

Financial Highlights for Fiscal 2019
(Apr. 1, 2019 – Mar.31, 2020) <under Japanese GAAP>

DAIBIRU CORPORATION

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

Apr. 30, 2020

Name of the Company: DAIBIRU CORPORATION

Listing of Stock: First Section of Tokyo Stock Exchange

Securities Code: 8806

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

Representative: Toshiyuki Sonobe

Representative Director, President Chief Executive Officer

Inquiries: Kenichi Sekiguchi

Executive Officer, General Manager of the Finance & Accounting Department

Scheduled Date of the Annual General Meeting of Shareholders: June 25, 2020

Scheduled Date of Commencing Dividend Payments: June 26, 2020

Scheduled Date of the Annual Securities Report: June 26, 2020

Availability of Supplementary Briefing Material on Annual Financial Results: Yes

Schedule of Analyst Meeting: No (Due to the spread of the novel coronavirus infection the analyst meeting has been cancelled.)

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for Fiscal 2019 (Apr. 1, 2019 to Mar. 31, 2020)

(1) Consolidated Results

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2019	42,817	5.4	11,561	11.9	10,858	9.1	7,932	13.4
Fiscal 2018	40,637	0.6	10,329	(6.6)	9,953	(6.5)	6,993	(3.7)

(Note) Comprehensive income: Mar. 31, 2020: ¥ 4,563 million [-%]
Mar. 31, 2019: ¥ 388 million [(95.5)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal 2019	68.02	-	5.1	2.9	27.0
Fiscal 2018	59.96	-	4.5	2.8	25.4

(Reference) Equity in earnings (losses) of affiliates: Mar. 31, 2020: ¥ - million
Mar. 31, 2019: ¥ 229 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2019	383,426	157,827	40.7	1,337.20
Fiscal 2018	364,754	155,728	42.2	1,319.81

(Reference) Equity: Mar. 31, 2020: ¥ 155,952 million
Mar. 31, 2019: ¥ 153,925 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal 2019	14,570	(27,303)	13,685	16,336
Fiscal 2018	14,101	(12,565)	9,453	15,403

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2018	-	9.50	-	10.50	20.00	2,332	33.4	1.5
Fiscal 2019	-	10.50	-	10.50	21.00	2,449	30.9	1.6
Fiscal 2020 (Forecast)	-	10.50	-	10.50	21.00		35.0	

3. Forecast of Consolidated Financial Results for Fiscal 2020 (Apr. 1, 2020 to Mar. 31, 2021)

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal 2020	42,500	(0.7)	10,500	(9.2)	10,000	(7.9)	7,000	(11.8)	60.02

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

Fiscal 2019: 116,851,049 shares

Fiscal 2018: 116,851,049 shares

2) Total number of treasury shares at the end of the period:

Fiscal 2019: 224,775 shares

Fiscal 2018: 224,413 shares

3) Average number of shares during the period:

Fiscal 2019: 116,626,523 shares

Fiscal 2018: 116,626,829 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Results for Fiscal 2019 (Apr. 1, 2019 to Mar. 31, 2020)

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2019	30,361	6.3	10,275	12.5	9,913	3.8	7,426	7.9
Fiscal 2018	28,561	(1.0)	9,133	(7.4)	9,554	0.0	6,885	2.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal 2019	63.68	-
Fiscal 2018	59.04	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2019	375,601	153,496	40.9	1,316.14
Fiscal 2018	356,763	151,446	42.5	1,298.56

(Reference) Equity: Mar. 31, 2020: ¥ 153,496 million
Mar. 31, 2019: ¥ 151,446 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 2020" on page 5 of Attached Reference.

Daibiru plans to upload presentation materials for analysts regarding the consolidated results for fiscal 2019 and the forecast of results for fiscal 2020 to its website in the middle of May.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for Fiscal 2019

In fiscal 2019, the Japanese economy saw a moderate recovery as a result of improvements in the employment and income environment. However, prospects of the economy have rapidly become more uncertain due to the global spread of the novel coronavirus infection during the fiscal year-end in addition to uncertainties for overseas economies related to trade issues.

On the other hand, 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 offered comfortable and stress-free tenant services from a customer's perspective by promoting activities that improve building management quality with a view to differentiating Daibiru properties from competitors' buildings. The Group has also sought to increase operating revenue by maintaining high occupancy rates while raising rent rates.

Under the medium-term management plan "Design 100" Project Phase-II, which was formulated in April 2018, the Company set five priority strategies: "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." In fiscal 2019, the second year of this five-year plan, the Company has been making achievements steadily.

For "Expansion of investments targets," one of the priority strategies, the Company invested in five commercial buildings.

The Company firstly acquired the "Nihonbashi 3-chome Building" (Chuo-ku, Tokyo, 7 floors above ground, 2 floors below ground, gross floor area of 2,305 m²) in April 2019. It is a commercial building in an excellent location within walking distance of JR Tokyo Station. In November 2019, the Company subsequently acquired three buildings located in the same district in Chuo-ku, Sapporo City, including "DAIBIRU PIVOT" (9 floors above ground, 3 floors below ground, gross floor area of 20,814 m²). This is the Company's first investment in a provincial core city.

Regarding properties under development, the "Akihabara Project" (tentative name, Chiyoda-ku, Tokyo, 11 floors above ground, 2 floors below ground, gross floor area of 4,948 m²) was completed in July 2019. It was officially named "BiTO AKIBA" and its grand opening was held in November. "BiTO" is a new brand of the Company's commercial building series, bearing the meanings of "Beautiful (Bi) City (To) = BiTO" and "People (Hito-Bito) gathering in the building = BiTO."

With regard to operating results of fiscal 2019, operating revenue increased ¥2,179 million, or 5.4%, year on year to ¥42,817 million, and operating profit increased ¥1,231 million, or 11.9%, to ¥11,561 million.

As for non-operating income and expenses, ordinary profit increased ¥905 million, or 9.1%, year on year to ¥10,858 million, due to an increase in operating profit, although there was no recording of share of profit of entities accounted for using equity method and there was an increase in bond issuance costs.

With regard to extraordinary income and losses, for fiscal 2019, gain on sales of investment securities of ¥842 million was recorded under extraordinary income, and losses on building reconstruction of ¥204 million

and loss on retirement of non-current assets of ¥27 million were recorded under extraordinary losses. For fiscal 2018, gain on sales of investment securities of ¥297 million was recorded under extraordinary income, and a total of ¥150 million was recorded under extraordinary losses, including loss on building reconstruction and loss on retirement of non-current assets.

As a result, profit attributable to owners of parent increased ¥939 million, or 13.4%, year on year to ¥7,932 million.

Operating results by segment were as follows.

1) Leasing

In this segment, which accounts for 76.7% of consolidated operating revenue in fiscal 2019, operating revenue increased ¥1,911 million, or 6.2%, year on year to ¥32,828 million mainly due to contributions from the newly acquired “Nihonbashi 3-chome Building” and three “DAIBIRU PIVOT” buildings, and the operation of the newly constructed “BiTO AKIBA” building, as well as improvements in the operating revenue of the existing buildings. In terms of expenses, despite incurrence of one-time expenses, including real estate acquisition tax on the newly acquired buildings, and an increase in fixed property tax, operating profit increased ¥1,222 million, or 10.7%, year on year to ¥12,629 million, due mainly to a decrease in depreciation and amortization.

2) Facility Management

In this segment, which accounts for 21.3% of consolidated operating revenue, operating revenue decreased ¥39 million, or 0.4%, year on year to ¥9,146 million mainly due to the impact of cancellation of the contracts for some commissioned properties, and operating profit decreased ¥1 million, or 0.2%, year on year to ¥531 million.

3) Other Businesses

In this segment, which accounts for 2.0% of consolidated operating revenue, operating revenue increased ¥307 million, or 57.6%, year on year to ¥842 million mainly due to an increase in construction subcontracting values, but operating profit decreased ¥20 million, or 9.7%, year on year to ¥186 million.

(2) Overview of Financial Position for Fiscal 2019

Total assets at the end of the current fiscal year were ¥383,426 million, an increase of ¥18,671 million from the end of the previous fiscal year. Current assets increased ¥3,077 million from the end of the previous fiscal year to ¥21,035 million. This is mainly due to an increase in cash and deposits. Non-current assets increased ¥15,593 million from the end of the previous fiscal year to ¥362,390 million. This is mainly due to an increase in property, plant and equipment owing to the acquisition of the “Nihonbashi 3-chome Building” and three “DAIBIRU PIVOT” buildings, as well as the completion of “BiTO AKIBA,” despite a decrease in investment securities owing to a decline in the stock markets.

Liabilities at the end of the current fiscal year were ¥225,598 million, an increase of ¥16,572 million from the end of the previous fiscal year. Current liabilities increased ¥10,586 million from the end of the previous fiscal year to ¥31,669 million. This is mainly due to an increase in current portion of long-term borrowings

and current portion of bonds payable. Non-current liabilities increased ¥5,986 million from the end of the previous fiscal year to ¥193,928 million. This is mainly due to an increase in bonds payable, despite a decrease in long-term borrowings. Total interest bearing debt increased ¥16,320 million from the end of the previous fiscal year to ¥169,732 million.

Net assets at the end of the current fiscal year increased ¥2,098 million from the end of the previous fiscal year to ¥157,827 million. This is mainly due to an increase in retained earnings, despite a decrease in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for Fiscal 2019

Cash and cash equivalents at the end of the current fiscal year were ¥16,336 million, an increase of ¥933 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 ¥14,570 million, larger by ¥469 million from the previous fiscal year. This is mainly due to increases in profit before income taxes and leasehold guarantee deposits received, despite a decrease in accrued consumption taxes payable.

Net cash used in investing activities was ¥27,303 million, larger by ¥14,738 million from the previous fiscal year. This is mainly due to purchases of property, plant and equipment.

Net cash provided by financing activities was ¥13,685 million, larger by ¥4,231 million from the previous fiscal year. This is mainly due to proceeds from newly issued bonds, despite payments for redemption of bonds.

(Reference) Changes in cash flows-related indicators

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Capital adequacy ratio (%)	40.6	42.5	44.4	42.2	40.7
Capital adequacy ratio on a market value basis (%)	31.5	32.4	40.9	33.6	27.1
Ratio of interest bearing debt to operating cash flows (years)	10.8	9.9	10.1	10.9	11.6
Interest coverage ratio (times)	9.7	12.1	11.8	11.9	11.5

Notes: Capital adequacy ratio: Shareholders' equity / Total assets

Capital adequacy 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 shares at the end of the period (excluding treasury shares).
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 expenses on the Consolidated Statements of Cash Flows.

(4) Outlook for Fiscal 2020

In the next fiscal year, there will be full-year contributions to revenue from “BiTO AKIBA,” “DAIBIRU PIVOT,” etc. However, incorporating current assumptions concerning the impact from the spread of the novel coronavirus infection, operating revenue is projected to decrease 0.7% to ¥42.5 billion. Regarding expenses, repairing expenses and fixed property tax are expected to increase. Accordingly, operating profit is expected to decrease 9.2% to ¥10.5 billion, ordinary profit is expected to decrease 7.9% to ¥10.0 billion, and profit attributable to owners of parent is expected to decrease 11.8% to ¥7.0 billion.

(5) Fundamental Policy of Profit Allocations and Dividend Payment for Fiscal 2019 and 2020

For fiscal 2019, our business performed steadily both domestically and overseas. Owing to this, we secured profit attributable to owners of parent that exceeded the amount secured in the previous fiscal year.

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. We will strive to maintain the consolidated dividend payout ratio of 30–35%.

This being the case, the year-end dividend for fiscal 2019 is expected to be ¥10.5 per share, as announced previously. As a result, the annual dividend per share will increase ¥1.0 year on year to ¥21.0 (an interim dividend of ¥10.5 and year-end dividend of ¥10.5), with the consolidated dividend payout ratio standing at 30.9%.

Additionally, in fiscal 2020, the annual dividend per share is expected to be ¥21.0 (an interim dividend of ¥10.5 and year-end dividend of ¥10.5), with the consolidated dividend payout ratio expected to be 35.0%. For the repurchase of own shares, please refer to page 21.

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 31,2019	Current Fiscal Year As of March 31,2020
Assets		
Current assets		
Cash and deposits	15,765	17,975
Trade accounts receivable	1,079	990
Inventories	52	54
Other	1,072	2,027
Allowance for doubtful accounts	(11)	(12)
Total current assets	17,958	21,035
Non-current assets		
Property, plant and equipment		
Buildings and structures	227,004	234,782
Accumulated depreciation	(123,445)	(129,776)
Buildings and structures, net	103,558	105,006
Land	159,559	180,626
Land in trust	31,231	31,231
Construction in progress	12,118	9,472
Other	4,092	4,177
Accumulated depreciation	(3,752)	(3,818)
Other, net	340	359
Total property, plant and equipment	306,809	326,696
Intangible assets		
Goodwill	1,698	1,548
Other	11,823	11,218
Total intangible assets	13,522	12,766
Investments and other assets		
Investment securities	24,124	20,512
Long-term loans receivable	10	4
Retirement benefit asset	435	460
Deferred tax assets	267	376
Other	1,642	1,588
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	26,464	22,927
Total non-current assets	346,796	362,390
Total assets	364,754	383,426

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

	Previous Fiscal Year As of March 31,2019	Current Fiscal Year As of March 31,2020
Liabilities		
Current liabilities		
Current portion of long-term borrowings	3,680	8,360
Current portion of bonds payable	10,000	15,000
Income taxes payable	2,021	2,142
Accrued consumption taxes	470	165
Provision for bonuses for directors (and other officers)	63	73
Provision for environmental measures	–	622
Other	4,847	5,306
Total current liabilities	21,083	31,669
Non-current liabilities		
Bonds payable	80,000	95,000
Long-term borrowings	59,732	51,372
Leasehold and guarantee deposits received	24,802	25,653
Deferred tax liabilities	8,103	6,554
Deferred tax liabilities for land revaluation	13,439	13,439
Provision for retirement benefits for directors (and other officers)	66	81
Retirement benefit liability	799	829
Provision for environmental measures	620	–
Other	379	998
Total non-current liabilities	187,942	193,928
Total liabilities	209,025	225,598
Net assets		
Shareholders' equity		
Share capital	12,227	12,227
Capital surplus	13,852	13,852
Retained earnings	106,759	112,239
Treasury shares	(148)	(148)
Total shareholders' equity	132,692	138,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,962	10,528
Deferred gains or losses on hedges	(7)	(500)
Revaluation reserve for land	6,779	6,779
Foreign currency translation adjustment	1,498	973
Total accumulated other comprehensive income	21,233	17,780
Non-controlling interests	1,803	1,874
Total net assets	155,728	157,827
Total liabilities and net assets	364,754	383,426

(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, 2018 to Mar. 31, 2019)	Current Fiscal Year (From Apr. 1, 2019 to Mar. 31, 2020)
Operating revenue	40,637	42,817
Operating costs	26,310	27,258
Operating gross profit	14,327	15,559
Selling, general and administrative expenses	3,997	3,997
Operating profit	10,329	11,561
Non-operating income		
Interest income	40	67
Dividend income	665	721
Share of profit of entities accounted for using equity method	229	-
Other	55	24
Total non-operating income	990	813
Non-operating expenses		
Interest expenses	1,199	1,282
Bond issuance costs	55	185
Foreign exchange losses	46	23
Other	65	25
Total non-operating expenses	1,367	1,516
Ordinary profit	9,953	10,858
Extraordinary income		
Gain on sales of investment securities	297	842
Total extraordinary income	297	842
Extraordinary losses		
Loss on building reconstruction	65	204
Loss on retirement of non-current assets	40	27
Loss on valuation of investment securities	21	-
Loss on sales of investment securities	19	-
Other	4	-
Total extraordinary losses	150	231
Profit before income taxes	10,100	11,469
Income taxes – current	3,488	3,823
Income taxes – deferred	(478)	(358)
Total income taxes	3,009	3,464
Profit	7,090	8,004
Profit attributable to non-controlling interests	97	71
Profit attributable to owners of parent	6,993	7,932

Consolidated Statements of Comprehensive Income

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

	Previous Fiscal Year (From Apr. 1, 2018 to Mar. 31, 2019)	Current Fiscal Year (From Apr. 1, 2019 to Mar. 31, 2020)
Profit	7,090	8,004
Other comprehensive income		
Valuation difference on available-for-sale securities	(550)	(2,433)
Deferred gains or losses on hedges	(2)	(492)
Revaluation reserve for land	(5,414)	-
Foreign currency translation adjustment	(649)	(513)
Share of other comprehensive income of entities accounted for using equity method	(84)	-
Total other comprehensive income	(6,701)	(3,440)
Comprehensive income	388	4,563
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	291	4,492
Comprehensive income attributable to non- controlling interests	97	71

(3) Consolidated Statements of Changes in Net Assets

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

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

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity
Balance at beginning of period	12,227	13,852	102,099	(147)	128,032
Changes during period					
Dividends of surplus			(2,332)		(2,332)
Profit attributable to owners of parent			6,993		6,993
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	4,660	(0)	4,660
Balance at end of period	12,227	13,852	106,759	(148)	132,692

	accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	13,512	(4)	12,193	2,233	27,934	1,706	157,673
Changes during period							
Dividends of surplus							(2,332)
Profit attributable to owners of parent							6,993
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(550)	(2)	(5,414)	(734)	(6,701)	97	(6,604)
Total changes during period	(550)	(2)	(5,414)	(734)	(6,701)	97	(1,944)
Balance at end of period	12,962	(7)	6,779	1,498	21,233	1,803	155,728

Current Fiscal Year (From Apr. 1, 2019 to Mar. 31, 2020)

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

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,227	13,852	106,759	(148)	132,692
Changes during period					
Dividends of surplus			(2,449)		(2,449)
Profit attributable to owners of parent			7,932		7,932
Purchase of treasury shares				(0)	(0)
Change in scope of equity method			(3)		(3)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,479	(0)	5,479
Balance at end of period	12,227	13,852	112,239	(148)	138,171

	accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	12,962	(7)	6,779	1,498	21,233	1,803	155,728
Changes during period							
Dividends of surplus							(2,449)
Profit attributable to owners of parent							7,932
Purchase of treasury shares							(0)
Change in scope of equity method							(3)
Net changes in items other than shareholders' equity	(2,433)	(492)	-	(525)	(3,452)	71	(3,380)
Total changes during period	(2,433)	(492)	-	(525)	(3,452)	71	2,098
Balance at end of period	10,528	(500)	6,779	973	17,780	1,874	157,827

(4) Consolidated Statements of Cash Flows

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

	Previous Fiscal Year (From Apr. 1, 2018 to Mar. 31, 2019)	Current Fiscal Year (From Apr. 1, 2019 to Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	10,100	11,469
Depreciation	7,285	7,114
Amortization of goodwill	120	119
Increase (decrease) in provision for bonuses for directors (and other officers)	(15)	9
Increase (decrease) in debt for retirement benefits	11	30
Decrease (increase) in retirement benefit asset	68	(25)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4	14
Interest and dividend income	(705)	(788)
Interest expenses	1,199	1,282
Share of loss (profit) of entities accounted for using equity method	(229)	–
Loss (gain) on sales of investment securities	(277)	(842)
Loss (gain) on valuation of investment securities	21	–
Loss on retirement of non-current assets	40	27
Increase (decrease) in leasehold and guarantee deposits received	(540)	860
Decrease (increase) in leasehold and guarantee deposits	(2)	(3)
Decrease (increase) in trade receivables	(80)	88
Decrease (increase) in inventories	0	(1)
Increase (decrease) in trade payables	(322)	174
Increase decrease in accrued taxes on purchase of real estate	–	146
Decrease/increase in consumption taxes receivable/payable	268	(498)
Other, net	130	(429)
Subtotal	17,077	18,746
Interest and dividends received	1,320	788
Interest paid	(1,185)	(1,265)
Income taxes paid	(3,111)	(3,698)
Net cash provided by (used in) operating activities	14,101	14,570
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,294)	(26,854)
Proceeds from sales of investment securities	347	956
Proceeds from capital reduction of investment securities	4,671	–
Payments into time deposits	(388)	(1,670)
Proceeds from withdrawal of time deposits	369	377
Collection of long-term loans receivable	8	6
Other, net	(279)	(118)
Net cash provided by (used in) investing activities	(12,565)	(27,303)

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

	Previous Fiscal Year (From Apr. 1, 2018 to Mar. 31, 2019)	Current Fiscal Year (From Apr. 1, 2019 to Mar. 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(5,000)	-
Proceeds from long-term borrowings	10,000	-
Repayments of long-term borrowings	(3,130)	(3,680)
Proceeds from issuance of bonds	10,000	30,000
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,332)	(2,448)
Other, net	(83)	(185)
Net cash provided by (used in) financing activities	9,453	13,685
Effect of exchange rate change on cash and cash equivalents	258	(19)
Net increase (decrease) in cash and cash equivalents	11,247	933
Cash and cash equivalents at beginning of period	4,155	15,403
Cash and cash equivalents at end of period	15,403	16,336

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

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

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 13

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 Australia Pty Ltd, Margaret George Investment Custodian Pty Ltd, Margaret George Investment Trust. Daibiru Holdings Australia Pty Ltd changed its corporate name to Daibiru Australia Pty Ltd on December 5, 2019.

(2) There are no unconsolidated subsidiaries.

2. Application of Equity Method

(1) There are no affiliated companies accounted for by the equity method.

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

Affiliated companies URBAN SERVICE CO., LTD.
 M&D SUN PTE. LTD.

Companies not accounted for by the equity method do not have a material effect on profit or losses (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.

M&D SUN PTE. LTD, to which the equity method had been applied, no longer has a material effect on profit or losses, and therefore has been removed from the scope of application of the equity method from the current fiscal year.

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 29. 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, Sapporo, Vietnam, Australia 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, 2018 to Mar. 31, 2019)	Current fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)
As of the previous fiscal year	307,964	315,388
Net increase through the current fiscal year	7,424	19,973
As of the current fiscal year	315,388	335,362
Fair value of the current fiscal year	528,418	570,777

- Notes:
1. The consolidated balance sheets amounts refer to the acquisition amount after the deduction of accumulated depreciation.
 2. The main factors contributing to net increase (decrease) through the current fiscal year for the previous fiscal year (from Apr. 1, 2018 to Mar. 31, 2019) were the increase from acquisition of "275 George Street," an office building development project in Australia, in the amount of ¥10,524 million and new construction of "BiTO AKIBA" in the amount of ¥1,359 million as well as the decrease from depreciation in the amount of ¥7,074 million.
The main factors contributing to net increase (decrease) through the current fiscal year for the current fiscal year (from Apr. 1, 2019 to Mar. 31, 2020) were the increase from acquisition of three "DAIBIRU PIVOT" buildings in Sapporo in the amount of ¥14,467 million and new construction of "BiTO AKIBA" in the amount of ¥1,249 million as well as the decrease from depreciation in the amount of ¥6,916 million.
 3. The fair values of domestic major properties as of the years ended March 31, 2019 and 2020 are based on appraisal reports by external real estate appraisers. Domestic minor land values are based on adjusted values with indexes linked to market prices, and other values are based on book value. The fair value of real estate in overseas countries is appraised principally by local real estate appraisers. 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, 2018 to Mar. 31, 2019)	Current fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)
Operating revenue	30,245	32,218
Operating costs	17,882	18,520
Operating gross profit	12,362	13,697
Other income (expenses)	(105)	(230)

- Notes:
1. Operating revenue and operating costs revenue 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 building reconstruction of ¥65 million and loss on retirement of non-current assets of ¥39 million listed under “Extraordinary losses.”
“Other income (expenses)” of current fiscal year primarily included loss on building reconstruction of ¥204 million and loss on retirement of non-current assets of ¥25 million listed under “Extraordinary losses.”

(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 profit. 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, 2018 to Mar. 31, 2019)

(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	30,917	9,186	40,103	534	40,637	—	40,637
Intersegment	112	2,308	2,420	—	2,420	(2,420)	—
Total Sales	31,029	11,494	42,524	534	43,058	(2,420)	40,637
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
Depreciation and amortization	7,273	11	7,285	—	7,285	—	7,285
Increase in property, plant and equipment and intangible assets	16,204	15	16,219	—	16,219	—	16,219

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 ¥1,817 million for segment income is mainly the corporate expense of ¥1,827 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 ¥38,656 million consisting of corporate assets of ¥38,835 million that has not been allocated to reportable segments. Corporate assets are primarily cash and deposits, investment securities, and deferred tax assets, etc.

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

Current fiscal year (Apr. 1, 2019 to Mar. 31, 2020)

(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	32,828	9,146	41,975	842	42,817	—	42,817
Intersegment	118	2,400	2,519	—	2,519	(2,519)	—
Total Sales	32,947	11,547	44,494	842	45,336	(2,519)	42,817
Segment income	12,629	531	13,161	186	13,348	(1,786)	11,561
Assets	343,634	2,761	346,395	50	346,445	36,980	383,426
Depreciation and amortization	7,101	13	7,114	—	7,114	—	7,114
Increase in property, plant and equipment and intangible assets	26,876	39	26,915	—	26,915	—	26,915

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 ¥1,786 million for segment income is mainly the corporate expense of ¥1,796 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 ¥36,980 million consisting of corporate assets of ¥37,172 million that has not been allocated to reportable segments. Corporate assets are primarily cash and deposits, investment securities, and deferred tax assets, etc.

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

(Related Information)

Previous fiscal year (Apr. 1, 2018 to Mar. 31, 2019)

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 operating revenue to outside customers domestic exceeds 90% of the amount of Operating revenue listed in the Consolidated Statements of Income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment that the Company owns domestically exceeds 90% of the amount of property, plant 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 operating revenue on the Consolidated Statements of Income.

Current fiscal year (Apr. 1, 2019 to Mar. 31, 2020)

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 Operating revenue listed in the Consolidated Statements of Income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment that the Company owns domestically exceeds 90% of the amount of property, plant 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 Non-current Assets by Reportable Segment)

Not applicable

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

Previous fiscal year (Apr. 1, 2018 to Mar. 31, 2019)

(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	–	120	–	–	120
Balance of undepreciated cost	1,698	–	1,698	–	–	1,698

Current fiscal year (Apr. 1, 2019 to Mar. 31, 2020)

(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	119	–	119	–	–	119
Balance of undepreciated cost	1,548	–	1,548	–	–	1,548

(Information regarding Gain on Negative Goodwill by Reportable Segment)

Not applicable.

(Per-share Information)

	Previous fiscal year (From Apr. 1, 2018 to Mar. 31, 2019)	Current fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)
Net assets per share	1,319.81 yen	1,337.20 yen
Basic earnings per share	59.96 yen	68.02 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, 2018 to Mar. 31, 2019)	Current fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)
Profit attributable to owners of parent (million yen)	6,993	7,932
Amount not attributable to common share shareholders (million yen)	–	–
Basic earnings attributable to owners of the parent related to common shares (million yen)	6,993	7,932
Average number of common shares during the period (thousands of shares)	116,626	116,626

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

	Previous fiscal year (From Apr. 1, 2018 to Mar. 31, 2019)	Current fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)
Total net assets (million yen)	155,728	157,827
Net assets related to common shares (million yen)	153,925	155,952
Amount deducted from total Net assets (million yen) Non-controlling Interests	1,803	1,874
Number of common issued shares (thousands of shares)	116,851	116,851
Number of treasury shares (thousands of shares)	224	224
Number of common shares used in the calculation of net assets per share (thousands of shares)	116,626	116,626

(Significant Subsequent Events)

At a meeting held on April 30, 2020, the Company's Board of Directors resolved to repurchase its own shares, pursuant to the provisions of Article 156 of the Companies Act, as applied mutatis mutandis to the provisions of Article 165, Paragraph 3 of the said Act, as follows:

1. Reasons for the repurchase of own shares

To enhance shareholder returns and improve the capital efficiency

2. Details of items relating to repurchase

- | | | |
|-----|--|--|
| (1) | Type of shares subject to repurchase: | Common shares |
| (2) | Total number of shares to repurchased: | 2,000,000 shares (upper limit)
(1.71% of the total number of issued shares,
excluding treasury shares) |
| (3) | Total amount of repurchase price: | ¥2.5 billion (upper limit) |
| (4) | Period of repurchase: | May 7, 2020 to December 30, 2020 |
| (5) | Method of repurchase: | Market purchase on the Tokyo Stock Exchange |