



# The Daibiru Group Business Performance For Fiscal 2020 2<sup>nd</sup> Quarter

October 30, 2020  
DAIBIRU CORPORATION

- 1. Consolidated Operating Results for Fiscal 2020 2<sup>nd</sup> Quarter P.2**
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# Consolidated Operating Results for Fiscal 2020 2Q – Highlight –

- The third year of the medium-term management plan “Design 100” Project Phase-II (fiscal year 2018 through 2022)
- Contributions to income from new buildings (“BiTO AKIBA”, “DAIBIRU PIVOT”(Sapporo) and others)
- Deferring or Reducing rents for some commercial tenants affected by the global spread of COVID-19 while generally limited impact on the office building market
- Decrease of operating revenue and profit in facility management segment as some properties suspended in response to the spread of COVID-19
- Sales of cross-shareholdings (Gain on sales of investment securities ¥599 million)

(Millions of yen)

	Results Q1+2/19	Results Q1+2/20	Difference	Key points	Forecasts FY/20	Achievement Rate
Operating Revenue	21,001	21,245	244 (1.2%)	→Please refer to Key points on page 3.	42,500	(50.0%)
Operating Profit	5,973	6,403	429 (7.2%)	→Please refer to Key points on page 3.	10,500	(61.0%)
Ordinary Profit	5,572	6,202	629 (11.3%)	<ul style="list-style-type: none"> <li>• Decrease in dividend income</li> <li>• Decreases in interest expenses and bond issuance costs, etc.</li> </ul>	10,000	(62.0%)
Profit attributable to owners of the Parent	3,748	4,644	895 (23.9%)	Extraordinary income and loss <Q1+2/Fiscal 2020> <ul style="list-style-type: none"> <li>• Extraordinary income: ¥599 million in total (Gain on sales of investment securities)</li> <li>• Extraordinary loss: ¥119 million in total (Loss on building reconstructions, Loss on retirement of non-current assets)</li> </ul> <Q1+2/Fiscal 2019> <ul style="list-style-type: none"> <li>• Extraordinary income: none</li> <li>• Extraordinary loss: ¥141 million in total (Loss on building reconstructions, Loss on retirement of non-current assets)</li> </ul>	7,000	(66.3%)

# Consolidated Operating Results for Fiscal 2020 2Q – By Segment –



(Millions of yen)

	Results Q1+2/19	Results Q1+2/20	Difference		Key points
<b>Operating Revenue</b>	<b>21,001</b>	<b>21,245</b>	<b>244</b>	<b>(1.2%)</b>	
Leasing	16,120	16,983	863	(5.4%)	<ul style="list-style-type: none"> <li>• Contributions to income from “BiTO AKIBA”, “DAIBIRU PIVOT” and others</li> <li>• Deferring or Reducing rents for some commercial tenants affected by the global spread of COVID-19, etc.</li> </ul>
Facility Management	5,775	5,258	△ 517	(△9.0%)	<ul style="list-style-type: none"> <li>• Some properties to suspend or reduce hours of business in response to the spread of COVID-19, etc.</li> </ul>
Other Businesses	367	257	△ 110	(△30.0%)	<ul style="list-style-type: none"> <li>• decrease in construction subcontracting values, etc.</li> </ul>
Adjustment	△ 1,262	△ 1,253	8	–	
<b>Operating Profit</b>	<b>5,973</b>	<b>6,403</b>	<b>429</b>	<b>(7.2%)</b>	
Leasing	6,424	7,018	593	(9.2%)	<ul style="list-style-type: none"> <li>• Increases in depreciation, management commissions, fixed property tax, etc.</li> </ul>
Facility Management	298	150	△ 148	(△49.6%)	<ul style="list-style-type: none"> <li>• Decrease in costs for business because of suspend or reduce hours of business as above.</li> </ul>
Other Businesses	96	62	△ 34	(△35.7%)	
Adjustment	△ 846	△ 827	19	–	

(Millions of yen)

	As of Mar-31, 2020	As of Sep-30, 2020	Difference	Key points
Current assets	21,035	26,173	5,137	
Non-current assets	362,390	362,055	△ 334	<ul style="list-style-type: none"> <li>• Increase in cash and deposits</li> <li>• Increase in investment securities due to market valuation</li> <li>• Depreciation, etc.</li> </ul>
<b>Total assets</b>	<b>383,426</b>	<b>388,228</b>	<b>4,802</b>	
Current liabilities	31,669	28,749	△ 2,920	
Non-current liabilities	193,928	197,480	3,551	<ul style="list-style-type: none"> <li>• Increase in interest-bearing debts (Balance as of Sep-30,2020 ¥170,781 million) (Balance as of Mar-31,2020 ¥169,732 million), etc.</li> </ul>
<b>Total liabilities</b>	<b>225,598</b>	<b>226,229</b>	<b>630</b>	
<b>Total net assets</b>	<b>157,827</b>	<b>161,999</b>	<b>4,171</b>	<ul style="list-style-type: none"> <li>• Retained earnings + ¥3,419 million</li> <li>• Valuation difference on available-for sale securities + ¥2,274 million</li> <li>• Share repurchase △¥1,391 million, etc.</li> </ul>
<b>Total liabilities and net assets</b>	<b>383,426</b>	<b>388,228</b>	<b>4,802</b>	

(Millions of yen)

	Results Q1+2/19	Results Q1+2/20	Difference	Key points
Cash flows from operating activities	7,103	7,410	307	
Cash flows from investing activities	△ 8,706	792	9,498	< Q1+2/Fiscal 2020 > ・ Gain on sales of investment securities, etc. < Q1+2/Fiscal 2019 > ・ Payments for acquisition of property and equipment, etc.
Cash flows from financing activities	6,645	△ 1,865	△ 8,511	
Net increase (decrease) in cash and cash equivalents	5,036	6,347	1,310	
Cash and cash equivalents at beginning of period	15,403	16,336	933	
Cash and cash equivalents at end of period	20,439	22,683	2,244	

- Operating revenue and profit are expected to decrease compared to previous fiscal year, reflecting the current assumptions regarding the impact from the spread of COVID-19. There has been no revisions to the forecasts of consolidated financial results (aggregated operating revenue and operating profit) for fiscal 2020 announced on April 30, 2020.
- The Group acquired the shares of Nowatec Co., Ltd. (Headquarter: Fukaya city, Saitama prefecture / Main business: equipment work and maintenance) in August 2020 and these forecasts incorporate revenue and expense of this company.

(Millions of yen)

	Fiscal 2019	Fiscal 2020 (forecast)	Difference	Fiscal 2020 Plan
Operating Revenue	42,817	42,500	△ 317 (△0.7%)	43,000
Operating Profit	11,561	10,500	△ 1,061 (△9.2%)	11,000
Ordinary Profit	10,858	10,000	△ 858 (△7.9%)	—
Profit attributable to owners of the Parent	7,932	7,000	△ 932 (△11.8%)	7,000

# Forecasts for Fiscal 2020 – By Segment –

➤ Although the impact from the spread of COVID-19 has already been incorporated in the forecasts for Fiscal 2020 announced at beginning of the period (April 30, 2020), reflecting the trends in 1Q+2Q fiscal 2020, the Group revised the forecasts by each segment as below.

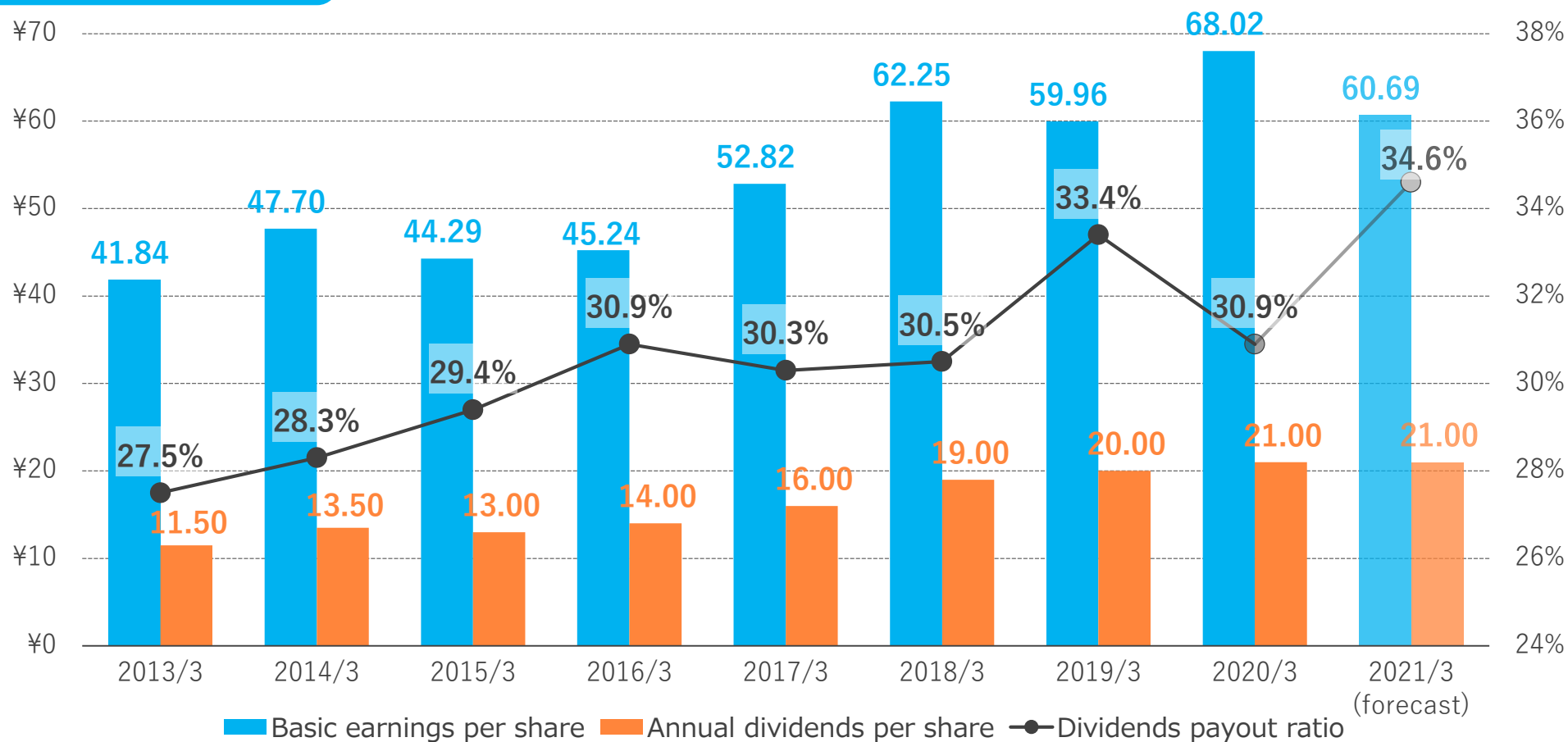
(Millions of yen)

	Fiscal 2020 forecasted at Apr.30, 2020	Fiscal 2020 forecasted at Oct.30, 2020	Difference	Key points	Fiscal 2019 Results
<b>Operating Revenue</b>	<b>42,500</b>	<b>42,500</b>	<b>0 (0.0%)</b>	No revisions	<b>42,817</b>
Leasing	33,000	33,500	500 (1.5%)	• Upward revision from the forecasts as of beginning of the period which incorporate the impact from the spread of COVID-19, reflecting generally limited impact on the office building market in 1Q+2Q fiscal 2020	32,947
Facility Management	11,500	11,000	△ 500 (△4.3%)	• Decrease of operating revenue and profit as some properties suspended in response to the spread of COVID-19 • Contributions to income from Nowatec Co., Ltd., etc.	11,547
Other Businesses	500	500	0 (0.0%)		842
Adjustment	△ 2,500	△ 2,500	0 –		△ 2,519
<b>Operating Profit</b>	<b>10,500</b>	<b>10,500</b>	<b>0 (0.0%)</b>	No revisions	<b>11,561</b>
Leasing	12,000	12,300	300 (2.5%)		12,629
Facility Management	400	200	△ 200 (△50.0%)		531
Other Businesses	100	100	0 (0.0%)		186
Adjustment	△ 2,000	△ 2,100	△ 100 –		△ 1,786



- **Dividend Policy:** Stable dividends with a target dividends payout ratio of 30-35%
- **Annual dividend:** Fiscal 2019-¥21.0, Fiscal 2020-¥21.0(forecast)
- **Dividend payout ratio:** Fiscal 2019-30.9%, Fiscal 2020-34.6%(forecast)

## Dividend trends



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

## Outline

Resolution at the board of directors meeting held on April 30, 2020

- Type of shares subject to repurchase: Common shares
- Total number of shares to be repurchased: 2,000,000 shares (upper limit)\*

\*1.71% of the total number of issued shares (excluding treasury shares)  
(Reference) Status of treasury shares held as of March 31, 2020  
Total number of issued shares (excluding treasury shares): 116,626,274 shares  
Number of treasury shares: 224,775 shares

- Total amount of repurchase price: ¥2.5 billion (upper limit)
- Period of repurchase: May 7, 2020 to December 30, 2020
- Method of repurchase: Market purchase on the Tokyo Stock Exchange

## Status

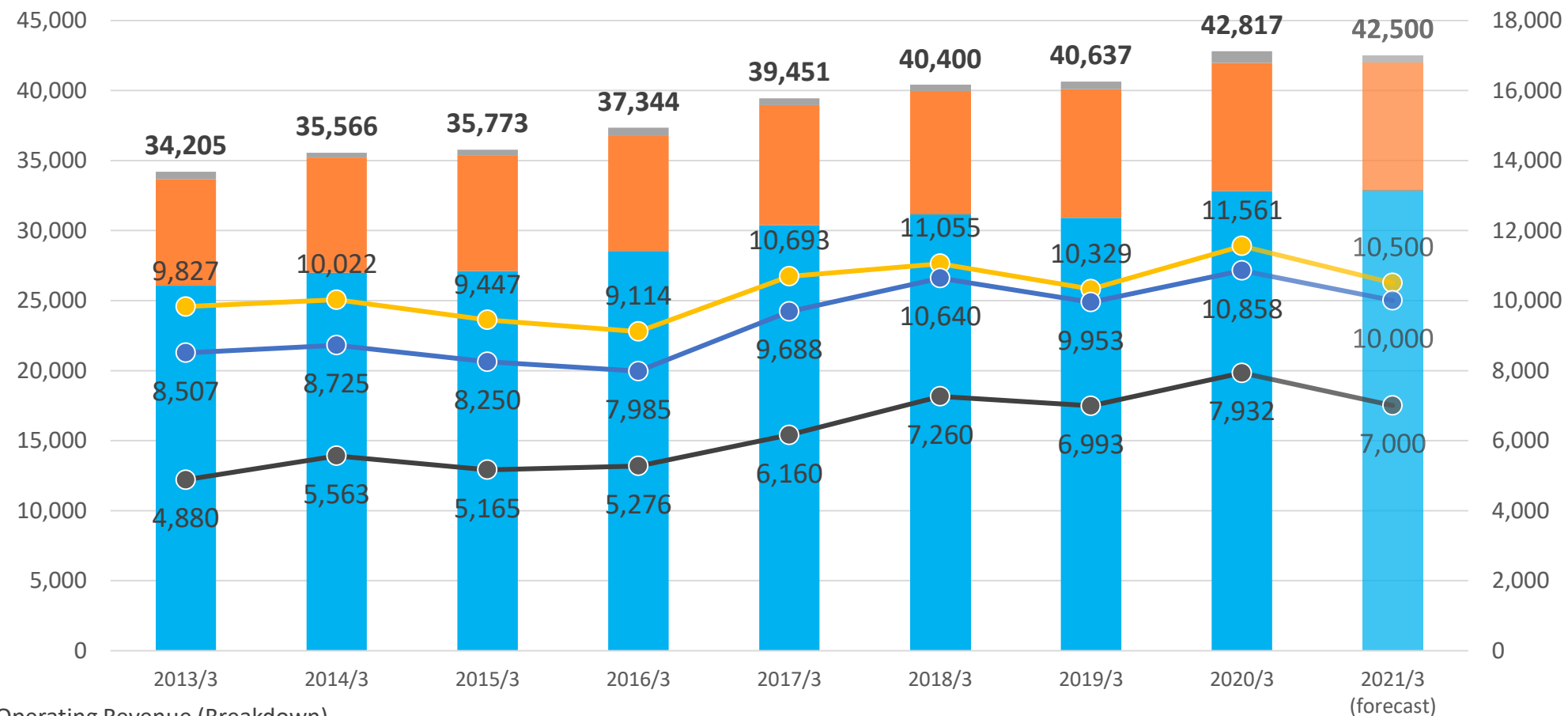
The total number of shares repurchased and total amount of repurchase price accumulated after the date of resolution above (as of September 30, 2020)

- (1) Total number of shares repurchased: 1,320 thousand shares
- (2) Total amount of repurchase price accumulated: ¥1,391 million

## Operating revenue/Operating profit/Ordinary profit/Profit attributable to owners of the parent

(Millions of yen)

(Millions of yen)



Operating Revenue (Breakdown)

[ Leasing

Facility Management

Other Businesses ]

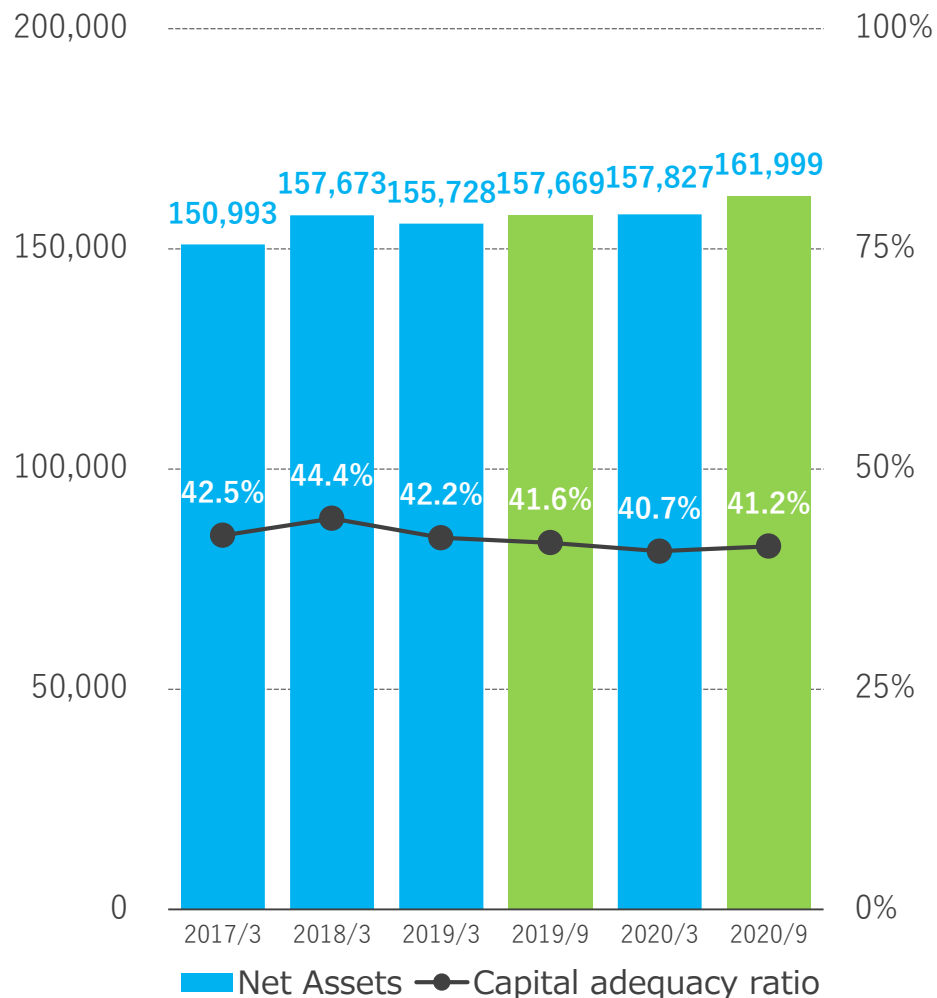
Operating Profit

Ordinary Profit

Profit attributable to owners of parent

## Net Assets/Capital adequacy ratio

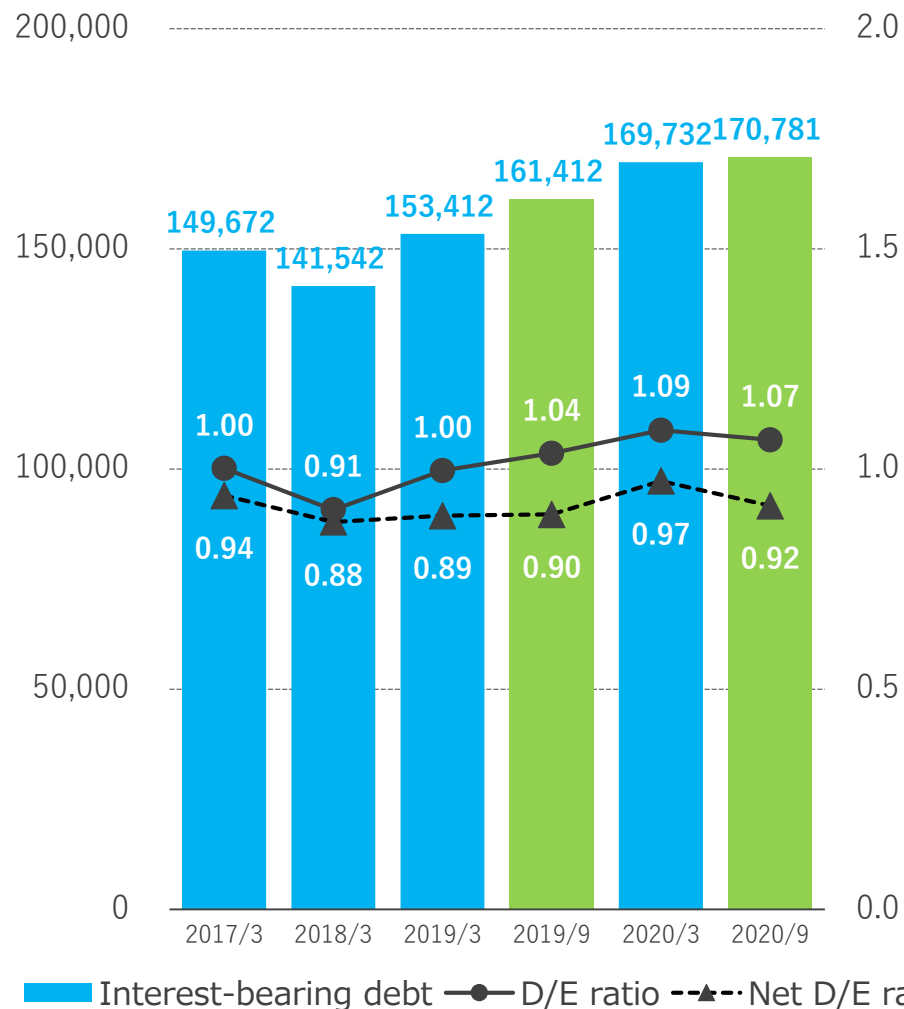
(Millions of yen)



(Note) Capital adequacy ratio=Equity/Total assets

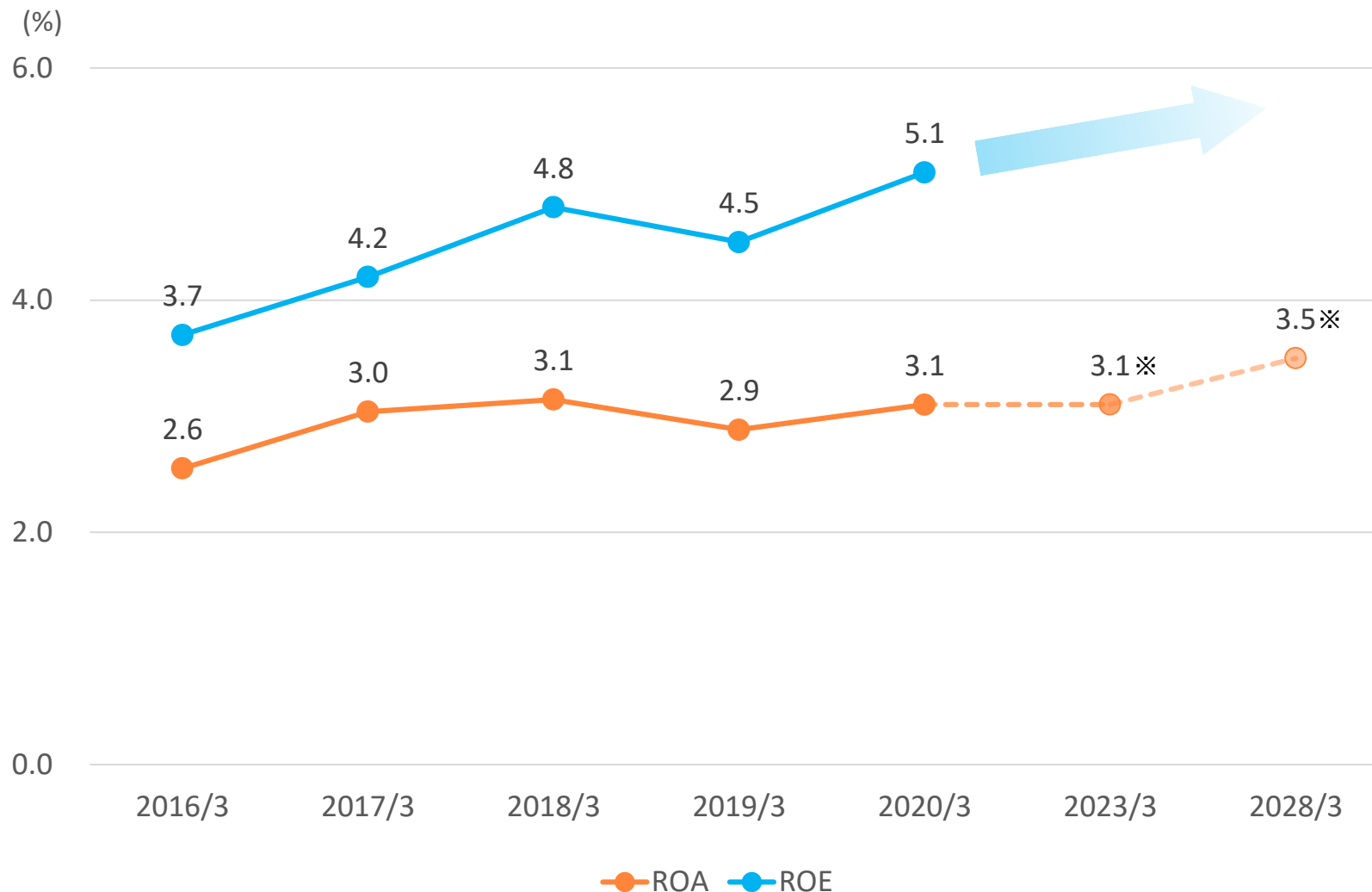
## Interest-bearing debt/D/E ratio

(Millions of yen)



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

## ROA / ROE

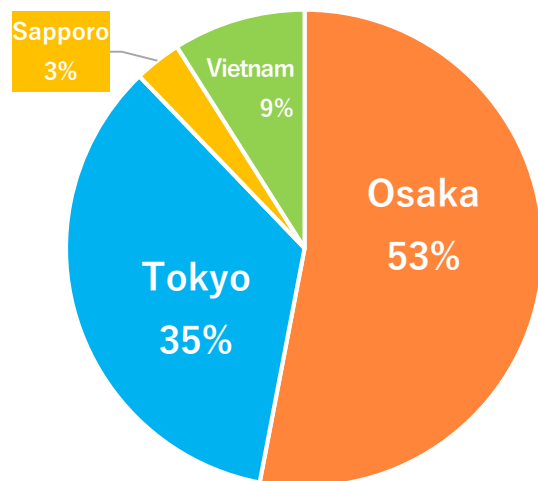


(Note) ROA = Operating profit/total assets (average of the beginning and end of the term)

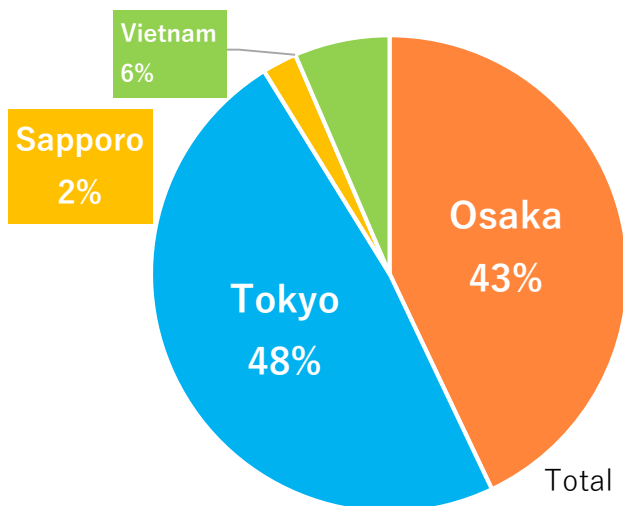
ROE = Profit attributable to owners of parent/shareholders' equity (average of the beginning and end of the term)

\*The figures for fiscal years 2022 and 2027 are ideal figures made at the time of formulating the medium-term management plan.

## Gross floor area ratio



## Revenue ratio (Leasing)



Total revenue Q1+2/20 ¥17.0 billion

(Note) Before the elimination of intersegment amounts

	Number of properties	Gross floor area
<b>Office buildings and Commercial Buildings</b>	<b>32</b>	<b>700,208m<sup>2</sup> (211,813<sub>tsubo</sub>)</b>
Osaka area	12	378,879m <sup>2</sup> (114,611 <sub>tsubo</sub> )
Tokyo area	15	231,254m <sup>2</sup> (69,954 <sub>tsubo</sub> )
Sapporo area	3	23,595m <sup>2</sup> (7,137 <sub>tsubo</sub> )
Vietnam	2	66,480m <sup>2</sup> (20,110 <sub>tsubo</sub> )
<b>Residences</b>	<b>15</b>	<b>39,335m<sup>2</sup> (11,899<sub>tsubo</sub>)</b>
Osaka area	2	13,184m <sup>2</sup> (3,988 <sub>tsubo</sub> )
Tokyo area	13	26,151m <sup>2</sup> (7,911 <sub>tsubo</sub> )
<b>Total</b>	<b>47</b>	<b>739,543m<sup>2</sup> (223,712<sub>tsubo</sub>)</b>

(Note) Properties in operation as of September 30, 2020.  
As to the co-owned properties, our share is stated.



# References -List of the Properties (Osaka)-

**Daibiru-Honkan Building**



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

**Nakanoshima Daibiru Building**



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

**Shin-Daibiru Building**



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

**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

**Dojima Daibiru Building (ANA Crowne Plaza Osaka)**



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



## Hibiya Daibiru Building



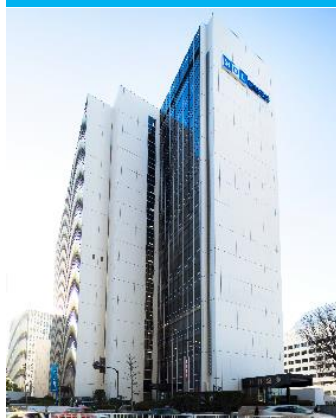
Gross floor area: 29,961m<sup>2</sup>  
 Size:21 floors above ground,  
 3 floors below ground  
 Completion: Oct. 1989

## Akihabara Daibiru Building



Gross floor area: 50,290m<sup>2</sup>  
 Size:31 floors above ground,  
 2 floors below ground  
 Completion: Mar. 2005

## Shosen Mitsui Building (Toranomom Daibiru Building)



Gross floor area: 34,655m<sup>2</sup>  
 Size:16 floors above ground,  
 3 floors below ground  
 Completion: Nov. 1979

## Yaesu Daibiru Building



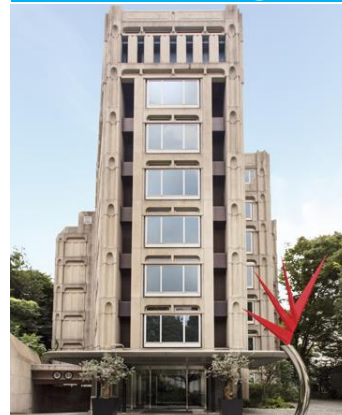
Gross floor area: 26,723m<sup>2</sup>  
 Size:9 floors above ground,  
 5 floors below ground  
 Completion: Jun. 1968

## Aoyama Rise Square



Gross floor area: 25,011m<sup>2</sup>  
 \*Including portions owned by co-owners  
 Size:16 floors above ground,  
 2 floors below ground  
 Completion: Apr. 2003

## Kojimachi Daibiru Building



Gross floor area: 11,610m<sup>2</sup>  
 Size:7 floors above ground,  
 2 floors below ground  
 Completion: Sep. 1976

## Shiba Daibiru Building



Gross floor area: 10,833m<sup>2</sup>  
 Size:10 floors above ground,  
 1 floor below ground  
 Completion: Jun. 1989

## Uchisaiwaicho Daibiru Building



Gross floor area: 10,122m<sup>2</sup>  
 \*Including portions owned by co-owners  
 Size:9 floors above ground,  
 2 floors below ground  
 Completion: Jan. 1983



**Mita Nitto  
Daibiru Building**



Gross floor area: 10,008m<sup>2</sup>  
 \*Including portions owned by co-owners  
 Size: 8 floors above ground,  
 1 floor below ground  
 Completion: Sep. 1986

**Estate Shiba  
Building**



Gross floor area: 499m<sup>2</sup>  
 Size: 5 floors above ground  
 Completion: Dec. 1987

**Seavans South**



Gross floor area: 74,222m<sup>2</sup>  
 \*Including portions owned by co-owners  
 Size: 24 floors above ground,  
 2 floors below ground  
 Completion: Jan. 1991

**Shinjuku Daibiru  
Building (Shinjuku ALTA)**



Gross floor area: 11,255m<sup>2</sup>  
 Size: 8 floors above ground,  
 3 floors below ground  
 Completion: Apr. 1980

**BiTO AKIBA**



Gross floor area: 4,948m<sup>2</sup>  
 Size: 11 floors above ground,  
 2 floors below ground  
 Completion: Jul. 2019

**BiTO AKIBA PLAZA**



Gross floor area: 3,201m<sup>2</sup>  
 Size: 9 floors above ground,  
 1 floor below ground  
 Completion: Mar. 2005

**Nihonbashi  
3-Chome Building**



Gross floor area: 2,305m<sup>2</sup>  
 Size: 7 floors above ground,  
 2 floor below ground  
 Completion: Mar. 1989

## Osaka area



## Tokyo area





## DAIBIRU PIVOT



Gross floor area: 20,814m<sup>2</sup>  
 Size: 9 floors above ground, 3 floors below ground  
 Completion: Aug. 1969

## DAIBIRU PIVOT WEST



Gross floor area: 214m<sup>2</sup>  
 Size: 3 floors above ground  
 Completion: Dec. 1985

## DAIBIRU PIVOT SOUTH



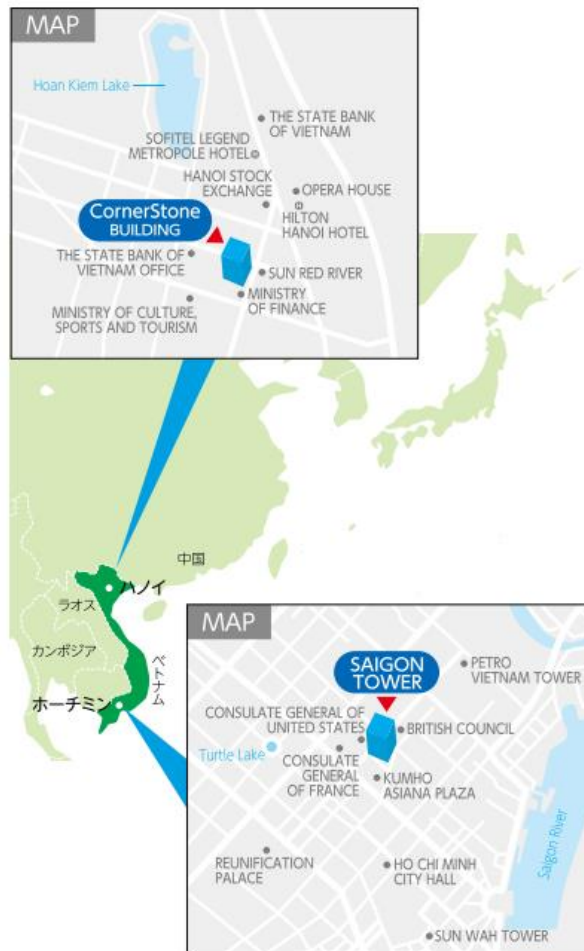
Gross floor area: 2,567m<sup>2</sup>  
 Size: 7 floors above ground, 2 floors below ground  
 Completion: Aug. 1969



## CornerStone Building



Gross floor area: 48,494m<sup>2</sup>  
 Size:14 floors above ground,  
 3 floors below ground  
 Completion: Jun. 2013



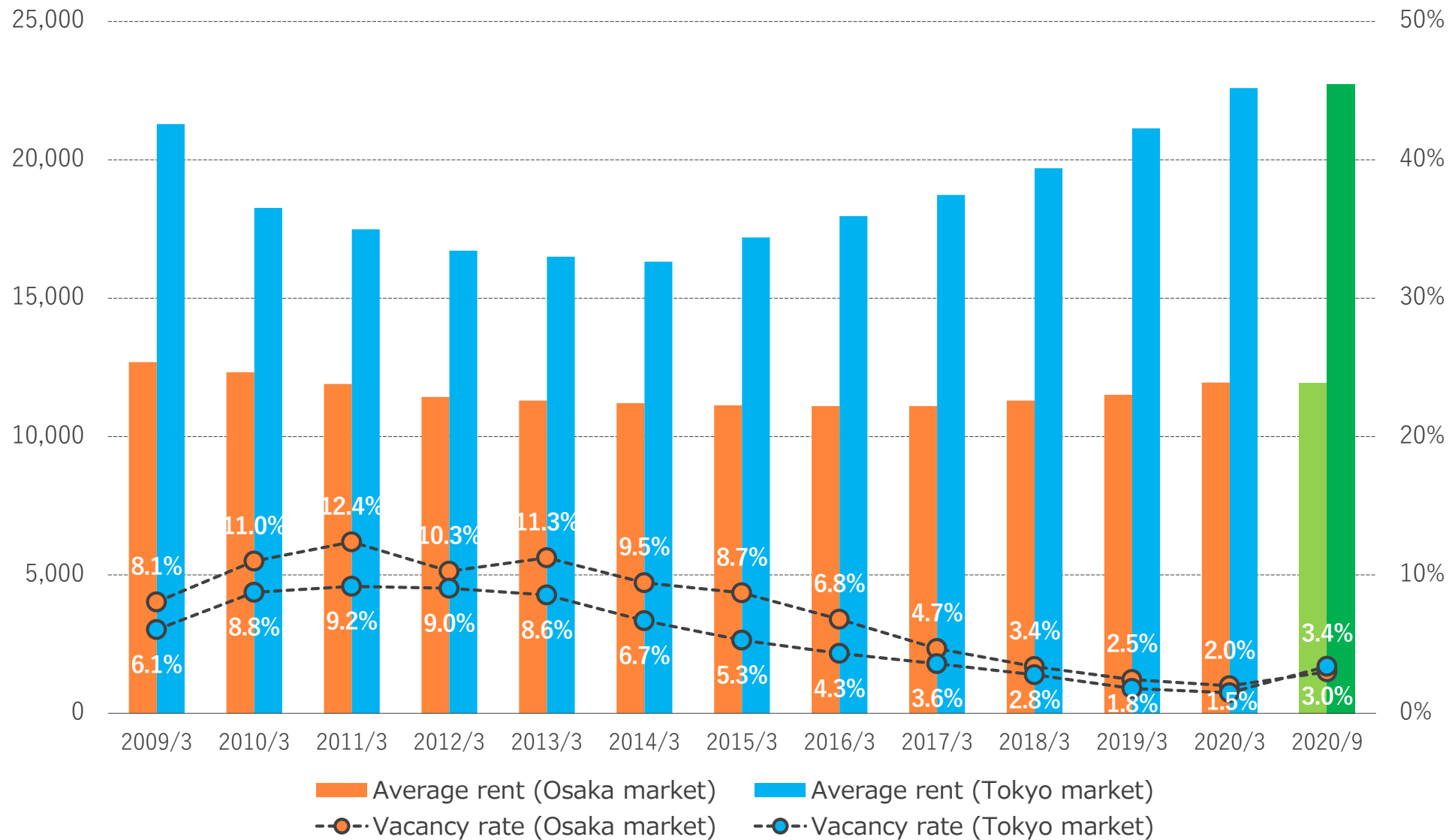
## Saigon Tower



Gross floor area: 17,986m<sup>2</sup>  
 Size:18 floors above ground,  
 2 floors below ground  
 Completion: Dec. 1996

# References -Vacancy Rates · Average Rents (Market)-

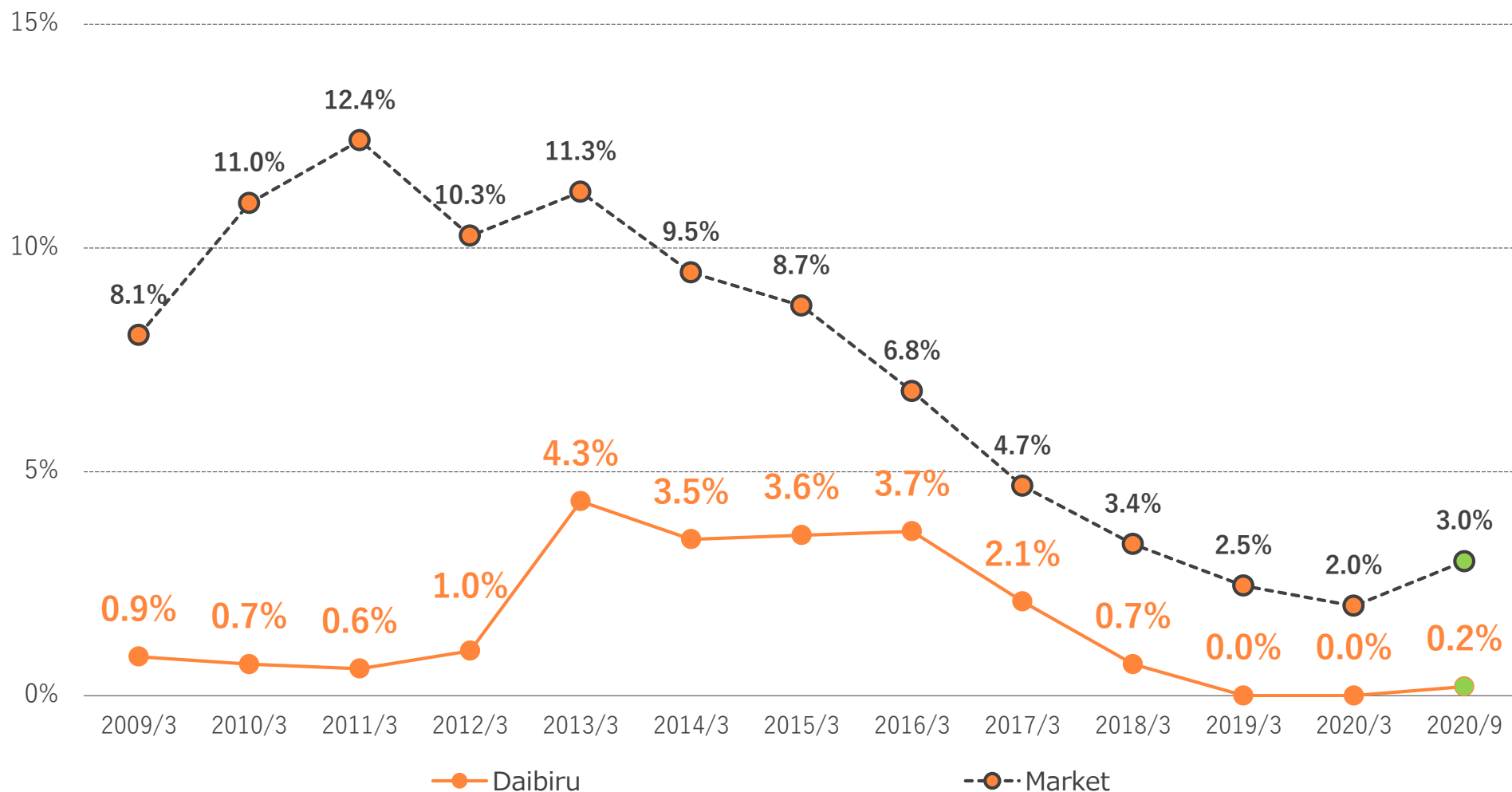
(yen/tsubo)



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



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



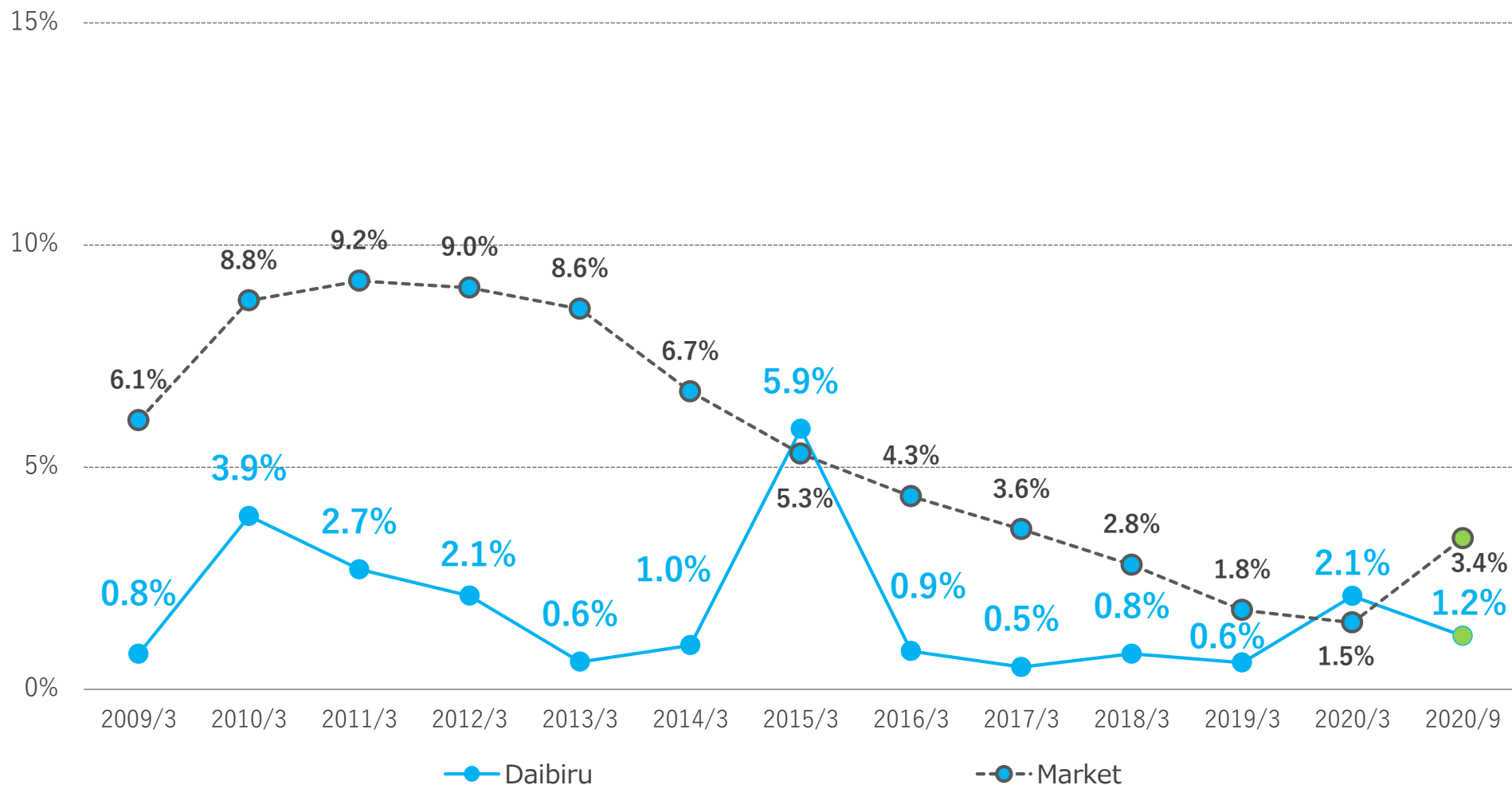
	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2020/9
Vacancy rates for the whole Company	0.8%	2.1%	1.6%	1.5%	2.8%	2.4%	4.4%	2.6%	1.5%	0.7%	0.2%	0.8%	0.6%

(Note) From 2019/3, Daibiru vacancy rates are calculated excluding two buildings

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

(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)-

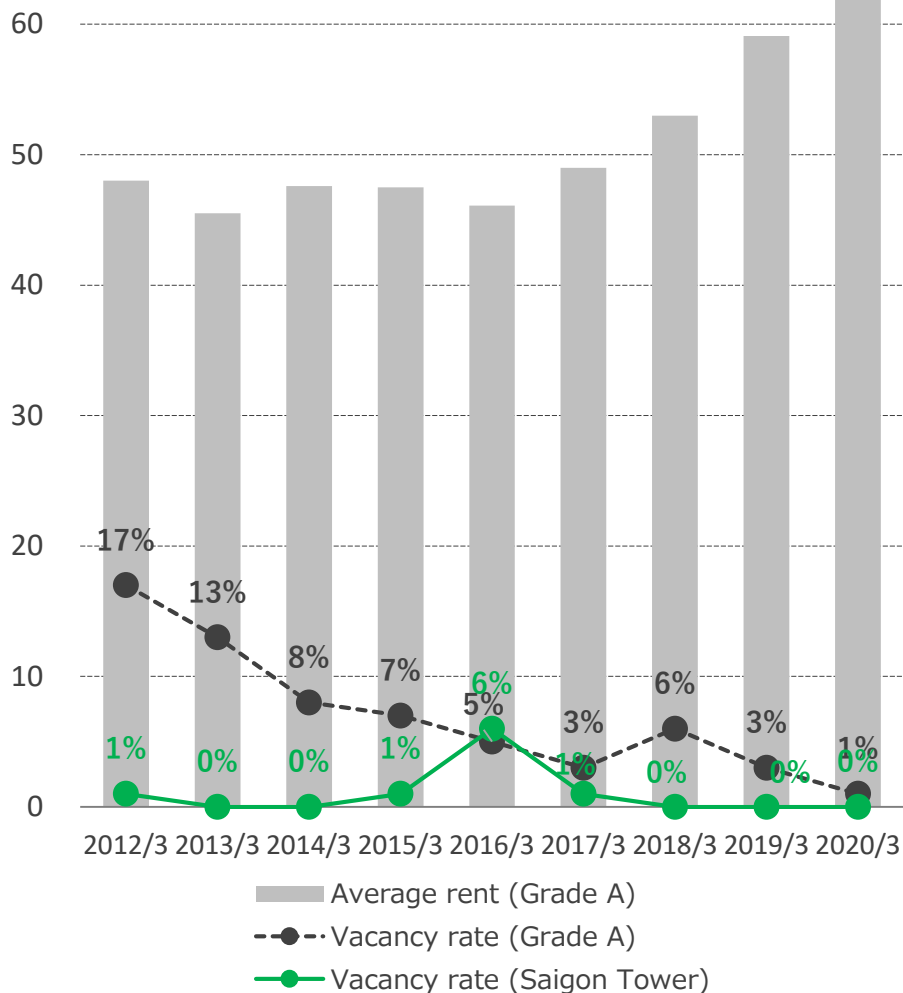


	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2020/9
Vacancy rates for the whole Company	0.8%	2.1%	1.6%	1.5%	2.8%	2.4%	4.4%	2.6%	1.5%	0.7%	0.2%	0.8%	0.6%

(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

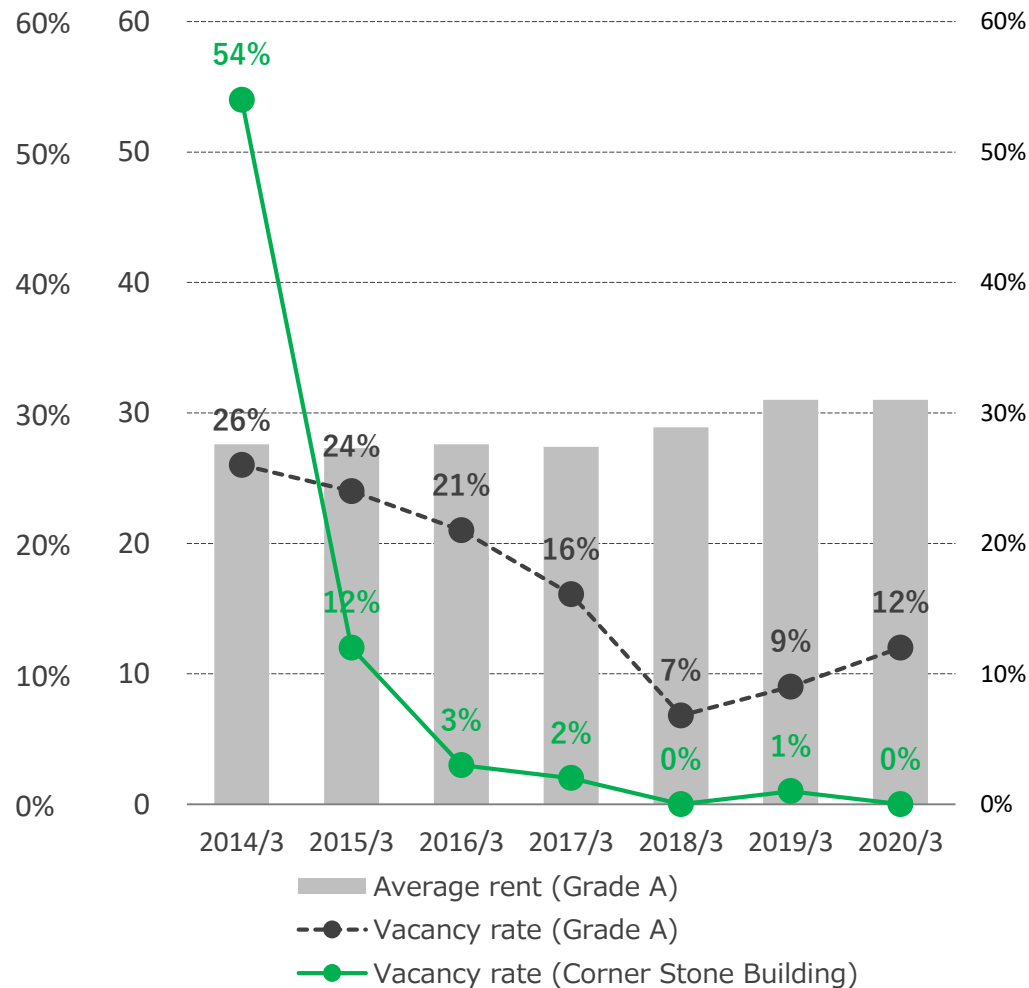
## Ho Chi Minh

(US\$/m<sup>2</sup>/month)



## Hanoi

(US\$/m<sup>2</sup>/month)





## Contact Information

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<Note>

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