

**Financial Highlights for the 1st Quarter Cumulative of Fiscal 2020**  
**(Apr. 1, 2020– June 30, 2020) <under Japanese GAAP>**

**DAIBIRU CORPORATION**

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

July 31, 2020

Name of the Company: DAIBIRU CORPORATION  
 Listing of Stock: First Section of Tokyo Stock Exchange  
 Securities Code: 8806  
 URL: <https://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 Quarterly Report: Aug. 12, 2020  
 Scheduled Date of Commencing Dividend Payments: -  
 Availability of Supplementary Briefing Material on Quarterly Financial Results: No  
 Schedule of Analyst Meeting: No

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for 1Q Fiscal 2020 (Apr. 1, 2020 to June 30, 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	%
1Q Fiscal 2020	10,547	0.5	3,520	14.9	3,581	14.5	2,468	16.5
1Q Fiscal 2019	10,490	5.4	3,063	9.3	3,128	4.3	2,119	2.1

(Note) Comprehensive income: June 30, 2020: ¥ 3,182 million [ 41.8%]  
 June 30, 2019: ¥ 2,243 million [ 29.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q Fiscal 2020	21.20	-
1Q Fiscal 2019	18.17	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
1Q Fiscal 2020	377,059	159,210	41.7
Fiscal 2019	383,426	157,827	40.7

(Reference) Equity: June 30, 2020: ¥ 157,330 million  
 Mar. 31, 2020: ¥ 155,952 million

2. Dividends

	Annual dividends				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	-	10.50	-	10.50	21.00
Fiscal 2020	-	-	-	-	-
Fiscal 2020(Forecast)	-	10.50	-	10.50	21.00

(Note) Revisions to dividend forecast of the fiscal year ending March 31, 2021: No

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)	60.31

(Note) Revisions to forecast of consolidated financial results for fiscal 2020 during this quarter: No

\* 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) Adoption of the simplified accounting method and special accounting practices in the preparation of consolidated financial statements: No

(3) 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

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

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

1Q Fiscal 2020: 116,851,049 shares

Fiscal 2019: 116,851,049 shares

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

1Q Fiscal 2020: 781,095 shares

Fiscal 2019: 224,775 shares

3) Average number of shares during the period:

1Q Fiscal 2020: 116,425,934 shares

1Q Fiscal 2019: 116,626,636 shares

\* 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 “(3) Explanation on the Forward-looking Information such as Forecast of Consolidated Results” on page 3 of Attached Reference.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation on Results of Operations

In the three months ended June 30, 2020, the Japanese economy was in an extremely difficult situation, as many corporate activities and consumption trends were affected by the global spread of the novel coronavirus infection (COVID-19), and corporate earnings significantly deteriorated. The prospects of the economy remained uncertain as it was still not possible to predict when COVID-19 would be contained.

For the office leasing segment, vacancy rates of office buildings in the central business districts (CBD) of Tokyo and Osaka remained low and rent rates stayed in a moderate upward trend. However, there is a concern that demand for offices in CBD may decline in the future due to deterioration in corporate performance and changes in corporate and individual behavior patterns, resulting in an increase in vacancy rates and a decline in rents.

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 in an effort to differentiate Daibiru properties from competitors' buildings. The Group has also sought to increase operating revenue by maintaining high occupancy rates while raising rent rates. On the other hand, the Group has deferred or reduced rents for some commercial tenants who refrained from business activities to prevent the spread of COVID-19 in response to the requests, etc. from the government and local governments.

With regard to operating results in the three months ended June 30, 2020, operating revenue increased ¥57 million, or 0.5%, year on year to ¥10,547 million, and operating profit increased ¥456 million, or 14.9%, to ¥3,520 million.

As for non-operating income and expenses, ordinary profit increased ¥452 million, or 14.5%, year on year to ¥3,581 million, due to an increase in operating profit, although dividend income decreased.

With regard to extraordinary income and losses, for the three months ended June 30, 2020, loss on building reconstruction of ¥22 million was recorded under extraordinary losses. In the same period of the previous fiscal year, a total of ¥85 million was recorded for loss on building reconstruction and loss on retirement of non-current assets under extraordinary losses.

As a result, profit attributable to owners of parent increased ¥348 million, or 16.5%, year on year to ¥2,468 million.

Operating results by segment were as follows.

#### 1) Leasing

In this segment, which accounts for 80.4% of consolidated operating revenue in the three months ended June 30, 2020, operating revenue increased ¥549 million, or 6.9%, year on year to ¥8,479 million due to contributions from "BiTO AKIBA," "DAIBIRU PIVOT" and others. In terms of expenses, operating expenses increased due mainly to increases in depreciation and amortization, management commissions, fixed property tax, but operating profit increased ¥522 million, or 16.0%, year on year to ¥3,790 million.

#### 2) Facility Management

In this segment, which accounts for 18.9% of consolidated operating revenue, operating revenue decreased ¥300 million, or 13.1%, year on year to ¥1,996 million mainly as some properties suspended or reduced hours of business in response to the spread of COVID-19, and operating profit decreased ¥52 million, or 30.6%, year on year to ¥119 million.

#### 3) Other Businesses

In this segment, which accounts for 0.7% of consolidated operating revenue, operating revenue decreased ¥191 million, or 72.8%, year on year to ¥71 million mainly due to a decrease in construction subcontracting values, and operating profit decreased ¥24 million, or 48.3%, year on year to ¥25 million.

### (2) Explanation on Financial Position

Total assets at the end of the first quarter of the current fiscal year were ¥377,059 million, a decrease of ¥6,366 million from the end of the previous fiscal year. Current assets decreased ¥5,989 million from the end of the previous fiscal year to ¥15,046 million.

This is mainly due to a decrease in cash and deposits. Non-current assets decreased ¥377 million from the end of the previous fiscal year to ¥362,012 million. This is mainly due to a net decrease owing to an increase in investment securities associated with a rebound in stock prices and a decrease in buildings and structures resulting from depreciation, etc.

Liabilities at the end of the first quarter of the current fiscal year were ¥217,848 million, a decrease of ¥7,749 million from the end of the previous fiscal year. Current liabilities decreased ¥2,080 million from the end of the previous fiscal year to ¥29,589 million. This is mainly due to a net decrease owing to a decrease in current portion of bonds payable and increases in current portion of long-term borrowings and commercial papers. Non-current liabilities decreased ¥5,669 million from the end of the previous fiscal year to ¥188,259 million. This is mainly due to a decrease in long-term borrowings. Total interest bearing debt decreased ¥5,892 million from the end of the previous fiscal year to ¥163,840 million.

Net assets at the end of the first quarter of the current fiscal year increased ¥1,382 million from the end of the previous fiscal year to ¥159,210 million. This is mainly due to a net increase owing to increases in retained earnings and valuation difference on available-for-sale securities and a decrease in foreign currency translation adjustment.

### (3) Explanation on the Forward-looking Information such as Forecast of Consolidated Results

Figures announced on April 30, 2020 have not been revised.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

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

	Previous Fiscal Year As of March 31,2020	1Q of Current Fiscal Year As of June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	17,975	12,504
Trade accounts receivable	990	1,038
Inventories	54	44
Other	2,027	1,470
Allowance for doubtful accounts	(12)	(11)
Total current assets	21,035	15,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	105,006	103,344
Land	180,626	180,626
Land in trust	31,231	31,231
Construction in progress	9,472	8,250
Other, net	359	335
Total property, plant and equipment	326,696	323,788
Intangible assets		
Goodwill	1,548	1,498
Other	11,218	10,936
Total intangible assets	12,766	12,434
Investments and other assets		
Investment securities	20,512	23,295
Deferred tax assets	376	384
Other	2,053	2,124
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	22,927	25,789
Total non-current assets	362,390	362,012
Total assets	383,426	377,059

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

	Previous Fiscal Year As of March 31,2020	1Q of Current Fiscal Year As of June 30,2020
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	-	2,500
Current portion of long-term borrowings	8,360	13,360
Current portion of bonds payable	15,000	-
Commercial papers	-	7,500
Income taxes payable	2,142	1,000
Provision for bonuses for directors (and other officers)	73	-
Provision for environmental measures	622	-
Other	5,472	5,229
<b>Total current liabilities</b>	<b>31,669</b>	<b>29,589</b>
Non-current liabilities		
Bonds payable	95,000	95,000
Long-term borrowings	51,372	45,480
Leasehold and guarantee deposits received	25,653	25,340
Deferred tax liabilities	6,554	7,843
Deferred tax liabilities for land revaluation	13,439	13,439
Provision for retirement benefits for directors (and other officers)	81	74
Retirement benefit liability	829	831
Other	998	251
<b>Total non-current liabilities</b>	<b>193,928</b>	<b>188,259</b>
<b>Total liabilities</b>	<b>225,598</b>	<b>217,848</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,227	12,227
Capital surplus	13,852	13,852
Retained earnings	112,239	113,483
Treasury shares	(148)	(723)
<b>Total shareholders' equity</b>	<b>138,171</b>	<b>138,840</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,528	12,449
Deferred gains or losses on hedges	(500)	8
Revaluation reserve for land	6,779	6,779
Foreign currency translation adjustment	973	(747)
<b>Total accumulated other comprehensive income</b>	<b>17,780</b>	<b>18,489</b>
Non-controlling interests	1,874	1,879
<b>Total net assets</b>	<b>157,827</b>	<b>159,210</b>
<b>Total liabilities and net assets</b>	<b>383,426</b>	<b>377,059</b>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income

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

	1Q of Previous Fiscal Year (From Apr. 1, 2019 to June 30, 2019)	1Q of Current Fiscal Year (From Apr. 1, 2020 to June 30, 2020)
Operating revenue	10,490	10,547
Operating costs	6,467	6,070
Operating gross profit	4,022	4,477
Selling, general and administrative expenses	958	956
Operating profit	3,063	3,520
Non-operating income		
Interest income	17	19
Dividend income	373	342
Other	4	5
Total non-operating income	395	367
Non-operating expenses		
Interest expenses	313	299
Other	16	7
Total non-operating expenses	330	306
Ordinary profit	3,128	3,581
Extraordinary losses		
Loss on building reconstruction	82	22
Loss on retirement of non-current assets	2	-
Total extraordinary losses	85	22
Profit before income taxes	3,043	3,558
Income taxes - current	818	889
Income taxes - deferred	71	196
Total income taxes	889	1,085
Profit	2,153	2,472
Profit attributable to non-controlling interests	34	4
Profit attributable to owners of parent	2,119	2,468

Quarterly Consolidated Statements of Comprehensive Income

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

	1Q of Previous Fiscal Year (From Apr. 1, 2019 to June 30, 2019)	1Q of Current Fiscal Year (From Apr. 1, 2020 to June 30, 2020)
Profit	2,153	2,472
Other comprehensive income		
Valuation difference on available-for-sale securities	126	1,921
Deferred gains or losses on hedges	(2)	509
Foreign currency translation adjustment	(34)	(1,721)
Total other comprehensive income	89	709
Comprehensive income	2,243	3,182
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,209	3,177
Comprehensive income attributable to non-controlling interests	34	4

### (3) Notes to Quarterly Consolidated Financial Statements

(Going Concern Assumption)

None applicable

(Significant Changes in Shareholder's Equity)

None applicable

(Additional Information)

The Daibiru Group makes accounting estimates including impairment of non-current assets and recoverability of deferred tax assets based on the information available at the time of preparation of the quarterly consolidated financial statements.

Accounting estimates based on the assumption that the impact of the spread of COVID-19 will continue throughout the year ending March 31, 2021 have been reflected in the accounting procedure. However, there are many uncertainties associated with the impact of the spread of COVID-19, which may affect the financial position and results of operation of the Daibiru Group from the next quarter onward.

(Segment Information)

#### I Previous 1Q fiscal year (Apr. 1, 2019 to June 30, 2019)

##### 1. Information on the amount of revenue and income by reportable segment

(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	7,930	2,296	10,226	263	10,490	-	10,490
Intersegment	29	582	611	-	611	(611)	-
Total Sales	7,959	2,878	10,838	263	11,101	(611)	10,490
Segment income	3,267	172	3,440	50	3,490	(426)	3,063

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 adjustment was minus ¥426 million for segment income is mainly the corporate expense of ¥428 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.

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

#### II Current 1Q fiscal year (Apr. 1, 2020 to June 30, 2020)

##### 1. Information on the amount of revenue and income by reportable segment

(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	8,479	1,996	10,475	71	10,547	-	10,547
Intersegment	27	590	618	-	618	(618)	-
Total Sales	8,507	2,587	11,094	71	11,166	(618)	10,547
Segment income	3,790	119	3,909	25	3,935	(414)	3,520

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 adjustment was minus ¥414 million for segment income is mainly the corporate expense of ¥416 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

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