

**Financial Highlights for the 2nd Quarter Cumulative of Fiscal 2020**  
**(Apr. 1, 2020– Sep. 30, 2020) <under Japanese GAAP>**  
**DAIBIRU CORPORATION**  
(Unaudited Translation of 'Kessan Tanshin,' Provided for Reference Only)

October 30, 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: Nov. 13, 2020  
Scheduled Date of Commencing Dividend Payments: Dec. 4, 2020  
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 2Q Fiscal 2020 (Apr. 1, 2020 to Sep. 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	%
2Q Fiscal 2020	21,245	1.2	6,403	7.2	6,202	11.3	4,644	23.9
2Q Fiscal 2019	21,001	4.5	5,973	18.1	5,572	11.1	3,748	8.2

(Note) Comprehensive income: Sep. 30, 2020: ¥ 6,758 million [ 112.5%]  
Sep. 30, 2019: ¥ 3,181 million [ (36.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2Q Fiscal 2020	40.02	-
2Q Fiscal 2019	32.14	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
2Q Fiscal 2020	388,228	161,999	41.2
Fiscal 2020	383,426	157,827	40.7

(Reference) Equity: Sep. 30, 2020: ¥ 160,115 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	-	10.50			
Fiscal 2020(Forecast)			-	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)	60.69

(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):

2Q Fiscal 2020: 116,851,049 shares

Fiscal 2019: 116,851,049 shares

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

2Q Fiscal 2020: 1,514,795 shares

Fiscal 2019: 224,775 shares

3) Average number of shares during the period:

2Q Fiscal 2020: 116,052,728 shares

2Q Fiscal 2019: 116,626,622 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 six months ended September 30, 2020, the Japanese economy was in an extremely difficult situation, as many corporate activities and consumer spending shrank due mainly to the global spread of the novel coronavirus infection (COVID-19) and the state of emergency declaration announced by the government in April. After the declaration was lifted at the end of May, the economy has been expected to recover in the course of bringing the level of socio-economic activities back to normal, but the situation continues to remain unpredictable with concerns over the resurgence of infections.

For the office leasing segment, vacancy rates of office buildings in the central business districts (CBD) of Tokyo and Osaka saw a modest increase, while rent rates remained flat. During this period, under the “New Lifestyle” compiled by the government, new ways of working, such as teleworking and online meetings, have spread rapidly, and the market is showing signs of reversing the tight supply-demand balance.

Amid such environment, the Daibiru Group offered tenant services from a customer’s perspective by promoting activities that improve building management quality and implementing finely tuned measures including countermeasures against COVID-19 in an effort to differentiate Daibiru properties from competitors’ buildings. The Group also sought to increase operating revenue by maintaining high occupancy rates while optimizing rent rates. On the other hand, the Group has deferred or reduced rents for some commercial tenants whose business activities were significantly affected by COVID-19.

Under the medium-term management plan “Design 100” Project Phase-II, “Improvement of overseas businesses,” which is positioned as one of the priority strategies, has been steadily proceeding. The construction of “275 George Street” (15 floors above ground, 3 floors below ground, net leasable area of approx. 7,200 m<sup>2</sup>), an office building development project in the Sydney CBD in Australia, is nearing its completion.

With regard to operating results in the six months ended September 30, 2020, operating revenue increased ¥244 million, or 1.2%, year on year to ¥21,245 million, and operating profit increased ¥429 million, or 7.2%, to ¥6,403 million.

As for non-operating income and expenses, ordinary profit increased ¥629 million, or 11.3%, year on year to ¥6,202 million, due to a decrease in interest expenses and an increase in operating profit, although dividend income decreased.

With regard to extraordinary income and losses, for the six months ended September 30, 2020, gain on sales of investment securities of ¥599 million was recorded under extraordinary income, and a total of ¥119 million was recorded for loss on building reconstruction and loss on retirement of non-current assets under extraordinary losses. In the same period of the previous fiscal year, a total of ¥141 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 ¥895 million, or 23.9%, year on year to ¥4,644 million.

Operating results by segment were as follows.

#### 1) Leasing

In this segment, which accounts for 79.7% of consolidated operating revenue in the six months ended September 30, 2020, operating revenue increased ¥866 million, or 5.4%, year on year to ¥16,926 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 ¥593 million, or 9.2%, year on year to ¥7,018 million.

#### 2) Facility Management

In this segment, which accounts for 19.1% of consolidated operating revenue, operating revenue decreased ¥511 million, or 11.2%, year on year to ¥4,062 million mainly as some properties suspended or reduced hours of business in response to the spread of COVID-19, and operating profit decreased ¥148 million, or 49.6%, year on year to ¥150 million.

### 3) Other Businesses

In this segment, which accounts for 1.2% of consolidated operating revenue, operating revenue decreased ¥110 million, or 30.0%, year on year to ¥257 million mainly due to a decrease in construction subcontracting values, and operating profit decreased ¥34 million, or 35.7%, year on year to ¥62 million.

## (2) Explanation on Financial Position

### 1) Assets, Liabilities and Net assets

Total assets at the end of the second quarter of the current fiscal year were ¥388,228 million, an increase of ¥4,802 million from the end of the previous fiscal year. Current assets increased ¥5,137 million from the end of the previous fiscal year to ¥26,173 million. This is mainly due to an increase in cash and deposits. Non-current assets decreased ¥334 million from the end of the previous fiscal year to ¥362,055 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 second quarter of the current fiscal year were ¥226,229 million, an increase of ¥630 million from the end of the previous fiscal year. Current liabilities decreased ¥2,920 million from the end of the previous fiscal year to ¥28,749 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 increased ¥3,551 million from the end of the previous fiscal year to ¥197,480 million. This is mainly due to an increase in long-term borrowings. Total interest bearing debt increased ¥1,048 million from the end of the previous fiscal year to ¥170,781 million.

Net assets at the end of the second quarter of the current fiscal year increased ¥4,171 million from the end of the previous fiscal year to ¥161,999 million. This is mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

### 2) Cash Flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year were ¥22,683 million, an increase of ¥6,347 million from the end of the previous fiscal year. Changes in cash flows and their causes are explained below:

#### (Cash flows from operating activities)

Net cash provided by operating activities in the six months ended September 30, 2020 was ¥7,410 million, an increase of ¥307 million from the same period of the previous fiscal year. This is mainly due to increases in profit before income taxes and decrease/increase in consumption taxes receivable/payable.

#### (Cash flows from investing activities)

Net cash provided by investing activities in the six months ended September 30, 2020 was ¥792 million. This is mainly due to proceeds from sales of investment securities. In the same period of the previous fiscal year, net cash used in investing activities was ¥8,706 million, due mainly to purchase of property, plant and equipment.

#### (Cash flows from financing activities)

Net cash used in financing activities in the six months ended September 30, 2020 was ¥1,865 million. This is mainly due to proceeds from long-term borrowings and redemption of bonds. In the same period of the previous fiscal year, net cash provided by financing activities was ¥6,645 million, due mainly to redemption of bonds and proceeds from issuance of bonds.

## (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 Mar. 31,2020	2Q of Current Fiscal Year As of Sep. 30,2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,975	23,987
Trade accounts receivable	990	1,362
Inventories	54	146
Other	2,027	691
Allowance for doubtful accounts	(12)	(14)
Total current assets	21,035	26,173
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	105,006	101,816
Land	180,626	180,626
Land in trust	31,231	31,231
Construction in progress	9,472	9,142
Other, net	359	378
Total property, plant and equipment	326,696	323,195
Intangible assets		
Goodwill	1,548	1,796
Other	11,218	10,859
Total intangible assets	12,766	12,656
Investments and other assets		
Investment securities	20,512	23,770
Deferred tax assets	376	455
Other	2,053	1,992
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	22,927	26,204
Total non-current assets	362,390	362,055
Total assets	383,426	388,228

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

	Previous Fiscal Year As of Mar. 31,2020	2Q of Current Fiscal Year As of Sep. 30,2020
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	-	50
Current portion of long-term borrowings	8,360	13,400
Current portion of bonds payable	15,000	-
Commercial papers	-	7,500
Income taxes payable	2,142	2,138
Provision for bonuses for directors (and other officers)	73	-
Provision for environmental measures	622	-
Other	5,472	5,660
<b>Total current liabilities</b>	<b>31,669</b>	<b>28,749</b>
Non-current liabilities		
Bonds payable	95,000	95,000
Long-term borrowings	51,372	54,831
Leasehold and guarantee deposits received	25,653	25,212
Deferred tax liabilities	6,554	7,808
Deferred tax liabilities for land revaluation	13,439	13,439
Provision for retirement benefits for directors (and other officers)	81	79
Retirement benefit liability	829	848
Other	998	261
<b>Total non-current liabilities</b>	<b>193,928</b>	<b>197,480</b>
<b>Total liabilities</b>	<b>225,598</b>	<b>226,229</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,227	12,227
Capital surplus	13,852	13,854
Retained earnings	112,239	115,659
Treasury shares	(148)	(1,511)
<b>Total shareholders' equity</b>	<b>138,171</b>	<b>140,229</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,528	12,803
Deferred gains or losses on hedges	(500)	6
Revaluation reserve for land	6,779	6,779
Foreign currency translation adjustment	973	296
<b>Total accumulated other comprehensive income</b>	<b>17,780</b>	<b>19,885</b>
Non-controlling interests	1,874	1,884
<b>Total net assets</b>	<b>157,827</b>	<b>161,999</b>
<b>Total liabilities and net assets</b>	<b>383,426</b>	<b>388,228</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)

	2Q of Previous Fiscal Year (From Apr. 1, 2019 to Sep. 30, 2019)	2Q of Current Fiscal Year (From Apr. 1, 2020 to Sep. 30, 2020)
Operating revenue	21,001	21,245
Operating costs	13,093	12,886
Operating gross profit	7,907	8,359
Selling, general and administrative expenses	1,933	1,955
Operating profit	5,973	6,403
Non-operating income		
Interest income	33	34
Dividend income	373	344
Other	10	74
Total non-operating income	417	452
Non-operating expenses		
Interest expenses	654	569
Other	164	85
Total non-operating expenses	818	654
Ordinary profit	5,572	6,202
Extraordinary income		
Gain on sales of investment securities	-	599
Total extraordinary income	-	599
Extraordinary losses		
Loss on building reconstruction	135	105
Loss on retirement of non-current assets	5	14
Total extraordinary losses	141	119
Profit before income taxes	5,431	6,681
Income taxes - current	1,728	2,037
Income taxes - deferred	(89)	(8)
Total income taxes	1,639	2,028
Profit	3,791	4,653
Profit attributable to non-controlling interests	43	9
Profit attributable to owners of parent	3,748	4,644



Quarterly Consolidated Statements of Comprehensive Income

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

	2Q of Previous Fiscal Year (From Apr. 1, 2019 to Sep. 30, 2019)	2Q of Current Fiscal Year (From Apr. 1, 2020 to Sep. 30, 2020)
Profit	3,791	4,653
Other comprehensive income		
Valuation difference on available-for-sale securities	414	2,274
Deferred gains or losses on hedges	(122)	507
Foreign currency translation adjustment	(902)	(676)
Total other comprehensive income	(610)	2,104
Comprehensive income	3,181	6,758
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,137	6,748
Comprehensive income attributable to non-controlling interests	43	9

## (3) Quarterly Consolidated Statements of Cash Flows

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

	2Q of Previous Fiscal Year (From Apr. 1, 2019 to Sep. 30, 2019)	2Q of Previous Fiscal Year (From Apr. 1, 2020 to Sep. 30, 2020)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	5,431	6,681
Depreciation	3,389	3,595
Amortization of goodwill	60	59
Increase (decrease) in provision for bonuses for directors (and other officers)	(63)	(73)
Increase (decrease) in debt for retirement benefits	18	(1)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(2)
Interest and dividend income	(407)	(378)
Interest expenses	654	569
Loss (gain) on sales of investment securities	-	(599)
Loss on retirement of non-current assets	5	14
Increase (decrease) in leasehold and guarantee deposits received	303	(432)
Decrease (increase) in leasehold and guarantee deposits	(7)	(2)
Decrease (increase) in trade receivables	40	(286)
Decrease (increase) in inventories	(11)	(0)
Increase (decrease) in trade payables	(69)	(140)
Increase decrease in accrued taxes on purchase of real estate	87	(96)
Decrease/increase in consumption taxes receivable/payable	(352)	790
Other, net	150	10
Subtotal	9,233	9,707
Interest and dividends received	407	378
Interest paid	(635)	(646)
Income taxes paid	(1,902)	(2,030)
Net cash provided by (used in) operating activities	7,103	7,410
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,706)	(687)
Proceeds from sales of investment securities	-	634
Payments into time deposits	(1,161)	(1,327)
Proceeds from withdrawal of time deposits	263	1,800
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(263)
Other, net	(101)	635
Net cash provided by (used in) investing activities	(8,706)	792
<b>Cash flows from financing activities</b>		
Net increase (decrease) in commercial papers	-	7,500
Proceeds from long-term borrowings	-	10,000
Repayments of long-term borrowings	(2,000)	(1,680)
Proceeds from issuance of bonds	20,000	-
Redemption of bonds	(10,000)	(15,000)
Purchase of treasury shares	(0)	(1,391)
Dividends paid	(1,224)	(1,224)
Other, net	(129)	(70)
Net cash provided by (used in) financing activities	6,645	(1,865)
Effect of exchange rate change on cash and cash equivalents	(5)	10
Net increase (decrease) in cash and cash equivalents	5,036	6,347
Cash and cash equivalents at beginning of period	15,403	16,336
Cash and cash equivalents at end of period	20,439	22,683

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

(Going Concern Assumption)

Not applicable.

(Changes in Scope of Consolidation or Application of Equity Method)

In the second quarter of the current fiscal year, the Daibiru Group acquired the shares of Nowatec Co., Ltd. As a result, Nowatec Co., Ltd. has been included in the scope of consolidation.

(Significant Changes in Shareholders' Equity)

Pursuant to the resolution at the meeting of the Board of Directors held on April 30, 2020, the Company repurchased 1,319,600 shares of its treasury shares. Also, pursuant to the resolution at the meeting of the Board of Directors held on June 25, 2020, the Company disposed of 29,600 shares of its treasury shares as restricted stock compensation. As a result, inclusive of an increase due to the purchase of shares less than one unit, treasury shares increased ¥1,363 million during the six months ended September 30, 2020, and treasury shares totaled ¥1,511 million at the end of the second quarter of the current fiscal year.

(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 2Q fiscal year (Apr. 1, 2019 to Sep. 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	16,060	4,573	20,633	367	21,001	-	21,001
Intersegment	60	1,201	1,262	-	1,262	(1,262)	-
Total Sales	16,120	5,775	21,896	367	22,263	(1,262)	21,001
Segment income	6,424	298	6,723	96	6,820	(846)	5,973

- 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 ¥846 million for segment income is mainly the corporate expense of ¥850 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 2Q fiscal year (Apr. 1, 2020 to Sep. 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	16,926	4,062	20,988	257	21,245	-	21,245
Intersegment	57	1,196	1,253	0	1,253	(1,253)	-
Total Sales	16,983	5,258	22,242	257	22,499	(1,253)	21,245
Segment income	7,018	150	7,168	62	7,230	(827)	6,403

- 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 ¥827 million for segment income is mainly the corporate expense of ¥829 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.