

# Financial Highlights

## FY2022 Second Quarter (First Six Months)

### Ended September-30, 2022

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**The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. Actual performance may significantly differ from these forecasts due to various factors in the future.**

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# Summary of the Financial Results for FY2022 Second Quarter, and Forecast for FY2022

# Highlights

Topics	Contents
Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023	<p><b>Operating profit: 45.9 billion yen</b> (+12.4 billion yen YoY) <b>Net income* 26.9 billion yen</b> (+12.6 billion yen YoY)</p> <p>Both revenues and profit increased YoY due to an increase in the number of condominiums units for sale and strong performance in the real estate agents business, etc. The Company achieved record highs for operating revenues, operating profit, ordinary profit, and net income* in the second quarter.</p>
Upwardly revised full-year forecasts for the Fiscal Year Ending March 31, 2023	<p><b>Operating profit: 95.0 billion yen</b> (+11.2 billion yen YoY, +5.0 billion yen vs. initial forecast) * <b>Record-high</b> <b>Net income *:39.0 billion yen</b> (+3.9 billion yen YoY, +2.0 billion yen vs. initial forecast) *<b>Record-high</b></p> <p>Full-year forecast also includes strong performance in the real estate agents business and an increase in the number of condominiums units for sale.</p>
Upwardly revised full-year dividend forecast	<p><b>Dividend per share: 19 yen</b> (+2 yen YoY, +1 yen vs. initial forecast)</p> <p>In line with the plan for higher earnings, the Company upwardly revised its full-year dividend forecast in view of increasing shareholder value.</p>
Business Portfolio Management	<p>Decided to sell four golf courses and one ski resort</p> <p>The Company will continue to promote business portfolio management with a primary focus on improving efficiency, particularly in the leisure, healthcare, and commercial facilities businesses, which it has positioned as requiring fundamental restructuring.</p> <p>Aim to increase shareholder value and corporate value</p>

\*Profit attributable to owners of parent.

# FY2022 Major business environment

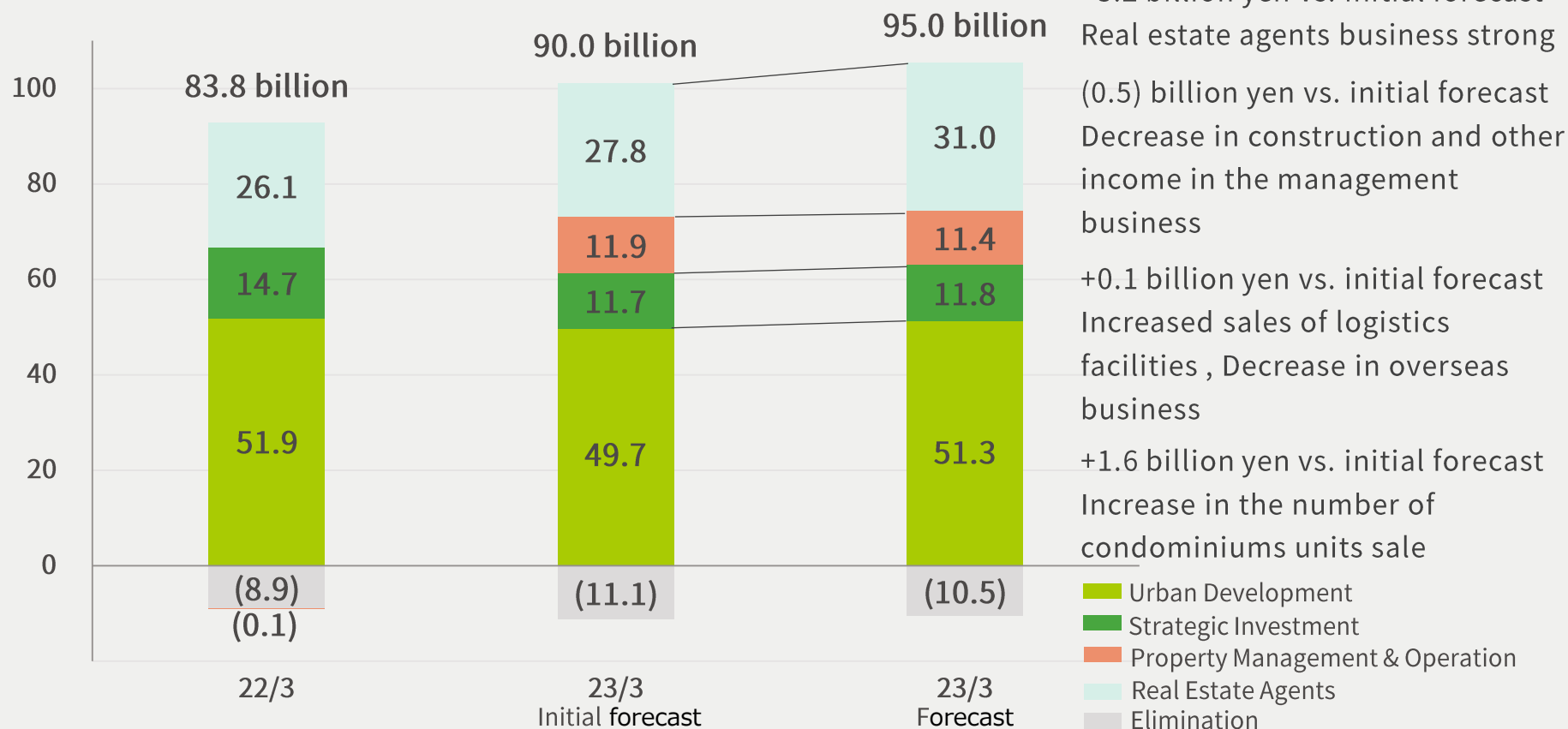
Topics	Contents
Offices	Vacancy rates and office rent have not fluctuated significantly, but intensity of rent fluctuates by area. Tight supply-demand balance is expected to continue for the time being in the Shibuya area, the Company's core business area.
Commercial facilities	<p>While recovery is progressing mainly in suburban commercial facilities and food and beverage outlets in urban commercial facilities, EC is replacing the use of e-commerce in stores that sell goods.</p> <p>Commercial facilities are attracting tenants that respond to experience-based and empathetic consumption.</p>
Condominiums	<p>Customers continue to be eager to acquire amid low interest rates and expectations of higher prices.</p> <p>Trends in interest rates and construction costs require close monitoring.</p>
Renewable energy facilities	<p>Market continues to expand in response to the decarbonization trend, while competition for acquisition intensifies.</p> <p>Electricity New demand is emerging for PPA models, etc., as power prices soar.</p>
Hotels	<p>Clear recovery trend in both domestic demand and inbound demand due to deregulation.</p> <p>Sales of memberships, condominiums, hotels, etc. continue to be strong.</p>
Real estate agents and transaction market	<p>Market remains active, especially for assets such as offices, rental housing, and logistics facilities. Hotel and commercial facilities sales are also recovering.</p> <p>Weaker JPY has led to market entry by foreign players.</p>

# Revision of forecast for the FY 2022

Plan to increase profit from the initial forecast due to strong real estate agents business backed by brisk sales market and an increase in the number of condominiums units for sale

## 〈Operating profit〉

¥billion



## FY2022 Q2 (First Six Months) Operating Results, major index

Operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent all achieved record highs in the second quarter

(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	FY2021	FY2022 Forecast**	Progress	note
<b>Operating Revenue</b>	411.8	445.0	33.3	989.0	1,005.0	44.3%	□ Extraordinary income
<b>Operating profit</b>	33.5	45.9	12.4	83.8	95.0	48.3%	FY2021 Q2
Non-operating income	1.4	1.1	(0.3)	3.3	—	—	Sales of fixed assets: 1.9 billion yen
Non-operating expenses	8.0	6.2	(1.8)	14.3	—	—	FY2022 Q2
<b>Ordinary profit</b>	26.8	40.8	13.9	72.8	81.0	50.3%	Sales of fixed assets: 0.3 billion yen
Extraordinary income	2.5	0.4	(2.2)	7.1	—	—	
Extraordinary losses	1.6	—	(1.6)	24.0	—	—	□ Extraordinary losses
Income before income taxes and minority interests	27.8	41.1	13.3	55.9	—	—	FY2021 Q2
<b>Profit attributable to owners of parent</b>	14.3	26.9	12.6	35.1	39.0	69.0%	Loss on COVID-19 impact: 1.5 billion
Total assets	2,606.7	2,698.0	91.3	2,634.3	—	—	
<b>ROA</b>	—	—	—	3.2%	3.5%	—	□ ROA of Asset-utilizing business
<b>Interest-bearing Debt</b>	1,479.3	1,473.1	(6.2)	1,421.7	1,500.0	—	FY2021 : 3.2% FY2022 Forecast : 2.9%
Equity	612.0	684.3	72.3	631.8	—	—	
Equity ratio	23.5%	25.4%	1.9P	24.0%	—	—	
<b>Operating profit ratio</b>	8.1%	10.3%	2.2P	8.5%	9.5%	—	□ Operating profit ratio of Human
<b>ROE</b>	—	—	—	5.7%	5.9%	—	capital-utilizing business
Earnings per share (Yen)	—	—	—	48.84	54.22	—	FY2021 : 4.2% FY2022 Forecast : 7.0%
<b>D/E ratio</b>	2.4	2.2	(0.3)	2.3	2.2	—	
<b>[D/E ratio in consideration of hybrid financing] ***</b>	2.2	1.9	(0.2)	2.0	2.0	—	
EBITDA	—	—	—	132.5	143.4	—	
EBITDA multiple	—	—	—	10.7	10.5	—	
Dividends per share	—	—	—	¥ 17.0	¥ 19.0	—	
Dividend payout ratio	—	—	—	34.8%	35.0%	—	

\* Figures in brackets show amounts posted, and figures with the mark + or figures in parentheses show increases or decreases. (common for all pages)

\*\* The figures are the revised forecast that we announced on November 9, 2022 (common for all pages)

\*\*\* Hybrid financing of 100 billion yen raised in December 2020 and April 2021. Acquired equity credit rating for 50% of raised funds from the Japan Credit Rating Agency (common for all pages)



## FY2022 Q2 (First Six Months) Segment performance

Profits increased except in the Urban Development business segment, where gain on sales by asset declined, and asset sales progressed steadily toward Full-Year Plan

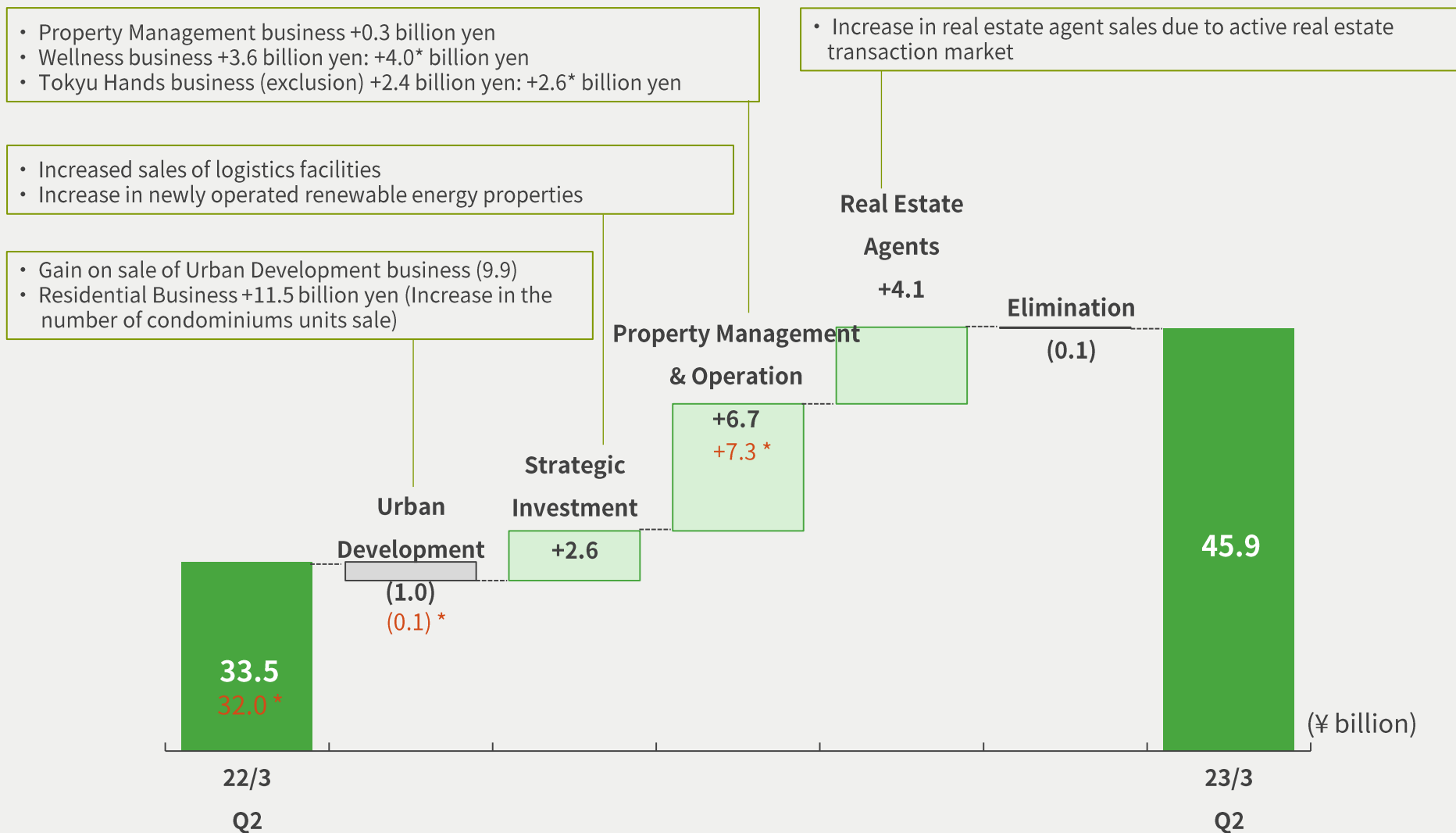
(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	note	
<b>Operating revenue</b>	<b>411.8</b>	<b>445.0</b>	<b>33.3</b>		
Urban Development	106.4	135.7	29.3		
Strategic Investment	19.5	33.8	14.4		
Property Management & Operation	179.0	152.0	(27.0)	* Change before transfer of extraordinary loss on COVID-19	
Real Estate Agents	117.7	132.6	14.9		
Elimination	(10.8)	(9.1)	1.7		[] = extraordinary loss impact
<b>Operating profit</b>	<b>33.5</b>	<b>45.9</b>	<b>*12.4</b>	<b>13.9</b>	<b>[1.5]</b>
Urban Development	21.4	20.4	(1.0)	(0.1)	[0.9]
Strategic Investment	6.0	8.6	2.6	2.6	—
Property Management & Operation	(4.9)	1.8	6.7	7.3	[0.6]
Real Estate Agents	15.0	19.1	4.1	4.1	—
Elimination	(4.0)	(4.1)	(0.1)	(0.1)	—

### <Gain on sales by asset>

<b>Operating revenue</b>	<b>45.4</b>	<b>37.2</b>	<b>△ 8.1</b>	
Urban Development	Office · Commercial facility, etc.	25.1	3.3	△ 21.9
	Houses for rent, land	3.6	21.8	18.2
Strategic Investment	Infrastructure & Industry	3.3	12.2	8.8
Property Management & Operation	Wellness	13.4	—	△ 13.4
Real Estate Agents	Other	—	—	—
<b>Operating gross profit</b>	<b>12.9</b>	<b>7.4</b>	<b>△ 5.4</b>	
Urban Development	Office · Commercial facility, etc.	10.2	0.3	△ 9.9
	Houses for rent, land	0.4	3.9	3.6
Strategic Investment	Infrastructure & Industry	1.0	3.2	2.2
Property Management & Operation	Wellness	1.3	—	△ 1.3
Real Estate Agents	Other	—	—	—

# FY2022 Q2 (First Six Months) Analysis of segment performance

+12.4 billion yen compared to FY2021 Q2, +13.9 billion yen before transfer of loss on the COVID-19



\* The figures in red on this page are before the extraordinary loss transfer.

\*\* Loss on COVID-19 impact (extraordinary loss): FY2021(Q2) 1.5 billion yen

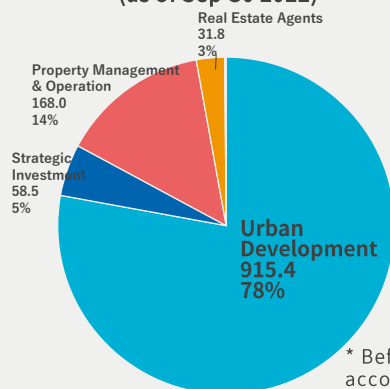
# FY2022 Q2 (First Six Months) Summary of balance sheets

Increases in property and equipment, intangible assets and other investment, etc. due to progress in investments, etc

(¥ billion)	FY2021 Mar-31, 2022	FY2022 Sep-30, 2022	Comparison	(¥ billion)	FY2021 Mar-31, 2022	FY2022 Sep-30, 2022	Comparison
Cash and deposits	154.0	127.6	(26.4)	<b>Interest-bearing Debt</b>	<b>1,421.7</b>	<b>1,473.1</b>	<b>51.3</b>
<b>Real estate for sale*</b>	<b>754.1</b>	<b>773.3</b>	<b>19.2</b>	Deposits	278.9	254.1	(24.8)
<b>Property and equipment, Intangible assets**</b>	<b>1,140.9</b>	<b>1,171.9</b>	<b>31.0</b>	Trade payables etc.	108.2	77.4	(30.8)
Goodwill	60.7	58.1	(2.6)	Other	182.3	185.4	3.1
<b>Other investments</b>	<b>369.1</b>	<b>412.2</b>	<b>43.1</b>	<b>Total liabilities</b>	<b>1,991.0</b>	<b>1,989.9</b>	<b>(1.1)</b>
Accounts receivable etc.	56.8	49.5	(7.4)	<b>Equity</b>	<b>631.8</b>	<b>684.3</b>	<b>52.6</b>
Other	98.6	105.4	6.7	Non-controlling interests etc.	11.5	23.8	12.3
<b>Total assets</b>	<b>2,634.3</b>	<b>2,698.0</b>	<b>63.7</b>	<b>Total net assets</b>	<b>643.3</b>	<b>708.1</b>	<b>64.8</b>

\* Total real estate for sale and real estate for sale in process \*\*Tangible and intangible assets subtracting goodwill

〈Property and equipment,  
Intangible assets breakdown〉  
(as of Sep-30 2022)



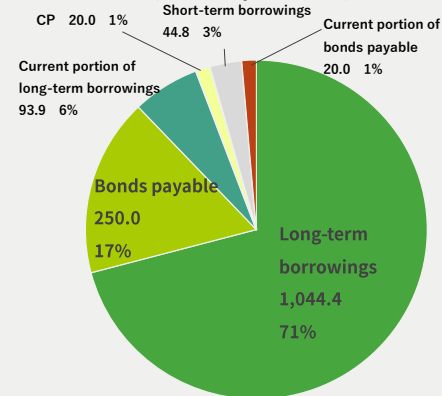
\* Before consolidated accounting treatment

〈Real estate for sale breakdown〉  
(as of Sep-30 2022)



\* Before consolidated accounting treatment

〈Interest-bearing Debt breakdown〉  
(as of Sep-30 2022)



# Market value appraisal for leased properties (As of March 31, 2022)

Unrealized profit of leased properties increased thanks to the firm real estate market

(¥ billion)	FY2020 Mar-2021	FY2021 Mar-2022	Comparison	Remarks
<b>Carrying Value</b>	<b>838.3</b>	<b>764.0</b>	<b>(74.3)</b>	<input type="checkbox"/> Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate". <input type="checkbox"/> The properties to be developed before opening* are in the early process of development and therefore their market value cannot be grasped (¥79.7 billion at the end of March 2021 and ¥77.1 billion at the end of March 2022)*.
<b>Market value</b>	<b>1,103.6</b>	<b>1,038.1</b>	<b>(65.5)</b>	
<b>Difference</b>	<b>265.3</b>	<b>274.1</b>	<b>8.8</b>	

\* Shibuya Sakuragaoka Block Redevelopment Plan, Jingumae 6-chome Block Redevelopment Project, and others.

## 〈Changes in market value and book value of leased properties and others〉



## Summary of Cash flow and Investment Plan |

Non-current assets to be invested mainly in Kudan-Kaikan Terrace and renewable energy facilities, and inventories to be invested mainly in rental housing and logistics facilities, etc.

(¥ billion)	FY2021 Q2	FY2022 Q2	Main factors for changes
Net cash provided by (used in) operating activities	(46.1)	(9.4)	+41.1 billion yen of profit before income taxes +21.6 billion yen of depreciation (24.1) billion yen for deposits received for consignment sales (16.7) billion yen for trade payables
Net cash provided by (used in) investment activities	(21.4)	(63.3)	(48.0) billion yen for purchase of noncurrent assets (28.0) billion yen for purchase of securities and investment securities
Net cash provided by (used in) financing activities	(22.5)	45.3	+27.5 billion yen of long-term liabilities +20.0 billion yen of commercial papers
cash and cash equivalents at end of period	99.7	127.4	

### 〈Information: investment actuals and plans〉

(¥ billion)	FY2021**	FY2022	
		Q2 **	Forecast **
Capital Investment	41.7	35.6	80.0
Real estate for sale (domestic business excluding condominiums)	158.4	85.0	200.0
Land for sale (domestic condominiums)	28.2	17.7	30.0
Equity Investment (domestic business)	18.4	2.4	15.0
Overseas Investment *	18.6	26.7	30.0

\* Contributions are included

\*\* Investments in the Greater Shibuya area included in the amount:  
28.3 billion yen invested in FY 2020,  
6.2 billion yen invested in FY 2021,  
13.0 billion yen planned in FY 2022

## FY2022 Performance forecasts, major index

Upward revision of earnings forecast. Expected to achieve record highs for operating revenues, operating profit, ordinary profit, and net income for the full year

(¥ billion)	FY2021	FY2022 Forecast	Comparison	Initial Forecast*	Comparison	note
<b>Operating Revenue</b>	989.0	1,005.0	16.0	1,000.0	5.0	
<b>Operating profit</b>	83.8	95.0	11.2	90.0	5.0	□Extraordinary income
Non-operating income	3.3	—	—	—	—	FY2021
Non-operating expenses	14.3	—	—	—	—	Gain on sales of shares of subsidiaries and associates 4.0 billion yen
<b>Ordinary profit</b>	72.8	81.0	8.2	76.0	5.0	Sales of fixed assets: 1.9 billion yen
Extraordinary income	7.1	—	—	—	—	
Extraordinary losses	24.0	—	—	—	—	□Extraordinary losses
Income before income taxes and minority interests	55.9	—	—	—	—	FY2021
<b>Profit attributable to owners of parent</b>	35.1	39.0	3.9	37.0	2.0	Impairment losses: 22.3 billion yen Loss on COVID-19 impact: 1.5 billion yen
Total assets	2,634.3	—	—	—	—	
<b>ROA</b>	3.2%	3.5%	0.3P	3.4%	0.2P	□ ROA of Asset-utilizing business
<b>Interest-bearing Debt</b>	1,421.7	1,500.0	78.3	1,500.0	—	FY2021 : 3.2% FY2022 Forecast : 2.9%
Equity	631.8	—	—	—	—	
Equity ratio	24.0%	—	—	—	—	
<b>Operating profit ratio</b>	8.5%	9.5%	1.0P	9.0%	0.5P	□ Operating profit ratio of Human capital-utilizing business
<b>ROE</b>	5.7%	5.9%	0.2P	5.7%	0.2P	FY2021 : 4.2% FY2022 Forecast : 7.0%
Earnings per share (Yen)	48.84	54.22	5.37	51.44	2.78	
<b>D/E ratio</b>	2.3	2.2	(0.1)	2.3	(0.1)	
<b>【D/E ratio in consideration of hybrid financing】</b>	2.0	2.0	(0.0)	2.1	(0.1)	
EBITDA	132.5	143.4	10.8	137.1	6.3	
EBITDA multiple	10.7	10.5	(0.3)	10.9	(0.5)	
Dividends per share	¥ 17.0	¥ 19.0	¥ 2.0	¥ 16.0	¥ 1.0	
Dividend payout ratio	34.8%	35.0%	0.2P	38.4%	0.1P	

## FY2022 Segment performance forecast

Real estate transaction market remains brisk

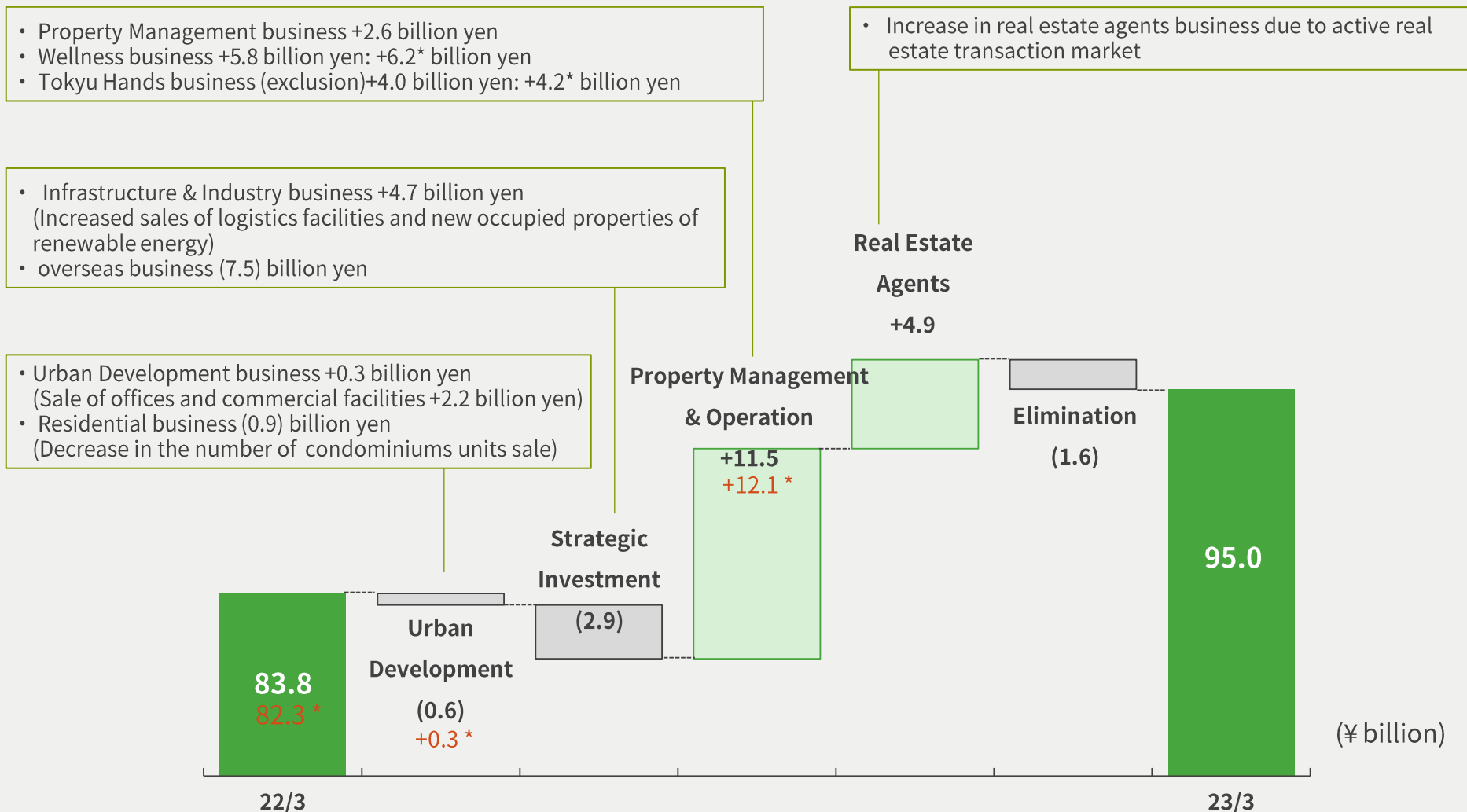
(¥ billion)	FY2021	FY2022 Forecast	Comparison (FY2021)	Comparison (Initial forecast)	note
<b>Operating revenue</b>	<b>989.0</b>	<b>1,005.0</b>	<b>16.0</b>	<b>5.0</b>	
Urban Development	325.8	348.0	22.2	13.0	
Strategic Investment	67.0	75.0	8.0	(8.0)	
Property Management & Operation	383.8	339.0	(44.8)	(6.0)	* Change before transfer of extraordinary
Real Estate Agents	234.5	263.0	28.5	6.0	loss on COVID-19
Elimination	(22.0)	(20.0)	2.0	—	[ ] = extraordinary loss impact
<b>Operating profit</b>	<b>83.8</b>	<b>95.0</b>	<b>11.2</b>	<b>5.0</b>	<b>12.7</b> <b>[1.5]</b>
Urban Development	51.9	51.3	(0.6)	1.6	0.3 [0.9]
Strategic Investment	14.7	11.8	(2.9)	0.1	(2.9) —
Property Management & Operation	(0.1)	11.4	11.5	(0.5)	12.1 [0.6]
Real Estate Agents	26.1	31.0	4.9	3.2	4.9 —
Elimination	(8.9)	(10.5)	(1.6)	0.6	(1.6) —

### 〈Gain on sales by asset〉

		FY2021	FY2022 Forecast	Comparison (FY2021)	Comparison (Initial forecast)
<b>Operating revenue</b>		<b>139.2</b>	<b>187.2</b>	<b>48.0</b>	<b>(4.1)</b>
Urban Development	Office, Commercial facility, etc.	72.7	116.7	44.1	(0.4)
	Rental housing, land	11.1	36.7	25.6	3.0
Strategic Investment	Infrastructure & Industry	32.7	32.9	0.2	(6.8)
Property Management & Operation	Wellness	20.8	0.8	(20.0)	0.0
Real Estate Agents	Other	1.8	—	(1.8)	—
<b>Operating gross profit</b>		<b>32.9</b>	<b>41.6</b>	<b>8.7</b>	<b>1.7</b>
Urban Development	Office, Commercial facility, etc.	22.8	25.0	2.2	(2.3)
	Rental housing, land	0.6	6.3	5.7	1.4
Strategic Investment	Infrastructure & Industry	5.7	10.0	4.3	2.6
Property Management & Operation	Wellness	3.7	0.3	(3.4)	0.0
Real Estate Agents	Other	0.1	—	(0.1)	—

# FY2022 Earnings forecasts and analysis of segment performance

+11.2 billion yen compared to FY2021, +12.7 billion yen before transfer of loss on the COVID-19



\* The figures in red on this page are before the extraordinary loss transfer.

\*\* Loss on COVID-19 impact (extraordinary loss): 1.5 billion yen for fiscal year ending March 2022



# Segment Overview

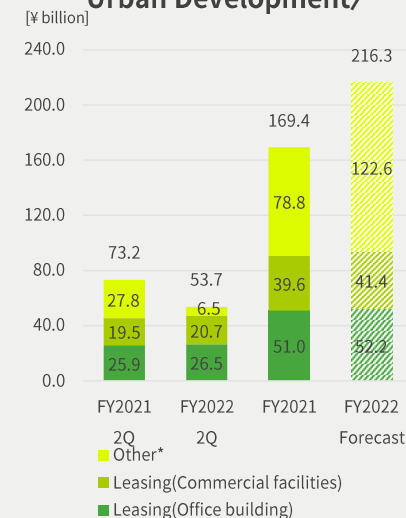
# Urban Development ① FY2022 Q2 (First Six Months)

2Q: increase in revenues but decrease in profit

FY2022 forecast: expect to increase revenues but decreased in profit due to decrease in number of residential units for sale, etc., despite increase in asset sales

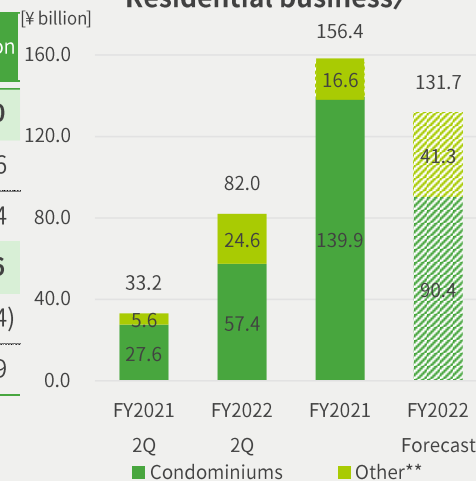
(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	note
<b>Operating revenue</b>	<b>106.4</b>	<b>135.7</b>	<b>29.3</b>	
Urban Development	73.2	53.7	△ 19.5	Newly operated +1.3 , Lost revenue for properties sold (2.0) , Existing commercial facilities +1.8 , Sales of assets (21.9)[3.3]
Residential	33.2	82.0	48.8	No. of units sold +332[796] , Sales of assets+18.2[21.8]
<b>Operating profit</b>	<b>21.4</b>	<b>20.4</b>	<b>△ 1.0</b>	
Urban Development*	23.4	10.9	△ 12.5	Sales of assets (9.9)[0.3] , Lost profit for properties sold (1.0)
Residential*	△ 2.0	9.5	11.5	Increase in the number of units recorded, Sales of assets +3.6[3.9]

〈Breakdown of revenues in Urban Development〉



(¥ billion)	FY2021	FY2022	Comparison	note	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>325.8</b>	<b>348.0</b>	<b>22.2</b>		<b>335.0</b>	<b>13.0</b>
Urban Development	169.4	216.3	46.9	Newly operated +3.6 , Lost revenue for properties sold (3.0) , Existing commercial facilities+2.2 , Sales of assets +44.1[116.7]	212.6	3.6
Residential	156.4	131.7	△ 24.7	No. of units sold (898)[1,296] , Sales of assets +25.6[36.7]	122.4	9.4
<b>Operating profit</b>	<b>51.9</b>	<b>51.3</b>	<b>△ 0.6</b>		<b>49.7</b>	<b>1.6</b>
Urban Development*	43.1	43.3	0.3	Sales of assets +2.2[25.0] , Lost profit for properties sold (1.5)	44.7	(1.4)
Residential*	8.9	8.0	△ 0.9	Decrease in the number of units recorded, Sales of assets +5.7[6.3]	5.0	2.9

〈Breakdown of revenues in Residential business〉



\* Operating profit stated above is a reference value before consolidated accounting treatment.

\*\* Extraordinary loss on COVID-19 impact : FY2021 (Q1) 0.9 (Urban Development)

\* Excluding lease in office and commercial facility business

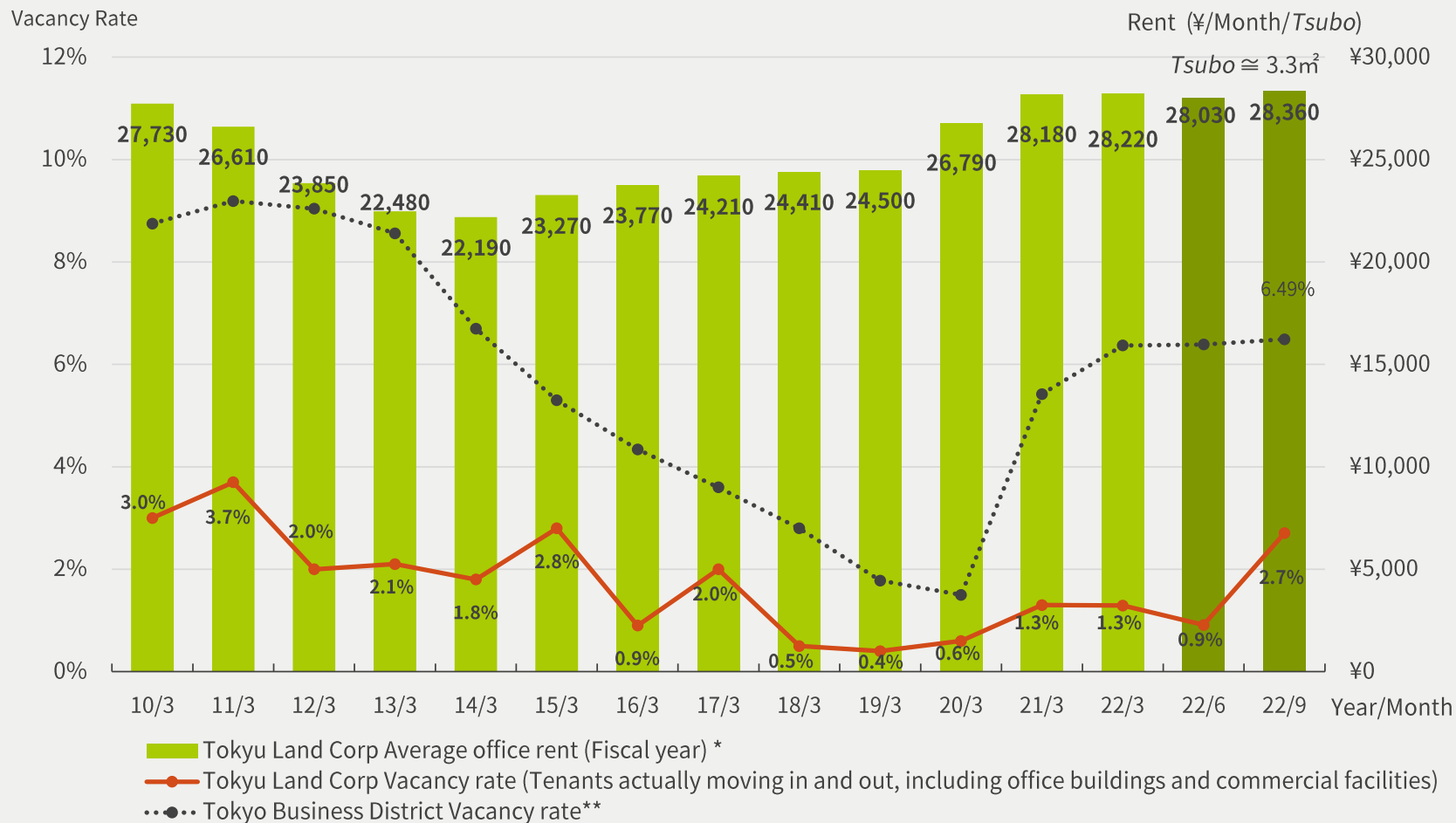
\*\* Excluding condominiums in residential business

## Urban Development ② Vacancy Rate and Rent

As of September 30, 2022, Vacancy rate 2.7% Average office rent 28,360 yen (Month/Tsubo).

(Office buildings and Commercial facilities)

If the KUDAN-KAIKAN TERRACE which was completed in July, is excluded, the vacancy rate was remained at a low of 0.9%.



\* The average office rents of the Company presented include common area service expenses.

\*\* Tokyo Business District Vacancy rate ...Date Source : Miki Shoji Co., Ltd

# Urban Development ③ Major projects (Offices/Commercial facilities etc.)



**Tokyo PortCity Takeshiba**  
Minato-ku  
Office/Commercial/Housing  
Floor space : 201



**KUDAN-KAIKAN TERRACE**  
Chiyoda-ku  
Office/Commercial  
Floor space : 68  
Completed in July 2022



**Nishi Shinsaibashi 2-chome Place**  
Osaka  
Hotel  
Floor space : 14  
Scheduled to open in December 2022



**Sapporo Susukino Ekimae Complex Redevelopment Project\*\***  
Sapporo, Hokkaido  
Hotel/Commercial/Cinema, etc.  
Floor space : 53  
Scheduled to open in FY2023

## 【Other projects】



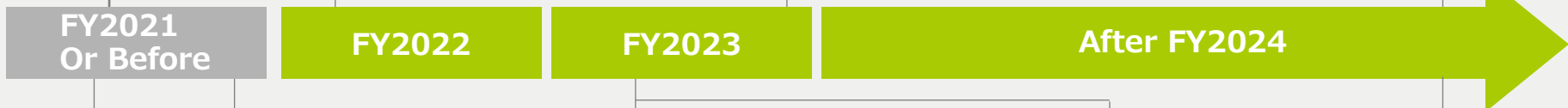
**Higashi Gotanda 2-chome Redevelopment Project**  
Shinagawa-ku  
Office/Commercial/Housing, etc.

**Project for Using Land at Tokyo Institute of Technology's Tamachi Campus\*\***  
Minato-ku  
Office/Commercial/Industry-academia-government collaboration, etc.  
Scheduled to become available as a complex in 2030

**Chayamachi B-2 Block Redevelopment Project**  
Osaka  
Commercial, etc.

**Shinjuku West Gate Redevelopment Plan**  
Shinjuku-ku  
Office/Commercial/Station Facilities, etc  
Scheduled for completion in FY2029

(Scheduled to open)



**Shibuya Solasta**  
Shibuya-ku  
Office  
Floor space : 47



**Shibuya Fukuras**  
Shibuya-ku  
Office/Commercial  
Floor space : 59



**COERU SHIBUYA**  
Shibuya-ku  
Office/Commercial  
Floor space : 1  
Completed in June 2022



**Daikanyamacho Project\*\***  
Shibuya-ku  
Housing/Commercial/Office  
Floor space : 22  
Scheduled for completion in FY2023



**Shibuya Sakuragaoka Block Redevelopment Plan**  
Shibuya-ku  
Office/Commercial/Housing  
Floor space : 255  
Scheduled for completion in November 2023



**Jingumae 6-chome Block Redevelopment Project**  
Shibuya-ku  
Commercial/Public facilities  
Floor space : 20  
Scheduled to open in FY2024

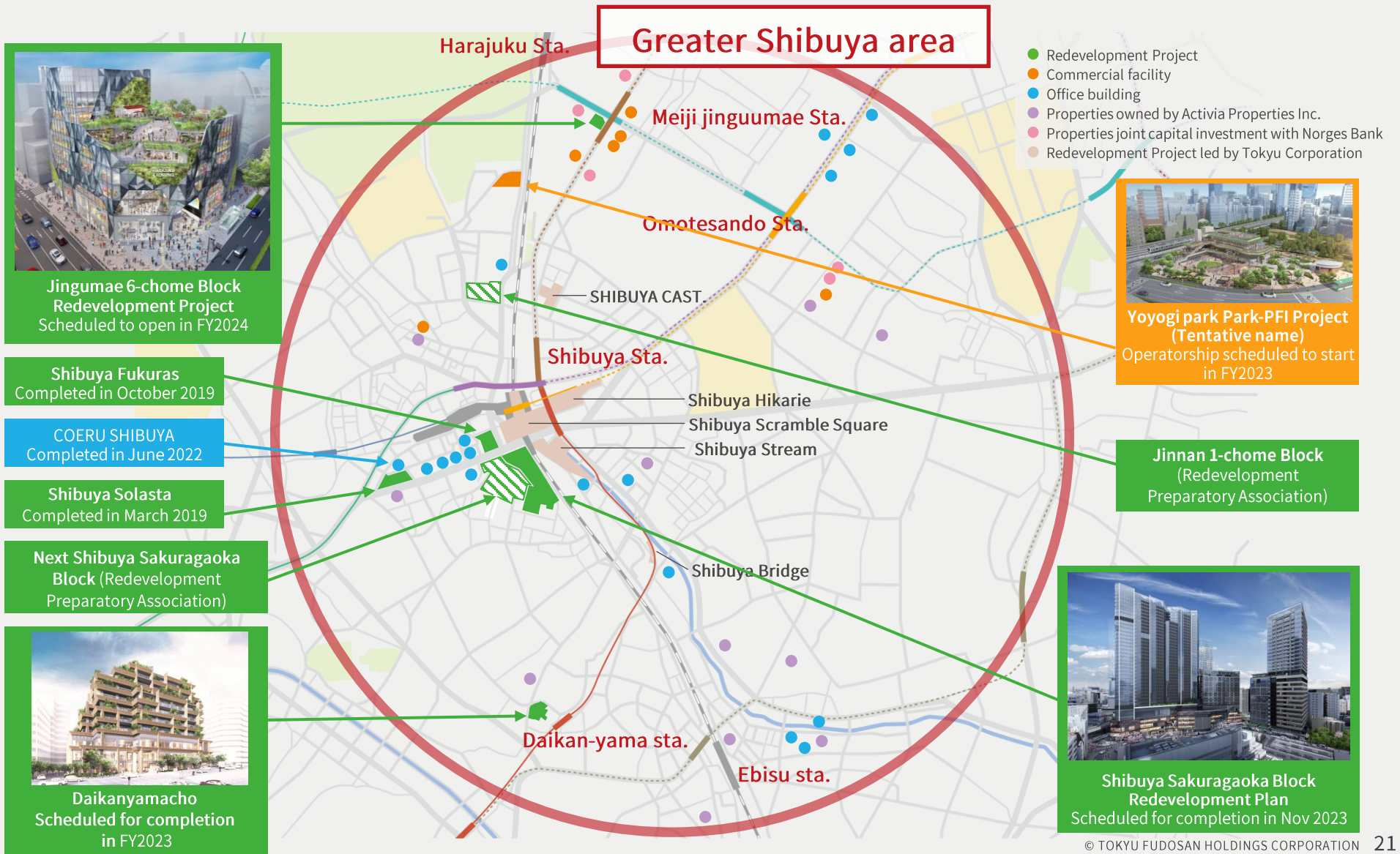
## Projects in the Greater Shibuya area

Floor space : thousand ㎡

\* Floor space of all the projects before taking our equity into account \*\* tentative name

# Urban Development ④ Major projects (Greater Shibuya area)

Several projects are ongoing in the Greater Shibuya area



# Urban Development ⑤ Major project ~ KUDAN-KAIKAN TERRACE ~

A workplace with "unique features" that combines history and state-of-the-art technology

**A facility where history and cutting-edge technology are integrated. Embodying the concept of “retro-modernism in bloom along the waterfront**

Partially preserving and restoring the former Kudan-Kaikan, a registered tangible cultural property, while utilizing the cutting-edge technology to realize a variety of office needs.



Dynamic preservation in the conservation section



Entrance hall utilizing marble from the original construction



Newly constructed portion is cutting-edge office



AI-based automatic dimming function 「View Smart Glass」

## Wellness office supporting health management

A cafeteria that supports office workers with meals and a clinic mall that supports them with medical care



KUDAN-SHOKUDO for the Public Good



Clinic mall



Kudan Hiroba



Terrace along moat

## A place for interaction with the surrounding community

Lush green space and terraces can be used as common space and as a place for interaction in cooperation with the local community and government.

# Urban Development ⑥ Initiatives in COVID-19 (GREEN WORK STYLE)

Provide tenants with a one-stop service that leverages the Group's business domain to meet diverse office needs

## Multiple workplaces

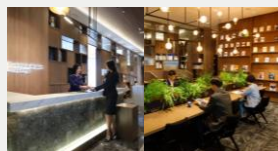
Provide multiple and flexible workplaces to suit diverse work styles



Center Office



Flexible Office



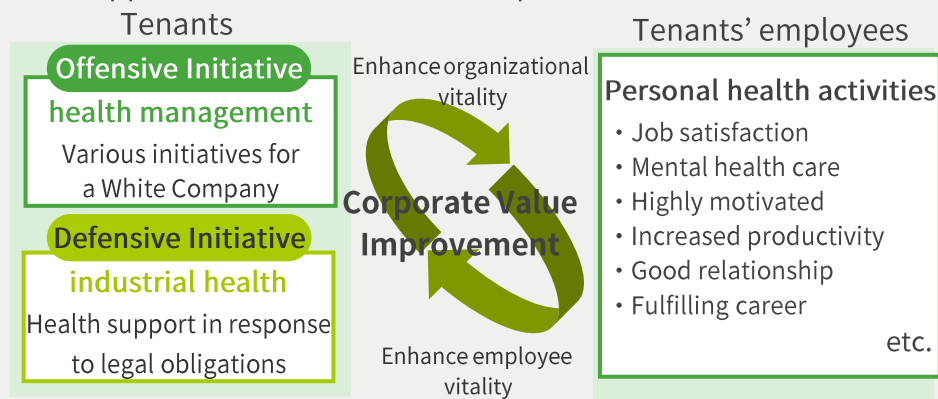
Members-only shared office



Workcation

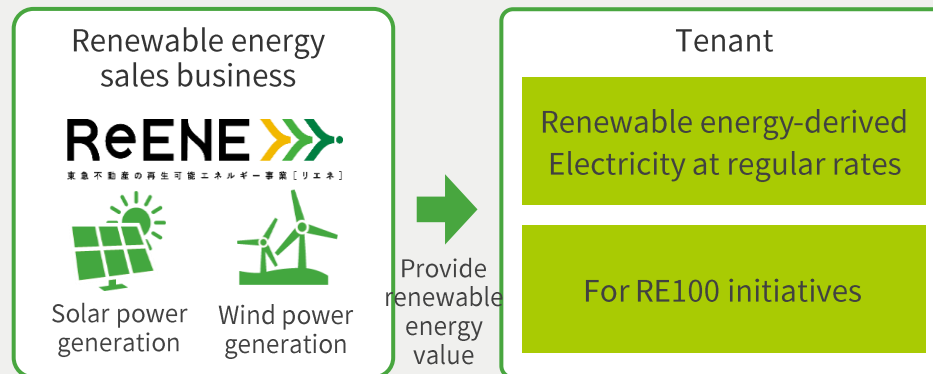
## Health Initiatives

Provide healthcare solutions by leveraging the Group's strengths and support to enhance tenants' corporate value



## Environmental Initiatives

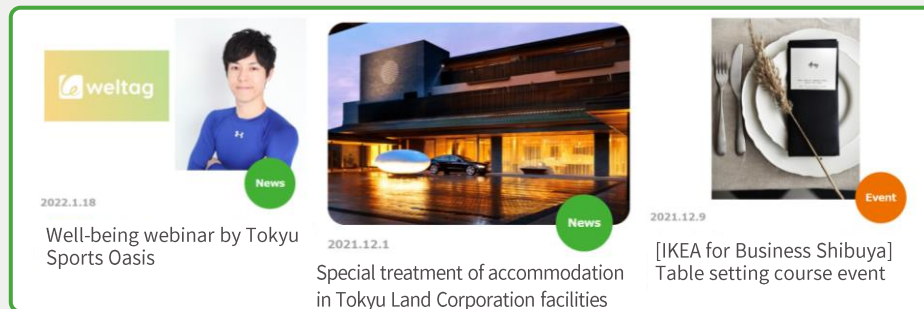
Support tenants' contribution to a sustainable society with our Offices fully equipped with green energy



## Lifestyle Proposals (Worker's Garden)

Offer the tenant-only platform "Worker's Garden" with various preferential treatment at the Group facilities and services, and seminars to enhance their lifestyles

【 Examples of services for tenants 】



# Urban Development ⑦ Condominium index

Contract ratio at the end of second quarter was 90%

Accounting year	FY2020	FY2021	FY2022 Forecast
No. of units sold	1,777	2,194	1,296 (Q2 : 796)
Average price per unit (million yen)	60	64	70 (Q2 : 72)
Contract obtaining rate (Beginning-of-year→1Q→2Q→3Q)	50%→57%→76%→93%	54%→68%→89%→101%	58%→79%→90%
Year-end inventory of completed units*	827	661	Q2 : 367
Major condominiums Number of units refers to the number of units of sale ( ) ownership ratio	Kosugi 3rd Avenue The Residence 475units(30%) BRANZ City Hasuda 168units(100%) BRANZ Tower Ofuna 227units(100%)	BRANZ Tower Toyosu 1,152units(55%) Grand Maison Shin-Umeda Tower 871units(15%) BRANZ Tower Shibaura 482units(46%)	BRANZ City Minami-Kusatsu 209units(100%) BRANZ Kamimeguro Suwayama 19units(100%) BRANZ Kagurazaka 81units(85%)
Purchase of land for sales (¥ billion)	10.0 (1,970 units)	28.2 (2,861 units)	30.0(plan) Q2 : 17.7 (1,249 units)

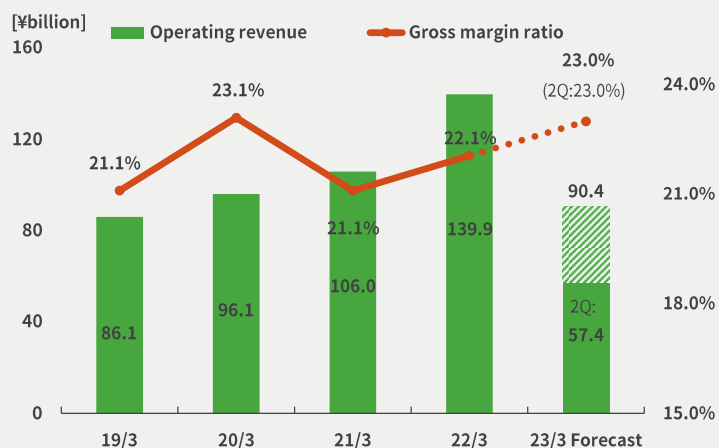
## Major upcoming projects

Delivery begins	Name	Units*
FY2023	HARUMI FLAG	4,145
	BRANZ Tower Osaka-hommachi	302
	ONE Sapporo Station tower	542
FY2024	The Tower Jyujujo	394
	Higashigotanda 2-chome PJ	approx.300
	Toyomi PJ	approx.1,500
	Kitanakadori Kita B-1 PJ	approx.600
	Sengakuji PJ	approx.200
	Shirokane 1-chome PJ	approx.600
	Nakano Station Shinkitaguchi PJ	approx.1,000
Osaka City Kita Ward tower mansion PJ	approx.300	

\* The year-end inventory of completed units includes units not yet supplied.

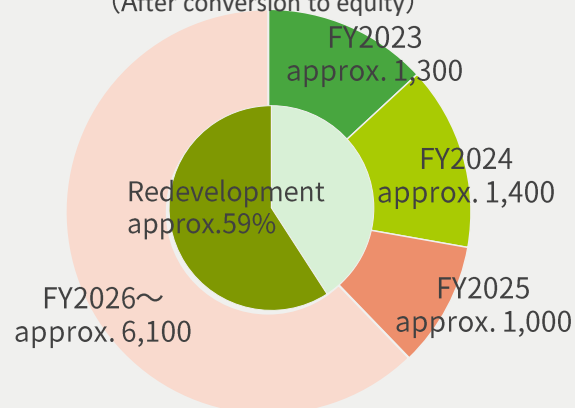
\* Before conversion for ownership share  
Properties in the plan stage include non-subdivided units

## Trends in condominium sales and gross margin



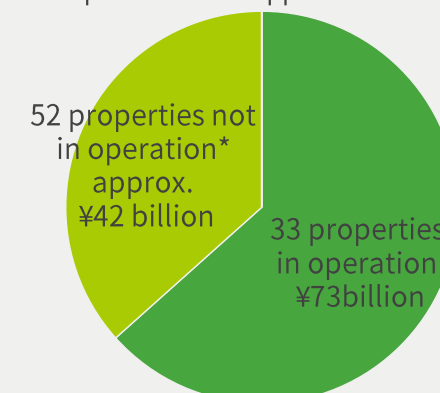
## Land bank of Condominiums to be completed

End of September 2022 approx. 9,800 units  
(After conversion to equity)



## Rental housing pipeline

End of September 2022 approx. 115 billion yen



\* Total investment of 52 non-operating properties: approx. 142 billion yen



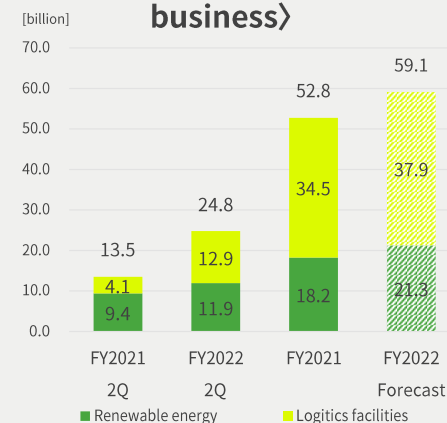
# Strategic Investment ① FY2022 Q2 (First Six Months)

2Q: Increases both in revenues and profit

FY2022 forecast: Increase in revenues but decrease in profit due to deterioration of overseas business, despite increase in asset sales

(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	note
<b>Operating revenue</b>	<b>19.5</b>	<b>33.8</b>	<b>14.4</b>	
Infrastructure & Industry	13.5	24.8	11.3	Sales of assets +8.8[12.2] , In operation+2.8
Asset management	3.9	4.1	0.2	
Overseas operations	2.0	4.9	2.8	Increase in EQ sales
<b>Operating profit</b>	<b>6.0</b>	<b>8.6</b>	<b>2.6</b>	
Infrastructure & Industry*	3.4	6.1	2.7	Sales of assets +2.2[3.2]
Asset management*	2.5	2.7	0.2	
Overseas operations*	0.0	(0.2)	(0.2)	

## 〈Breakdown of revenues in Infrastructure & industry business〉



(¥ billion)	FY2021	FY2022	Comparison	note	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>67.0</b>	<b>75.0</b>	<b>8.0</b>		<b>83.0</b>	<b>(8.0)</b>
Infrastructure & Industry	52.8	59.1	6.4	Sales of assets +0.2[32.9] , In operation +2.9	63.8	(4.7)
Asset management	8.3	8.7	0.4		8.5	0.2
Overseas operations	5.9	7.1	1.3		10.7	(3.5)
<b>Operating profit</b>	<b>14.7</b>	<b>11.8</b>	<b>(2.9)</b>		<b>11.7</b>	<b>0.1</b>
Infrastructure & Industry*	9.0	13.7	4.7	Sales of assets +4.3[10.0]	10.5	3.2
Asset management*	5.5	5.5	(0.0)		5.3	0.2
Overseas operations*	0.2	(7.3)	(7.5)	Deterioration in US business	(4.0)	(3.3)

\* Operating profit stated above is a reference value before consolidated accounting treatment.

# Strategic Investment ② Renewable energy business

The number of operating properties has increased, and it has grown to make a stable contribution to earnings

## Projects acquired

Properties in operation: 67 (solar: 62, wind power: 4, biomass: 1)

Projects under development: 18 (solar: 11, wind power: 6, biomass: 1)

Investment progress (amount posted in BS) : ¥ 219.9 billion

Rated capacity\*: 1,338 MW

Generation capacity\*: 2.954GWh

(Equivalent to the energy used by approx. 646,000 regular households\*\*)

CO2 emissions reduction\*: Approx. 1,279 t-CO2/year

\* Before conversion for ownership share

\*\* Calculated based on the average household using 4,573 kWh of energy per year  
(From the Photovoltaic Power Generation Association's "Display Guidelines 2021")

## Major projects (100% stake in the Group)



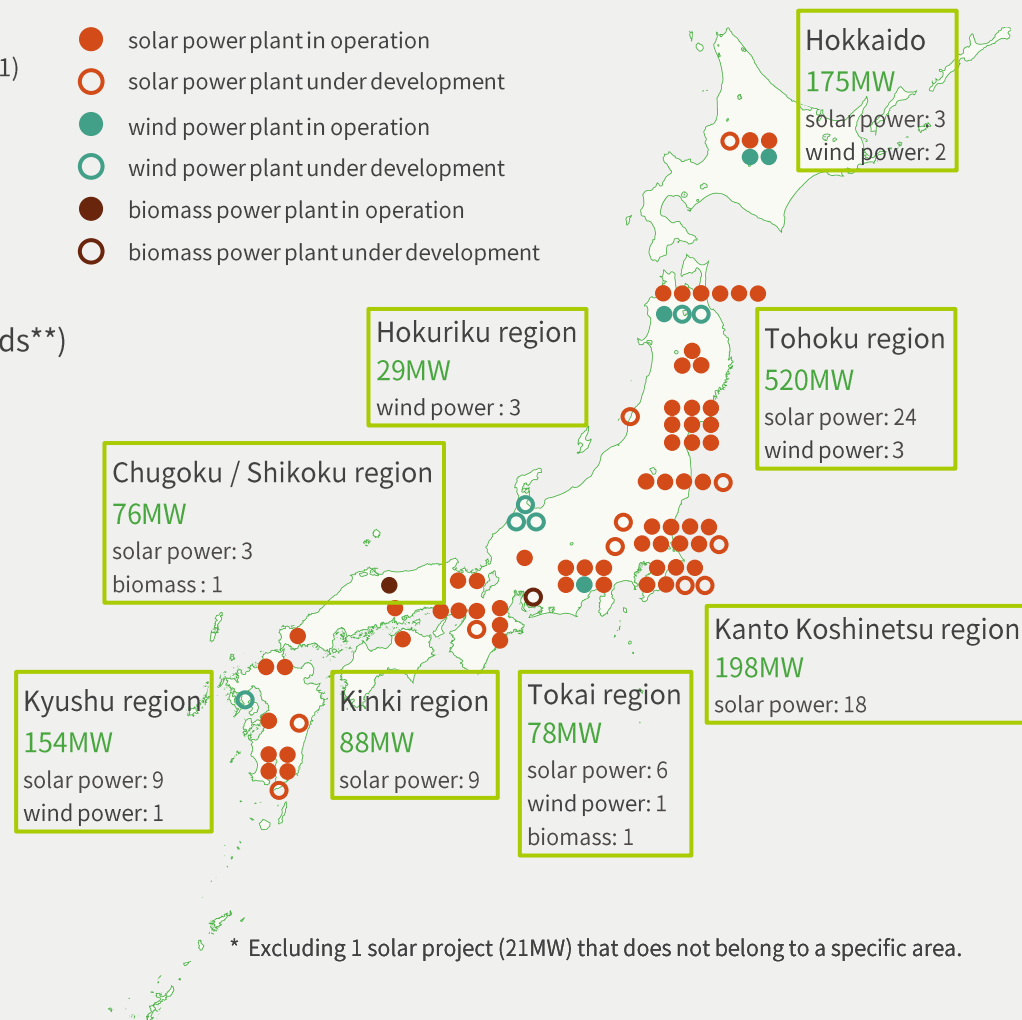
ReENE Matsumae  
Wind Power Plant (Hokkaido)  
Rated capacity: 41MW  
(Operation started in FY2019)



ReENE Namegata  
Solar Power Plant (Ibaraki)  
Rated capacity: 28MW  
(Operation started in FY2020)

## Portfolio

- solar power plant in operation
- solar power plant under development
- wind power plant in operation
- wind power plant under development
- biomass power plant in operation
- biomass power plant under development

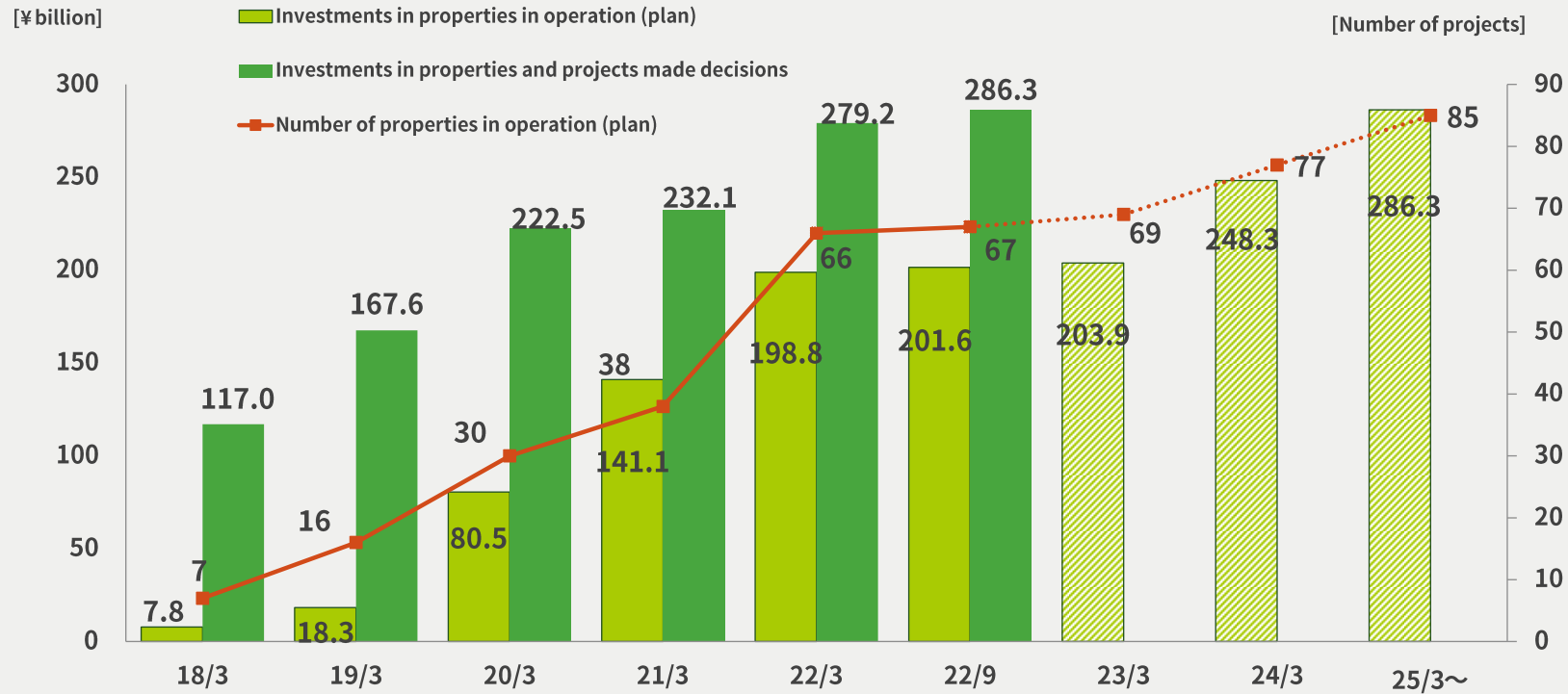


# Strategic Investment ③ Expansion of renewable energy business

Further expansion is planned through the solid execution of projects for which decisions have already been made and the acquisition of new non-FIT projects such as wind power generation and PPA projects



## Investment amount and operating property transition



Achievements and Plans	FY2014 Started solar power generation	FY2019 TLC joined RE100 the first in real estate industry	FY2021 TLC facilities began switching to renewable energy	FY2025 Achieve carbon minus** for the Group
	FY2015 Started wind power generation			
		FY2018 Unified to ReENE brand Started biomass power generation	FY2022 Compleat switchover to renewable energy for major facilities	

\* The investment amounts above are different from the amounts posted in BS due to depreciation.

\*\* CO2 emissions < Contribution to reduction through the generation of renewable energy business.

Development projects are sequentially put into operation. Revolving type business accelerated.

## Projects acquired (As of September 30, 2022)

Properties in operation: 5

Projects under development: 13

Investment progress (amount posted in BS)  
: ¥ 70.0 billion

## Major projects

### LOGI'Q Kyoto Kumiyama

Floor space: 26 thousand m<sup>2</sup>

4 stories above ground

Completed in June 2021



### LOGI'Q Minamisunamachi

Floor space: 4 thousand m<sup>2</sup>

6 stories above ground

Completed in July 2022



### LOGI'Q Minami Ibaraki

Floor space: 162 thousand m<sup>2</sup>

3 stories above ground

Scheduled for completion in FY 2023



## Started construction of flagship property "LOGI'Q Minami Ibaraki"

Providing future-ready refrigerated/freezer compartments, low-floor compartments, high quality public areas, etc., to secure tenants' employment and reduce their initial investment.

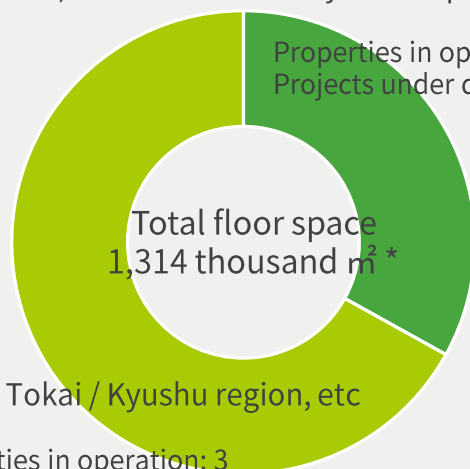


## <Portfolio>

Tokyo Metropolitan area

Properties in operation: 2

Projects under development: 8



Kinki / Tokai / Kyushu region, etc

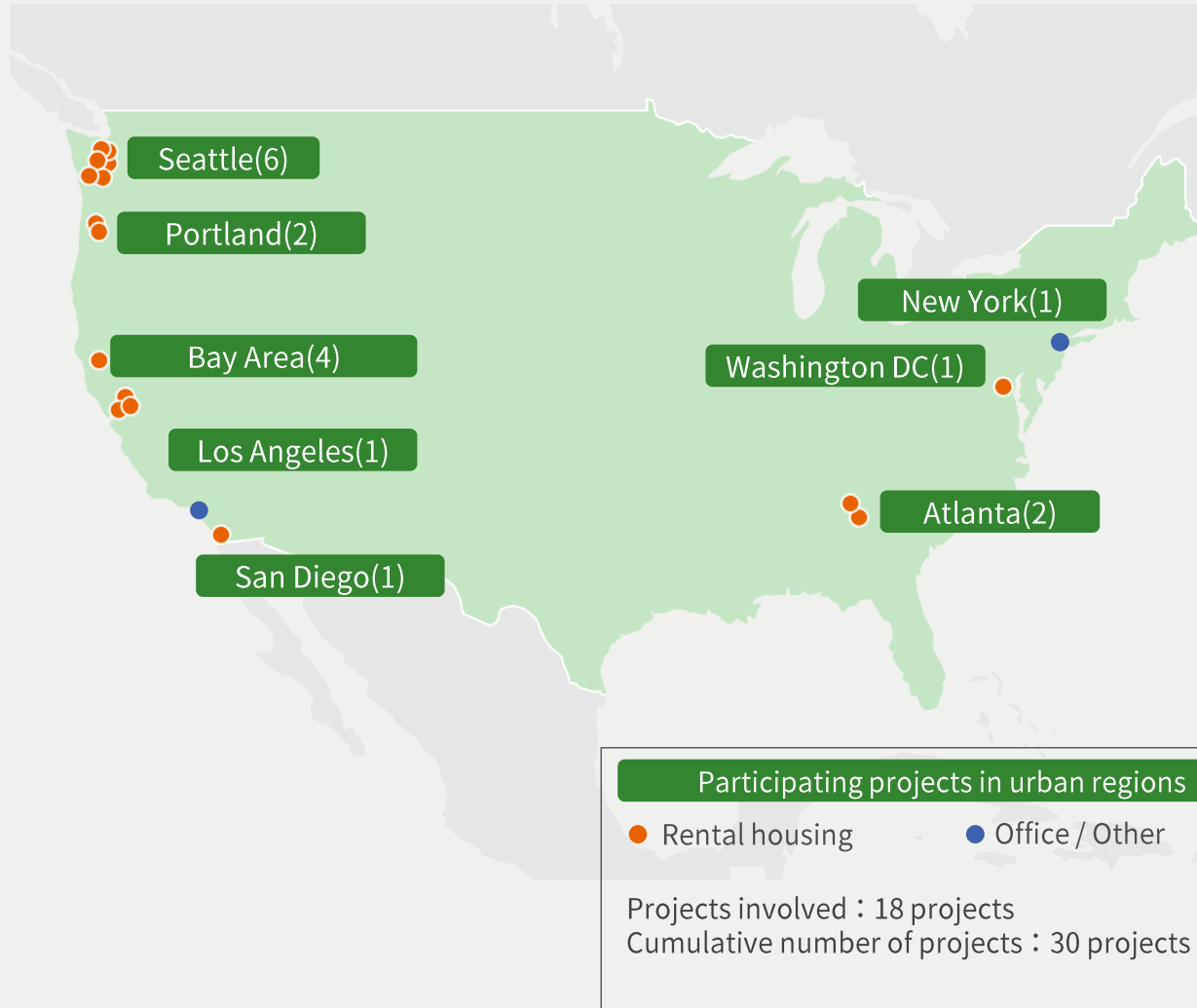
Properties in operation: 3

Projects under development: 5

\* The figure of total floor space is before conversion for ownership share

# Strategic Investment ⑤ Overseas operations

18 projects are in progress in the United States

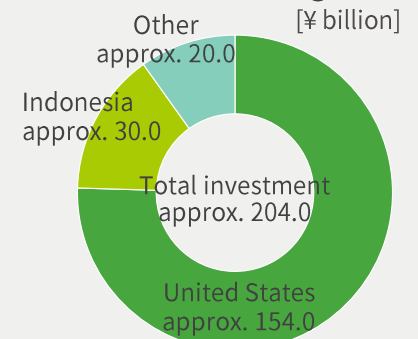


## 425 Park Avenue

New York  
Office Redevelopment Project  
47 stories above ground with 2 basements  
Completed in January 2021



## Investment balance by overseas business regions



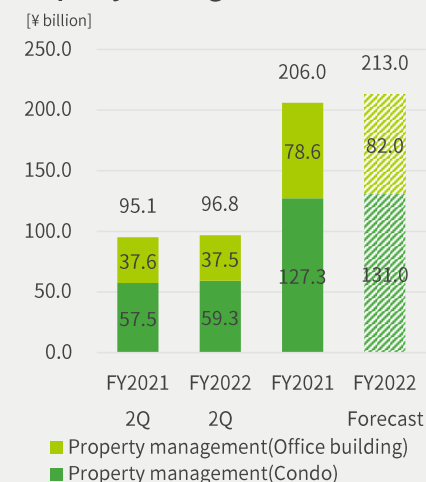
# Property Management & Operation ① FY2022 Q2 (First Six Months)

2Q: Decrease in revenues but profit increase

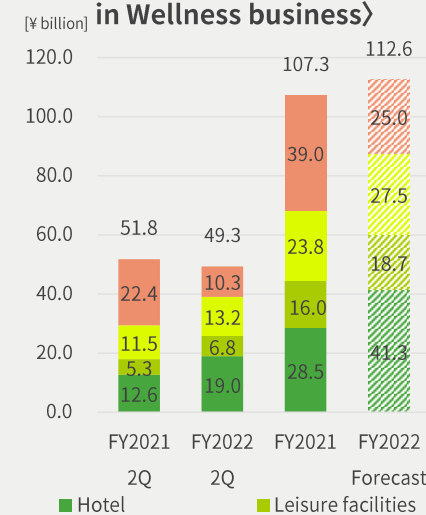
FY2022 forecast: Decrease in revenues but increase in profit due to recovery from the impact of Covid19, despite the exclusion of Tokyu Hands from consolidation

(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	note
<b>Operating revenue</b>	<b>179.0</b>	<b>152.0</b>	<b>(27.0)</b>	
Property management	95.1	96.8	1.7	Construction +0.7, Leasing conference rooms +1.0
Wellness	51.8	49.3	(2.4)	Sales of assets (13.4)[-], Hotel +6.4, Health care+1.8
Tokyu Hands	27.3	-	(27.3)	Consolidation exclusions
Environmental greening, etc.	4.8	5.8	1.0	
<b>Operating profit</b>	<b>(4.9)</b>	<b>1.8</b>	<b>6.7</b>	
Property management*	2.6	2.8	0.3	
Wellness*	(5.1)	(1.4)	3.6	Sales of assets (1.3)[-]
Tokyu Hands *	(2.4)	-	2.4	Consolidation exclusions
Environmental greening, etc.*	0.0	0.3	0.3	

Breakdown of revenues in Property management business



Breakdown of revenues in Wellness business



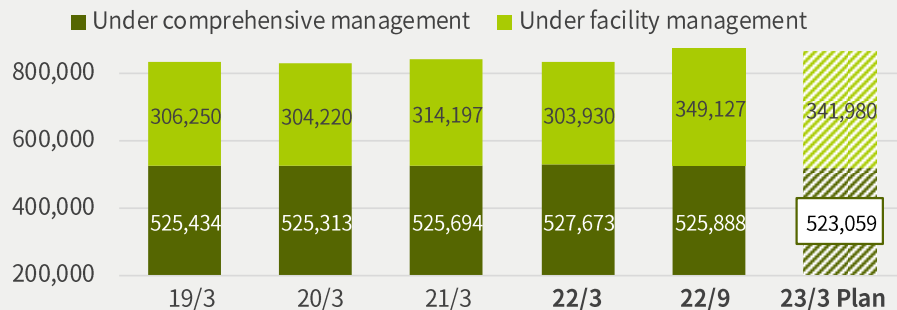
(¥ billion)	FY2021	FY2022	Comparison	note	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>383.8</b>	<b>339.0</b>	<b>(44.8)</b>		<b>345.0</b>	<b>(6.0)</b>
Property management	206.0	213.0	7.0	Management +0.3, Construction +4.8, Leasing conference rooms +1.9	220.0	(7.0)
Wellness	107.3	112.6	5.3	Sales of assets (20.0)[0.8], Hotel +12.9, Health care +3.7	112.3	0.3
Tokyu Hands	56.7	-	(56.7)	Consolidation exclusions	-	-
Environmental greening, etc.	13.8	13.4	(0.4)		12.7	0.7
<b>Operating profit</b>	<b>(0.1)</b>	<b>11.4</b>	<b>11.5</b>		<b>11.9</b>	<b>(0.5)</b>
Property management*	7.9	10.5	2.6		11.0	(0.5)
Wellness*	(5.3)	0.5	5.8	Sales of assets (3.4)[0.3]	0.3	0.1
Tokyu Hands *	(4.0)	-	4.0	Consolidation exclusions	-	-
Environmental greening, etc.*	0.8	0.4	(0.4)		0.5	(0.1)

\* Operating profit stated above is a reference value before consolidated accounting treatment.

\*\* Extraordinary loss on COVID-19 impact: FY2021 (Q1): 0.6 (Wellness 0.4, Tokyu Hands 0.2)

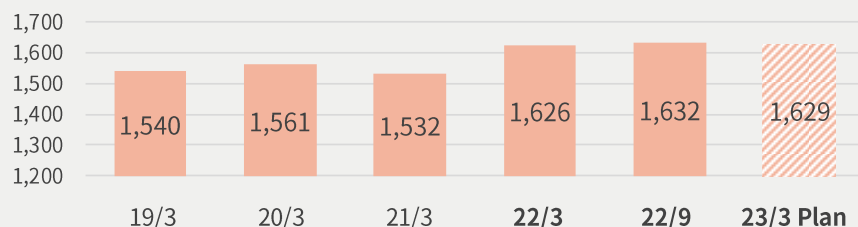
# Property Management & Operation ② Stock of properties

## Condominium Management Stock Trends



Total units (Change from the end of preceding fiscal year)	831,684 + 9,453	829,533 (2,151)	839,891 + 10,358	831,603 (8,288)	875,015 + 43,412	865,039 + 33,436
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## Buildings and other facilities Management Stock Trends



Number of projects (Change from the end of preceding fiscal year)	1,540 + 40	1,561 + 21	1,532 (29)	1,626 + 94	1,632 + 6	1,629 + 3
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## Major properties under management



Hokkaido Ballpark F Village  
(scheduled to open in FY2022)



Yoyogi Park Park-PFI Project (tentative name)  
(operatorship scheduled to start in FY2023)

# Property Management & Operation ③ Main projects and Operation status

Promote diverse developments such as Harvest Club, a membership resort for some of the hotels operated by other companies, and condominiums, etc.



**ROKU KYOTO, LXR Hotels & Resorts**  
Resort hotel  
Opened in September 2021



**Tokyu Harvest Club Kyoto Higashiyama**  
**In THE HOTEL HIGASHIYAMA**  
Membership resort hotel  
Opened in July 2022



**Tokyu Harvest Club VIALA Kinugawa Keisui**  
Membership resort hotel  
Scheduled to open in December 2022



**STORYLINE Senagajima**  
Hotel Condominium  
Scheduled for completion in January 2024

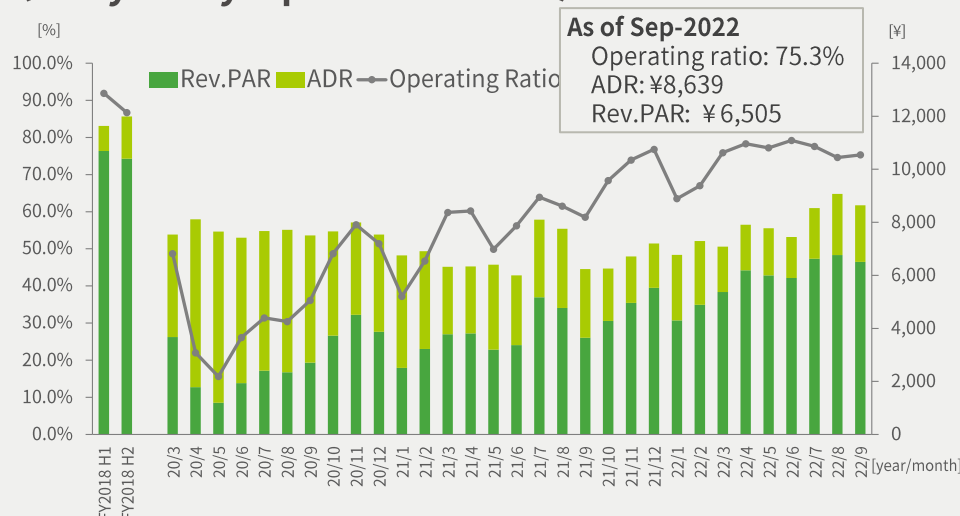
(Scheduled to open)

**FY2021 Or Before**

**FY2022**

**After FY2023**

## 〈Tokyu Stay operation status〉



**Tokyu Stay MERCURE Osaka Namba**  
Urban style hotel  
Scheduled to open in December 2022

**Grancreeer Tsunashima**  
Senior housing  
Scheduled to open in Autumn 2023

**Grancreeer HARUMI FLAG**  
Senior housing  
Scheduled to open in Spring 2024



# Real Estate Agents ① FY2022 Q2 (First Six Months)

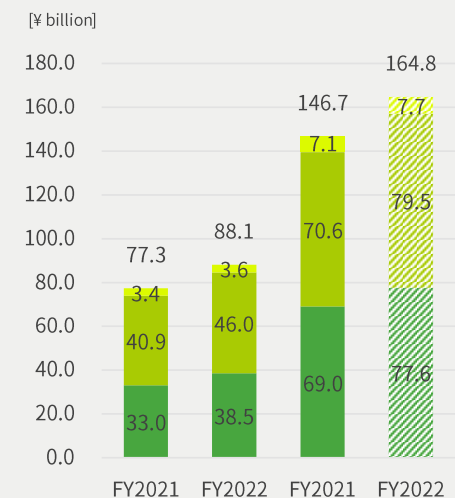
2Q: Increases in both revenues and profit

FY2022 forecast: Increases in both revenues and profit,

mainly in the real estate agents business against the backdrop of brisk real estate sales market

〈Breakdown in revenues of Real estate sales agent business〉

(¥ billion)	FY2021 Q2	FY2022 Q2	Comparison	note
<b>Operating revenue</b>	<b>117.7</b>	<b>132.6</b>	<b>14.9</b>	
Real Estate Agents	77.3	88.1	10.8	Retail +4.5, Wholesale +1.1, Real estate sales +5.1
Rental housing service	40.4	44.5	4.1	
<b>Operating profit</b>	<b>15.0</b>	<b>19.1</b>	<b>4.1</b>	
Real Estate Agents*	12.8	16.9	4.1	
Rental housing service*	1.9	2.0	0.1	



(¥ billion)	FY2021	FY2022	Comparison	note	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>234.5</b>	<b>263.0</b>	<b>28.5</b>		<b>257.0</b>	<b>6.0</b>
Real Estate Agents	146.7	164.8	18.1	Retail +6.6, Wholesale +1.9, Real estate sales +8.9	159.7	5.1
Rental housing service	87.8	98.2	10.3		97.3	0.9
<b>Operating profit</b>	<b>26.1</b>	<b>31.0</b>	<b>4.9</b>		<b>27.8</b>	<b>3.2</b>
Real Estate Agents*	21.1	25.7	4.6		22.7	3.0
Rental housing service*	4.7	5.3	0.6		5.1	0.2

\* Operating profit stated above is a reference value before consolidated accounting treatment.

## Real Estate Agents ② Performance indicators in sales agent

	FY2022 Q2		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	14,196 +3.7%	535 (1.7)%	14,731 +3.5%
Amount of transactions (billion yen)	637.7 +17.0%	220.3 +5.5%	858.0 +13.8%
Average handling price (million yen)	45 +12.8%	412 +7.2%	58 +9.9%
Commission fee ratio	4.7%	3.4%	4.3%

Highlights
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### Retail

- Both the number of transactions and amount of transactions increased from FY2021 Q2.
- 10 stores are scheduled to opened in FY2022. 6 stores opened by the end of the Q2.

### Wholesale

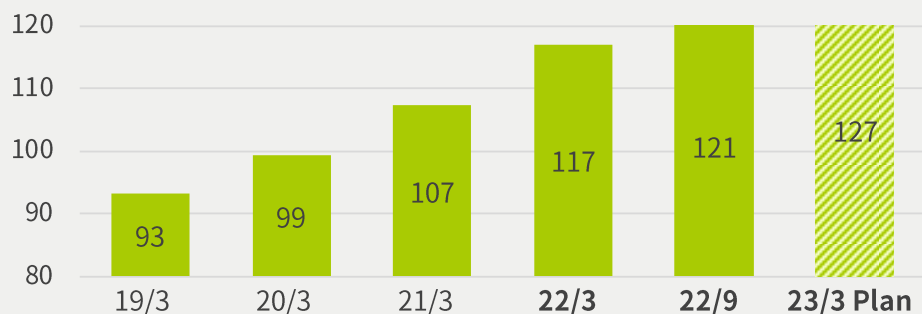
The amount of transactions increased from FY2021 Q2

	FY2021		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	27,656 +12.1%	1,094 +12.2%	28,750 +12.2%
Amount of transactions (billion yen)	1,147.1 +21.7%	430.9 +51.8%	1,578.0 +28.7%
Average handling price (million yen)	41 +8.5%	394 +35.3%	55 +14.7%
Commission fee ratio	4.7%	3.1%	4.2%

	FY2022 (Plan)		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	28,906 +4.5%	1,086 (0.7)%	29,992 +4.3%
Amount of transactions (billion yen)	1,298.0 +13.2%	447.2 +3.8%	1,745.2 +10.6%
Average handling price (million yen)	45 +8.3%	412 +4.5%	58 +6.0%
Commission fee ratio	4.7%	3.4%	4.3%

# Real Estate Agents ③ Changes in properties under management

## Rental housing Management Stock Trends



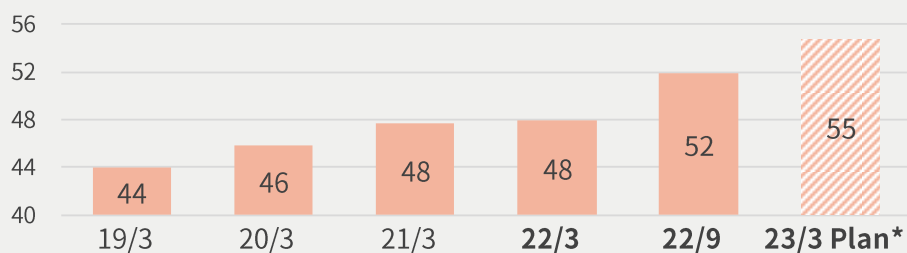
[Units: thousand]	93	99	107	117	121	127
(Change from the end of preceding fiscal year)	+6	+6	+8	+10	+4	+10

## Major properties under management



SHINONOME CANAL COURT CODAN  
(Completed in 2003; total rental units: 1,712)

## Student condominiums, etc. Management Stock Trends



[Units: thousand]	44	46	48	48	52	55
(Change from the end of preceding fiscal year)	+2	+2	+2	+0	+4	+7

\* The plan for the number of managed units including student condominiums for the fiscal year ending March 2023 is the initial plan for the fiscal year ending March 2024.









CAMPUS VILLAGE SHIINAMACHI  
(Completed in 2018; total student residence units: 167)

# Sustainability and DX Initiatives

# Materiality and KPI

We will aim to achieve non-financial KPI based on materialities

Themes to work on (Materialities)	Target indicators	FY2021 Results	FY2025 Targets	(FYI) FY2030 Targets
 <p>Lifestyle</p>	<p>Create a variety of lifestyles</p> <ul style="list-style-type: none"> <li>• Customer satisfaction level*</li> <li>• Products and services that contribute to Lifestyles Creation 3.0</li> </ul>	<p>95%</p> <p>20cases</p>	<p>90% or more</p> <p>50cases or more (10/year)</p>	<p>90% or more</p> <p>100cases or more (10/year)</p>
 <p>Liveable City</p>	<p>Create communities and lifestyles that encourage well-being</p> <ul style="list-style-type: none"> <li>• Measures to revitalize communities</li> <li>• Strengthening buildings safety and security**</li> </ul>	<p>21cases</p> <p>100%</p>	<p>50cases or more (10/year)</p> <p>100%</p>	<p>100cases or more (10/year)</p> <p>100%</p>
 <p>Environment</p>	<p>Create a sustainable environment</p> <ul style="list-style-type: none"> <li>• CO2 emissions (compared with FY2019)</li> <li>• Environmental efforts through business</li> </ul>	<p>Scope1,2 : -9%</p> <p>Scope3 : -13%</p> <p>22cases</p>	<p>Scope1,2 : -50% or more</p> <p>Scope3 : Reduction through cooperation with construction companies, etc.</p> <p>50cases or more (10/year)</p>	<p>-46.2% (SBT certification)</p> <p>100cases or more (10/year)</p>
 <p>DX</p>	<p>Create value in the digital era</p> <ul style="list-style-type: none"> <li>• Number of initiatives for digital utilization</li> <li>• Acquisition of IT passport***</li> </ul>	<p>30cases</p> <p>29%</p>	<p>50cases or more (10/year)</p> <p>80% or more</p>	<p>100cases or more (10/year)</p> <p>100%</p>
 <p>Human Capital</p>	<p>Create an organizational climate under which diverse human capital is enlivened</p> <ul style="list-style-type: none"> <li>• Ensuring of diversity in the core human capital (ratio of female managers)</li> <li>• Ratio of childcare leave taken by male employees</li> </ul>	<p>9%</p> <p>43.5%</p>	<p>9% or more</p> <p>100%</p>	<p>20% or more</p> <p>100%</p>
 <p>Governance</p>	<p>Create governance to accelerate growth</p> <ul style="list-style-type: none"> <li>• Engagement with shareholders and investors</li> <li>• Improvement of effectiveness of the Board of Directions (third party evaluation)</li> </ul>	<p>275cases</p> <p>100%</p>	<p>290 cases or more</p> <p>100%</p>	<p>300 cases or more</p> <p>100%</p>

\* Tokyu Cosmos Members Club Questionnaire survey

\*\* Support people who have difficulty returning home in the event of a disaster in a large and non-residential building, etc.

\*\*\* Tokyu Land Corporation employees

# Topics (Sustainability)

We resolve social issues through our business activities.



## Accelerating decarbonization efforts in the residential business

A new slogan for the BRANZ condominiums-Environmental progress, starting with homes. The following initiatives will be introduced in BRANZ condominiums, COMFORIA urban rental housings, and CAMPUS VILLAGE student accommodations, which will begin construction in FY2025 or later.

	Medium-term management plan (May 2022)		The latest disclosure (September 2022)
<b>ZEH level</b> ※as of commencement of construction work	Condominiums FY2025 50% FY2030 100%	➔	Condominiums FY2023 100% Urban rental housings • Student accommodations FY2025 100%
<b>Environmental certification acquisition</b> ※as of commencement of construction work	Residential properties are not eligible Covers large-scale non-residential owned properties	➔	Condominiums FY2023 100% all buildings acquired as “low-carbon buildings”

\*The projects developed by the Company are eligible.



## Strengthen efforts toward a recycling-oriented society

To make effective use of limited resources, we will work to reduce environmental impact and realize a recycling-oriented society.



Tokyu Sports Oasis staff uniforms are changed to UNIQLO products. Participated in the company's efforts to recycle and reuse all of its products.



Tokyu Harvest Club will install composting in all facilities by 2025. Promoting food recycling and local production for local consumption.



## Received the BELCA Award

Abiko Village (built in 1977), developed by Tokyu Land Corporation and managed and operated by Tokyu Community Corporation together with residents, received the BELCA Award (Long Life Division).

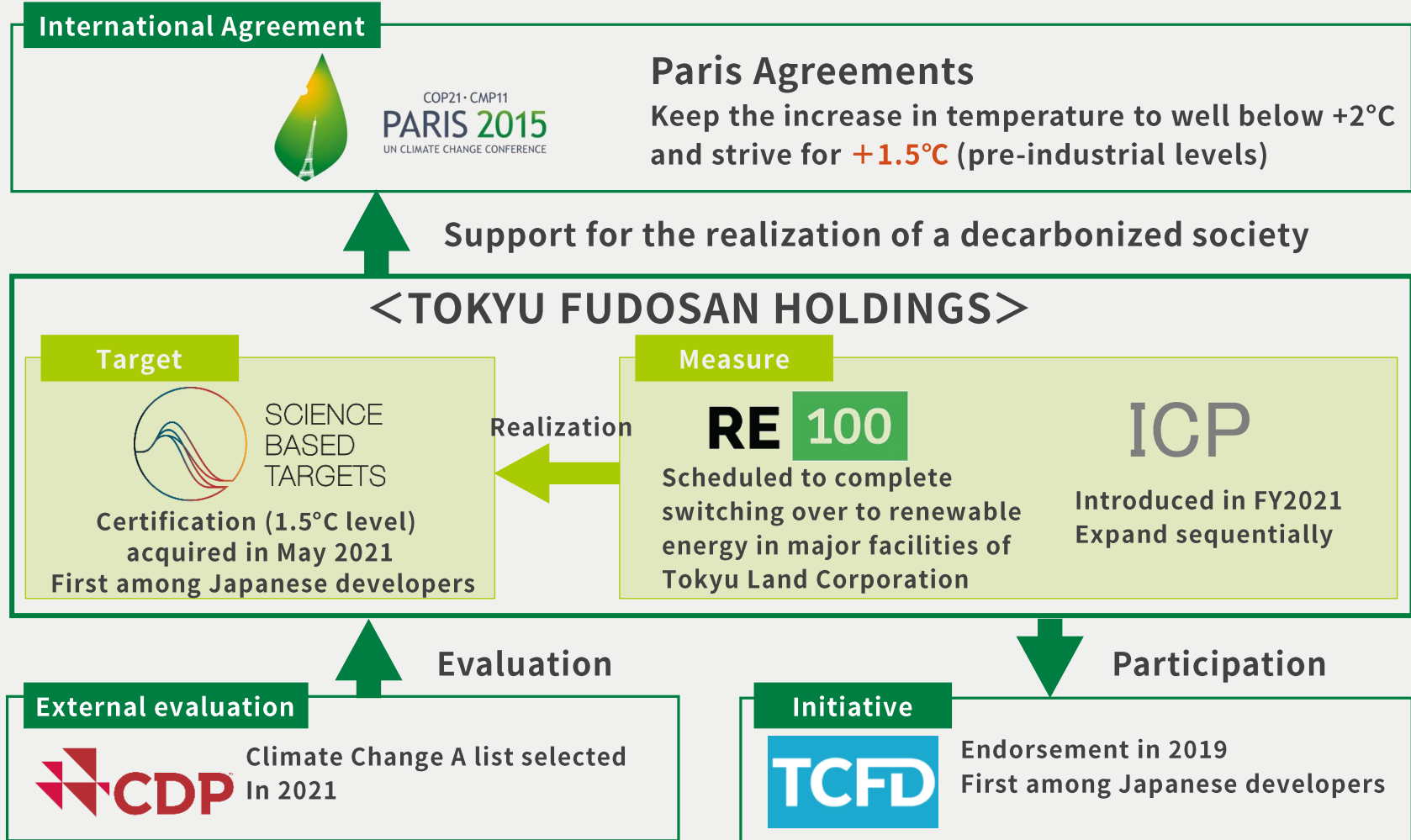


The reason for the award is that the building has met the current standards for anti-seismic performance without reinforcement since its development, and has always used the latest technology and contributed to the building's longevity through appropriate renovation management, etc.

# Initiatives to realize a decarbonized society



Promote various initiatives to achieve SBT 1.5°C target for FY2030, and CDP Climate Change A list selected



# Initiatives to realize a decarbonized society (SBT)



Accelerate decarbonization in initiatives to achieve the SBT 1.5°C target for 2030

## 〈CO2 emissions reduction targets〉

CO <sub>2</sub> emissions reduction of 46.2% compared with FY2019 to achieve the 1.5°C –aligned SBT in 2030	
Scope 1 and 2 (the Group)	CO <sub>2</sub> emissions reduction of more than 50% in FY2023 (compared with FY2019) Achieving our target standards quickly by accelerating RE100 and other such means
Scope 3* (Supply chain)	<p><b>Collaborative initiatives with partners (construction companies, etc.)</b></p> <ul style="list-style-type: none"> <li>● Accurate understanding of CO<sub>2</sub> emissions during construction and requests for reductions, etc.</li> </ul> <p><b>Offer customers the value of decarbonization</b></p> <ul style="list-style-type: none"> <li>● ZEB/ZEH, obtaining environmental certification, offering renewable energy provision, etc.</li> </ul>



\*Scope 3: Breadth of the company's SBT certification covers categories 1, 2, and 11

## 〈Specific initiatives for target realization and KPIs〉

RE100	Switching over to renewable energy in major facilities of TLC in 2022 Utilizing the nation's top-level power generation capacity	ZEB·ZEH levels*	FY2025 : approx.50% FY2030 : promoting forward 100% In the Residential business, the decision was made to expand the scope and accelerate the target. (cf.p.38)
Environmental Certification*	<ul style="list-style-type: none"> <li>• Promote the goals for large non-residential properties* (FY2025 : 70%、FY2030 : 100%)</li> <li>• Condominiums were added to the target and goal in September. (FY2023 : 100%)</li> </ul> Obtained "low-carbon building" certification for all properties	Introduction of ICP	Introduced in FY2021 Expanded use in steps being considered <ul style="list-style-type: none"> <li>● Expanding applications</li> <li>● Sophistication of judgment criteria</li> </ul>

\*Ratio of condominiums for sale, office space, etc. equipped with ZEB/ZEH oriented functions or equal or greater functions (based on construction starts)

\* Applicable to large-scale non-residential properties (total floor area exceeding 10,000m<sup>2</sup>), with some exceptions such as joint ventures

the GX League Basic Concept	Tokyu Land Corporation endorses the basic concept and participates in the preparation for the full-scale operation of GX League.
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# Initiatives to realize a decarbonized society (TCFD)



Scenario analysis was conducted for the Group's four businesses in the following three cases

## <Summary>

Conduct scenario analysis to assess climate change-related risks and opportunities over the mid- to long-term (2030 and 2050) for the Group's four businesses (cities, resorts, housing, and renewable energy) and reflect them in our business strategies.

Category	1.5°C	3°C	4°C
<ul style="list-style-type: none"> <li>✓ Transition risks Policies, Regulations, Markets, Reputation</li> <li>✓ Opportunities Energy Sources, Products, Services Market</li> </ul>	<p>【Risks • Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the med-term, a significant financial impact due to carbon pricing and ZEB compliance costs are seen, but in the long-term, ZEB conversion will be completed, securing a competitive advantage and increasing rental income. The demand for renewable energy power is expanding.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy.</li> <li>• Promote conversion of new buildings to ZEB/ZEH and upgrade of equipment at existing operating facilities. Differentiation through early introduction of renewable electricity.</li> </ul>	<p>【Risks • Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the med-term, ZEB conversion is relatively mild and has less impact than the 1.5°C scenario, but the impact of ZEB conversion continues in the long-term.</li> <li>• Demand for tenant offices shrinks due to the spread of remote work.</li> <li>• Renewable energy power demand is expanding to a certain extent.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy.</li> <li>• Each business promotes the same differentiation as in the 1.5°C scenario.</li> <li>• Expand satellite offices in view of the spread of remote working.</li> </ul>	<p>【Risks • Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• Higher temperatures increased construction costs and air conditioning costs during operation.</li> <li>• Demand for tenant offices shrinks due to the spread of remote work.</li> <li>• Higher temperatures increased the need for highefficiency housing.</li> <li>• Policy support for renewable electricity is feeble. Market trends are uncertain.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity.</li> <li>• Each business promotes the same differentiation as in the 3.0°C scenario.</li> <li>• In the resort business, offers new resort lifestyles such as vacationing.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Physical risks Acute, Chronic</li> <li>✓ Opportunities Resilience</li> </ul>	<p>【Risks • Opportunities/ Financial impacts】</p> <p>In the long-term, natural disasters due to extreme weather events will increase moderately, but with low impact.</p> <p>【Strategy】</p> <p>Differentiation through building location selection and strengthened BCP/LCP response through collaboration with tenants and residents.</p>	<p>【Risks • Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• Climate change moves forward faster and with greater impact than in the 1.5°C scenario.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Each business promotes the same differentiation as in the 1.5°C scenario.</li> <li>• Concentrated investment in high-latitude ski resorts in the resort business. Managed golf courses using heat-tolerant turf to differentiate from competing facilities.</li> </ul>	<p>【Risks • Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the long term, the impact of sea level rise increases versus the 3°C scenario. Drastic increase in damage to facilities due to natural disasters.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Each business promotes the same differentiation as in the 3.0°C scenario.</li> <li>• In the renewable energy business, maintain power generation efficiency by installing storage batteries. Screening of facilities for climate change.</li> </ul>

## <Disclosure in response to TCFD recommendations>

Disclosure broken down into governance, strategy, risk management, and indicators and targets

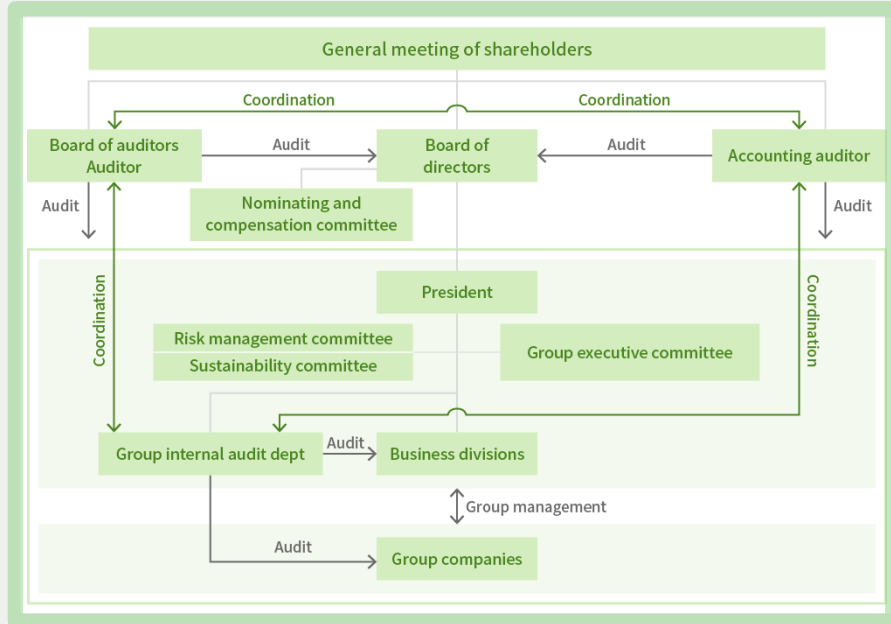
Lean more: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/54>

# Corporate Governance

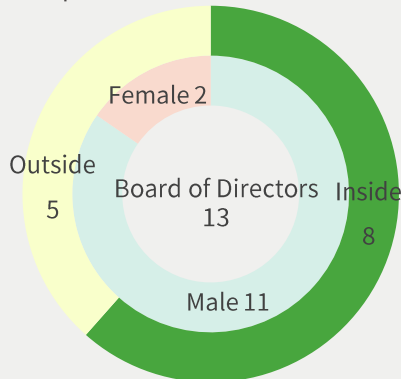


Establish a governance system that contributes to ensuring sound and transparent management and strengthening the system for implementing the long-term management policy

## 〈Corporate Governance Structure〉



## 〈Composition of Board of Directors〉

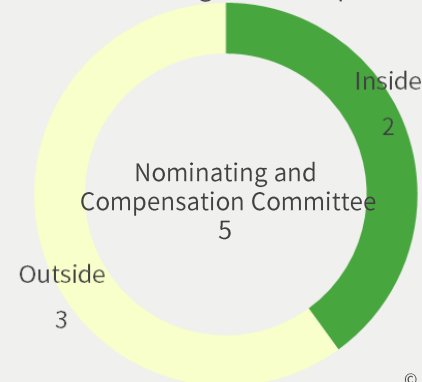


## 〈System of Remuneration for Officers〉

Improved linkage between achievement of KPIs (including ESG) and compensation

Item	Fixed Remuneration	Variable Remuneration	
	Monthly Remuneration	Bonus	Stock-based Compensation
Positioning	Basic remuneration	Short-term incentive	Medium-to-long-term incentive
Target percentage of total remuneration	50%	40%	10%
Approach to fluctuation		Linked to performance evaluation	Linked to stock price
Fluctuation from base amount		40~160%	Linked to stock price








## 〈Composition of Nominating and Compensation Committee〉



# Sustainable Management (External Evaluation)

Selected as Component FTSE4good Index Series in 2022 for the 13th consecutive year

● Selected - Not selected / No evaluation

Classification	Index/Evaluation	Description of Evaluation	2017	2018	2019	2020	2021
ESG	DJSI Asia Pacific <small>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</small>	Evaluating companies' sustainability in comprehensive consideration of economic, environmental, and social aspects	●	●	●	●	●
	FTSE 4good Index Series 	Evaluating companies' activities to fulfill their social responsibilities in terms of environmental, social, and governance (ESG) aspects	●	●	●	●	●
	FTSE Blossom Japan Index 	Adopted by the GPIF. The index reflects the performance of outstanding Japanese companies in terms of ESG management.	●	●	●	●	●
	MSCI Japan ESG Select Leaders <b>2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</b>	Adopted by the GPIF. Selecting outstanding Japanese companies in different industries in terms of ESG evaluation	●	●	●	●	●
	GRESB Real Estate Assessment 	The benchmark assessment that measures the ESG considerations of real estate companies and funds.	—	—	—	Green Star 3 Stars	Green Star 4 Stars
E (environment)	S&P/JPX Carbon Efficient Index 	Adopted by the GPIF. The weights of the constituents are determined in accordance with their carbon efficiency.	/	●	●	●	●
	CDP 	The companies' initiatives related to climate change, decarbonization strategies and performance in line with the TCFD recommendations, are evaluated.	B	A-	A-	A-	A
S (society)	MSCI Japan Empowering Women Index <b>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</b>	Adopted by the GPIF. Companies with high gender diversity scores based on data on the employment of women are selected.	—	●	●	●	●
	Health & Productivity Management Outstanding Organizations 	Evaluating health management practices Evaluated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi	●	●	●	●	●
	Health & Productivity Stock 	Selecting outstanding companies in terms of health management Selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange	—	—	●	●	●

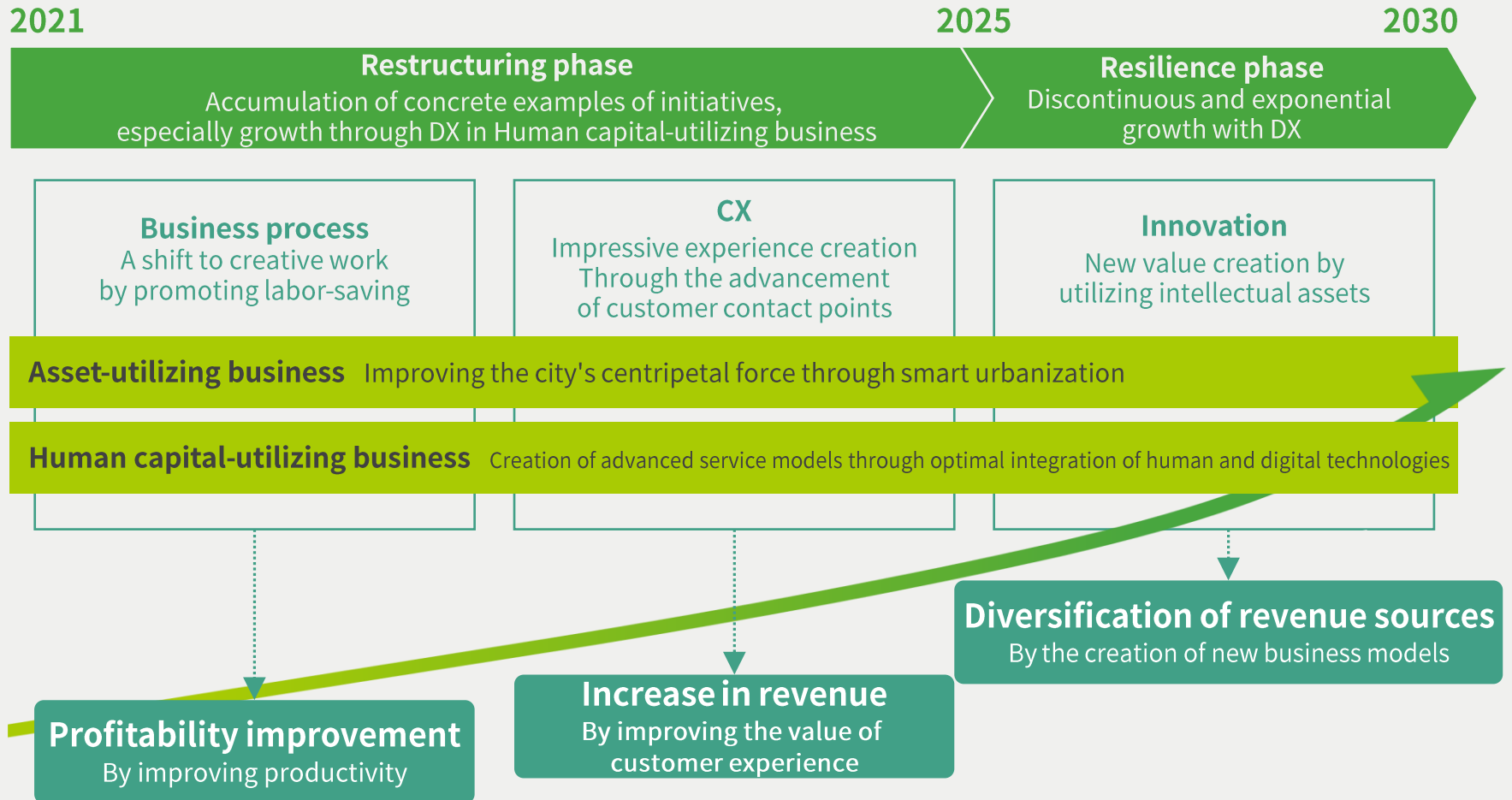
\* The names and logos of the indices are trademarks or service marks of the respective issuers, and do not imply that the issuers sponsor, approve, or promote the Company

# Roadmap for Value Creation through DX



By 2025, the group will promote labor-saving operations and the sophistication of customer contact, aiming for discontinuous and exponential growth by 2030

## GROUP VISION 2030 Create value for the future





Business process and CX reforms are underway

## Digital twinning of entire condominium

By entering into a strategic partnership with Accenture and utilizing their Computer Generated Imagery (CGI), we will create and improve the CX of digital twins for BRANZ properties, and in the future, reduce the environmental impact of building standard model rooms, etc. While engaging in sales efforts utilizing digital content, we aim to maximize the use of the Digital Twin, a precision simulation tool, to provide experiential value that exceeds that of a model room, or even a model room.



Exclusive area created by Digital Twin



View produced by Digital Twin



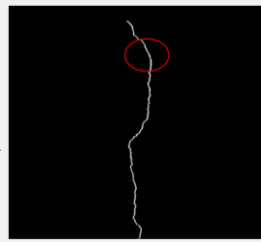
3D model created based on drawings

## A patented AI technology

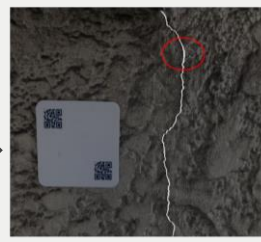
Tokyu Livable has jointly developed an AI diagnosis system for exterior wall cracks with Japan Home Shield and Rist, and obtained a patent for the system, has already begun using the system in its own services to plan offering it to external parties after improving the application.



Capture inspection images



Extract crack image and measure maximum width



Composite image of exterior wall and cracks to identify maximum width area

## Digital training provided by Google, Inc.

Digital technology and digital marketing training by Google. (held at Shibuya office)

Continuing to nurture bridge persons who connect the business and digital aspects of each operating company.



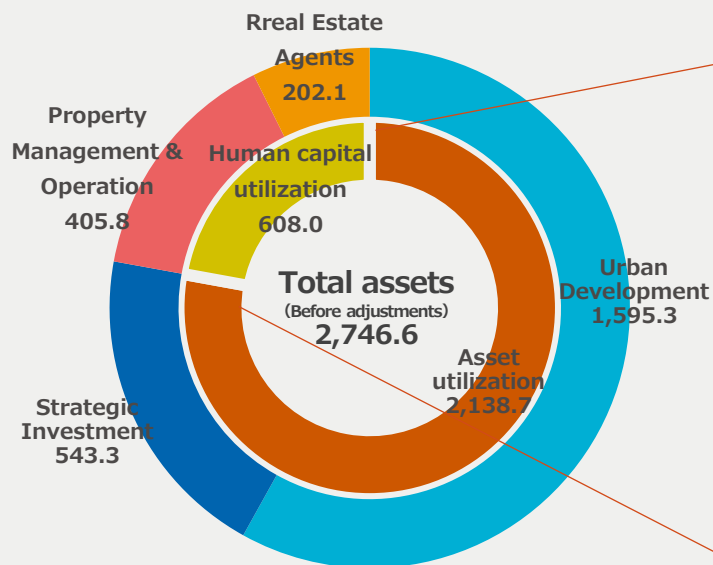
# Financial Capital Strategy

# Financial Capital Strategy ①

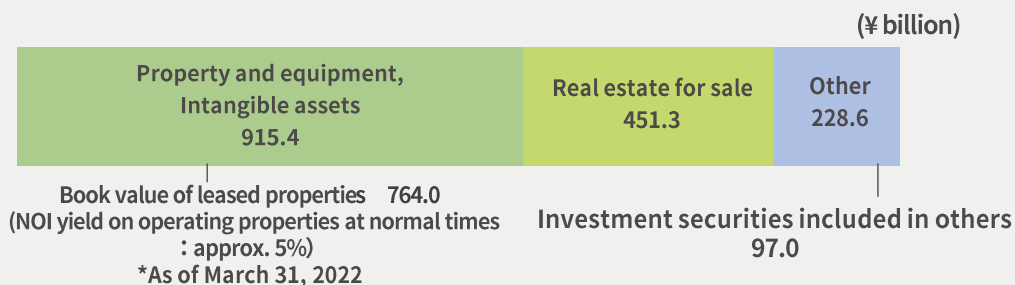
Total assets (As of Sep-30 2022) 2,698.0 billion yen	
Total Assets 2,698.0 billion yen	Total Liabilities 1,989.9 billion yen
	Net assets 708.1 billion yen

Expand stable revenue foundations through leasing and renewable energy businesses and strengthening rotational business

〈Asset breakdown by segment (¥billion)〉



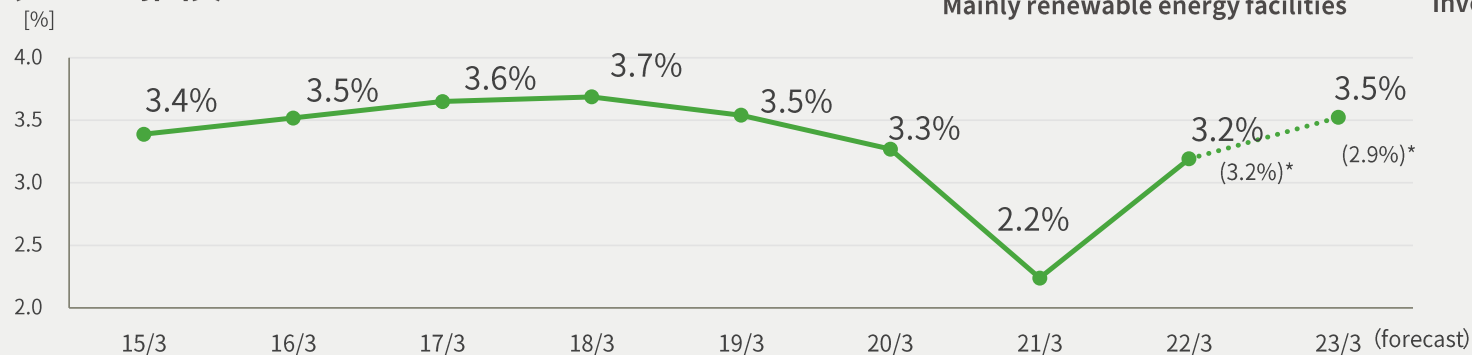
〈Breakdown of Urban Development segments〉



〈Breakdown of Strategic Investment segments〉



〈ROAの推移〉



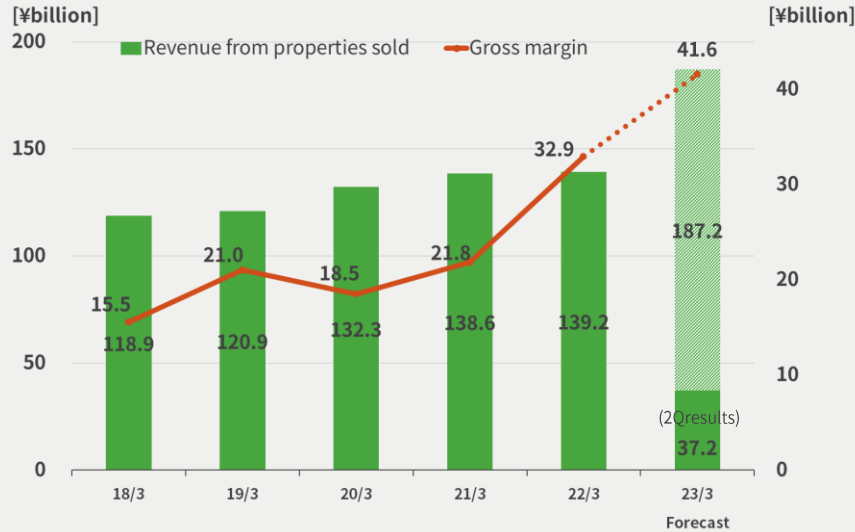
\* Figures in parentheses are ROA of Asset-utilizing business

# Financial Capital Strategy ②

Total assets (As of Sep-30 2022) 2,698.0 billion yen	
Total Assets 2,698.0 billion yen	Total Liabilities 1,989.9 billion yen
	Net assets 708.1 billion yen

Promote efficient asset turnover and profit generation by closely observing trading markets

## 〈Changes in gain on sales〉



## 〈Major real estate sold〉

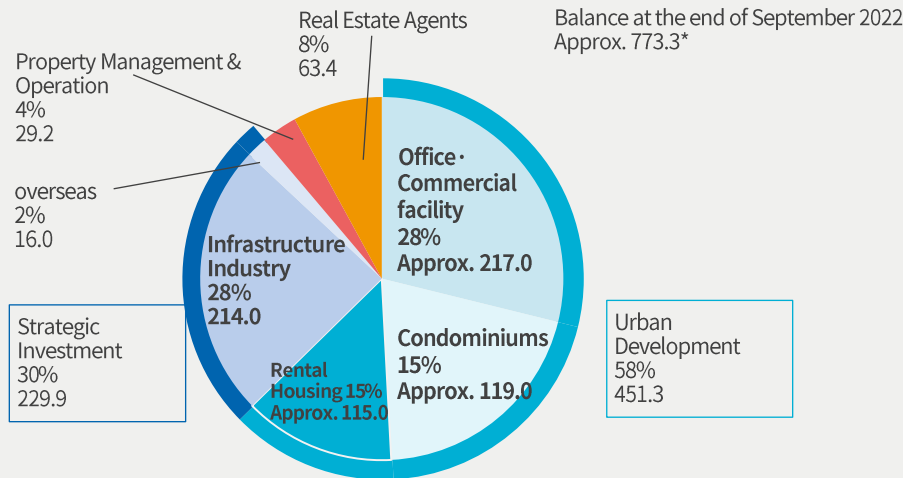


Meguro Tokyu Building



LOGI'Q Shiraoka

## 〈Real estate for sale by asset (¥billion)〉



\* Companywide/ Excluding amortization

## 〈Major real estate for sale〉



Comforia Morishita Riverside



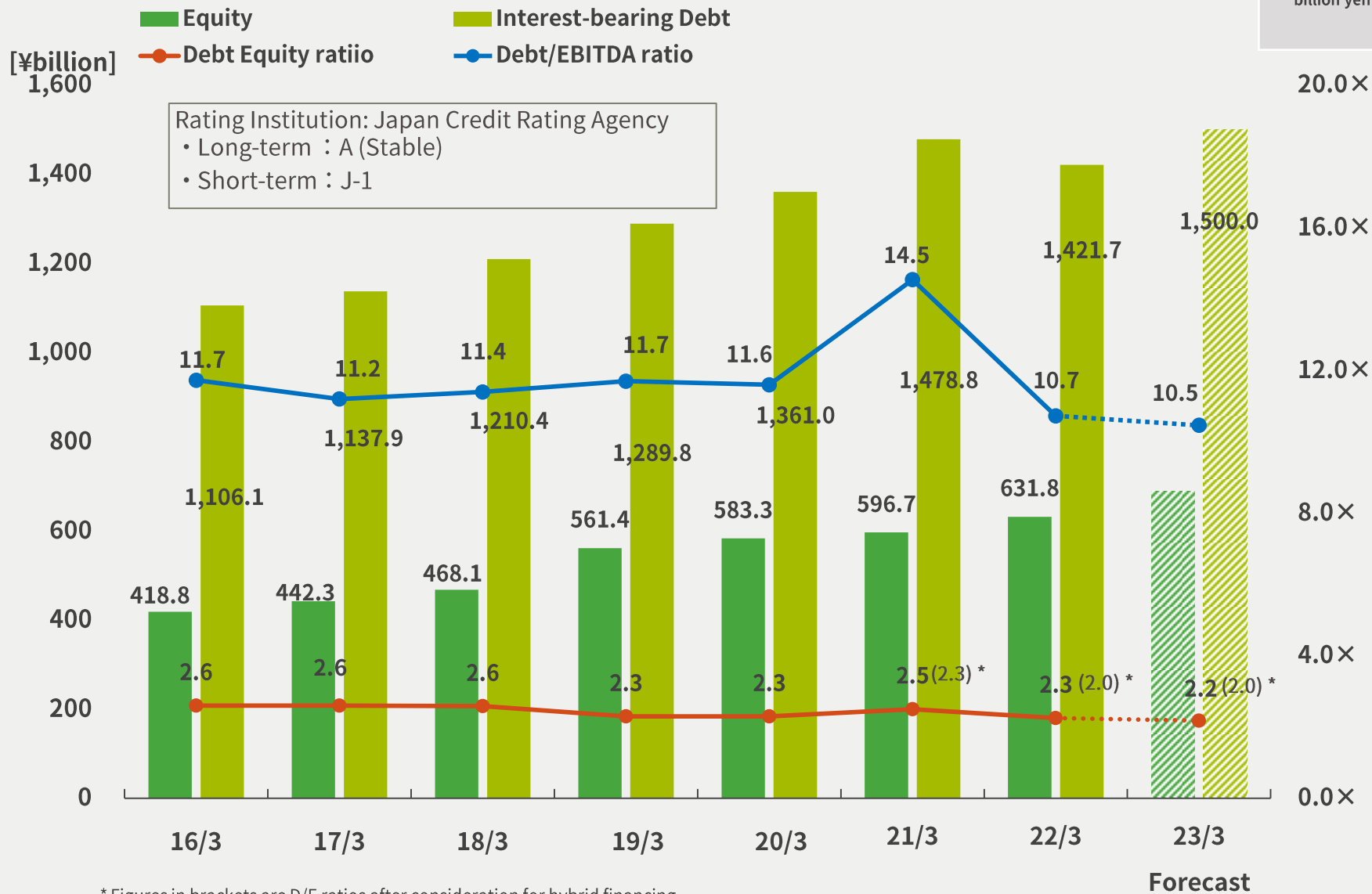
LOGI'Q Sayamahidaka



# Financial Capital Strategy ③

Total assets (As of Sep-30 2022) 2,698.0 billion yen	
Total Assets 2,698.0 billion yen	Total Liabilities 1,989.9 billion yen
Net assets 708.1 billion yen	

Maintain financial discipline by executing hybrid financing and taking other steps



\* Figures in brackets are D/E ratios after consideration for hybrid financing.

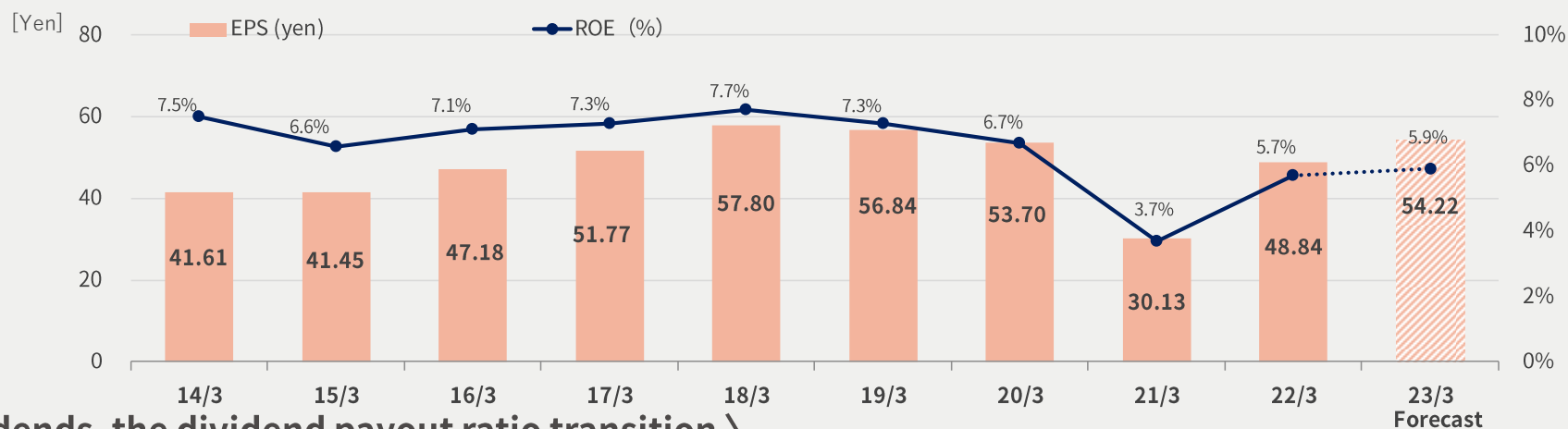
# Financial Capital Strategy ④

Total assets (As of Sep-30 2022) 2,698.0 billion yen	
Total Assets 2,698.0 billion yen	Total Liabilities 1,989.9 billion yen
	Net assets 708.1 billion yen

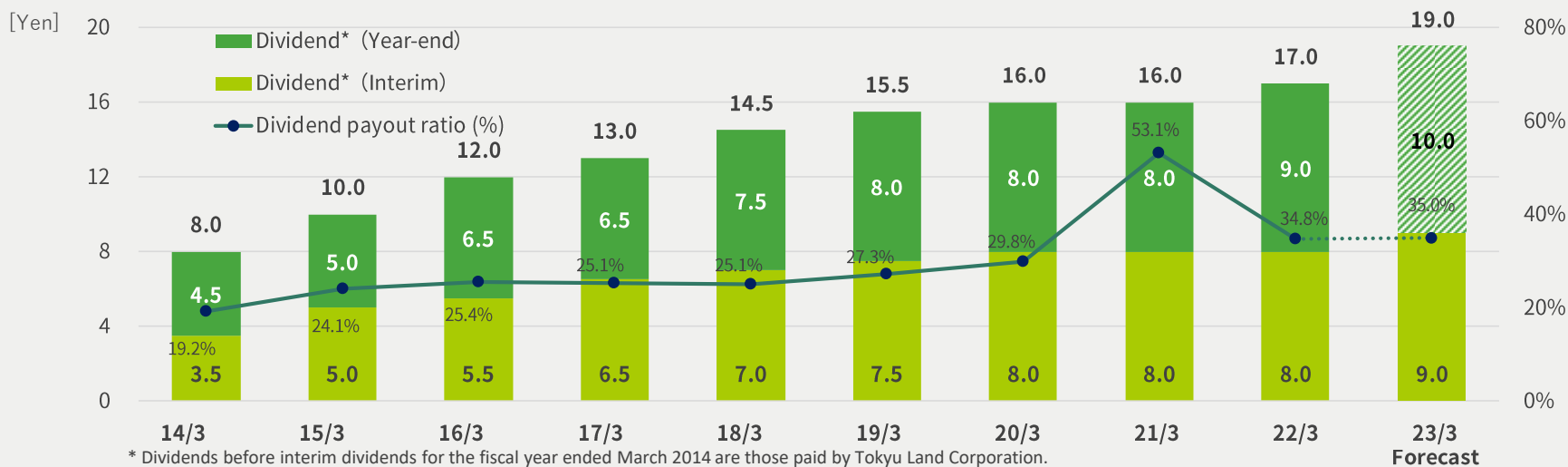
Aim at increasing EPS through reinvestment in growth.

Maintain stable dividends with a payout ratio of 30% or above for the time being.

## < EPS and ROE transition >



## < Dividends, the dividend payout ratio transition >



\* Dividends before interim dividends for the fiscal year ended March 2014 are those paid by Tokyu Land Corporation.

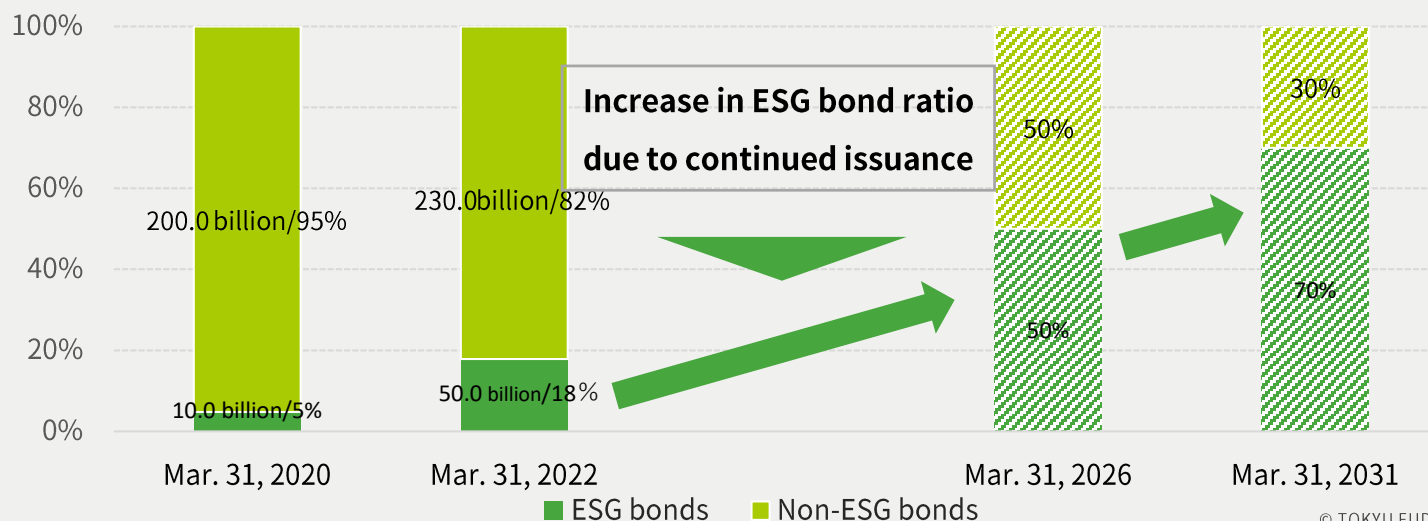
# | Formulation of bond policy |

Formulation of bond policy to achieve sustainable society and growth through continuous issuance of ESG bonds

## 〈Outline of the Bond Policy〉

Name	WE ARE GREEN Bond Policy
Purpose	<ul style="list-style-type: none"> <li>- We will obtain the comprehensive and continual understanding and approval of the Group's ESG initiatives from bond investors.</li> <li>- We will consistently provide bond investors with opportunities to invest in ESG bonds and will expand our financing base through ESG bonds.</li> </ul>
Target	The ratio of ESG bonds to the outstanding bonds of the Company <ul style="list-style-type: none"> <li>- End of FY2025: 50% or more</li> <li>- End of FY2030: 70% or more</li> </ul>
Deepning engagement	We will hold WE ARE GREEN Bond Policy Meetings <ul style="list-style-type: none"> <li>- Disseminate the Group's ESG initiatives and the progress/status of ESG bonds.</li> <li>- Collect opinions from participants and make the most of them for the Group's ESG initiatives.</li> </ul>
Types of ESG bonds	Green bonds, social bonds, sustainability bonds, sustainability-linked bonds (plan)

## 〈 Trends in ESG bond ratio 〉



# The Group's ESG Bonds to Date

## Sustainability-Linked Bond (October 2021)

Term	10-year
Issue Amount	10 billion yen
Interest rate	0.300% per annum (Pricing Date: October 5, 2021)
SPTs	SPT1: Reduce greenhouse gas emissions by 46.2% by FY2030 SPT2: Achieve carbon-negative status by FY2025
What to do when the SPTs are not achieved	On the maturity date, the following amount will be donated to the recipients related to our Green Connection Project and other similar organizations. • SPT1: 0.25% of issue amount • SPT2: 0.25% of issue amount

## Green Bond (January 2020)

- Term...5-year
- Issue Amount...10 billion yen
- 18 Investment proposals
- Use of the bond



ReENE Matsumae Wind Farm



SHIBUYA SOLASTA

## Sustainability Hybrid Bond (December 2020)

- Term...40-year  
(Non-call period...10-year)
- Issue Amount...30 billion yen
- 51 Investment proposals
- Main use of the bond



Senior housing business



Support For Start-ups and Co-creation Business



Membership shared office business

# Overview of the Medium-term management plan 2025

## | Positioning of Medium-term management plan 2025 |

Medium-term management plan has been positioned as the restructuring phase of our long-term management policy. During the plan period, we will work realizing efficiency with a view to returning to growth in the pos-COVID-19 period.

### GROUP VISION 2030 Create value for the future

Realizing a future where everyone can be themselves and shine vigorously

2021-2025

Long-term management policy: Restructuring phase

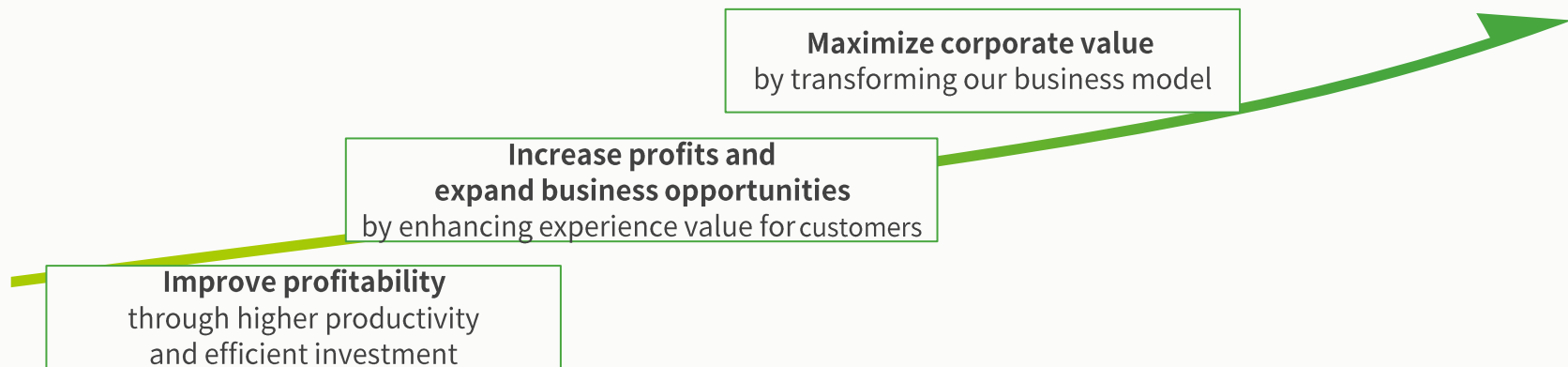
2026-2030

Long-term management policy: Resilience phase

Improve earning power and efficiency for the post-COVID-19 period in order to achieve renewed growth

Build a solid and distinctive business portfolio

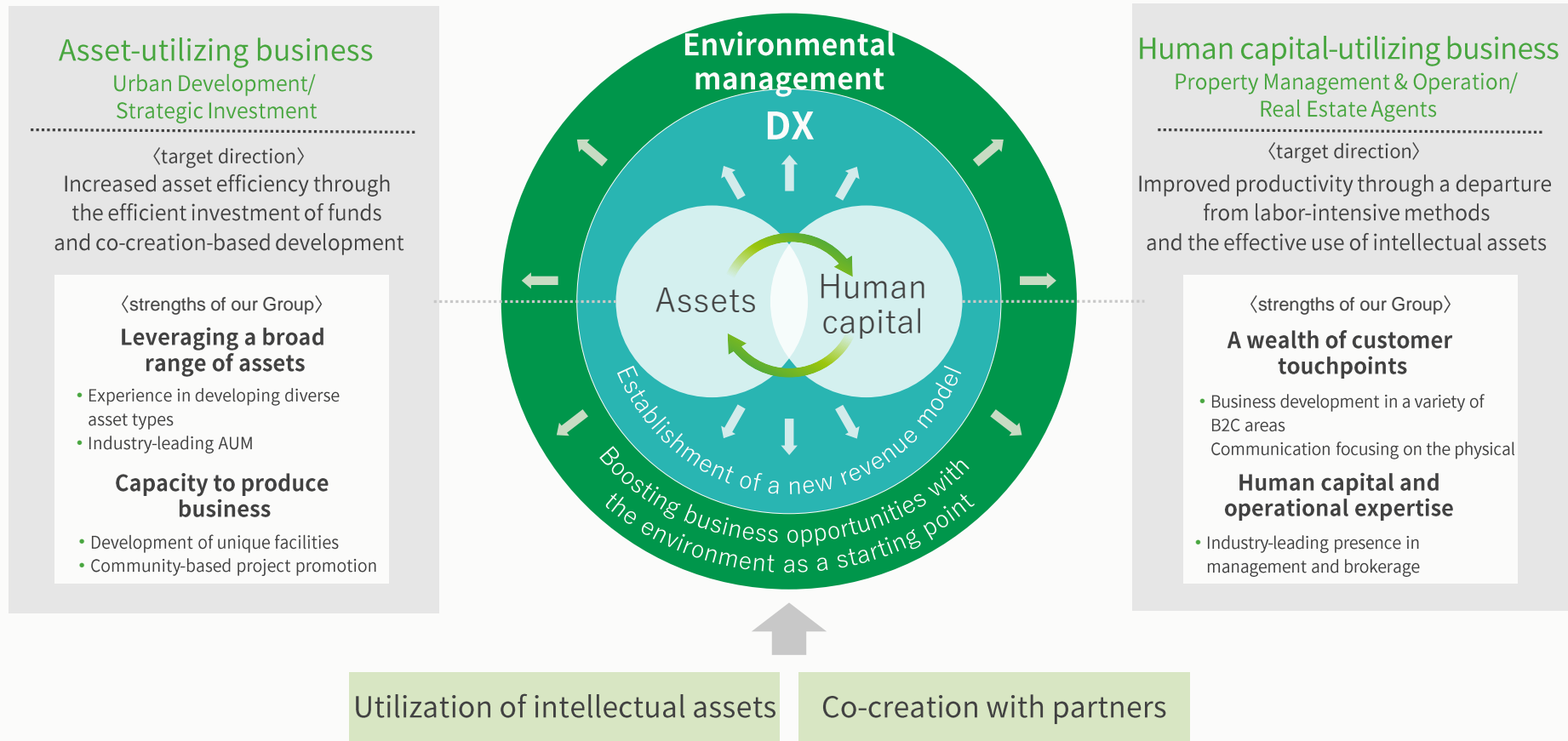
## Medium-Term Management Plan 2025



# Outline of the medium-term management plan

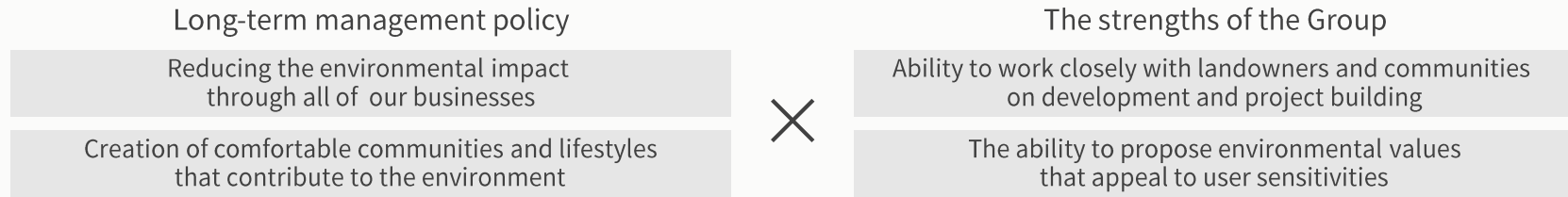
Combine Environmental management and DX to our Group's strengths to create unique value.

## Creating unique value through environmental management and DX



# Value creation based on the Environmental Management


Aiming to increase business opportunities with the environment as a starting point, through initiatives aimed for decarbonization, a recycling-oriented society, and efforts for biodiversity.



Medium-term management plan

## Expand business opportunities with the environment as a starting point


Three priority issues

 **Decarbonized society**

- Achievement of RE100, introduction of internal corporate pricing (ICP)
- Introduction of ZEB/ZEH, environmental certification
- Recycling, energy saving, energy creation

 **Recycling-oriented society**

- Reducing waste and water usage
- Leveraging stock
- Co-creation business initiatives with the community and the environment

 **Biodiversity**

- Urban greenification, long-term maintenance and management
- Forest conservation and utilization
- Sustainable procurement

### Key examples of third-party recognition (as of FY 2021)



#### CDP Climate Change 2021

Recognized on CDP's highest rating A list, commended for its medium- to long-term targets and other initiatives



#### 2021 New Energy Award

Recipient of the prestigious METI Minister's Award, commended for expanding, promoting, and spreading its renewable energy business initiatives



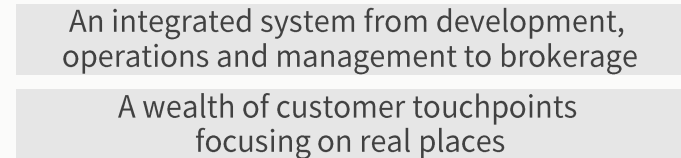
# Value creation based on the DX

Maximize the values of assets and human capital that belong to the Group integrating DX and aim to establish a new revenue model.

Long-term management policy

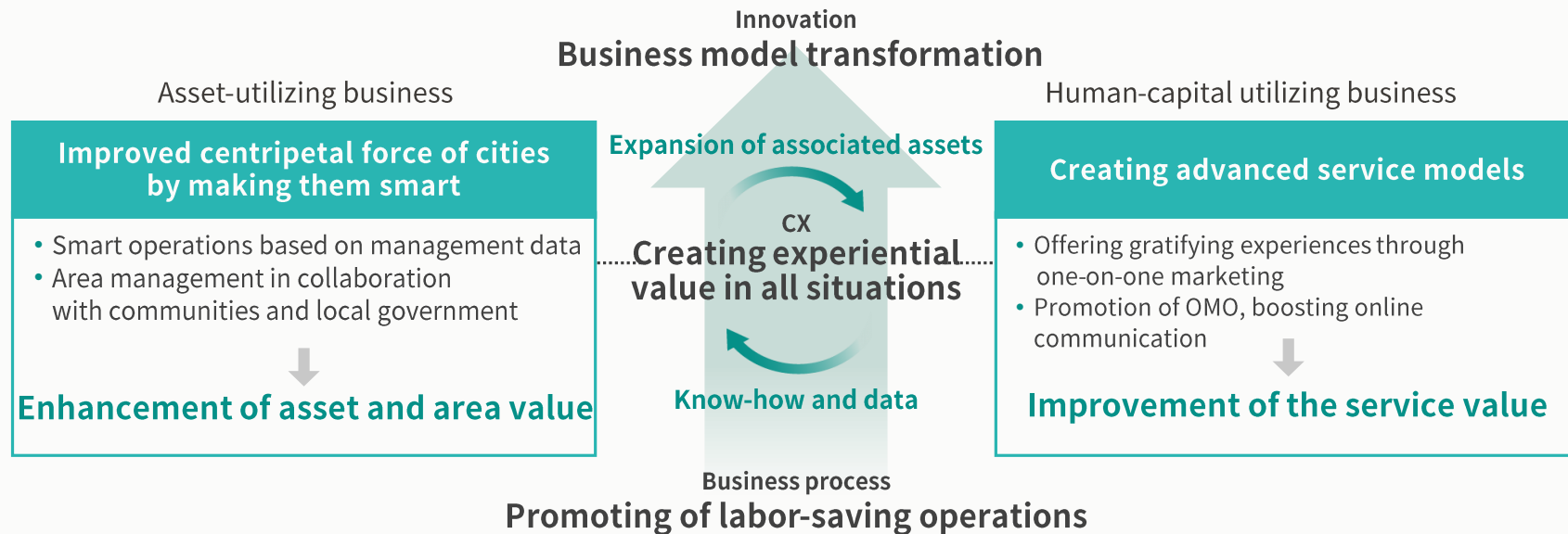


Strengths of the Group



Medium-term management plan

## Establish a new revenue model by maximizing the values of assets and human capital



# Target Indicators for Fiscal 2025

Aim to achieve target indicators that integrate financial and non-financial data based on materialities.

## Primary Targets for Each Materiality\*1



Lifestyle

Customer satisfaction level\*2

**90% or more**



Liveable City

Community Revitalization measures

**50 cases or more**



Environment

CO2 emissions or GHG (CO2) emissions\*3

**-50% or more**  
(versus fiscal 2019)



DX

Number of initiatives for digital utilization

**50 cases or more**



Human Capital

Ratio of childcare leave taken by male employees

**100%**



Governance

Improvement of effectiveness of the Board of Directors (Third-party evaluation)

**100%**

### Efficiency

**ROE**  
**9%**

**ROA**  
**4%**

**EPS**  
**¥ 90 or more**

### Profit targets

**Operating profit**  
**¥ 120 billion**

**Net profit**  
**¥ 65 billion\*4**

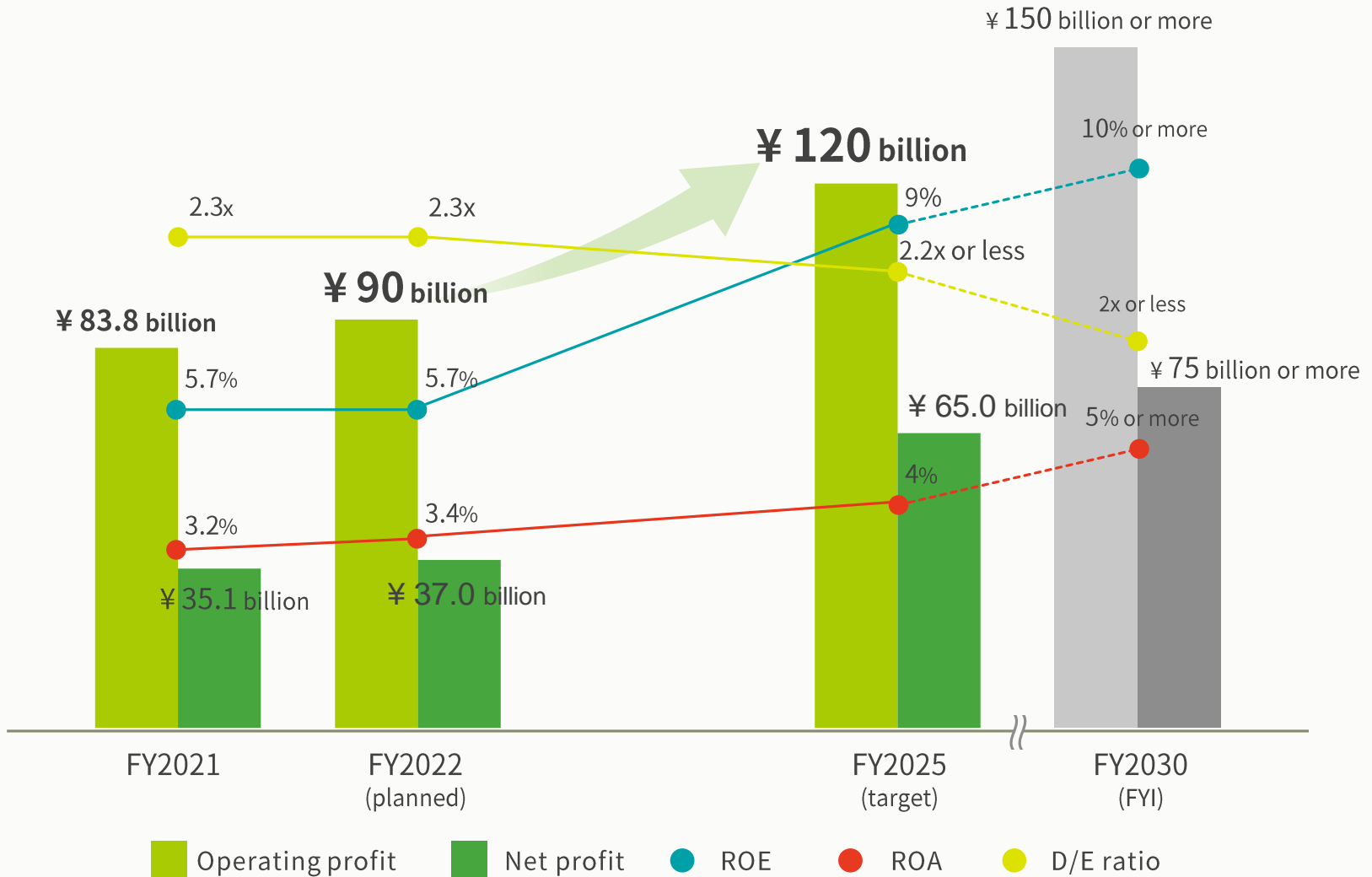
### Financial soundness

**D/E ratio**  
**2.2x or less**  
**EBITDA multiple**  
**10x or less**

\*1: Detailed targets are stated on p. 37. \*2: Tokyu Cosmos Members Club questionnaire \*3: Scope 1 & 2 under SBT certification \*4: Profit attributable to owners of parent

# Transitions in Target Indicators (financial indicators)

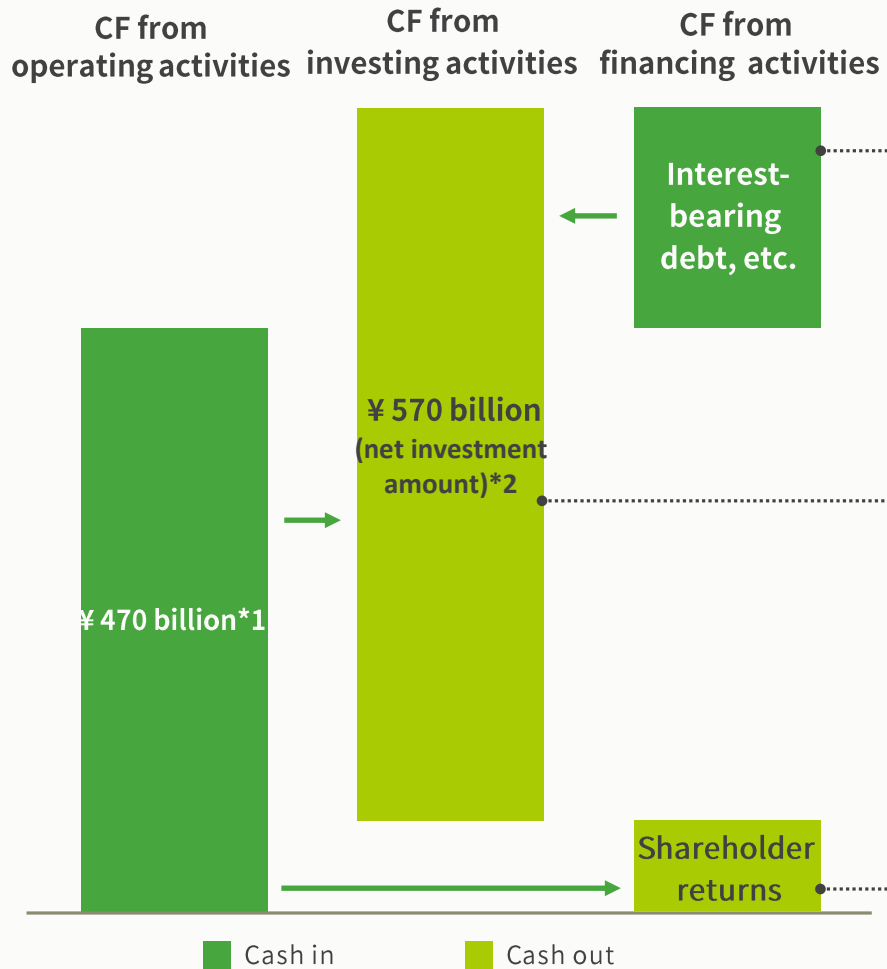
Aim for profit growth and efficiency improvement toward FY2025 through our business restructuring during the first half of the plan and the start of operations with our large-scale development properties.



\* Profit attributable to owners of parent.

# Capital Allocation

With a D/E ratio under 2.2x at the end of FY2025 as a precondition, we plan net investments at 570 billion yen (FY2021-FY2025.)



**Precondition as of the end of FY2025**

- Interest-bearing liabilities: ¥1.65 trillion
- D/E ratio: under 2.2

**Gross investment ¥2.2 trillion**

Classification	Investment amount	Notes
<b>Asset-utilization</b>	¥ 2 trillion	Expected return perspective • Owned businesses: NOI yields at around 5.0% • Revolving businesses: IRR around 6.5%
<b>Urban Development</b>	¥ 1.33 trillion	• Office and commercial facilities: ¥ 620 billion • Residential: ¥ 710 billion
<b>Strategic Investment</b>	¥ 670 billion	• Renewable energy: ¥ 240 billion • Logistics, industrial facilities: ¥ 280 billion • Overseas: ¥ 150 billion
<b>Human capital-utilization</b>	¥ 150 billion	
<b>TFHD Corporation</b>	¥ 50 billion	M&As, CVCs, etc.

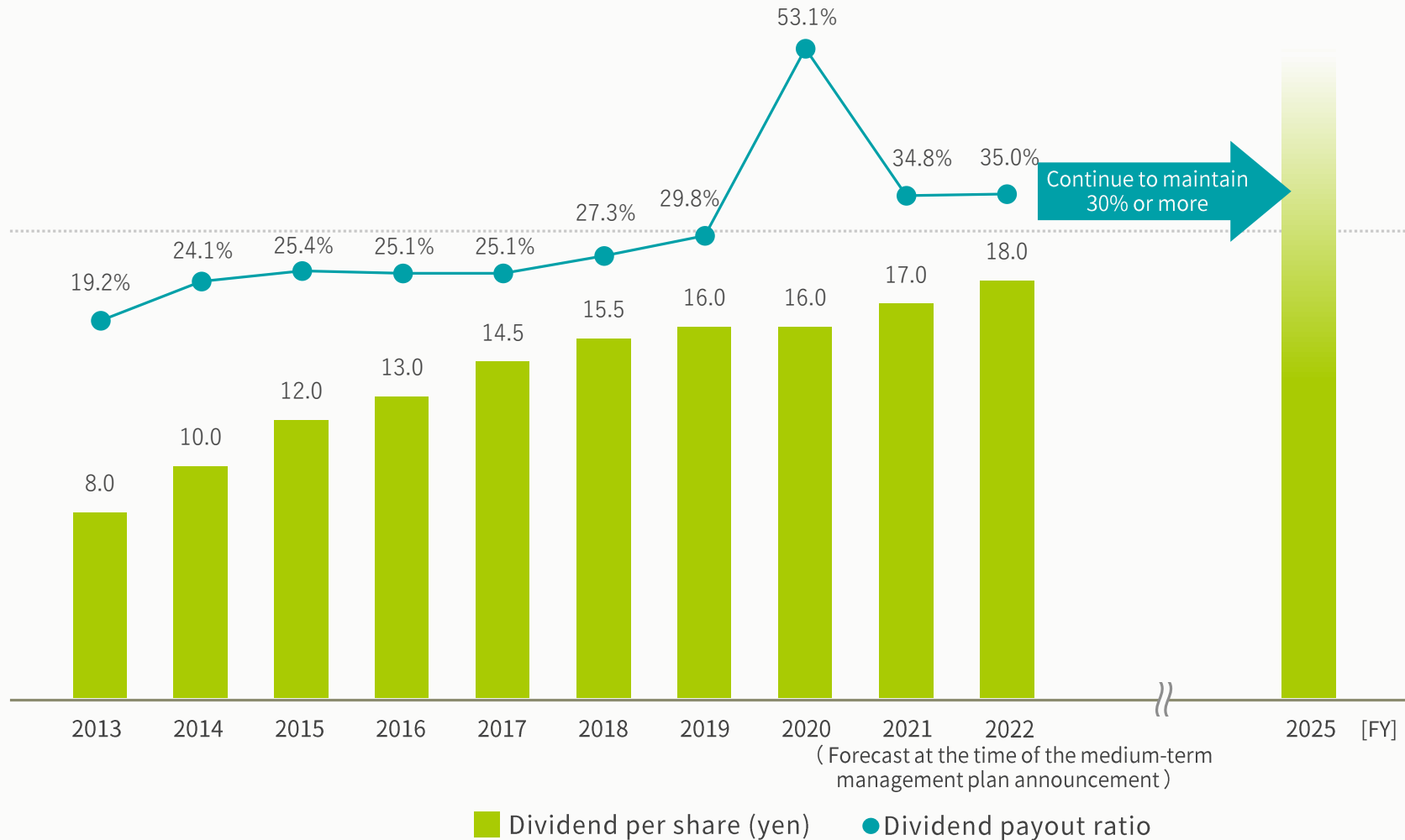
**Shareholder Returns Policy**

- Dividend payout ratio: 30% or more
- Continuation of stable dividend payout

\*1: Net income for the period + amortization expenses \*2: Includes inventory investment

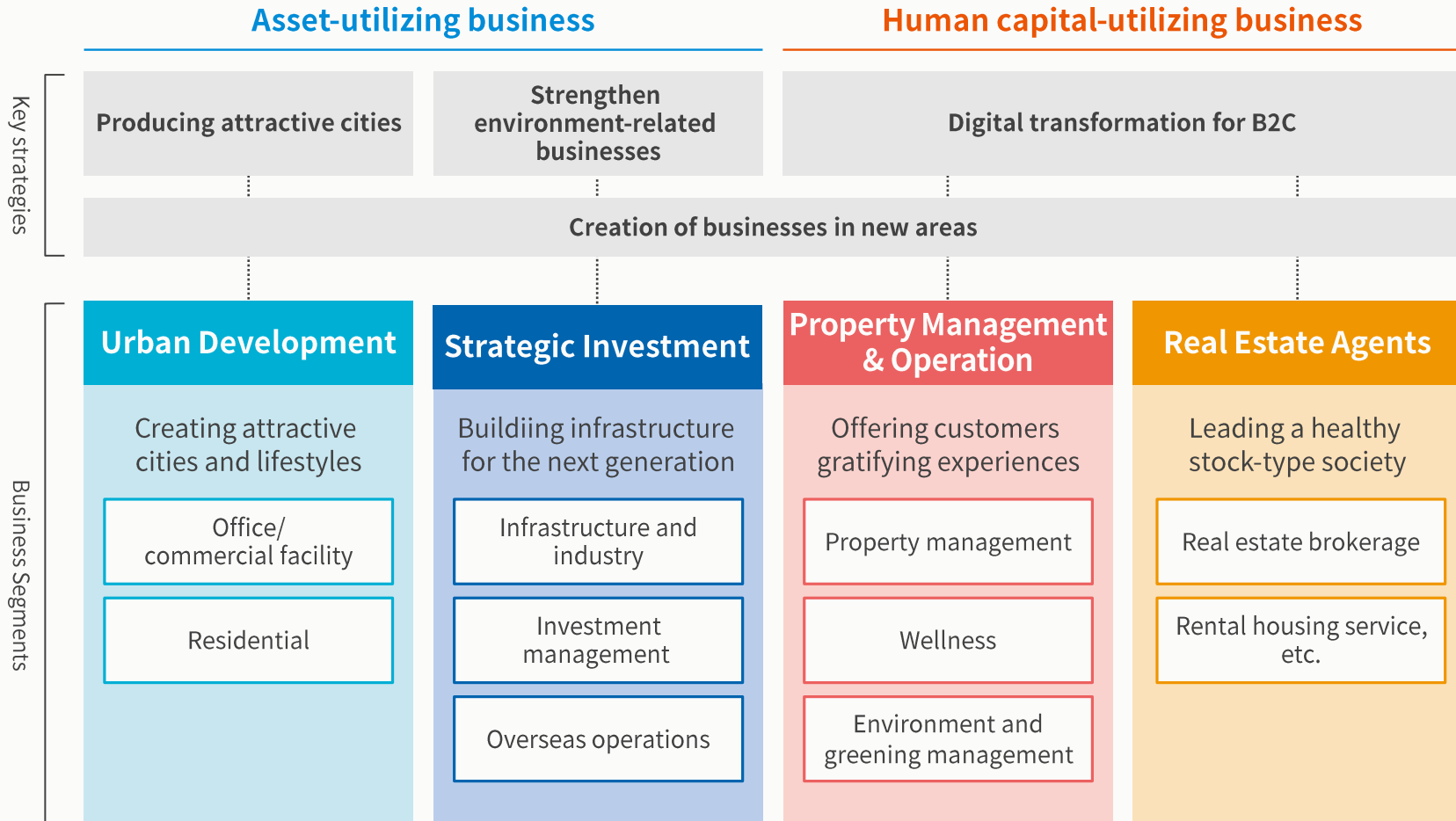
# Shareholder Returns Strategy

Increase EPS through reinvestment in growth and maintain a stable dividend payout ratio of 30% or more for the time being.



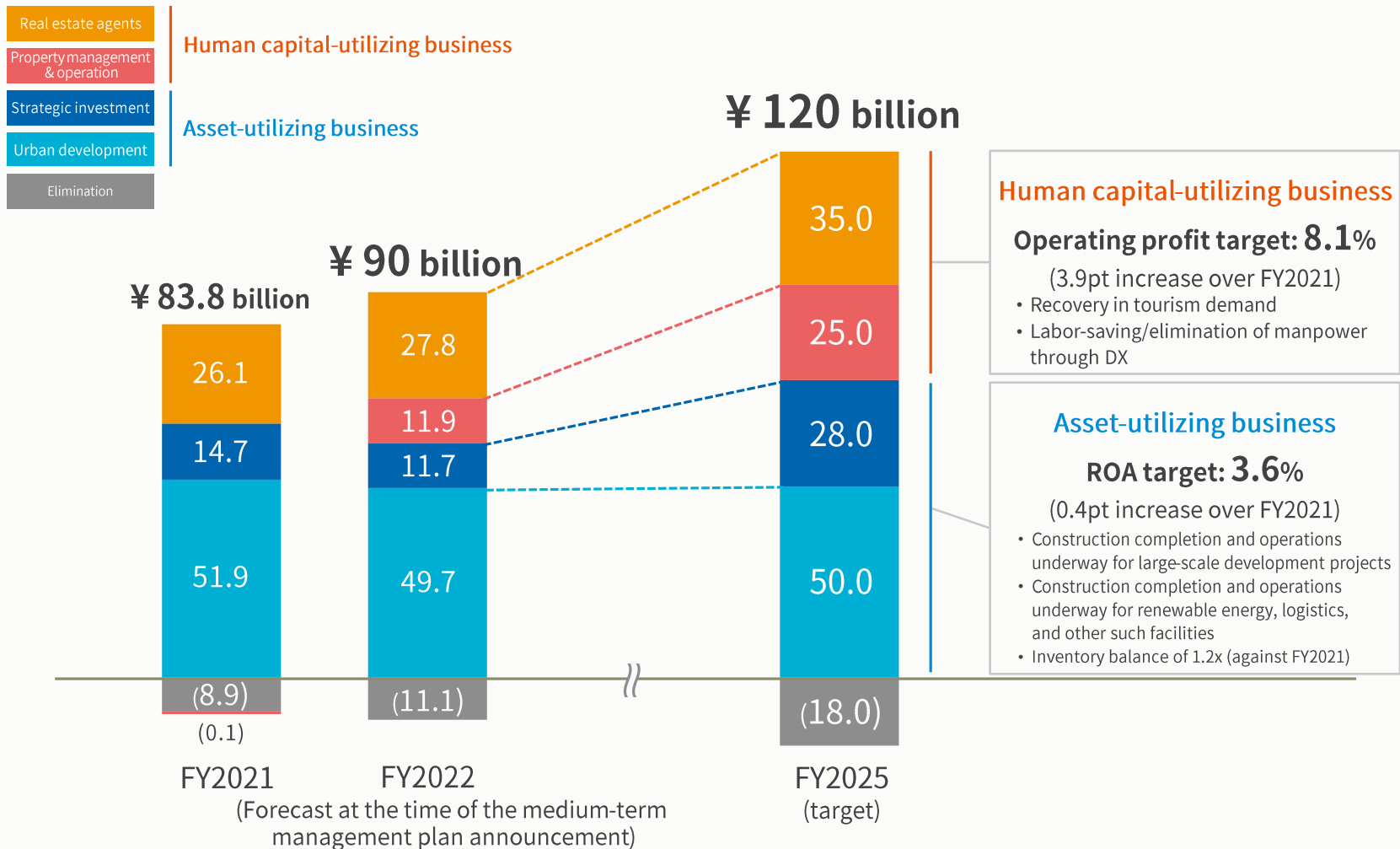
# Positioning of business segments

Manage the segments by classifying them into business areas with high affinity for social roles from the perspective of human capital and asset utilization.



# Transitions in Operating Profit by Business Segment

Management and operations needs from a recovery in tourism demand and strategic investments to boost infrastructure and industry-related businesses will lead profit growth.



## Operating Profit by Business Segment (by business division)

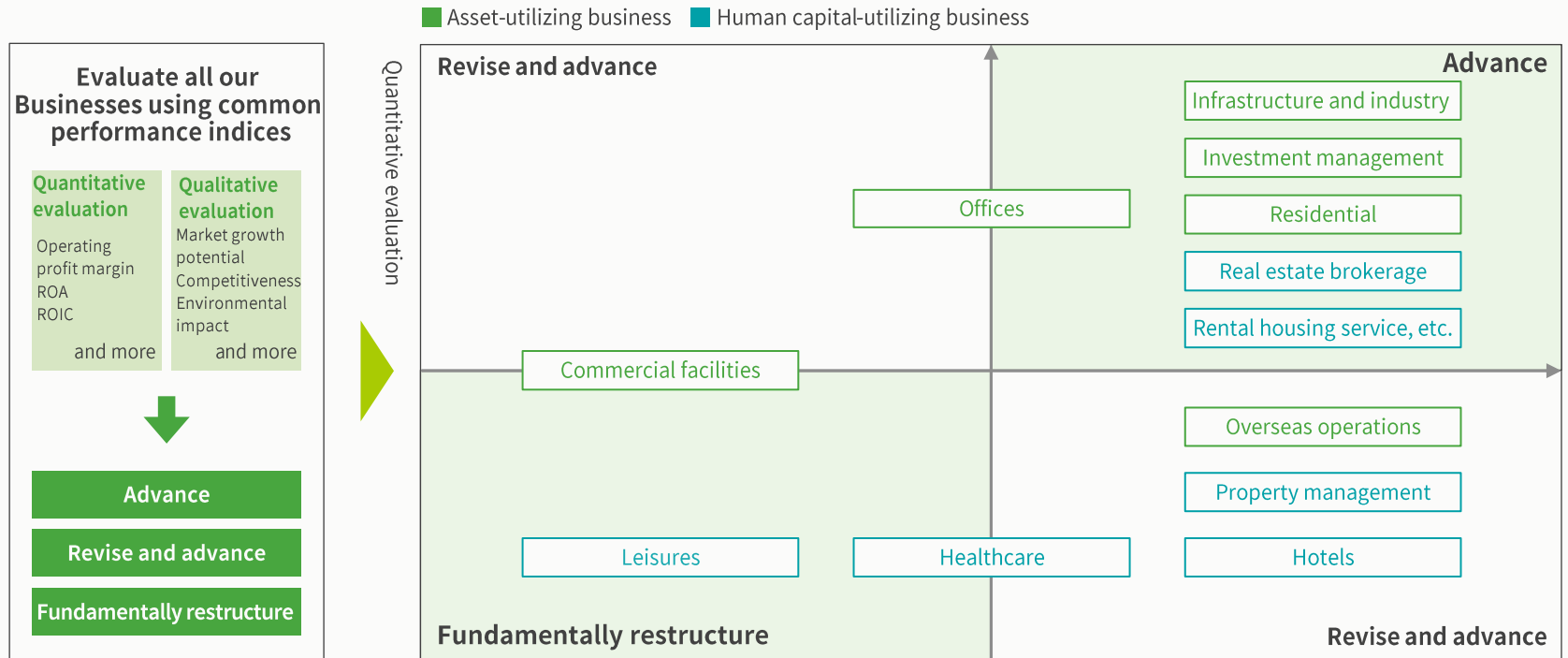
	FY2021	FY2022(Forecast at the time of the medium-term management plan announcement)	FY2025 (target)
			¥120.0 billion
<b>Urban Development</b>	<b>51.9</b>	<b>49.7</b>	<b>50.0</b>
Office and commercial facility* (profit on sales from above)	43.1 [22.8]	44.7 [approx. 27.0]	40.0 [approx. 18.0]
Residential*	8.9	5.0	10.0
<b>Strategic Investment</b>	<b>14.7</b>	<b>11.7</b>	<b>28.0</b>
Infrastructure and industry*	9.0	10.5	20.0
Investment management business*	5.5	5.3	7.0
Overseas operations*	0.2	(4.0)	1.0
<b>Property Management &amp; Operation</b>	<b>(0.1)</b>	<b>11.9</b>	<b>25.0</b>
Property management*	7.9	11.0	14.5
Wellness*	(5.3)	0.3	10.0
Environmental and greening management*	0.8	0.5	0.5
Tokyu Hands business*	(4.0)	-	-
<b>Real Estate Agents</b>	<b>26.1</b>	<b>27.8</b>	<b>35.0</b>
Real estate brokerage*	21.1	22.7	27.0
Rental housing service, etc.	4.7	5.1	8.0
<b>Elimination</b>	<b>(8.9)</b>	<b>(11.1)</b>	<b>(18.0)</b>

\*Operating profits indicated above are referential values before consolidation processing.



# Business Portfolio Management

In the plan, portfolio management is conducted by assessing all businesses along two axes, qualitative and quantitative evaluations. Our goal is to realize the transformation and growth of each business.



\*Quantitative evaluations based on FY2020 results; qualitative evaluations expected to be based on period through mid 2020.

Qualitative evaluation

## Directions for businesses requiring for fundamentally restructuring

Tokyu Hands business → Transferred all shares to a new business partner (March 2022)

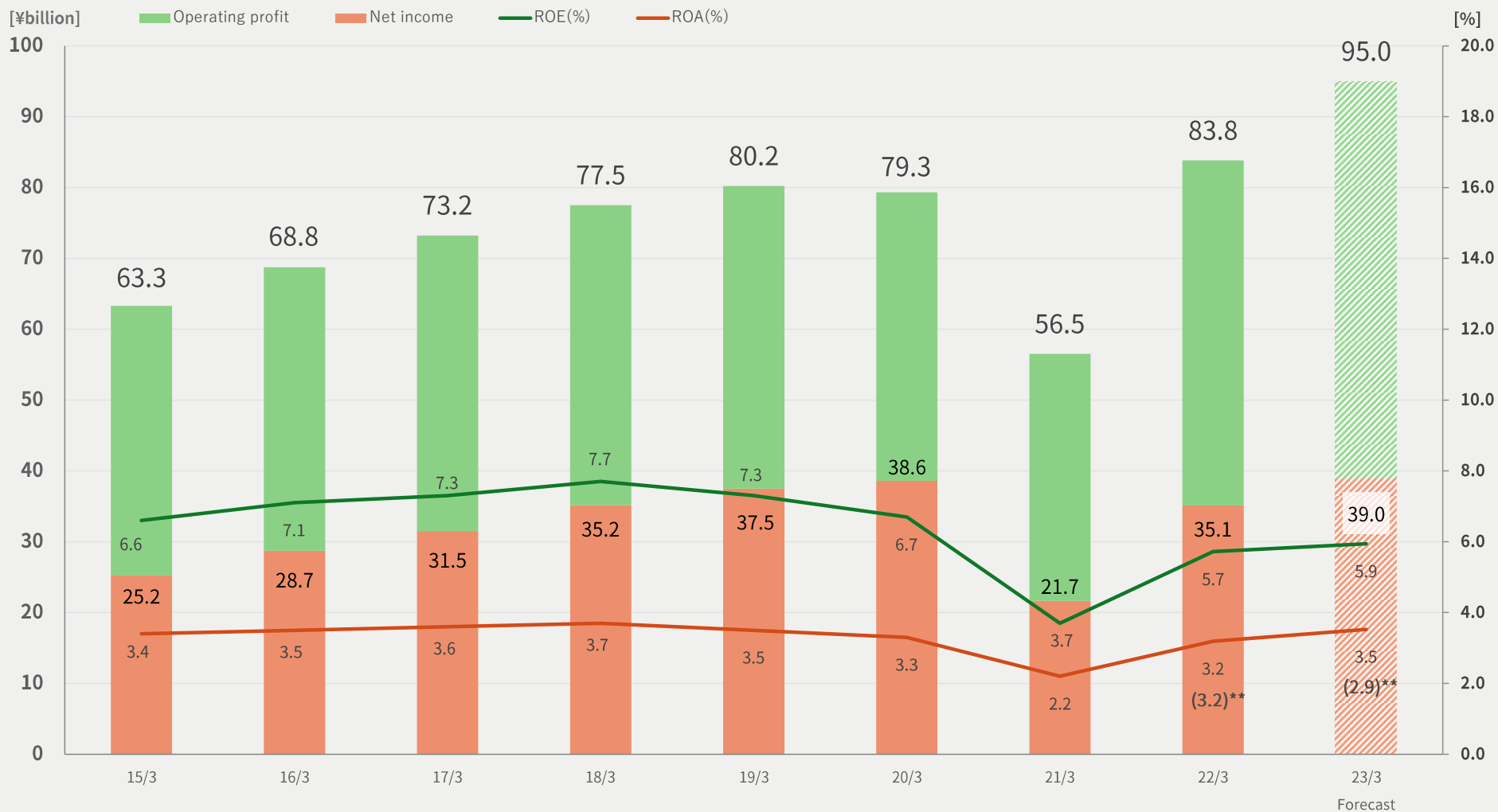
Leisure business → Promote steps to become asset-light based on TCFD scenarios, etc.

Healthcare business → Fundamentally restructure the fitness business with a focus on store operations due to expectations of a limited recovery in the number of members in the post-COVID-19 period.

Commercial facilities business → Shift focus of facilities to those that meet customer needs for experience-based/emphatic consumption amid developments in e-commerce; to promote changes in our portfolio.

# Reference

# Trends in business performance

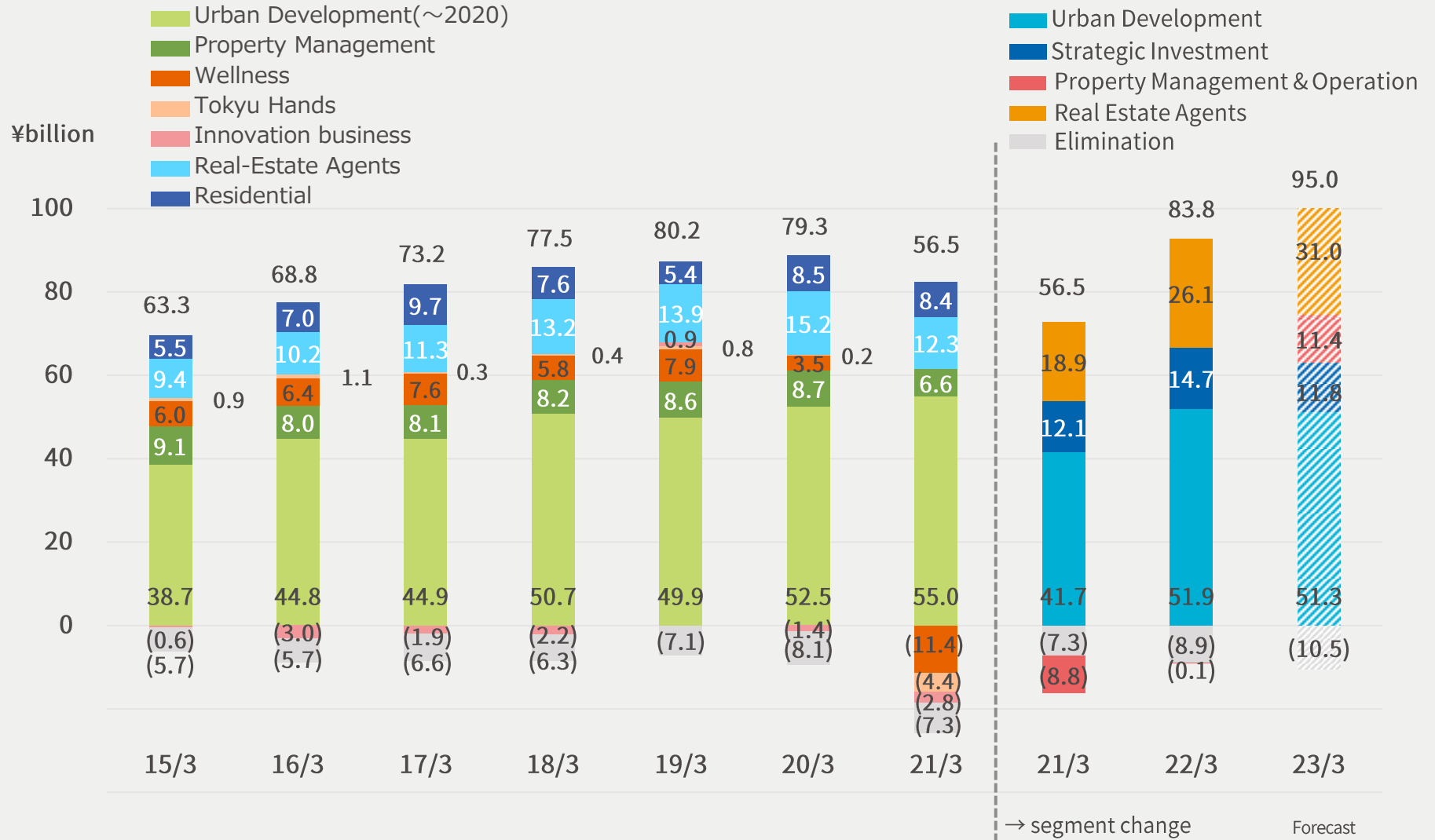


\* 'Net income' was replaced with 'profit attributable to owners of parent' in the fiscal year ended March 31, 2016.

\*\* ROA of Asset utilization business

# Breakdown of Results by Segment

Changes in operating profit by segment



# Process for Value Creation

We create unique and original business models by tackling social issues, and achieve sustainable growth by linking the value created to stakeholder satisfaction

**SUSTAINABLE DEVELOPMENT GOALS**

**Engagement themes (materialities)**

- Create a variety of lifestyles
- Create a sustainable environment
- Create an organizational climate under which diverse human capital is enlivened
- Create communities and lifestyles that encourage well-being
- Create value in the digital era
- Create governance to accelerate growth

## Create value for the future

Confronting social issues

Create unique and original business models in a wide range of business domains



Outputs (Value provided through businesses)

Lifestyle Creation 3.0

A comfortable urban life

Safe and secure housing

Mental and physical health

Fulfilling leisure time

Supply of clean energy

Impacts (Social value)

A future where everyone can be themselves, and shine vigorously

Improvements to quality of life

Creation of cooperative communities

Achieving the creation of a healthy society

Urban resilience

Development of local economies

Preservation of the global environment

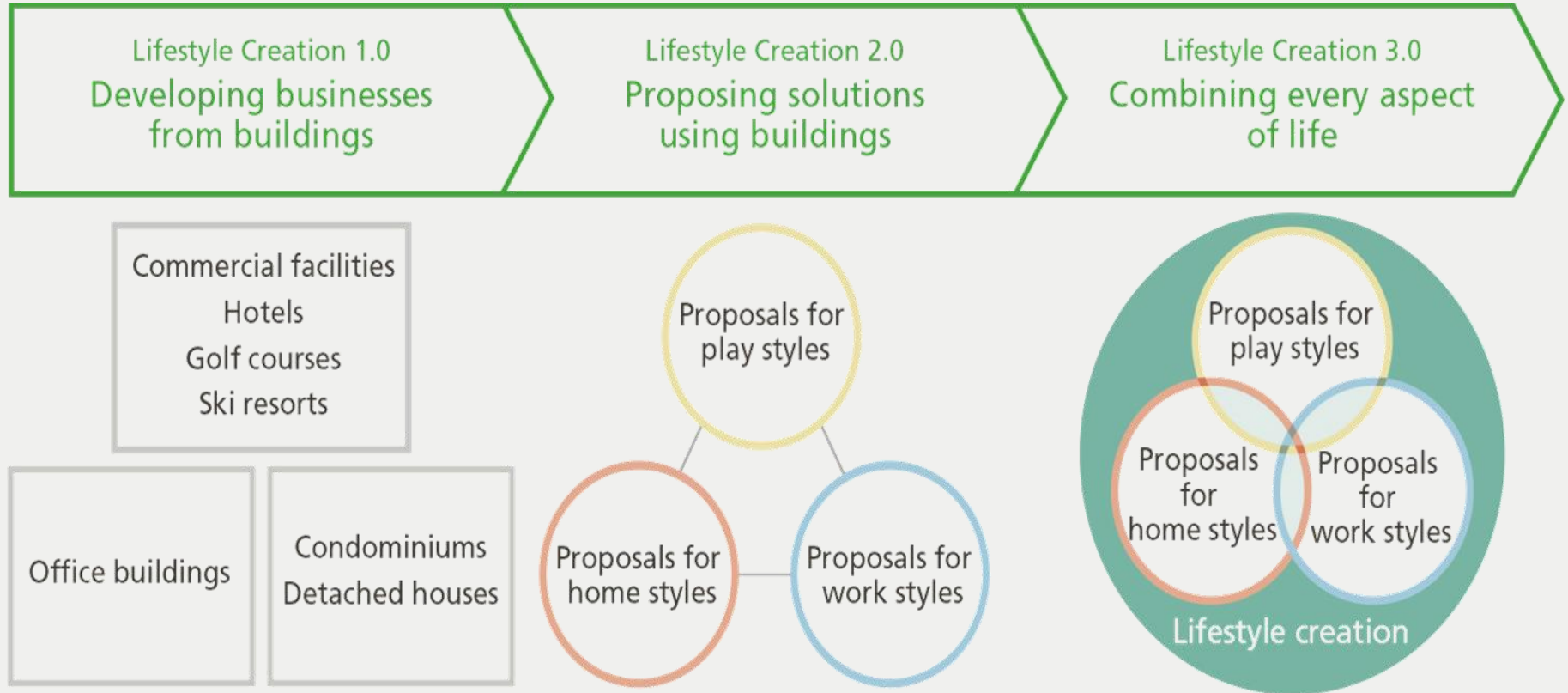
Creation of a society with respect for diversity

Aim for a sustainable society and growth

# Development of Business to Address Social Issues

〈Evolution of lifestyle creation〉

Lifestyle Creation 3.0 fuses different aspects of everyday life: living, working and playing



\* From the 2019 Integrated Report

# Basic Policy for Increasing Shareholder Value and Corporate Value

We will aim to enhance shareholder value and corporate value by realizing efficiency-conscious profit growth under an optimum financial capital structure

## Asset Control

### Efficient Improvement of Existing Businesses (ROA and Profit Margin)

- ① Asset-utilizing business
  - Lot / cyclical reinvesting and expanding high-efficiency business operations
  - Operating large-scale projects
  - Utilizing external capital and expansion of fee income
  - Replacing asset portfolio, sale of low-profit assets
- ② Human capital-utilizing business
  - Improving scale growth and efficiency (shifting away from labor-intensive operations)

### Business Portfolio Management

- Improving efficiency through portfolio optimization
- Maximizing business value through mergers and acquisitions (M&A) and alliances, etc.

## Liability and Equity Control

### Financial Discipline Maintenance

- Building a financial base that can withstand a downturn in market conditions
- Improving our rating position for the purpose of smooth fund procurement
- Improving debt-to-equity (D/E) ratio by building up periodic profits

### Shareholder Returns Policy

- Achieving EPS growth through reinvestment in growth

**Immediate policy**  
Dividend payout ratio 30% or more, continuation and maintenance of stable dividend payment

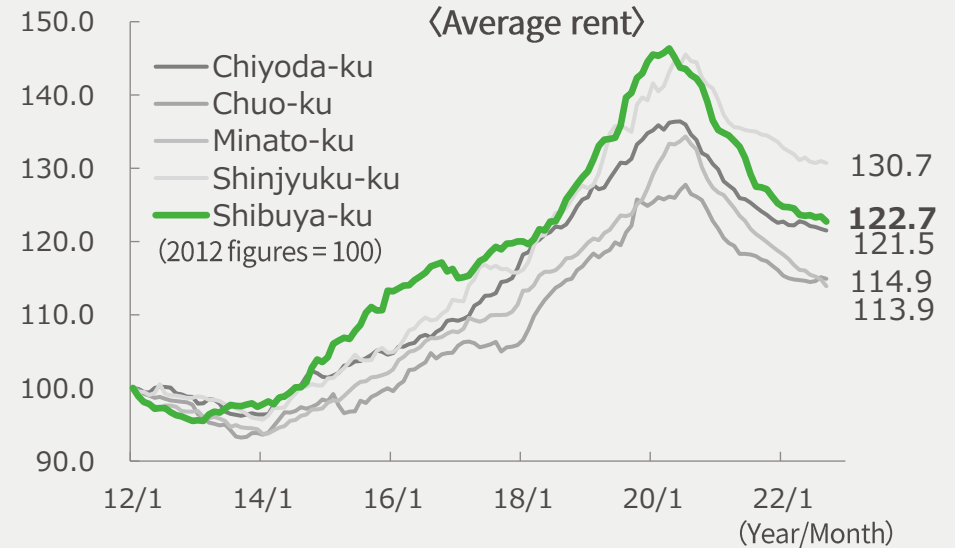
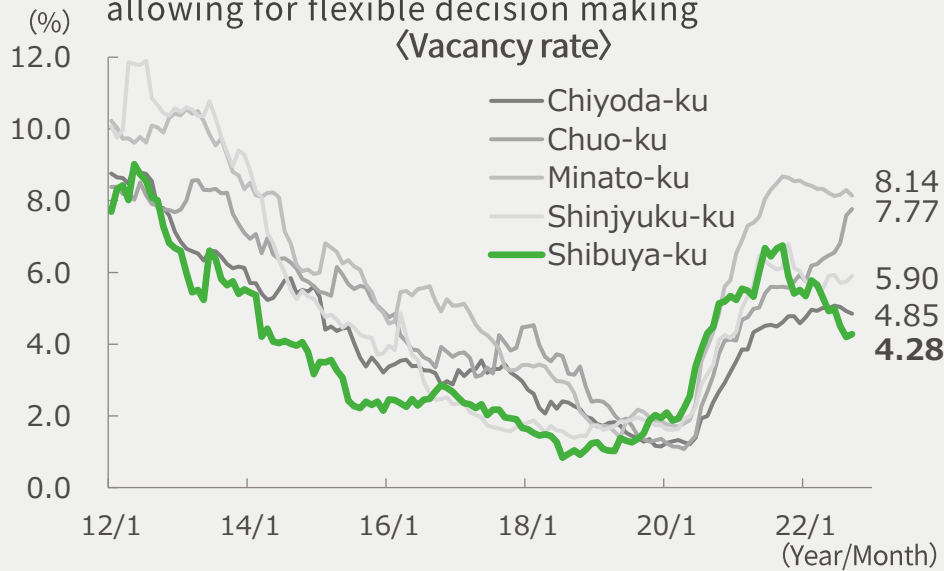
Enhance shareholder value and corporate value

ROE improvement

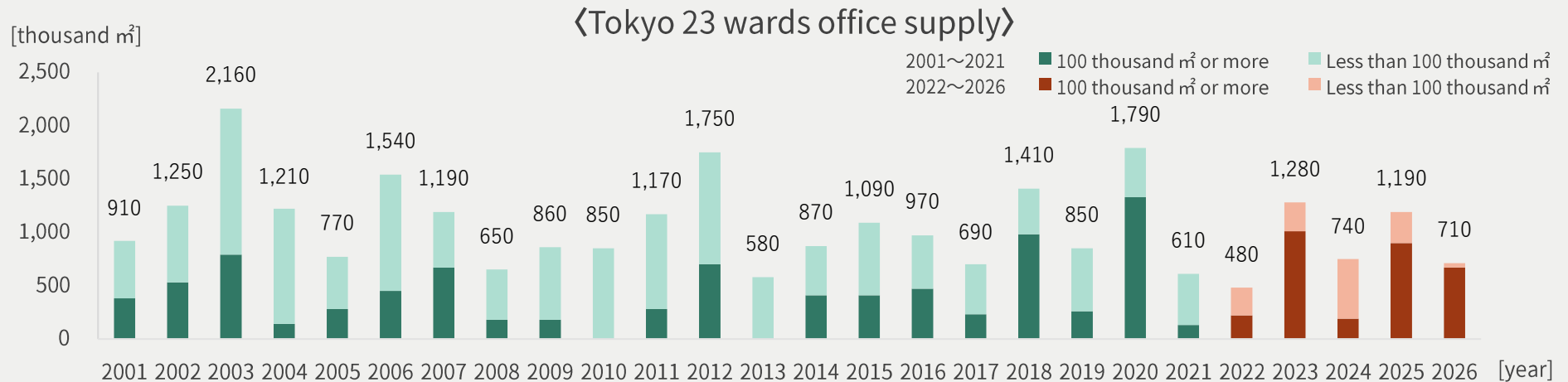
EPS growth

# Office Market

Significant vacancy rate fluctuations in Shibuya where limited total office area and many growing tenants, allowing for flexible decision making



\* Vacancy rate and Average rent are both as of the end of September 2022 Source : Miki Shoji Co.,Ltd



Source :Mori Building Co., Ltd.  
© TOKYU FUDOSAN HOLDINGS CORPORATION 72

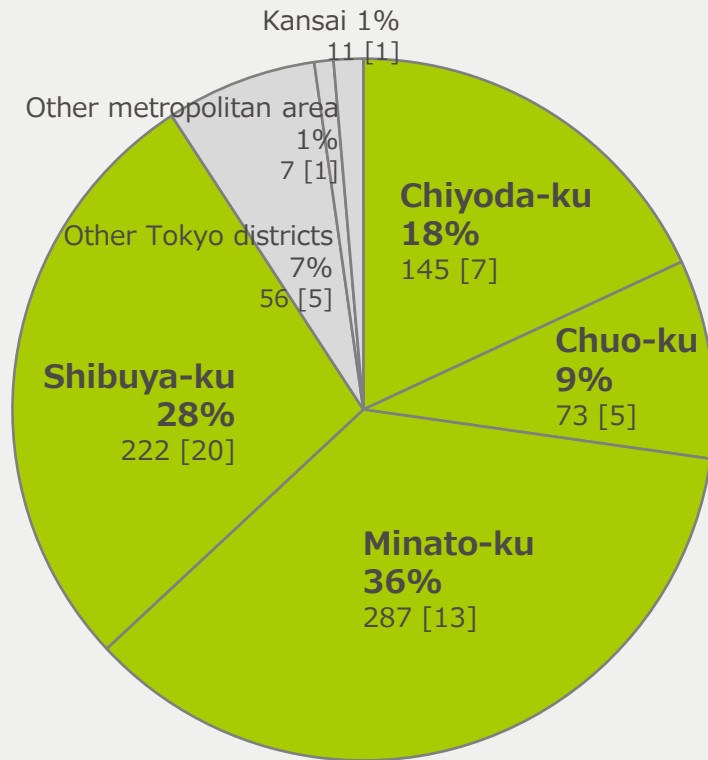


# Office Buildings features

For the portfolios, Owns 91% of office buildings in metropolitan 4 districts in Tokyo, 50% were completed after 2011 (52 buildings and 801,000 m<sup>2</sup> in total)

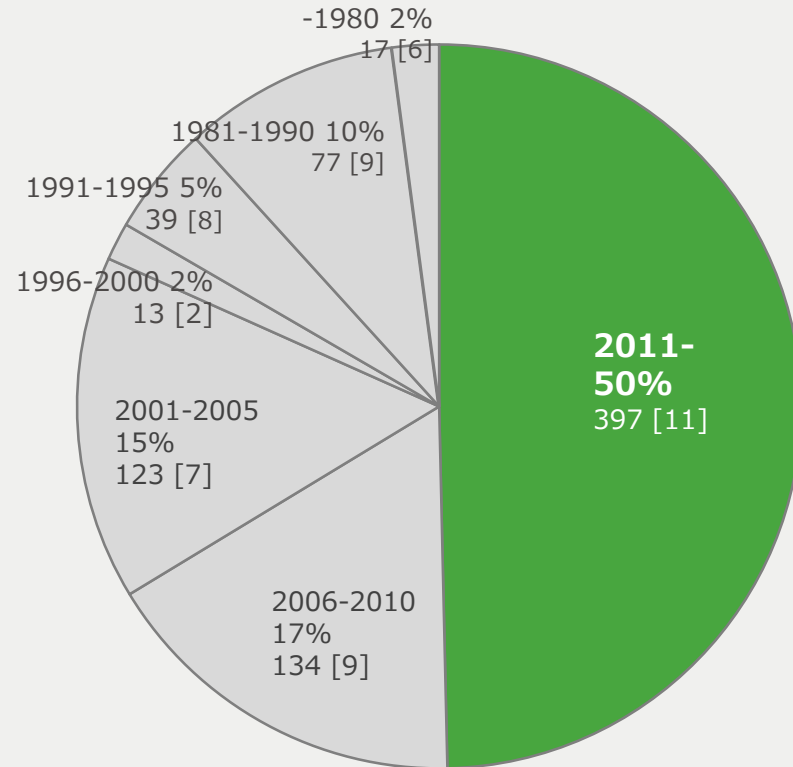
〈Area〉

Metropolitan 4districts  
727 thousand m<sup>2</sup> (91%) 45 buildings



〈Completed year〉

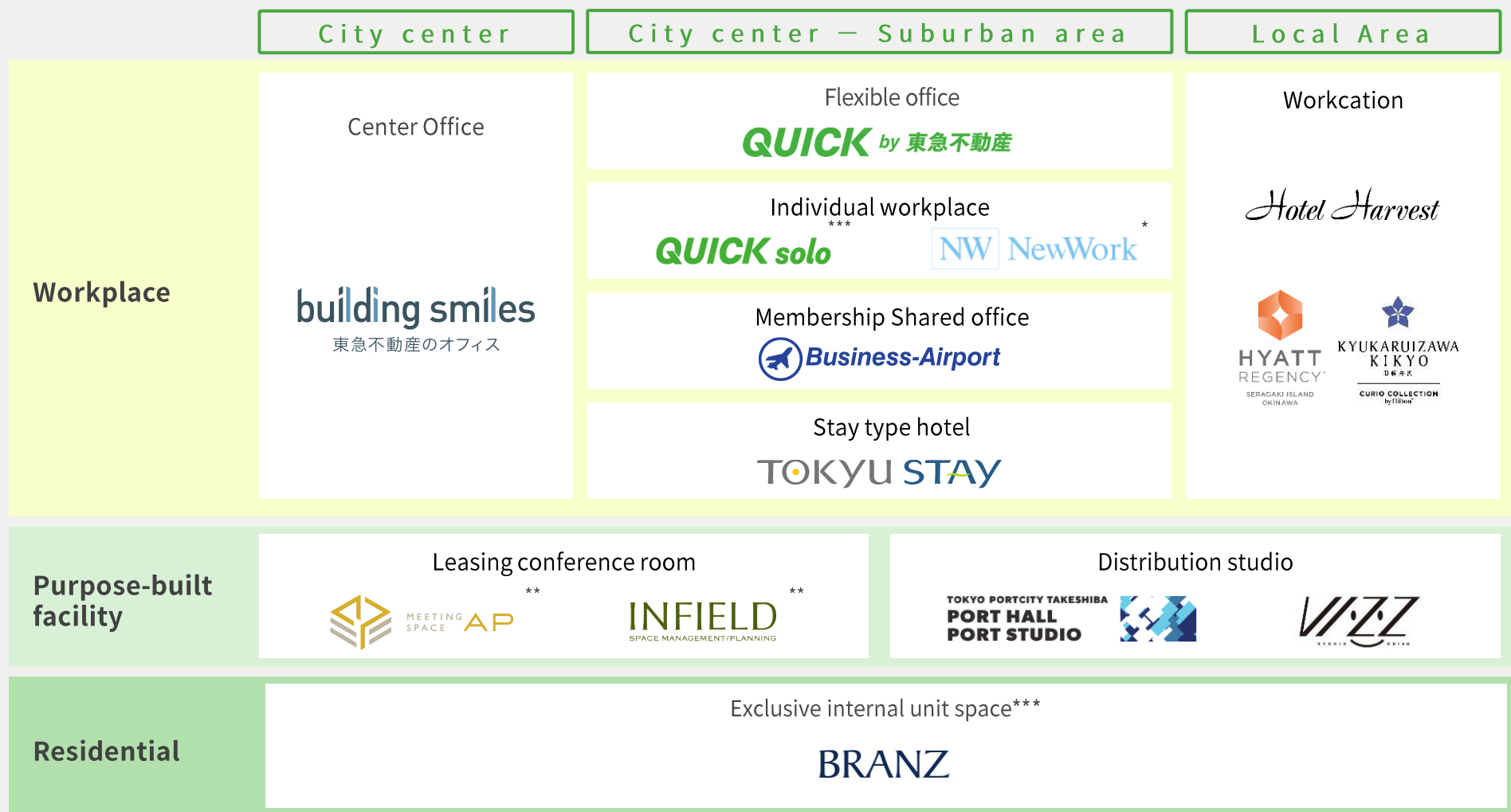
After 2011  
397 thousand m<sup>2</sup> (50%) 11 buildings



\* The figure in [ ] are the number of buildings. The listed area is total floor area: thousand m<sup>2</sup>.

# Business development addressing social issues <Diverse work styles >

Developing workspaces leveraging the Group's diverse assets



\* Satellite shared office space for corporate clients operated by Tokyu Corporation.

\*\* Rental conference rooms directly operated by TC Forum Corporation and Infield Co., Ltd. of the Tokyu Community Group ( certain locations only)

\*\*\* Individual work booth operated by Tokyu Community Corp.

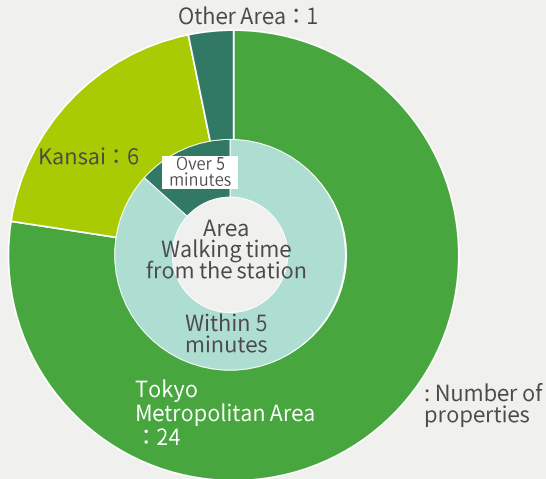
\*\*\*\* BRANZ has introduced compact, comfortable spaces for particular purposes in exclusive spaces for tenants. Each compact space has a door, and tenants can connect them to living rooms or use them as autonomous spaces. They can work from home, using the spaces as workplaces.

# Commercial facilities features

Developing commercial facilities in convenient areas, primarily in the Tokyo metropolitan area and the Kansai area

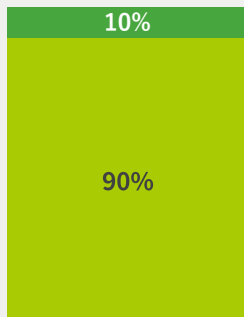
## Features of our commercial facilities

Locations that are commercially busy and convenient in terms of transportation



A high percentage of fixed rent leads to stable rent income.

■ Fixed rent ■ Percentage rent



\* A survey on major commercial facilities of the Group  
 \*\* FY2021 Ended March 31, 2022

## TOKYU PLAZA

Tokyu Plaza Ginza



## Q plaza

Q Plaza Harajuku



## Q'S MALL

Abeno Q'sMALL



## MARKET SQUARE

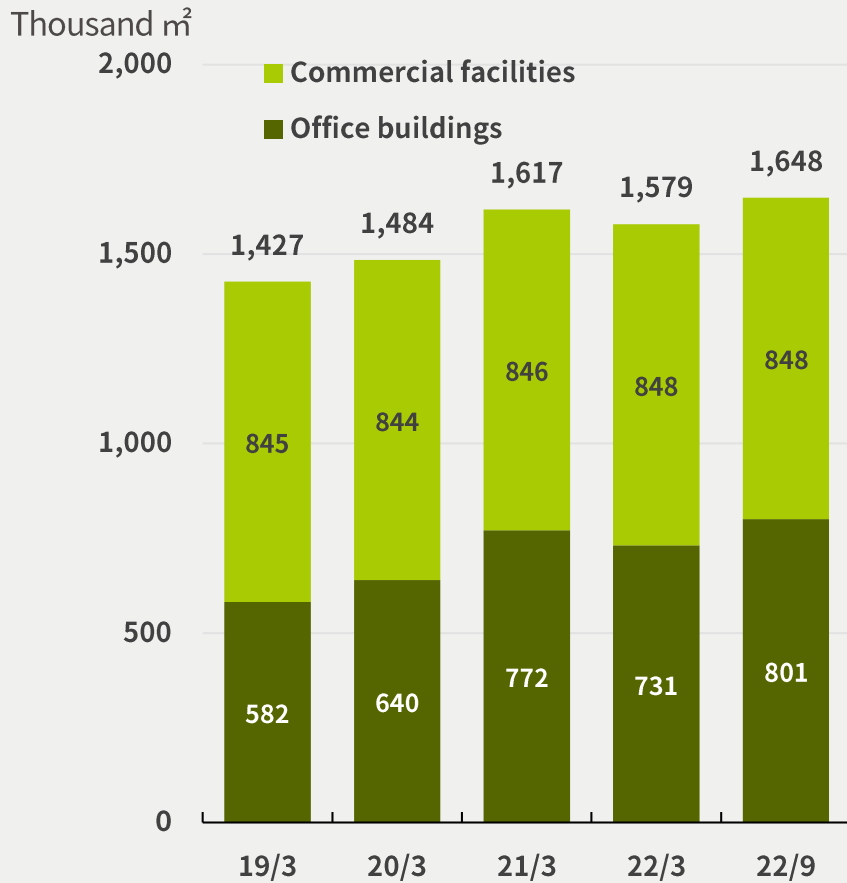
Market Square Kawasaki East



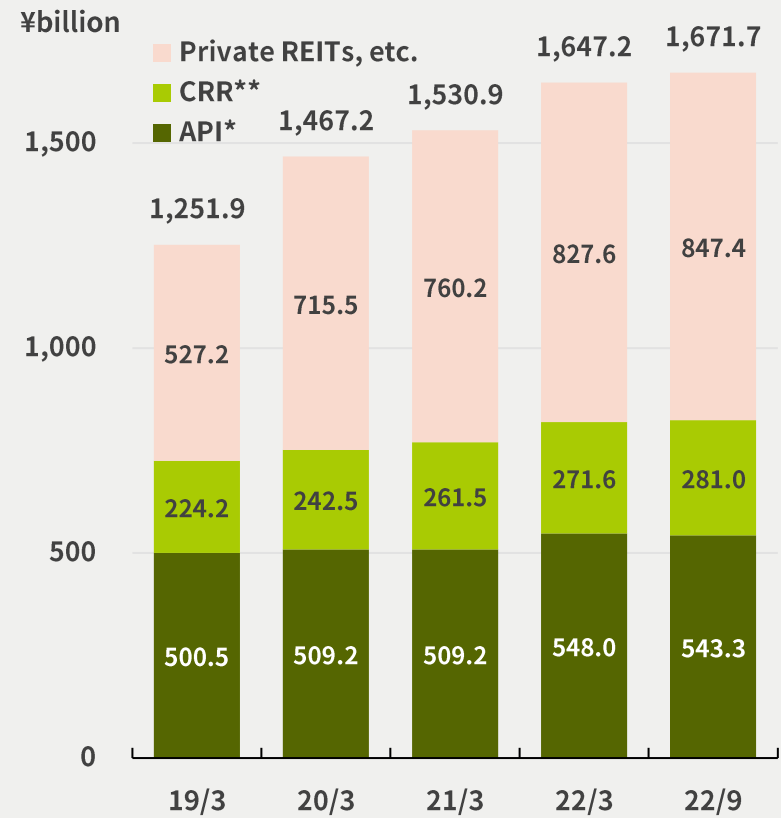
# Transition in total floor area and AUM in Urban Development Segment

Promote expansion of assets involved

### <Total floor area>



### <AUM>



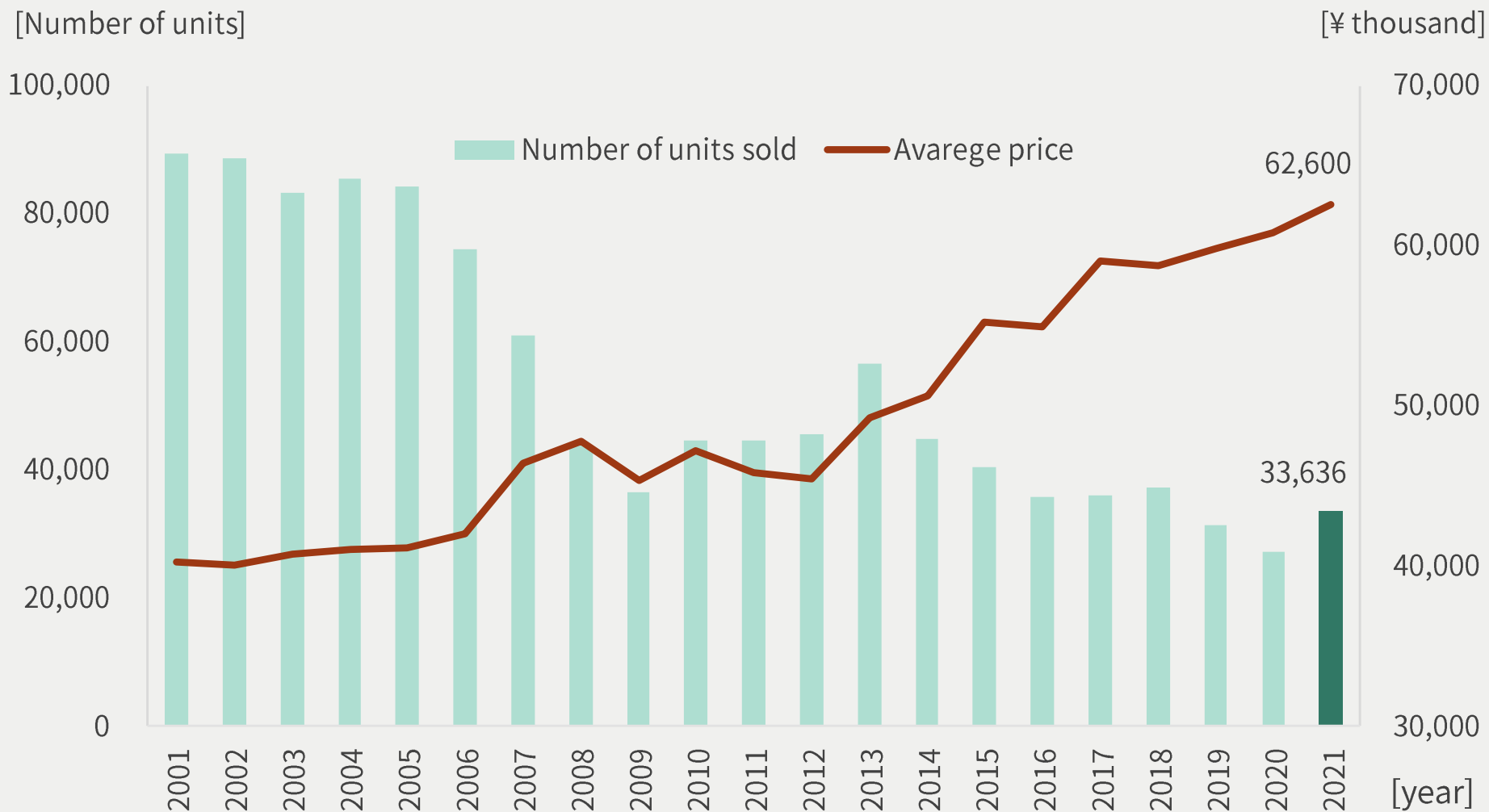
\* API: Activia Properties Inc.

\*\* CRR: Comforia Residential REIT, Inc

# Condominiums for Sale Market

The number of units supplied remains stable at a low level. Average price remains high

## 〈New condominiums sold in the Tokyo metropolitan area and average price〉



Source : Real Estate Economic Institute CO.,LTD

# Major office buildings

Own 52 buildings mainly in 4 central wards of Tokyo

Area		No. of buildings	Major properties [Building]	Year built	Total floor space *	Remarks						
Tokyo Metropolitan area	Shibuya-ku	20	Shibuya Dogenzaka Tokyu	1983	13							
			Unosawa Tokyu	1984	15							
			Shibuya Shin-Minamiguchi	2000	7							
			Ebisu Business Tower	2003	23		24					
			Shibuya Square	2004	13							
			Shibuya Minami Tokyu	2005	20							
			Shibuya Place	2009	4							
			Shibuya Solasta	2019	44							
			Shibuya Fukuras	2019	53							
	Minato-ku	13	Hamamatsucho Square	2004	24							
			Shinagawa Tokyu	2007	21							
			Minamiaoyama Tokyu	2008	12							
			Shimbashi Tokyu	2008	15							
			Spline Aoyama Tokyu	2012	8							
			Shin-Aoyama Tokyu	2015	10							
			Tokyo PortCity Takeshiba	2020	162							
	Chiyoda-ku	7	Ichiban-cho Tokyu	2002	20							
			Uchisaiwaicho Tokyu	2006	14							
			Kasumigaseki Tokyu	2010	19							
			Jimbocho North Tokyu Building	2019	3							
KUDAN-KAIKAN TERRACE			2022	41								
Cyuo-ku	5	St. Luke's Tower	1994	14								
		Nihombashi hon-cho Tokyu	2004	12								
		Nihombashi Maruzen Tokyu	2006	17								
		Nihombashi Front	2008	29								
Other	6	Futako Tamagawa Rise • office	2011	9								
		Shin-Meguro Tokyu	2012	22								
		Futako Tamagawa Rise Tower office	2015	17								
Kansai	1	Shinsaibashi Tokyu	1982	11								

\* (thousand m<sup>2</sup>) : Floor space is after conversion for ownership share (including the leased area).

# Major commercial facilities

The Group operates 24 locations in the Tokyo area and 7 locations in Kansai and other regions

Area	No. of facilities	Major properties [Commercial facilities]	Year built	Total floor space *	Remarks	
Tokyo Metropolitan area	24	Tokyu Plaza Kamata	1968	28		
		Tokyu Plaza Akasaka	1969	41		
		Shibuya B E A M	1992	7		
		DECKS Tokyo Beach	1997	35		
		Glassarea Aoyama	2002	2		
		Northport Mall	2007	141		
		Tokyu Plaza Totsuka	2010	12		
		Futakotamagawa rise • SC	2011	20		
		Tokyu Plaza Omotesando Harajyuku	2012	3		
		Q Plaza Harajyuku	2015	3		
		Market Square Kawasaki East (sublease)	2016	30		
		Tokyu Plaza Ginza	2016	51		
		Q Plaza Futakotamagawa	2017	3		
		Tokyu Plaza Shibuya**	2019	53		
Kansai • Others	7	Market Square Nakayamadera	2003	22		
		Minoh Q'sMALL	2003	30		
		Market Square SASASHIMA	2005	19		
		Amagasaki Q'sMALL	2009	164		
		Abeno Q'sMALL	2011	123		
		Tokyu Plaza Shinnagata (sublease)	2013	10		
		Morinomiya Q's MALL BASE	2015	25		

\* ( thousand m<sup>2</sup> ) :Floor space is after conversion for ownership share (including the leased area). \*\* Described the total floor area as Shibuya Fukurasu

## Major renewable energy facilities

The Group is advancing businesses through 73 solar power generation projects, 10 wind power generation projects and 2 biomass power generation projects

Type	Status	Business plant name	Location	Rating capacity (MW) *
Solar Power Plant	In operation	Suzuran Kushirocho	Kushiro-gun Kushiro-cho, Hokkai-do	92.2
		ReENE Tomakomai	Tomakomai-shi, Hokkaido	5.3
		ReENE RJ Urushihara	Motoyoshichourushibara Kesenuma-shi, Miyagi-ken	21.1
		ReENE RJ Izumisawa	Motoyoshichoizumisawa Kesenuma-shi, Miyagi-ken	7.5
		ReENE RJ Kurihara	Kurikomasappirai Kurihara-shi, Miyagi-ken	9.7
		ReENE Kurihara	Kurikomahishinuma Kurihara-shi, Miyagi-ken	6.7
		ReENE Shiraishi	Obara Shiroishi-shi, Miyagi-ken	56.0
		Kawasaki Solar Park	Shibata-gun Kawasaki-machi, Miyagi-ken	4.7
		ReENE Taiwa	Kurokawa-gun Taiwa-machi, Miyagi-ken	20.4
		ReENE Aizu	Kawanuma-gun Aidubange-machi, Fukushima-ken	25.2
		Nishigo Habuto	Nishishirakawa-gun Nishigo-mura, Fukushima-ken	27.8
		ReENE Namegata	Tega Namegata-shi, Ibaraki-ken	24.0
		ReENE Chonan	Chosei-gun Chonan-machi, Chiba-ken	4.8
		ReENE Mutsuzawa	Chosei-gun Mutsuzawa-machi, Chiba-ken	24.0
		Kitaema	Kitaema Izunokuni-shi, Shizuoka-ken	4.8
		ReENE RJ Toba	Matsuo-cho Toba-shi, Mie-ken	11.3
		ReENE RJ Matsuo	Matsuo-cho Toba-shi, Mie-ken	13.3
		ReENE Tsu	Karasu-cho Tsu-shi, Mie-ken	16.5
		Takuma	Takumacho Mitoyo-shi, Kagawa-ken	5.0
		ReENE Tamano	Tai Tamano-shi, Okayama-ken	10.8
Nogata	Shimozakai Nogata-shi, Fukuoka-ken	22.9		
ReENE Shibushi	Ariakecho Shibushi-shi, Kagoshima-ken	9.1		
ReENE Akune	HaruAkune-shi, Kagoshima-ken	4.3		
ReENE RJ Minamikyusyu	Eicho Minamikyusyu-shi, Kagoshima-ken	25.8		
Wind Power Plant		ReENE Matsumae	Matsumae-gun Matsumae-cho, Hokkaido	41.0
		ReENE Zenibako	Zenibako Otaru-shi, Hokkaido	34.0
		Kakegawa	Okinosu Kakegawa-shi, Shizuoka-ken	13.8
Biomass	Under development	Yonago Biomass power plant	Oshinoducho Yonago-shi, Tottori-ken	54.5
		Tahara Biomass power plant	Aichi-ken	-

\* Before conversion to equities

\*\* Refer to the ReENE website (<https://tokyu-reene.com/portfolio>) for properties other than those stated above.



# Major operating facilities

The Group operates 65 hotels, 8,885 rooms

	Number of facilities	Number of rooms	Name of facilities			
<b>Tokyu Harvest Club</b> <small>(VIALA is not included in the total number of facilities)</small>	26 facilities	2,775 rooms	Teteshina Katsuura Hamanako Amagi Kougen Shizunami Kaigan Kinugawa Nanki Tanabe Ito	Hakone Myojindai Madarao Tateshina Annex Skijam Katsuyama Yamanakako Mount Fuji Kyu Karuizawa Tateshina Resort Hakone Koshien	Urabandai Grandeco Nasu Kyu Karuizawa Annex VIALA Hakone Hisui Arima Rokusai VIALA annex Arima Rokusai Atami Izusan VIALA annex Atami Izusan	Kyoto Takagamine VIALA annex Kyoto Takagamine Nasu Retreat Karuizawa VIALA annex Karuizawa <small>Kyoto Higashiyama In THE HOTEL HIGASHIYAMA</small>
<b>Tokyu Stay Hotel</b>	30 facilities	4,904 rooms	Yutenji Monzen-Nakacho Yoga Shibuya Nihombashi Yotsuya Shibuya Shin-Minamiguchi Tsukiji	Gotanda Suidobashi Aoyama Nishi-Shinjuku Ikebukuro Kamata Shimbashi Shinjuku	Ginza Kyoto Sakaiza (Shijo Kawaramachi) Takanawa (in front of Sengakuji Station) Sapporo Hakata Sapporo Odori Kyoto Sanjo Karasuma Fukuoka Tenjin	Kanazawa Okinawa Naha Osaka-Hommachi Hida Takayama Musubi no Yu Hakodate Asaichi Akari no Yu Shinjuku EastSide
<b>Resort Hotel</b>	9 facilities	1,206 rooms	KYU KARUIZAWA KIKYO Curio Collection by Hilton Hyatt Regency Seragaki Island Okinawa HOTEL TANGRAM	Palau Pacific Resort nol kyoto sanjo The Hotel Niseko Alpen	ROKU KYOTO, LXR Hotels & Resorts Aso CANYON TERRACE&LODGE AYA NISEKO	
<b>Ski resorts</b>	7 facilities	—	Niseko Mountain Resort Grand Hirafu Tateshina Tokyu Ski Resort	Tambara Ski Park TANGRAM SKI CIRCUS (MADARAO)	SKIJAM KATSUYAMA Hunter Mountain Shiobara	Mt. JEANS NASU
<b>Golf courses</b>	19 facilities	—	Oita Tokyu Golf Club Aso Tokyu Golf Club Katsuura Tokyu Golf Course Tsukuba Tokyu Golf Club Tateshina Tokyu Golf Course	Amagikogen Golf Course Mochizuki Tokyu Golf Club Madarao Tokyu Golf Club Omigawa Tokyu Golf Club Kiminomori Golf Club	Arita Tokyu Golf Club NASU KOKUSAI COUNTRY CLUB Otakijo Golf Club Tsurumai Country Club Sashima Country Club	Shibayama Golf Club Kansai Country Club Miki Yokawa Country Club Asakura Golf Club
<b>Tokyu Sports Oasis</b>	32 facilities	—	Tamagawa Kawaguchi Shinjuku 24Plus Musashi-Kosugi 24Plus Urawa 24Plus Aoyama Musashi-Koganei Seiroka Garden	Kanamachi 24Plus Jujo 24Plus Minami-Osawa 24Plus Yokosuka 24Plus Kohoku Honkomagome Rafeel Ebisu 24Plus Yukigaya 24Plus	Totsuka Akatsuka 24Plus Umeda Ibaraki 24Plus Abeno 24Plus Sumiyoshi 24Plus Sannomiya 24Plus Sayama 24Plus	Kamioka Katsuragawa 24Plus Morinomiya Q's Mall Suminodo 24Plus Sagamihara 24Plus Narashino 24Plus Esaka 24Plus Matsudo 24Plus
<b>Senior housing</b>	15 facilities	1,923 units	Grancreeper Azamino Grancreeper Fujigaoka Lifenix Takaido Grancreeper Utsukushigaoka Grancreeper Aobadai	Creer Residence Sakuradai Grancreeper Center Minami Grancreeper Seijo Grancreeper Bajikoen Grancreeper Aobadai 2-chome	Grancreeper Setagaya Nakamachi Creer-residence Yokohama Tokaichiba Hikarigaoka Park Villa Grancreeper Shibaura Grancreeper Tachikawa	

## Past performance (financial)

(¥ million)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Operating revenue</b>	714,067	773,149	815,479	808,503	866,126	901,884	963,198	907,735	989,049
<b>Operating profit</b>	61,433	63,300	68,750	73,227	77,519	80,205	79,312	56,517	83,817
<b>Ordinary profit</b>	50,583	51,675	56,379	63,631	68,691	70,744	67,499	46,555	72,834
<b>Net profit*</b>	23,712	25,230	28,718	31,518	35,185	37,459	38,611	21,668	35,133
<b>Total assets</b>	1,789,822	1,973,801	1,984,382	2,067,152	2,176,761	2,405,249	2,487,369	2,652,296	2,634,343
<b>Real estate for sale</b>	245,862	394,672	364,374	418,619	473,702	568,004	657,968	680,648	757,391
<b>Total non-current assets</b>	1,235,117	1,401,165	1,492,439	1,479,126	1,518,206	1,532,153	1,598,109	1,647,245	1,597,391
<b>Interest-bearing Debt</b>	991,015	1,125,379	1,106,114	1,137,893	1,210,376	1,289,807	1,361,042	1,478,770	1,421,718
<b>ESG bond ratio</b>	-	-	-	-	-	-	5.0%	13.8%	17.9%
<b>Equity</b>	364,491	395,333	418,785	442,320	468,140	561,405	583,289	596,673	631,789
<b>Equity ratio</b>	20.4%	20.0%	21.1%	21.4%	21.5%	23.3%	23.5%	22.5%	24.0%
<b>D/E ratio</b>	2.7 x	2.8 x	2.6 x	2.6 x	2.6 x	2.3 x	2.3 x	2.5 x	2.3 x
<b>CF from operating activities</b>	(13,504)	(38,488)	87,922	68,925	12,265	44,522	(6,660)	100,411	76,453
<b>CF from investing activities</b>	19,745	(100,263)	(112,372)	(70,988)	(96,423)	(60,389)	(147,223)	(116,031)	(31,786)
<b>CF from financing activities</b>	3,008	139,186	(30,518)	23,042	82,400	139,093	65,077	108,344	(81,273)
<b>EBITDA</b>	84,602	88,003	94,307	101,669	106,075	110,194	117,079	101,657	132,538
<b>Interest-bearing Debt/EBITDA</b>	11.7 x	12.8 x	11.7 x	11.2 x	11.4 x	11.7 x	11.6 x	14.5 x	10.7 x
<b>ROE</b>	7.5%	6.6%	7.1%	7.3%	7.7%	7.3%	6.7%	3.7%	5.7%
<b>ROA</b>	3.5%	3.4%	3.5%	3.6%	3.7%	3.5%	3.3%	2.2%	3.2%
<b>EPS</b>	¥ 41.61	¥ 41.45	¥ 47.18	¥ 51.77	¥ 57.80	¥ 56.84	¥ 53.70	¥ 30.13	¥ 48.84
<b>BPS</b>	¥ 598.73	¥ 649.40	¥ 687.92	¥ 726.59	¥ 768.85	¥ 780.78	¥ 811.04	¥ 829.50	¥ 878.32
<b>Dividend</b>	¥ 8.0	¥ 10.0	¥ 12.0	¥ 13.0	¥ 14.5	¥ 15.5	¥ 16.0	¥ 16.0	¥ 17.0
<b>Dividend payout ratio</b>	19.2%	24.1%	25.4%	25.1%	25.1%	27.3%	29.8%	53.1%	34.8%

\* Starting from the fiscal year ended March 31, 2016, "Net Profit" indicates "Profit attributable to owners of parent".



***TOKYU FUDOSAN HOLDINGS***

