

Financial Highlights

FY2023 Third Quarter (First Nine Months)

Ended December 31, 2023

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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Progress of Medium-Term Management Plan and Initiatives to Enhance Corporate Value

Progress of Medium-Term Management Plan (Financial Targets)

Reprint of the FY2023
Second Quarter (First
Six Months) Ended
September 30, 2023

All target financial indicators are steadily improving.

	FY2021 (Result)	FY2022 (Result)	Initial forecast for FY2023	Latest forecast for FY2023	FY2025 (Target)
Efficiency	ROE	5.7%	7.3%	8.8% ▶ 8.9%	9%
	ROA	3.2%	4.1%	4.0% ▶ 4.1%	4%
	EPS	¥48.84	¥67.21	¥87.37 ▶ ¥90.10	¥90 or more
Profit targets	Operating profit	¥83.8 billion	¥110.4 billion	¥112 billion ▶ ¥115 billion	¥120 billion
	Net profit*	¥35.1 billion	¥48.2 billion	¥62 billion ▶ ¥64 billion	¥65 billion
Financial soundness	D/E ratio	2.3x	2.2x	2.3x ▶ 2.2x	2.2x or less
	EBITDA multiple	10.7x	9.3x	10.1x ▶ 10.0x	10x or less
Asset-utilizing business** ROA	3.2%	3.5%	3.1% ▶ 3.0%	3.6%	
Human capital-utilizing business** operating profit margin	4.2%	7.7%	8.0% ▶ 8.8%	8.1%	

* Profit attributable to owners of parent.

**Asset-utilizing business: Urban Development and Strategic Investment business

Human capital-utilizing business: Property Management and Operation business and Real Estate Agents business

Social Issues to Address During the Next Medium-Term Period

To produce differentiated value, we'll engage in supporting urban international competitiveness and regional economies (regional revitalization)

Megatrends

- Shrinking domestic population, net inflow into urban centers
- Growing gulf in incomes and services
- High construction costs
- Rise in inbound tourism
- Inflation
- Renewable becomes the main power source(GX promotion)
- etc.

Need to adapt to external business environment

- Covid-19 influence** **Business transformation**
- Need to capitalize on recovery in domestic and inbound tourism
 - Need to restructure fundamentally (business transfers, sales, etc.)

Promote long-term management policy

Build a solid and distinctive business portfolio

Four focused strategic priorities for the long-term vision

1. Producing of attractive city development
2. Strengthening of environment-related business
3. Digital transformation of BtoC business
4. Creating of business in new domains

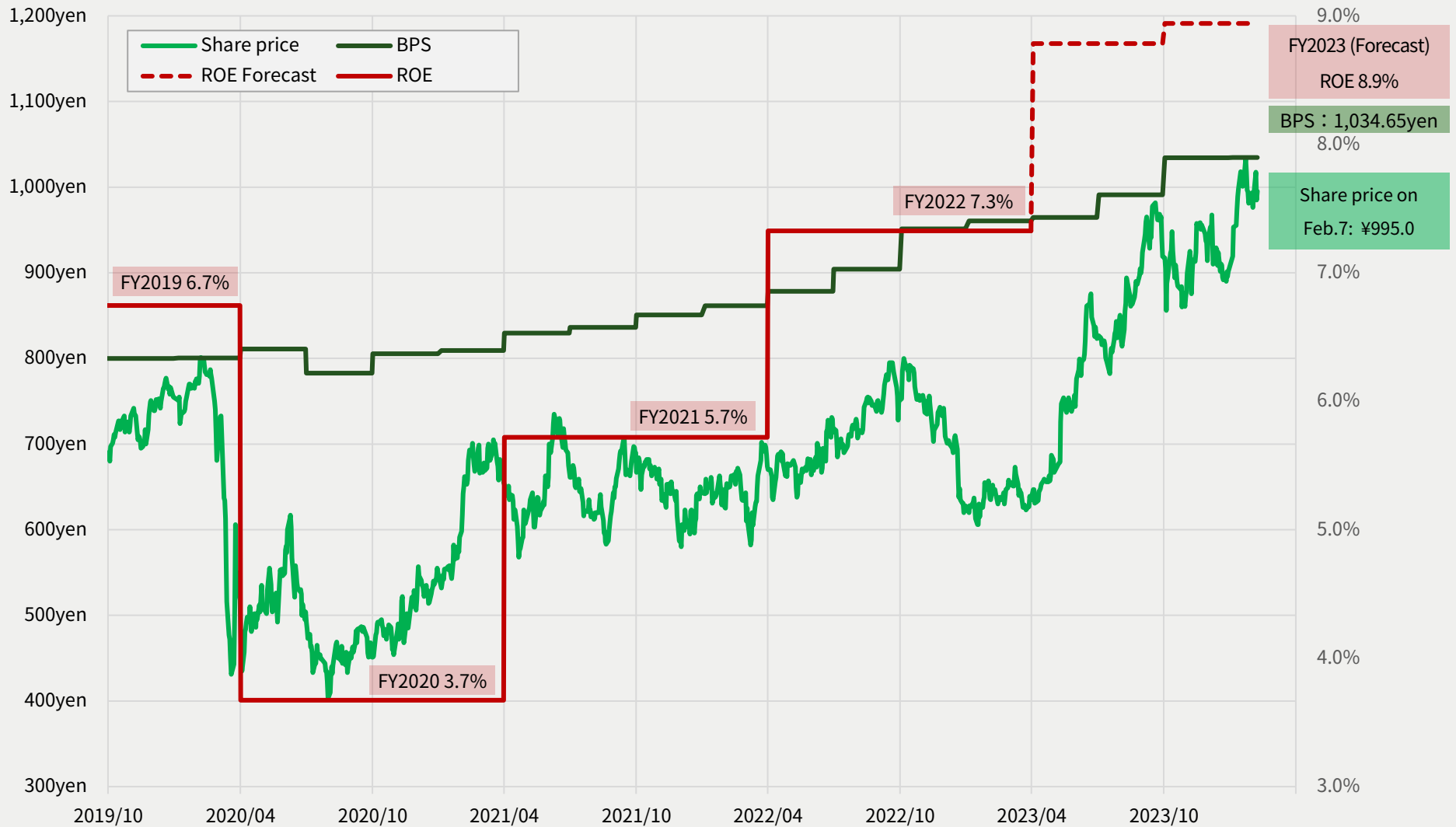
Long-term management policy The Group policy and business policy



Social issues to address during the next medium-term management plan

1. Enhancing urban international competitiveness:
e.g. raise Shibuya's international profile
2. Supporting regional economies (regional revitalization):
e.g. drive the green transformation and promote tourism

Changes in Share Price, etc. (2019.10.1~2024.2.7)

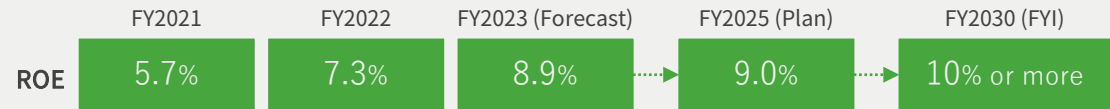


Initiatives to enhance corporate value and market valuation

Improve corporate value and market valuation by promoting and achieving the long-term management policy and the mid-term management plan 2025.

$$PBR \uparrow = ROE \uparrow \times PER \uparrow$$

Improved earning power and efficiency



ROE

Medium-term management plan initiatives

Asset-utilizing business

- Completion and operation of large-scale development properties
- Reinforce high-efficiency businesses such as renewable energy and logistics facilities

Human capital-utilizing business

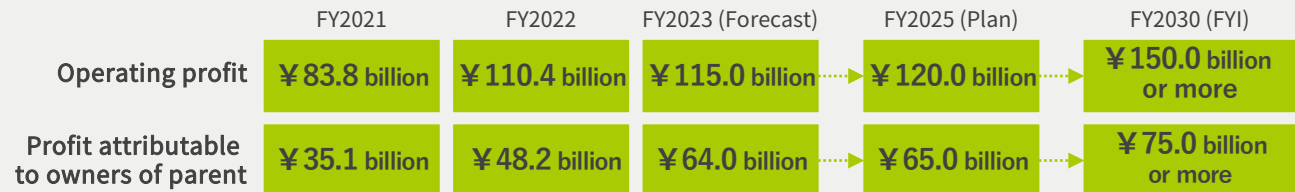
- Capturing the recovery in tourism demand
- Labor and manpower saving through DX

Financial Capital Strategy

- Promotion of Business Portfolio Management
- Improvement of D/E ratio by increasing periodic profit

×

Sustainable growth over the medium to long term



PER

Long-term management policy

The Group policy

Environmental management: Expand business opportunities embracing the environment as a starting point
DX: Establish a new revenue model by maximizing the values of assets and human capital

Business policy

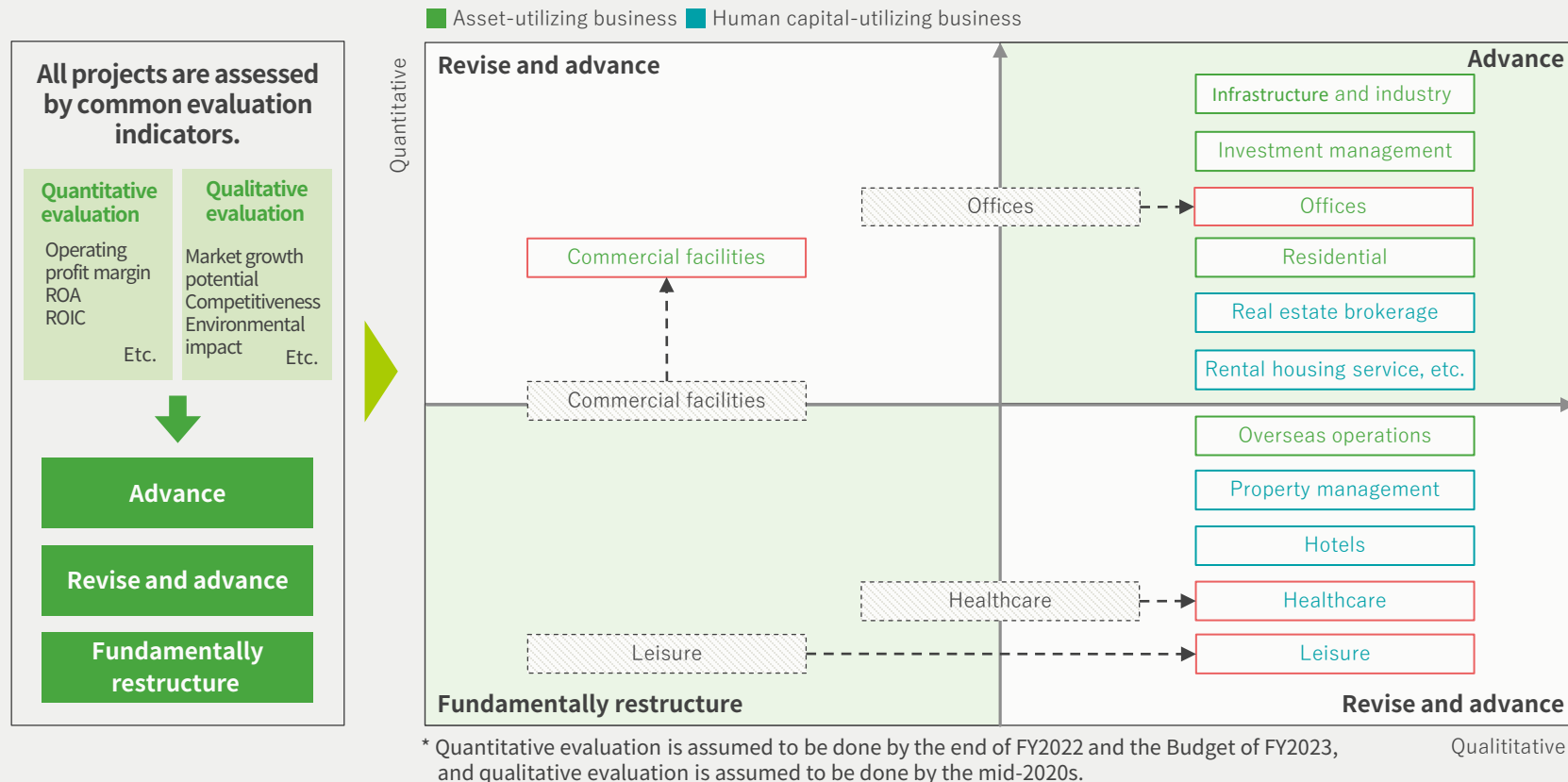
Utilization of intellectual assets: Monetization of know-how and data
Co-creation with partners: Breaking away from a self-supporting approach

Strengthening of Management Base

Financial Capital Strategy: Profit growth with efficiency based on optimal financial capital structure
Human capital and organizational climate: Fostering an innovative organizational climate with a sense of unity
Governance: Building a fair and highly transparent governance system
Building Relationships with Shareholders: Stable shareholder returns, proactive dialogue and disclosure

Progress in business portfolio management①

Completed structural reforms of businesses that were positioned as requiring radical restructuring, and moved into a new phase of business structural reforms.



Initiatives for fundamental restructuring projects

- Leisure business → On track to become an asset-light company. Promoting the development of products and strengthening of the operating structure in anticipation of a recovery in domestic and inbound demand.
- Healthcare business → Made the decision in the fitness business to transfer all shares to Renaissance, Incorporated on March 31, 2024.
- Commercial facilities business → Implemented asset replacement, including the sale of Tokyu Plaza Ginza. Attracted tenants that respond to experience-based consumption and empathy-based consumption, etc.

* Reference: Office business → Demand for office space in the Shibuya area, our core business area, remained strong.

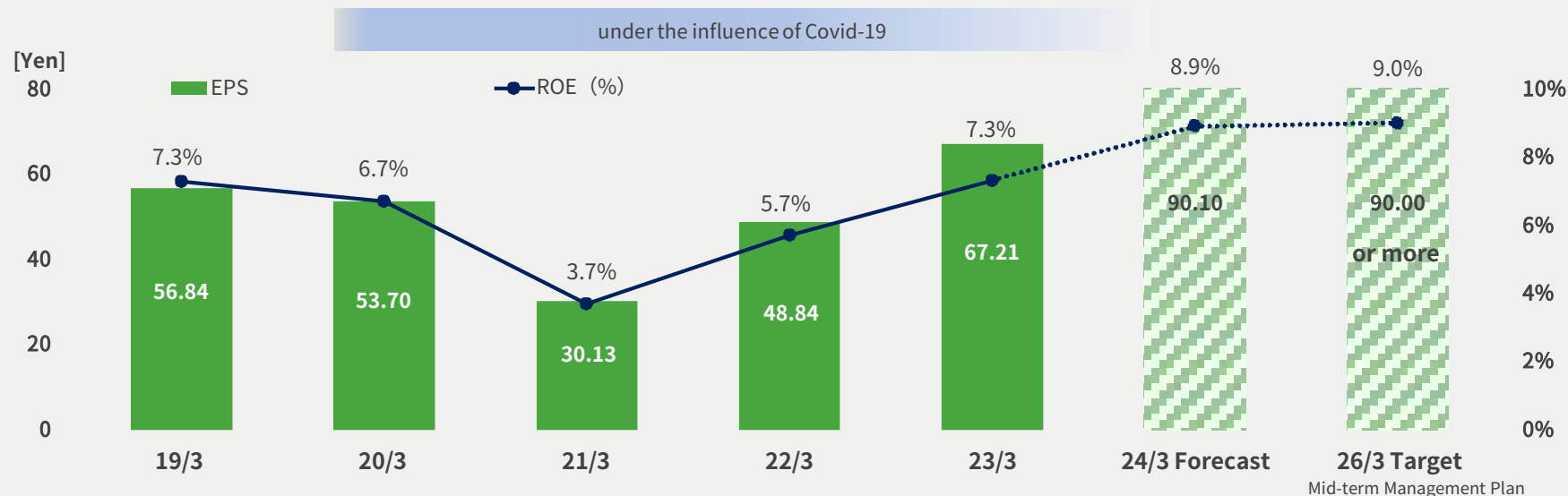
Progress in business portfolio management②

In the businesses that we have positioned as “Revise and advance,” we will continue to aim for transformation and growth in each business, with a focus on improving efficiency.

Business	Business policies and Initiatives
Commercial facilities	<u>Promote leasing activities in response to changes in consumer behavior</u> , including recovery of inbound consumption and continued expansion of the e-commerce market, <u>and implement renewals to provide new value.</u>
Overseas operations	<u>Review existing businesses to reduce business risks and promote initiatives to improve profitability</u> , while keeping a close eye on the impact of rising policy interest rates and bank failures overseas (mainly in the U.S.)
Property management	Shift from "quantity" to "quality" and expand business domains, rather than profit growth through stock expansion. <u>Improve productivity and profitability and expand business domains by improving quality</u>
Wellness	<ul style="list-style-type: none"> <li data-bbox="565 961 658 989">Hotels <li data-bbox="565 1046 665 1075">Leisure <u>Implementation of initiatives to increase operating revenues</u> by capturing the recovery of domestic and inbound demand <u>Promotion of</u> membership hotel and condominium development <u>business to increase profits</u>
	<ul style="list-style-type: none"> <li data-bbox="555 1196 706 1225">Healthcare <u>Made the decision to transfer all shares</u> of the Tokyu Sports Oasis fitness business <u>to industry leader Renaissance, Incorporated</u> on March 31, 2024

Progress in business portfolio management③

Conducted structural reforms intensively in FY2021 and FY2022, focusing on fundamental restructuring businesses.



* Profit attributable to owners of parent

[¥ billion]

Net profit *	37.5	38.6	21.7	35.1	48.2	64.0	65.0
Extraordinary income	0.1	0.1	7.3	7.1	1.9		
				• Transfer of Hands business, etc.	Transfer of Golf courses, ski resort, Hokuwa Corporation, etc.		
Extraordinary losses	(9.6)	(4.6)	(12.0)	(24.0)	(31.3)		
			• Due to Covid-19, etc.	• Due to Golf courses businesses	• Decision to transfer Tokyu Plaza Ginza		
				• Due to Fitness businesses, etc.	• Due to Ski businesses		
					• Fitness		
					• Capital alliance, etc.		

Summary of the FY2023 Third Quarter (First Nine Months) Ended December 31, 2023

Highlights

Topics

Financial results for the Q3 under review

Progress of the Medium-Term Management Plan 2025

Decided to sell a part of its equity interest in Shibuya Sakura Stage

Japan Credit Rating Agency, Ltd. (JCR) revised its long-term issuer rating outlook from A (Stable) to A (Positive)

Contents

Operating profit: 75.4 billion yen (+13.4 billion yen YoY)

Net profit* 45.5 billion yen (+14.5 billion yen YoY)

Both revenues and profit increased YoY due to strong performance in asset sales and brokerage and outstanding performance in the hotel business due to recovery in domestic and inbound demand

We're within reach of our targets for Fiscal Year Ending March 2026. Given this, we've brought forward the start of the next medium-term plan by one year, to Fiscal Year Ending March 2026.

Decided to sell the equivalent of a 49% co-ownership interest in the sectional ownership of SHIBUYA Tower and plan to record gains on the sale in FY2024 and FY2025. As part of the "Co-Creation with Partners" business policy outlined in the long-term management policy, the sale was implemented from the perspective of expanding the assets involved and increasing efficiency through leveraging other parties' capital.

While working on structural reform of businesses that need to be restructured, the outlook on the rating was revised to "Positive" as improved performance, cash flow, and financial structure were recognized, along with the enhancement of consistent revenue sources, such as the office building leasing and renewable energy businesses.

* Net income for the period is net income attributable to owners of the parent.

FY2023 Major business environment

Progress in Condominiums, Hotels, Real estate agents businesses, and asset sales exceeded expectations at the time the mid-term management plan was formulated.

Topics	Contents
Offices	<p>No major fluctuations in both vacancy rates and rents, and the occurrence of strong and weak trends in each area continues.</p> <p>Our vacancy rate remains low, and the supply-demand balance is expected to remain tight for the time being.</p>
Commercial facilities	<p>Facilities in suburban areas recovered to pre-Covid-19 levels, and facilities in urban areas are also on a gradual recovery trend.</p> <p>Continue to monitor the situation closely for the impact of soaring electricity rates and tenant labor shortages.</p>
Condominiums	<p>Continued customer appetite for acquisitions against a backdrop of low interest rates. Mortgage rates require close monitoring, but the impact on variable interest rates, which account for the majority of mortgages, is not apparent.</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>RevPAR at Tokyu Stay exceeds pre-Covid-19 levels due to a recovery in domestic and inbound demand.</p> <p>Assume further recovery in inbound demand, etc. in FY2023</p>
Real estate agents and transaction market	<p>Market remains active regardless of asset type.</p> <p>Despite concerns about rising interest rates, favorable market conditions are expected to continue for the time being.</p>

FY2023 Q3 (First nine months) Operating Results, major index

Both revenues and profit increased YoY

(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	FY2022	FY2023 Forecast**	Progress	note
Operating Revenue	641.7	717.8	76.1	1,005.8	1,120.0	64.1%	
Operating profit	62.0	75.4	13.4	110.4	115.0	65.5%	<input type="checkbox"/> Extraordinary income <FY2022>
Non-operating income	1.6	2.6	0.9	2.6	—	—	Gain on sale of shares of subsidiaries
Non-operating expenses	9.1	9.9	0.8	13.5	—	—	and associates ¥ 1.5 billion, and other
Ordinary profit	54.5	68.0	13.5	99.6	104.5	65.1%	
Extraordinary income	0.4	—	(0.4)	1.9	—	—	<input type="checkbox"/> Extraordinary losses <FY2022>
Extraordinary losses	3.3	0.8	(2.4)	31.3	—	—	Impairment loss ¥ 31.1billion, and other
Income before income taxes and minority interests	51.6	67.2	15.6	70.2	—	—	
Profit attributable to owners of parent	30.9	45.5	14.5	48.2	64.0	71.0%	
Total assets	2,739.7	2,976.1	236.5	2,738.5	—	—	
ROA	—	—	—	4.1%	4.1%	—	<input type="checkbox"/> ROA of Asset-utilizing business ****
Interest-bearing Debt	1,504.9	1,645.1	140.2	1,482.9	1,650.0	—	FY2022 : 3.5% FY2023 forecast : 3.0%
Equity	691.0	736.3	45.3	684.6	—	—	
Equity ratio	25.2%	24.7%	(0.5)P	25.0%	—	—	<input type="checkbox"/> Operating profit ratio of Human ****
Operating profit ratio	9.7%	10.5%	0.8P	11.0%	10.3%	—	capital-utilizing business
ROE	—	—	—	7.3%	8.9%	—	FY2022 : 7.7% FY2023 forecast : 8.8%
Earnings per share (Yen)	—	—	—	67.21	90.10	—	
D/E ratio	2.2	2.2	0.1	2.2	2.2	—	
[D/E ratio in consideration of hybrid financing] ***	2.0	2.0	0.0	2.0	1.9	—	
EBITDA	—	—	—	160.2	165.7	—	
EBITDA multiple	—	—	—	9.3	10.0	—	
Dividends per share	—	—	—	¥ 23.5	¥ 28.0	—	
Dividend payout ratio	—	—	—	35.0%	31.1%	—	

* 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 7, 2023 (common for all pages)

*** Consideration of capitalization approval from Japan Credit Rating Agency for hybrid finance (common to all pages)

**** Asset-utilizing business: Urban Development and Strategic Investment businesses; Human capital-utilizing business: Property Management & Operation business and Real Estate Agents business

FY2023 Q3 (First nine months) Segment performance

The real estate trading market remained active, with approximately 80% of the gross profit from asset sales forecast for FY2023 already sold or contracted.

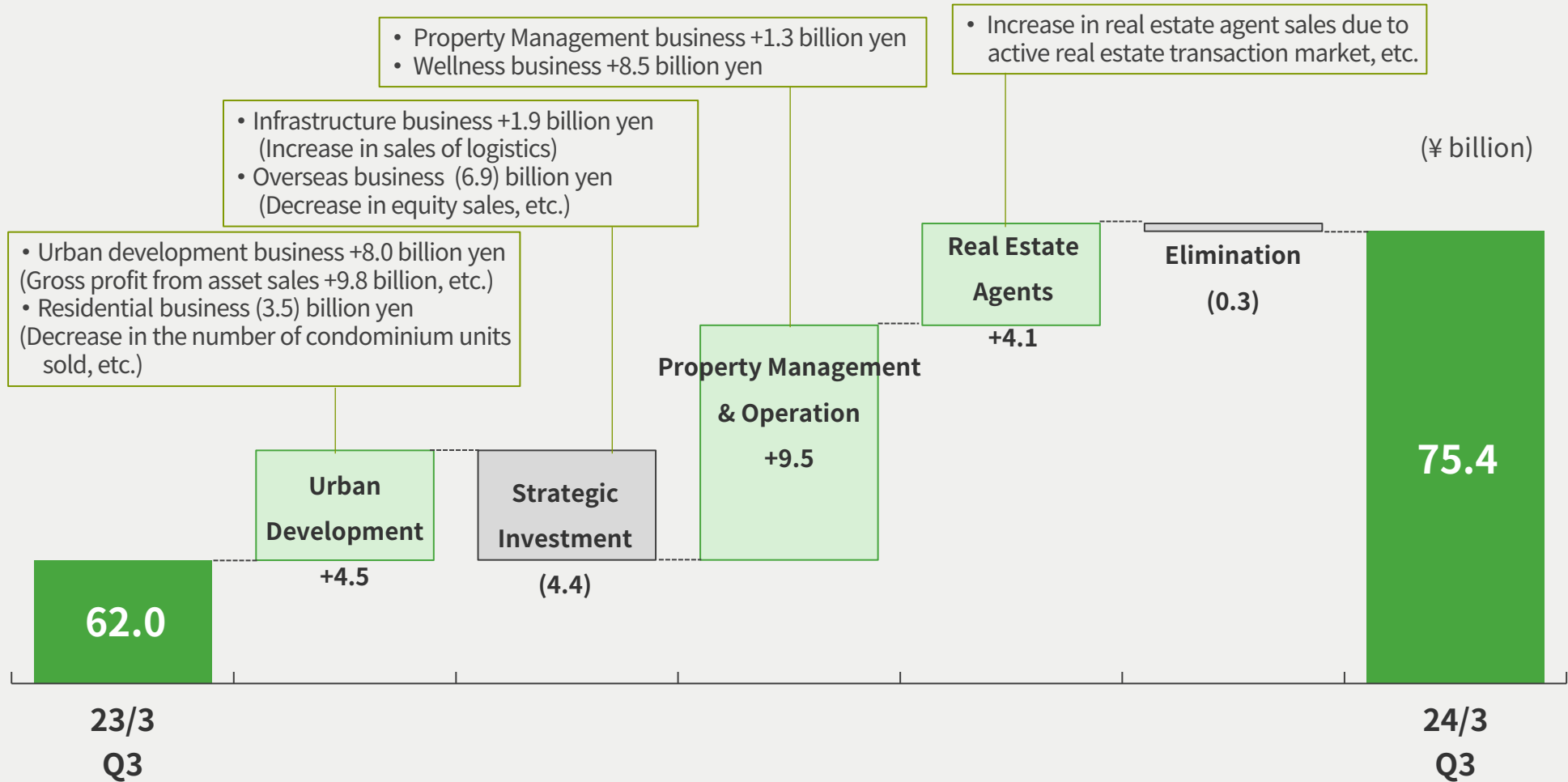
(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	FY2022	FY2023 Forecast	Comparison	note
Operating revenue	641.7	717.8	76.1	1,005.8	1,120.0	64.1%	
Urban Development	179.2	206.9	27.7	346.1	380.6	54.4%	
Strategic Investment	47.3	63.1	15.9	78.8	104.4	60.5%	
Property Management & Operation	240.4	261.0	20.6	337.1	369.2	70.7%	
Real Estate Agents	188.5	208.4	19.8	263.0	284.0	73.4%	
Elimination	(13.7)	(21.6)	(8.0)	(19.1)	(18.2)	—	
Operating profit	62.0	75.4	13.4	110.4	115.0	65.5%	
Urban Development	25.2	29.7	4.5	58.6	52.8	56.3%	
Strategic Investment	12.2	7.7	(4.4)	15.2	13.9	55.4%	
Property Management & Operation	6.1	15.6	9.5	12.3	21.5	72.6%	
Real Estate Agents	24.8	28.9	4.1	33.7	36.3	79.7%	
Elimination	(6.3)	(6.6)	(0.3)	(9.4)	(9.5)	—	

<Gain on sales by asset>

Operating revenue		44.1	136.9	92.8	176.7	242.2	56.5%
Urban Development	Office · Commercial facility, etc.	3.3	42.2	38.9	98.2	84.3	50.0%
	Houses for rent, land	28.7	62.2	33.5	44.3	90.1	69.0%
Strategic Investment	Infrastructure & Industry	12.2	31.7	19.5	34.2	59.5	53.3%
Property Management & Operation	Wellness	—	0.9	0.9	—	8.4	10.3%
Real Estate Agents	Other	—	—	—	—	—	—
Operating gross profit		8.1	31.7	23.6	44.4	53.2	59.6%
Urban Development	Office · Commercial facility, etc.	0.3	10.1	9.8	28.4	18.4	54.8%
	Houses for rent, land	4.6	10.9	6.3	5.4	15.2	71.8%
Strategic Investment	Infrastructure & Industry	3.2	10.2	6.9	10.6	16.6	61.2%
Property Management & Operation	Wellness	—	0.6	0.6	—	3.1	20.6%
Real Estate Agents	Other	—	—	—	—	—	—

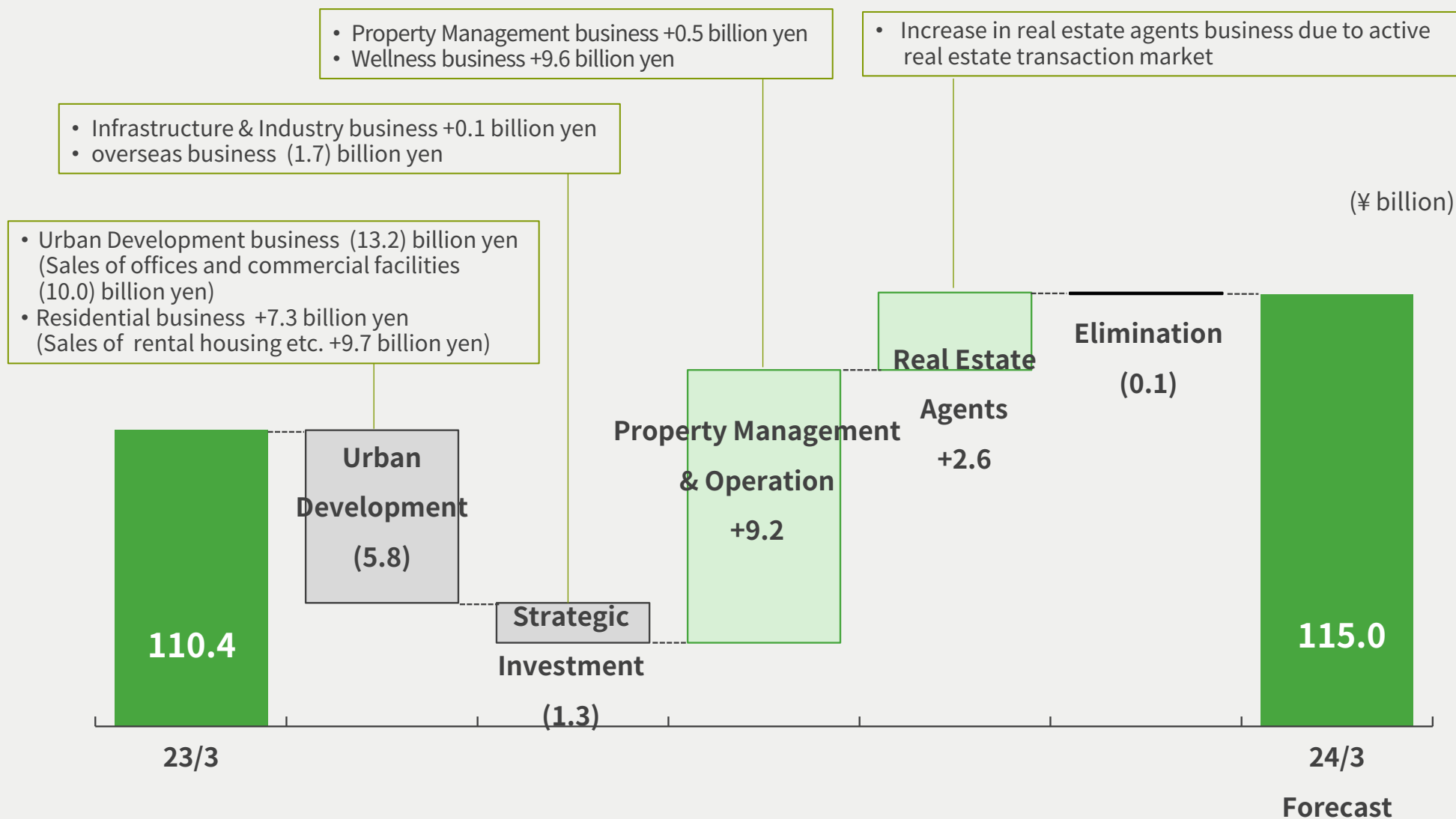
FY2023 Q3 (First nine months) Analysis of segment performance

13.4 billion yen increase YoY, due to strong asset sales and brokerage sales, recovery in wellness business, etc.



FY2023 Earnings forecasts and analysis of segment performance (No change since the November announcement)

Plan to increase profit by 4.6 billion yen YoY due to increase in Real estate agents business and recovery in Wellness business, etc.



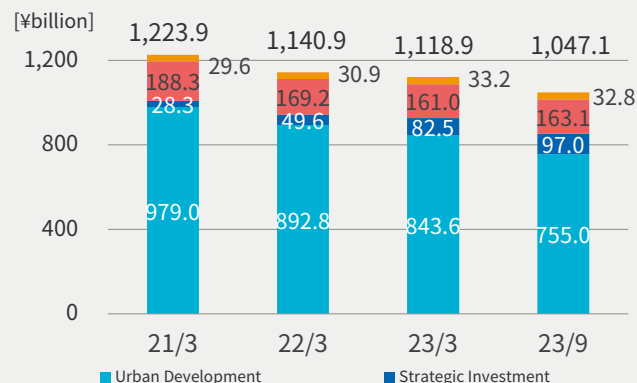
FY2023 Q3 (First nine months) Summary of balance sheets

Land and buildings for sale increased due to the transfer from a portion of fixed assets of Shibuya Sakura Stage.

(¥ billion)	FY2022 Mar-31, 2023	FY2023 Dec-31, 2023	Comparison	(¥ billion)	FY2022 Mar-31, 2023	FY2023 Dec-31, 2023	Comparison
Cash and deposits	171.0	207.5	36.5	Interest-bearing Debt	1,482.9	1,645.1	162.2
Real estate for sale*	792.3	913.6	121.2	Deposits	261.0	278.7	17.8
Property and equipment, Intangible assets**	1,118.9	1,129.6	10.7	Trade payables etc.	98.3	90.7	(7.5)
Goodwill	53.4	49.6	(3.8)	Other	195.6	206.4	10.8
Other investments	424.5	462.5	38.0	Total liabilities	2,037.8	2,221.0	183.2
Accounts receivable etc.	68.1	67.1	(1.1)	Equity	684.6	736.3	51.7
Other	110.2	146.2	36.0	Non-controlling interests etc.	16.1	18.9	2.8
Total assets	2,738.5	2,976.1	237.7	Total net assets	700.7	755.2	54.5

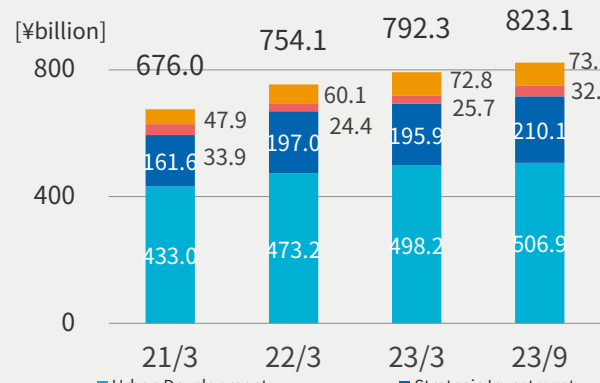
* Total real estate for sale and real estate for sale in process **Tangible and intangible assets subtracting goodwill

〈 Property and equipment, Intangible assets breakdown (End of Sept. 2023) 〉



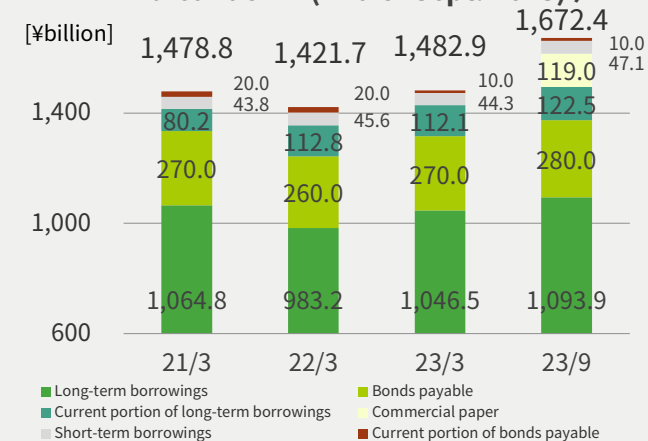
* Before consolidated accounting treatment

〈 Real estate for sale breakdown (End of Sept. 2023) 〉



* Before consolidated accounting treatment

〈 Interest-bearing Debt breakdown (End of Sept. 2023) 〉

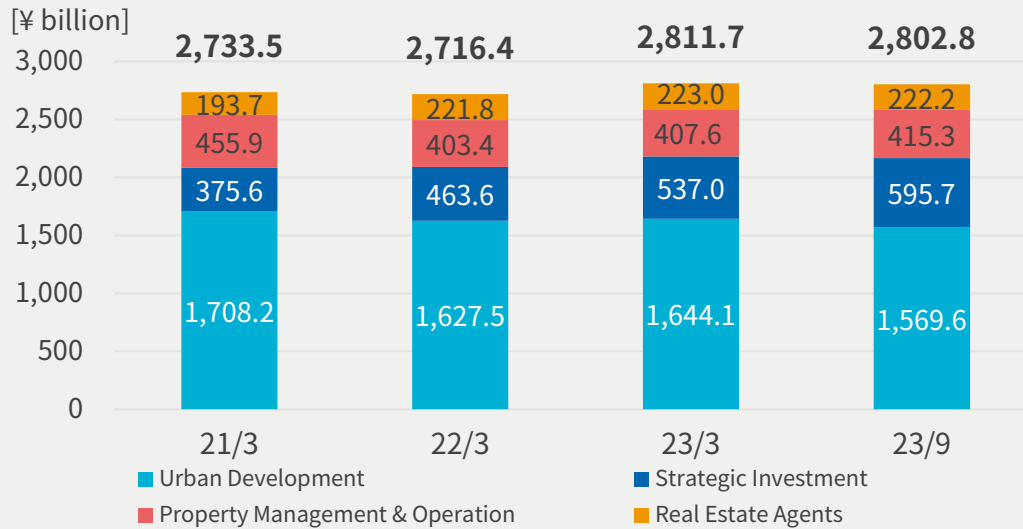


Results for the First Six Months of FY2023: Asset Breakdown by Segment and ROA Trends

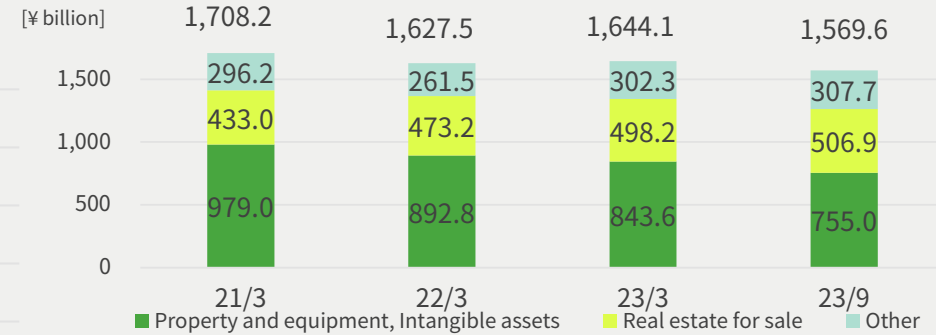
Reprint of the FY2023 Second Quarter (First Six Months) Ended September 30, 2023

Progress in investments has led to an increase in land and buildings for sale in Urban development and Strategic investments businesses

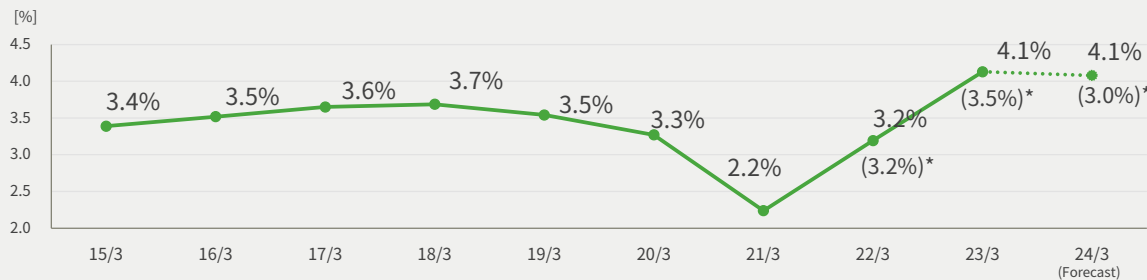
〈Asset breakdown by segment〉 * Before adjustments



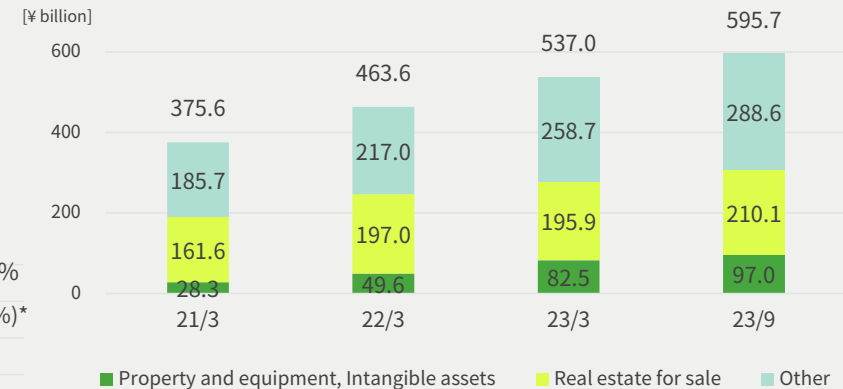
〈Breakdown of Urban Development segment〉



〈ROA Trends〉



〈Breakdown of Strategic Investment segment〉



* Figures in parentheses are ROA of Asset-utilizing business (Urban Development / Strategic Investment segment)

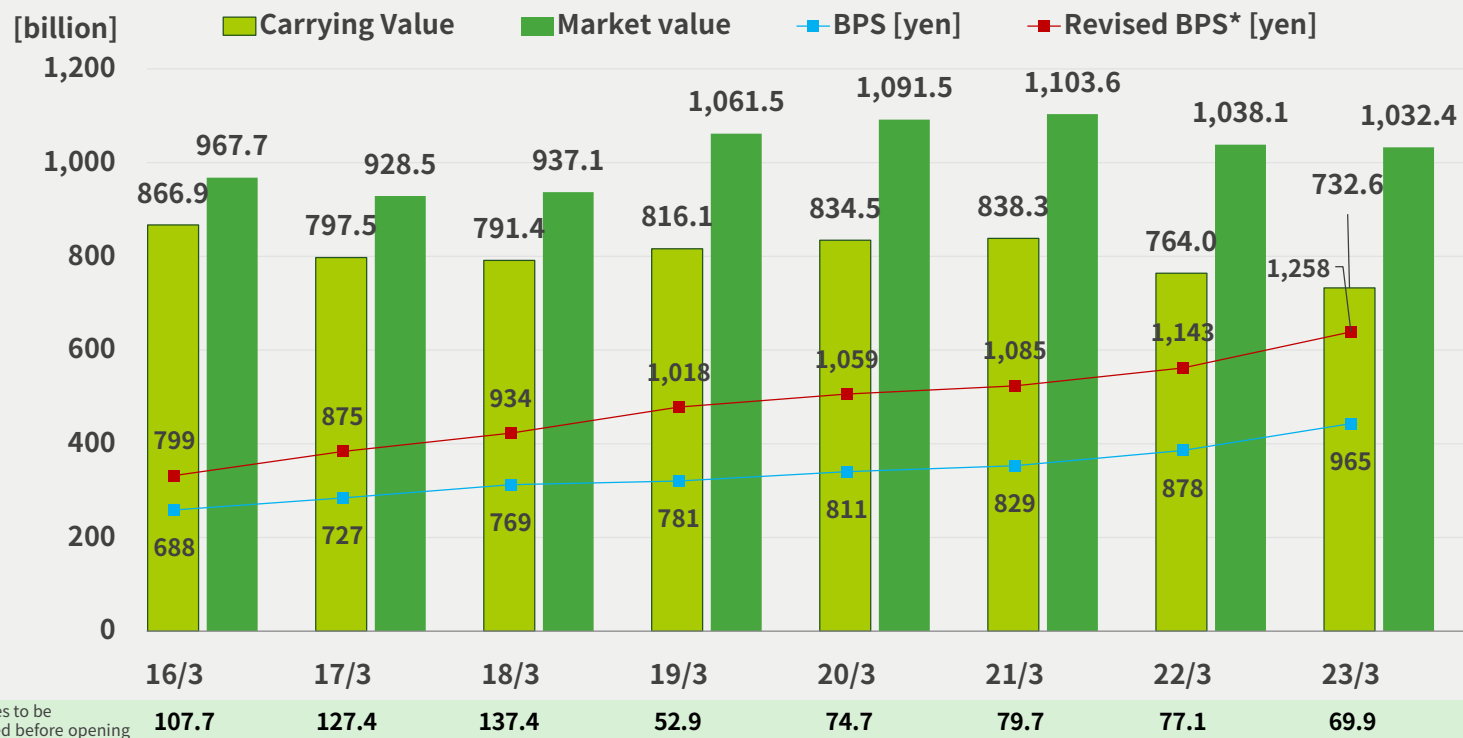
Market value appraisal for leased properties (as of the end of Mar. 2023)

Unrealized profit of leased properties increased

(¥ billion)	FY2021 Mar-2022	FY2022 Mar-2023	Comparison	Remarks
Carrying Value	764.0	732.6	(31.4)	□ Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate".
Market value	1,038.1	1,032.4	(5.7)	□ The properties to be developed before opening* are in the early process of development and therefore their market value cannot be grasped (¥77.1 billion at the end of March 2022 and ¥69.9 billion at the end of March 2023)*.
Difference (latent profit)	274.1	299.8	25.7	□ NOI yield on operating properties at normal times : approx.5%

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

* Shibuya Sakura Stage, and others.



*BPS added to unrealized gains per share (after adjustment for tax)

Summary of Cash flow and Investment plan (No change since the November announcement)

Reprint of the FY2023
Second Quarter (First
Six Months) Ended
September 30, 2023

Capital investment will be made mainly in Shibuya Sakura Stage and renewable energy facilities, and in rental housing and logistics facilities for sale.

(¥ billion)	FY2022 Q2	FY2023 Q2	Main factors for changes
Net cash provided by (used in) operating activities	(9.4)	32.6	+53.5 billion yen of profit before income taxes +21.0 billion yen of depreciation (33.4) billion yen for deposits received for consignment sales (9.8) billion yen for consignment sales
Net cash provided by (used in) investment activities	(63.3)	(55.9)	(36.7) billion yen for purchase of noncurrent assets (21.2) billion yen for purchase of securities and investment securities
Net cash provided by (used in) financing activities	45.3	180.1	+119.0 billion yen of commercial paper +49.2 billion yen of long-term liabilities
cash and cash equivalents at end of period	127.4	328.5	

<Information: investment actuals and plans>

(¥ billion)	FY2022**	FY2023	
		Q2**	Forecast **
Capital Investment	79.8	34.4	280.0
Real estate for sale (domestic business excluding condominiums)	145.8	77.7	230.0
Land for sale (domestic condominiums)	73.7	6.7	20.0
Equity Investment (domestic business)	15.2	5.6	14.0
Overseas Investment *	40.0	11.0	48.0

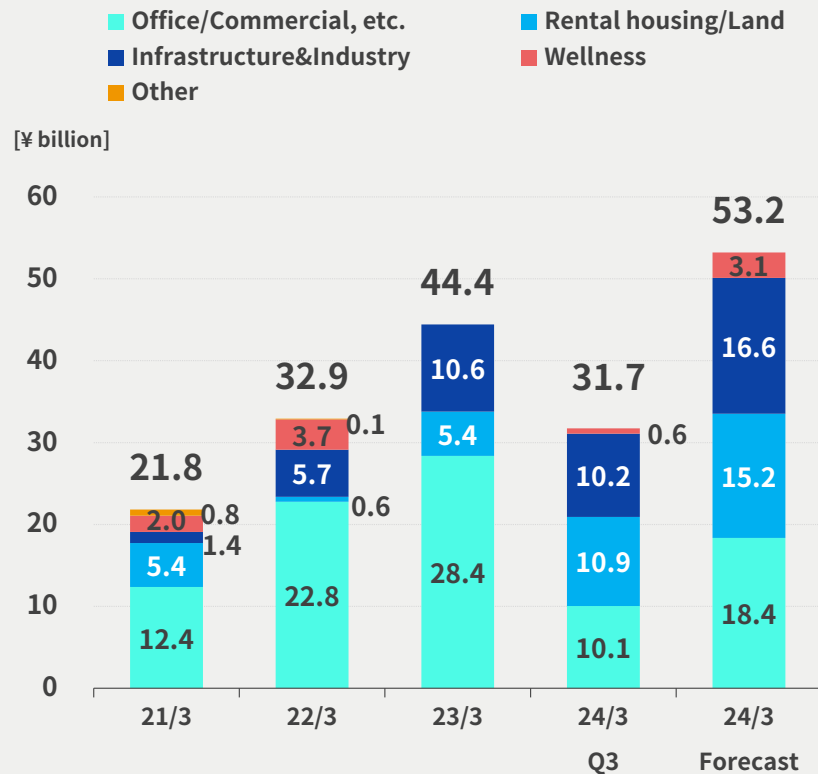
* Contributions are included

** Investments in the Greater Shibuya area included in the amount:
6.2 billion yen invested in FY 2021,
14.5 billion yen invested in FY 2022,
192.3 billion yen planned in FY 2023

Gross profit on sales and land and buildings for sale by assets

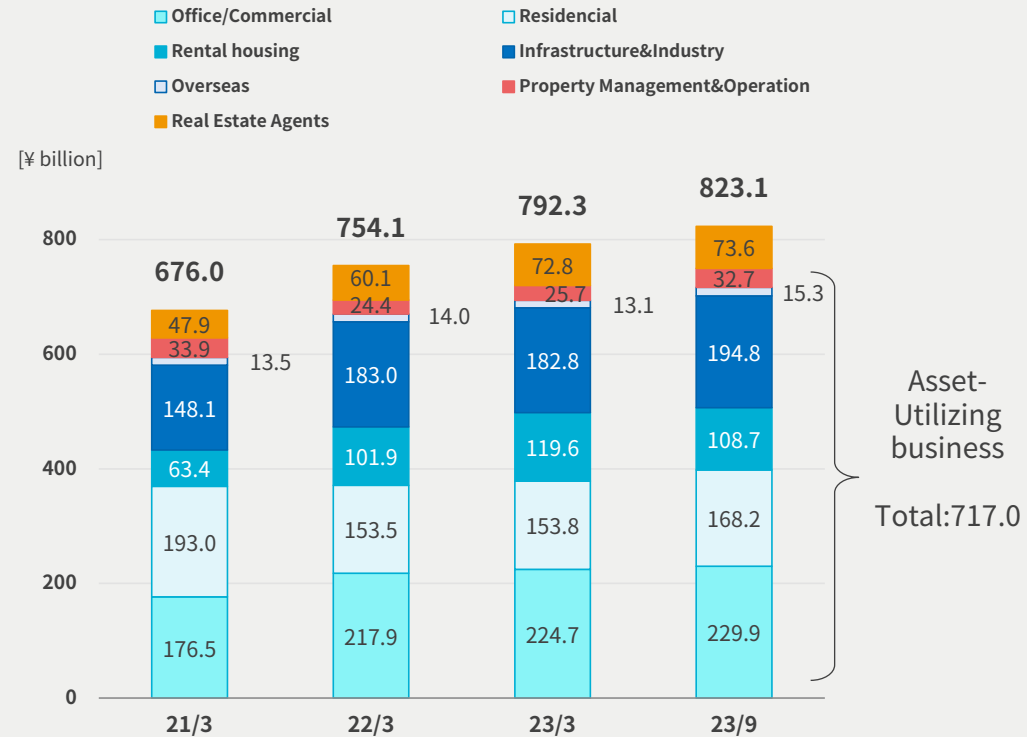
Promoting efficient asset turnover and profit generation against the backdrop of favorable trading market conditions.
We'll actively sell off assets, including asset turnover.

〈Gross Profit from Asset Sales Trends〉



〈Land and Buildings for Sale by Asset (End of Sept. 2023)〉

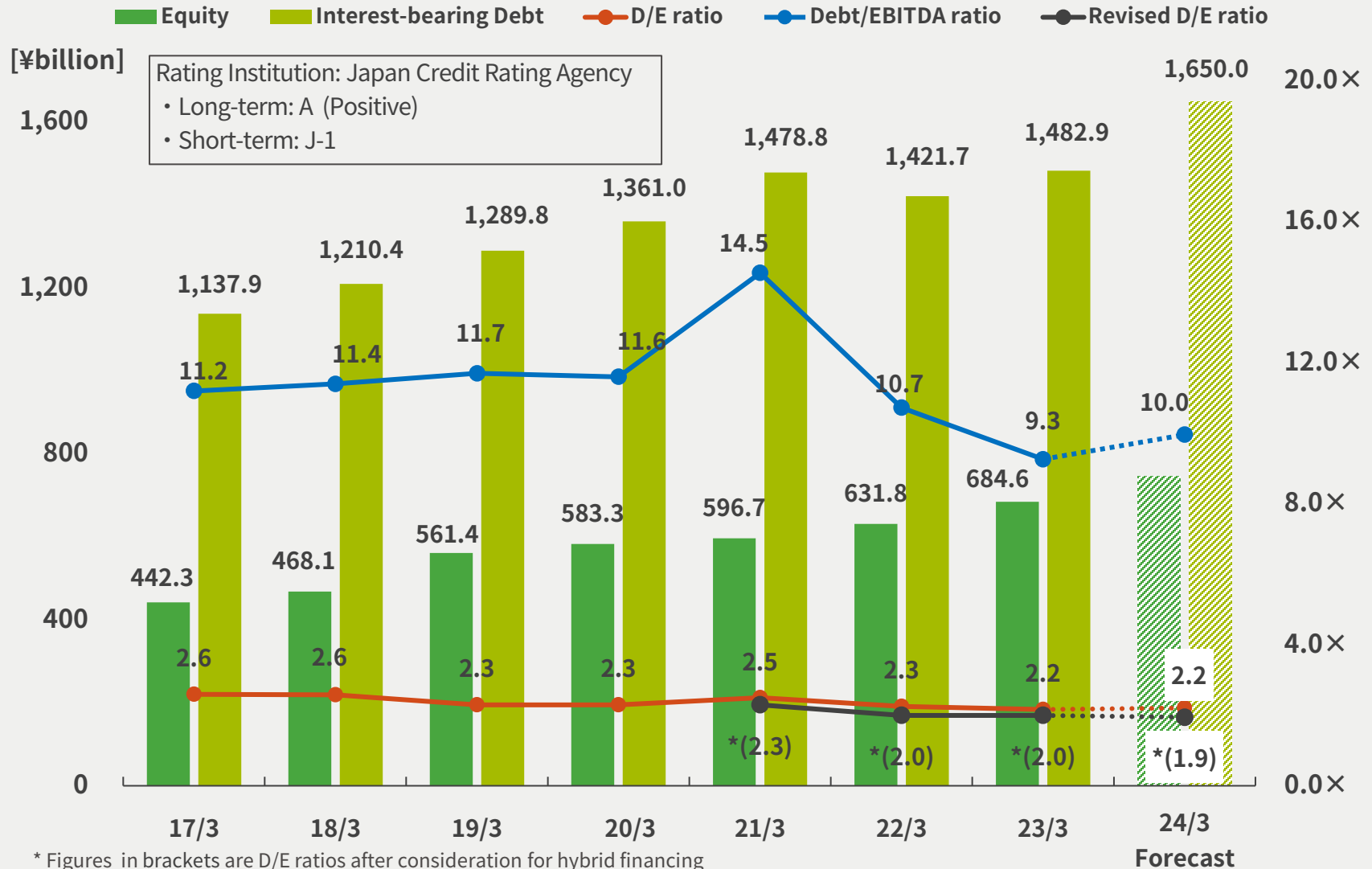
* After adjustment for inter-company transactions



Transfer from non-current assets to inventory		
FYE Mar 2021	FYE Mar 2022	FYE Mar 2023
¥34.1 billion	¥54.8 billion	¥55.6 billion

Financial Condition

Long-term ratio of interest-bearing debt at the end of FY2022 was 95.9%, and the fixed ratio was 95.3%.
 Japan Credit Rating Agency, Ltd. (JCR) revised its long-term issuer rating outlook from A (Stable) to A (Positive).



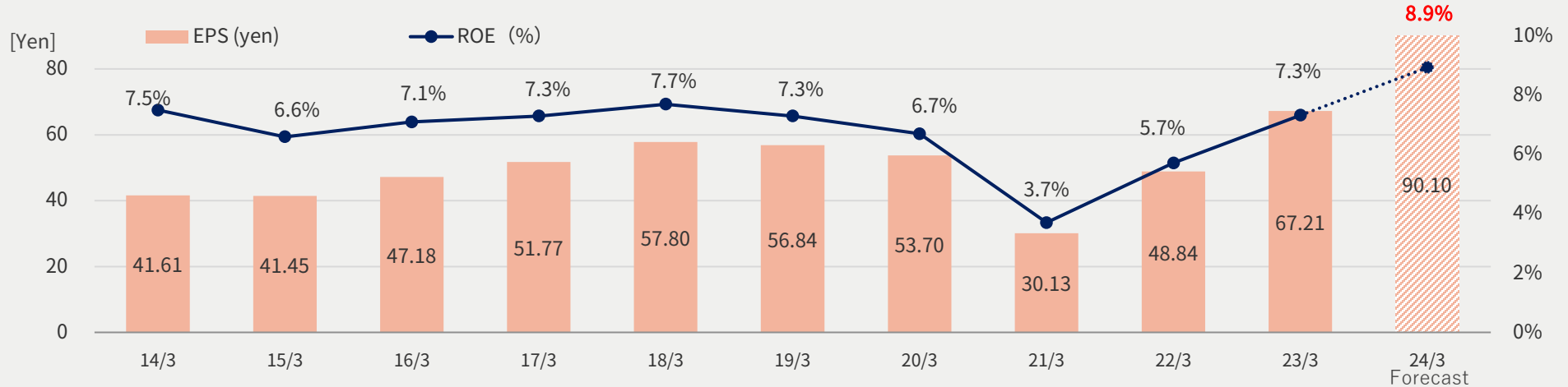
* Figures in brackets are D/E ratios after consideration for hybrid financing

**Long-term and fixed ratios are on a consolidated basis (excluding SPCs)

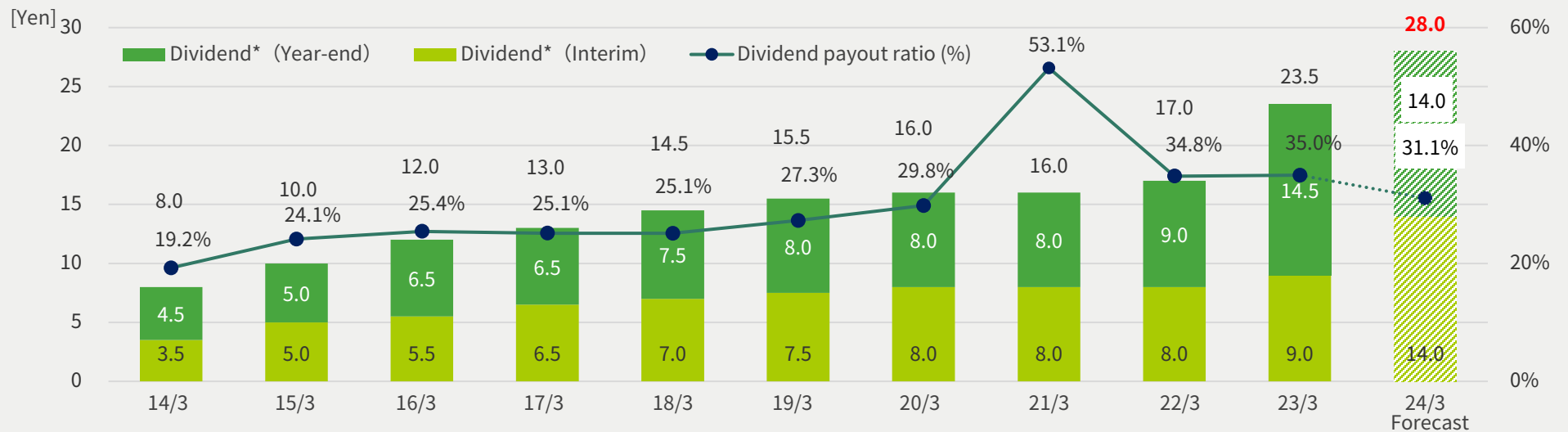
Shareholder Return

ROE of 8.9% and annual dividend of ¥28.0 per share (up ¥4.5 from the previous fiscal year) are planned for FY2023.
Shareholder return policy: Payout ratio of 30% or more and maintain stable dividends

〈EPS and ROE Trends〉



〈Dividends, the dividend payout ratio Trends〉

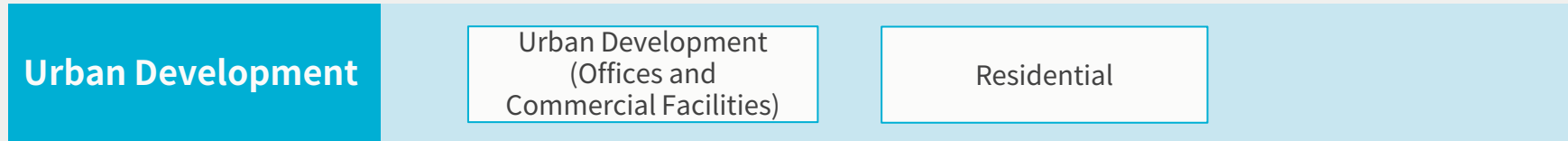


* Interim dividend for the fiscal year ended March 2014 is paid by Tokyu Land Corporation

Segment Overview

| Urban Development (Asset-utilizing business) |

This segment creates attractive urban living environments.



Business strategy

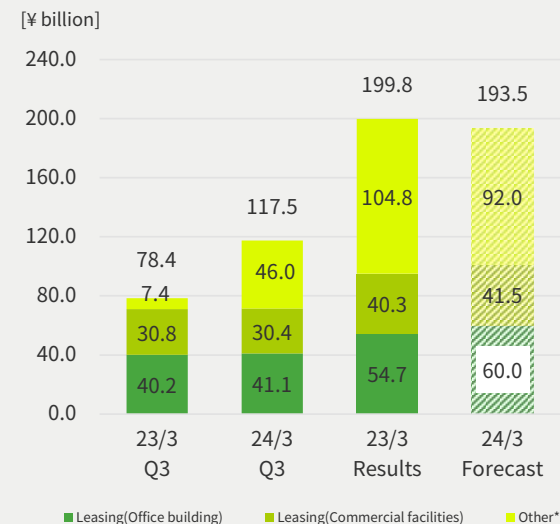


Urban Development ① FY2023 Q3 (First Nine Months)

While the number of condominiums recorded in the residential business decreased, both revenues and profit increased YoY thanks to increased sales of assets in the urban development business and residential business.

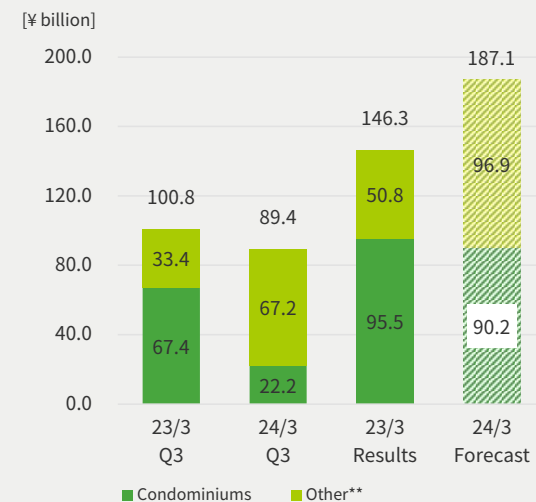
(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	note
Operating revenue	179.2	206.9	27.7	
Urban Development	78.4	117.5	39.1	Newly operated +4.0, Lost revenue for properties sold (3.7), Existing facilities +0.7, Sales of assets +38.9
(the sale)	3.3	42.2	38.9	
Residential	100.8	89.4	(11.4)	No. of units sold (576)units[364units] Sales of assets +33.5
(the sale)	28.7	62.2	33.5	
Operating profit	25.2	29.7	4.5	
Urban Development*	15.8	23.8	8.0	Sales of assets +9.8, Newly operated +1.3, Lost profit for properties sold (1.4)
(the sale)	0.3	10.1	9.8	
Residential*	9.4	5.9	(3.5)	Decrease in the number of units recorded Sales of assets +6.3
(the sale)	4.6	10.9	6.3	

Breakdown of revenues in Urban Development



(¥ billion)	FY2022	FY2023 Forecast	Comparison	note	Initial Forecast	Comparison
Operating revenue	346.1	380.6	34.5		384.0	(3.4)
Urban Development	199.8	193.5	(6.3)	Newly operated +6.6, Existing facilities+1.8, Sales of assets (14.0)	209.4	(15.9)
(the sale)	98.2	84.3	(14.0)		100.9	(16.7)
Residential	146.3	187.1	40.8	No. of units sold (98)[1,271] units Sales of assets +45.8	174.6	12.5
(the sale)	44.3	90.1	45.8		84.4	5.8
Operating profit	58.6	52.8	(5.8)		52.7	0.1
Urban Development*	47.3	34.1	(13.2)	Sales of assets (10.0)	37.9	(3.8)
(the sale)	28.4	18.4	(10.0)		21.9	(3.6)
Residential*	11.4	18.7	7.3	Decrease in the number of units recorded Sales of assets +9.7	14.8	3.9
(the sale)	5.4	15.2	9.7		11.8	3.4

Breakdown of revenues in Residential business



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

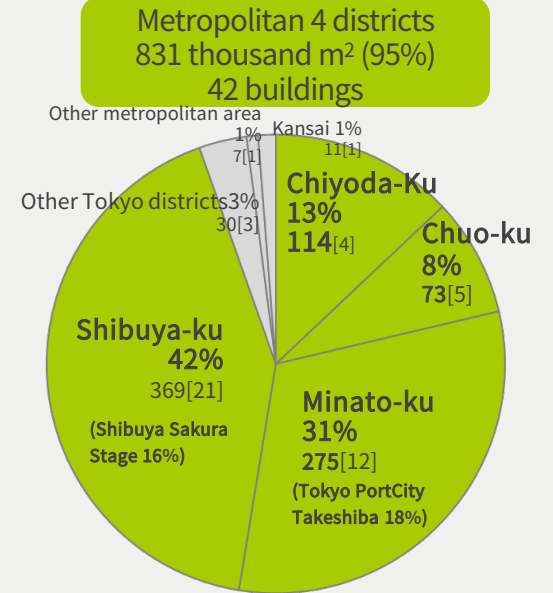
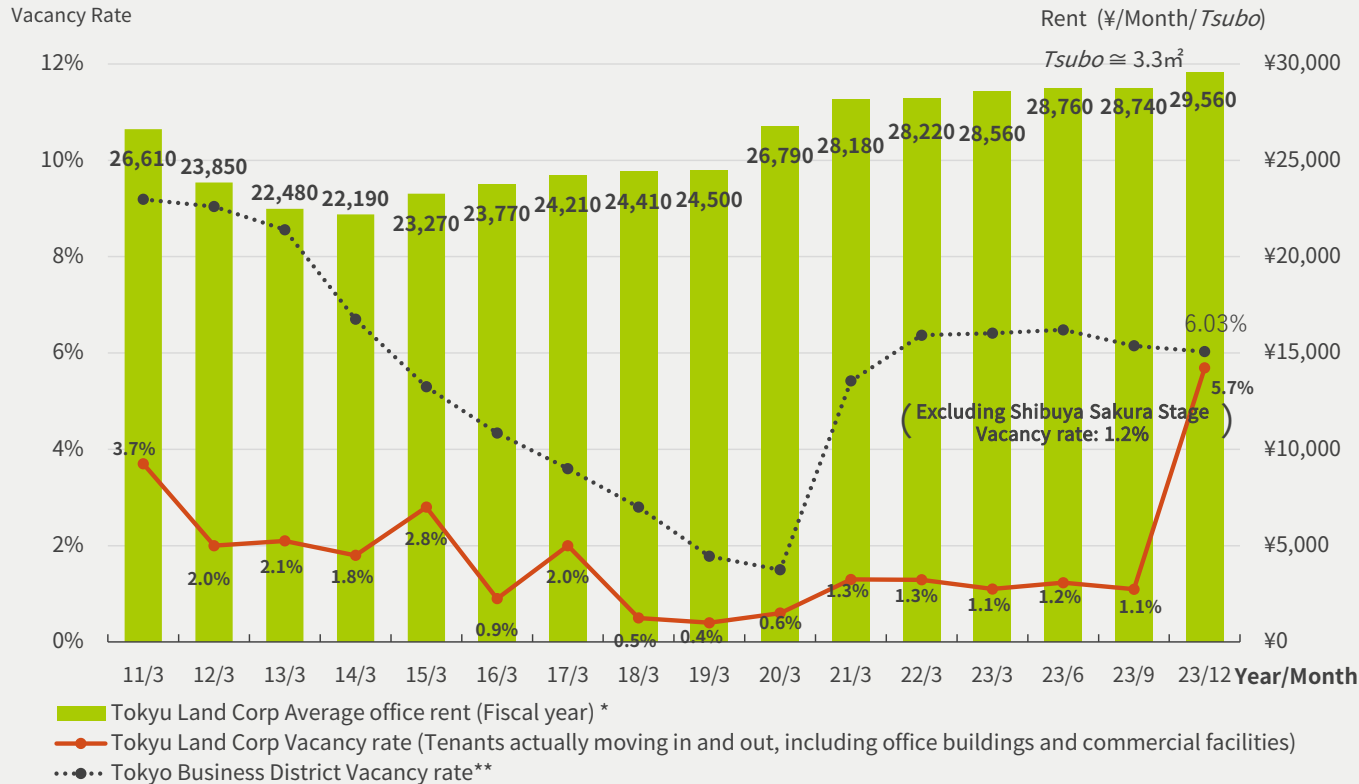
Urban Development ② Vacancy Rate and Rent trends and Portfolio Characteristics

〈Office Area〉

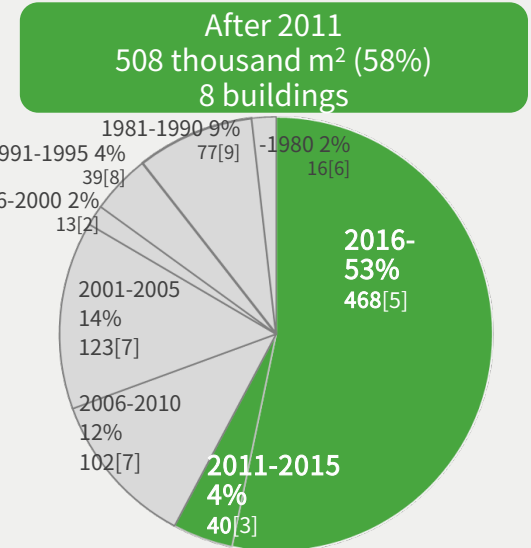
As of December 31, 2023, vacancy rate remains low at 5.7% (office buildings and commercial facilities), and average office rent at 29,560 yen (month/tsubo)

Vacancy rates remained low at 1.2%, excluding the Shibuya Sakura Stage completed in November.

〈Vacancy Rate and Rent trends〉



〈Office Completed Year〉



* The average office rents of Tokyu Land Corporation presented include common area service expenses.

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

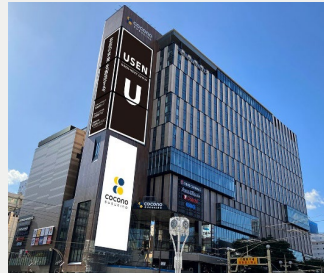
Urban Development ③ Major projects (Offices/Commercial facilities, etc.)



Tokyo Port City Takeshiba
Minato-ku
Office/Commercial/
Housing
Total floor space : 201



KUDAN-KAIKAN TERRACE
Chiyoda-ku
Office/Commercial
Total floor space : 68
Opened in October 2022



COCONO SUSUKINO
(Sapporo Susukino Ekimae
Complex Redevelopment Project)
Sapporo, Hokkaido
Hotel/Commercial/Cinema, etc.
Total floor space : 53
Opened in November 2023



**Higashi Gotanda 2-chome
Redevelopment Plan**
Shinagawa-ku
Office/Commercial/ Housing, etc.
Total floor space: 112
Scheduled for completion in FY2027



**Shinjuku West Gate
Redevelopment Plan**
Shinjuku-ku
Office/Commercial/
Station Facilities, etc
Total floor space: 251 (A)
Scheduled for completion in FY2029

[Other projects]

**Chayamachi B-2/B-3 Blocks
Redevelopment Project**
Osaka
Commercial/office/accommo-
dation etc.
Total floor space: 31
Scheduled for completion in
FY2028

**Project for Using Land at
Tokyo Institute of
Technology's Tamachi
Campus (tentative name)**
Minato-ku
Office/Commercial/Industry-
academia-government
collaboration, etc.
Total floor space: 250
Operatorship scheduled to
start as a complex in 2030

(Scheduled to open)

FY2022 or Before

FY2023

FY2024

FY2025 or Later



Shibuya Solasta
Shibuya-ku
Office
Total floor space : 47



Shibuya Fukuras
Shibuya-ku
Office/Commercial
Total floor space: 59



**Forestgate Daikanyama
(Daikanyamacho Project)**
Shibuya-ku
Housing/Commercial/Office
Total floor space : 21
Opened in October 2023



**Shibuya Sakura Stage
(Shibuya Sakuragaoka Block
Redevelopment Plan)**
Shibuya-ku
Office/Commercial/Housing
Total floor space : 255
Open sequentially from December 2023



**Tokyu Plaza Harajuku "Harakado"
(Jingumae 6-chome Block
Redevelopment Project)**
Shibuya-ku
Commercial/Public facilities
Total floor space : 20
Scheduled to open in April 2024

Projects in
the Greater Shibuya area

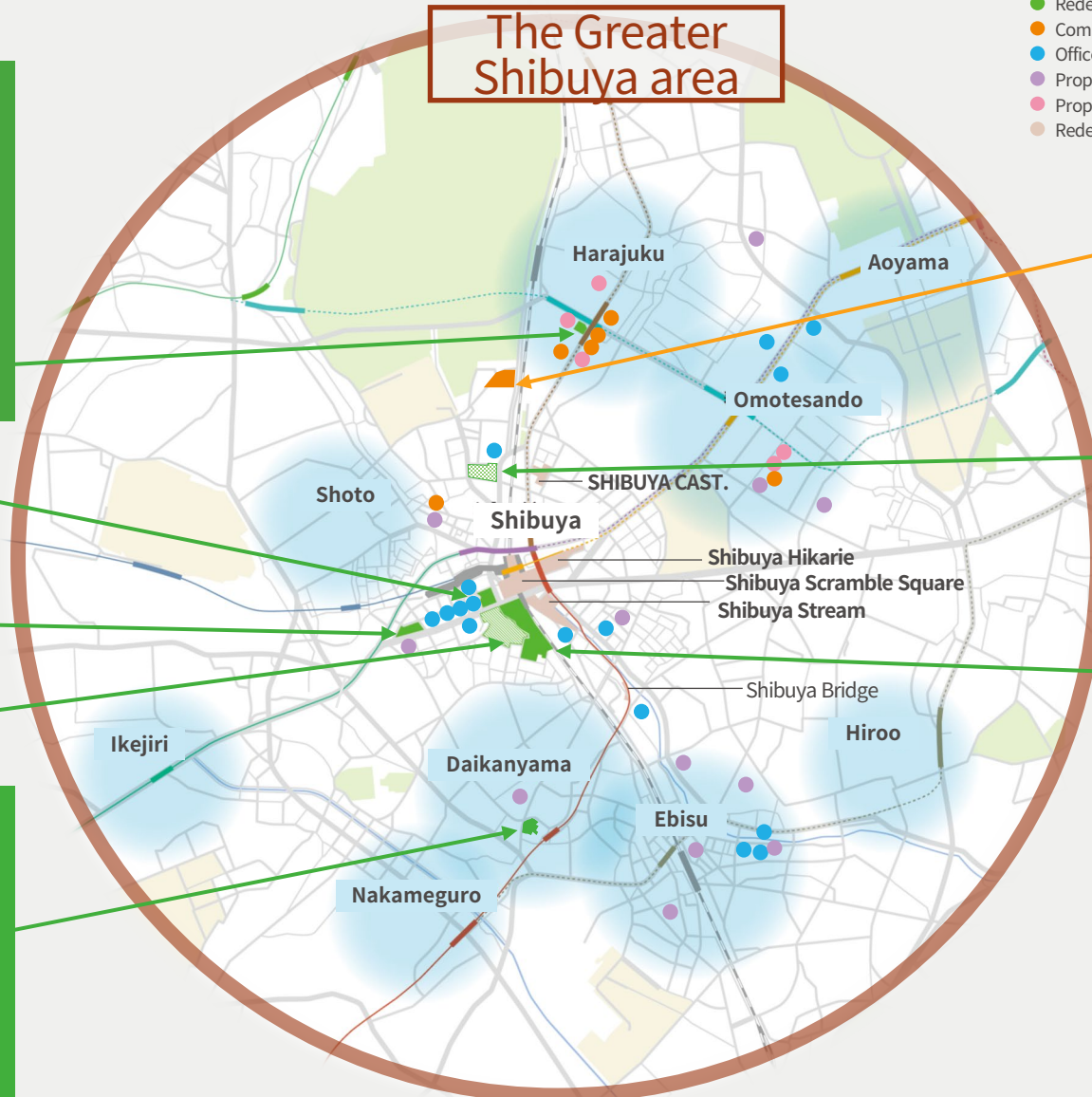
Total floor space : thousand m²

* Total floor space of all the projects before taking our equity into account

Urban Development ④ Major projects (the Greater Shibuya area)

After the completion of Shibuya Sakura Stage, several projects remain underway in the Greater Shibuya area, including Next Shibuya Sakuragaoka and Jinnan 1-chome.

- Redevelopment Project
- Commercial facility
- Office building
- Properties owned by Activia Properties Inc.
- Properties joint capital investment with Norges Bank
- Redevelopment Project led by Tokyu Corporation




Tokyu Plaza Harajuku "Harakado"
(Jingumae 6-chome Block
Redevelopment Project)
Scheduled to open in April 2024

Shibuya Fukuras
Completed in October 2019

Shibuya Solasta
Completed in March 2019

**Next Shibuya Sakuragaoka
Block*** (Redevelopment
Preparatory Association)



**Forestgate Daikanyama
(Daikanyamacho Project)**
Opened in October 2023



Yoyogi park Park-PFI Project*
Operatorship scheduled to start in
February 2025

Jinnan 1-chome Block
(Redevelopment Preparatory Association)



Shibuya Sakura Stage
Open sequentially from December 2023

* tentative name

Urban Development ⑤ Major project ~Shibuya Sakura Stage~

Combined facility *for work, living, and play* will open sequentially from December 2023.



Shibuya Sakura Stage

◆Office



Advanced office floor

◆Commercial Facility



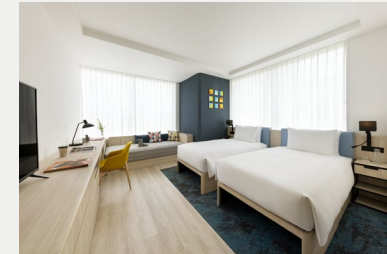
Commercial facilities to create culture

◆Residence



BRANZ Shibuya Sakuragaoka

◆Extended stay hotel



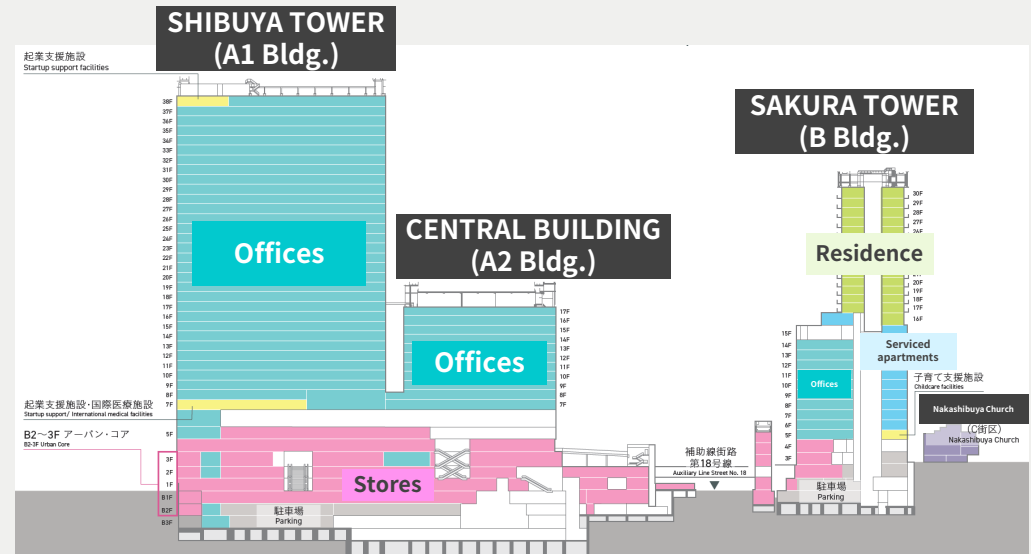
Hyatt House Tokyo Shibuya

SHIBUYA SIDE (A Block)

SAKURA SIDE (B Block)

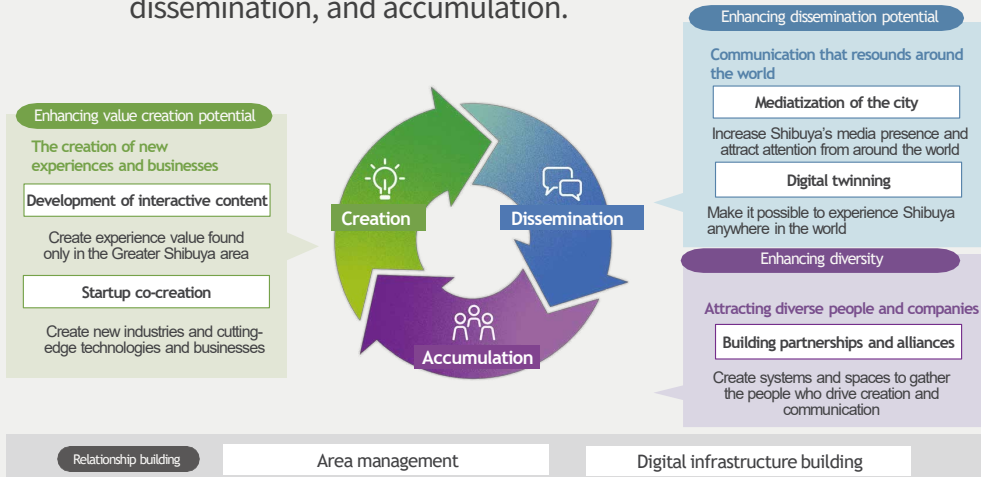
<Property Overview>

Facility name	Shibuya Sakura Stage (Shibuya Sakuragaoka Block Type 1 Urban Redevelopment Project)		
Construction area	Approx. 2.6 ha		
Completion	November 30, 2023	May 15, 2020	
Block	SHIBUYA Side (A Block) • SHIBUYA Tower (A1 Bldg.) • Central Building (A2 Bldg.)	SAKURA Side (B Block) • SAKURA Tower (B Bldg.)	The United Church of Christ in Japan Nakashibuya Church (CBldg)
Main uses	Offices, stores, parking lots, etc.	Residences, offices, stores, extended-stay hotel, parking lots, etc.	Church, etc.
Total floor space	Approx. 184,700m ²	Approx. 69,100m ²	Approx. 820m ²
Number of stories	39 above ground (SHIBUYA Tower) 17 above ground (Central Bldg.) 4 basement levels	30 above ground (SAKURA Tower) 1 basement level	4 above ground



Urban Development ⑥ Upgrading the Greater Shibuya Area

We add value to the Greater Shibuya area by delivering robust area management and digital infrastructure and creating a cycle of creation, dissemination, and accumulation.



Dissemination

Mediatization of the city

Through the interlinking of outdoor advertisements and events to strengthen Shibuya's media potential, we will enhance the reach of Shibuya-centered communication as well as the ability of the area to attract customers.



Communicating cutting-edge information from Shibuya to the world through outdoor advertising at the Jingumae intersection and other places

Digital twinning

Utilizing XR (VR/AR/MR), we will provide entertainment experiences merging the digital and real to enable people to experience Shibuya anywhere in the world.



Developing digital background asset business

Accumulation

Building partnerships and alliances

By building partnerships and alliances with venture capital funds and creators, we will promote the development of new interactive content and startup co-creation, creating structures to attract partners in the Greater Shibuya area.



A bold attempt to create a new pattern for commercial facilities that goes beyond any such initiative to date. Creators and other members of the Harakado Neighborhood Association scheduled to move into Tokyuu Plaza Harajuku "Harakado" will plan their own events and content and share these with the world.

Creation

Development of interactive content

Collaborating with partners in other industries, we will create new, interactive content for the Greater Shibuya area that is buzzworthy and which will attract customers.



Operating New Make Labo to address the issue of clothing loss

Startup co-creation

By incorporating the vitality and growth potential of startups, we will aim to promote Shibuya's branding as a district where new industries and services are constantly being created, increasing the area's value.



Working to form startup community with Plug and Play Japan

Relationship building

Area management

In cooperation with a variety of people from the government, the local area, and concerned organizations, we will hold events in public spaces leveraging whole area coordination unlike anything possible in any other city.

Digital infrastructure building

We will expand contacts with customers through the digital and gather, analyze, and utilize the data thus acquired to improve the navigability of the Greater Shibuya area as well as its ability to attract customers.

Urban Development ⑦ Decision to sell a partial interest in Shibuya Sakura Stage

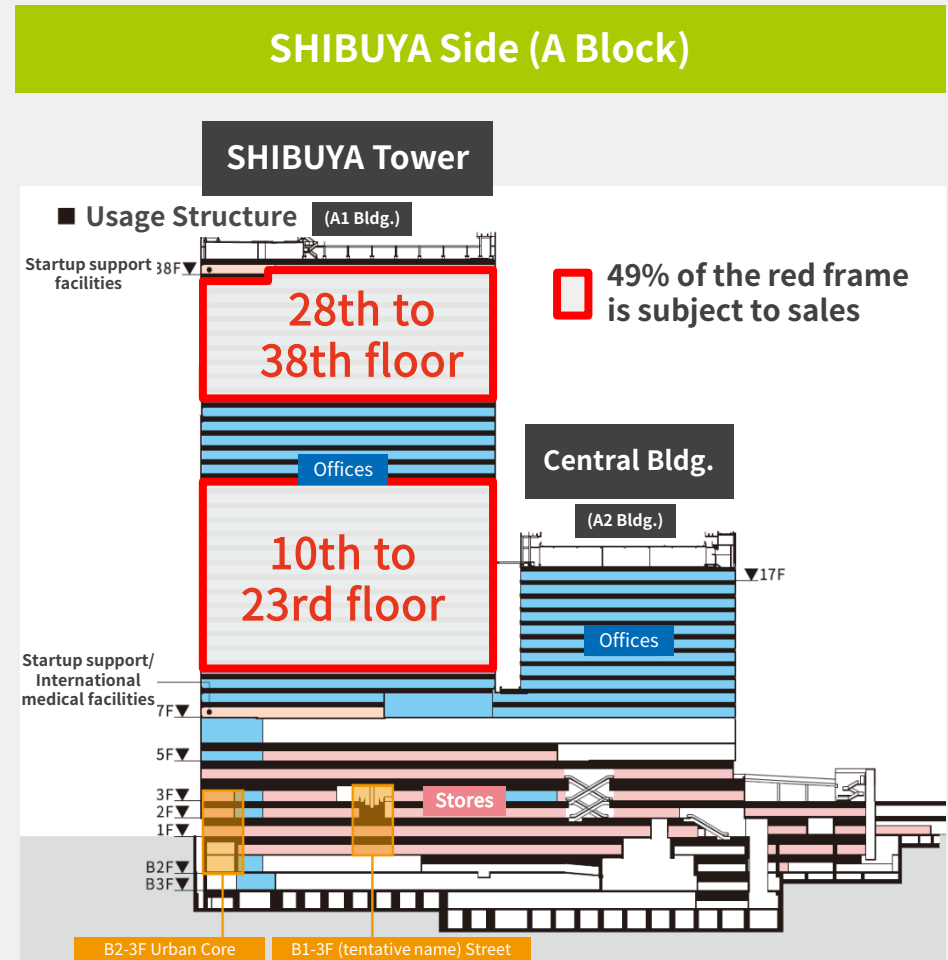
As part of the "Co-Creation with Partners" business policy, decided to sell the equivalent of a 49% co-ownership interest in the sectional ownership of Shibuya Sakura Stage SHIBUYA Tower

<Overview of Sale>

- Name of property: Shibuya Sakura Stage
- Subject of sale: SHIBUYA Tower 10th to 23rd floors, 28th to 37th floors, and part of 38th floor Sectional interests in the floors equivalent to 49% of the co-ownership interest
- Use: Office
- Buyer: Special purpose company in which an investment fund (domestic institutional investors) and Tokyu Land Corporation make a silent partnership contribution.
- Book value: 71,595 million yen
- Amount of transfer: Not disclosed due to confidentiality obligations with the counterparty
- Conclusion of contract: February 9, 2024 (planned)
- Delivery of property: 60% of the sale target on March 19, 2025 (planned) and the remaining 40% on March 19, 2026 (planned).

<Overview of Transaction>

- As part of the "Co-Creation with Partners" business policy outlined in the long-term management policy, the sale was implemented from the perspective of expanding the assets involved and increasing efficiency through leveraging other parties' capital.
- Tokyu Land Capital Management Inc. will be entrusted with asset management operations for the portion sold.
- Tokyu Land Corporation will continue to own all other assets not subject to sale and will also continue to operate the portion of the property subject to sale.



Urban Development ⑧ Condominium index

As of the third quarter of FY2023, the contract securing rate has progressed to 102% of the forecast

Accounting year	FY2021	FY2022	FY2023 Forecast
No. of units sold	2,194	1,369	1,271 (Q3 : 364)
Average price per unit (million yen)	64	70	71 (Q3: 61 million yen/unit)
Contract obtaining rate (Beginning-of-year→1Q→2Q→3Q)	54%→68%→89%→101%	58%→79%→90%→102%	82%→87%→94%→102%
Year-end inventory of completed units*	661	200	Q3: 130 (as of December 31)
Major condominiums Number of units refers to the number of units of sale () ownership ratio	BRANZ Tower Toyosu 1,152units(55%) Grand Maison Shin-Umeda Tower 871units(15%) BRANZ Tower Shibaura 482units(46%)	BRANZ City Minami-Kusatsu209units(100%) BRANZ Kamimeguro Suwayama19units(100%) BRANZ Kagurazaka81units(85%)	BRANZ Ushigome-yanagicho 82units(100%) BRANZ Tower Osaka-honmachi 302units(50%) ONE Sapporo Station Tower 542units(25%)
Purchase of land for sales (¥ billion)	28.2 (2,861 units)	73.7 (2,457 units)	20.0 Q3: 6.7 billion yen (901 units)

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

Major upcoming projects

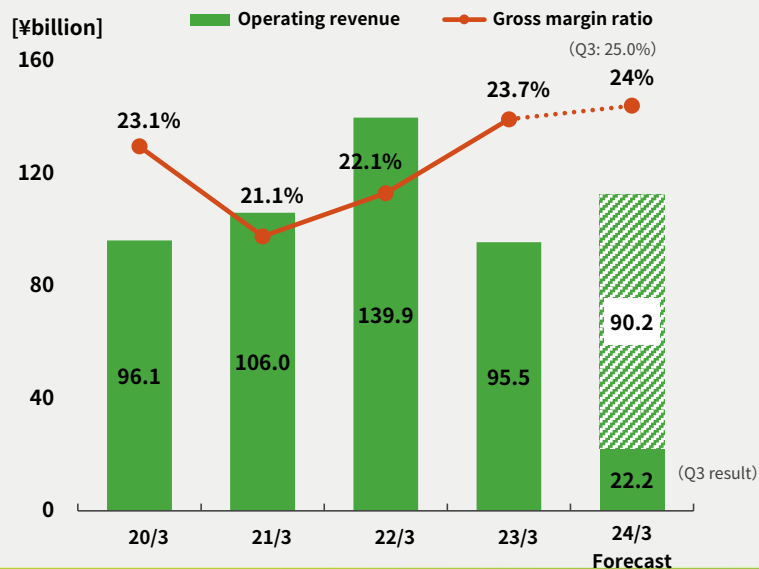
Delivery begins	Name	Units*
FY2024	The Tower Jyujo	394
	BRANZ Chiyodafujimi	69
	BRANZ Miyakojima	126

* Before conversion to equity

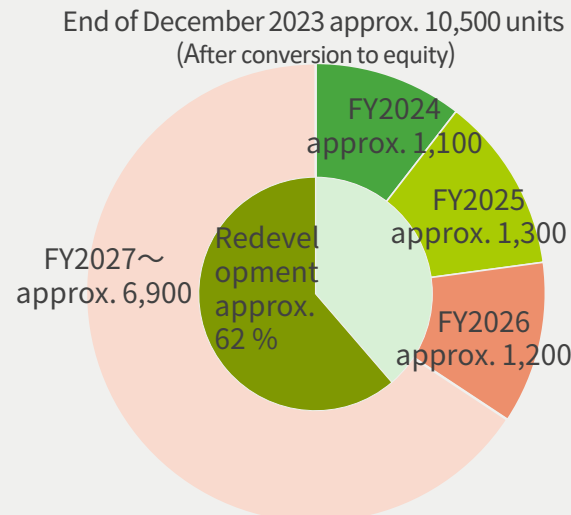


BRANZ Chiyoda Fujimi (Chiyoda-ku, Tokyo)

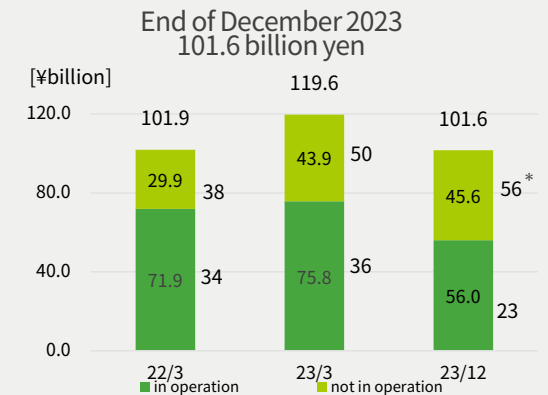
Trends in condominium sales and gross margin



Land bank of Condominiums to be completed



Rental housing pipeline



* Total investment of 56 non-operating properties: 152.7 billion yen

Urban Development ⑨ Major Large-Scale Residential Projects

BRANZ TOWER Osaka Honmachi
 Address: Osaka-shi, Osaka
 Units: 302
 Scheduled delivery: Feb 2024

THE TOWER JUJO
 Address: Kita-ku, Tokyo
 Units: 394
 (plus 184 that belong to partners)
 Scheduled delivery: Jan 2025

HARUMI FLAG SKY DUO (Skyscrapers)
 Address: Chuo-ku, Tokyo
 Units: 1,455
 Scheduled delivery: FY2025

Kitanakadori North District B-1
 Address: Yokohama-shi, Kanagawa
 Units: approx. 700

Higashigotanda 2-3 Redevelopment
 Address: Shinagawa-ku, Tokyo
 Units: approx. 300

Sengakuji Station District Redevelopment
 Address: Minato-ku, Tokyo
 Units: approx. 400

Nishi-Nippori Station District Redevelopment
 Address: Arakawa-ku, Tokyo
 Units: approx. 1,000



Fiscal year

FY2023

FY2024

FY2025

FY2026 or Later

HARUMI FLAG (Plated block)
 Address: Chuo-ku, Tokyo
 Units: 2,690
 Scheduled delivery: Jan 2024

ONE Sapporo Station Tower
 Address: Sapporo-shi, Hokkaido
 Units: 624
 (82 of which are non-condo units)
 Scheduled delivery: Mar 2024

THE TOYOMI TOWER MARINE&SKY
 Address: Chuo-ku, Tokyo
 Units: 2,046
 (1,509 of which are for-sale units)

Osaka Kita-ku Residential Tower Block Project
 Address: Osaka-shi, Osaka
 Units: approx. 300

JR Nishinomiya Station Southwest District Redevelopment
 Address: Nishinomiya-shi, Hyogo
 Units: approx. 400

Shirokane 1-chome Seibunaka Redevelopment
 Address: Minato-ku, Tokyo
 Units: approx. 950

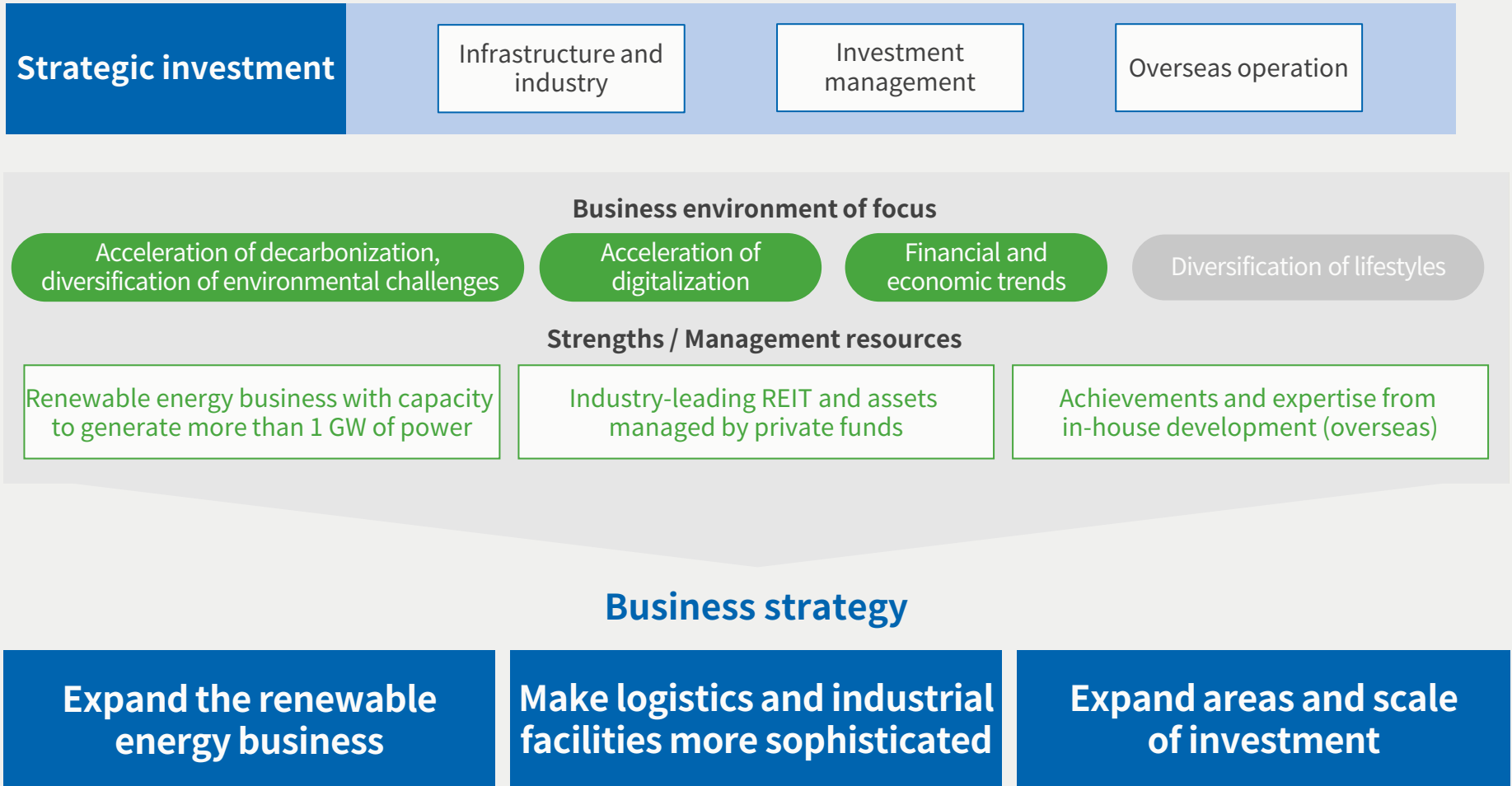
Nakano Station North Exit Vicinity Redevelopment
 Address: Nakano-ku, Tokyo
 Units: approx. 1,000



Units: Number of units indicates the figure prior to equity conversion. Properties in planning stage include non-condominium units.

| Strategic Investment (Asset-utilizing business) |

This segment develops infrastructure for the next generation.



Strategic Investment ① FY2023 Q3 (First Nine Months)

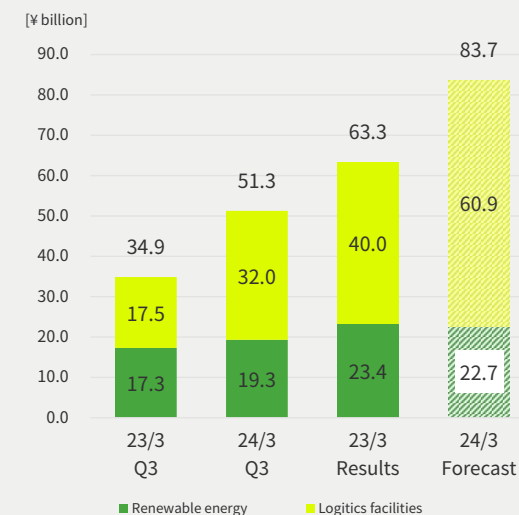
Although revenues increased due to increased sales of logistics facilities, profit decreased due to a reactionary decline from the sale of equity in overseas businesses and increased costs.

(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	note
Operating revenue	47.3	63.1	15.9	
Infrastructure & Industry	34.9	51.3	16.4	Sales of assets +19.5, EQ sales (3.9)
(the sale)	12.2	31.7	19.5	Renewable energy in operation +1.6
Asset management	6.2	7.3	1.1	
Overseas operations	6.2	4.5	(1.7)	Rebound in EQ sales
Operating profit	12.2	7.7	(4.4)	
Infrastructure & Industry*	10.3	12.2	1.9	Sales of assets +6.9, EQ sales (3.9)
(the sale)	3.2	10.2	6.9	
Asset management*	4.0	4.9	0.9	
Overseas operations*	(2.2)	(9.1)	(6.9)	Rebound in EQ sales

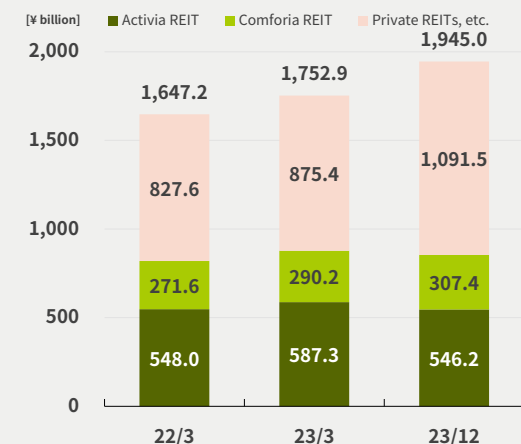
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
Operating revenue	78.8	104.4	25.6	
Infrastructure & Industry	63.3	83.7	20.3	Sales of assets +25.3, EQ sales (3.7)
(the sale)	34.2	59.5	25.3	
Asset management	8.9	9.0	0.1	
Overseas operations	6.5	11.7	5.2	Increase EQ sales
Operating profit	15.2	13.9	(1.3)	
Infrastructure & Industry*	16.3	16.3	0.1	Sales of assets +6.0, EQ sales (3.7)
(the sale)	10.6	16.6	6.0	
Asset management*	6.1	5.9	(0.2)	
Overseas operations*	(6.7)	(8.4)	(1.7)	

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

Breakdown of revenues in Infrastructure & industry business



AUM Trends



Strategic Investment ② Renewable energy business

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

Domestic projects acquired (As of December 31, 2023)

Properties in operation: 72 (solar: 65, wind power: 6, biomass: 1)

Projects under development: 27 (solar: 15, wind power: 8, biomass: 4)

*multiple rooftop solar projects are counted as a single solar project.

Investment progress (amount posted in BS) : ¥ 243.6 billion

Rated capacity*: 1,760MW After conversion to equity: 1,177MW

Generation capacity*: 3,835GWh

(Equivalent to the energy used by approx. 808,000 regular households**)

CO₂ emissions reduction*: Approx. 1,668 t-CO₂/year***

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)

* Before conversion for ownership share (including projects under development)

** Calculated based on the average household using 4,743 kWh of energy per year (From the Photovoltaic Power Generation Association's "Display Guidelines 2022")

*** CO₂ emission factor "435g-CO₂/kWh" published by Ministry of the Environment and Ministry of Economy, Trade and Industry is applied.

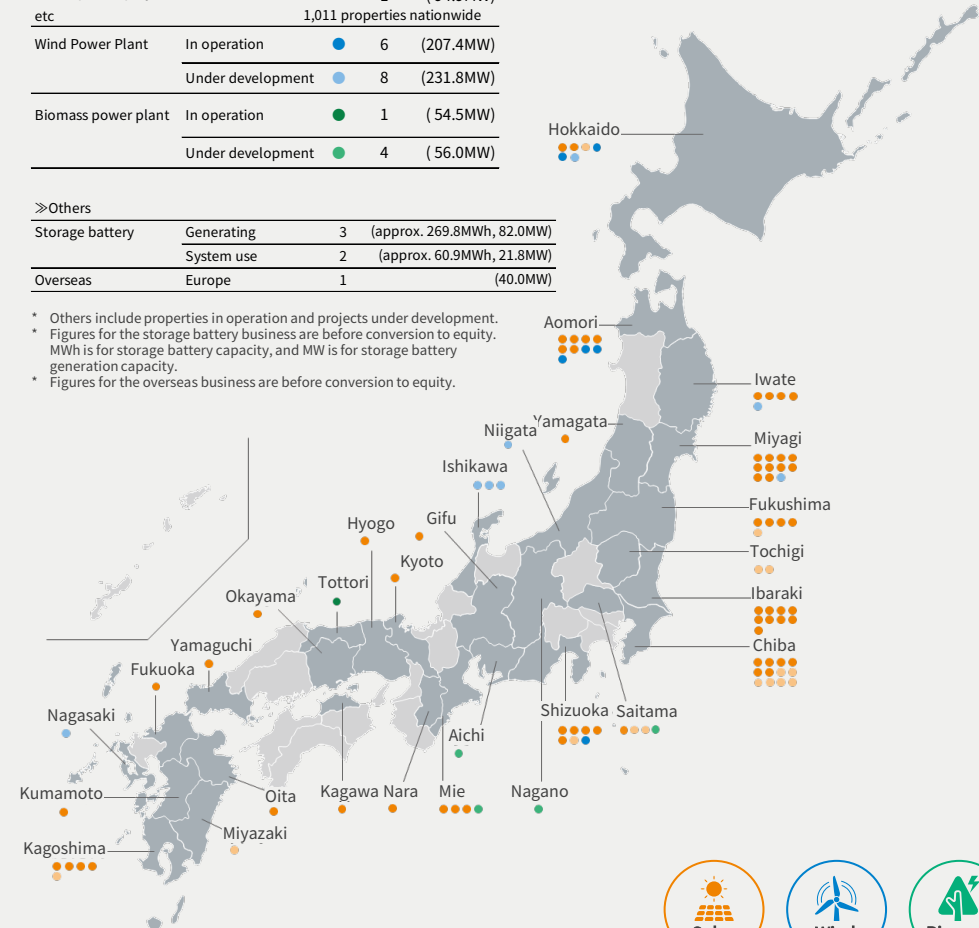
Portfolio

Solar Power Plant	In operation	65	(1,029.0MW)
	Under development	15	(86.0MW)
Rooftop solar project, etc		1	(94.9MW)
		1,011 properties nationwide	
Wind Power Plant	In operation	6	(207.4MW)
	Under development	8	(231.8MW)
Biomass power plant	In operation	1	(54.5MW)
	Under development	4	(56.0MW)

»Others

Storage battery	Generating	3	(approx. 269.8MWh, 82.0MW)
	System use	2	(approx. 60.9MWh, 21.8MW)
Overseas	Europe	1	(40.0MW)

- * Others include properties in operation and projects under development.
- * Figures for the storage battery business are before conversion to equity. MWh is for storage battery capacity, and MW is for storage battery generation capacity.
- * Figures for the overseas business are before conversion to equity.

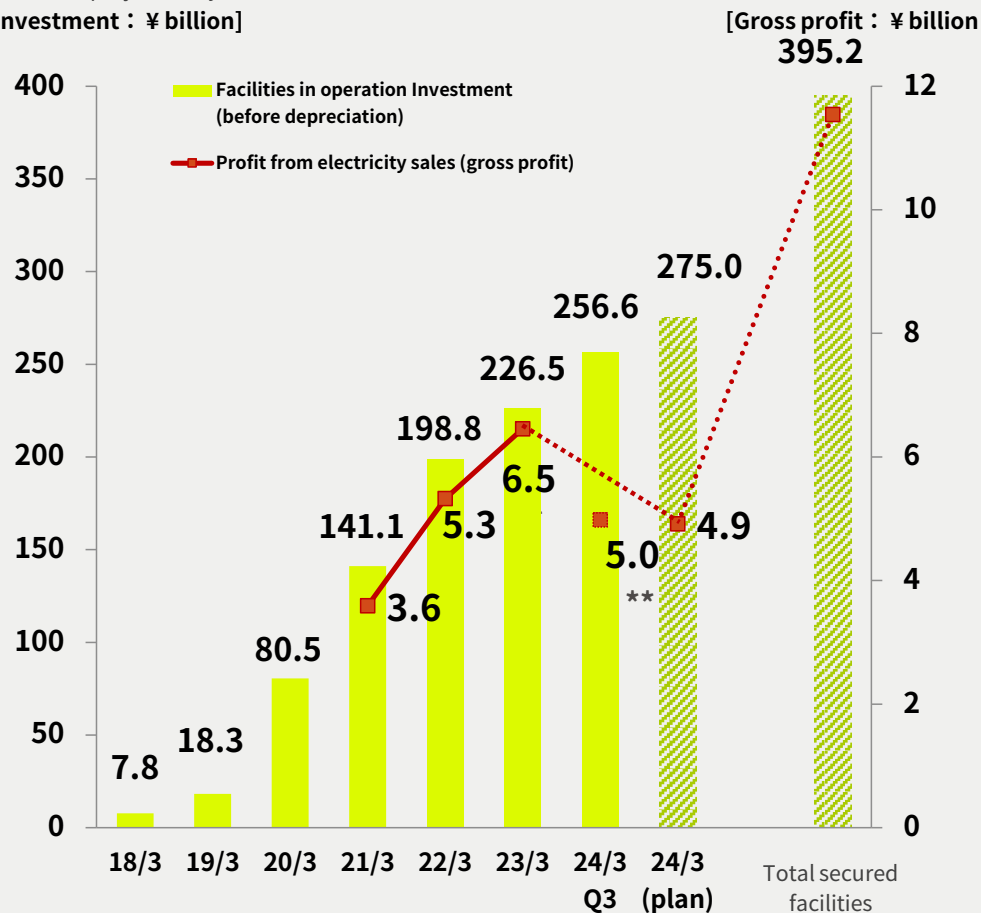


Further profit expansion is planned through the solid execution of projects for which decisions have already been made and the acquisition of new non-FIT projects such as wind power generation and PPA projects

Investment in facilities already in operation (before depreciation) and profit from electricity sales (including plan)

Domestic projects only

[Investment : ¥ billion]



* Profit from electricity sales (before depreciation) FY2022 : 16.7 billion yen

**Profit from electricity sales (before depreciation) FY2023 Q3: 12.6 billion yen

Business environment

Growing importance of renewable energy has led to a succession of entrants from various industries, and the acquisition environment is overheated.



Strategies for future expansion

- Shift the focus of development to wind power generation

Focusing on development of onshore wind power generation facilities for FIT projects for which bids have already been won, even after the FIT system ends. Also considering commercialization of offshore wind power generation facilities.

- Development from the ground up by the Company

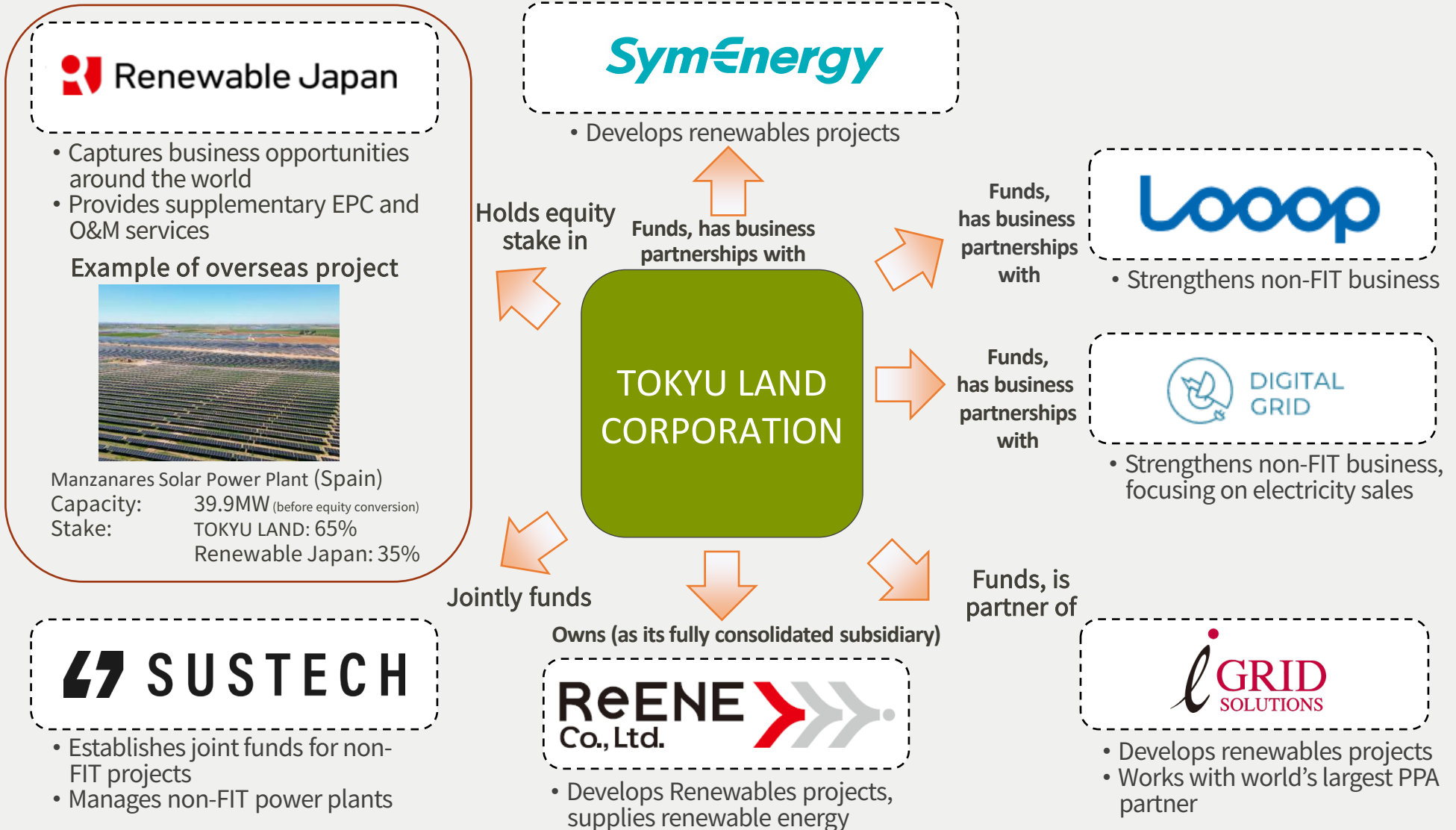
Developing from the ground up in-house based on expertise in FIT projects and maintaining profitability by also utilizing the FIT system.

- Expansion of business domain

Verify new business models such as the PPA model for selling electricity directly to customers, the model for solar sharing on farmland, and the model for overseas business expansion

Strategic Investment ④ Expansion of associated assets in renewables

Through a wide range of partnerships, we bring in expertise, expand our associated assets, and diversify our revenue sources.



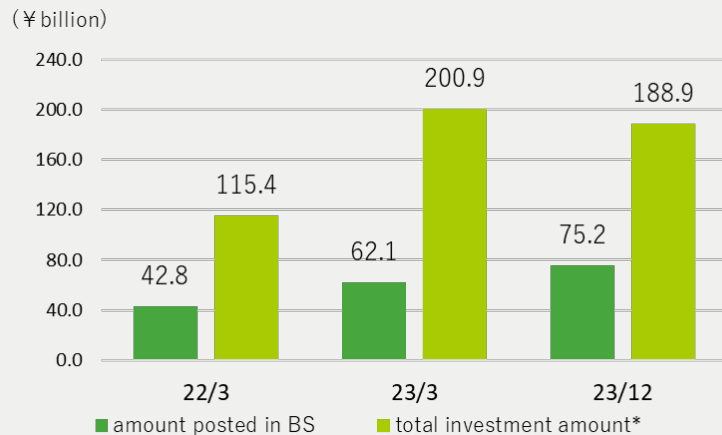
Steady progress in securing projects while increasing asset turnover

Projects acquired (As of December 31, 2023)

Properties in operation: 5
Projects under development: 16

Investment progress (amount posted in BS) :
¥ 75.2 billion

〈Amount posted in BS/
Total investment amount Trends〉



*Total investment in unconsolidated deals after conversion to equity

Major projects

LOGI'Q Ebina minami

Total floor space : 14 thousand m²
4 stories above ground
Completed in June 2023



LOGI'Q Kashiwa

Total floor space : 34 thousand m²
4 stories above ground
Completed in September 2023



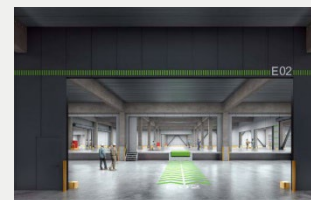
LOGI'Q Minami Ibaraki

Total floor space : 162 thousand m²
4 stories above ground
Completed in January 2024



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.



Strategic Investment ⑥ Overseas operations

23 projects are in progress in the United States

U.S. Portfolio



<425 Park Avenue>

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



<Saddlebrook Apartments>

Seattle
Rental housing
Units: 223

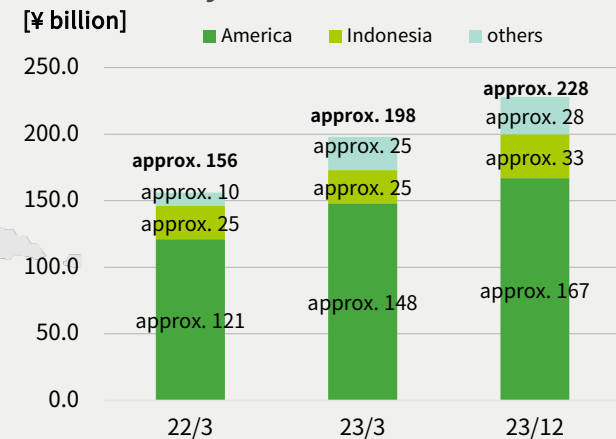


<Dockside Apartments>

Seattle
Rental housing
Units: 344



<Balance by Overseas Business Area>



| Property Management & Operation (Human capital-utilizing business) |

This segment offers gratifying experiences to customers

**Property management
& operation**

Property
management

Wellness

Greening, etc.

Business environment of focus

Acceleration of decarbonization,
diversification of environmental challenges

Acceleration of
digitalization

Financial and
economic trends

Diversification of lifestyles

Strengths / Management resources

Industry-leading number of units under
management and a wide range of
management areas

Highly experienced human capital and
management know-how

A wealth of customer and community
touchpoints

Business strategy

**Evolve a model that offers
management solutions**

**Build a new wellness
business model**

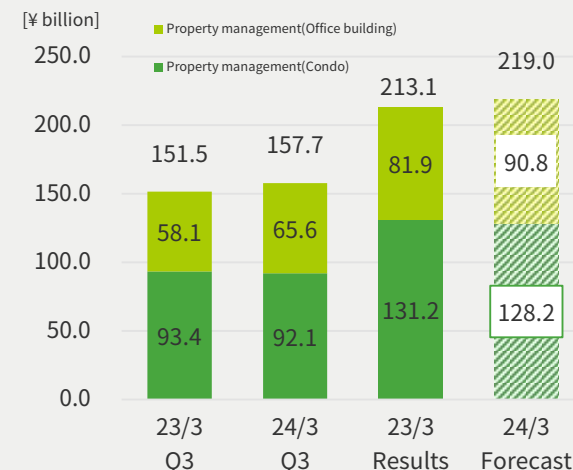
Property Management & Operation ① FY2023 Q3 (First Nine Months)

Revenues and profit increased due to recovery in demand centered on the hotel business.

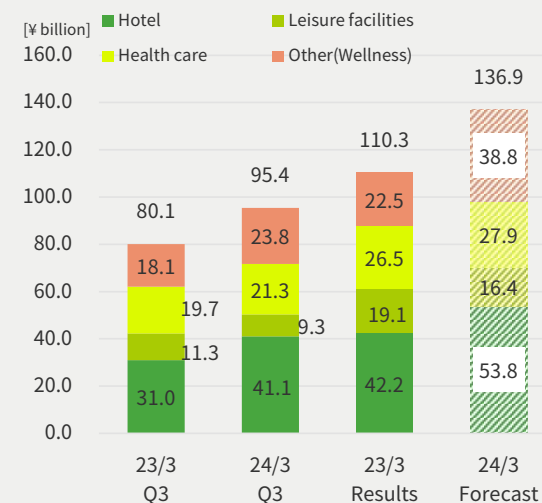
(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	note
Operating revenue	240.4	261.0	20.6	
Property management	151.5	157.7	6.2	Management +2.1, Construction +3.1, Leasing conference rooms +1.0
Wellness (the sale)	80.1 -	95.4 0.9	15.3 0.9	Hotel +10.1, Health care +1.5
Environmental greening, etc.	8.8	7.9	(0.9)	
Operating profit	6.1	15.6	9.5	
Property management*	5.6	7.0	1.3	
Wellness* (the sale)	(0.2) -	8.3 0.6	8.5 0.6	Hotel +5.0, Health care +1.6
Environmental greening, etc.*	0.2	(0.2)	(0.4)	

(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
Operating revenue	337.1	369.2	32.1	
Property management	213.1	219.0	5.9	Management +0.9, Construction +4.0, Leasing conference rooms +1.1
Wellness (the sale)	110.3 -	136.9 8.4	26.5 8.4	Hotel +11.5, Health care +1.4 Sales of assets +8.4
Environmental greening, etc.	13.7	13.3	(0.4)	
Operating profit	12.3	21.5	9.2	
Property management*	10.1	10.7	0.5	
Wellness* (the sale)	1.2 -	10.7 3.1	9.6 3.1	Hotel +4.6 Sales of assets +3.1
Environmental greening, etc.*	0.7	0.1	(0.5)	

〈Breakdown of revenues in Property management business〉



〈Breakdown of revenues in Wellness business〉



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

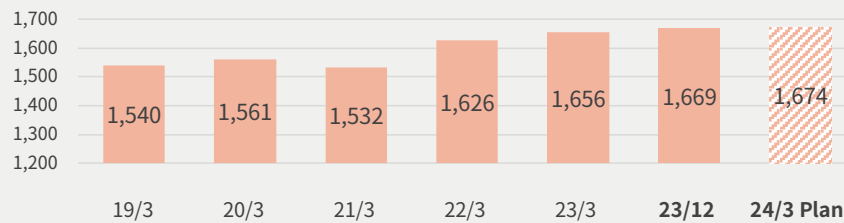
Property Management & Operation ② Stock of properties

Condominium Management Stock Trends



Total units	831,684	829,533	839,891	831,603	867,891	863,018	857,936
(Change from the end of preceding fiscal year)	+ 9,453	(2,151)	+ 10,358	(8,288)	+ 36,288	(4,873)	(9,955)

Buildings and other facilities Management Stock Trends



Number of projects	1,540	1,561	1,532	1,626	1,656	1,669	1,674
(Change from the end of preceding fiscal year)	+ 40	+ 21	(29)	+ 94	+ 30	+ 13	+ 18

Major properties under management



ES CON FIELD HOKKAIDO
(opened in March 2023)



Yoyogi Park Park-PFI Project (tentative name)
(operatorship scheduled to start in February 2025)

Property Management & Operation ③ Main projects and Operation status

December RevPAR at Tokyu Stay reached a record high thanks to inbound demand captured, etc.



Tokyu Harvest Club VIALA Karuizawa Retreat
Membership resort hotel
Opened in October 2023
(Scheduled to open)



Grancreer Tsunashima Senior housing
Opened in November 2023



Hyatt House Tokyo Shibuya Resort Hotel
Scheduled to open in February 2024

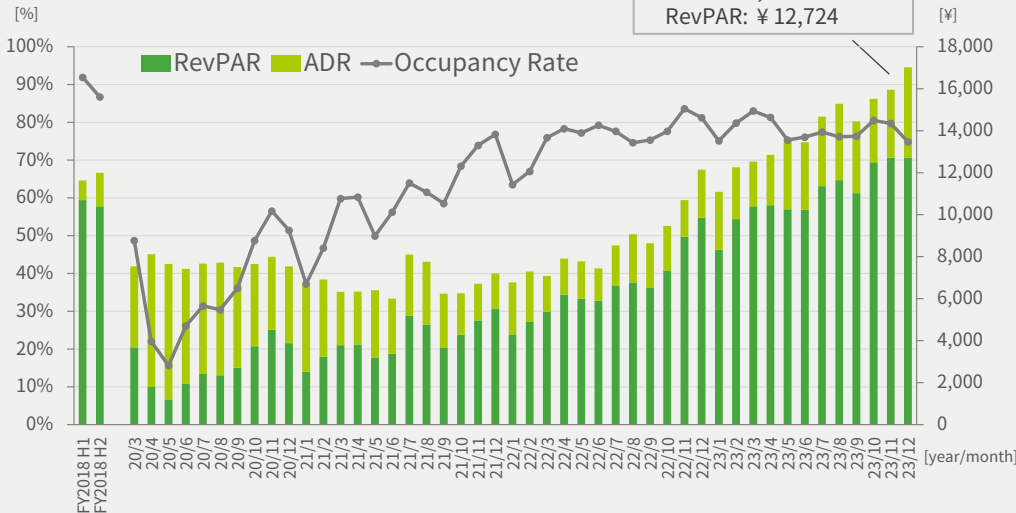


TOKYU Harvest Club VIALA Hakonekoyu Membership Resort Hotel
Scheduled to open in October 2024

FY2023

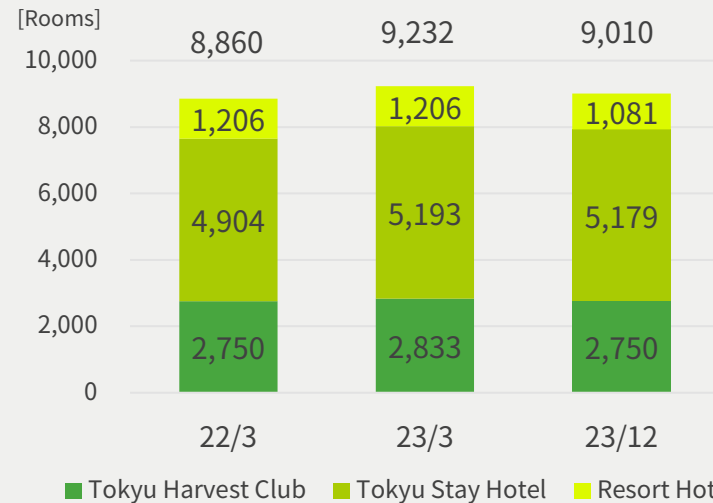
<Tokyu Stay operation status>

As of Dec-2023
Occupancy rate: 74.8%
ADR: ¥ 17,019
RevPAR: ¥ 12,724



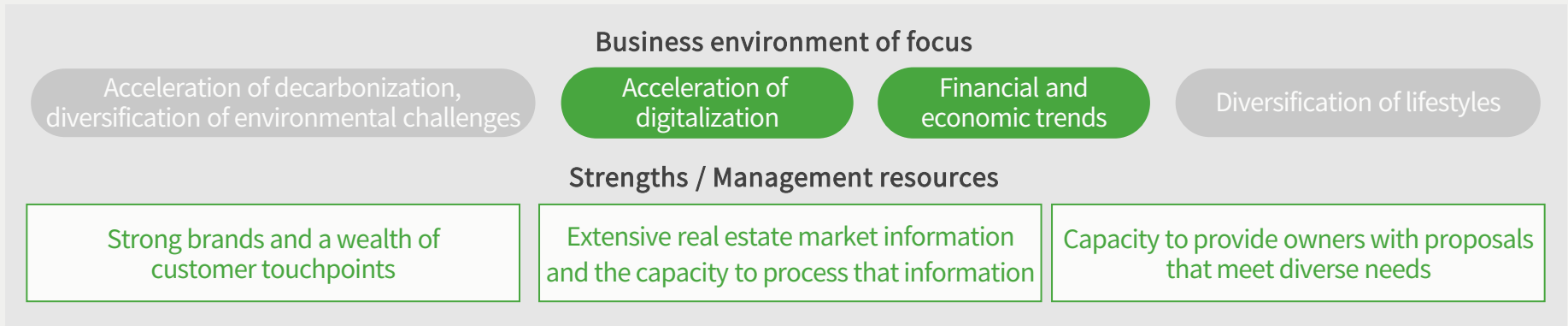
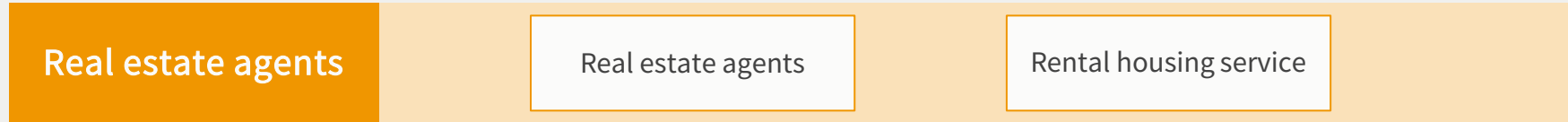
FY2024

<Number of rooms trends>



| Real Estate Agents (Human capital-utilizing business) |

This segment leads a healthy stock-type society



Business strategy



Real Estate Agents ① FY2023 Q3 (First Nine Months)

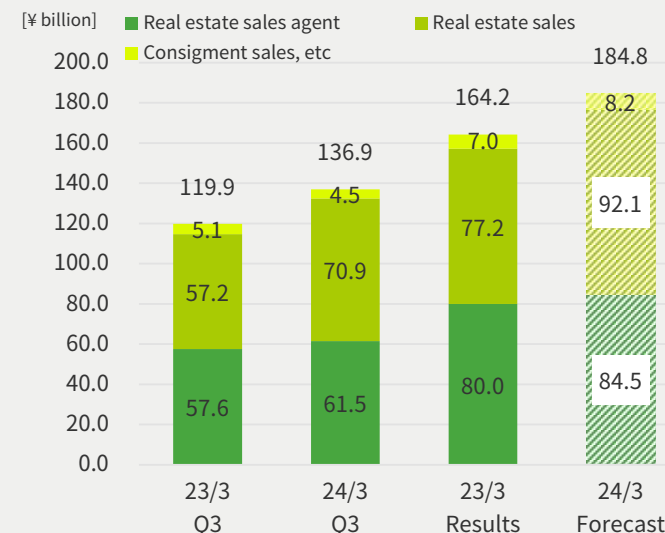
Increased revenues and profit mainly in the brokerage business against the backdrop of a brisk real estate transaction market

(¥ billion)	FY2022 Q3	FY2023 Q3	Comparison	note
Operating revenue	188.5	208.4	19.8	
Real Estate Agents	119.9	136.9	17.0	Retail +2.7, Wholesale +1.2, Real estate sales +13.7
Rental housing service	68.6	71.5	2.8	
Operating profit	24.8	28.9	4.1	
Real Estate Agents*	21.8	26.4	4.7	
Rental housing service*	2.7	2.5	(0.3)	

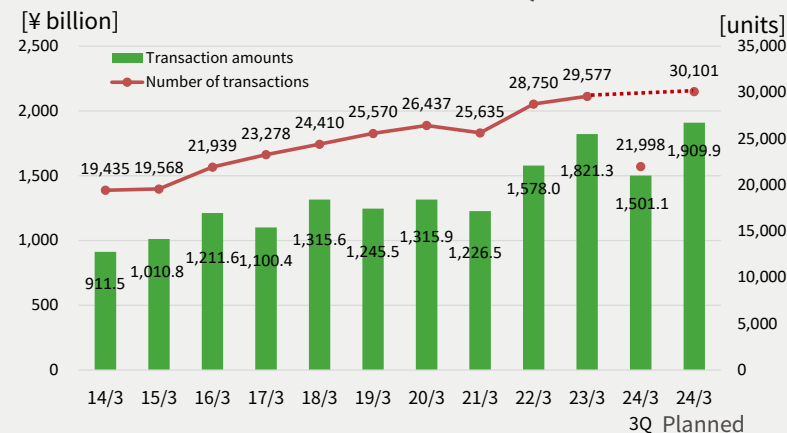
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
Operating revenue	263.0	284.0	21.0	
Real Estate Agents	164.2	184.8	20.5	Retail +3.1, Wholesale+ 1.4 Real estate sales +14.9
Rental housing service	98.7	99.2	0.5	
Operating profit	33.7	36.3	2.6	
Real Estate Agents*	28.2	31.4	3.2	
Rental housing service*	5.1	5.0	(0.2)	

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

〈Breakdown in revenues of Real estate sales agent business〉



〈Trends in Brokerage Volume and Number of Transactions〉



Real Estate Agents ② Performance indicators in sales agent

	FY2023 Q3		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	21,106 +1.0%	892 +11.8%	21,998 +1.4%
Amount of transactions (billion yen)	1,003.7 +6.7%	497.4 +39.1%	1,501.1 +15.6%
Average handling price (million yen)	48 +5.6%	558 +24.4%	68 +14.0%
Commission fee ratio	4.6%	2.6%	3.9%

	FY2022		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	28,473 +3.0%	1,104 +0.9%	29,577 +2.9%
Amount of transactions (billion yen)	1,315.4 +14.7%	505.9 +17.4%	1,821.3 +15.4%
Average handling price (million yen)	46 +11.4%	458 +16.3%	62 +12.2%
Commission fee ratio	4.7%	3.1%	4.2%

Highlights

□Retail

- Number of brokerage offices: 210 as of March 31, 2023, with plans to open 9 new offices this fiscal year. (9 stores opened in the Q3)
- No.2 in Real estate brokerage volume ranking for the fiscal year ending March 31, 2023.*

*Reference: Weekly Housing, May 29, 2023 issued

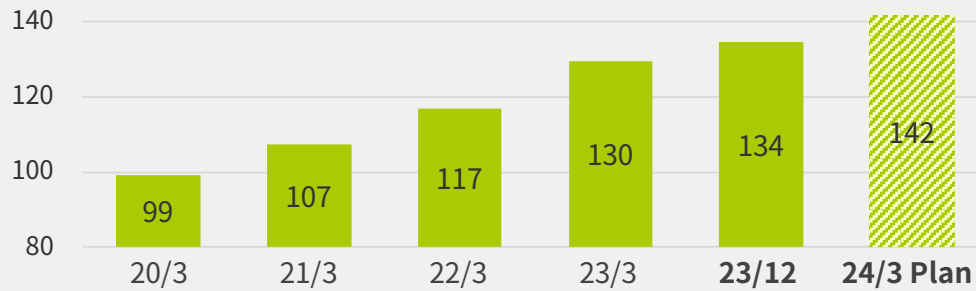
□Wholesale

The amount of transactions increased from FY2022

	FY2023 (Plan)		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	28,991 +1.8%	1,110 +0.6%	30,101 +1.8%
Amount of transactions (billion yen)	1,398.3 +6.3%	511.6 +1.1%	1,909.9 +4.9%
Average handling price (million yen)	48 +4.4%	461 +0.6%	63 +3.0%
Commission fee ratio	4.6%	3.3%	4.3%

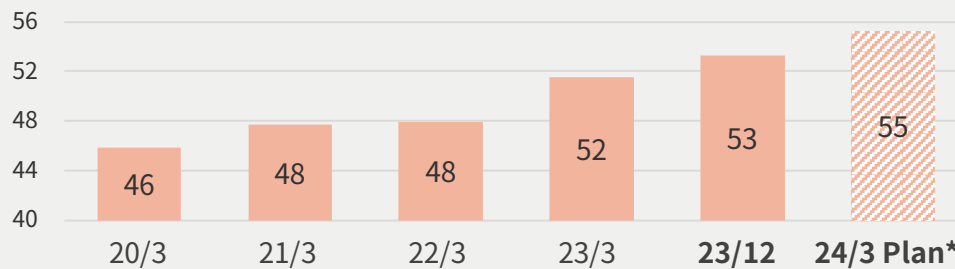
Real Estate Agents ③ Changes in properties under management

Rental Housing Management Stock Trends



[Units: thousand]	99	107	117	130	134	142
(Change from the end of preceding fiscal year)	+ 6	+ 8	+ 10	+ 13	+ 5	+ 12

Student Condominiums, etc. Management Stock Trends



[Units: thousand]	46	48	48	52	53	55
(Change from the end of preceding fiscal year)	+ 2	+ 2	+ 0	+ 4	+ 2	+ 4

* The plan for the number of managed units including student condominiums for the fiscal year ending March 2024 is the initial plan for the fiscal year ending March 2025.

Major properties under management



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

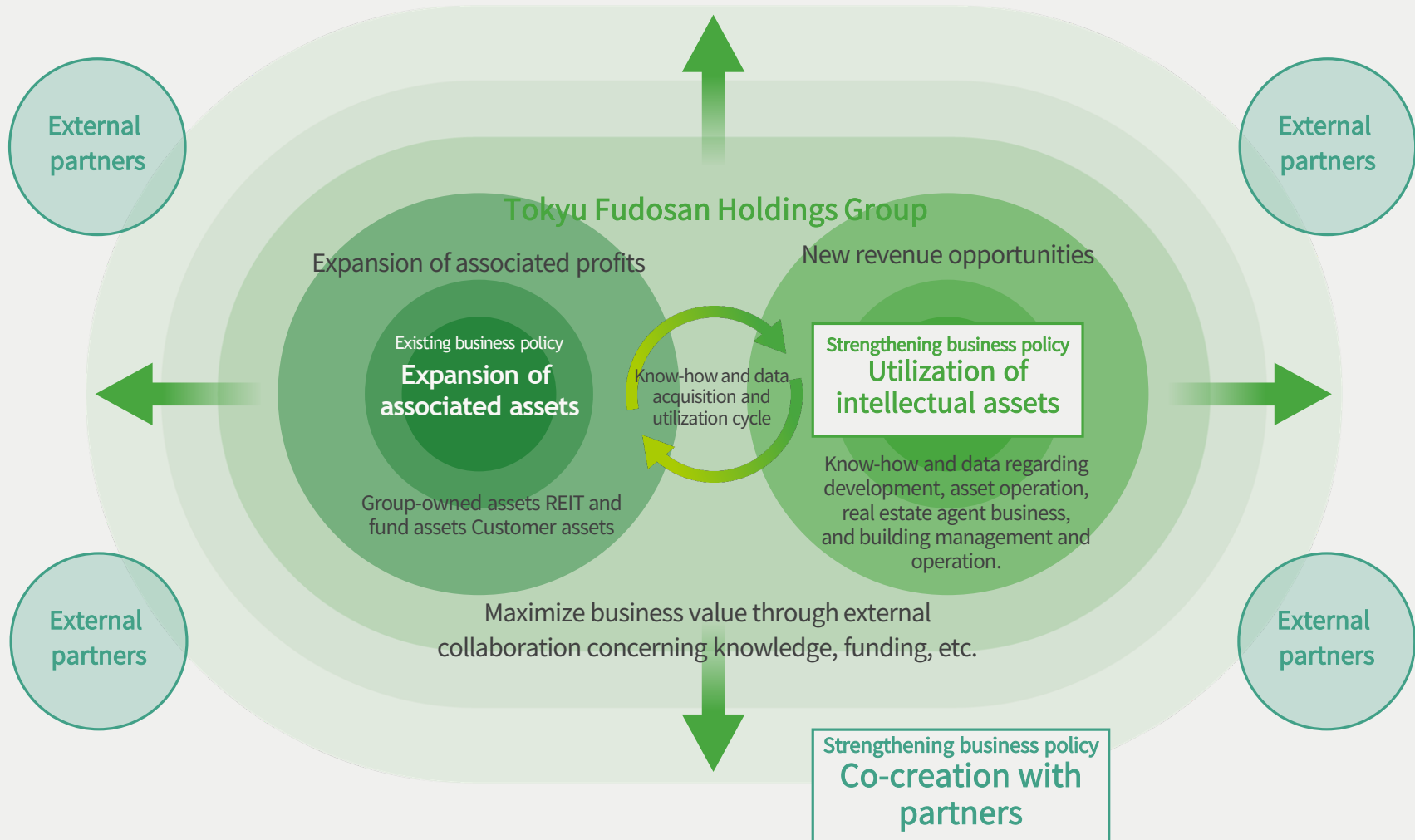


CAMPUS VILLAGE Chitose Karasuyama
(Completed in March 2023;
total student condominiums units: 182)

Co-Creation with Partners initiatives

Upgrade Model for Expanding Associated Assets

We're upgrading our model for expanding associated assets. Under the new model, we'll deploy intellectual assets and co-create value with partners.



Co-Creation with Partners initiatives

Co-create with external partners to expand assets involved

Comprehensive business alliance with JR East (February 2023)

A comprehensive business alliance was formed with the aim of solving social issues through environmentally symbiotic, community self-help sustainable community development and the growth of both company groups. The two groups will work together to promote housing, renewable energy, and overseas business development through the utilization of their assets, know-how, and human resources, as well as a wide range of business collaborations.



Residential business, etc.



Renewable energy business



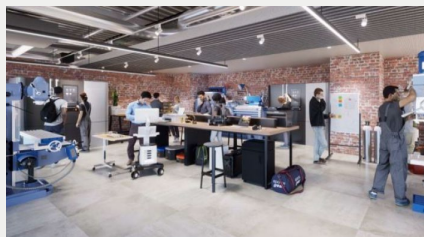
*The above photos are for illustrative purposes only.

Collaboration with Massachusetts Institute of Technology (MIT) (October 2023)

Collaboration with MIT to make the Greater Shibuya Area, where IT ventures are concentrated, into a world-class startup cluster. Opening a place to support deep tech startups at "Shibuya Sakura Stage".



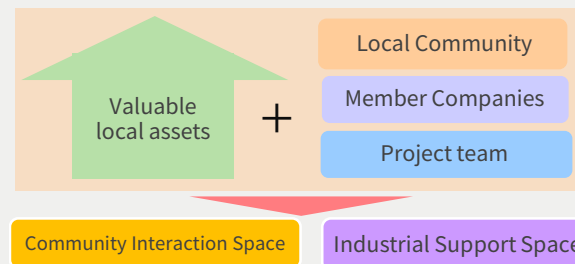
Shibuya, where diverse people gather



[Shibuya Deep-tech Accelerator (tentative name)]

Started a community symbiosis project in Noshiro City and Oga City, Akita Prefecture (April 2023)







The cities of Noshiro and Oga in Akita Prefecture are making progress in introducing offshore wind power. We have opened "TENOKA Noshiro" and "TENOKA Oga" there as a participatory community symbiosis project. Working with local residents and partners to support local lifestyles and industries



Sustainability Initiatives

Materiality and KPI

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

Themes to work on (Materialities)	Target indicators	FY2022 Result	FY2025 Targets	(FY)FY2030 Targets
 <p>Lifestyle</p>	• Customer satisfaction level*	94%	90% or more	90% or more
	• Products and services that contribute to Lifestyles Creation 3.0	Total 35 cases**** (FY2022 15cases)	50 cases or more (10/year)	100 cases or more (10/year)
 <p>Liveable City</p>	• Measures to revitalize communities	Total 38cases**** (FY2022 17cases)	50 cases or more (10/year)	100 cases or more (10/year)
	• Strengthening buildings safety and security**	100%	100%	100%
 <p>Environment</p>	• CO ₂ emissions (compared with FY2019)	Scope1,2: (50.6)% Scope3: (10.9)%	Scope1,2: (50)% or more Scope3: Reduction through cooperation with construction companies, etc.	(46.2)% (SBT certification)
	• Environmental efforts through business	Total 36 cases**** (FY 2022 14 cases)	50cases or more (10/year)	100 cases or more (10/year)
 <p>DX</p>	• Number of initiatives for digital utilization	Total 43 cases**** (FY2022 13 cases)	50cases or more (10/year)	100cases or more (10/year)
	• Acquisition of IT passport***	71%	80% or more	100%
 <p>Human Capital</p>	• Ensuring of diversity in the core human capital (ratio of female managers)	7%	9% or more	20% or more
	• Ratio of childcare leave taken by male employees	65%	100%	100%
 <p>Governance</p>	• Engagement with shareholders and investors	284 cases	290 cases or more	300 cases or more
	• Improvement of effectiveness of the Board of Directions (third party evaluation)	100%	100%	100%

* 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

**** Cumulative results since FY2021

*****FY2022 results include results prior to third-party verification and are subject to change.

Sustainability Initiatives

We address socioenvironmental issues through our business activities.

Environmental Management Report 2023 released in November 2023



The report discloses our progress in the Group policy for the environment. It describes priority issues (e.g. supporting decarbonisation, a recycling-oriented society, biodiversity).



Access the report on our corporate website:
<https://www.tokyu-fudosan-hd.co.jp/ir/library/>

Recognized on the CDP Climate Change 2023 highest-rated A-List for the third consecutive year (February 2024)



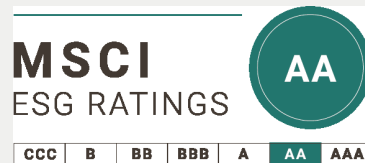
Recognized by CDP, an international environmental non-profit organization, as an A-List company for the third consecutive year, the highest rating for climate change action in terms of target setting, initiatives, and information disclosure



Tokyu Fudosan Holdings earns an AA rating from MSCI



MSCI (which rates the ESG commitment and disclosure quality of businesses around the world) awarded Tokyu Fudosan Holdings Corporation an AA rating.



In MSCI's ESG ratings, AA is second only to AAA. This rating honors the Company's commitment to ESG as well as the company's strategic planning and business actions made under the Group's environmental and DX agendas.

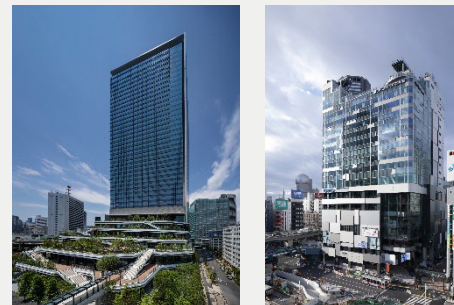
* This excludes certain projects that lie outside the RE100 target coverage, namely, properties to be sold or demolished and jointly managed properties (properties whose energy use is not fully controlled by Tokyu Land Corporation)

** This excludes energy produced by co-generation systems because Japan has no market for RE100-approved green gas certificates. Using carbon-neutral fuel supplied by Tokyo Gas, we are making the low-carbon transition.

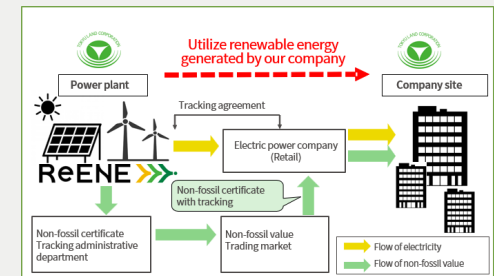
Tokyu Land Corporation goes 100% renewable** in its workplaces and properties*



Tokyu Land Corporation has switched to 100% renewables in 244 of its properties (e.g. offices, commercial facilities). This switch will cut annual CO₂ emissions by 156 kt, equivalent to the emissions of 80 thousand general households.

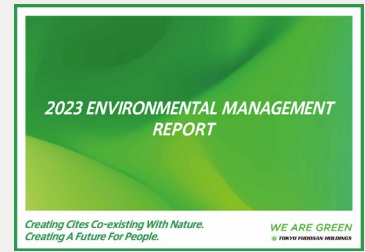


Key examples of properties that have switched to 100% renewables:
 Tokyo Port City Takeshiba (left)
 Shibuya Fukuras (right)



Scheme for using non-fossil certificates for our properties

Creating more business opportunities with the environment as a starting point



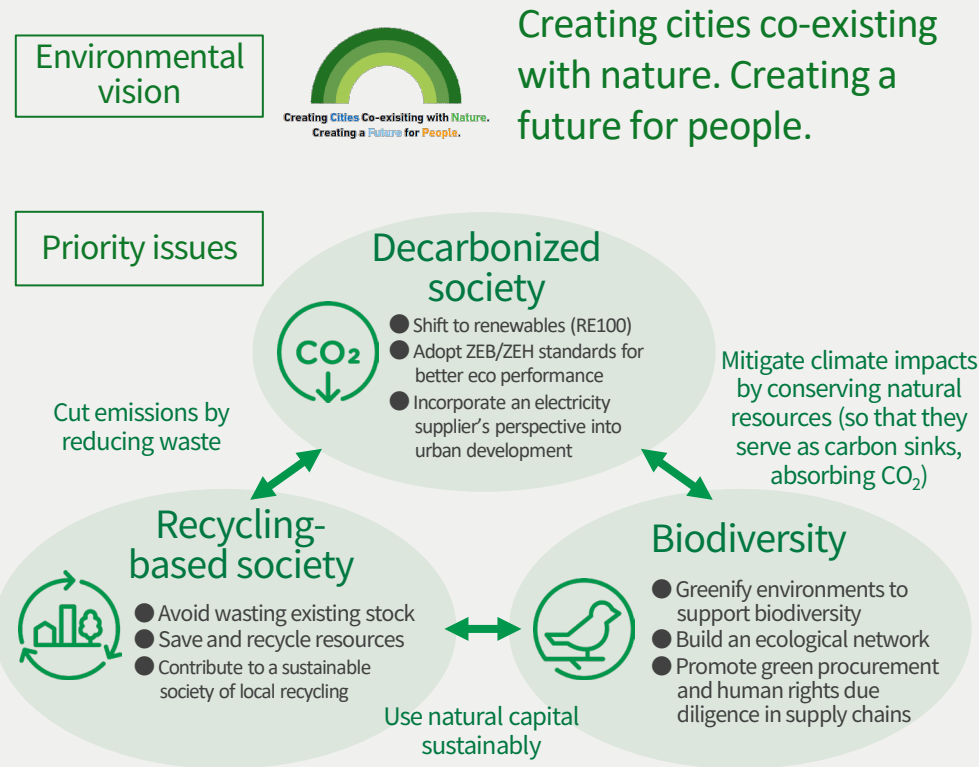
We act on priority environmental issues: decarbonized society, recycling-based society, and biodiversity

Comprehensively addressing environmental issues as an environmentally advanced company.

We address environmental challenges through our businesses to drive sustainable corporate development (balancing business growth with socioenvironmental sustainability).

Medium-term management plan

Expand business opportunities with the environment as a starting point



Capitalize on the business opportunities in environmental issues

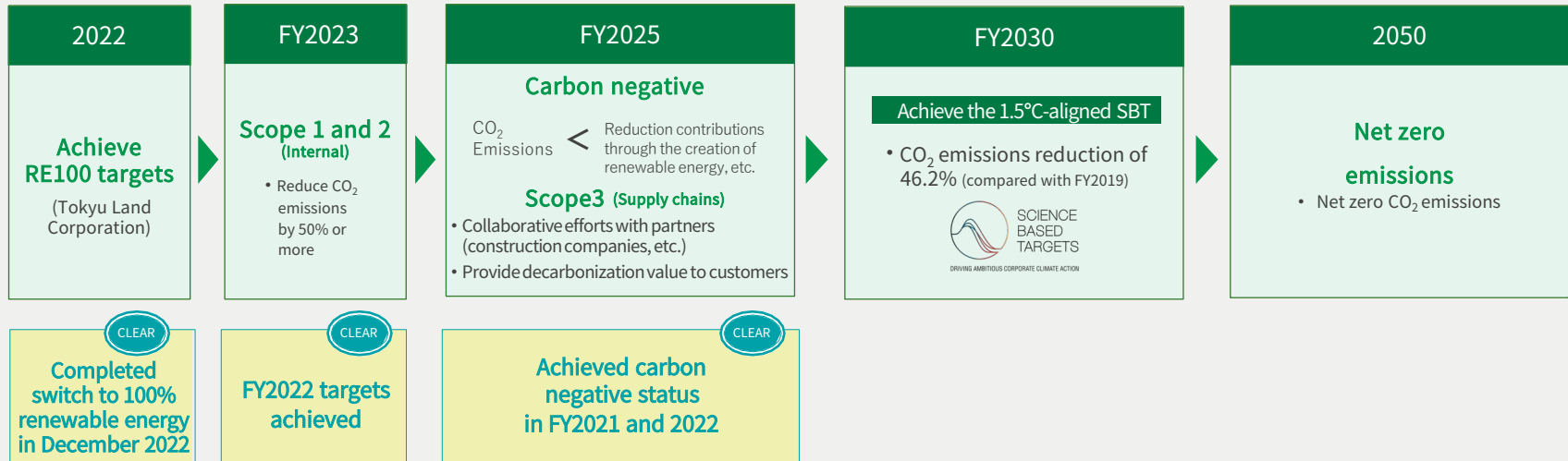


Science-Based Targets for the Low-Carbon Transition



We're stepping up climate efforts, committing to our 1.5°C-aligned science-based target for 2030.

Climate change-related targets



Progress toward environmental targets

Environmental certifications obtained*	<ul style="list-style-type: none"> Percentage of large non-residential properties certified as low-carbon buildings: FY2025: 70% FY2030: 100% In September, we added condos to the metric Percentage of condos certified as low-carbon buildings: FY2023: 100% Low-carbon building certification obtained for all properties
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*This metric applies to large non-residential properties (with a total floor space of at least 10 km²) other than some jointly owned properties.

ZEB/ZEH percentage*	<p>FY2025: approx. 50%</p> <p>FY2030: 100%</p> <p>In the housing business, the expansion of the target and 100% advance in fiscal year 2023.</p>
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*This metric describes the percentage of residential properties certified as ZEH Oriented or better and the percentage of non-residential properties certified as ZEB Oriented or better (as of construction commencement).

Use of ICP	<p>FY2021: Adopted ICP</p> <p>FY2022: Graphical data on ICP presented at Tokyu Land's General Executive Committee</p>
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Participation in GX League	<p>Tokyu Fudosan Holdings Corporation has joined METI's GX League, led by the Ministry of Economy, Trade and Industry .</p>
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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"> ✓ Transition risks Policies, Regulations, Markets, Reputation ✓ Opportunities Energy Sources, Products, Services Market 	<p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> • 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. <p>【Strategy】</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy. • Promote conversion of new buildings to ZEB/ZEH and upgrade of equipment at existing operating facilities. Differentiation through early introduction of renewable electricity. 	<p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> • 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. • Demand for tenant offices shrinks due to the spread of remote work. • Renewable energy power demand is expanding to a certain extent. <p>【Strategy】</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy. • Each business promotes the same differentiation as in the 1.5°C scenario. • Expand satellite offices in view of the spread of remote working. 	<p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> • Higher temperatures increased construction costs and air conditioning costs during operation. • Demand for tenant offices shrinks due to the spread of remote work. • Higher temperatures increased the need for high-efficiency housing. • Policy support for renewable electricity is feeble. Market trends are uncertain. <p>【Strategy】</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. • Each business promotes the same differentiation as in the 3.0°C scenario. • In the resort business, offers new resort lifestyles such as vacationing.
<ul style="list-style-type: none"> ✓ Physical risks Acute, Chronic ✓ Opportunities Resilience 	<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"> • Climate change moves forward faster and with greater impact than in the 1.5°C scenario. <p>【Strategy】</p> <ul style="list-style-type: none"> • Each business promotes the same differentiation as in the 1.5°C scenario. • Concentrated investment in high-latitude ski resorts in the resort business. Managed golf courses using heat-tolerant turf to differentiate from competing facilities. 	<p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> • 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. <p>【Strategy】</p> <ul style="list-style-type: none"> • Each business promotes the same differentiation as in the 3.0°C scenario. • In the renewable energy business, maintain power generation efficiency by installing storage batteries. Screening of facilities for climate change.

<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>

Human Capital Strategy

Establishing a structure for implementing human capital management based on our human capital philosophy



Implementation structure




- Platforms for connecting with the Board of Directors
- Maintenance of a structure and mechanisms for strategy implementation such as monitoring activities and the establishment of various councils

Structure and mechanisms



Human Capital Strategy

We've set human capital KPIs for each strategy.

Human capital strategies	Measures	Human capital KPI	Progress (results for April 2023 are preliminary figures)	Target
 <p>Develop people who create value</p>	<ul style="list-style-type: none"> Dissemination of Group philosophy 	<ul style="list-style-type: none"> Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination) 	84% (FY2022 result, covering a total of 140 officers)	90% (FY2025)
		<ul style="list-style-type: none"> Acquisition of IT passports*1 	71% (FY2022 result)	100% (FY2030)
	<ul style="list-style-type: none"> Development of DX talent 	<ul style="list-style-type: none"> Number of initiatives utilizing digital technology 	Cumulative total of 43 (FY2022 result)	Cumulative total of at least 100 (FY2030)
		<ul style="list-style-type: none"> Sustainable Action Awards 	123 entries (FY2022 result)	50 entries/year, cumulative total of 300 (FY2025)
	<ul style="list-style-type: none"> Human capital development based on environmental management 	<ul style="list-style-type: none"> Environmental efforts through business 	Cumulative total of 36 (FY2022 result)	Cumulative total of at least 100 (FY2030)
 <p>Develop organizations with diversity and a sense of unity</p>	<ul style="list-style-type: none"> Empowerment of women 	<ul style="list-style-type: none"> Ratio of women among new graduate hires*2 	46% (April 2023 result)	50% (April 2030)
		<ul style="list-style-type: none"> Ratio of female managers (ensuring the diversity of core human capital)*2*3 	8% (April 2023 result)	At least 20% (April 2030)
		<ul style="list-style-type: none"> Ratio of female candidates for management positions*2*3 	18% (April 2023 result)	At least 20% (April 2030)
	<ul style="list-style-type: none"> Empowerment of diverse human capital 	<ul style="list-style-type: none"> Ratio of mid-career hires among managers*2*3 	46% (April 2023 result)	50% (April 2030)
		<ul style="list-style-type: none"> Deepening understanding of DE&I (percentage of employees who took an e-learning course)*2 	86% (FY2022 result)	100% (FY2030)
	<ul style="list-style-type: none"> Fostering of an innovative organizational climate 	<ul style="list-style-type: none"> Number of proposals commercialized through STEP, the Group's co-creation-based internal venture scheme 	Cumulative totals of 253 proposals received, 3 commercialized (FY2022 results)	Commercialization of 1 proposal/year (FY2025)
		<ul style="list-style-type: none"> Acquiring external knowledge and sharing expertise within the Group 	Cumulative total of 111 seminars (FY2022 result)	Hold 4 seminars/year (FY2025)
 <p>Enhance motivation to work and foster an employee-friendly work culture</p>	<ul style="list-style-type: none"> Promotion of health and productivity management 	<ul style="list-style-type: none"> Ratio of employees who undergo physical examinations*2 	100% (FY2022 result)	100% (FY2030)
		<ul style="list-style-type: none"> Ratio of employees who undergo stress checks*2 	93% (FY2022 result)	100% (FY2030)
		<ul style="list-style-type: none"> Ratio of childcare leave taken by male employees*2 	65% (FY2022 result)	100% (FY2030)
	<ul style="list-style-type: none"> Support for diverse work styles 	<ul style="list-style-type: none"> Ratio of Group companies implementing a remote working system*2 	100% (FY2022 result)	100% (FY2030)
		<ul style="list-style-type: none"> Ratio of Group companies implementing a flexitime (or staggered working hours) system*2 	100% (FY2022 result)	100% (FY2030)
	<ul style="list-style-type: none"> Improvement of employee engagement 	<ul style="list-style-type: none"> Carrying out employee engagement surveys and implementing improvements*1 	AA engagement rating (FY2022 result)	AA engagement rating (FY2030)

Outcomes

2030
Create value
for the future

Production of personnel who are highly-productive and widely contribute to society

Realization of environments where employees can work with motivation and ambition and in good physical and mental health.

Results include figures that have yet to undergo third party verification and are therefore subject to change.

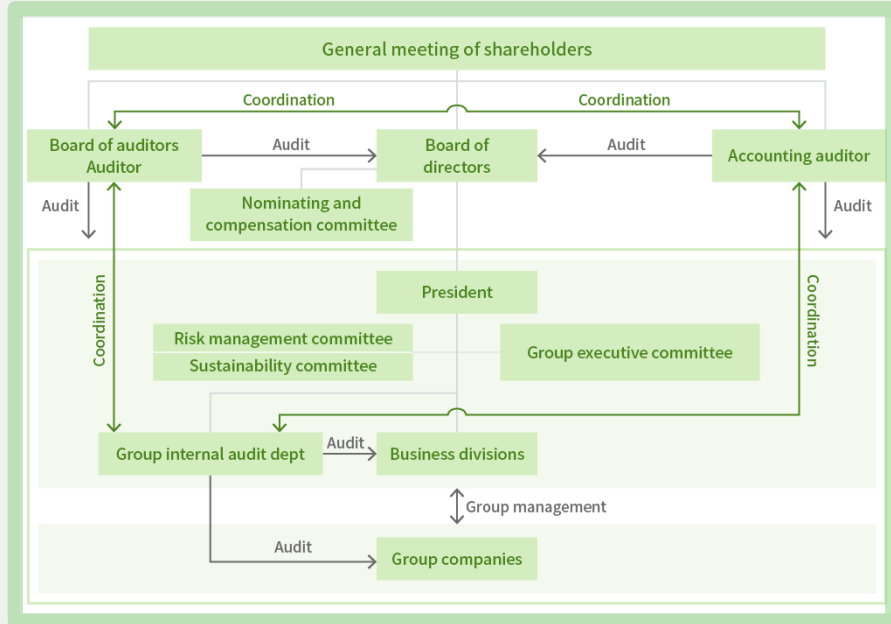
(*1) Tokyu Land Corporation (*2) Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Livable Inc., Tokyu Community Corp., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.) (*3) "Managers" indicates employees at the manager level or above while "candidates for management positions" indicates employees one level below manager (assistant manager or equivalent)

Corporate Governance

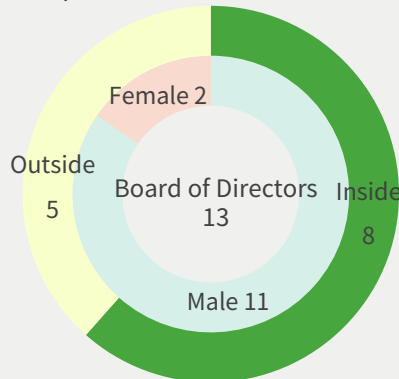


Establish a governance system that contributes to ensuring sound and transparent management and strengthening the system for implementing the long-term management policy

〈Corporate Governance Structure〉



〈 Composition of Board of Directors 〉

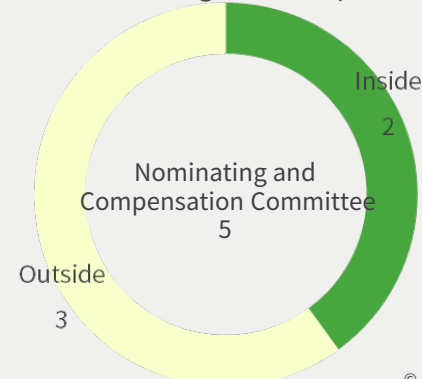


〈System of Remuneration for Officers〉

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







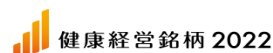
〈 Composition of Nominating and Compensation Committee 〉



Sustainable Management (External Evaluation)

Received “AA” in the MSCI ESG Rating and recognized on the highest-rated A-List by CDP for the third consecutive year

● Selected - Not selected

Classification	Index/Evaluation	Description of Evaluation	2018	2019	2020	2021	2022	2023
ESG	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 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	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	Green Star 4 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.	A-	A-	A-	A	A	A
S (society)	MSCI Japan Empowering Women Index 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	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	—	●	●	●	—	*

* Health & Productivity Management Outstanding Organizations 2024 and Health & Productivity Stock 2024 will be announced around March 2024 by the Ministry of Economy, Trade and Industry.

| IR Report |

We continued engaging with investors and analysts to aid our sustainable growth and build our organization's value over the long term.

IR events organized in FY2022

Major IR events	Frequency	Person who primarily handled the event
Earnings briefing session	Twice	President & CEO, Director, Operating Officer
Interviews and meetings	284 times	Operating Officer, Executive Manager, Investor Relations Office Senior Manager, Investor Relations Staff
Conferences sponsored by brokerage firms	11 times	Operating Officer, Executive Manager, Investor Relations Office Senior Manager
Small meeting with the president	Once	President & CEO, Operating Officer
International IR	Twice	President & CEO, Operating Officer
Business briefing session	Once	Director in charge of the business division, Operating Offer
Business tour	Twice	Business division staff
Briefing for individual investors	Once	President & CEO

〈Main themes of our dialogue with investors and analysts/ main concerns expressed by investors and analysts〉

- Likelihood of achieving the growth strategies and financial targets set forth in the medium-term management plan
- Progress in business portfolio management and structural reforms
- Impact of rising construction costs, energy costs, and interest rates on business
- Market conditions for various businesses (office, condominiums for sale, real estate agents, real estate trading, etc.) and how the Company is impacted
- How the hotel business, commercial facilities business, and other operations are recovering from the effects of the COVID-19
- Growth strategy for the renewable energy business
- Status of overseas operations and future strategy
- Shareholder return policy

〈Feedback from investors and analysts (such as opinions and concerns) to management, etc.〉

Opinions and concerns expressed by investors and analysts during our interactions are always conveyed to senior management. Periodic reports are made to the Company's Board of Directors (twice in FY2022) and to the management meetings of major subsidiaries (twice in FY2022).

DX Initiatives



Our digital transformation focuses on business processes and customer experience.

DX Report2023 released in November 2023

The report discloses our progress in our Group-wide digital transformation. It defines four priority issues and our strategy of providing seamless digital services in many different business areas that create new experience value.



Access the report on our corporate website:
 <<https://www.tokyu-fudosan-hd.co.jp/ir/library/>>

Tokyu Fudosan Holdings listed in DX Stocks 2023

Tokyu Fudosan Holdings was listed in DX Stocks 2023, by virtue of its best practices in integrating digital technology to upgrade its longstanding business models and generate new business models. Examples include having a DX strategy aligned with the overarching corporate strategy, and having the organizational and procedural infrastructure to implement the strategy.



Launch of Niseko Powder Token, Japan’s first ski NFT

We launched NFTs that grant early entry to the slopes of Niseko, renowned internationally for its Japow (a portmanteau of Japan, powder, and snow, Japow refers to the powdery snow in Hokkaido).



NISEKO TOKYU Grand HIRAFU



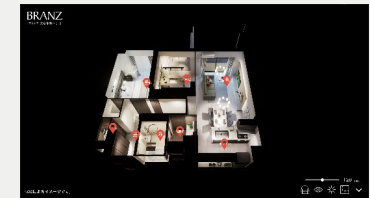
Design of the NFTs

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.



Exclusive area created by Digital Twin

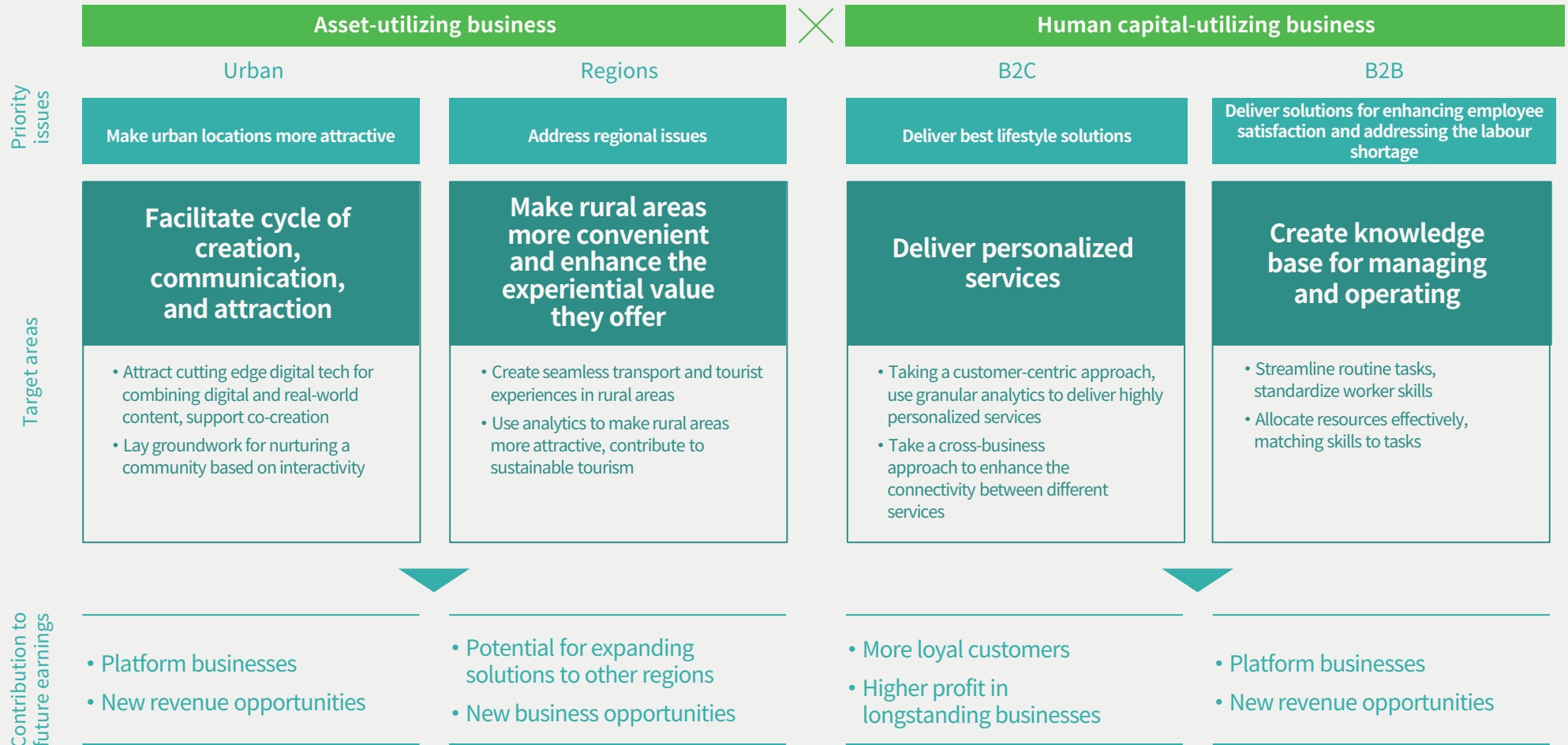


3D model based on drawing



We've defined the following four priority issues for providing seamless digital services that create new experience value.

Four priority issues, business areas



DX Value Creation Roadmap



Between now and FY2025, we'll focus on saving labor and enhancing customer-centrism, unlocking discontinuous exponential growth in the run-up to FY2030.

2021 - 2025

2026 - 2030

Restructuring phase

Accumulate examples of specific actions and achieve growth especially through DX in human capital-utilizing businesses

Resilience phase

Achieve discontinuous, exponential growth through DX

Business process

A shift to creative work by promoting labor saving

CX

Impressive experience creation through the advancement of customer contact points

Innovation

New value creation by utilizing intellectual assets

Asset-utilizing business Enhance the centrally attracting force of cities with the introduction of smart urban of development

Human capita-utilizing business Creation of advanced service models through the optimal combination of people and DX

Improved profit margins
through higher productivity

Increased revenue
through enhanced customer experiential value

Diversification of revenue sources
through the creation of new business models

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

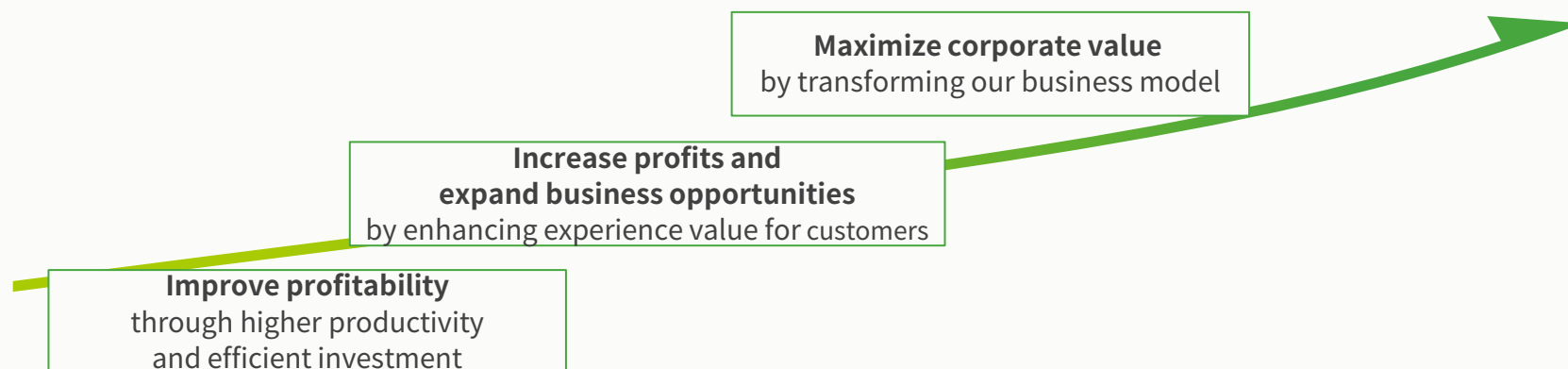
2021-2025
Long-term management policy: Restructuring phase

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

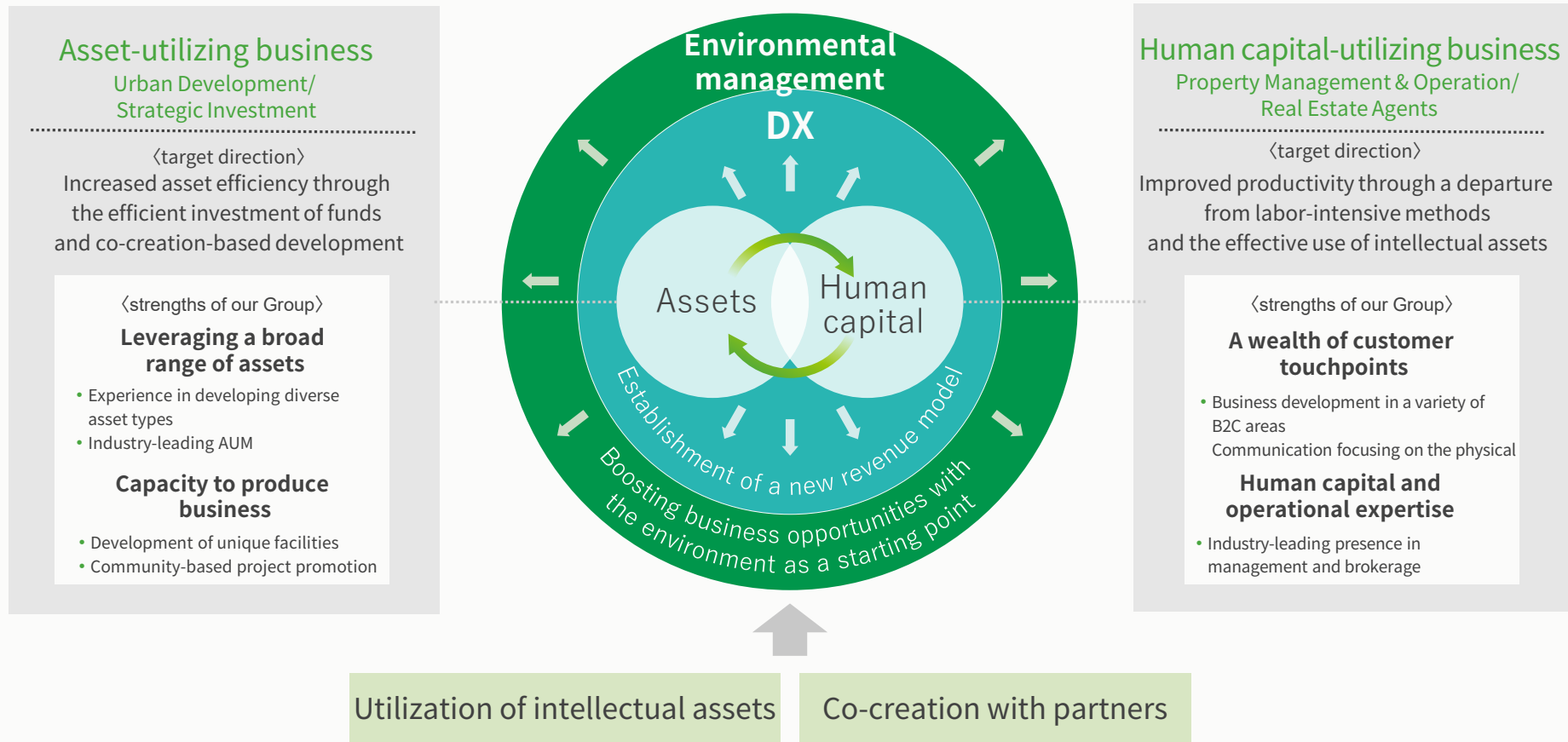
Medium-Term Management Plan 2025



Outline of the medium-term management plan

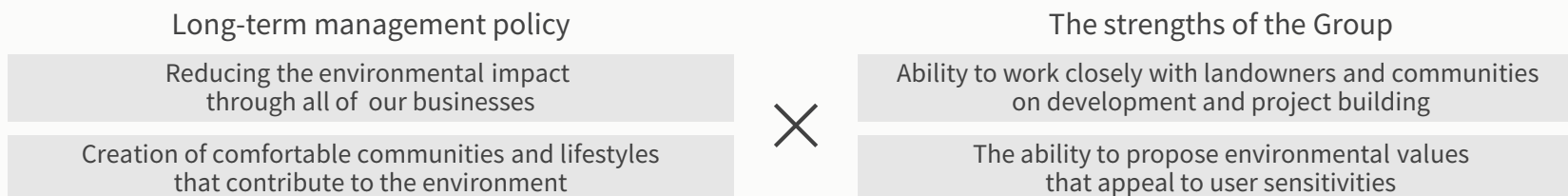
Combine Environmental management and DX to our Group's strengths to create unique value.

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



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.

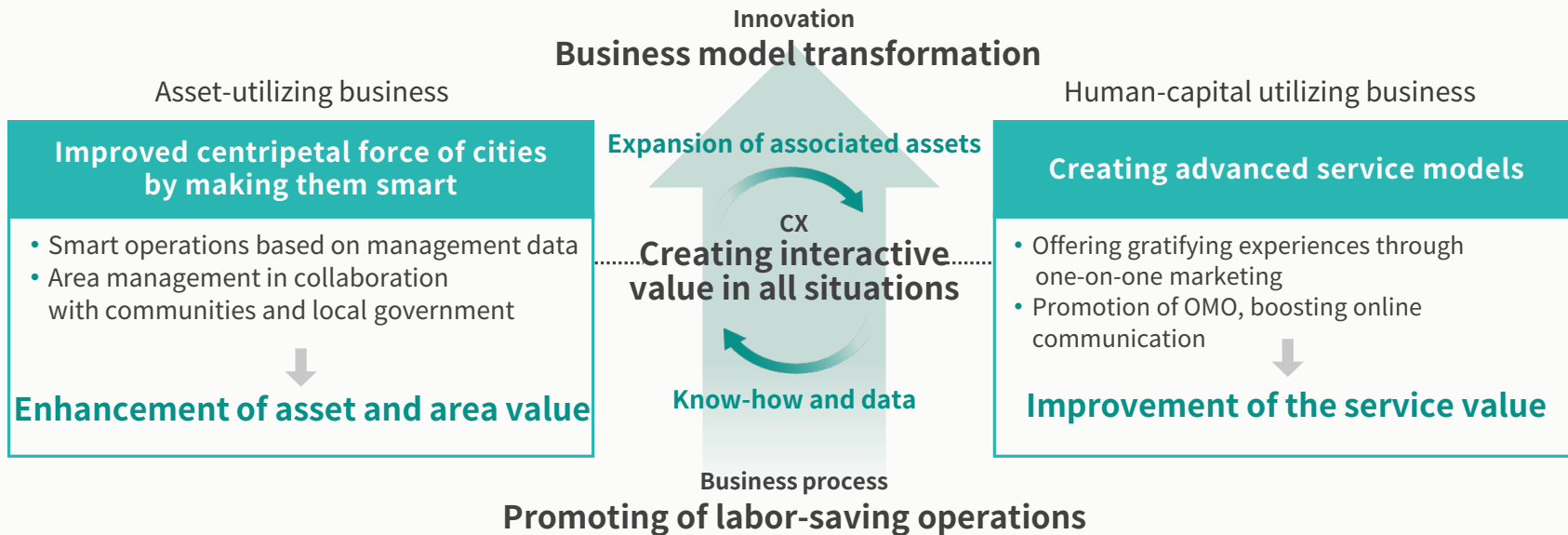
Long-term management policy

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	Liveable City	Environment	DX	Human Capital	Governance
Customer satisfaction level*2	Community Revitalization measures	CO ₂ emissions or GHG (CO ₂) emissions*3	Number of initiatives for digital utilization	Ratio of childcare leave taken by male employees	Improvement of effectiveness of the Board of Directors (Third-party evaluation)
90% or more	50 cases or more	-50% or more (versus fiscal 2019)	50 cases or more	100%	100%

Efficiency

ROE
9%

ROA
4%

EPS
¥ 90 or more

Profit targets

Operating profit
¥ 120 billion

Net profit
¥ 65 billion*4

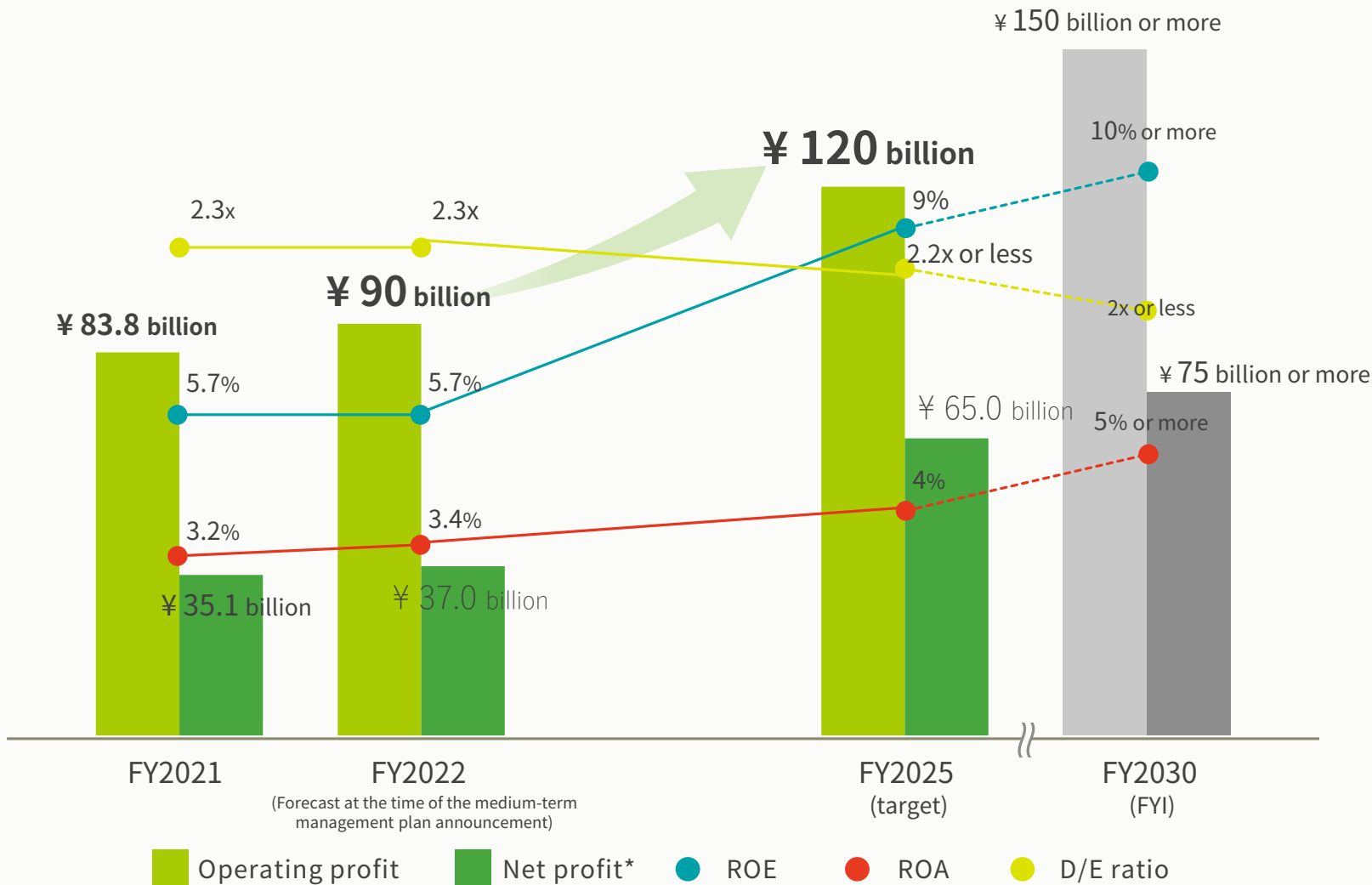
Financial soundness

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

*1: Detailed targets are stated on p. 34. *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)

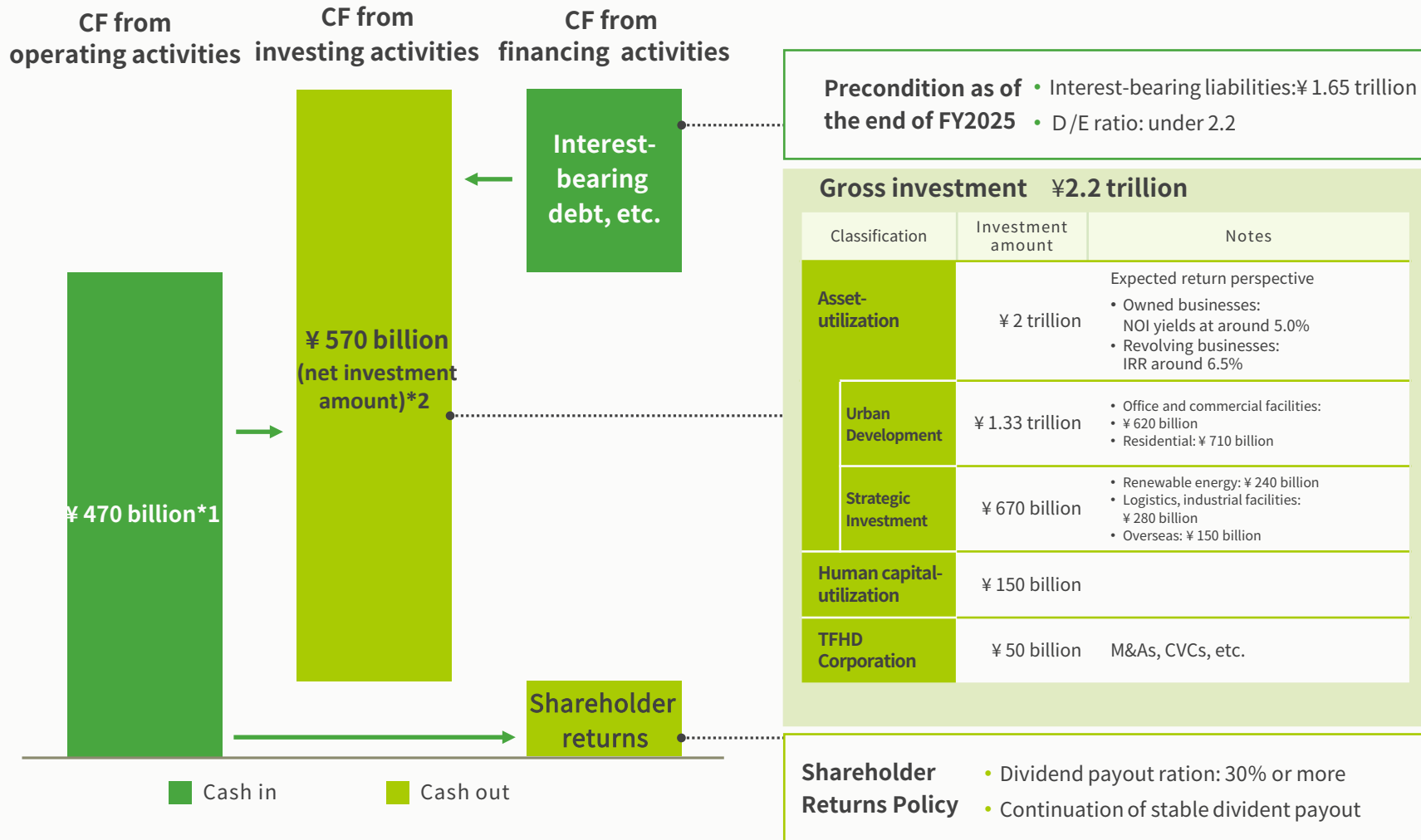
Aim for profit growth and efficiency improvement toward FY2025 through our business restructuring during the first half of the plan and the start of operations with our large-scale development properties.



* Profit attributable to owners of parent.

Capital Allocation

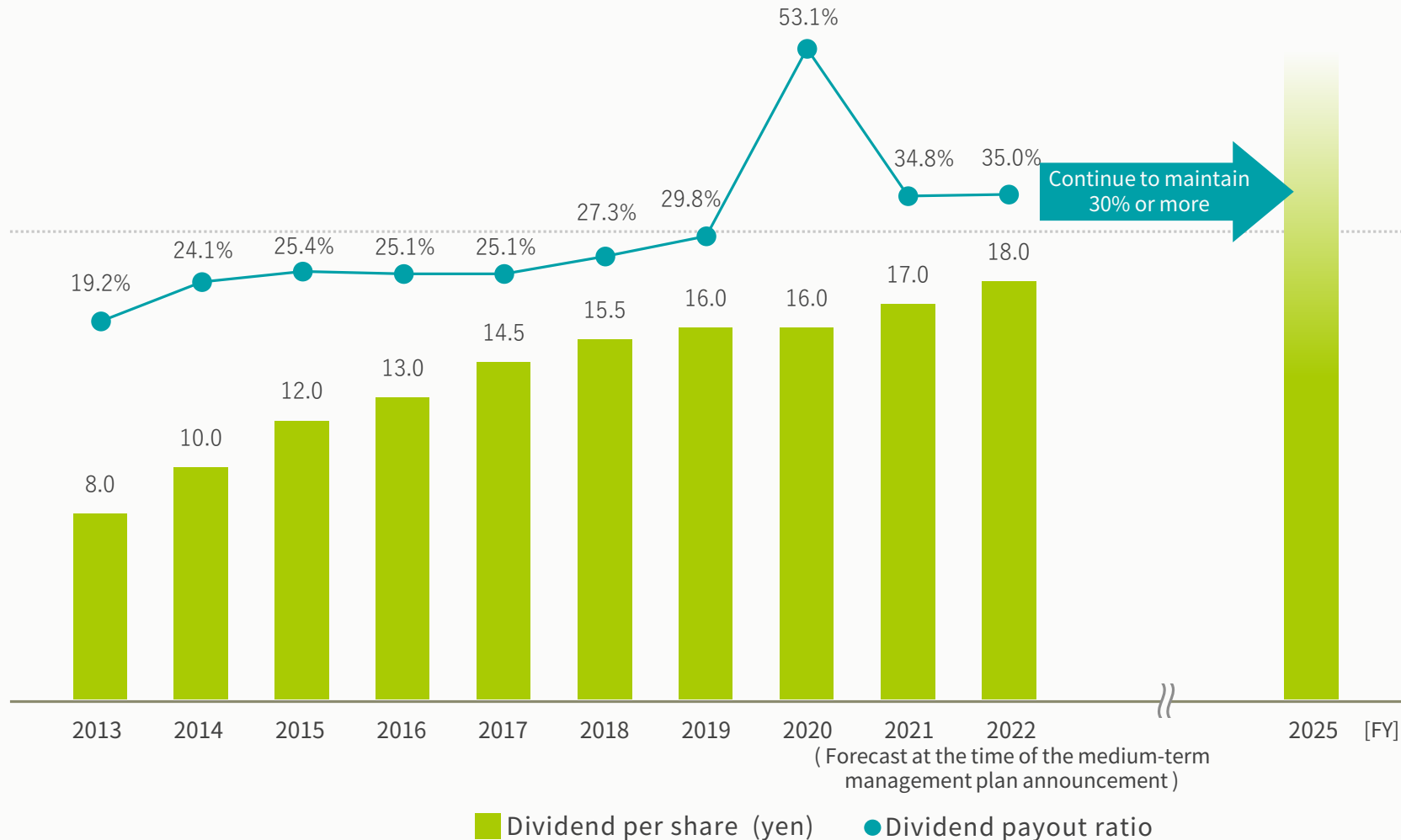
With a D/E ratio under 2.2x at the end of FY2025 as a precondition, we plan net investments at 570 billion yen (FY2021-FY2025.)



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

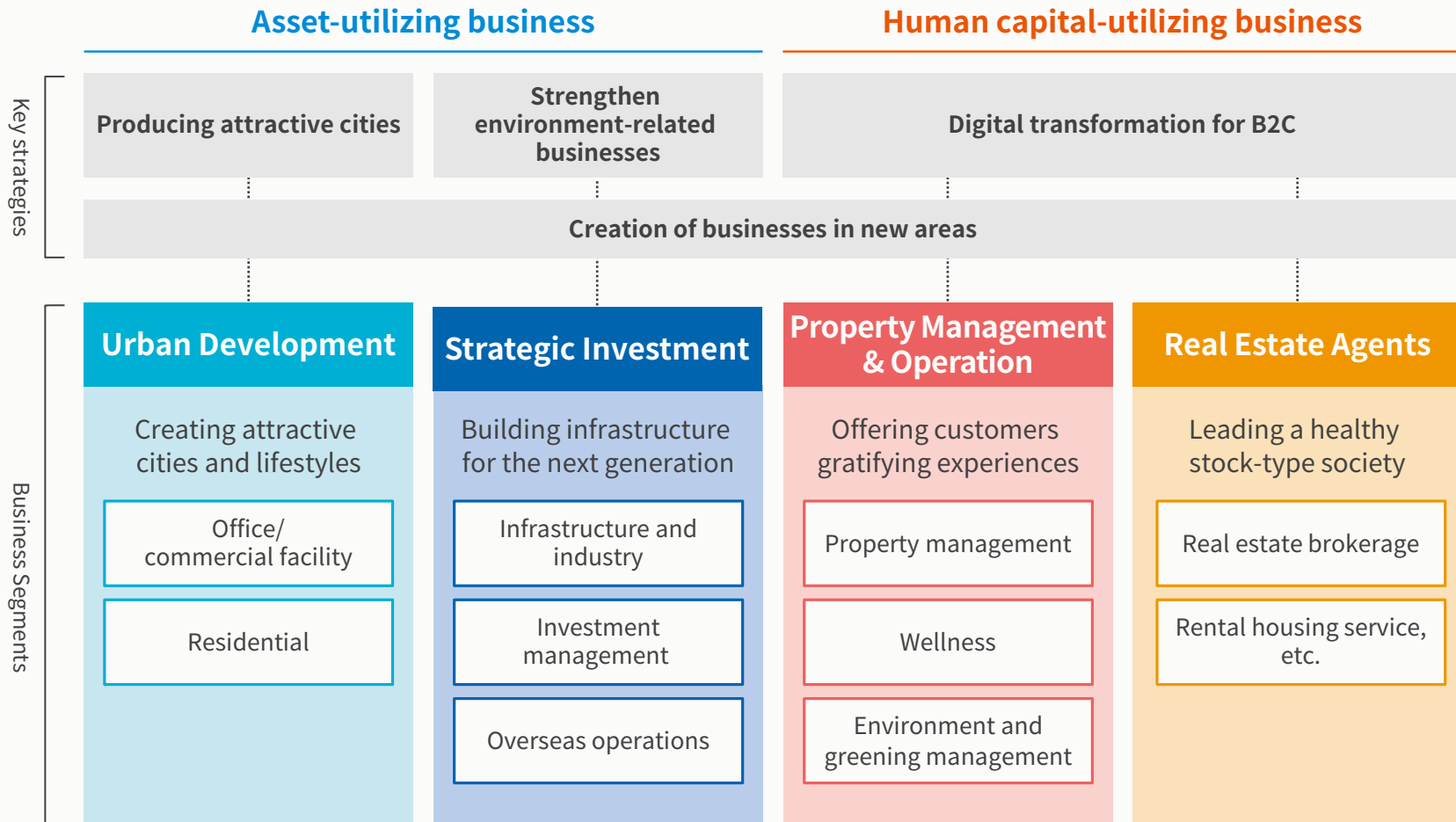
Shareholder Returns Strategy

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



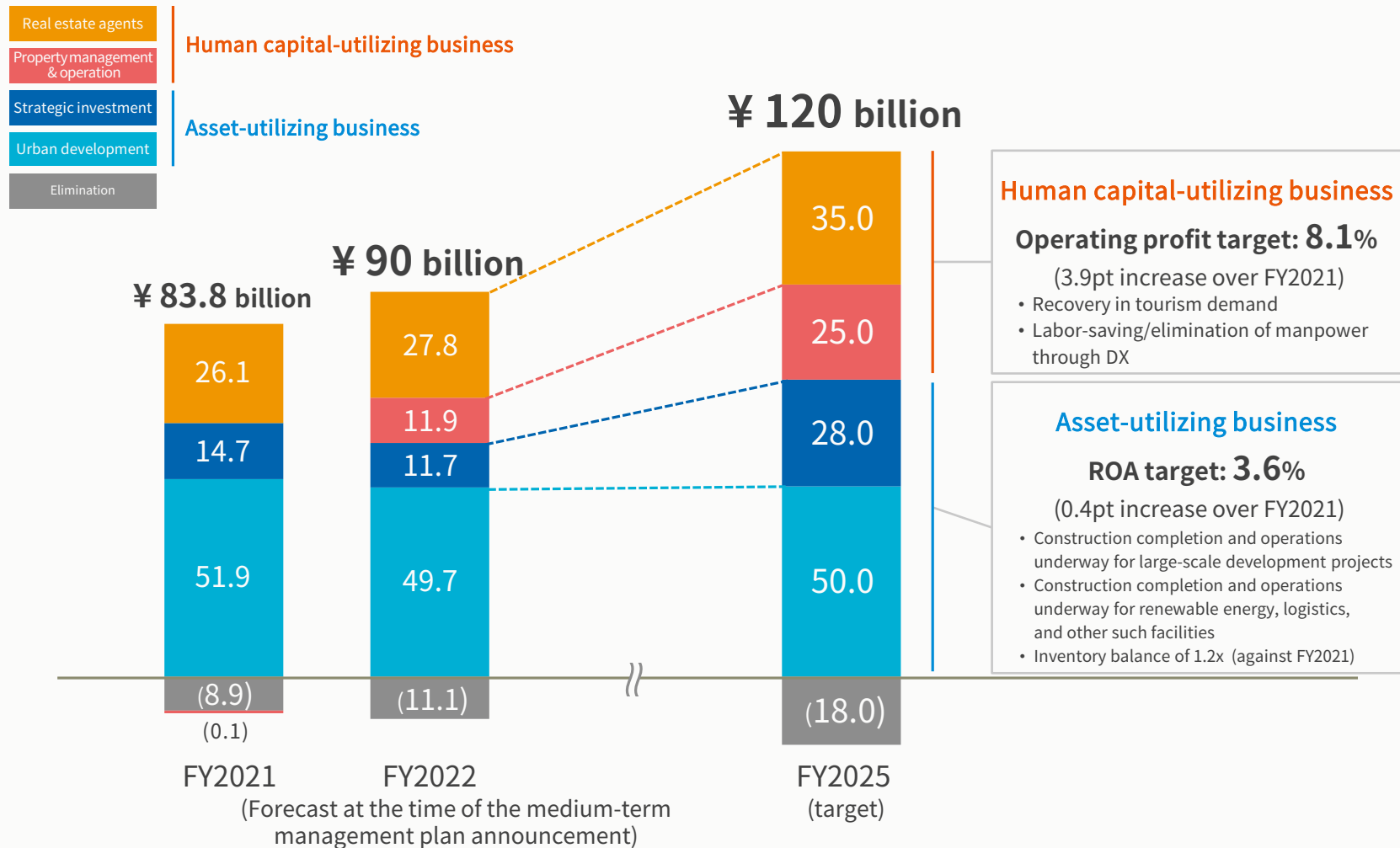
Positioning of business segments

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)

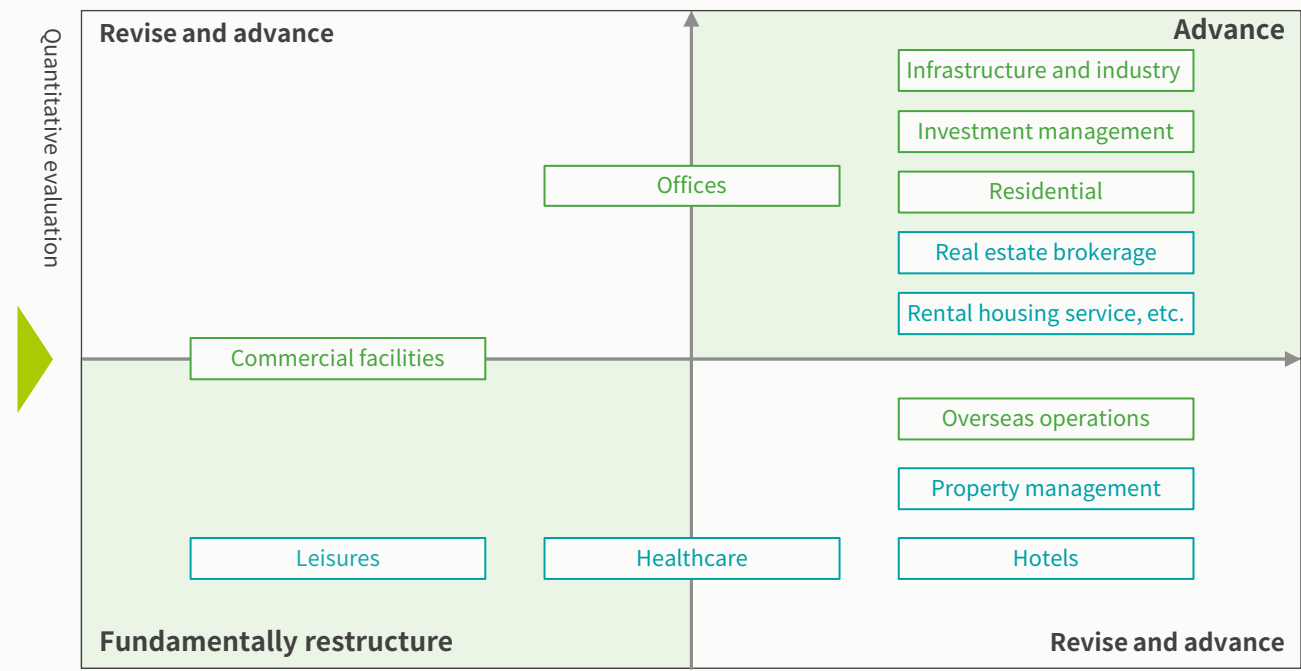
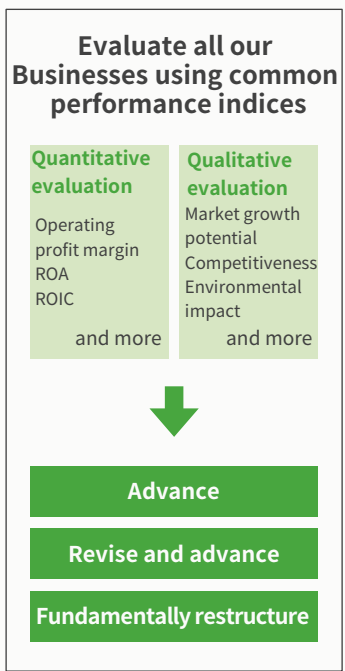
	FY2021	FY2022 (Forecast at the time of the medium-term management plan announcement)	FY2025 (target)
	¥83.8 billion	¥90.0 billion	¥120.0 billion
Urban Development	51.9	49.7	50.0
Office and commercial facility* (profit on sales from above)	43.1 [22.8]	44.7 [approx. 27.0]	40.0 [approx. 18.0]
Residential*	8.9	5.0	10.0
Strategic Investment	14.7	11.7	28.0
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
Property Management & Operation	(0.1)	11.9	25.0
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)	-	-
Real Estate Agents	26.1	27.8	35.0
Real estate brokerage*	21.1	22.7	27.0
Rental housing service, etc.	4.7	5.1	8.0
Elimination	(8.9)	(11.1)	(18.0)

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

Business Portfolio Management (at the time of the medium-term management plan announcement)

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.

■ Asset-utilizing business ■ Human capital-utilizing business



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

- 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

Segments Summary

Asset-utilizing business



Urban Development

Creating attractive cities and lifestyles

- Office buildings
- Commercial facilities
- Residential



Strategic Investment

Building infrastructure for the next generation

- Renewable energy generation
- Logistics facilities
- Invest management
- Overseas operations

Human capital-utilizing business



Property Management & Operation

Offering customers gratifying experiences

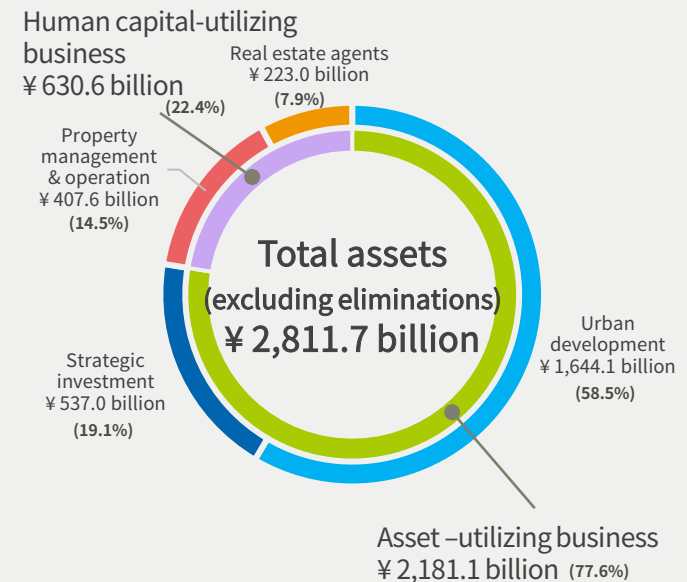
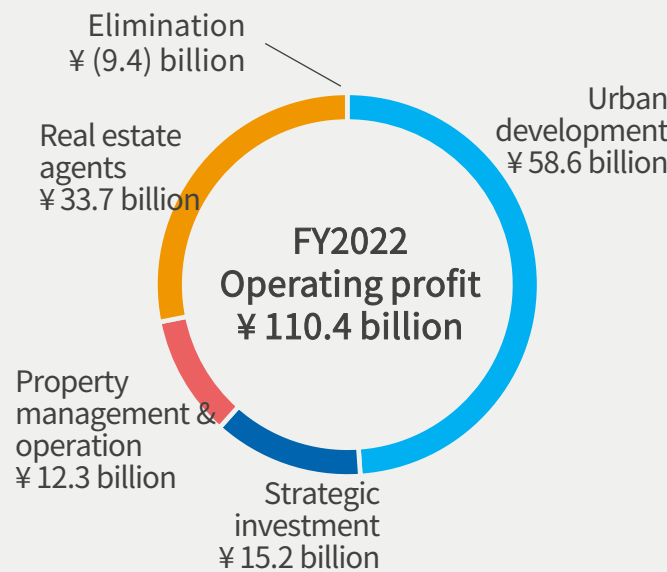
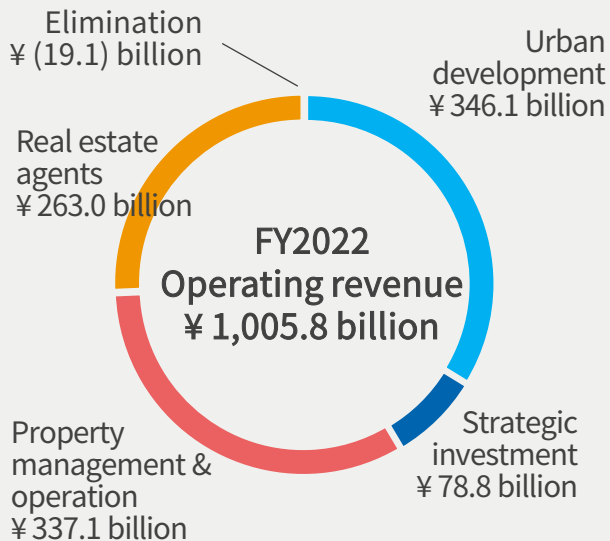
- Property management
- Wellness
- Greening management



Real Estate Agents

Leading a healthy stock-type society

- Real estate agents
- Rental housing services



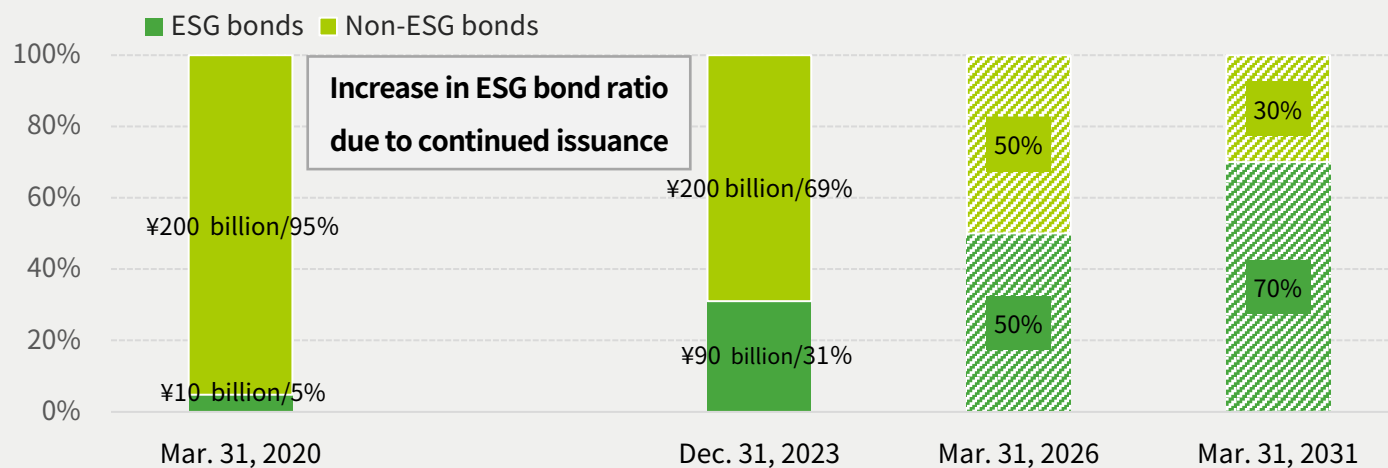
Formulation of bond policy

Aiming to realize a sustainable society and growth through the continuous issuance of ESG bonds, we established Japan's first long-term issuance policy for ESG bonds.

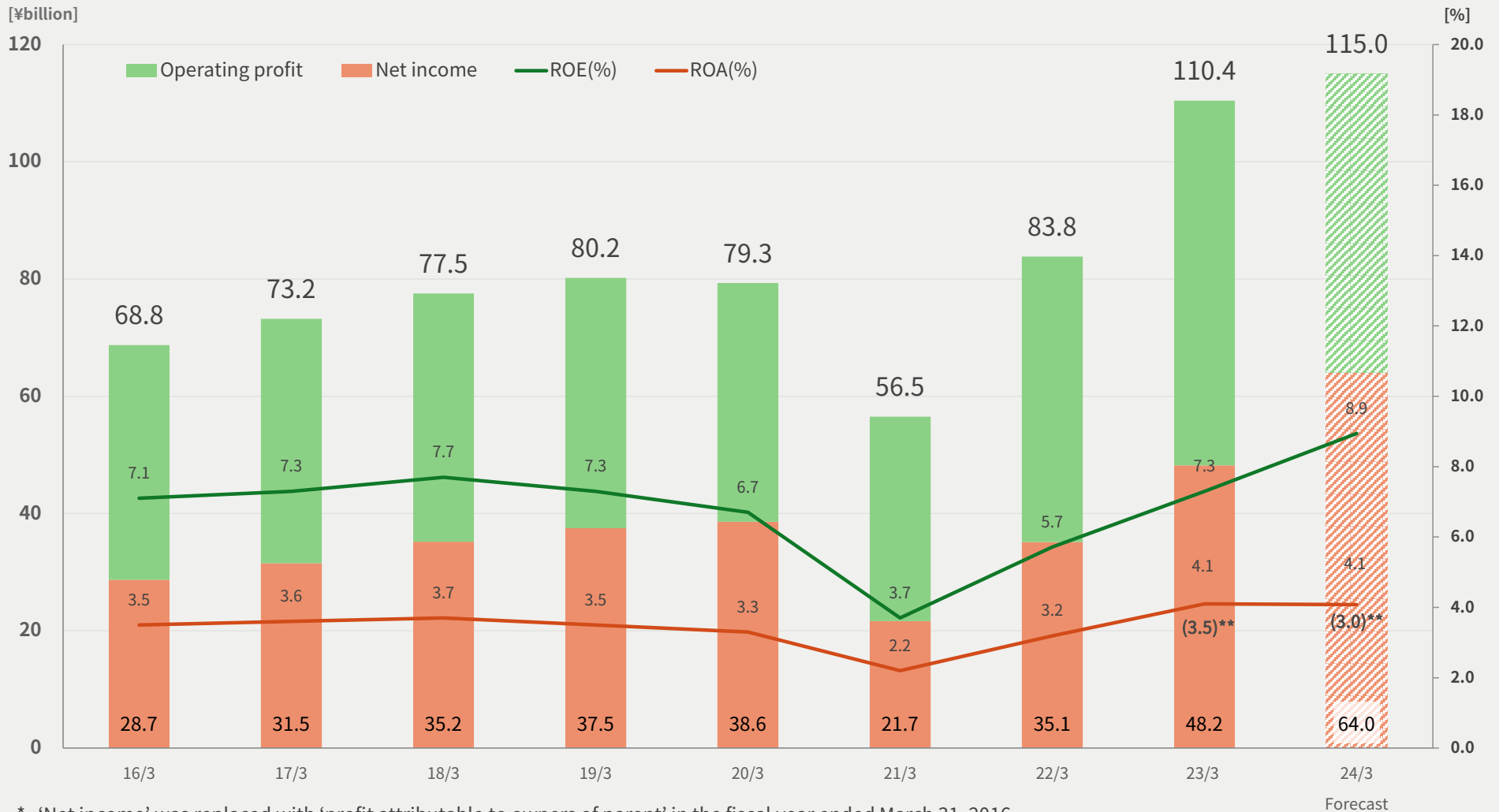
〈Outline of the Bond Policy〉

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

〈ESG bond ratio Trends〉



Trends in business performance

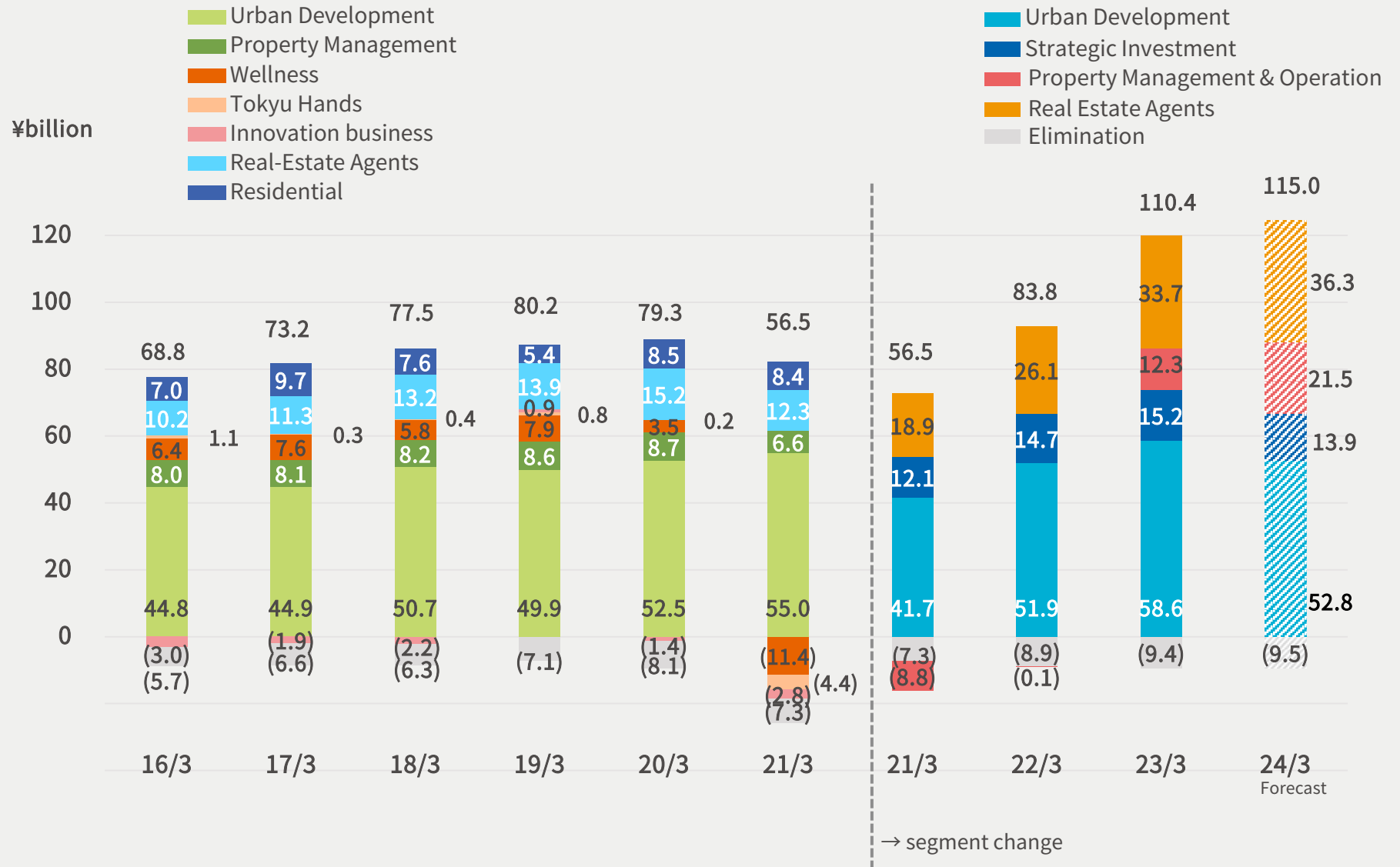


* 'Net income' was replaced with 'profit attributable to owners of parent' in the fiscal year ended March 31, 2016.

** ROA of Asset-utilizing business

Breakdown of Results by Segment

Changes in operating profit by segment

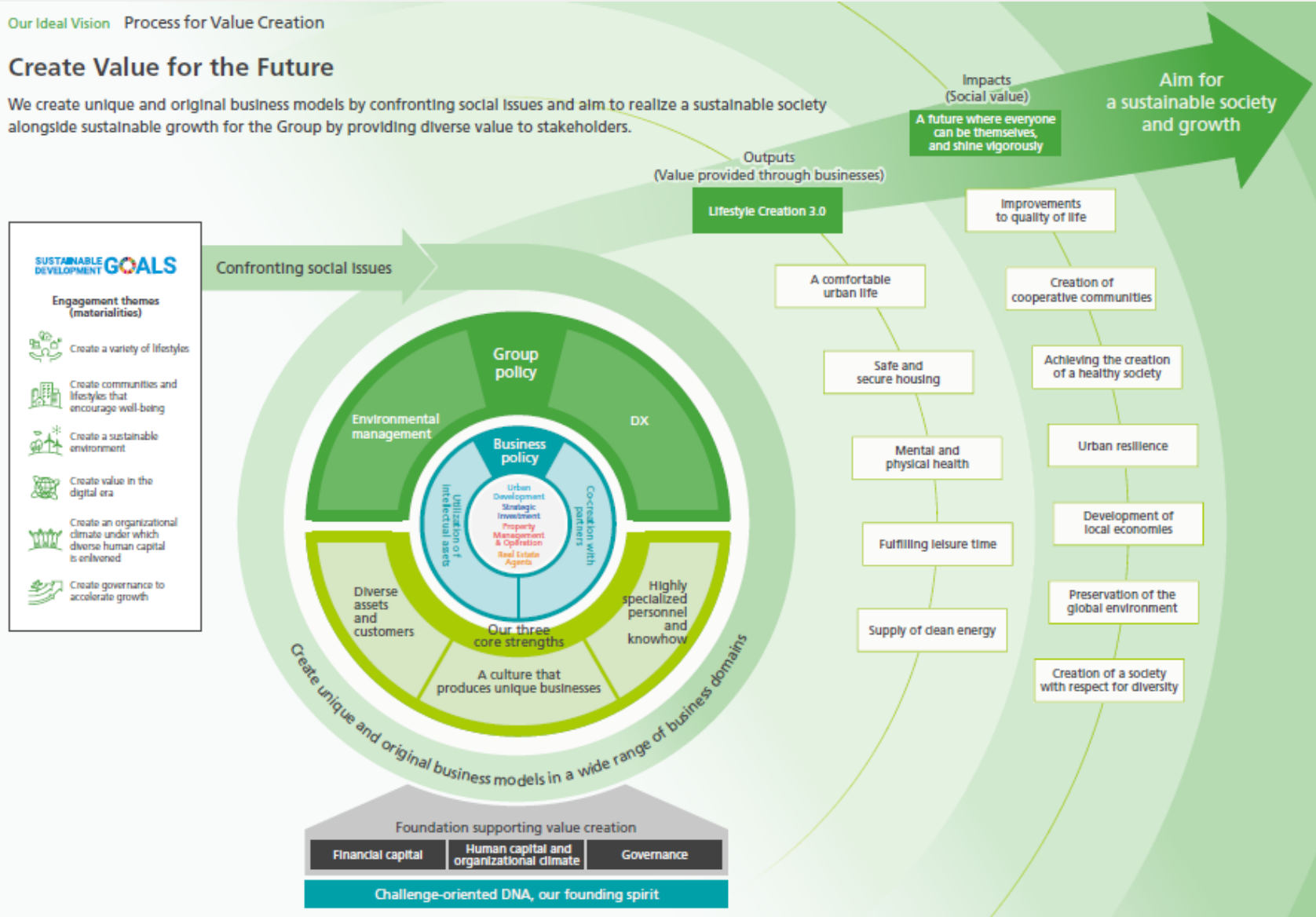


Tokyu Fudosan Group's Value Creation Process

Our Ideal Vision Process for Value Creation

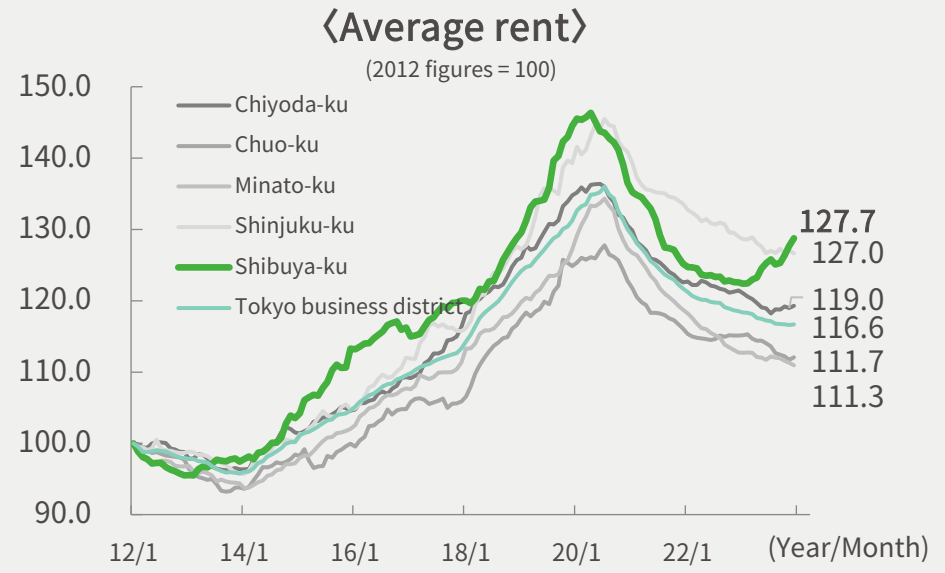
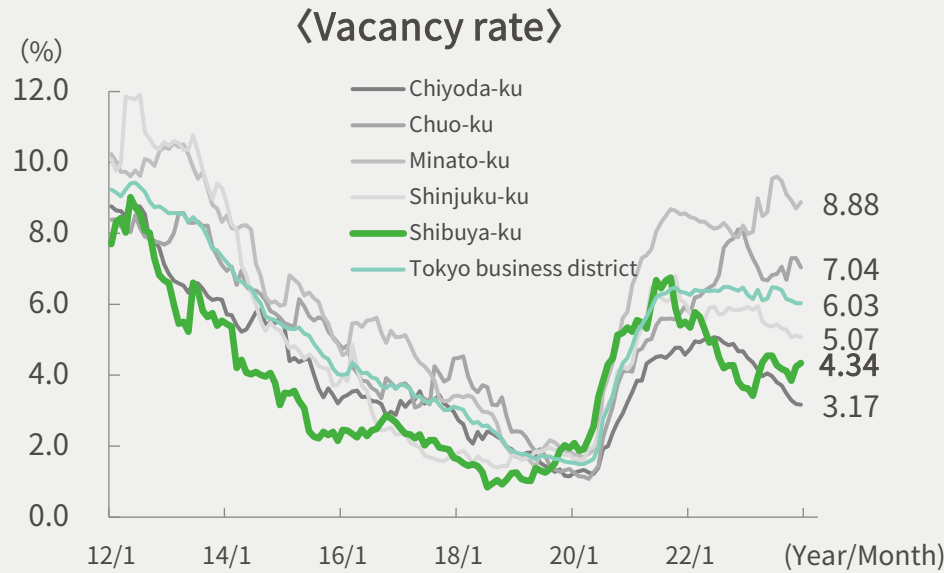
Create Value for the Future

We create unique and original business models by confronting social issues and aim to realize a sustainable society alongside sustainable growth for the Group by providing diverse value to stakeholders.



Office Market

Vacancy rates are trending downward in Shibuya Ward due to the limited total office floor space and the high demand for additional floor space by many growing companies.



*Vacancy rate and Average rent are both as of the end of September 2023
Source : Miki Shoji Co., Ltd

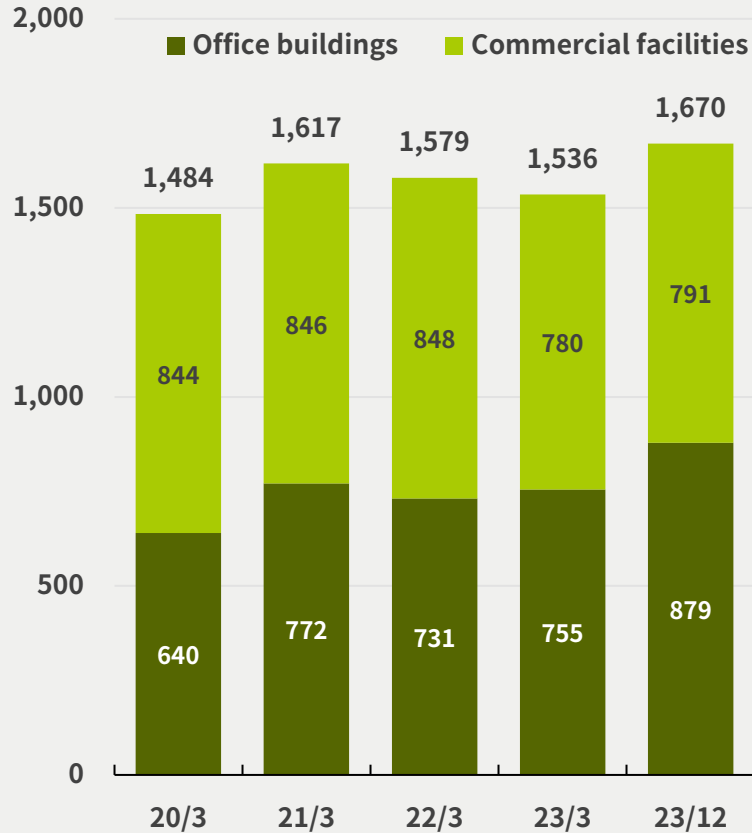


Source :Mori Building Co., Ltd.
© TOKYU FUDOSAN HOLDINGS CORPORATION 89

Trends in Total Floor Area of Office and Retail Properties and Characteristics of Retail Properties

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

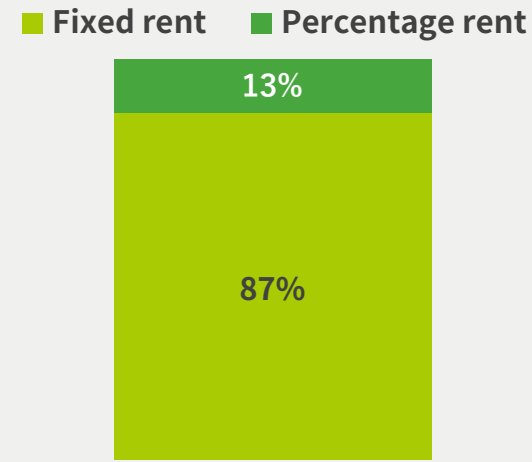
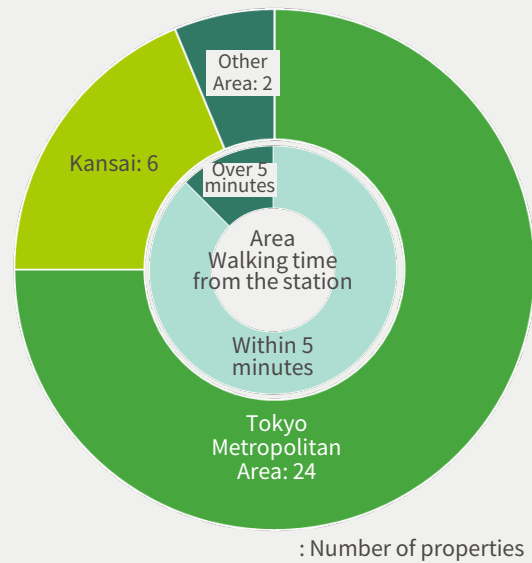
〈Total floor area Trends〉



〈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



* A survey on major commercial facilities of the Group

| Major project ~ KUDAN-KAIKAN TERRACE (Opened in Oct.2022)~ |

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-Kaikān, 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



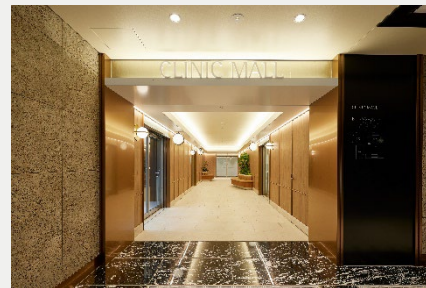
AI-based automatic dimming function 「View Smart Glass」

Wellness office supporting health management

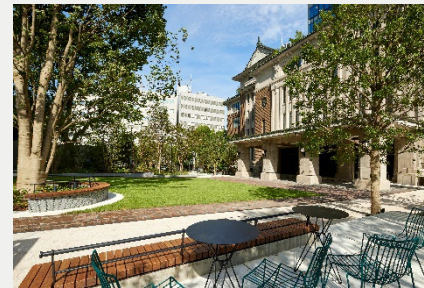
A cafeteria that supports office workers with meals and a clinic mall that supports them with medical care



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.

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



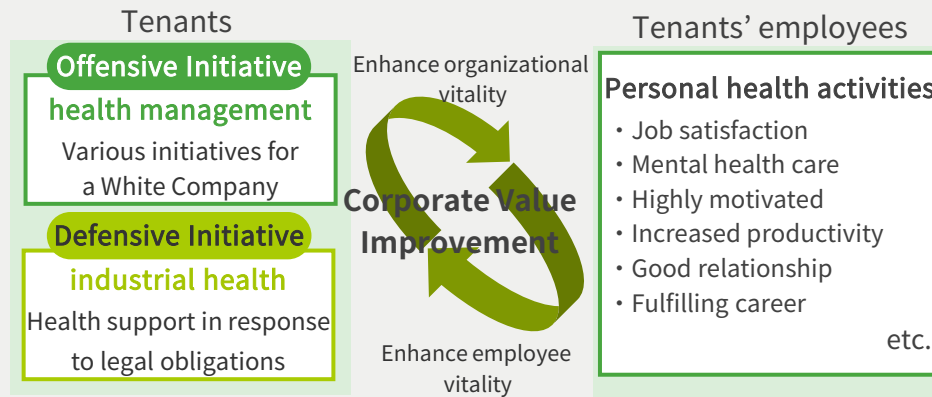
Members-only shared office



Workcation

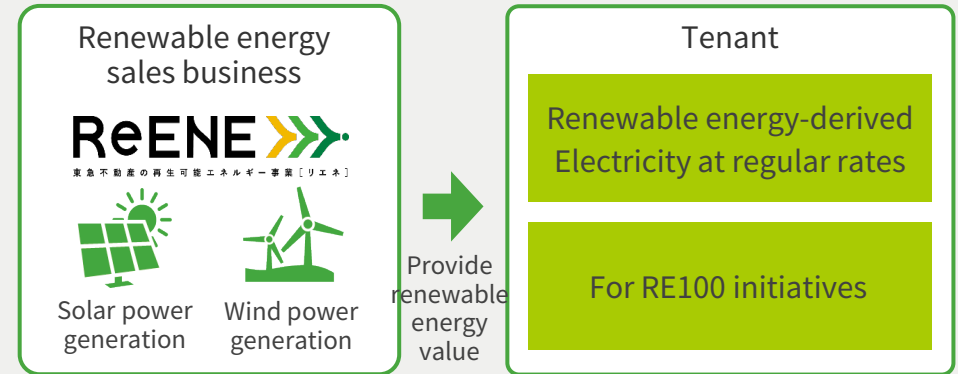
Health Initiatives

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 】

weltag

2022.1.18

Well-being webinar by Tokyu Sports Oasis

News

2021.12.1

Special treatment of accommodation in Tokyu Land Corporation facilities

News

2021.12.9

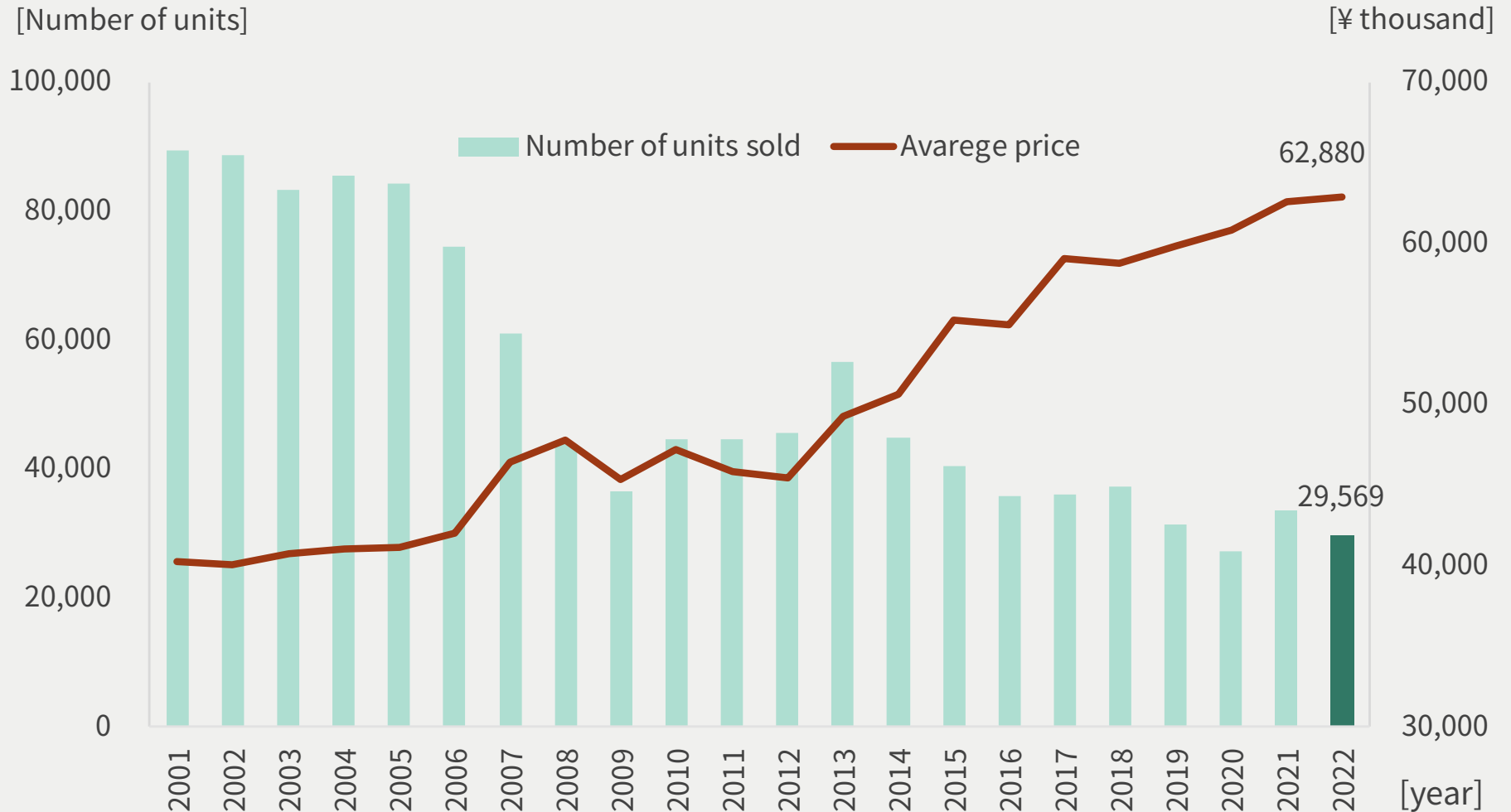
[IKEA for Business Shibuya] Table setting course event

Event

| 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 47 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	Shibuya Dogenzaka Tokyu	1983	13	 Ebisu Business Tower  Shibuya Minami Tokyu  Shibuya Place	
		Unosawa Tokyu	1984	15		
		Shibuya Shin-Minamiguchi	2000	7		
		Ebisu Business Tower	2003	23		
		Shibuya Square	2004	13		
		Shibuya Minami Tokyu	2005	20		
		Shibuya Place	2009	4		
		Shibuya Solasta	2019	44		
		Shibuya Fukuras	2019	53		
		Shibuya Sakura Stage	2023	141		
	Minato-ku	12	Hamamatsucho Square	2004	24	 Hamamatsucho Square  Shimbashi Tokyu  Shin-Aoyama Tokyu
			Shinagawa Tokyu	2007	21	
			Shimbashi Tokyu	2008	15	
			Spline Aoyama Tokyu	2012	8	
			Shin-Aoyama Tokyu	2015	10	
			Tokyo PortCity Takeshiba	2020	162	
			Chiyoda-ku	4	Sanban-cho Tokyu	
	Ichiban-cho Tokyu	2002			20	
	Uchisaiwaicho Tokyu	2006			14	
	KUDAN-KAIKAN TERRACE	2022			41	
	Cyuo-ku	5	St. Luke's Tower	1994	14	 Nihombashi Maruzen Tokyu  Nihombashi Front  Shin-Meguro Tokyu
Nihombashi hon-cho Tokyu			2004	12		
Nihombashi Maruzen Tokyu			2006	17		
Nihombashi Front			2008	29		
Other	4	Yotsuya broadcasting center	1994	4		
		Shin-Meguro Tokyu	2012	22		
Kansai	1	Shinsaibashi Tokyu	1982	11		

* (thousand m²): Total 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 8 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		
		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		
		Tokyu Plaza Omotesando Harajuku	2012	3		
		Q Plaza Harajuku	2015	3		
		Market Square Kawasaki East (sublease)	2016	30		
		Q Plaza Futakotamagawa	2017	3		
		Tokyu Plaza Shibuya**	2019	53		
		Shibuya Sakura Stage	2023	17		
Forestgate Daikanyama	2023	7				
Kansai • Others	8	Market Square Nakayamadera	2003	22		
		Minoh Q'sSMALL	2003	30		
		Market Square SASASHIMA	2005	19		
		Amagasaki Q'sSMALL	2009	164		
		Abeno Q'sSMALL	2011	123		
		Tokyu Plaza Shinnagata (sublease)	2013	10		
		Morinomiya Q's MALL BASE	2015	25		
		COCONO SUSUKINO	2023	28		

* (thousand m²: Total floor space is after conversion for ownership share (including the leased area).

** Described the total floor area as Shibuya Fukurasu

Major operating facilities

The Group operates 66 hotels, 9,010 rooms

	Number of facilities	Number of rooms	Name of facilities			
Tokyu Harvest Club (VIALA annex is not included in the total number of facilities)	27 facilities	2,750 rooms	Teteshina Katsuura Hamanako Amagi Kougen Shizunami Kaigan Kinugawa Nanki Tanabe Ito	Hakone Koshien Madarao Tateshina Annex Skijam Katsuyama Yamanakako Mount Fuji Kyu Karuizawa Tateshina Resort Atami Izusan	Nasu Kyu Karuizawa Annex VIALA Hakone Hisui Arima Rokusai VIALA annex Arima Rokusai VIALA annex Atami Izusan Kyoto Takagamine VIALA annex Kyoto Takagamine	Nasu Retreat Karuizawa VIALA annex Karuizawa <small>Kyoto Higashiyama In THE HOTEL HIGASHIYAMA</small> VIALA Kinugawa Keisui Hida Takayama In VILLA Karuizawa Retreat
Tokyu Stay Hotel	31 facilities	5,179 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 MERCURE OSAKA NAMBA
Resort Hotel	8 facilities	1,081 rooms	KYU KARUIZAWA KIKYO Curio Collection by Hilton Hyatt Regency Seragaki Island Okinawa HOTEL TANGRAM	Palau Pacific Resort nol kyoto sanjo AYA NISEKO	ROKU KYOTO, LXR Hotels & Resorts Aso CANYON TERRACE&LODGE	
Ski resorts	7 facilities	—	Niseko Mountain Resort Grand Hirafu Tateshina Tokyu Ski Resort	Tambara Ski Park TANGRAM SKI CIRCUS	SKIJAM KATSUYAMA Hunter Mountain Shiobara	Mt. JEANS NASU
Golf courses	15 facilities	—	Oita Tokyu Golf Club Aso Tokyu Golf Club Katsuura Tokyu Golf Course Tsukuba Tokyu Golf Club Tateshina Tokyu Golf Course	Amagikogen Golf Course Madarao Tokyu Golf Club Omigawa Tokyu Golf Club Kiminomori Golf Club NASU KOKUSAI COUNTRY CLUB	Otakijo Golf Club Tsurumai Country Club Sashima Country Club Shibayama Golf Club Asakura Golf Club	
Tokyu Sports Oasis	31 facilities	—	Tamagawa Shinjuku Aoyama Musashi-Koganei Seiroka Garden Kanamachi 24Plus Minami-Osawa 24Plus Jujo 24Plus	Honkomagome Yukigaya 24Plus Rafeel Ebisu 24Plus Akatsuka 24Plus Kawaguchi Urawa 24Plus Narashino 24Plus Matsudo 24Plus	Musashi Kosugi 24Plus Yokosuka 24Plus Kohoku Totsuka Sagamihara 24Plus Kamioka Esaka 24Plus Ibaraki 24Plus	Umeda Abeno 24Plus Sayama 24Plus Morinomiya Q's Mall Suminodo 24Plus Katsuragawa 24Plus Sumiyoshi 24Plus
Senior housing	16 facilities	2,029 units	Grancreeper Azamino Grancreeper Fujigaoka Lifenix Takaaido 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	Grancreeper Tsunashima

Past performance (financial)

(¥ million)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	714,067	773,149	815,479	808,503	866,126	901,884	963,198	907,735	989,049	1,005,836
Operating profit	61,433	63,300	68,750	73,227	77,519	80,205	79,312	56,517	83,817	110,410
Ordinary profit	50,583	51,675	56,379	63,631	68,691	70,744	67,499	46,555	72,834	99,558
Net profit*	23,712	25,230	28,718	31,518	35,185	37,459	38,611	21,668	35,133	48,227
Total assets	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	2,738,458
Real estate for sale	245,862	394,672	364,374	418,619	473,702	568,004	657,968	680,648	757,391	795,181
Total non-current assets	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	1,622,854
Interest-bearing Debt	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	1,482,932
ESG bond ratio	-	-	-	-	-	-	5.0%	13.8%	17.9%	25.0%
Equity	364,491	395,333	418,785	442,320	468,140	561,405	583,289	596,673	631,789	684,625
Equity ratio	20.4%	20.0%	21.1%	21.4%	21.5%	23.3%	23.5%	22.5%	24.0%	25.0%
D/E ratio	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	2.2 x
CF from operating activities	(13,504)	(38,488)	87,922	68,925	12,265	44,522	(6,660)	100,411	76,453	94,739
CF from investing activities	19,745	(100,263)	(112,372)	(70,988)	(96,423)	(60,389)	(147,223)	(116,031)	(31,786)	(120,060)
CF from financing activities	3,008	139,186	(30,518)	23,042	82,400	139,093	65,077	108,344	(81,273)	42,764
EBITDA	84,602	88,003	94,307	101,669	106,075	110,194	117,079	101,657	132,538	160,161
Interest-bearing Debt/EBITDA	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	9.3 x
ROE	7.5%	6.6%	7.1%	7.3%	7.7%	7.3%	6.7%	3.7%	5.7%	7.3%
ROA	3.5%	3.4%	3.5%	3.6%	3.7%	3.5%	3.3%	2.2%	3.2%	4.1%
EPS	¥ 41.61	¥ 41.45	¥ 47.18	¥ 51.77	¥ 57.80	¥ 56.84	¥ 53.70	¥ 30.13	¥ 48.84	¥ 67.21
BPS	¥ 598.73	¥ 649.40	¥ 687.92	¥ 726.59	¥ 768.85	¥ 780.78	¥ 811.04	¥ 829.50	¥ 878.32	¥ 964.77
Dividend	¥ 8.0	¥ 10.0	¥ 12.0	¥ 13.0	¥ 14.5	¥ 15.5	¥ 16.0	¥ 16.0	¥ 17.0	¥ 23.5
Dividend payout ratio	19.2%	24.1%	25.4%	25.1%	25.1%	27.3%	29.8%	53.1%	34.8%	35.0%

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

WE ARE GREEN



TOKYU FUDOSAN HOLDINGS