



The Daibiru Group Briefing Session Material for Fiscal 2014

May 18, 2015 DAIBIRU CORPORATION

President Executive Officer Takehiko Yamamoto

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<Note>

Information in this document, including opinions, forecasts, and projections, were prepared based on the Company's own analyses at the time of compilation of this document.

We do not guarantee their accuracy. Please bear in mind that future business performance may differ from the information in this document due to a variety of factors including market conditions.



I. Operating Results for Fiscal 2014

Operating Results for Fiscal 2014 - Highlight DAIBIRU CORPORATION

	Fiscal 2013	Fiscal 2014	Difference		Key points
Revenue	(Millions of yen) 35,566	(Millions of yen) $35,773$	(Millions of yen)	0.6	An increase in revenue through improvements in the occupancy rate of the Daibiru-Honkan Building, etc.
Operating income	10,022	9,447	(574)	(5.7)	Recording of taxes on the acquisition of real estate of the Shin-Daibiru Building and the land adjacent to the Akihabara Daibiru Building, etc.
Ordinary income	8,725	8,250	(474)	(5.4)	
Net income	5,563	5,165	(398)	(7.2)	<fiscal 2014=""> Extraordinary income ¥1,563 milliom Gain on sales of investment securities ¥63 million Penalty income ¥1,500 million Extraordinary loss ¥1,640 million Loss on building reconstruction ¥1,588 million Loss on disposal of fixed assets ¥32 million Other ¥19 million Fiscal 2013> Extraordinary income ¥167 million Gain on sales of fixed assets (MOL Kosan Building) Extraordinary loss ¥70 million Loss on disposal of fixed assets ¥65 million Loss on building reconstruction ¥5 million </fiscal>

Recorded record-high revenue in Fiscal 2014

Operating Results for Fiscal 2014 -By Segment- Operating Results for Fiscal 2014 -By Segment-



	Fiscal 2013	Fiscal 2014	Difference		Key points
Revenue	(Millions of yen) 35,566	(Millions of yen) 35,773	(Millions of yen) 206	0.6	
Leasing	27,096	27,215	119	0.4	 An improvements in the occupancy rate of the Daibiru-Honkan Building, Full-year contributions from the Aria Ebisu Minami, etc.
Facility Management	10,207	10,210	3	0.0	
Other Businesses	342	427	84	24.6	An increase in construction subcontracting values, etc.
Adjustment	(2,079)	(2,080)	(1)	I	
Operating income	10,022	9,447	(574)	(5.7)	
Leasing	10,502	9,893	(609)	(5.8)	Recording of taxes on the acquisition of real estate of the Shin-Daibiru Building and the land adjacent to the Akihabara Daibiru Building, etc.
Facility Management	649	644	(4)	(0.6)	
Other Businesses	154	166	11	7.1	
Adjustment	(1,284)	(1,256)	28	_	

Operating Results for Fiscal 2014 -Balance Sheets- DAIBIRU CORPORATION

	Fiscal 2013	Fiscal 2014	Difference	Key points
Noncurrent assets	(Millions of yen) 310,592	(Millions of yen) 351,917	(Millions of yen) 41,324	An increase from the completion of the Shin-Daibiru Building An increase from acquisition of land adjacent to the
Current assets	10,661	10,785	123	Akihabara Daibiru Building An increase from acquisition of the CornerStone Building
Total assets	321,254	362,702	41,448	 An increase in investment securities due to recovery of share prices, etc.
Long-term liabilities	1 15.3 946 1 189 846		35,900	
Current liabilities	34,165	30,711	(3,454)	An Increase in interest-bearing debt (Balance at the end of Fiscal 2013: ¥138,557 million) (Balance at the end of Fiscal 2014: ¥158,468 million), etc.
Total liabilities	188,112	220,558	32,446	
Capital	12,227	12,227	1	 Retained earnings +¥3,591 million Net unrealized holding gains on securities
Total net assets	133,141	142,144	9,002	+¥2,846 million • Foreign currency translation adjustment +¥1,525 million, etc.
Total liabilities and net assets	321,254	362,702	41,448	

Unrealized gain of ¥124,645 million in owned properties at the time of disclosure of the market prices of leasing properties. Net assets per share based on market price taking into consideration of unrealized gain after tax were ¥1,922. (Net assets per share based on book value were ¥1,207.)

Operating Results for Fiscal 2014 - Cash Flows-



	Fiscal 2013	Fiscal 2014	Difference	Key points
Net cash provided by (used in) operating activities	(Millions of yen) 12,960	(Millions of yen) 11,487	(Millions of yen) (1,473)	
Net cash provided by (used in) investing activities	(8,098)	(26,269)	(18,170)	<fiscal 2014=""> Construction of the Shin-Daibiru Building Acquisition of land adjacent to the Akihabara Daibiru Building Purchase of investments in a subsidiary in Vietnam, etc. </fiscal>
Net cash provided by (used in) financing activities	(1,532)	14,286	15,818	<fiscal 2014=""> Proceeds from long-term debt, etc.</fiscal>
Net increase (decrease) in cash and cash equivalents	3,348	(432)	(3,781)	
Cash and cash equivalents at beginning of year	4,474	7,832	3,358	
Cash and cash equivalents at end of year	7,832	7,399	(432)	



II. Forecasts for Fiscal 2015

Forecasts for Fiscal 2015 - Highlight



	Fiscal 2014	Fiscal 2015	Difference		Key points
Revenue	(Millions of yen) 35,773	(Millions of yen) 37,500	(Millions of yen)	4.8	Revenue contributions from the Shin- Daibiru Building Revenue contributions from the CornerStone Building, etc.
Operating income	9,447	8,700	(747)	(7.9)	An increase in depreciation on the Shin- Daibiru Building, etc.
Ordinary income	8,250	7,500	(750)	(9.1)	
Net income*	5,165	5,000	(165)	(3.2)	

^{*}Fiscal 2015...Net income attributable to owners of the parent

Forecasts for Fiscal 2015 -By Segment-



	Fiscal 2014	Fiscal 2015	Difference		Key points
Revenue	(Millions of yen) 35,773	(Millions of yen 37,500	(Millions of yen) 1,727	4.8	
Leasing	27,215	28,700	1,485	5.5	Revenue contributions from the Shin-Daibiru Building and the CornerStone Building, etc.
Facility Management	10,210	10,400	190	1.9	
Other Businesses	427	600	173	40.5	An increase in construction subcontracting values, etc.
Adjustment	(2,080)	(2,200)	(120)	_	
Operating income	9,447	8,700	(747)	(7.9)	
Leasing	9,893	9,100	(793)	(8.0)	An increase in depreciation on the Shin-Daibiru Building, etc.
Facility Management	644	700	56	8.7	
Other Businesses	166	200	34	20.5	
Adjustment	(1,256)	(1,300)	(44)	_	

Dividends





	Annual dividends per share	Net income per share	Dividends payout ratio
Fiscal 2011	¥11.00	¥40.64	27.1%
Fiscal 2012	¥11.50	¥41.84	27.5%
Fiscal 2013	¥13.50*	¥47.70	28.3%
Fiscal 2014	¥13.00	¥44.29	29.4%
Fiscal 2015 (forecast)	¥14.00	¥42.87	32.7%

^{*}Includes commemorative dividend of ¥1.50.

<Future dividend policy>
Stable dividends targeting a dividends payout ratio exceeding 30%



III. References

(1) Medium-term Management Plan ["Design 100" Project Phase-I]

"Daibiru Excellence"

towards

Sustainable, Innovative & Global Next 100 (Century)

<Overview and Major Progress>



Profit level progressed in general as planned.

(Previous fiscal year)

(Current fiscal year)

(Billions of yen)

	Fiscal	2013	Fiscal 2014		Fiscal 2015		Fiscal 2016	Fiscal	2017
	Plan	Result	Plan	Result	Plan	Forecast	Plan	Plan	Prospects
Revenue from operations	35.5	35.6	36.5	35.7	38.5	37.5	40.0	42.0	40.0
Operating income	9.9	10.0	9.2	9.4	9.7	8.7	11.0	13.0	11.0
Ordinary income	8.6	8.7	7.4	8.2	8.0	7.5	9.5	10.5	10.0
Net income	5.1	5.6	4.0	5.1	5.0	5.0	6.0	6.5	6.5
EBITDA	16.5	16.7	16.0	16.0	18.0	17.0	19.0	21.5	19.0
Operating cash flows	13.0	13.0	10.5	11.5	15.0	13.0	16.0	16.0	15.0
D/E Ratio	1.1 times	1.1 times	1.2 times	1.1 times	1.1 times	1.1 times	1.0 times	0.9 times	0.9 times

^{*}EBITDA: Ordinary income + Interest expense + Depreciation and amortization

^{*}Excludes the ¥40.0 billion investment for three Wards in the central district of Tokyo from the total planned investment of ¥100.0 billion.



> Investment plan: Progressing mostly as planned

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017		
	1 13041 2010	1 130ai 2014	1 130di 2013	1 13041 2010	1 13001 2017		
Investment (Initial Plan)	Investment: ¥60.0 billion Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion) Develop high quality office buildings in Vietnam (Total of ¥16.0 billion) Expand assets in senior residences (Total of ¥8.0 billion) Enhance competitiveness of existing buildings through renewal investment (5 buildings, ¥10.0 billion in scope) Investment in high quality assets centered around three Wards in the central district of Tokyo (¥40.0 billion in scope) Total of ¥100.0 billion						
Investment (Progress)	Amount already About ¥43.0 billi > Shin-Daibiru Building > CornerStone Building > Aria Ebisu Minami: \$ > Renewal: ¥4.2 billion Investments in assets in the Land adjacent to the Daibiru Building: A	on g: About ¥28.0 billion g: About ¥10.0 billion f1.3 billion n e central district of Tokyo ne Akihabara	Abo Amount o	planned investor out ¥20.0 billion of planned inves	tment :		

(1) Priority Investment Areas... ¥100.0 billion over five years DAIBIRU CORPORATION

"Design 100" Project Phase-I

Expansion of portfolio to strengthen business base

- [Domestic]➤Investment in high quality assets centered around three Wards in the central district of Tokyo (¥40.0 billion in scope)
 - Expand assets in senior residences (Total of ¥8.0 billion)
- [Overseas]➤Develop high quality office buildings in Vietnam (Total of ¥16.0 billion)

Enhancement of competitiveness of existing assets / Improvement of environmental quality / BCP aspect

- ➤ Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion)
- Enhance competitiveness of existing buildings through renewal investment (5 buildings, ¥10.0 billion in scope)

DAIBIRU CORPORATION

Expansion of portfolio to strengthen business base

➤Investment in high quality assets centered around three Wards in the central district of Tokyo (¥40.0 billion in scope)

Acquisition of land adjacent to the Akihabara Daibiru Building (About ¥7.0 billion)

- ·Near the vibrant, high-profile Akihabara Station
- Aiming to enhance the value of asset portfolio over the long-term

<Overview>

Location: 100 Sotokanda 1-chome, Chiyoda-ku, Tokyo

Acquired from: Tokyo Metropolitan Government

Lot area: 469.18m²

Acquisition date: March 2015



➤ Expand assets in senior residences (Total of ¥8.0 billion)

	Clara Saginuma	Granda Shakujii-koen	Aria Ebisu Minami
Acquisition date	December 2011	August 2012	February 2014
Completion	December 1991	June 2007	January 2001
Gross floor area	2,696m ²	2,319m ²	1,872m ²



Expansion of portfolio to strengthen business base

➤ Acquire and develop high quality office buildings in Vietnam (Total of ¥16.0 billion)

Acquisition of "CornerStone Building,"
Grade A office building in the capital Hanoi's CBD

Acquisition completion: December 31, 2014 Total investment amount: About ¥10.0 billion

<Building Overview>

Lot area: 4,942m²

Gross floor area: 48,494m²

Completion: June 2013

Size: 14 floors above ground, 3 floors below

ground, 1-floor penthouse

<Occupancy Status (as of March 31, 2015)

Total number of tenants: 35 companies

Occupancy rate: About 80%

Majority of tenants are foreign companies

(including Japanese companies)

Government-affiliated financial institutions, trading companies, non-life insurers, law offices, local banks, accounting firms, etc.



CBD=central business district

(1) Progress in Priority Investment Areas



Expansion of portfolio to strengthen business base

>Acquire and develop high quality office buildings in Vietnam (Total of ¥16.0 billion)

<CornerStone Building revenue>

During full occupancy: About ¥1.2 billion

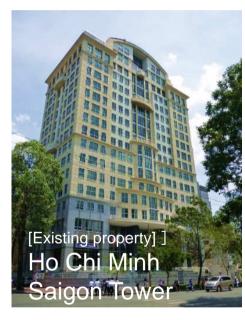






<Saigon Tower revenue>

During full occupancy: About ¥0.7 billion



<Building Overview>

Lot area: 1,930m²

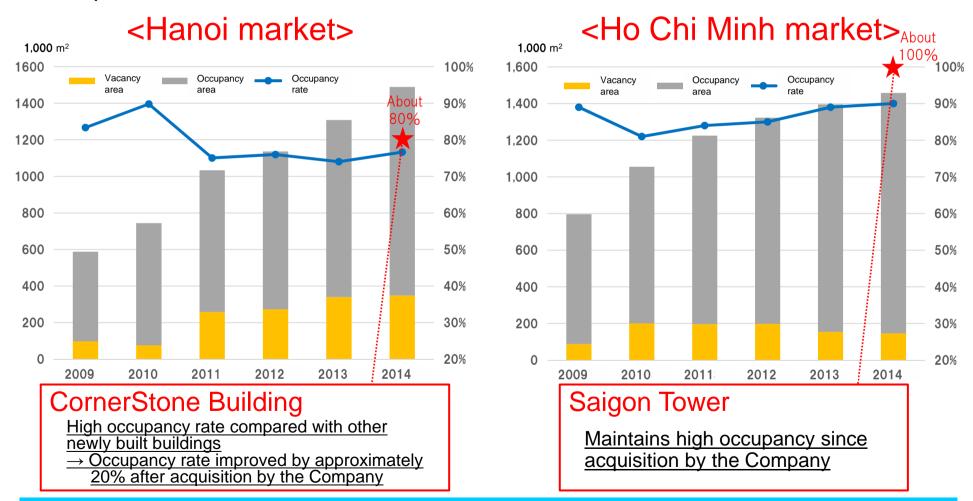
Gross floor area: 17,986m²
Completion: December 1996
Size: 18 floors above ground,
2 floors below ground



Expansion of portfolio to strengthen business base

➤ Acquire and develop high quality office buildings in Vietnam (Total of ¥16.0 billion)

Comparisons with Vietnamese market





Enhancement of competitiveness of existing assets / Improvement of environmental quality / BCP aspect

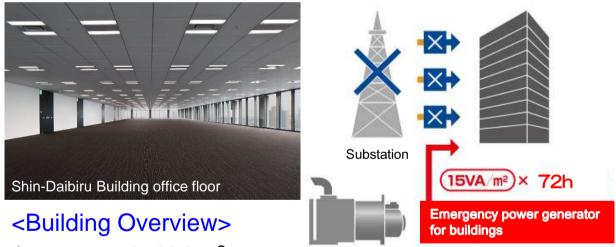
➤ Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion)

Construction of "Shin-Daibiru Building" completed in March 2015 with a tentative tenant occupancy rate of over 90%



Tenants include Hitachi, Ltd., Marubeni Corporation, and IT Holdings Corporation

High <u>BCP performance</u> with <u>emergency power generator</u>, etc.



Lot area: 8,426m²

Gross floor area: 77,388m²

Size: 31 floors above ground, 2 floors

below ground, 3-floor penthouse



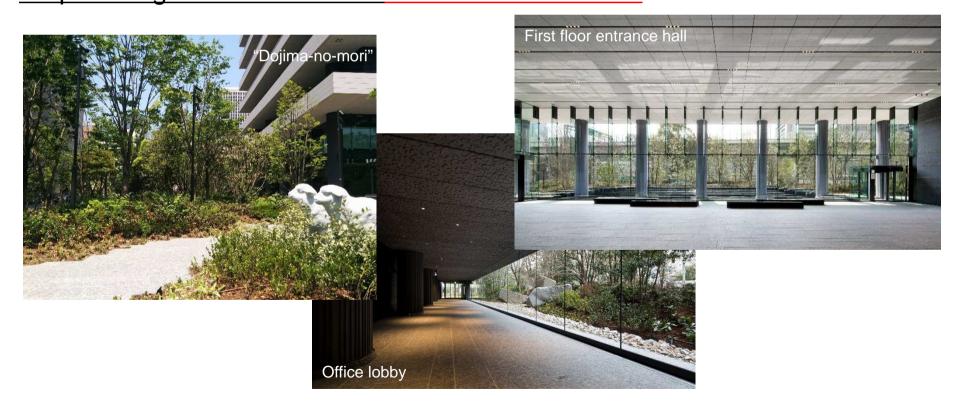
Enhancement of competitiveness of existing assets / Improvement of environmental quality / BCP aspect

➤ Complete reconstruction of the Shin-Daibiru Building (¥28.0 billion)

Acquired highest rank of "AAA" in JHEP Certification (first in West Japan)

Acquired highest rank of "2014 five star" in DBJ Green Building Certification

Acquired highest rank of "S" in CASBEE Osaka Mirai





➤ Enhance competitiveness of existing buildings through renewal investment (5 buildings, ¥10.0 billion in scope)

Renovations in Fiscal 2014

(Hibiya Daibiru and Mita Nitto Daibiru Buildings)

- ✓ Renovation and decoration of lavatory
- Renewal of power receiving and transforming equipment / emergency power generators
- ✓ Renewal of elevators
- ✓ Renewal of disaster prevention equipment
- ✓ Renewal of leased room equipment







"Design 100" Project Phase-I

Take office building service to the next level

Standardization and adherence to office building service quality control standards across the entire Group

Organizational measures concerning human resources development

- > Foster human resources to take charge of on-site building management
- Foster global human resources and core personnel for overseas operational hub

Increase brand recognition by implementing corporate branding strategy

Qualitative Performance Targets

(2) Measures to Support Competitiveness of Assets



Take office building service to the next level

Standardization and adherence to office building service quality control standards across the entire Group

Provide a <u>high-grade office building in both hard and soft aspects</u> through building management by the <u>Group as a whole</u>



Group Message



We will make collective efforts as a group to focus on creating

comfortable, safe and reassuring spaces and environments.



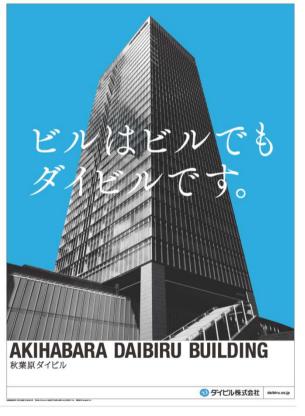




Increase brand recognition by implementing corporate branding strategy

Won the Division Excellence Award in the construction and real estate sector at the "63rd (2014) Nikkei Advertising Awards"









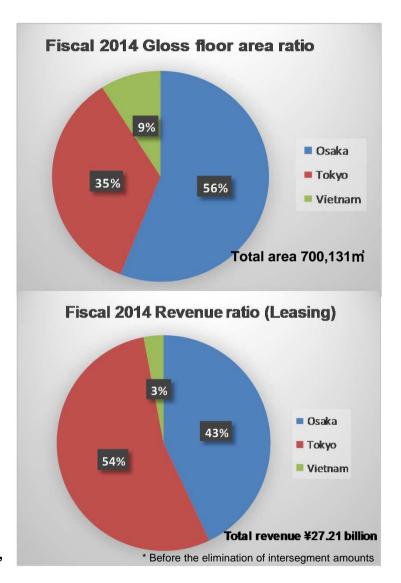
III. References(2) Commercial Property, Vacancy Rates, and Others

Commercial Property



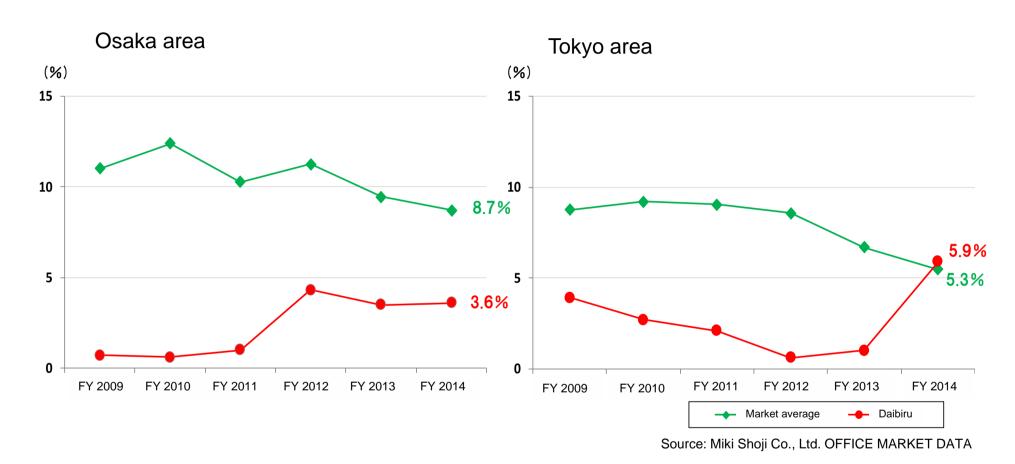
		Number of properties	Gross floor area
2.11	Osaka area	12	378,879 m²
Office buildings	Tokyo area	12	215,437 m [*]
Commercial buildings	Vietnam	2	66,480 _m *
	Subtotal	26	660,796 m²
	Osaka area	2	13,184 _m f
Residences	Tokyo area	13	26,151 _m ²
	Subtotal	15	39,335 m²
Tot	al	41	700,131 _m

^{*}Properties in operation as of May 18, 2015. As to the co-owned properties, our share is stated.



Vacancy Rates



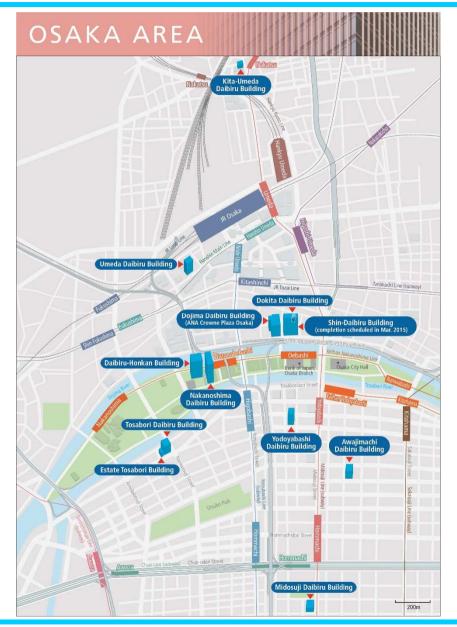


	Vacancy rates for the whole Company	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
		2.1%	1.6%	1.5%	2.8%	2.4%	4.4%

[Factors for increase in vacancy rate in Tokyo area] Impact from leaving of the tenant who leased the whole building of the Kojimachi Daibiru Building (about 5%)

Building Locations

DAIBIRU CORPORATION





List of Our Properties -Osaka-

DAIBIRU CORPORATION

Daibiru-Honkan Building



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

Midosuji Daibiru Building



Gross floor area:13,399m² Size: 8 floors above ground, 3 floors below ground Completion: Sep.1964

Nakanoshima Daibiru Building



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

Yodoyabashi Daibiru Building



Gross floor area: 11,273m² Size: 14 floors above ground, 2 floors below ground Completion: Feb.1997

Shin-Daibiru Building



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

Awajimachi Daibiru Building



Gross floor area: 10,344m² Size: 8 floors above ground, 1 floor below ground Completion: May 1986

Dojima Daibiru Building (ANA Crowne Plaza Osaka)



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

Dokita Daibiru Building



Gross floor area: 4,283m² Size: 7 floors above ground, 1 floor below ground Completion: Mar. 1986

Umeda Daibiru Building



Gross floor area: 42,363m² Size: 23 floors above ground, 3 floors below ground Completion: May 2000

Kita-Umeda Daibiru Building



Gross floor area: 4,185m² Size: 8 floors above ground, 1 floor below ground Completion: Jan. 1997

Tosabori Daibiru building



Gross floor area: 37,497m² Size: 17 floors above ground, 1 floor below ground Completion: Jul. 2009

Estate Tosabori Building



Gross floor area: 5,635m² Size: 5 floors above ground, 1 floor below ground Completion: Oct. 1997

List of Our Properties -Tokyo-

DAIBIRU CORPORATION

Hibiya Daibiru **Buildina**



Gross floor area: 29.961m² Size: 21 floors above ground, 3 floors below around Completion: Oct. 1989

Shinjuku Daibiru **Building** (Shinjuku ALTA)



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

Akihabara



Gross floor area: 50,290m2 Size: 31 floors above ground, 2 floors below ground Completion: Mar. 2005

Shiba Daibiru **Building**



Gross floor area: 10.833m2 Size: 10 floors above ground, 1 floor below ground Completion: Jun. 1989

Shosen Mitsui Buildina Daibiru Building (Toranomon Daibiru **Building**)



Gross floor area: 34.655m2 Size: 16 floors above ground, 3 floors below ground Completion: Nov. 1979

Uchisaiwaicho Daibiru **Building**



Gross floor area: 10.122m² Size: 9 floors above ground, 2 floors below around Completion: Jan. 1983

Yaesu Daibiru **Building**



Gross floor area: 26.723m2 Size: 9 floors above ground, 5 floors below ground Completion: Jun. 1968

Mita Nitto Daibiru Building



Gross floor area: 10.008m² Size: 8 floors above ground, 1 floor below ground Completion: Sep. 1986

Aoyama Rise Square



Gross floor area: 25.011m2 Size: 16 floors above ground, 2 floors below ground Completion: Apr. 2003

Akihabara Daibiru **Ekimae Plaza Building**



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

Kojimachi **Daibiru Building**



Gross floor area: 11,610m² Size: 7 floors above ground. 2 floors below around Completion: Sep. 1976

Estate Shiba Building



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

Management Policy

Constructing buildings, creating towns — pioneering the new era

Mission Statement

- 1. Provide office spaces and environments that can win the trust and attachment of customers.
- 2. Increase enterprise value together with our tenants.
- 3. Create beautiful cityscapes and stylish spaces.

Environmental Policy of the Group



As part of our social obligation to contribute towards the sustainable development of society, the Daibiru Group is proactive in reducing the environmental impact of its activities and seeks to create cityscapes that harmonize with the natural landscape. Furthermore, the Daibiru Group works with all its stakeholders, including customers, local communities, and business partners, to ensure that its activities compliment and harmonize with the natural environment.

1. Coexisting With the Natural Environment

Strive to minimize the environmental impact at every business stage—from planning to design, construction, operation, and demolition—with the aim of creating natural and environmentally friendly urban environments.

2. Contribute to Global Warming Countermeasures and the Creation of a Recycling-based Society Work to prevent global warming by conserving resources and energy and utilizing renewable energy in order to curb the generation of greenhouse gases, and contribute to the development of a recycling based society by reducing waste and reusing/recycling resources.

3. Establish Frameworks for Environmental Conservation

Set goals and guidelines and establish frameworks for environmental conservation.

4. Improve Awareness of Environmental Conservation

Through environmental education and awareness activities, strive to enhance Group employees' awareness of environmental conservation.

5. Cooperate With Stakeholders

Work closely with our stakeholders, including customers, local communities and business partners, to promote coexistence with the natural environment.

6. Comply With Environmental Laws and Regulations

Comply with environmental laws and regulations to ensure our activities harmonize with the natural environment.