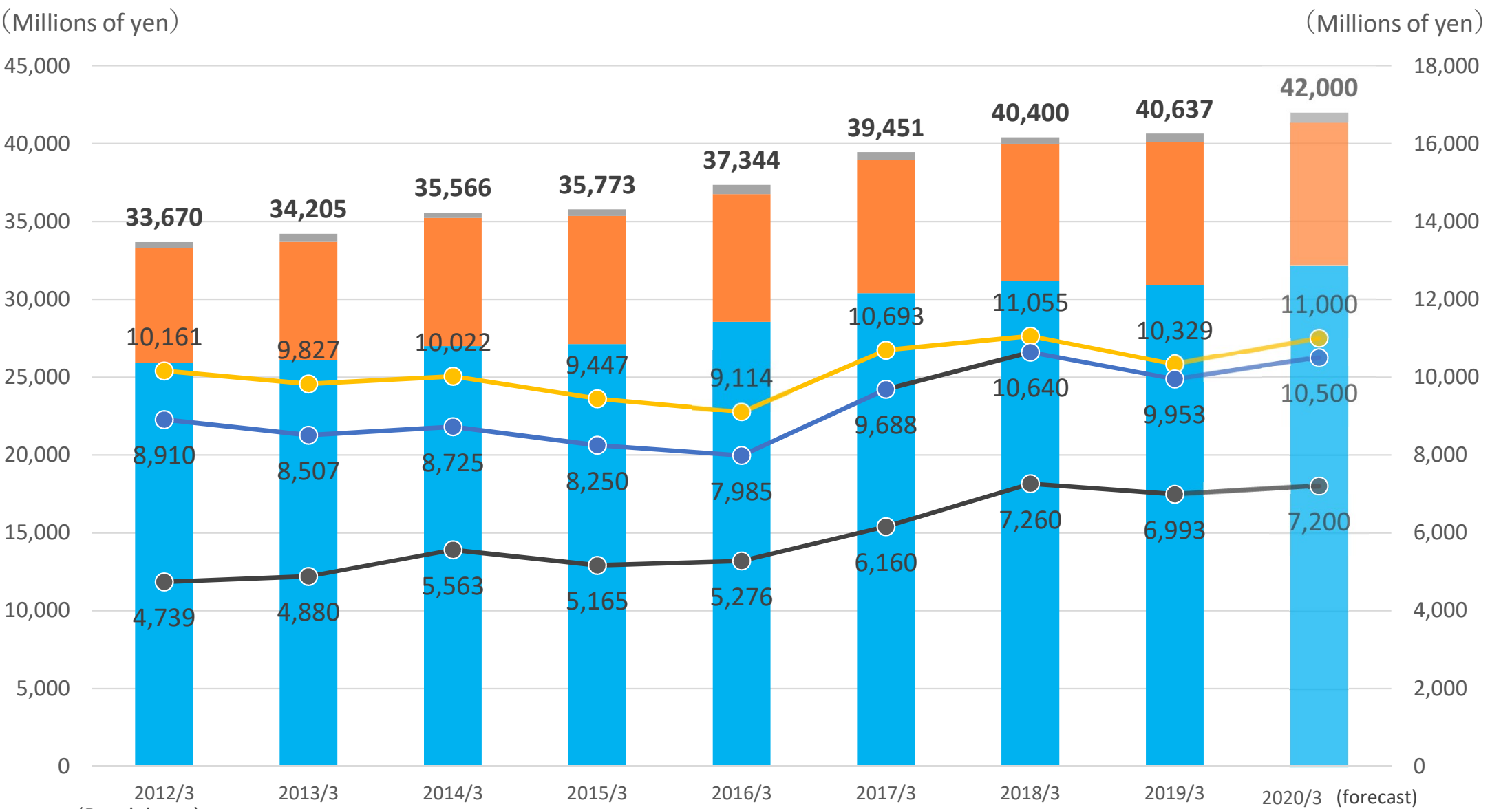
- Dividends Policy : Stable dividends with a target dividends payout ratio of 30-35%
- Dividends forecast for FY19 : ¥21.0 per share (Interim ¥10.5 + Term End ¥10.5), Dividends payout ratio – 34.0%

Dividend trends



※For 2014/3, we paid a commemorative dividend (+1.5 yen)

Revenue/Incomes

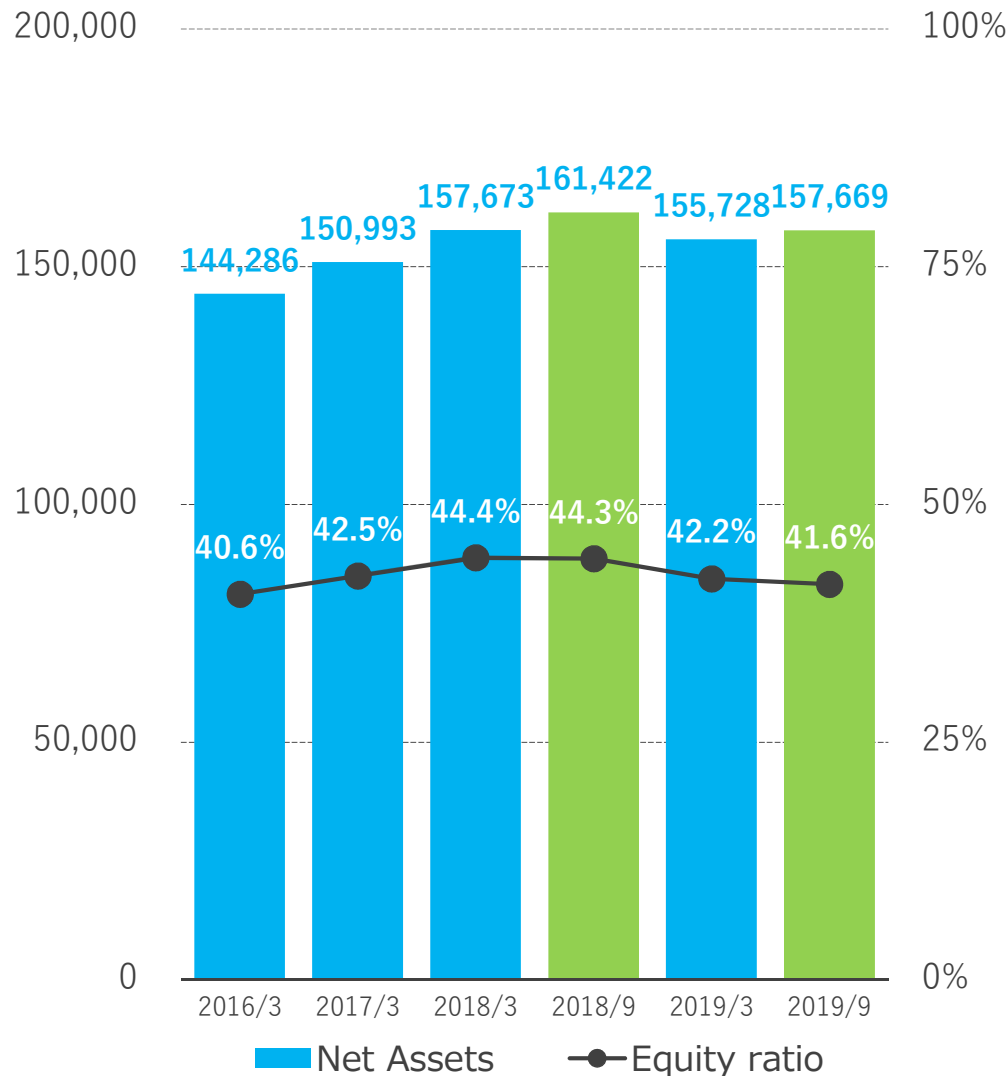


Revenue (Breakdown)

(Leasing Facility Management Other Businesses) Operating income Ordinary income Net income attributable to owners of parent

Net Assets/Equity ratio

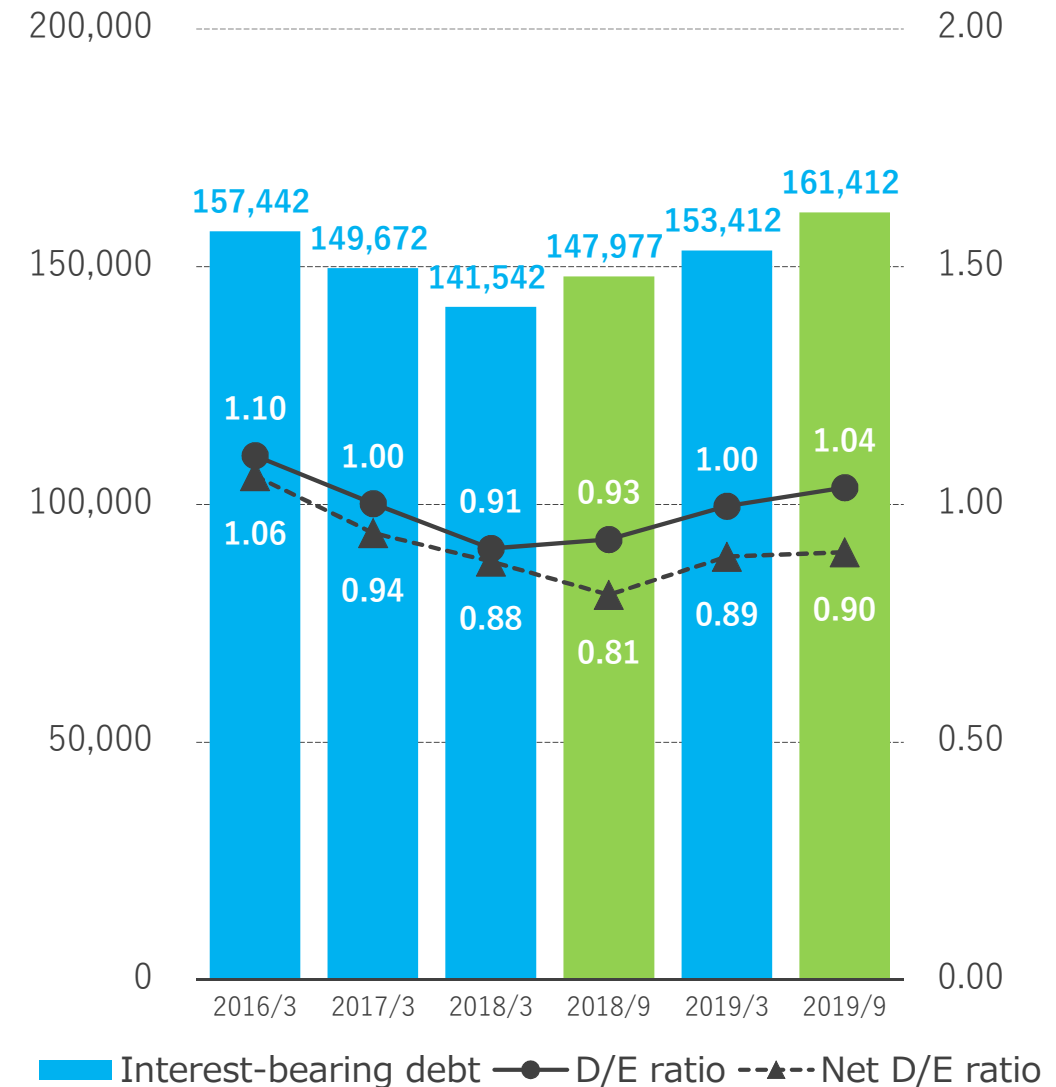
(Millions of yen)



(Note) Equity ratio=Equity/Total assets

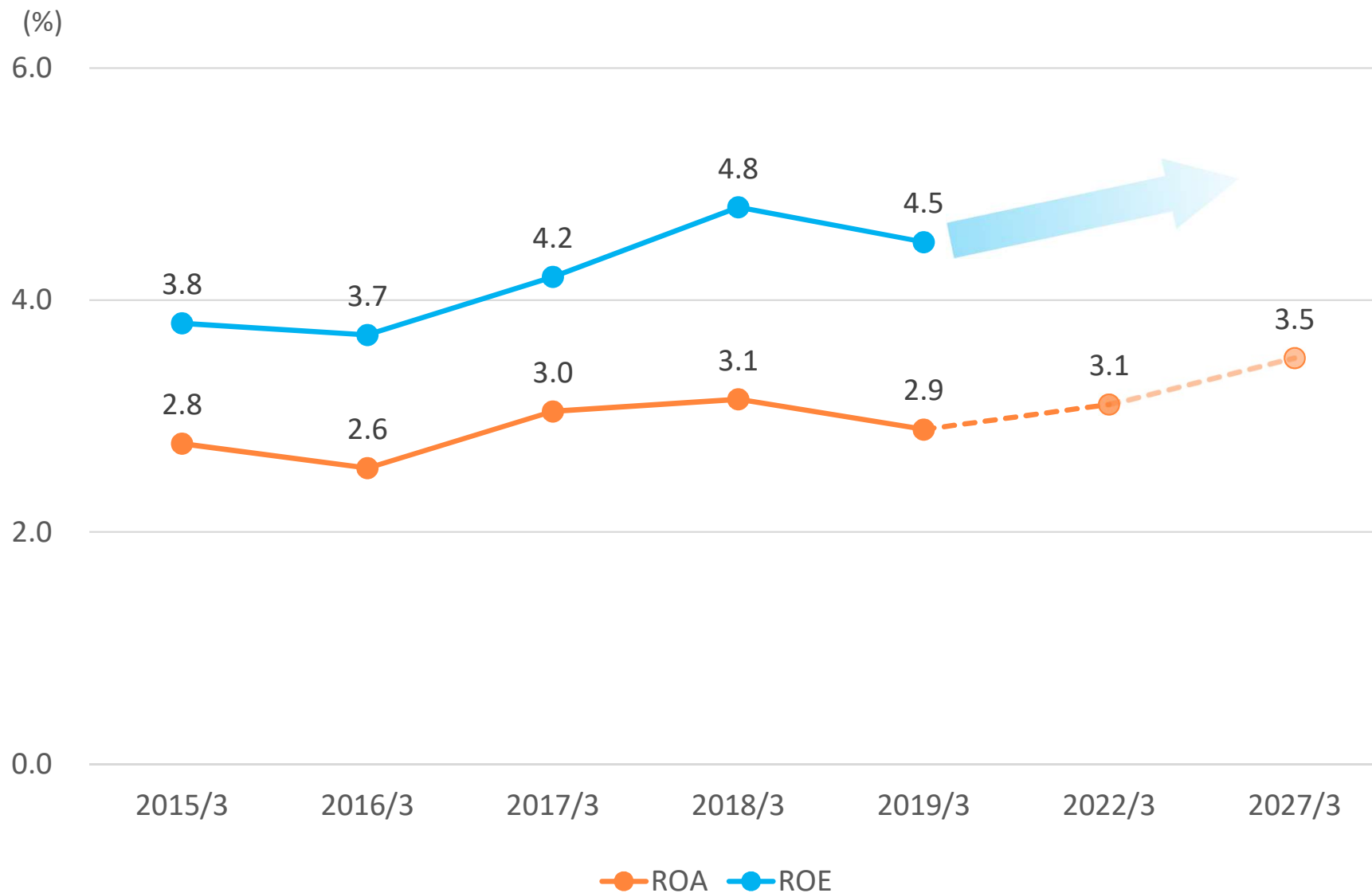
Interest-bearing debt/D/E ratio

(Millions of yen)



(Note) D/E Ratio=Interest-bearing debt/Equity
 Net D/E Ratio = (Interest-bearing debt - Cash)/Equity

ROA / ROE

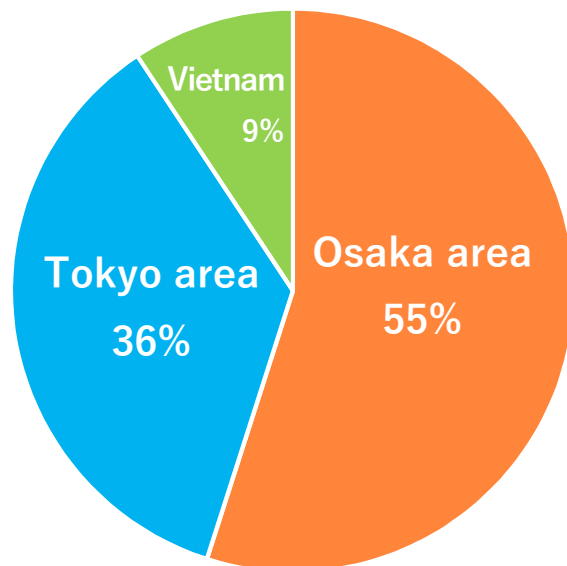


(Note) ROA = Operating income / Total Assets (Average)

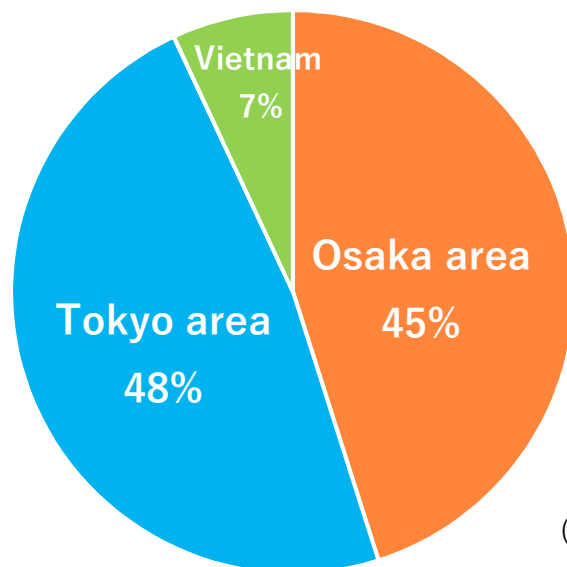
ROE = Net income attributable to owners of the parent / Equity (Average)

We have applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" effective from the Fiscal 2017.

Gross floor area



Revenue Portfolio (Leasing)



	Number of properties	Gross floor area
Office buildings and Commercial Buildings	28	669,204m² (202,434_{tsubo})
Osaka area	12	378,879m ² (114,611 _{tsubo})
Tokyo area	14	223,845m ² (67,713 _{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	43	708,539m² (214,333_{tsubo})

(Note) Properties in operation as of Sep 30, 2019. As to the co-owned properties, our share is stated.

Total revenue(Leasing) Q1+2/2019 : ¥16.1 billion

(Note) Before the elimination of intersegment amounts

References -List of Our Properties (Osaka)-

[Office Buildings]



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



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

[Commercial Facility]



Dojima Daibiru Building (ANA Crowne Plaza Osaka)
Gross floor area: 44,770㎡
Size:23 floors above ground,
3 floors below ground
Completion: Sep. 1984

References -List of Our Properties (Tokyo)-

[Office Buildings]

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
(Toranomon 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

Shiba Daibiru Building



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

[Commercial Facilities]

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

Estate Shiba Building



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

**Shinjuku Daibiru Building
(Shinjuku ALTA)**



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

BiTO AKIBA



Gross floor area: 4,948㎡
Size:11 floors above ground,
2 floors below ground
Completion: Jul. 2019

BiTO AKIBA PLAZA *



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

Nihonbashi 3-Chome Building



Gross floor area: 2,305㎡
Size:7 floors above ground,
2 floors below ground
Completion: Mar. 1989

* Name changed from “Akihabara Daibiru Ekimae Plaza Building” on November 20, 2019

Osaka area



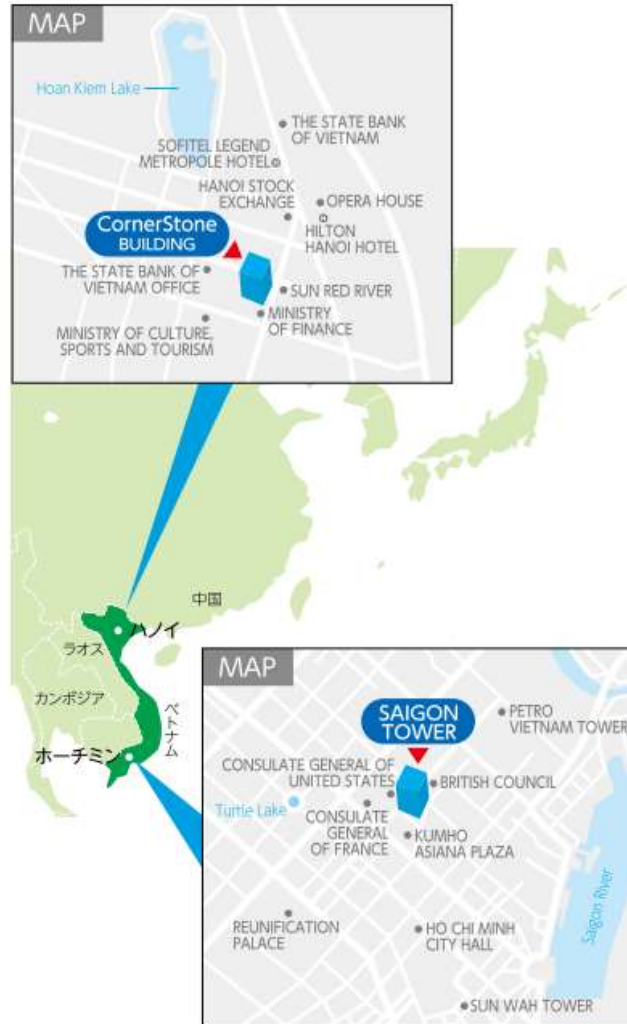
Tokyo area



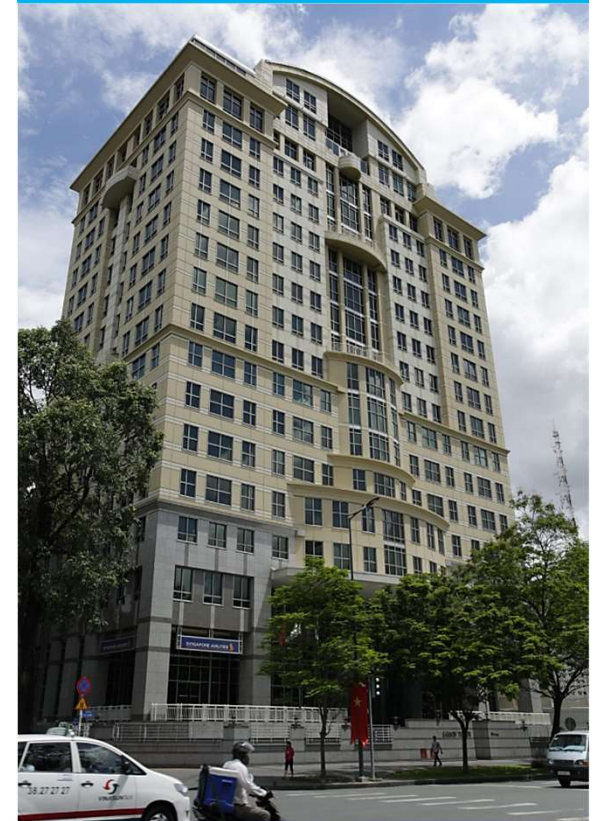
CornerStone Building



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



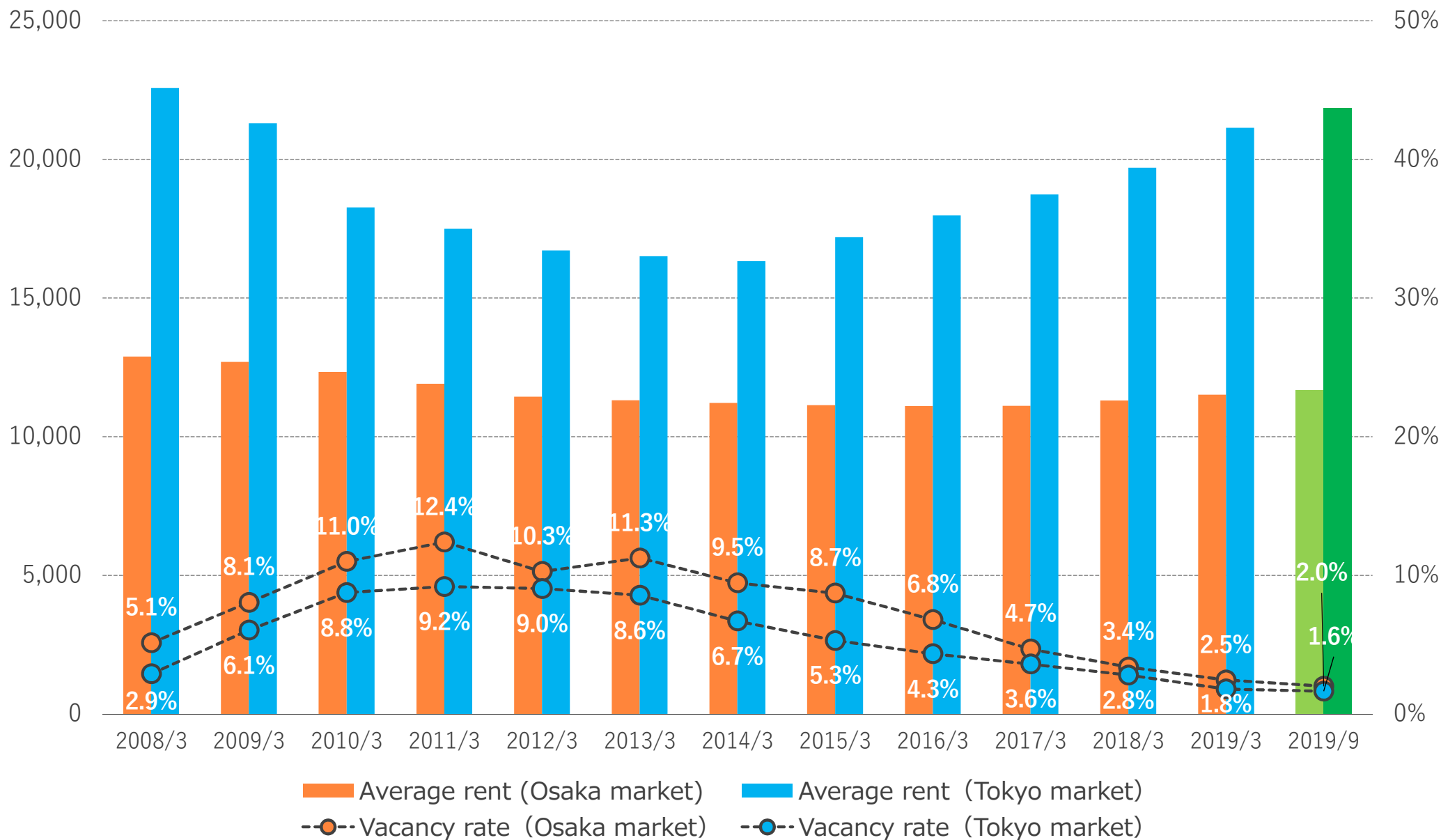
Saigon Tower



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

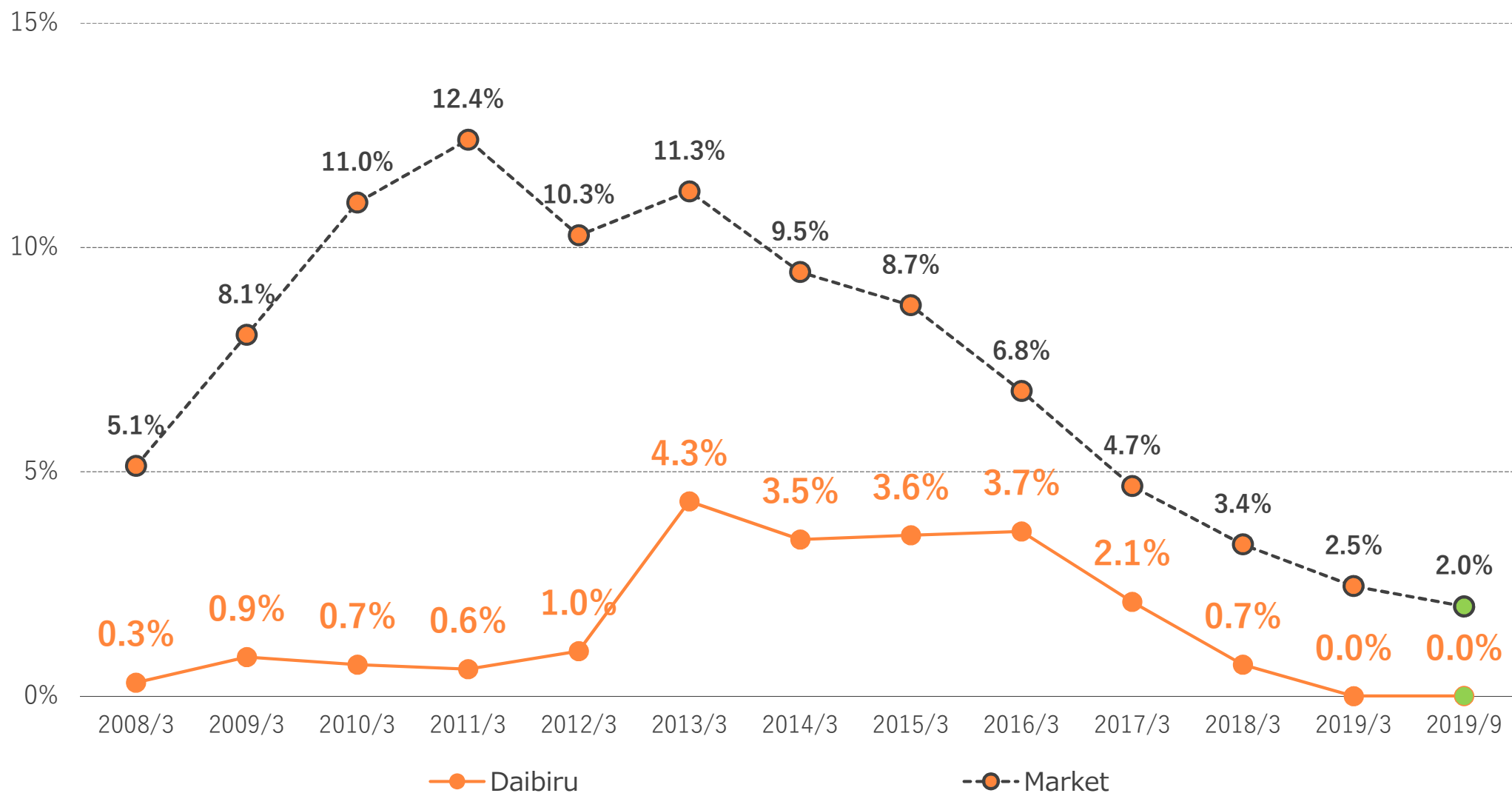
References -Vacancy Rates · Average Rents (Market)-

(Yen/ tsubo)



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

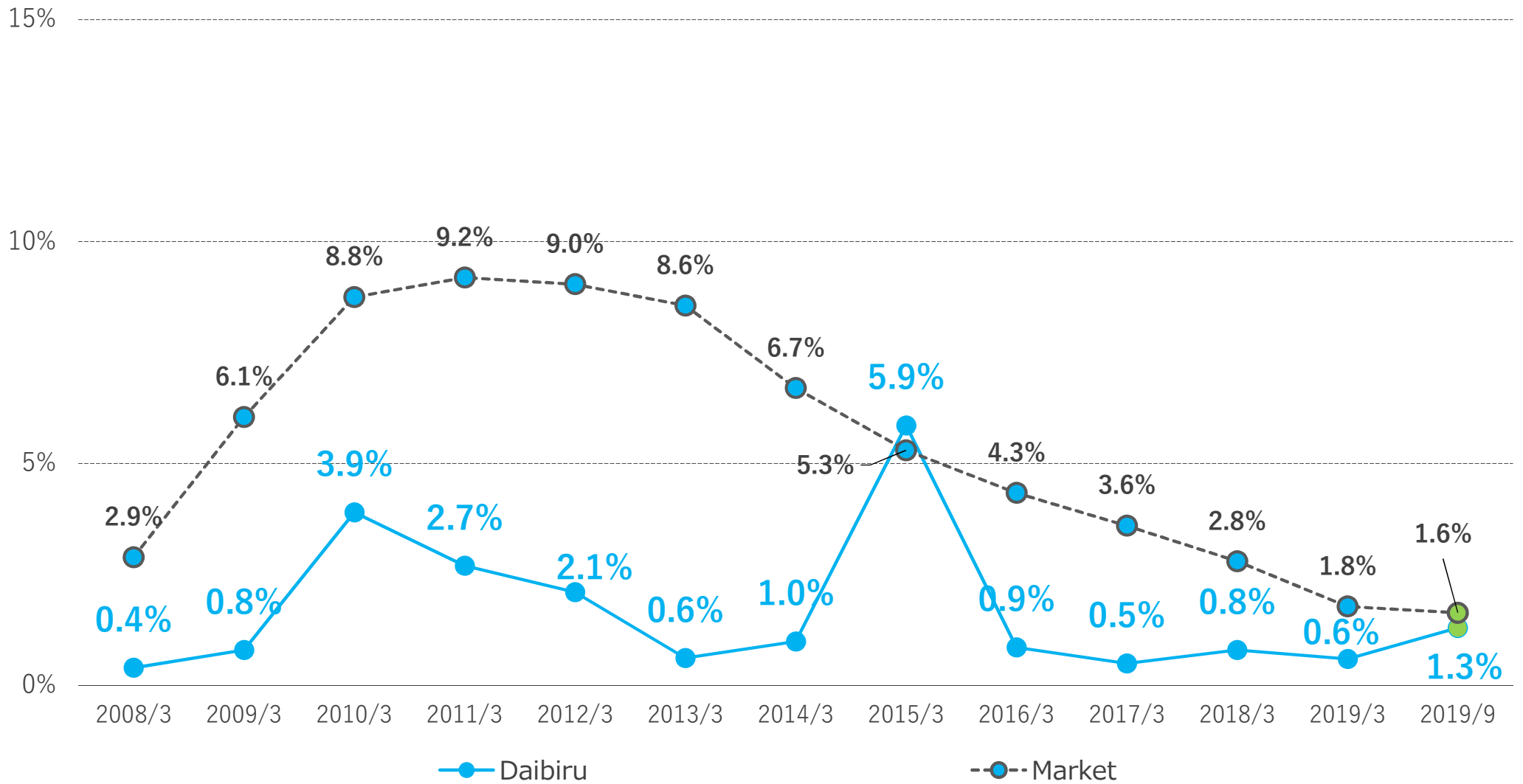
References -Vacancy Rates For The Company (Osaka area)-



	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2019/9
Vacancy rates for the whole Company	0.3%	0.8%	2.1%	1.6%	1.5%	2.8%	2.4%	4.4%	2.6%	1.5%	0.7%	0.2%	0.5%

(Note) From 2019/3, Daibiru vacancy rates are calculated excluding two buildings (Midosuji Daibiru Bldg. in Osaka and Yaesu Daibiru Bldg. in Tokyo) which are planned to be reconstructed.

References -Vacancy Rates For The Company (Tokyo area)-

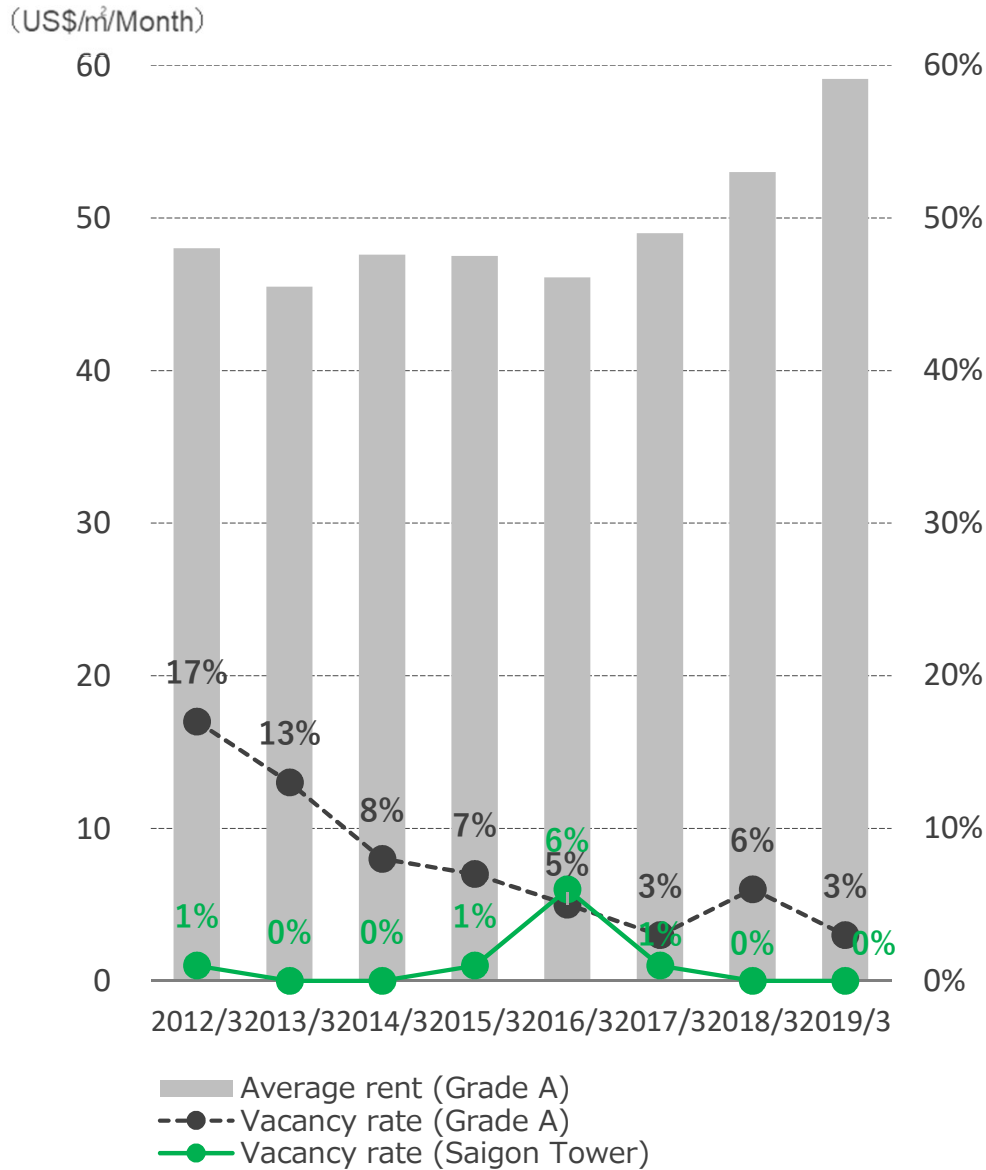


	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2019/9
Vacancy rates for the whole Company	0.3%	0.8%	2.1%	1.6%	1.5%	2.8%	2.4%	4.4%	2.6%	1.5%	0.7%	0.2%	0.5%

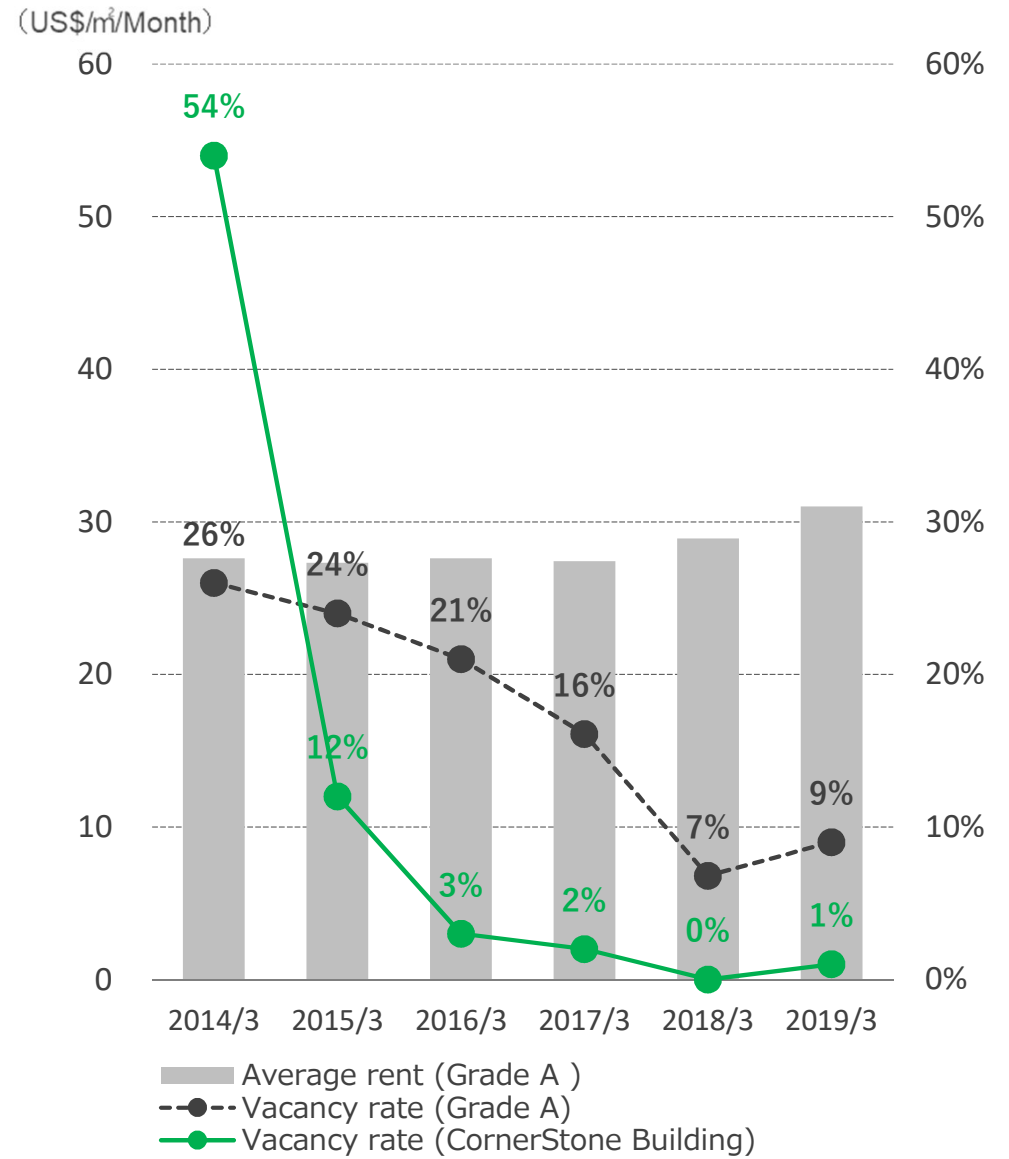
(Note) From 2019/3, Daibiru vacancy rates are calculated excluding two buildings (Midosuji Daibiru Bldg. in Osaka and Yaesu Daibiru Bldg. in Tokyo) which are planned to be reconstructed.

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

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<Note>

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