

# Financial Highlights

## FY2023 First Quarter (First Three Months)

### Ended June-30, 2023

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

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# Progress of Medium-Term Management Plan



## Progress of Medium-Term Management Plan (Financial Targets)

Steady progress in all indicators toward achieving targets for the fiscal year ending March 31, 2026, the final year of our medium-term management plan.

	FY2021 (Result)	FY2022 (Forecast) (Result)		FY2023 (Forecast)	FY2025 (Target)	
efficiency	ROE	5.7%	5.9% ▶	7.3% ▶	8.8%	9%
	ROA	3.2%	3.5% ▶	4.1% ▶	4.0%	4%
	EPS	¥48.84	¥54.22 ▶	¥67.21 ▶	¥87.37	¥90 or more
Profit targets	Operating profit	¥83.8 billion	¥95 billion ▶	¥110.4 billion ▶	¥112 billion	¥120 billion
	Net profit*	¥35.1 billion	¥39 billion ▶	¥48.2 billion ▶	¥62 billion	¥65 billion
Financial soundness	D/E ratio	2.3x	2.2x ▶	2.2x ▶	2.3x	2.2x or less
	EBITDA multiple	10.7x	10.5x ▶	9.3x ▶	10.1x	10x or less
Asset-utilizing business** ROA	3.2%	2.9% ▶	3.5% ▶	3.1%	3.6%	
Human capital-utilizing business** operating profit margin	4.2%	7.0% ▶	7.7% ▶	8.0%	8.1%	

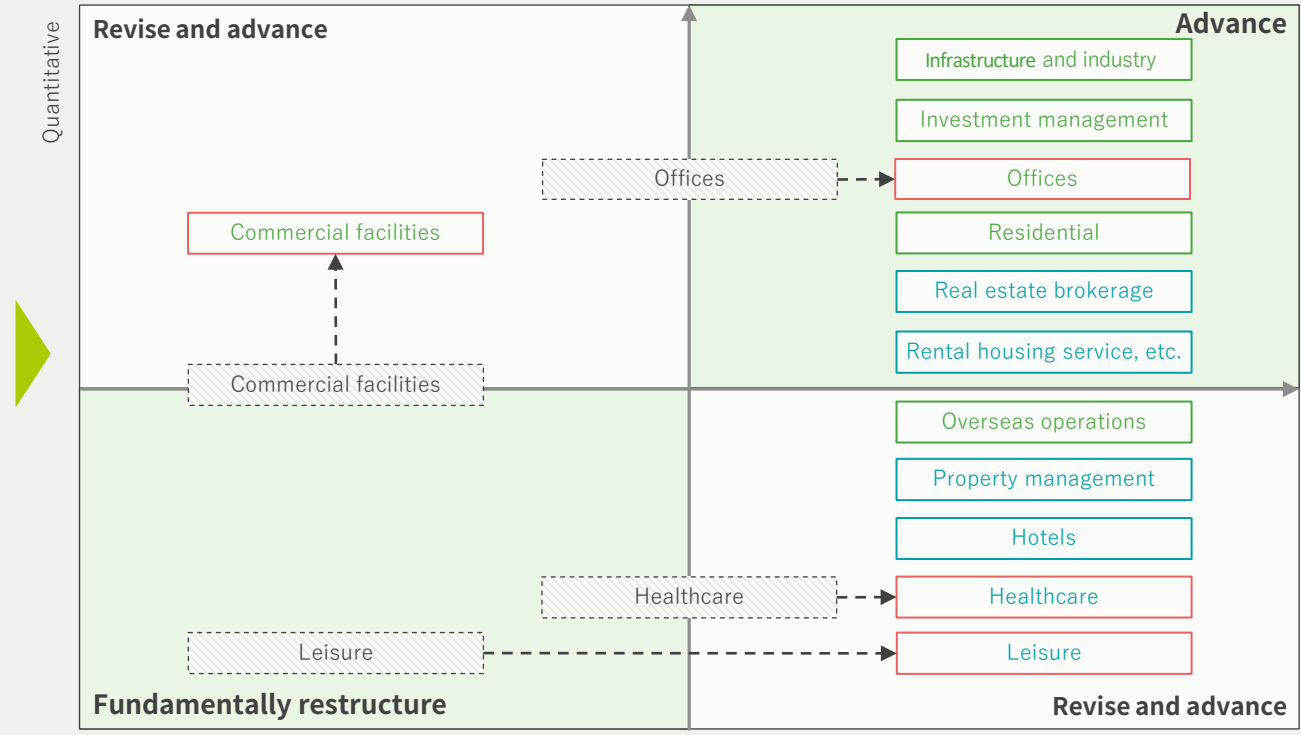
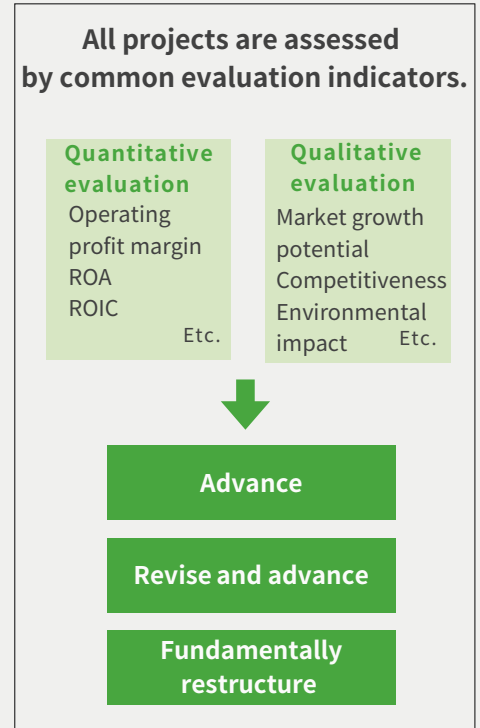
\* Profit attributable to owners of parent.

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

# 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.

■ Asset-utilizing business ■ Human capital-utilizing business



\* Quantitative evaluation is assumed to be done by the end of FY2022 and the Budget of FY2023, and qualitative evaluation is assumed to be done by the mid-2020s.

**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	→	Capital alliance with a new partner to fundamentally restructure the fitness business
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.

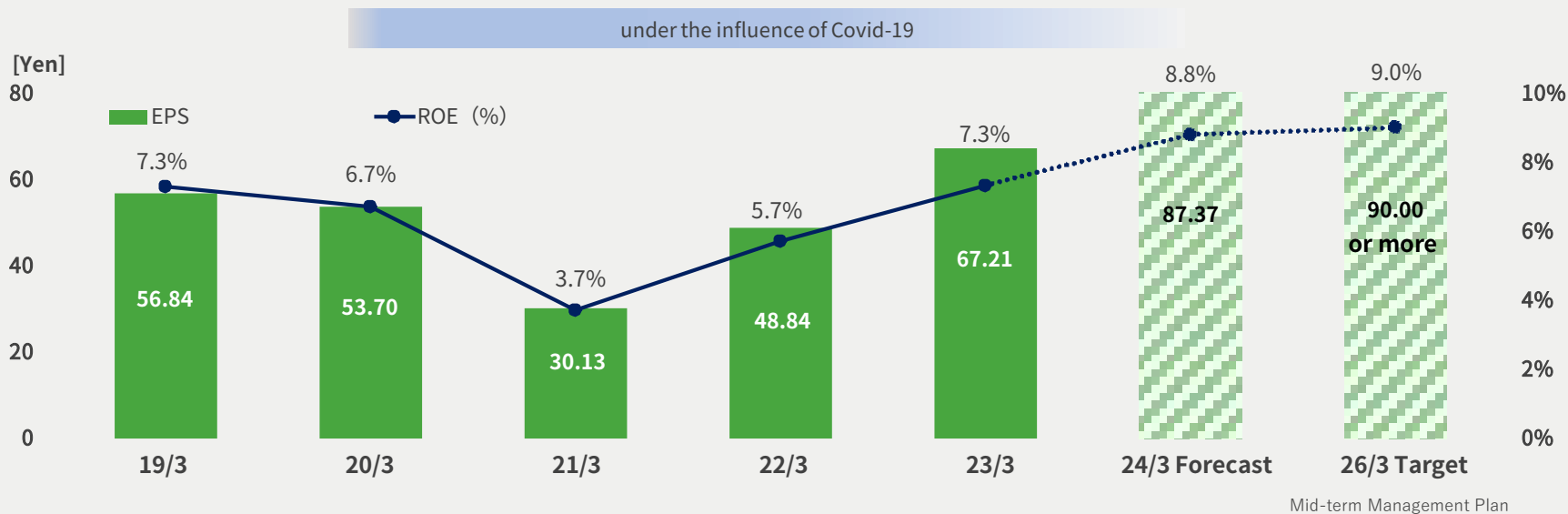
## Progress in business portfolio management②

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	<p data-bbox="576 943 671 976">Hotels</p> <p data-bbox="576 1025 671 1058">Leisure</p> <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>
Healthcare	<u>Capital alliance with a major industry partner</u> to promote joint sales promotion, purchasing, etc. and achieve early return to profitability

# Progress in business portfolio management③

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

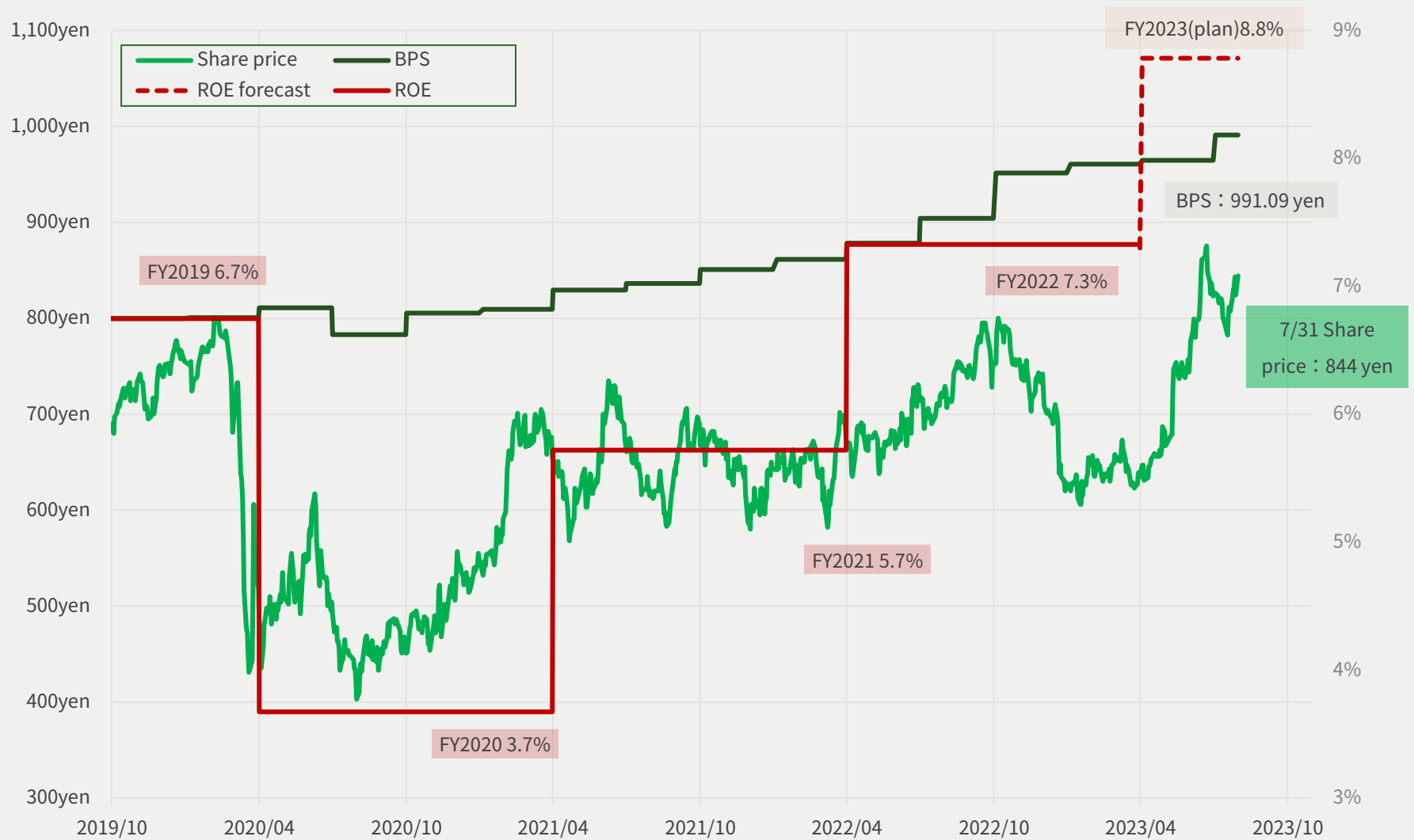


\* Profit attributable to owners of parent

[¥ billion]

	19/3	20/3	21/3	22/3	23/3	24/3 Forecast	26/3 Target
<b>Net income *</b>	<b>37.5</b>	<b>38.6</b>	<b>21.7</b>	<b>35.1</b>	<b>48.2</b>	<b>62.0</b>	<b>65.0</b>
<b>Extraordinary income</b>	<b>0.1</b>	<b>0.1</b>	<b>7.3</b>	<b>7.1</b>	<b>1.9</b>		
				• Transfer of Hands business, etc.	Transfer of Golf courses, ski resort, Hokuwa Corporation, etc.		
<b>Extraordinary losses</b>	<b>(9.6)</b>	<b>(4.6)</b>	<b>(12.0)</b>	<b>(24.0)</b>	<b>(31.3)</b>		
			• Due to Covid-19, etc.	• Due to Golf courses businesses • Due to Fitness businesses, etc.	• Decision to transfer Tokyu Plaza Ginza • Due to Ski businesses • Fitness • Capital alliance, etc.		

# Changes in Share Price, etc. (2019.10.1~2023.7.31)



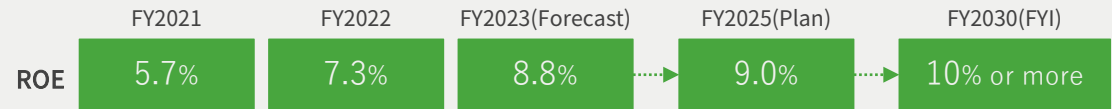
# Initiatives to enhance corporate value and market valuation

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

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

**ROE**

## Improved earning power and efficiency



### 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

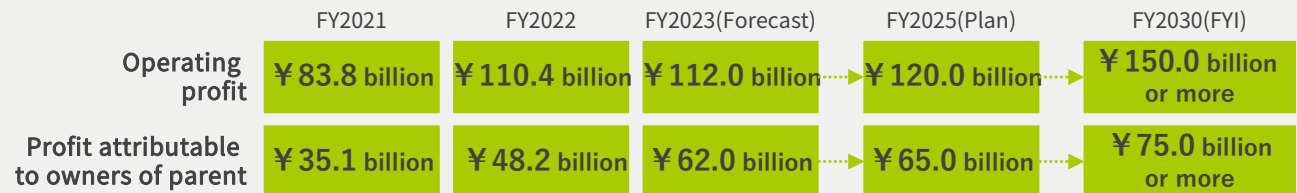
#### Financial Capital Strategy

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

×

**PER**

## Sustainable growth over the medium to long term



### 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

# **Summary of the FY2023 First Quarter (First Three Months) Ended June 30, 2023**

# Highlights

## Topics

Financial Results for the First Quarter of the Fiscal year Ending June 30, 2023

Establishment of the "Transition Plan to a Decarbonized Society" Achieved 50% CO2 emissions reduction target by FY2022, one year ahead of schedule

Received "AA"\*\*\* rating in the MSCI ESG Ratings

Selected as one of the "Digital Transformation Issues 2023"

## Contents

Operating profit: 34.5 billion yen (+9.6 billion yen YoY)

Net profit\* 25.3 billion yen (+10.9 billion yen YoY)

Increased in both revenues and profit YoY due to strong sales of assets and brokerage services, recovery in the hotel business due to domestic and inbound demand.

Operating profit is 30.8% ahead of the full-year forecast, making steady progress against the full-year plan.

To achieve net-zero emissions by 2050, the company formulated a "Transition Plan to a Decarbonized Society" in line with TCFD\*\* recommendations, the first of its kind in the real estate industry in Japan.

Achieved a 50% reduction in in-house CO2 emissions in FY2022 (50.6%), one year ahead of the FY2023 target.

The Company received an AA rating in the MSCI ESG Rating, which is a rating based on ESG initiatives and information disclosure.

The company's strategies and business activities under the company-wide policy of ESG initiatives, environmental management, and DX were highly evaluated.

Selected as one of the "Digital Transformation Issues 2023" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of its DX strategy integrated with management strategy, organization and systems to realize the strategy, and examples of deepening existing business models and creating new business models by utilizing DX.

\* Profit attributable to owners of parent.

\*\* Task Force established in 2015 by the Financial Stability Board (FSB) at the request of the G20 Finance Ministers and Central Bank Governors' Meeting.

\*\*\*Morgan Stanley Capital International analyzes and evaluates the environmental, social, and governance practices of companies worldwide.



## 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.</p> <p>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 Q1 (First three months) Operating Results, major index

Both revenues and profit increased YoY

(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	FY2022	FY2023 Forecast**	Progress	note
<b>Operating Revenue</b>	220.3	253.1	32.8	1,005.8	1,120.0	22.6%	
<b>Operating profit</b>	24.9	34.5	9.6	110.4	112.0	30.8%	<input type="checkbox"/> Extraordinary income <FY2022>
Non-operating income	0.6	1.4	0.8	2.6	—	—	Gain on sale of shares of subsidiaries
Non-operating expenses	3.0	3.3	0.3	13.5	—	—	and associates ¥ 1.5 billion, and other
<b>Ordinary profit</b>	22.5	32.6	10.1	99.6	100.5	32.4%	
Extraordinary income	0.0	—	(0.0)	1.9	—	—	<input type="checkbox"/> Extraordinary losses <FY2022>
Extraordinary losses	—	—	—	31.3	—	—	Impairment loss ¥ 31.1billion, and other
Income before income taxes and minority interests	22.5	32.6	10.1	70.2	—	—	
<b>Profit attributable to owners of parent</b>	14.4	25.3	10.9	48.2	62.0	40.8%	
Total assets	2,611.9	2,839.3	227.4	2,738.5	—	—	
<b>ROA</b>	—	—	—	4.1%	4.0%	—	<input type="checkbox"/> ROA of Asset-utilizing business
<b>Interest-bearing Debt</b>	1,439.3	1,584.6	145.3	1,482.9	1,650.0	—	FY2022 : 3.5% FY2023 forecast : 3.1%
Equity	650.3	703.8	53.5	684.6	—	—	
Equity ratio	24.9%	24.8%	(0.1)P	25.0%	—	—	<input type="checkbox"/> Operating profit ratio of Human
<b>Operating profit ratio</b>	11.3%	13.6%	2.3P	11.0%	10.0%	—	capital-utilizing business
<b>ROE</b>	—	—	—	7.3%	8.8%	—	FY2022 : 7.7% FY2023 forecast : 8.0%
Earnings per share (Yen)	—	—	—	67.21	87.37	—	Asset-utilizing business: Urban development and
<b>D/E ratio</b>	2.2	2.3	0.0	2.2	2.3	—	Strategic investment business
<b>[D/E ratio in consideration of hybrid financing] ***</b>	2.0	2.0	(0.0)	2.0	2.0	—	Human resource-utilizing business: Property
EBITDA	—	—	—	160.2	162.7	—	Management & Operation business and Real
EBITDA multiple	—	—	—	9.3	10.1	—	estate Agents business
Dividends per share	—	—	—	¥ 23.5	¥ 28.0	—	
Dividend payout ratio	—	—	—	35.0%	32.0%	—	

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

\*\* The figures are the revised forecast that we announced on May 10, 2023 (common for all pages)

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

# FY2023 Q1 (First three months) Segment performance

Urban Development, Property Management & Operation, and Real Estate Agents Segments: Revenues and Income Increased YoY; Steady Progress in Asset Sales

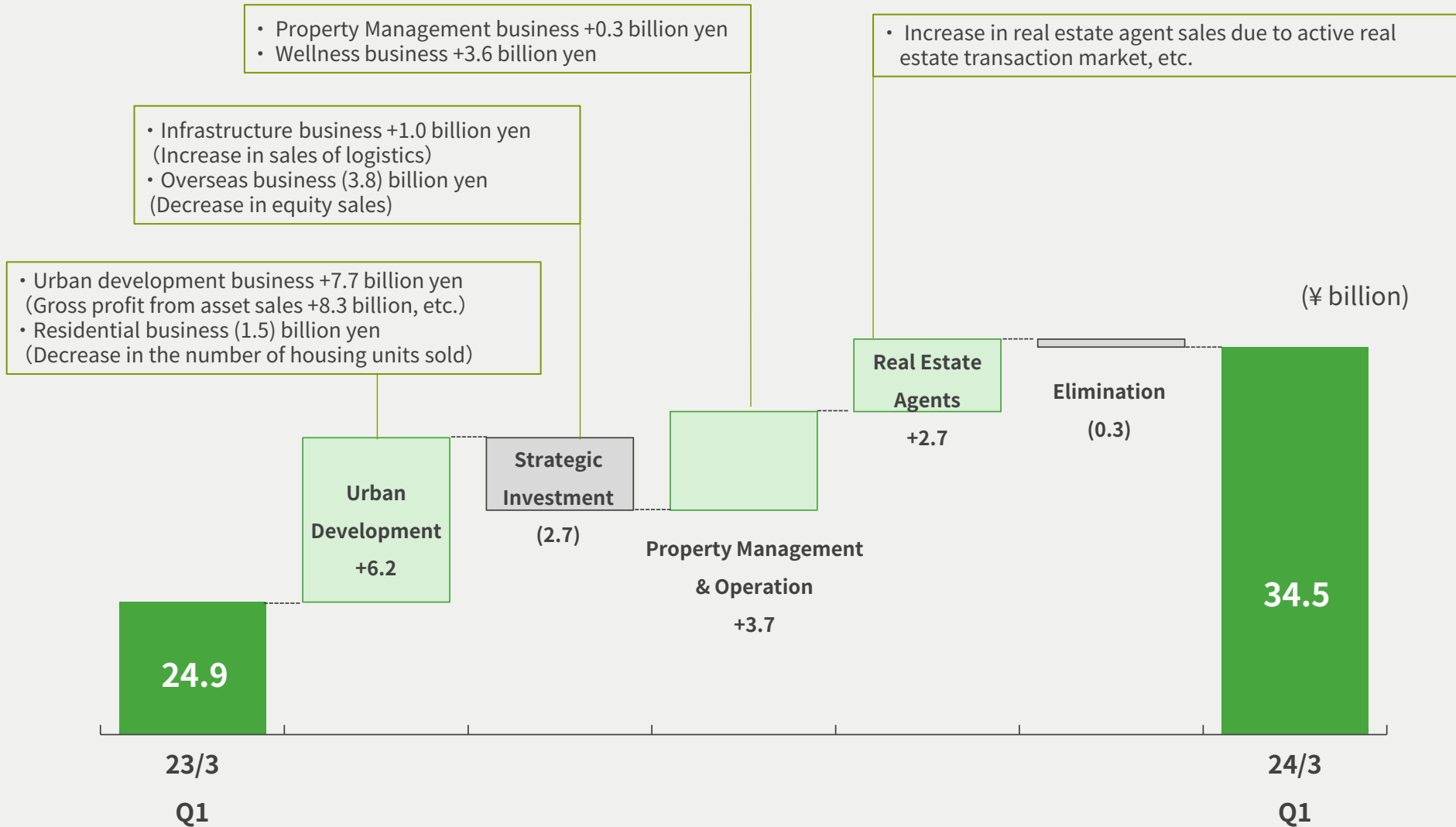
(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	FY2022	FY2023 Forecast	Comparison	note
<b>Operating revenue</b>	<b>220.3</b>	<b>253.1</b>	<b>32.8</b>	<b>1,005.8</b>	<b>1,120.0</b>	<b>114.2</b>	
Urban Development	70.0	87.2	17.2	346.1	384.0	37.9	
Strategic Investment	25.0	24.6	(0.5)	78.8	107.0	28.2	
Property Management & Operation	70.0	76.7	6.7	337.1	371.0	33.9	
Real Estate Agents	59.4	75.6	16.2	263.0	278.0	15.0	
Elimination	(4.2)	(11.0)	(6.9)	(19.1)	(20.0)	(0.9)	
<b>Operating profit</b>	<b>24.9</b>	<b>34.5</b>	<b>9.6</b>	<b>110.4</b>	<b>112.0</b>	<b>1.6</b>	
Urban Development	11.2	17.4	6.2	58.6	52.7	(5.9)	
Strategic Investment	8.1	5.4	(2.7)	15.2	16.5	1.3	
Property Management & Operation	(1.0)	2.7	3.7	12.3	17.2	4.9	
Real Estate Agents	8.6	11.3	2.7	33.7	34.9	1.2	
Elimination	(2.0)	(2.3)	(0.3)	(9.4)	(9.3)	0.1	

## <Gain on sales by asset>

<b>Operating revenue</b>	<b>19.1</b>	<b>63.6</b>	<b>44.5</b>	<b>176.7</b>	<b>256.5</b>	<b>79.7</b>	
Urban Development	—	26.7	26.7	98.2	100.9	2.7	
Strategic Investment	6.9	23.0	16.1	44.3	84.4	40.0	
Property Management & Operation	12.2	13.9	1.7	34.2	60.0	25.8	
Real Estate Agents	—	—	—	—	11.2	11.2	
Elimination	—	—	—	—	—	—	
<b>Operating gross profit</b>	<b>3.9</b>	<b>17.8</b>	<b>13.9</b>	<b>44.4</b>	<b>51.0</b>	<b>6.6</b>	
Urban Development	—	8.3	8.3	28.4	21.9	(6.5)	
Strategic Investment	0.7	4.5	3.8	5.4	11.8	6.4	
Property Management & Operation	3.2	5.0	1.8	10.6	14.7	4.1	
Real Estate Agents	—	—	—	—	2.6	2.6	
Elimination	—	—	—	—	—	—	

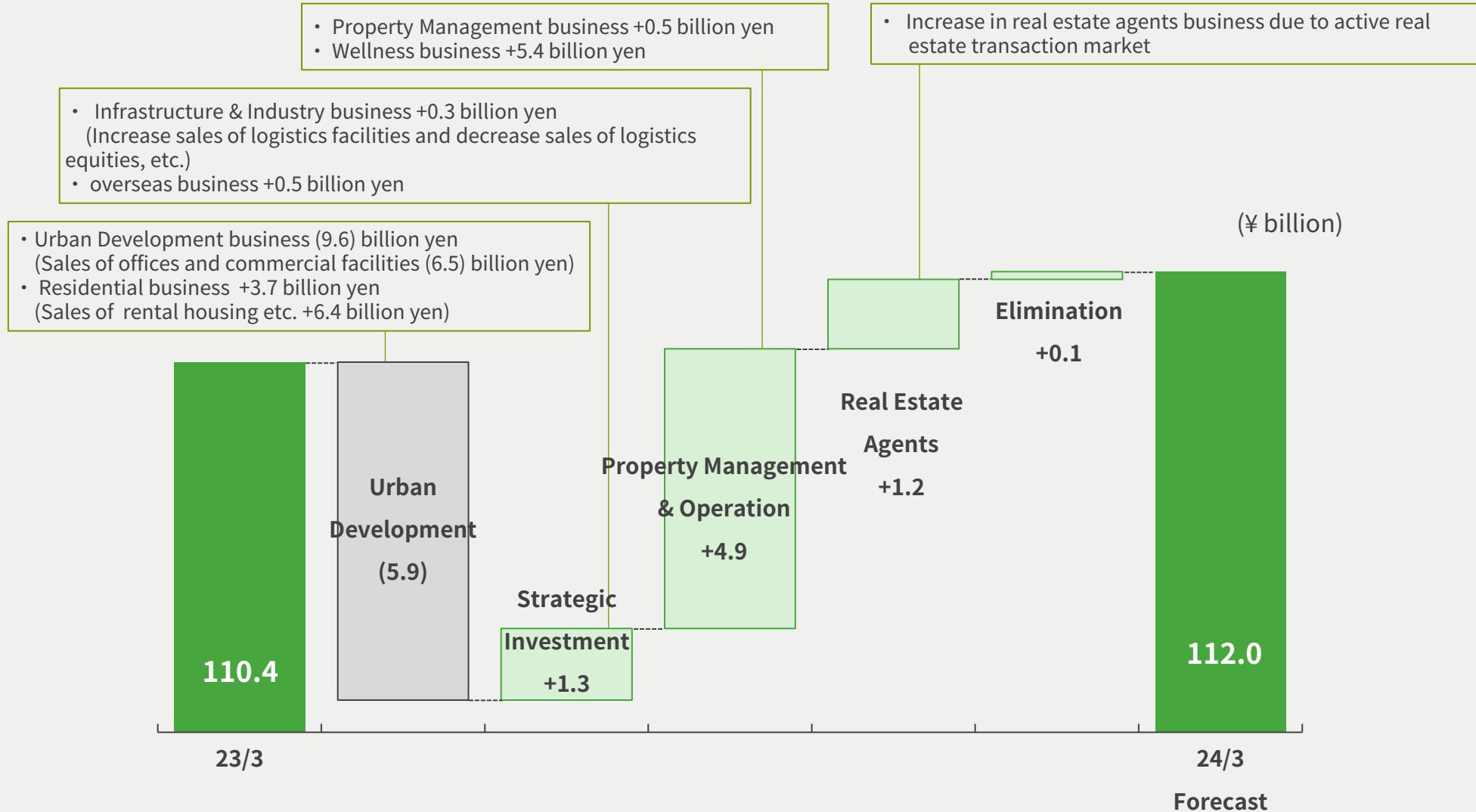
# FY2023 Q1 (First three months) Analysis of segment performance

9.6 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

Plan to increase profit by 1.6 billion yen YoY due to increase in Real Estate business and recovery in Wellness business, etc.



# FY2023 Q1 (First three months) Summary of balance sheets①

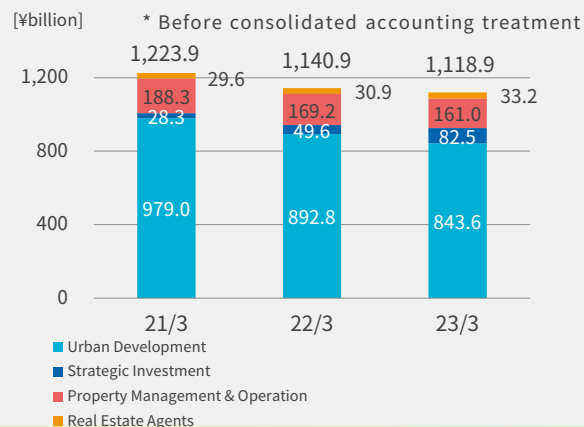
Increase in cash and deposits due to sales of fixed assets, etc

Interest-bearing debt increased due to hybrid finance and other financing

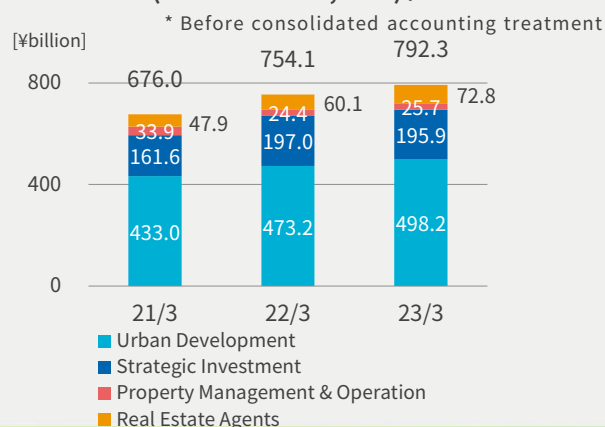
(¥ billion)	FY2022 Mar-31, 2023	FY2023 Jun-30, 2023	Comparison	(¥ billion)	FY2022 Mar-31, 2023	FY2023 Jun-30, 2023	Comparison
Cash and deposits	171.0	342.0	171.0	<b>Interest-bearing Debt</b>	<b>1,482.9</b>	<b>1,584.6</b>	<b>101.6</b>
<b>Real estate for sale*</b>	<b>792.3</b>	<b>786.4</b>	<b>(5.9)</b>	Deposits	261.0	265.9	5.0
<b>Property and equipment, Intangible assets**</b>	<b>1,118.9</b>	<b>1,031.3</b>	<b>(87.6)</b>	Trade payables etc.	98.3	75.9	(22.4)
Goodwill	53.4	52.2	(1.3)	Other	195.6	192.9	(2.7)
<b>Other investments</b>	<b>424.5</b>	<b>438.7</b>	<b>14.2</b>	<b>Total liabilities</b>	<b>2,037.8</b>	<b>2,119.3</b>	<b>81.5</b>
Accouns receivable etc.	68.1	61.0	(7.1)	<b>Equity</b>	<b>684.6</b>	<b>703.8</b>	<b>19.2</b>
Other	110.2	127.7	17.5	Non-controlling interests etc.	16.1	16.2	0.1
<b>Total assets</b>	<b>2,738.5</b>	<b>2,839.3</b>	<b>100.9</b>	<b>Total net assets</b>	<b>700.7</b>	<b>720.0</b>	<b>19.3</b>

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

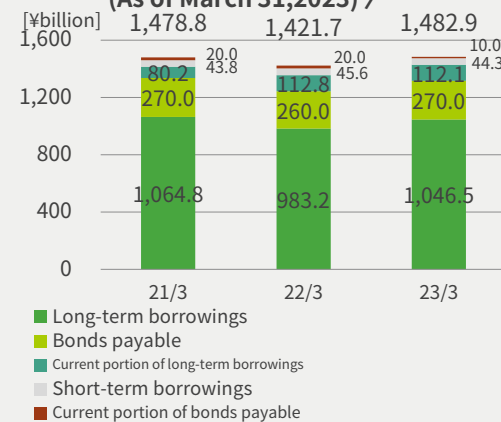
〈 Property and equipment, Intangible assets breakdown  
(As of March 31,2023) 〉



〈 Real estate for sale breakdown  
(As of March 31,2023) 〉



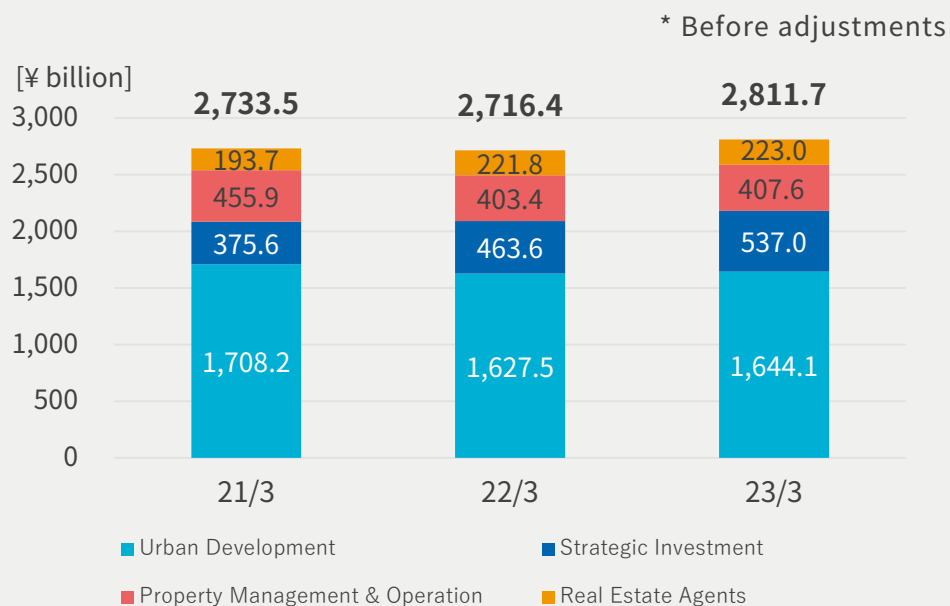
〈 Interest-bearing Debt breakdown  
(As of March 31,2023) 〉



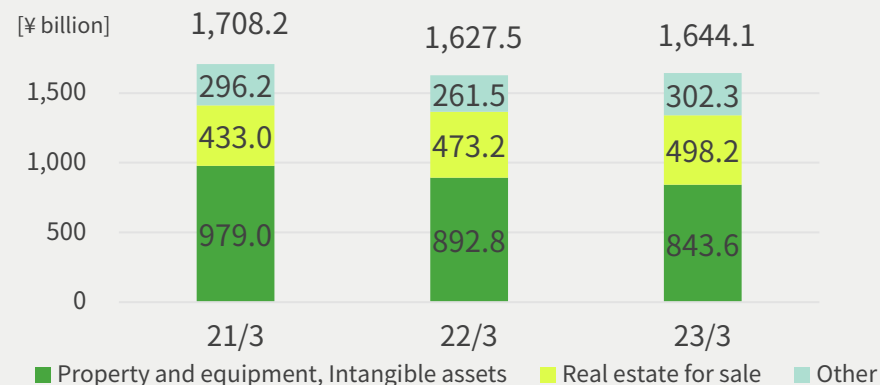
# FY2022 Summary of balance sheets② (As of March 31, 2023)

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

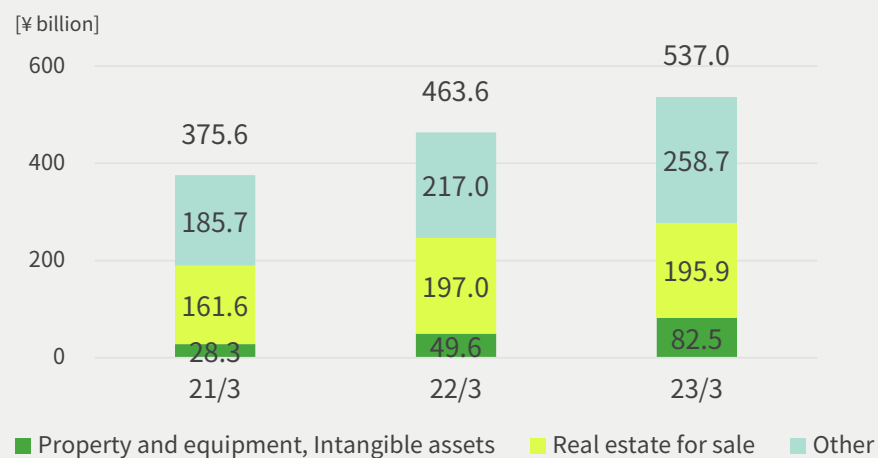
## 〈Asset breakdown by segment〉



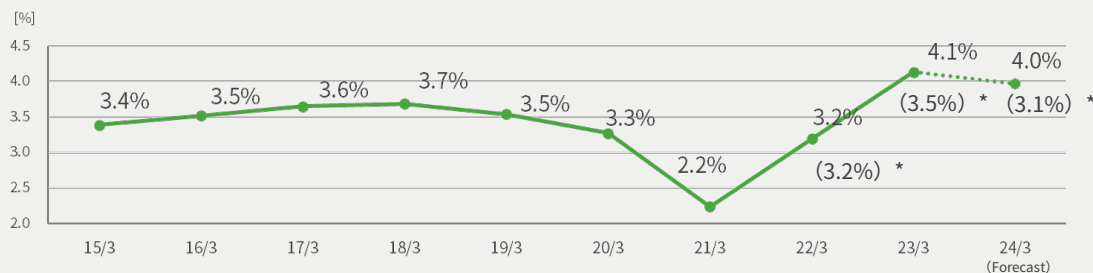
## 〈Breakdown of Urban Development segment〉



## 〈Breakdown of Strategic Investment segment〉



## 〈ROA Trends〉



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

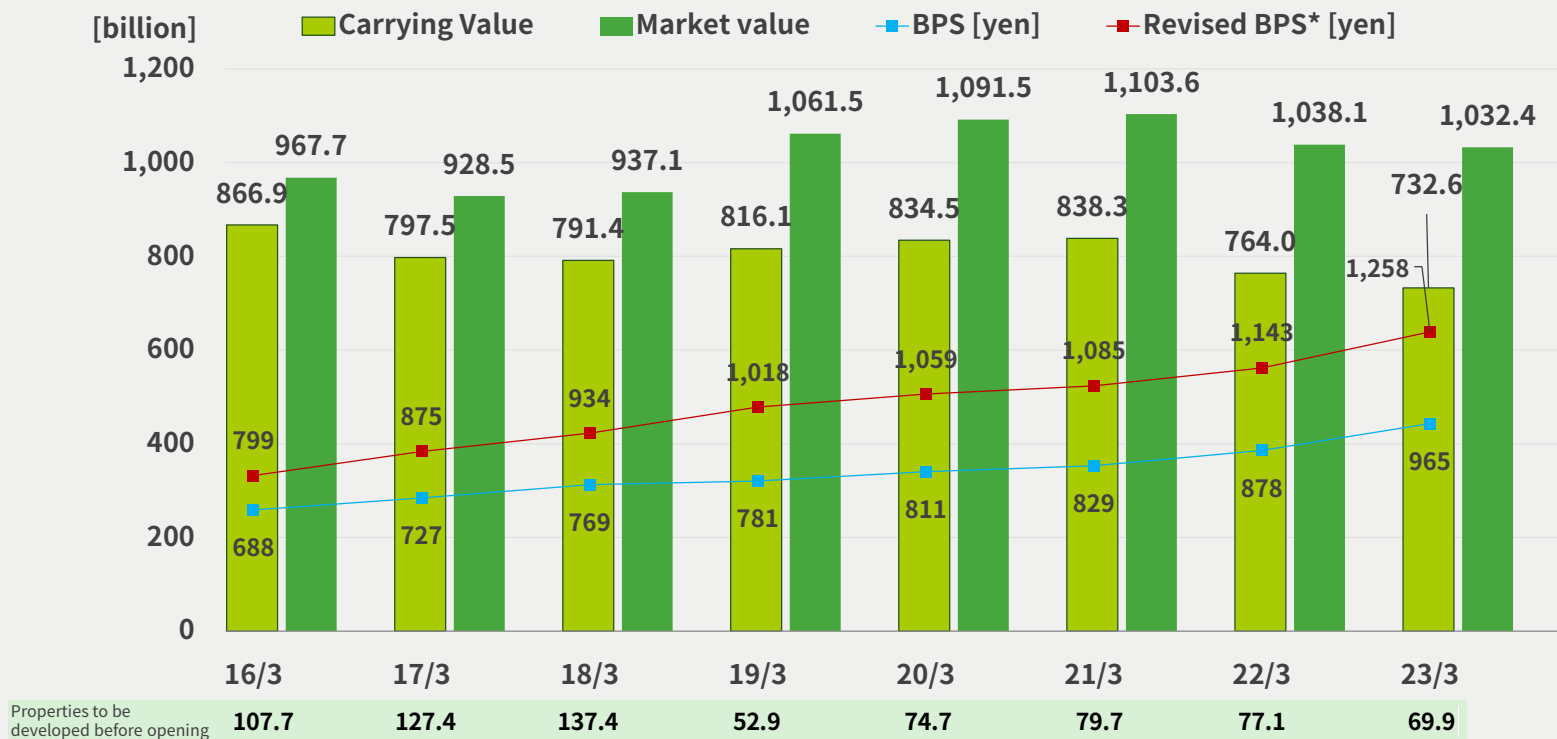
# Market value appraisal for leased properties (As of March 31, 2023)

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%

\* Shibuya Sakura Stage, and others.

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



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



## Summary of Cash flow and Investment plan

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

(¥ billion)	FY2021	FY2022	Main factors for changes
Net cash provided by (used in) operating activities	76.5	94.7	+70.2 billion yen of profit before income taxes +44.5 billion yen of depreciation (29.8) billion yen for deposits received for consignment sales (24.5) billion yen for consignment sales
Net cash provided by (used in) investment activities	(31.8)	(120.1)	(84.6) billion yen for purchase of noncurrent assets (39.6) billion yen for purchase of securities and investment securities
Net cash provided by (used in) financing activities	(81.3)	42.8	+57.6 billion yen of long-term liabilities (13.0) billion yen of dividends paid
cash and cash equivalents at end of period	153.9	170.6	

### Information: investment actuals and plans

(¥ billion)	FY2021**	FY2022**	FY2023 Forecast **
Capital Investment	41.7	79.8	280.0
Real estate for sale (domestic business excluding condominiums)	158.4	145.8	230.0
Land for sale (domestic condominiums)	28.2	73.7	20.0
Equity Investment (domestic business)	18.4	15.2	40.0
Overseas Investment *	18.6	40.0	50.0

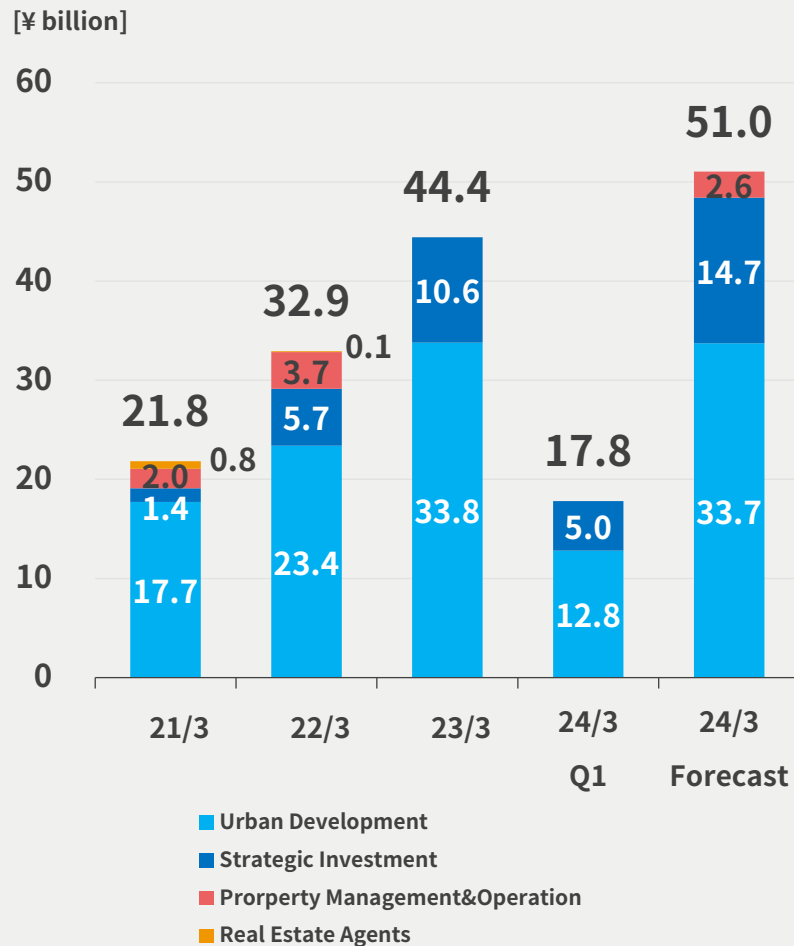
\* Contributions are included

\*\* 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

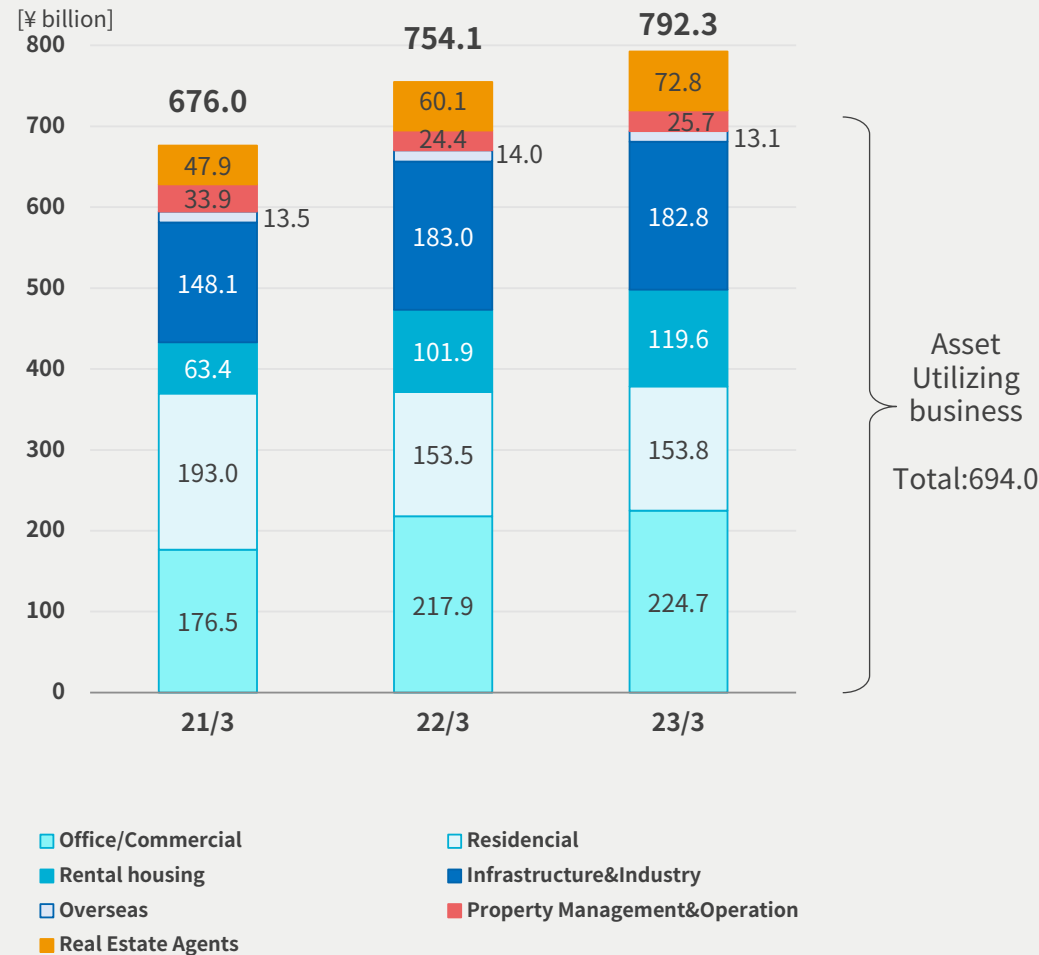
# Gross profit on sales and land and buildings for sale by assets

Promoting efficient asset turnover and profit generation against the backdrop of favorable trading market conditions, approx. 50% of the projected gross profit for the fiscal year ending March 31, 2024, is already sold or under contract.

### 〈Gross Profit from Asset Sales Trends〉



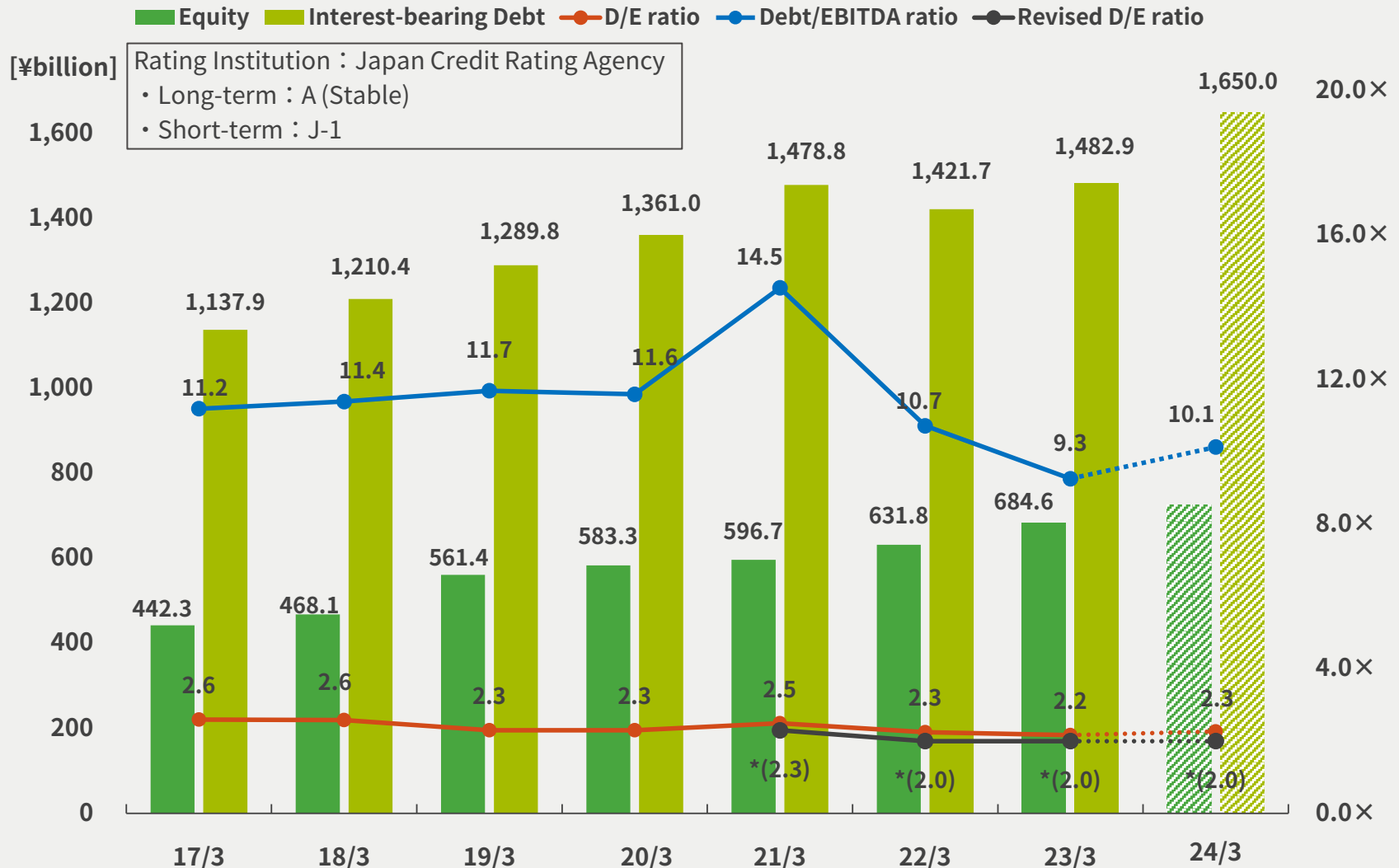
### 〈Land and Buildings for Sale by Asset (As of March 31, 2023)〉



# Financial Condition

Long-term ratio of interest-bearing debt at the end of FY2022 was 95.9%, and the fixed ratio was 95.3%.

Interest-bearing debt at the end of FY2023 is planned to be ¥1,650.0 billion due to the promotion of large-scale projects, etc.



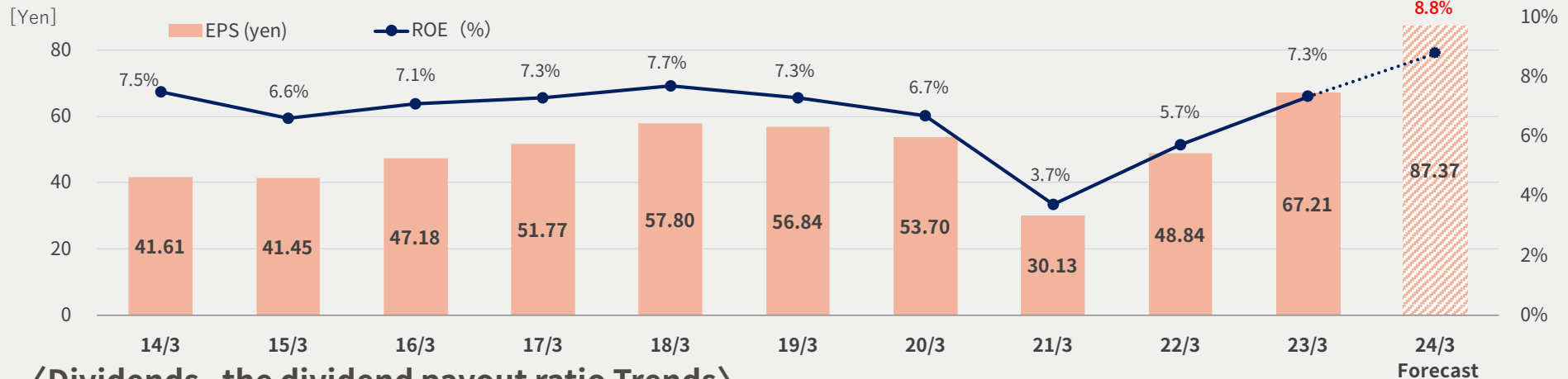
\* Figures in brackets are D/E ratios after consideration for hybrid financing

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

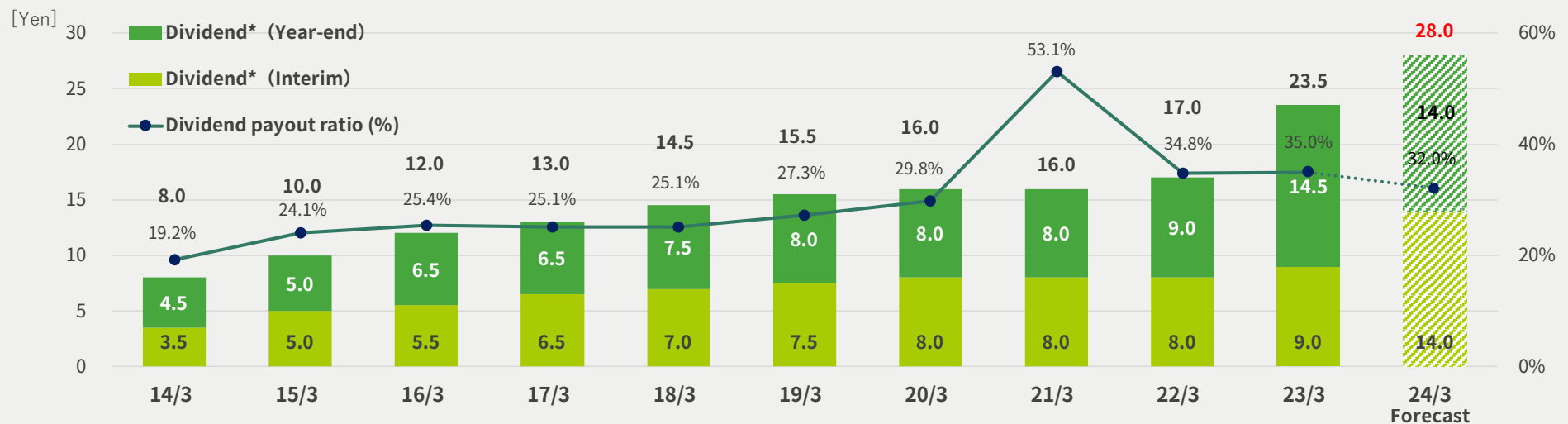
# Shareholder Return

ROE of 8.8% 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 ① FY2023 Q1 (First Three Months)

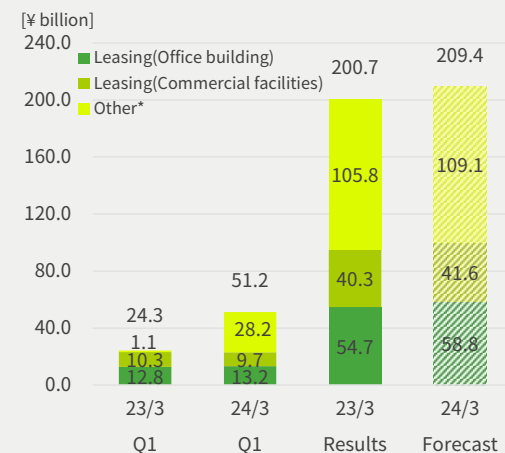
Both revenues and profit increased due to progress in asset sales against the backdrop of a strong trading market

(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	note
<b>Operating revenue</b>	<b>70.0</b>	<b>87.2</b>	<b>17.2</b>	
Urban Development	24.3	51.2	26.8	Newly operated +1.5, Lost revenue for properties sold (1.5), Existing facilities (0.2)
(the sale)	-	26.7	26.7	Sales of assets +26.7
Residential	45.7	36.1	(9.7)	No. of units sold (321)[167]units
(the sale)	6.9	23.0	16.1	Sales of assets +16.1
<b>Operating profit</b>	<b>11.2</b>	<b>17.4</b>	<b>6.2</b>	
Urban Development*	5.6	13.3	7.7	Lost profit for properties sold (0.3)
(the sale)	-	8.3	8.3	Sales of assets +8.3
Residential*	5.7	4.2	(1.5)	Decrease in the number of units recorded
(the sale)	0.7	4.5	3.8	Sales of assets +3.8

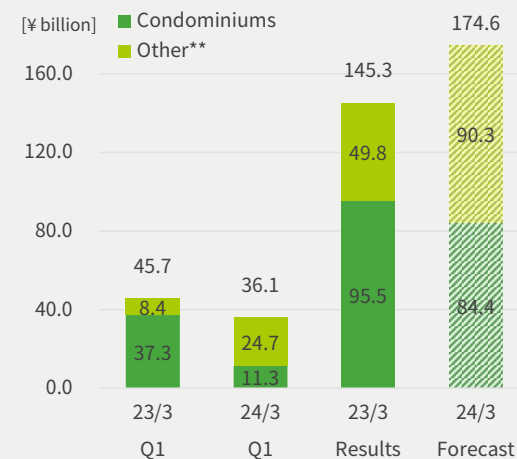
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
<b>Operating revenue</b>	<b>346.1</b>	<b>384.0</b>	<b>37.9</b>	
Urban Development	200.7	209.4	8.7	Newly operated +6.7, Lost revenue for properties sold (2.3), Existing facilities+1.2
(the sale)	98.2	100.9	2.7	Sales of assets +2.7
Residential	145.3	174.6	29.3	No. of units sold (151)[1,218]units
(the sale)	44.3	84.4	40.0	Sales of assets +40.0
<b>Operating profit</b>	<b>58.6</b>	<b>52.7</b>	<b>(5.9)</b>	
Urban Development*	47.6	37.9	(9.6)	Lost profit for properties sold (1.1)
(the sale)	28.4	21.9	(6.5)	Sales of assets (6.5)
Residential*	11.1	14.8	3.7	Decrease in the number of units recorded
(the sale)	5.4	11.8	6.4	Sales of assets +6.4

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

## Breakdown of revenues in Urban Development



## Breakdown of revenues in Residential business

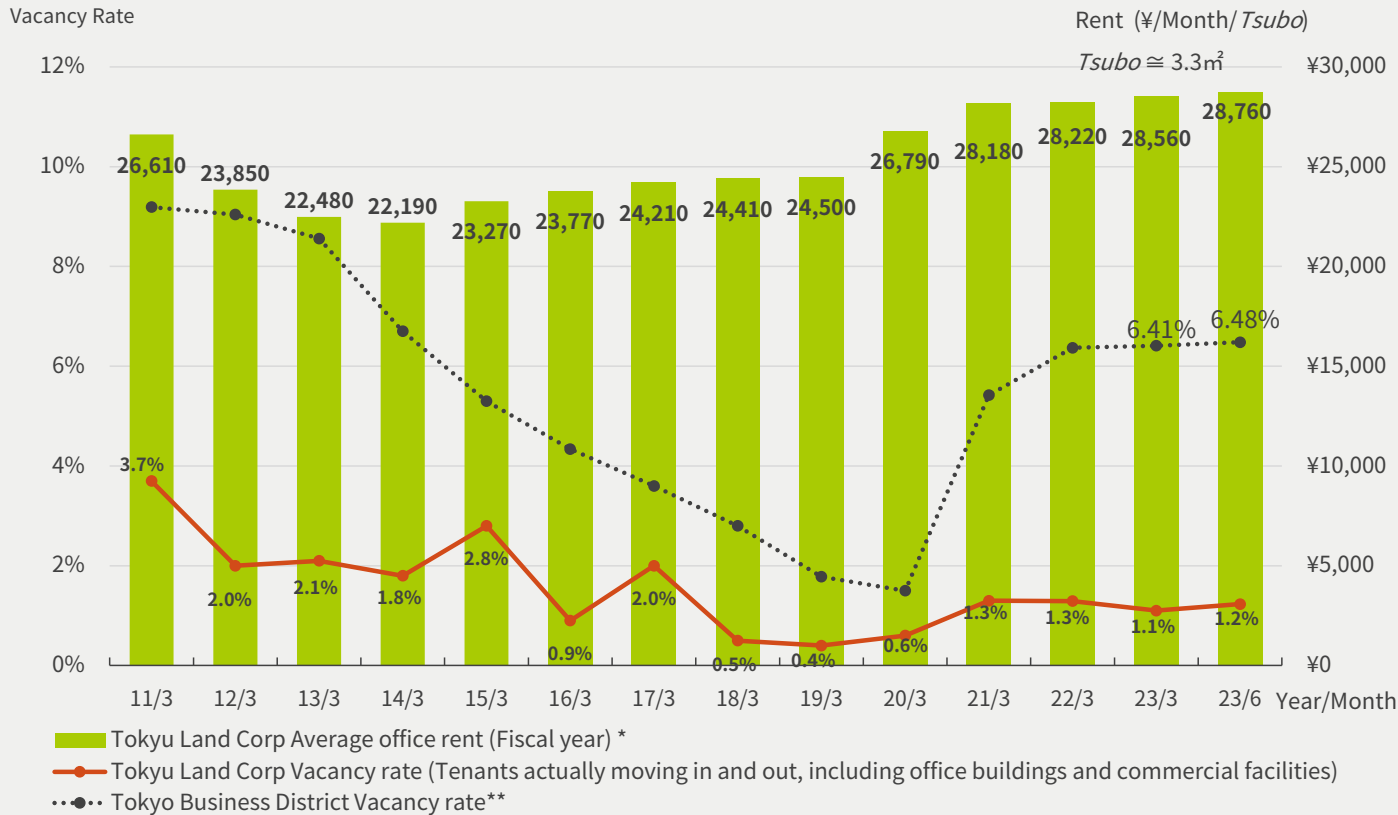


\* Excluding lease in office and commercial facility business

\*\* Excluding condominiums in residential business

# Urban Development ② Vacancy Rate and Rent trends and Portfolio Characteristics

As of June 30, 2023, Vacancy rate 1.2 % Average office rent 28,760 yen (Month/Tsubo)  
 Vacancy rate remains low (Office buildings and Commercial facilities)

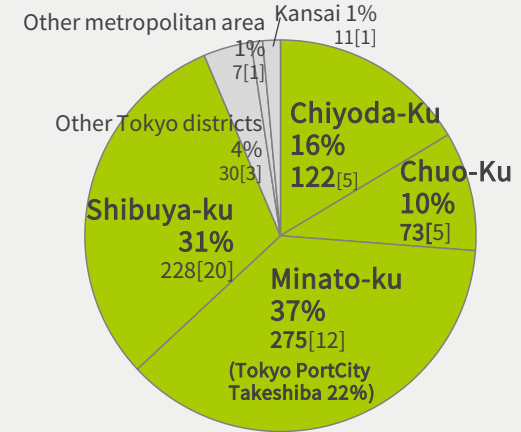


\* The average office rents of the Company presented include common area service expenses.

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

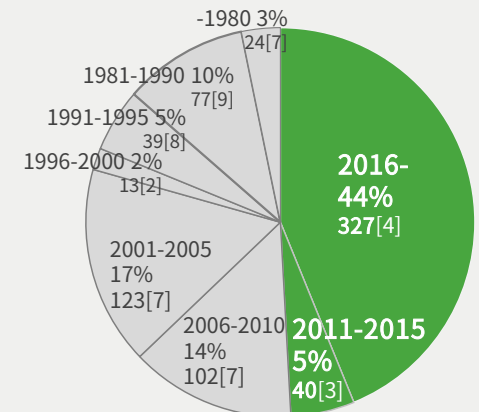
## <Office Area>

Metropolitan 4districts  
 698 thousandm<sup>2</sup> (94%)  
 42buildings



## <Office Completed year>

After 2011  
 367 thousand m<sup>2</sup> (49%)  
 7buildings





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



**Tokyo PortCity Takeshiba**  
Minato-ku  
Office/Commercial/Housing  
Floor space : 201  
(Scheduled to open)



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



**COCONO SUSUKINO**  
(Sapporo Susukino Ekimae Complex Redevelopment Project)  
Sapporo, Hokkaido  
Hotel/Commercial/Cinema, etc.  
Floor space : 53  
Scheduled to open in Autumn in 2023

[Other projects]



**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.  
Scheduled for completion in FY2029

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

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

FY2022 or Before

FY2023

FY2024

FY2025 or Later



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



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



**Forestgate Daikanyama (Daikanyamacho Project)**  
Shibuya-ku  
Housing/Commercial/Office  
Floor space : 21  
Scheduled for completion in October 2023



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



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

Floor space : thousand ㎡

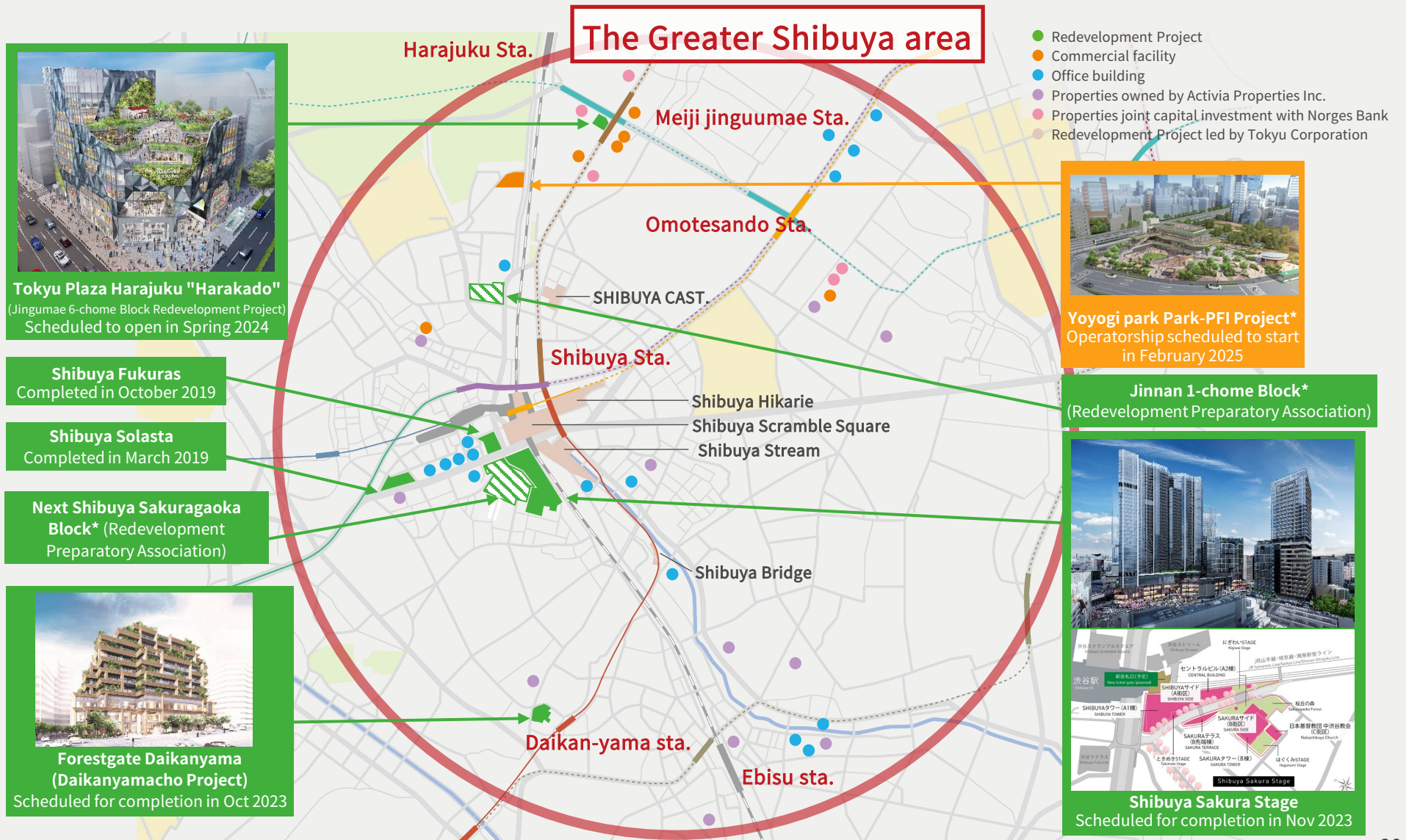
Projects in the Greater Shibuya area

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



# Urban Development ④ Major projects (the Greater Shibuya area)

Several projects are ongoing in the Greater Shibuya area



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

**Shibuya Fukuras**  
Completed in October 2019

**Shibuya Solasta**  
Completed in March 2019

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

**Forestgate Daikanyama (Daikanyamacho Project)**  
Scheduled for completion in Oct 2023

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

**Jinnan 1-chome Block\***  
(Redevelopment Preparatory Association)

**Shibuya Sakura Stage**  
Scheduled for completion in Nov 2023

\* tentative name

# Urban Development ⑤ Major project ~Shibuya Sakura Stage~

Combined facility for *work, living, and play* is scheduled for completion for November 2023, and will open sequentially thereafter

## Shibuya Sakura Stage



### ◆Office

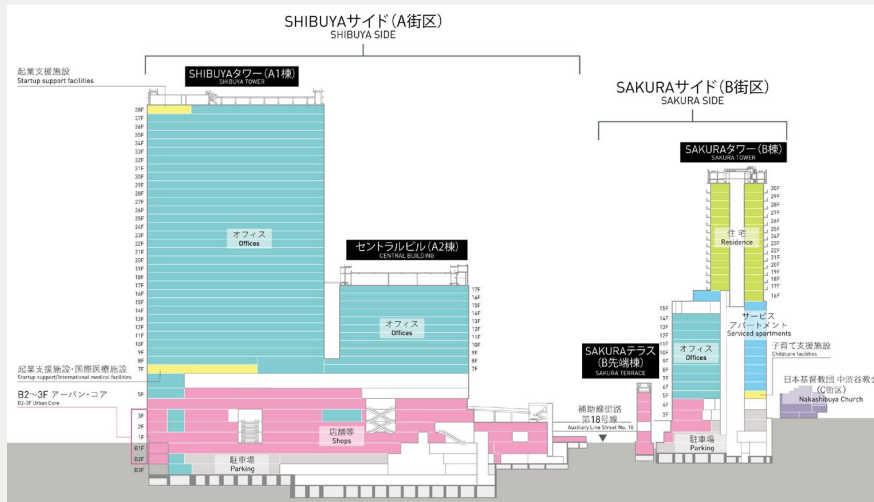


Advanced office floor

### ◆Commercial Facility



Commercial facilities to create culture



### ◆Residence



「BRANZ Shibuya Sakuragaoka」

### ◆Extended stay hotel



「Hyatt House Tokyo Shibuya」



# Urban Development ⑥ Condominium index

As of the first quarter of the FY2023, the contract securing rate has progressed to 87% of the forecast

Accounting year	FY2021	FY2022	FY2023 Forecast
No. of units sold	2,194	1,369	1,218 (Q1 : 167)
Average price per unit (million yen)	64	70	69 (Q1 : 68)
Contract obtaining rate (Beginning-of-year→1Q→2Q→3Q)	54%→68%→89%→101%	58%→79%→90%→102%	82%→87%
Year-end inventory of completed units*	661	200	Q1 : 199
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 Q1 : 4.3 billion yen (253 units)

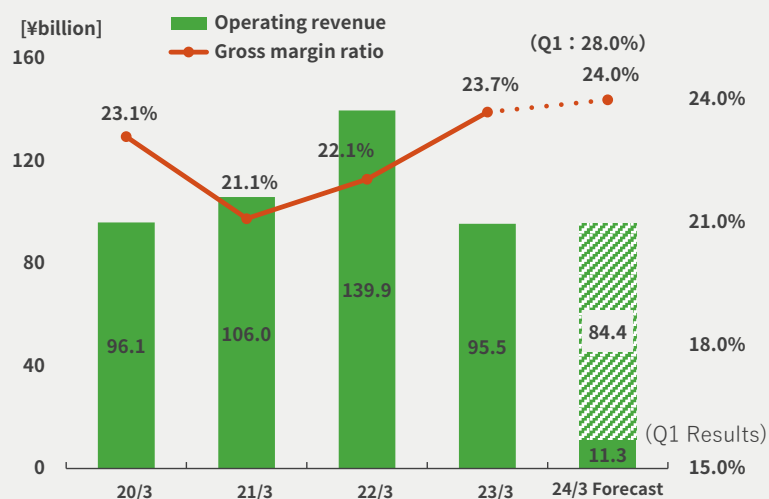
## Major upcoming projects

Delivery begins	Name	Units*
FY2024	The Tower Jyujyo	394
	BRANZ Chiyodafujimi	69
	BRANZ Miyakojima	126
FY2025-	Osaka City Kita Ward tower mansion PJ	approx.300
	Toyomi PJ	approx.1,500
	Kitanakadori Kita B-1 PJ	approx.700
	Higashigotanda 2-chome PJ	approx.300
	Sengakuji PJ	approx.200
	Nakano Station Shinkitaguchi PJ	approx.1,000
Shirokane 1-chome PJ	approx.600	

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

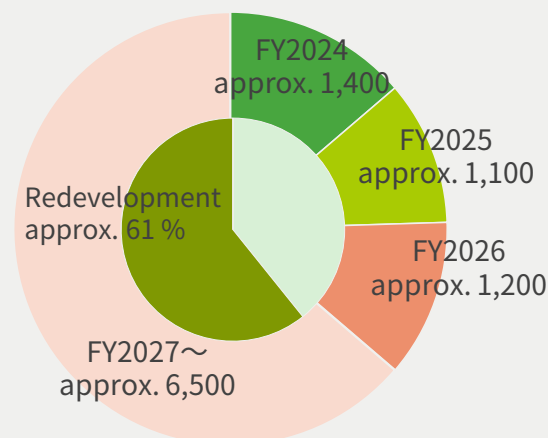
\* Before conversion for ownership share Properties in the plan stage include non-subdivided units

## Trends in condominium sales and gross margin



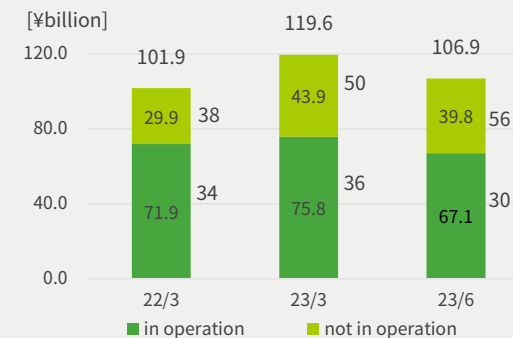
## Land bank of Condominiums to be completed

End of June 2023 approx. 10,200 units  
(After conversion to equity)



## Rental housing pipeline

End of June 2023 106.9 billion yen



\* Total investment of 56 non-operating properties: 152.0 billion yen

# Strategic Investment ① FY2023 Q1 (First Three Months)

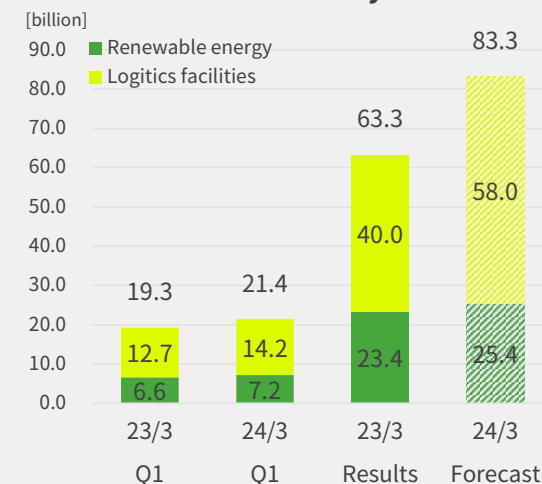
Decrease in net revenues and profit mainly due to the absence of equity sales in overseas businesses

(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	note
<b>Operating revenue</b>	<b>25.0</b>	<b>24.6</b>	<b>(0.5)</b>	
Infrastructure & Industry	19.3	21.4	2.1	Renewable energy in operation+0.5
(the sale)	12.2	13.9	1.7	Sales of assets +1.7
Asset management	2.1	2.4	0.3	
Overseas operations	3.6	0.7	(2.9)	Rebound in EQ sales
<b>Operating profit</b>	<b>8.1</b>	<b>5.4</b>	<b>(2.7)</b>	
Infrastructure & Industry*	5.7	6.7	1.0	
(the sale)	3.2	5.0	1.8	Sales of assets +1.8
Asset management*	1.4	1.7	0.2	
Overseas operations*	1.0	(2.9)	(3.8)	Rebound in EQ sales

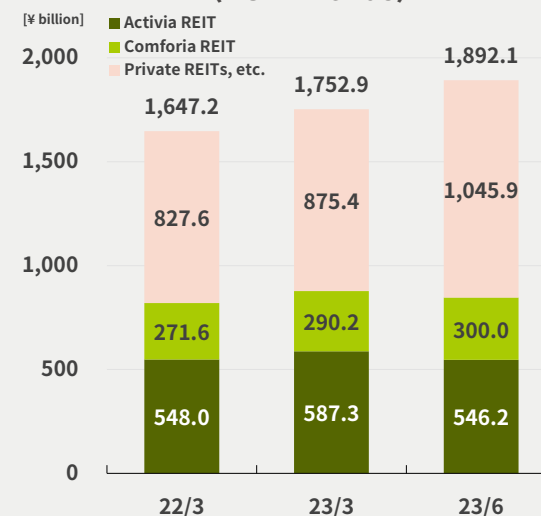
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
<b>Operating revenue</b>	<b>78.8</b>	<b>107.0</b>	<b>28.2</b>	
Infrastructure & Industry	63.3	83.3	20.0	Logistics In operation (1.5),EQ sales (3.9)[-]
(the sale)	34.2	60.0	25.8	Sales of assets +25.8
Asset management	8.9	8.7	(0.2)	
Overseas operations	6.5	15.0	8.5	Increased EQ sales
<b>Operating profit</b>	<b>15.2</b>	<b>16.5</b>	<b>1.3</b>	
Infrastructure & Industry*	16.3	16.5	0.3	EQ sales (3.9)[-]
(the sale)	10.6	14.7	4.1	Sales of assets +4.1
Asset management*	6.1	6.1	0.1	
Overseas operations*	(6.7)	(6.2)	0.5	

\* 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

## Projects acquired (As of June 30, 2023)

Properties in operation: 69 (solar: 62, wind power: 6, biomass: 1)

Projects under development: 17 (solar: 7, wind power: 6, biomass: 4)

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

Investment progress (amount posted in BS) : ¥ 234.9 billion

Rated capacity\*: 1,612MW After conversion to equity : 1,060MW

Generation capacity\*: 3,508 GWh

(Equivalent to the energy used by approx. 739,000 regular households\*\*)

CO<sub>2</sub> emissions reduction\*: Approx. 1,526 t-CO<sub>2</sub>/year\*\*\*

- \* 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")
- \*\*\* CO<sub>2</sub> emission factor "435g-CO<sub>2</sub>/kWh" published by Ministry of the Environment and Ministry of Economy, Trade and Industry is applied.

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



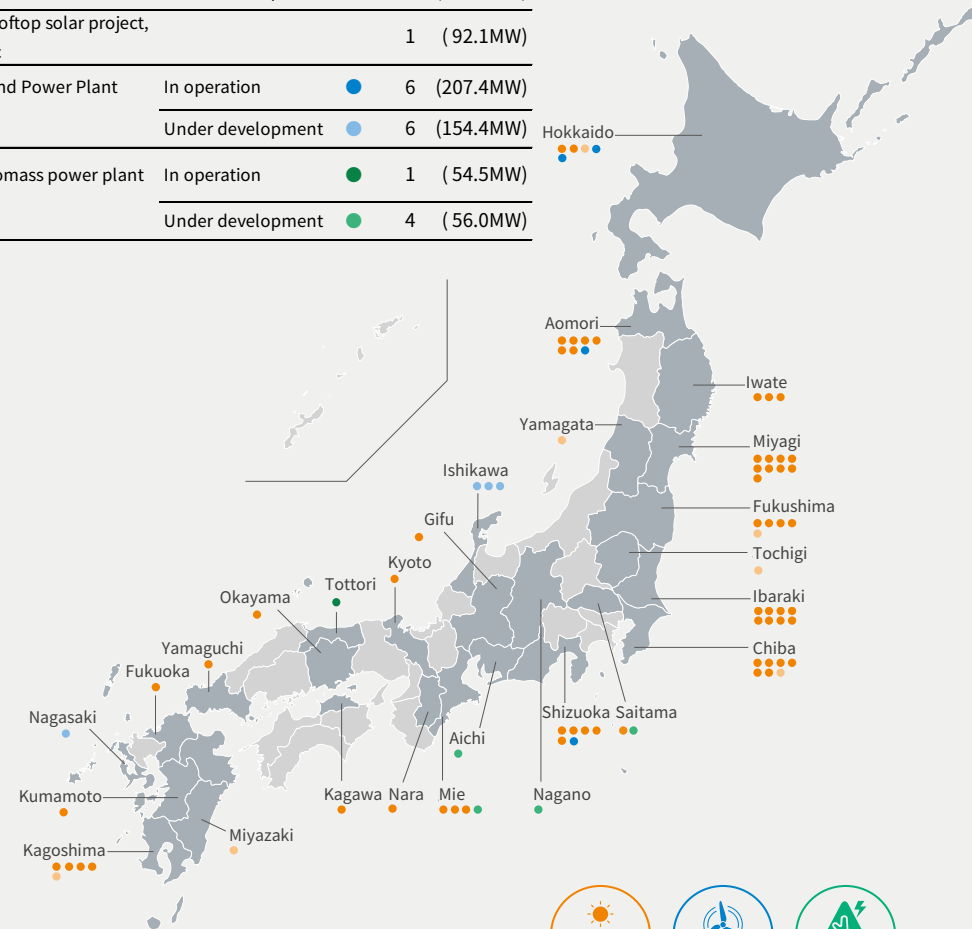
ReENE Matsumae  
Wind Power Plant (Hokkaido)  
Rated capacity: 41MW  
(Operation started in FY2019)



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

## Portfolio

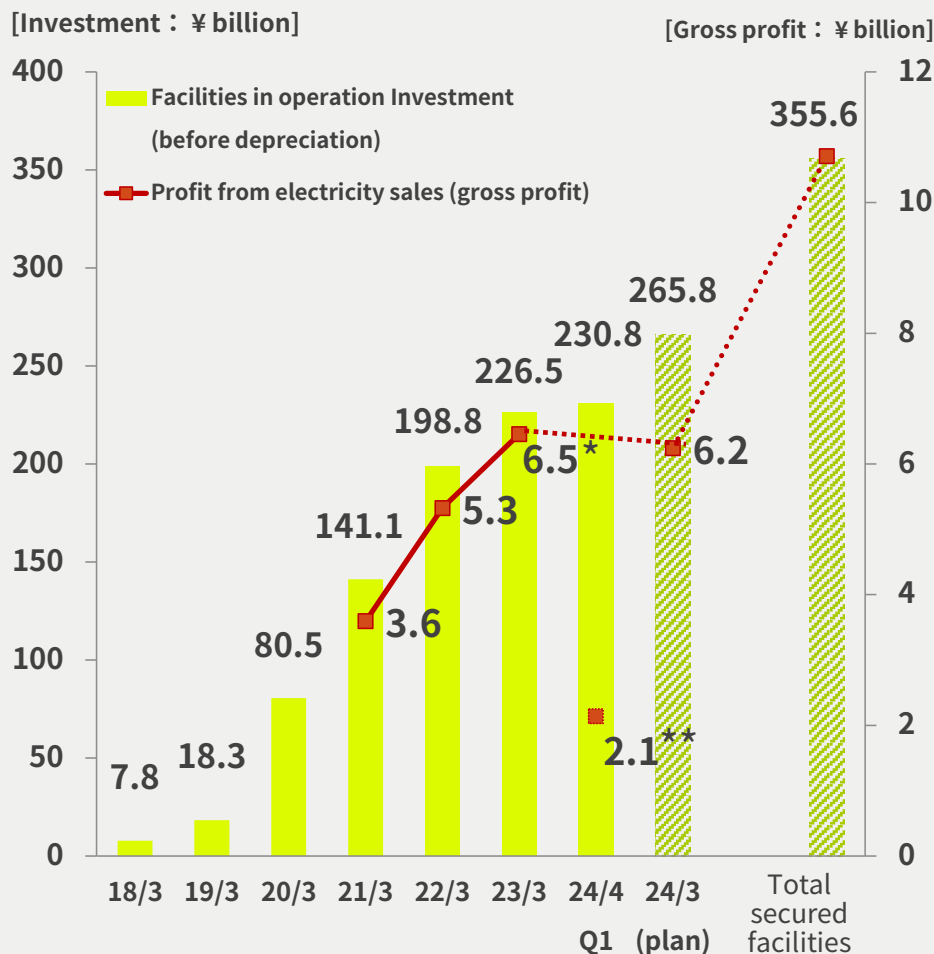
Solar Power Plant	In operation	● 62	(911.8MW)
	Under development	● 7	(136.1MW)
Rooftop solar project, etc		1	(92.1MW)
Wind Power Plant	In operation	● 6	(207.4MW)
	Under development	● 6	(154.4MW)
Biomass power plant	In operation	● 1	(54.5MW)
	Under development	● 4	(56.0MW)



## Strategic Investment ③ Expansion of renewable energy business

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

### Investment amounts and profit from electricity sales



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

\*\* Profit from electricity sales (before depreciation) FY2023 Q1 : 4.5 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 FIP system.
- **Expansion of Business Domain**  
 Verify new business models such as PPA models that sell electricity directly to customers and solar sharing that utilizes farmland.

Steady progress in securing projects while increasing asset turnover

## Projects acquired (As of June 30, 2023)

Properties in operation: 4  
Projects under development: 17

Investment progress (amount posted in BS)  
: ¥ 66.0 billion

## Major projects

### LOGI'Q Minamisunamachi

Floor space: 16 thousand m<sup>2</sup>  
6 stories above ground  
Completed in June 2022



### LOGI'Q Ebinaminami

Floor space: 14 thousand m<sup>2</sup>  
4 stories above ground  
Scheduled for completion in June 2023

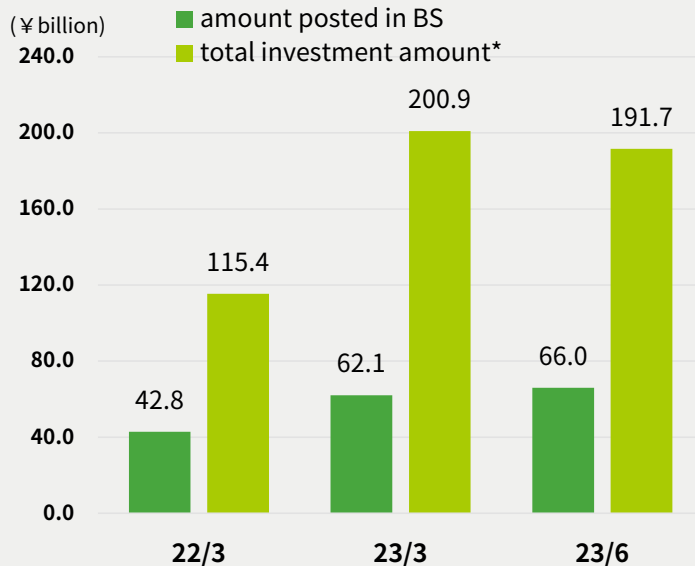


### LOGI'Q Minami Ibaraki

Floor space: 162 thousand m<sup>2</sup>  
4 stories above ground  
Scheduled for completion in FY 2023



〈Amount posted in BS • Total investment amount Trends〉



\*Total investment in unconsolidated deals after conversion to equity

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

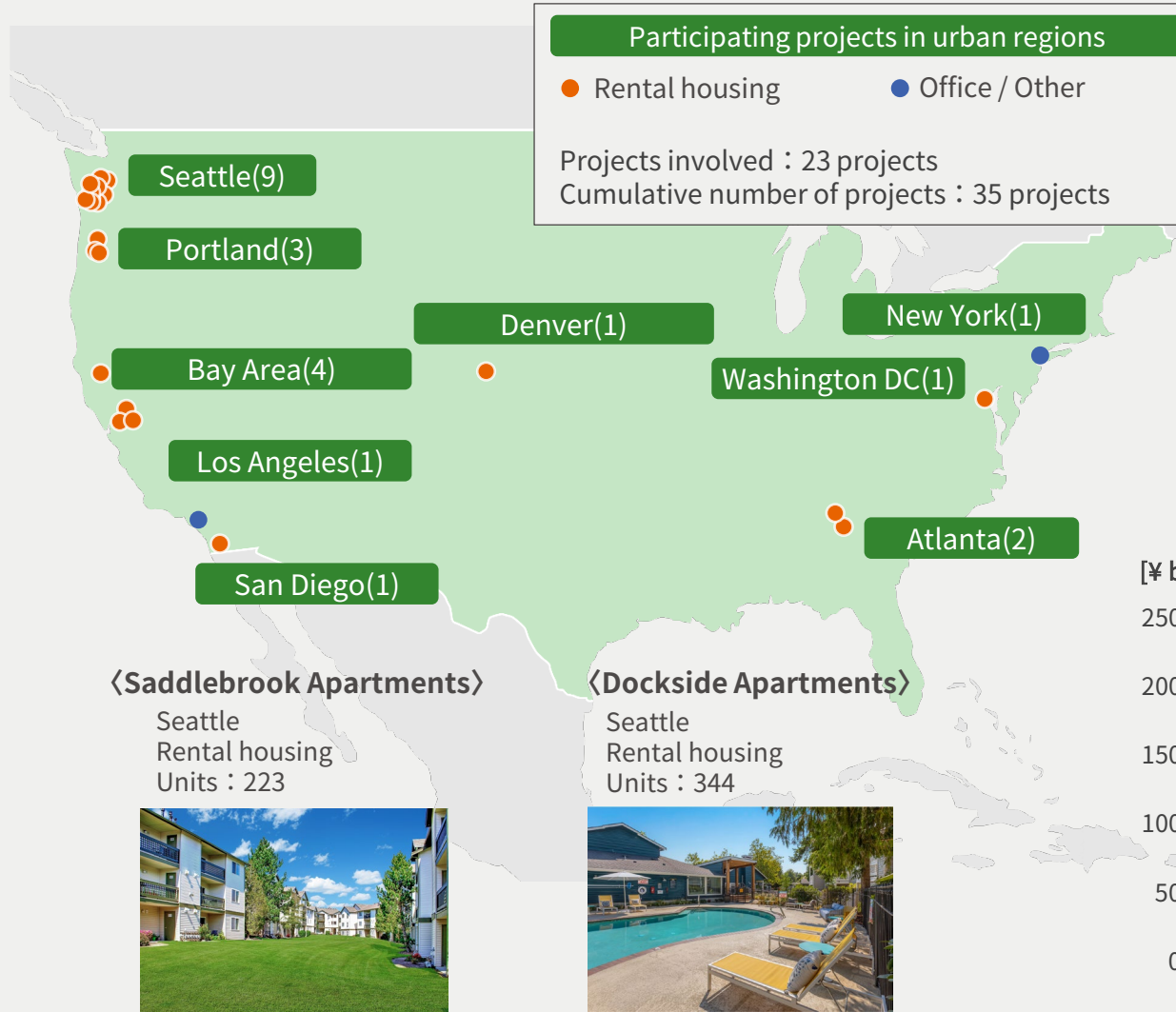
Providing future-ready refrigerated/freezer compartments, low-floor compartments, high quality public areas, etc., to secure tenants' employment and reduce their initial investment.



# Strategic Investment ⑤ Overseas operations

23 projects are in progress in the United States

## U.S. Portfolio

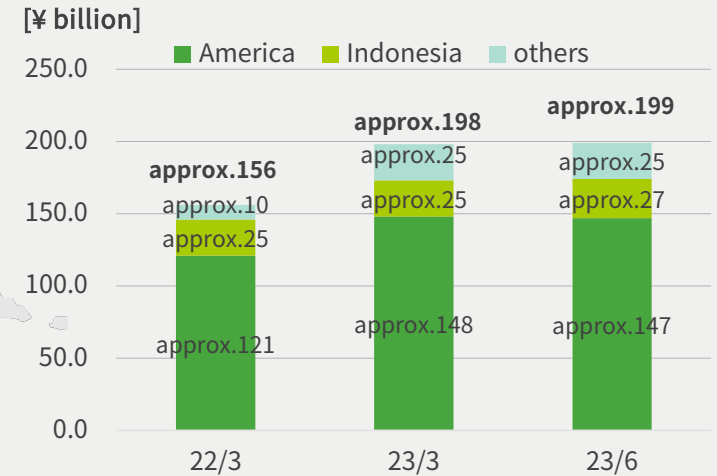


## 425 Park Avenue

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



## <Balance by Overseas Business Area>





# Property Management & Operation ① FY2023 Q1 (First Three Months)

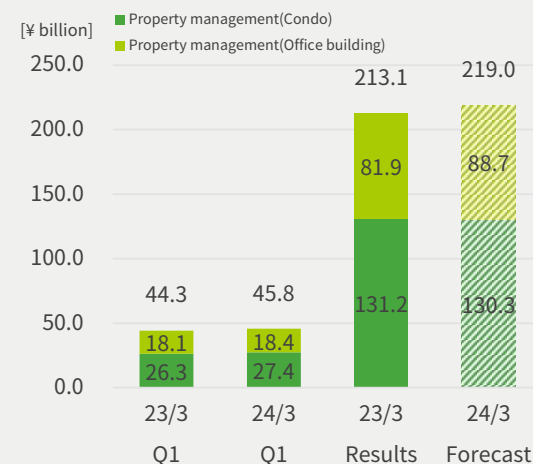
Sales and profit increased due to recovery in demand centered on the hotel business.

(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	note
<b>Operating revenue</b>	<b>70.0</b>	<b>76.7</b>	<b>6.7</b>	
Property management	44.3	45.8	1.4	Management +0.4, Construction +0.7, Leasing conference rooms +0.4
Wellness	22.5	28.6	6.1	Hotel +3.9, Health care +0.8
(the sale)	-	-	-	
Environmental greening, etc.	3.1	2.4	(0.8)	
<b>Operating profit</b>	<b>(1.0)</b>	<b>2.7</b>	<b>3.7</b>	
Property management*	0.7	1.0	0.3	
Wellness*	(1.9)	1.7	3.6	Hotel +1.9, Health care +0.6
(the sale)	-	-	-	
Environmental greening, etc.*	0.2	(0.1)	(0.3)	

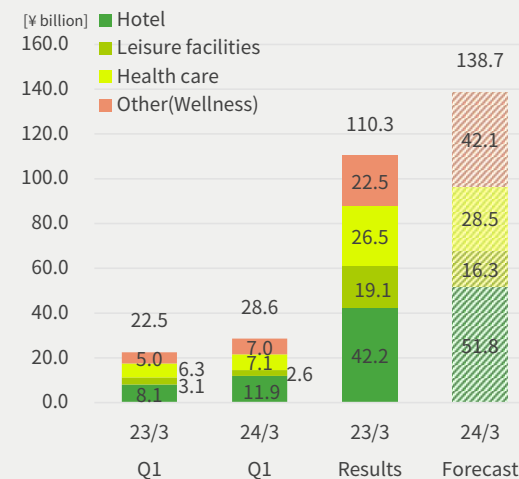
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
<b>Operating revenue</b>	<b>337.1</b>	<b>371.0</b>	<b>33.9</b>	
Property management	213.1	219.0	5.9	Management +1.1, Construction +4.1, Leasing conference rooms +0.8
Wellness	110.3	138.7	28.4	Hotel +9.5, Health care +2.0
(the sale)	-	11.2	11.2	Sales of assets +11.2
Environmental greening, etc.	13.7	13.3	(0.4)	
<b>Operating profit</b>	<b>12.3</b>	<b>17.2</b>	<b>4.9</b>	
Property management*	10.1	10.7	0.5	
Wellness*	1.2	6.6	5.4	Hotel +2.4
(the sale)	-	2.6	2.6	Sales of assets +2.6
Environmental greening, etc.*	0.7	(0.0)	(0.7)	

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

## 〈Breakdown of revenues in Property management business〉



## 〈Breakdown of revenues in Wellness business〉



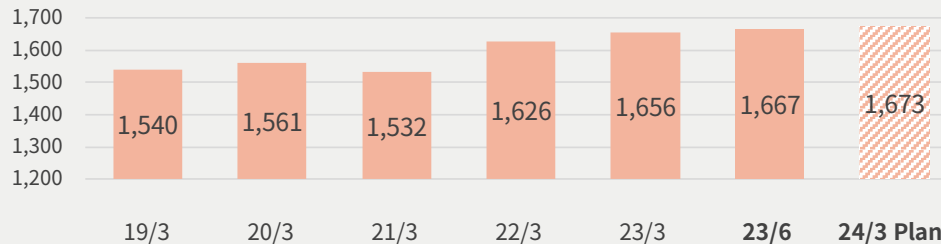
# Property Management & Operation ② Stock of properties

## Condominium Management Stock Trends



Total units	831,684	829,533	839,891	831,603	867,891	871,551	865,865
(Change from the end of preceding fiscal year)	+ 9,453	(2,151)	+ 10,358	(8,288)	+ 36,288	+ 3,660	(2,026)

## Buildings and other facilities Management Stock Trends



Number of projects	1,540	1,561	1,532	1,626	1,656	1,667	1,673
(Change from the end of preceding fiscal year)	+ 40	+ 21	(29)	+ 94	+ 30	+ 11	+ 17

## Major properties under management



©H.N.F.

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

Tokyu Stay's RevPAR exceeds to pre-Covid-19 levels in the last December thanks to domestic demand and inbound demand due to deregulation



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



**Tokyu Harvest Club VIALA Karuizawa Retreat**  
Membership resort hotel  
Open in October 2023 (plan)



**Grancreeer Tsunashima**  
Senior housing  
Open in November 2023 (plan)



**STORYLINE Senagajima**  
Hotel Condominium  
Complete in January 2024 (plan)

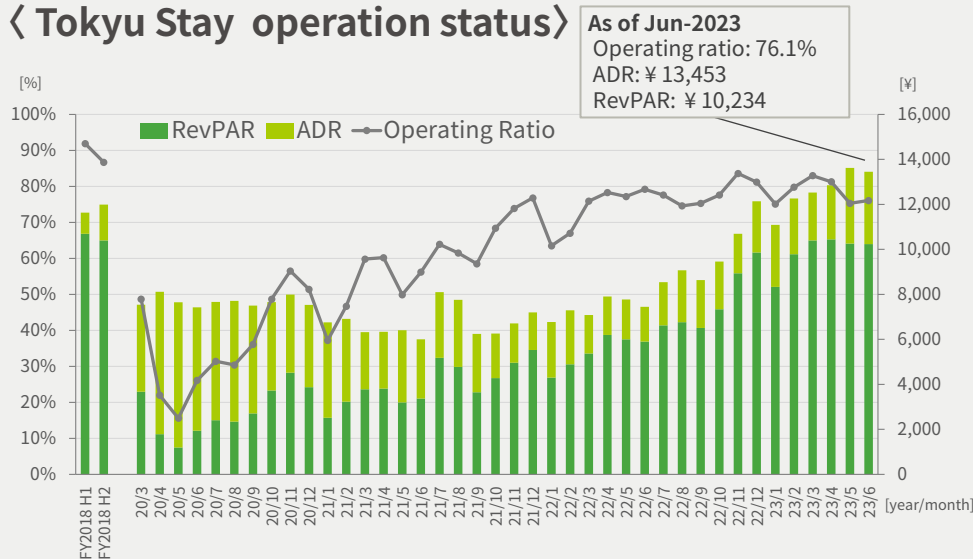
(Scheduled to open)

FY2022 or Before

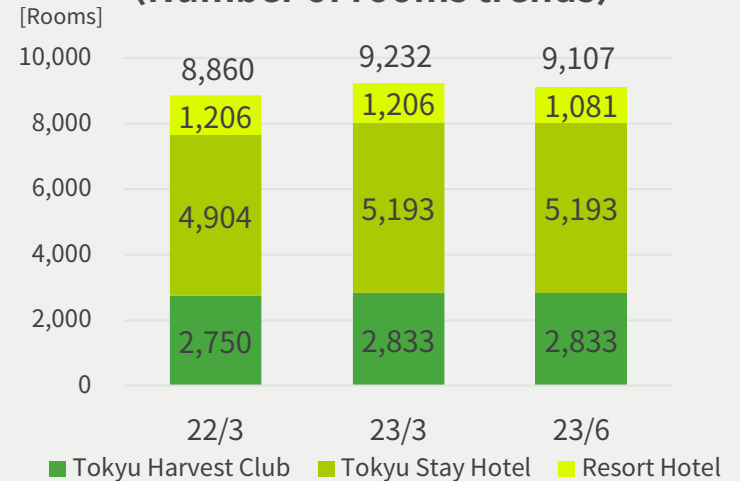
FY2023

FY2024 or Later

## < Tokyu Stay operation status >



## < Number of rooms trends >



# Real Estate Agents ① FY2023 Q1 (First Three Months)

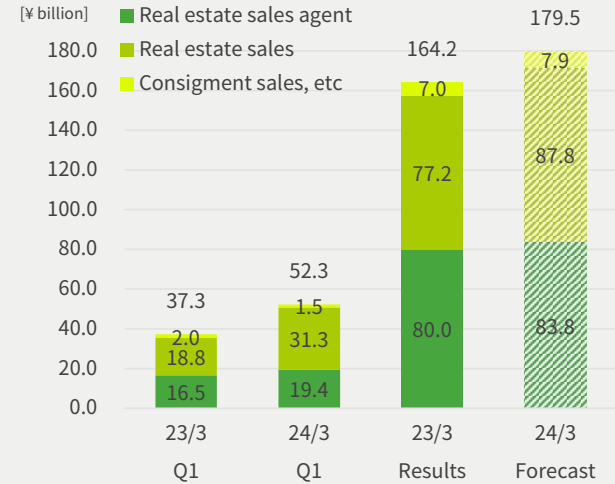
Both sales and income increased due to an increase in the number of brokerage transactions and a rise in average transaction prices, capturing the active real estate distribution market.

(¥ billion)	FY2022 Q1	FY2023 Q1	Comparison	note
<b>Operating revenue</b>	<b>59.4</b>	<b>75.6</b>	<b>16.2</b>	
Real Estate Agents	37.3	52.3	15.0	Retail +1.3, Wholesale +1.6, Real estate sales +12.6
Rental housing service	22.2	23.4	1.2	
<b>Operating profit</b>	<b>8.6</b>	<b>11.3</b>	<b>2.7</b>	
Real Estate Agents*	7.2	9.7	2.5	
Rental housing service*	1.5	1.7	0.1	

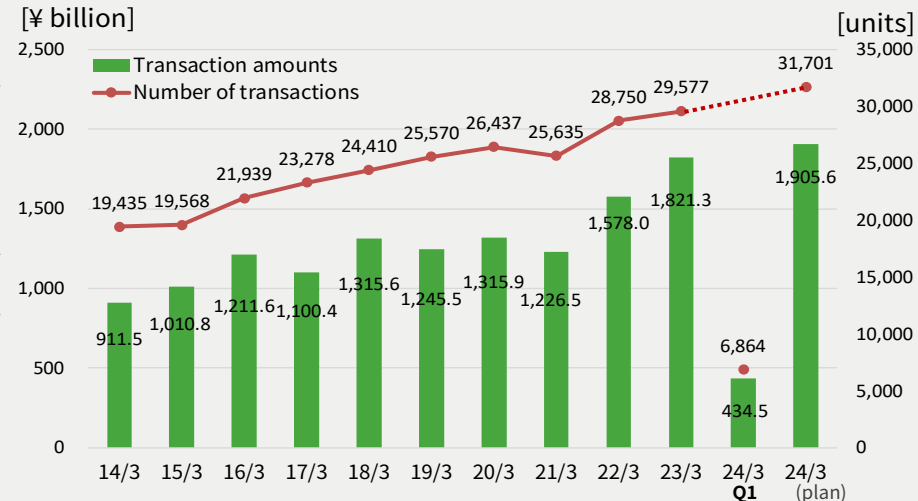
(¥ billion)	FY2022	FY2023 Forecast	Comparison	note
<b>Operating revenue</b>	<b>263.0</b>	<b>278.0</b>	<b>15.0</b>	
Real Estate Agents	164.2	179.5	15.3	Retail +3.3, Wholesale+ 0.4 Real estate sales +10.6
Rental housing service	98.7	98.5	(0.3)	
<b>Operating profit</b>	<b>33.7</b>	<b>34.9</b>	<b>1.2</b>	
Real Estate Agents*	28.2	30.4	2.2	
Rental housing service*	5.1	4.5	(0.6)	

\* 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 Q1		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	6,599 +1.7%	265 +17.3%	6,864 +2.3%
Amount of transactions (billion yen)	312.7 +10.7%	121.8 +39.3%	434.5 +17.5%
Average handling price (million yen)	47 +8.8%	460 +18.8%	63 +14.8%
Commission fee ratio	4.6%	3.5%	4.3%

	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%

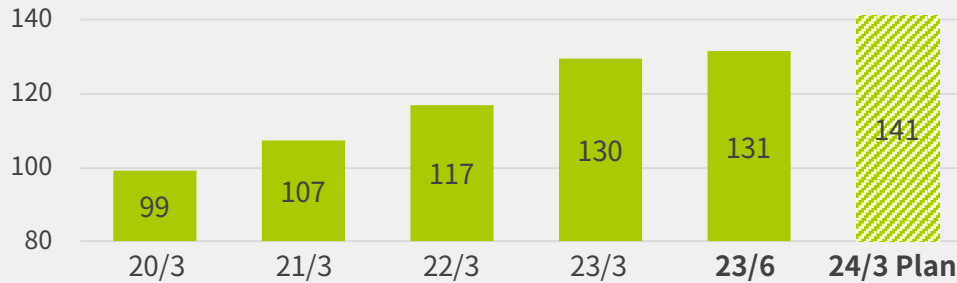
Highlights
<p><input type="checkbox"/> <b>Retail</b></p> <ul style="list-style-type: none"> <li>Number of brokerage offices: 210 as of March 31, 2023, with plans to open 7 new offices this fiscal year. (4 stores opened in the Q1)</li> <li>No.2 in Real estate brokerage volume ranking for the fiscal year ending March 31, 2023.* *Reference: Weekly Housing, May 29,2023 issued</li> </ul>
<p><input type="checkbox"/> <b>Wholesale</b></p> <p>The amount of transactions increased from FY2022</p>

	FY2023 (Plan)		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	30,586 +7.4%	1,115 +1.0%	31,701 +7.2%
Amount of transactions (billion yen)	1,410.1 +7.2%	495.5 (2.1)%	1,905.6 +4.6%
Average handling price (million yen)	46 (0.2)%	444 (3.0)%	60 (2.4)%
Commission fee ratio	4.7%	3.1%	4.3%



# Real Estate Agents ③ Changes in properties under management

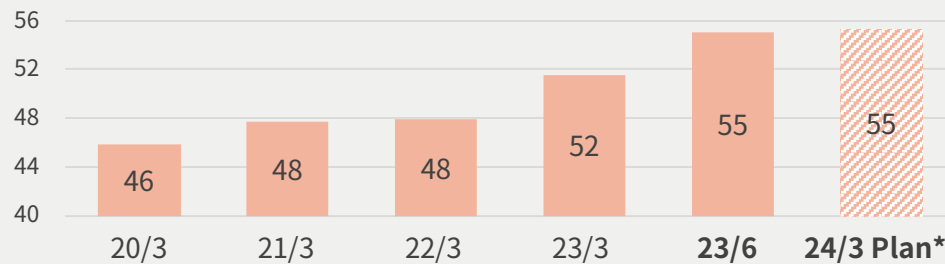
## Rental housing Management Stock Trends



[Units: thousand]  
(Change from the end of preceding fiscal year)

99	107	117	130	131	141
+6	+8	+10	+13	+2	+11

## Student condominiums, etc. Management Stock Trends



[Units: thousand]  
(Change from the end of preceding fiscal year)

46	48	48	52	55	55
+2	+2	+0	+4	+4	+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 residence units: 182)

# Partner co-creation initiatives

# Partner co-creation 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.

JR東日本グループ



TOKYU FUDOSAN HOLDINGS

Residential business, etc.



Renewable energy business



\*The above photos are for illustrative purposes only.

## Collaboration with Massachusetts Institute of Technology (MIT) (June 2023)

Collaboration with MIT to make the Greater Shibuya Area, where IT ventures are concentrated, into a world-class startup cluster. Promoting the creation of an innovation ecosystem by joining the industry-academia collaboration program.



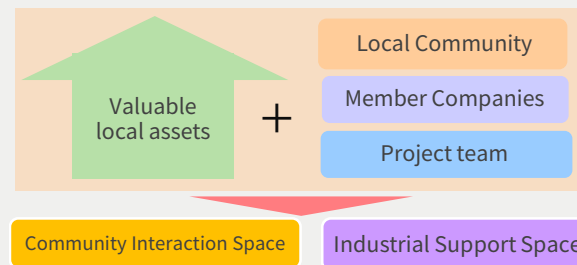
Shibuya, where diverse people gather



MIT's campus in Cambridge

## 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 "TENOA Noshiro" and "TENOA Oga" there as a participatory community symbiosis project. Working with local residents and partners to support local lifestyles and industries











# Sustainability and DX Initiatives

# Materiality and KPI

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

Themes to work on (Materialities)	Target indicators	FY2022 Result	FY2025 Targets	(FYI) FY2030 Targets
 <p>Lifestyle</p>	<p>Create a variety of lifestyles</p> <ul style="list-style-type: none"> <li>• Customer satisfaction level*</li> <li>• Products and services that contribute to Lifestyles Creation 3.0</li> </ul>	<p>94%</p> <p>Total 35 cases**** (FY2022 15cases)</p>	<p>90% or more</p> <p>50cases or more (10/year)</p>	<p>90% or more</p> <p>100cases or more (10/year)</p>
 <p>Liveable City</p>	<p>Create communities and lifestyles that encourage well-being</p> <ul style="list-style-type: none"> <li>• Measures to revitalize communities</li> <li>• Strengthening buildings safety and security**</li> </ul>	<p>Total 38cases**** (FY2022 17cases)</p> <p>100%</p>	<p>50cases or more (10/year)</p> <p>100%</p>	<p>100cases or more (10/year)</p> <p>100%</p>
 <p>Environment</p>	<p>Create a sustainable environment</p> <ul style="list-style-type: none"> <li>• CO2 emissions (compared with FY2019)</li> <li>• Environmental efforts through business</li> </ul>	<p>Scope1,2 : -50.6% Scope3 : -10.9%</p> <p>Total 36cases**** (FY 2022 14cases)</p>	<p>Scope1,2 : -50% or more Scope3 : Reduction through cooperation with construction companies, etc.</p> <p>50cases or more (10/year)</p>	<p>-46.2% (SBT certification)</p> <p>100cases or more (10/year)</p>
 <p>DX</p>	<p>Create value in the digital era</p> <ul style="list-style-type: none"> <li>• Number of initiatives for digital utilization</li> <li>• Acquisition of IT passport***</li> </ul>	<p>Total 43cases**** (FY2022 13cases)</p> <p>71%</p>	<p>50cases or more (10/year)</p> <p>80% or more</p>	<p>100cases or more (10/year)</p> <p>100%</p>
 <p>Human Capital</p>	<p>Create an organizational climate under which diverse human capital is enlivened</p> <ul style="list-style-type: none"> <li>• Ensuring of diversity in the core human capital (ratio of female managers)</li> <li>• Ratio of childcare leave taken by male employees</li> </ul>	<p>7%</p> <p>65%</p>	<p>9% or more</p> <p>100%</p>	<p>20% or more</p> <p>100%</p>
 <p>Governance</p>	<p>Create governance to accelerate growth</p> <ul style="list-style-type: none"> <li>• Engagement with shareholders and investors</li> <li>• Improvement of effectiveness of the Board of Directions (third party evaluation)</li> </ul>	<p>284cases</p> <p>100%</p>	<p>290 cases or more</p> <p>100%</p>	<p>300 cases or more</p> <p>100%</p>

\* Tokyu Cosmos Members Club Questionnaire survey

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

\*\*\* Tokyu Land Corporation employees

\*\*\*\* Cumulative results since FY2021

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

# Topics (Sustainability)



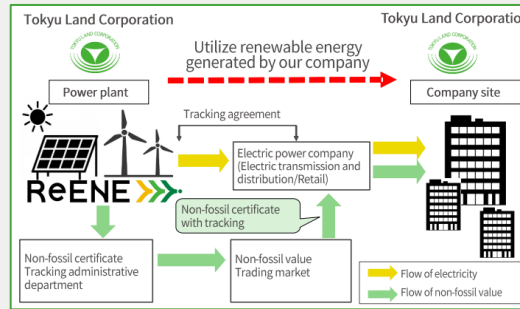
We resolve social issues through our business activities.

**Tokyu Land Corporation has completed the switch to 100% renewable energy sources\*\* for electricity consumption at its offices and owned facilities\*, a requirement for achieving “RE100” target.**

Utilizing non-fossil certificates with tracking from its own renewable energy power plants, as well as direct supply of renewable energy power from non-FIT power plants to its own facilities. The switchover at 244 facilities, including the subject offices, will reduce CO2 emissions by the equivalent of about 80,000 households (156,000 tons per year).



Major properties that have completed the switch to renewable energy (Left: Tokyo Port City Takeshiba, Right: Shibuya Fukuras)



Scheme for utilization of non-fossil certificates derived from own plants



ReENE Shizuoka Kamiyama Solar Power Plant providing electricity directly to our own facilities

\* Excluding projects scheduled for sale or demolition that are not covered by RE100 and certain joint-venture projects for which TLC does not have energy management authority.

\*\* Excludes electricity generated by cogeneration in-house, as there is no domestic green gas market recognized by RE100. Also, carbon neutral gas supplied by Tokyo Gas is adopted for decarbonization.

## Received an “AA” rating from MSCI ESG Ratings



Tokyu Fudosan Holdings Corporation received an “AA” rating from “MSCI ESG Ratings,” which rates companies around the world based on their ESG initiatives and information disclosure.



“AA” is the second highest rating, following “AAA,” and is given to ESG initiatives that have been focused on, and strategies and business activities based on the company-wide policy of environmental management and DX.

## Local government partners recognized for decarbonization efforts



Utilizing the Company's expertise in urban development and renewable energy projects to encourage local governments to decarbonize and create sustainable cities.



※This picture is just a sample.

Selected as a project to install solar power generation equipment by PPA for 53 schools in Yokohama City, aiming to reduce CO2 emissions by approximately 26%.

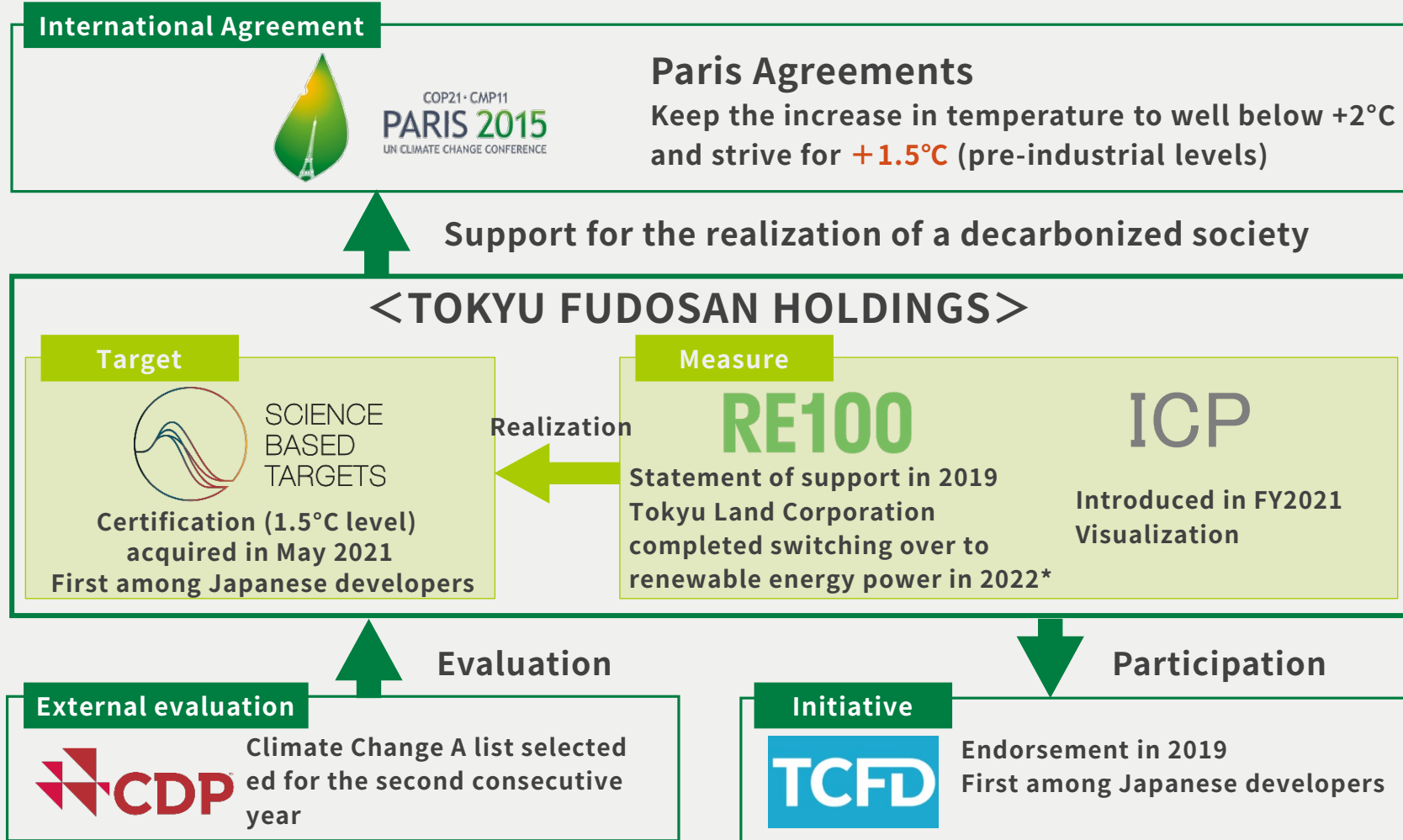


Signed an agreement with Matsumae-cho for the promotion of urban development plans, etc. Joint promotion with them for sustainable urban development, utilizing the Company’s knowledge and network.

# Initiatives to realize a decarbonized society



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



# Initiatives to realize a decarbonized society (SBT)



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

## 〈CO2 emissions reduction targets〉

CO <sub>2</sub> emissions reduction of 46.2% compared with FY2019 to achieve the 1.5°C –aligned SBT in 2030	
Scope 1 and 2 (the Group)	CO <sub>2</sub> emissions reduction of more than 50% in FY2023 (compared with FY2019) Achieve FY2023 target ahead of schedule in FY2022
Scope 3* (Supply chain)	<p>Collaborative initiatives with partners (construction companies, etc.)</p> <ul style="list-style-type: none"> <li>● Accurate understanding of CO<sub>2</sub> emissions during construction and requests for reductions, etc.</li> </ul> <p>Offer customers the value of decarbonization</p> <ul style="list-style-type: none"> <li>● ZEB/ZEH, obtaining environmental certification, offering renewable energy provision, etc.</li> </ul>



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

## 〈Specific initiatives for target realization and KPIs〉

RE100	Switching over to renewable energy in major facilities of TLC in 2022 Utilizing the nation’s top-level power generation capacity	ZEB·ZEH levels*	FY2025 : approx.50% FY2030 : promoting forward 100% In the residential business, the expansion of the target and to move forward (100%) to FY2023.
Environmental Certification*	<ul style="list-style-type: none"> <li>• Promote the goals for large non-residential properties* (FY2025 : 70%、FY2030 : 100%)</li> <li>• Condominiums were added to the target and goal in September. (FY2023 : 100%)</li> </ul> Obtained "low-carbon building" certification for all properties	Introduction of ICP	Introduced in FY2021 “Visualization” at management meetings in FY2022 (Tokyu Land Corporation)

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

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

the GX League participation	Participated in the GX League, an initiative of the Ministry of Economy, Trade and Industry, as Tokyu Fudosan Holdings, Inc.
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# Initiatives to realize a decarbonized society (TCFD)



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

## <Summary>

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

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

## <Disclosure in response to TCFD recommendations>

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

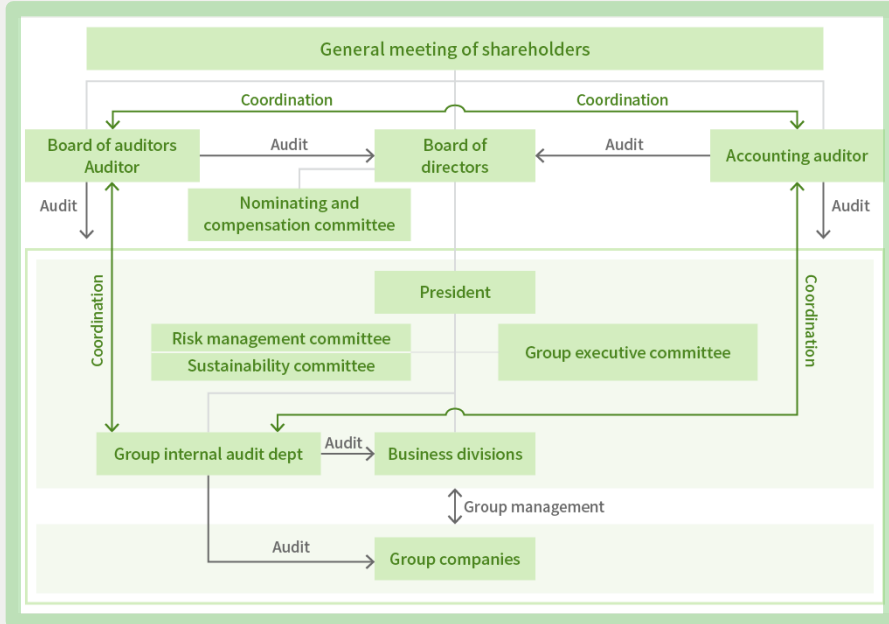
Lean more: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/54>

# Corporate Governance

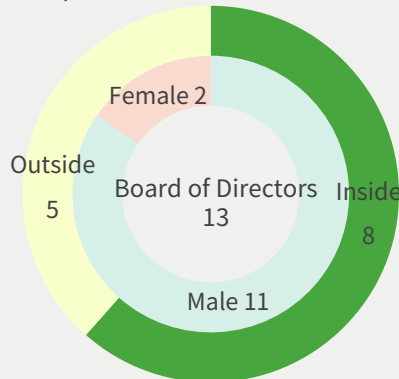


Establish a governance system that contributes to ensuring sound and transparent management and strengthening the system for implementing the long-term management policy

## 〈Corporate Governance Structure〉



〈 Composition of Board of Directors 〉

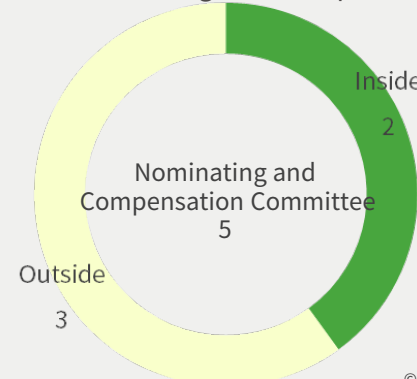


## 〈System of Remuneration for Officers〉

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

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

〈 Composition of Nominating and Compensation Committee 〉














# Sustainable Management (External Evaluation)

Received "AA" in the "MSCI ESG Rating" and was selected as a constituent of the "FTSE4Good Index Series" for a total of 14 consecutive years\*.

● Selected - Not selected / No evaluation

Classification	Index/Evaluation	Description of Evaluation	evaluation					
			2017	2018	2019	2020	2021	2022
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 	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
E (environment)	S&P/JPX Carbon Efficient Index 	Adopted by the GPIF. The weights of the constituents are determined in accordance with their carbon efficiency.	/	●	●	●	●	●
	CDP 	The companies' initiatives related to climate change, decarbonization strategies and performance in line with the TCFD recommendations, are evaluated.	B	A-	A-	A-	A	A
S (society)	MSCI Japan Empowering Women Index 	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	—	—	●	●	●	—

\* Selected for four consecutive years from 2010 to 2013 as Tokyu Land Corporation, and for 10 consecutive years from 2014 to 2023 after the establishment of Tokyu Fudosan Holdings, Inc.

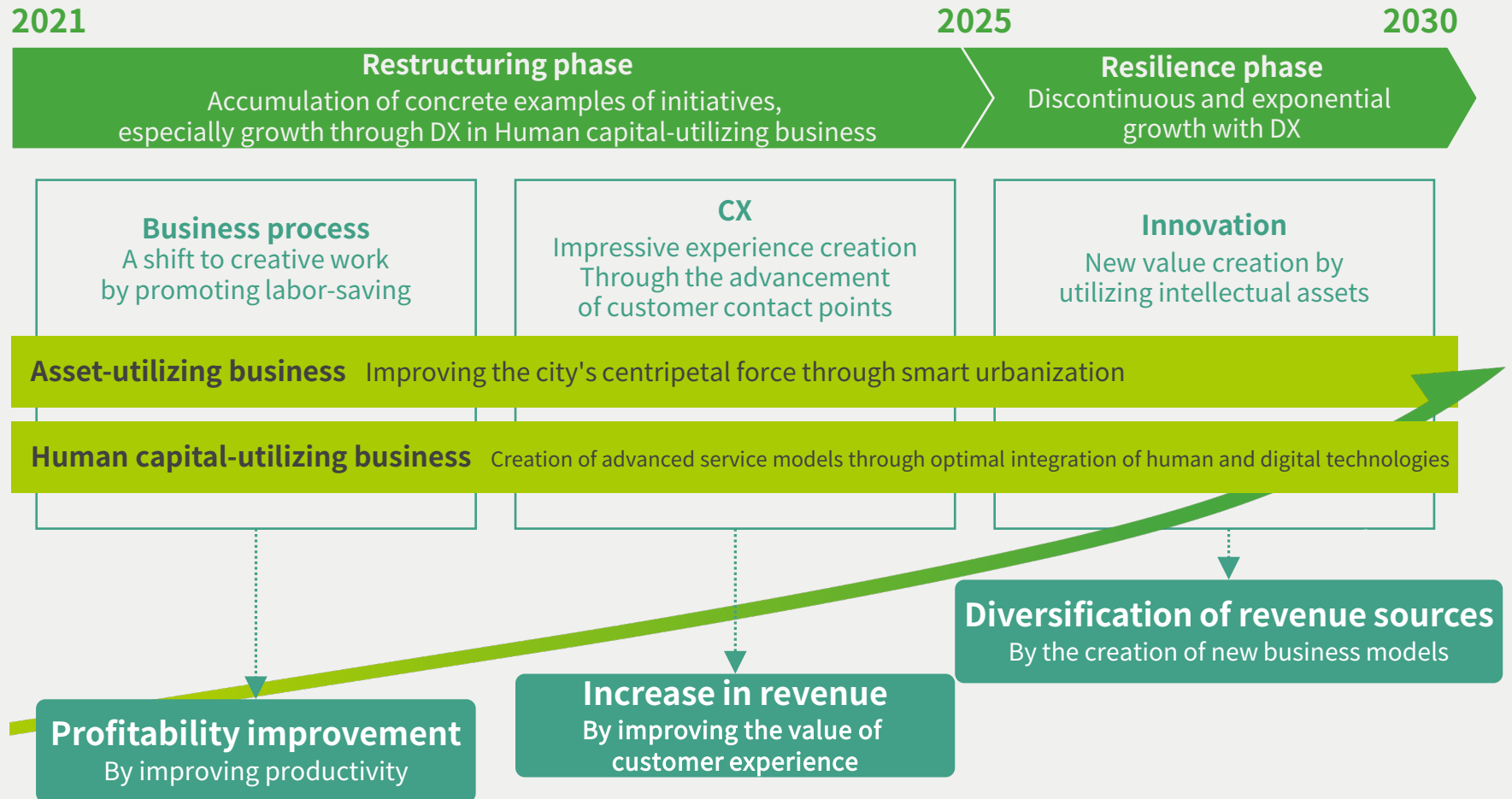


# Roadmap for Value Creation through DX



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

## GROUP VISION 2030 Create value for the future





Reforms underway with a focus on business processes and CX

## Digital twinning of entire condominium

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



Exclusive area created by Digital Twin



View produced by Digital Twin



3D model created based on drawings

## The first ski NFT "Niseko Powder Token" sales in Japan Selected as one of the “Digital Transformation Issues 2023”

Sales of NFT (non-fungible token) with early entry rights to Niseko's world-renowned powder snow "JAPOW" (Japan+Powder+Snow).

Selected as "Digital Transformation Issue 2023" in recognition of DX strategy integrated with management strategy, organization and systems to realize the strategy, and examples of deepening existing business models and creating new business models by utilizing DX.



Niseko Tokyo Grand Hirafu



NFT the design



DX銘柄2023  
Digital Transformation

# 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

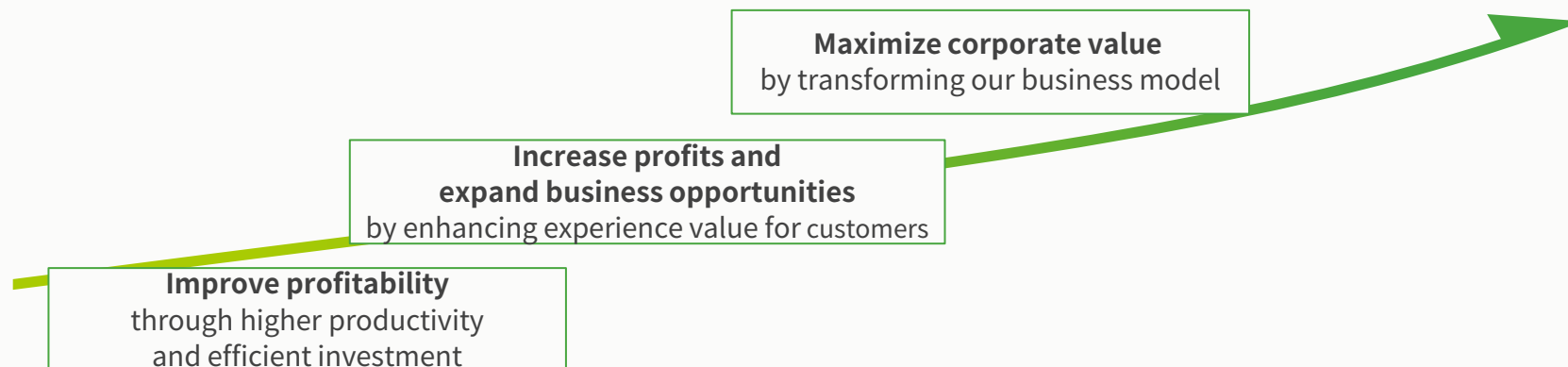
2026-2030

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

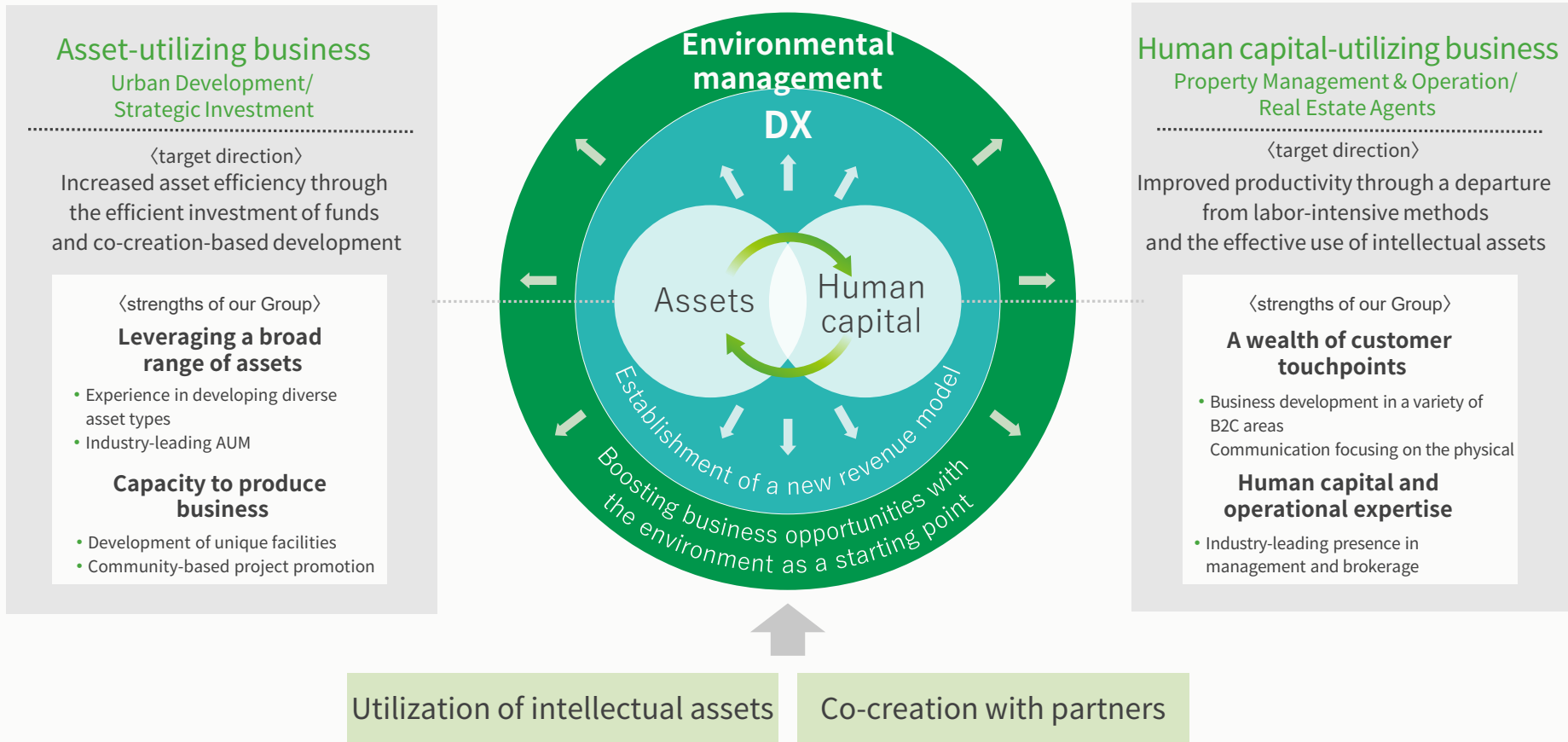
## Medium-Term Management Plan 2025



# Outline of the medium-term management plan

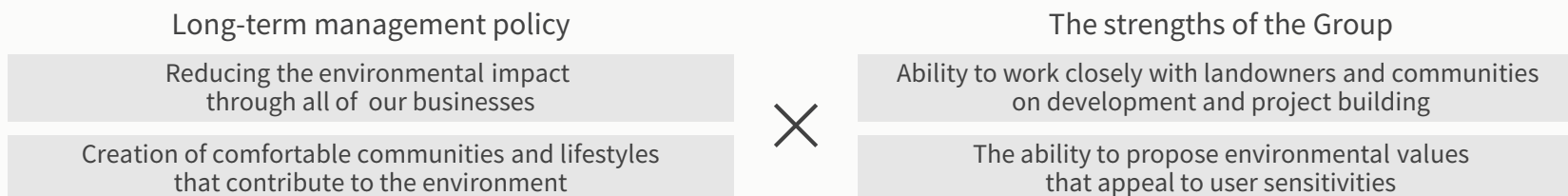
Combine Environmental management and DX to our Group's strengths to create unique value.

## 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.

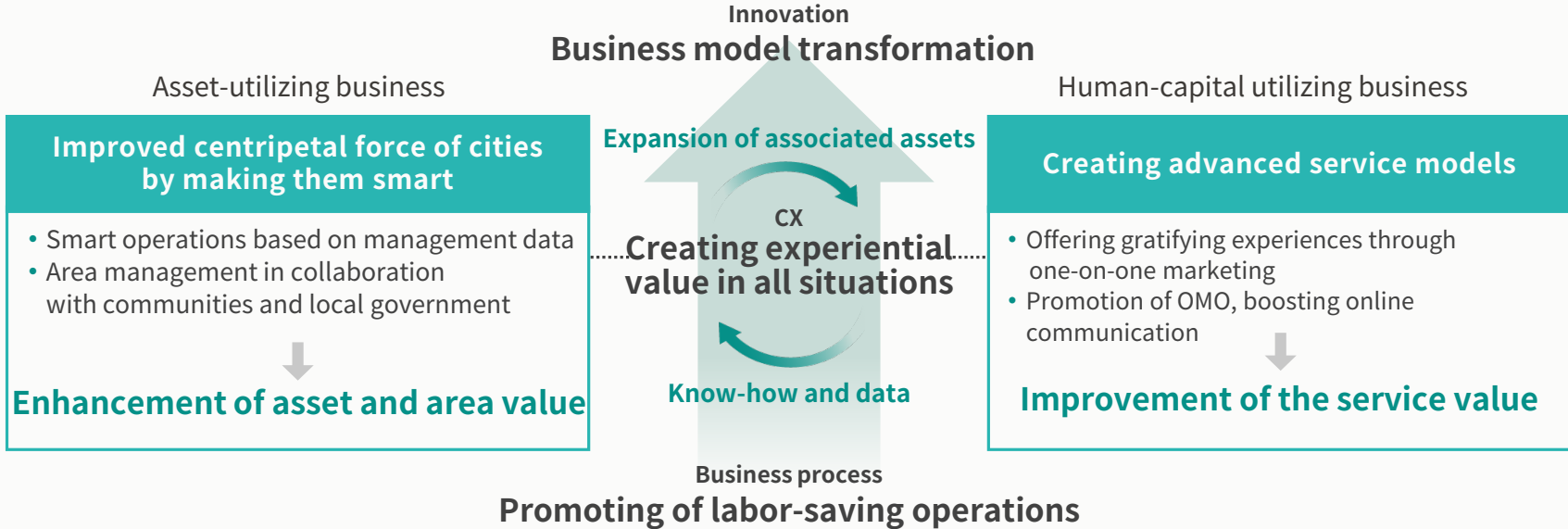
Long-term management policy

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	CO2 emissions or GHG (CO2) 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)
<b>90% or more</b>	<b>50 cases or more</b>	<b>-50% or more</b> <small>(versus fiscal 2019)</small>	<b>50 cases or more</b>	<b>100%</b>	<b>100%</b>

### 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**

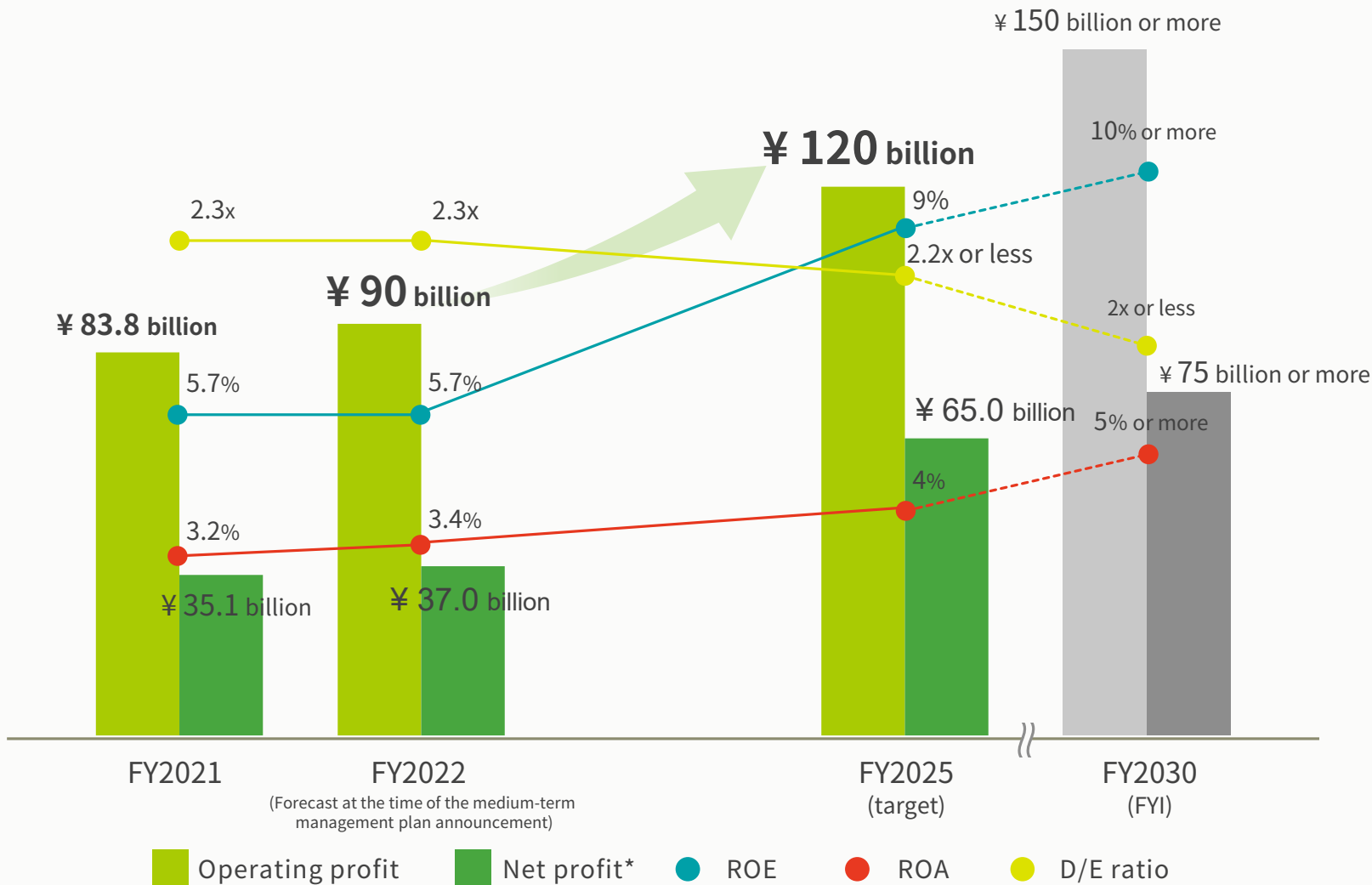
**EBITDA multiple**  
**10x or less**

\*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)

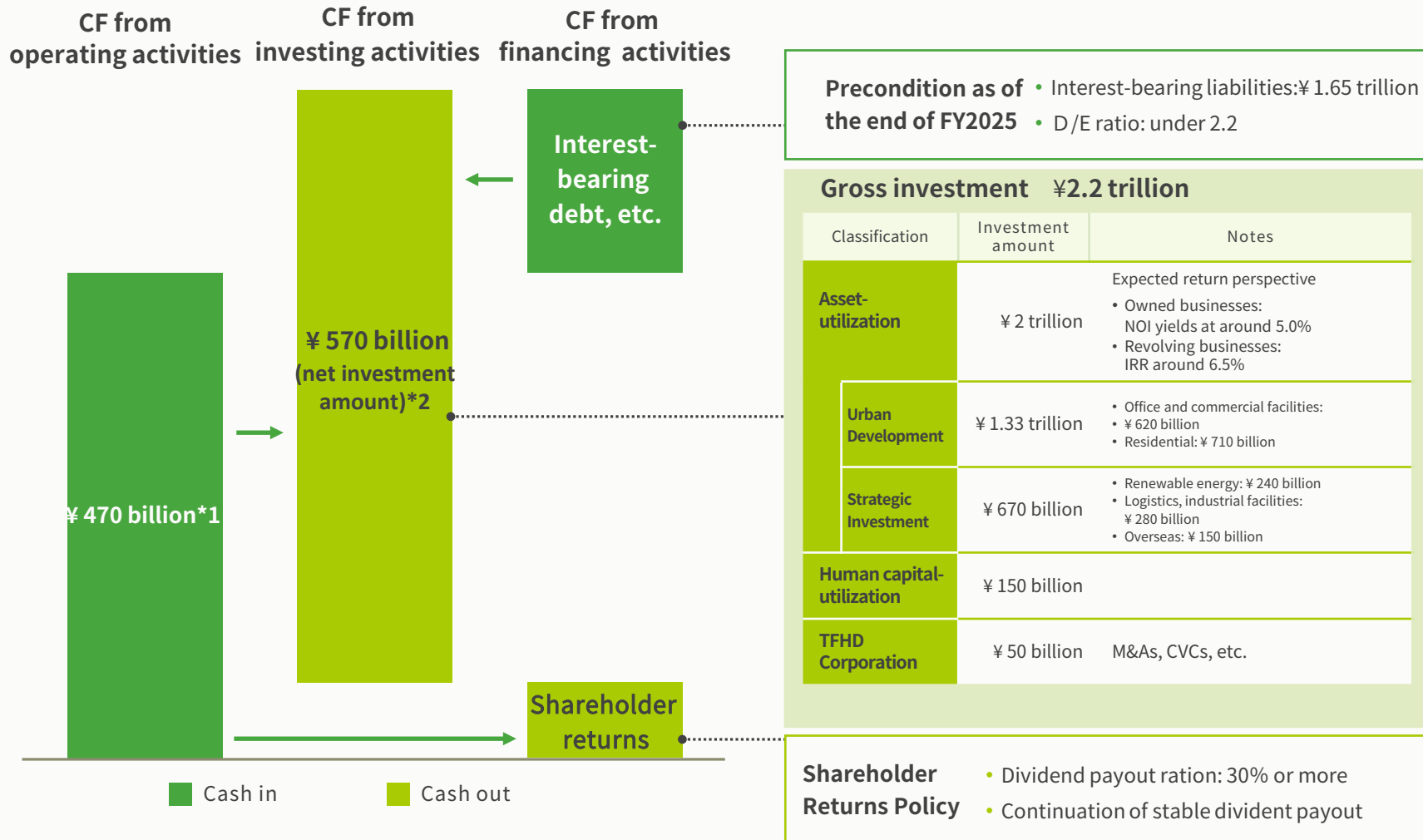
Aim for profit growth and efficiency improvement toward FY2025 through our business restructuring during the first half of the plan and the start of operations with our large-scale development properties.



\* Profit attributable to owners of parent.

# Capital Allocation

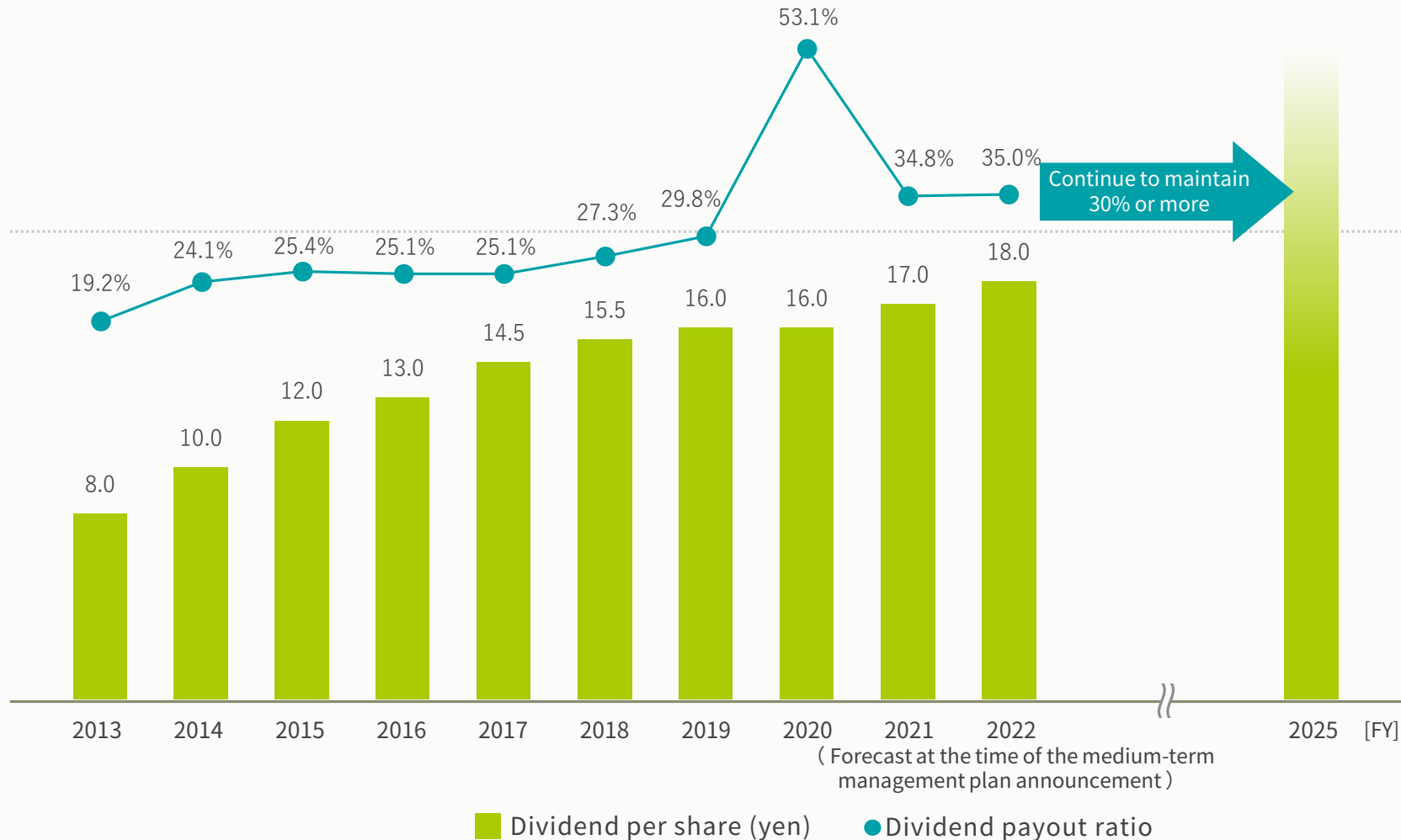
With a D/E ratio under 2.2x at the end of FY2025 as a precondition, we plan net investments at 570 billion yen (FY2021-FY2025.)



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

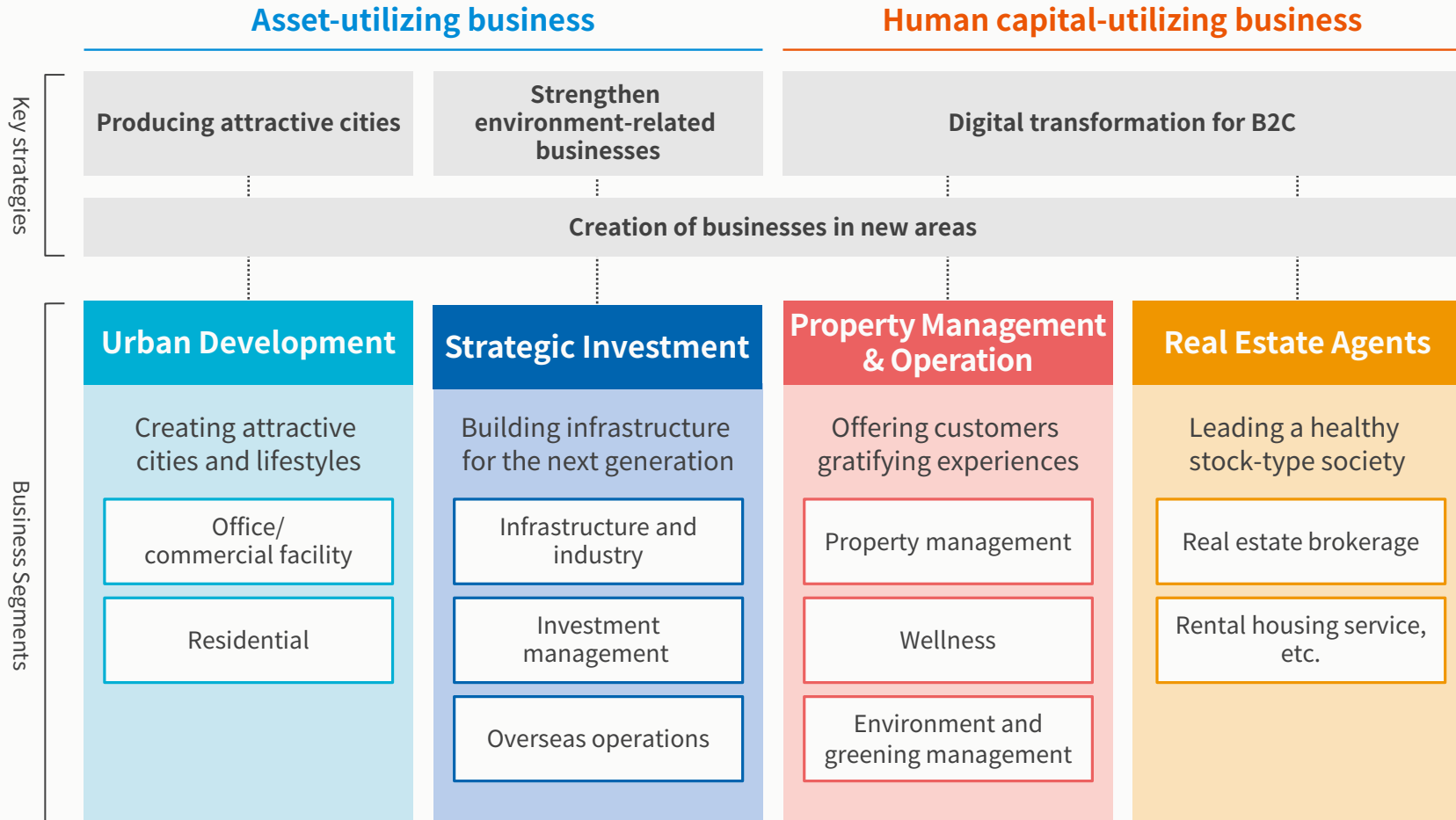
# Shareholder Returns Strategy

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



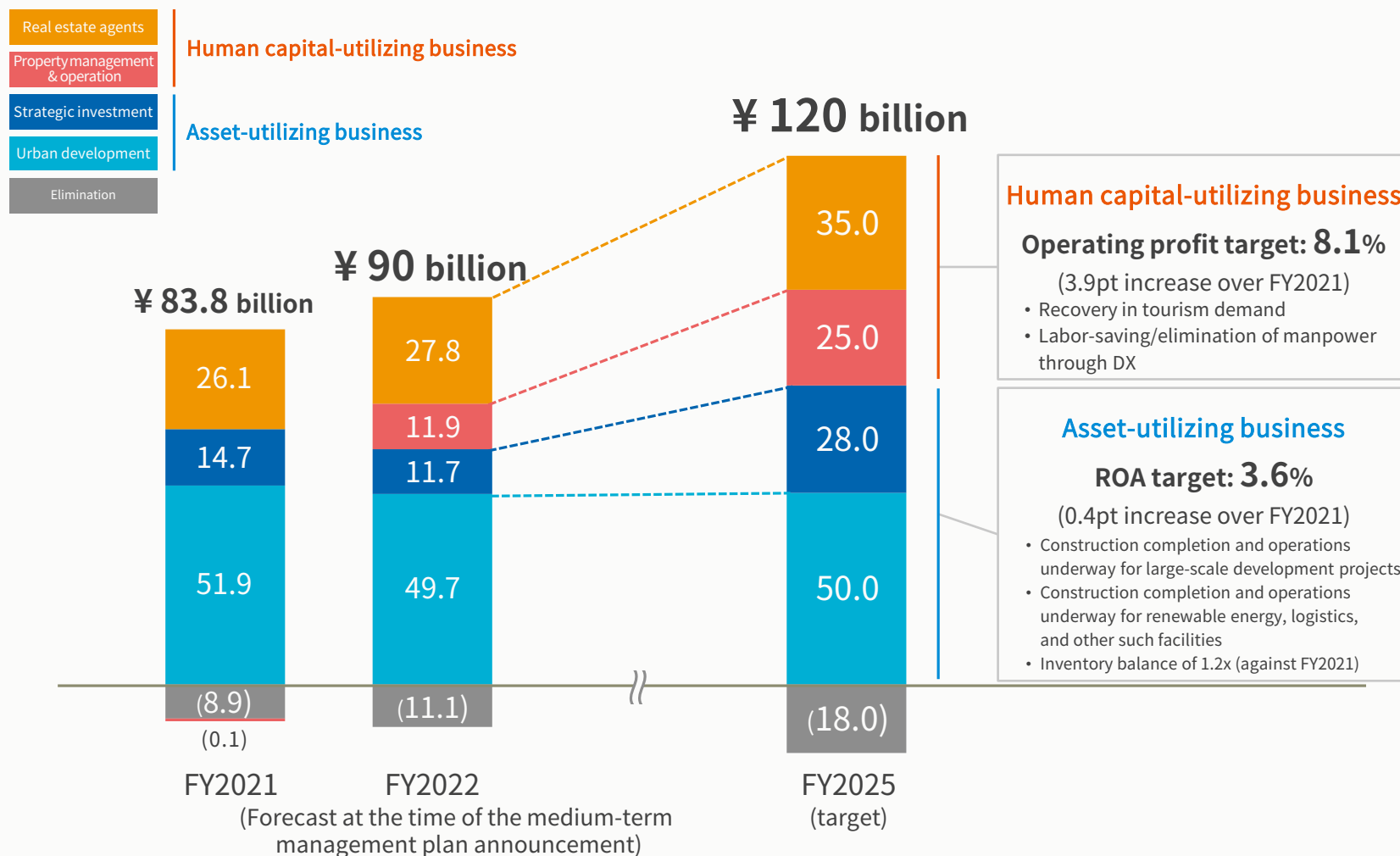
# Positioning of business segments

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.



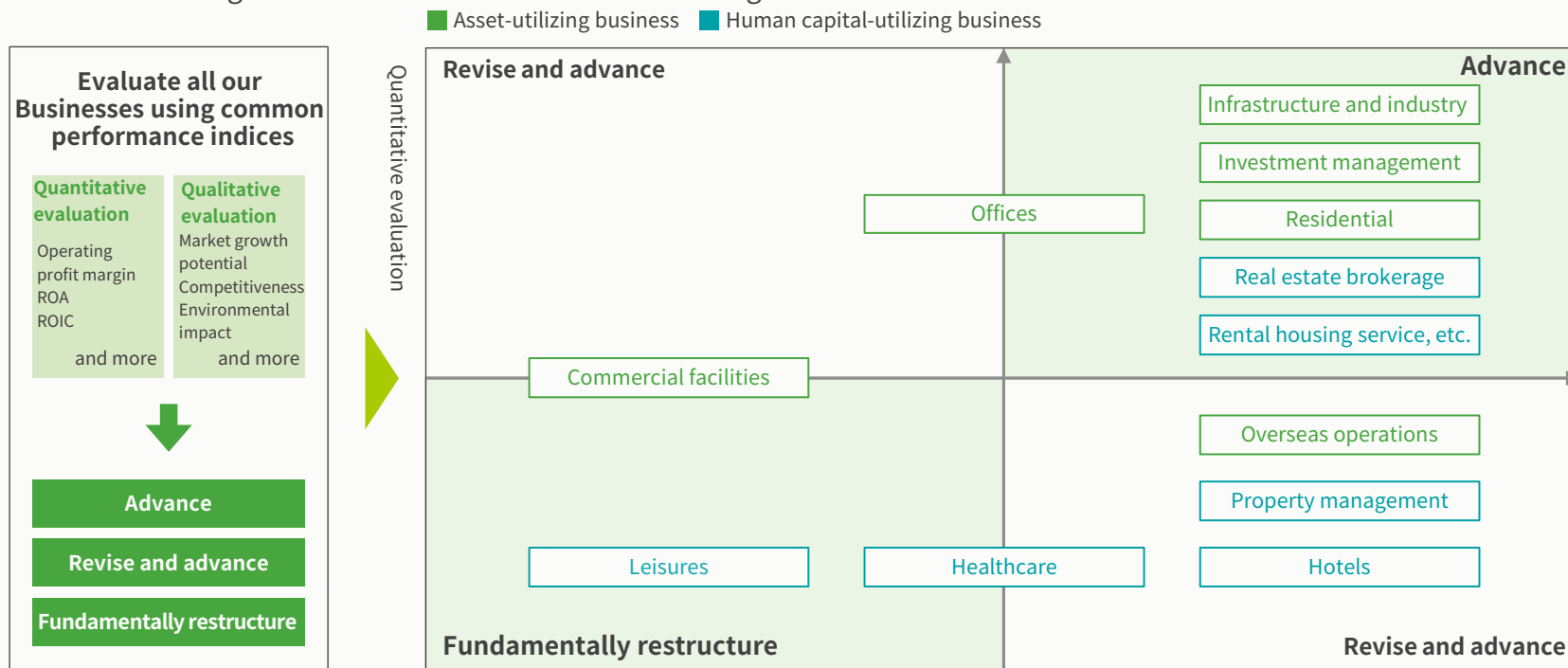
# Operating Profit by Business Segment (by business division)

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

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

# Business Portfolio Management (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.



\*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



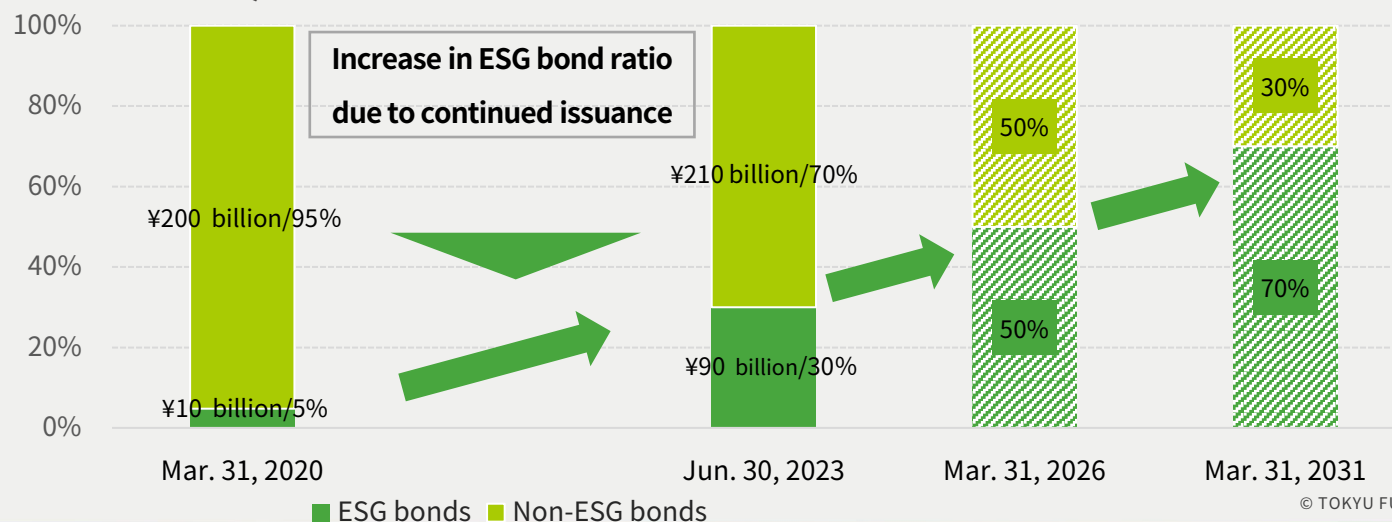
# | Formulation of bond policy |

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

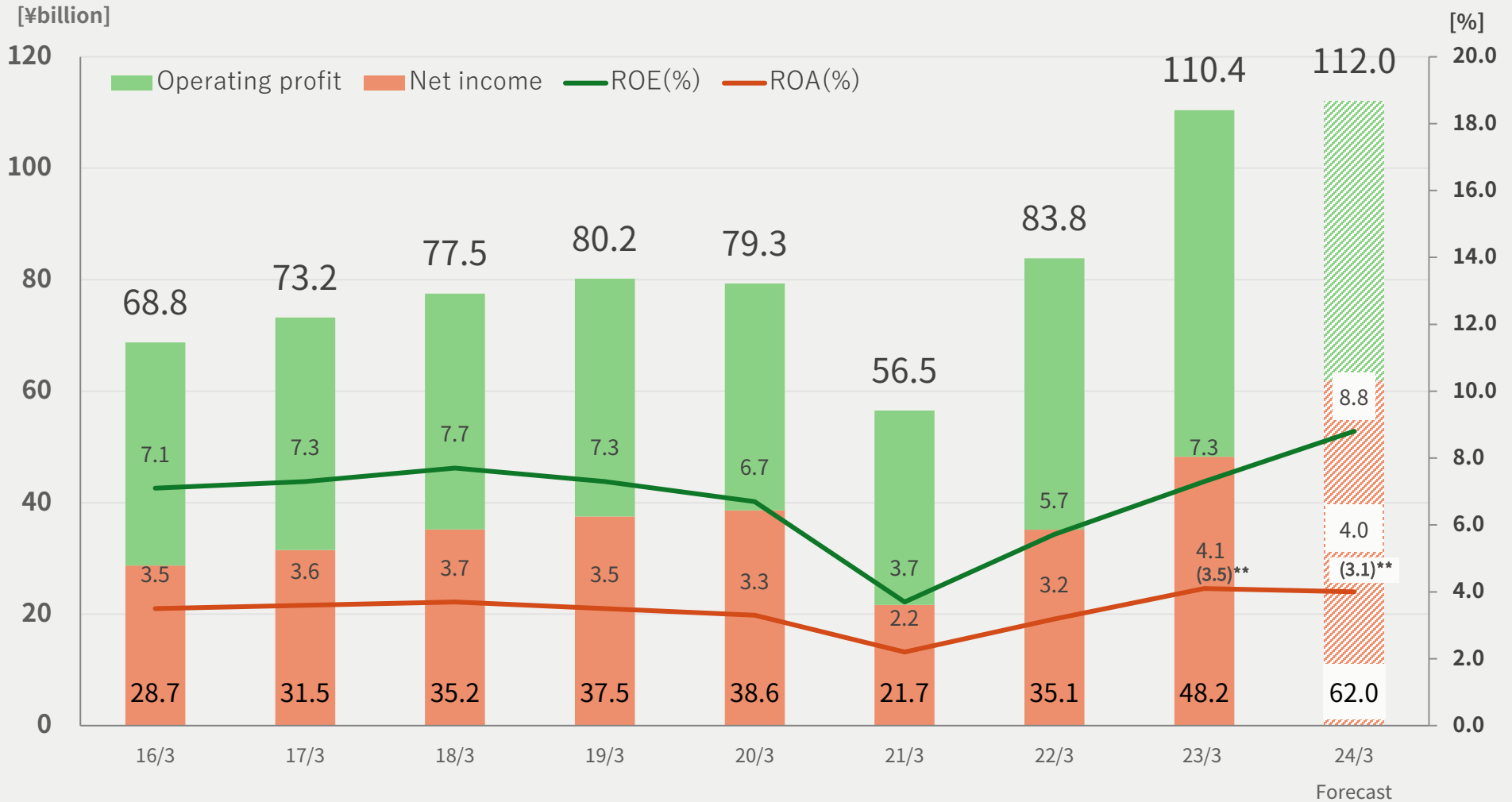
## 〈Outline of the Bond Policy〉

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

## 〈ESG bond ratio Trends〉



# Trends in business performance

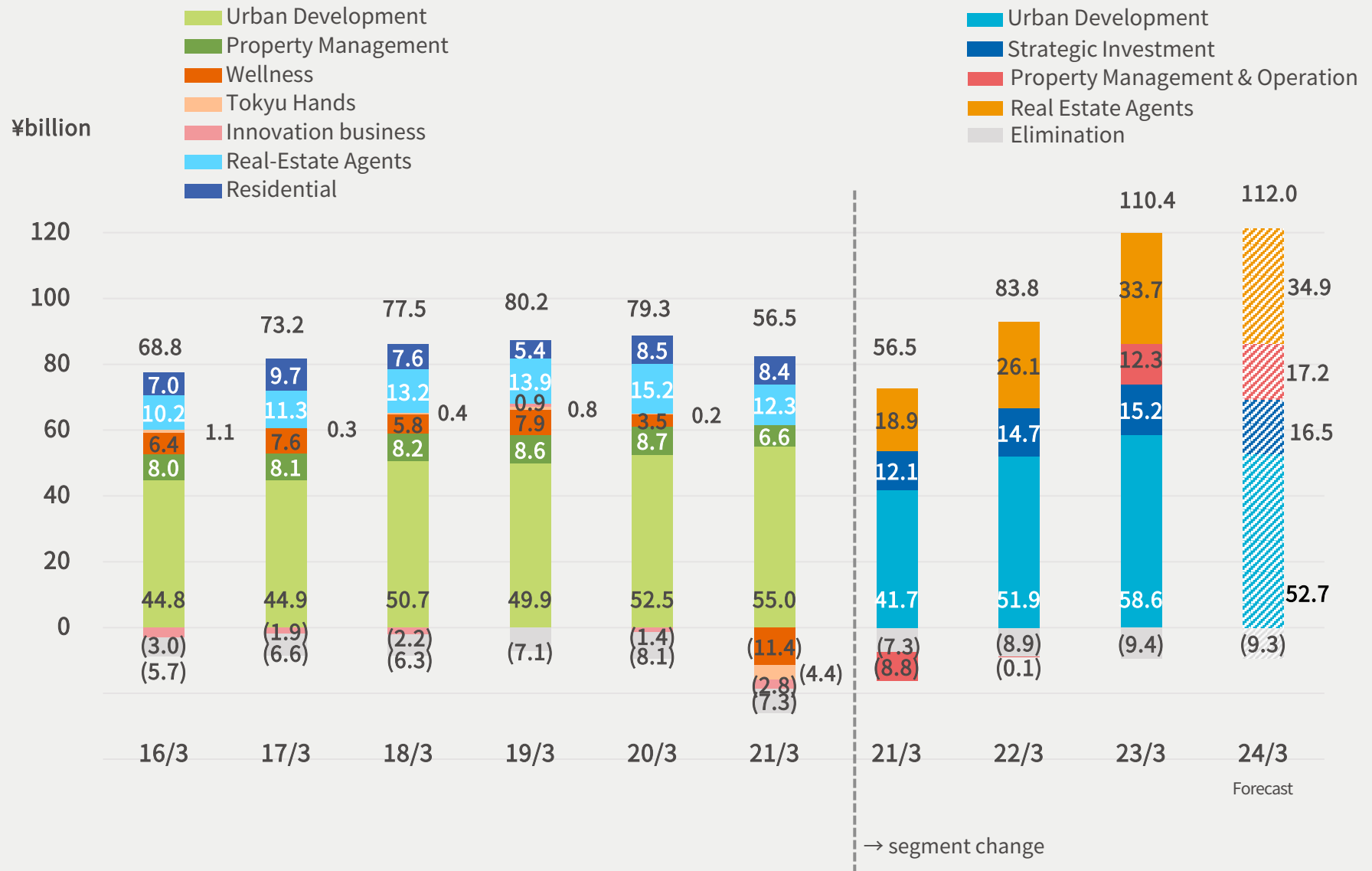


\* 'Net income' was replaced with 'profit attributable to owners of parent' in the fiscal year ended March 31, 2016.

\*\* ROA of Asset utilization business

# Breakdown of Results by Segment

Changes in operating profit by segment



# Process for Value Creation

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

**SUSTAINABLE DEVELOPMENT GOALS**

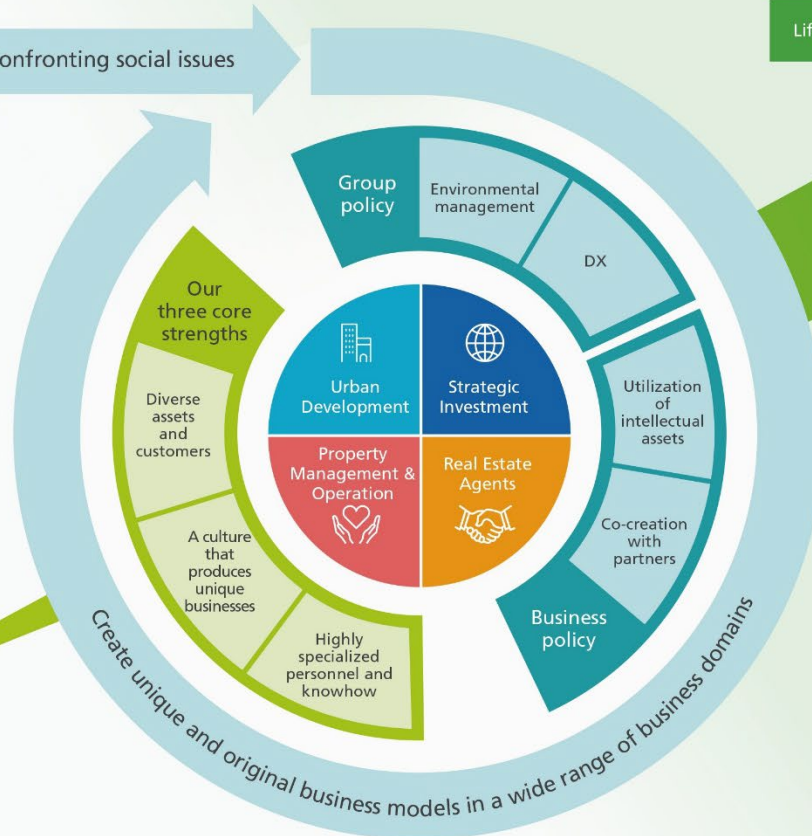
**Engagement themes (materialities)**

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

## Create value for the future

Confronting social issues

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



Outputs (Value provided through businesses)

Lifestyle Creation 3.0

Impacts (Social value)  
A future where everyone can be themselves, and shine vigorously

Improvements to quality of life

A comfortable urban life

Creation of cooperative communities

Safe and secure housing

Achieving the creation of a healthy society

Mental and physical health

Urban resilience

Fulfilling leisure time

Development of local economies

Supply of clean energy

Preservation of the global environment

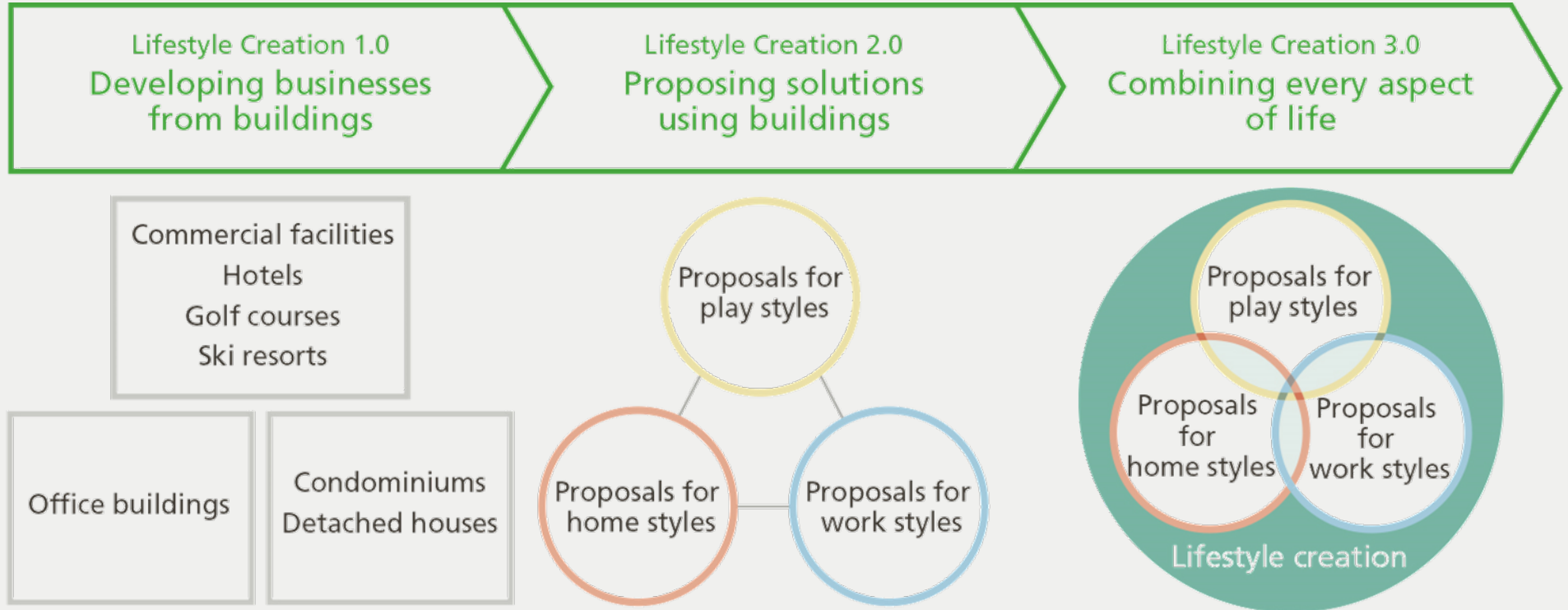
Creation of a society with respect for diversity

Aim for a sustainable society and growth

# Development of Business to Address Social Issues

〈Evolution of lifestyle creation〉

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



\* From the 2019 Integrated Report

# Basic Policy for Increasing Shareholder Value and Corporate Value

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

## Asset Control

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

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

### Business Portfolio Management

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

## Liability and Equity Control

### Financial Discipline Maintenance

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

### Shareholder Returns Policy

- Achieving EPS growth through reinvestment in growth

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

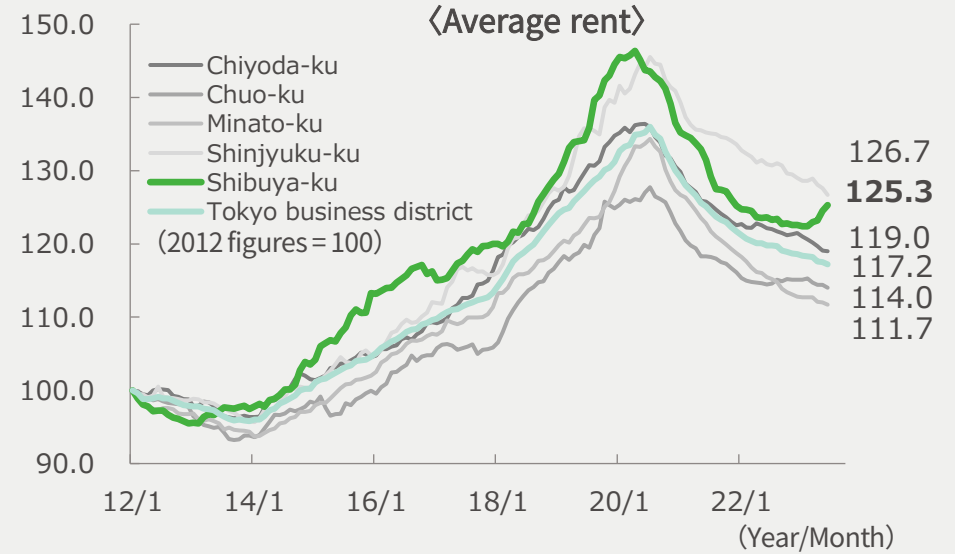
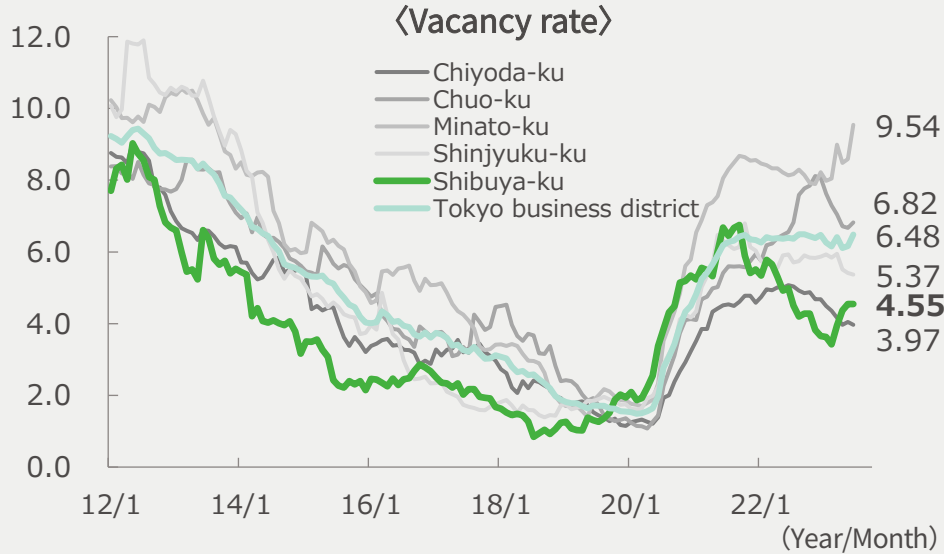
**Enhance shareholder value and corporate value**

ROE improvement

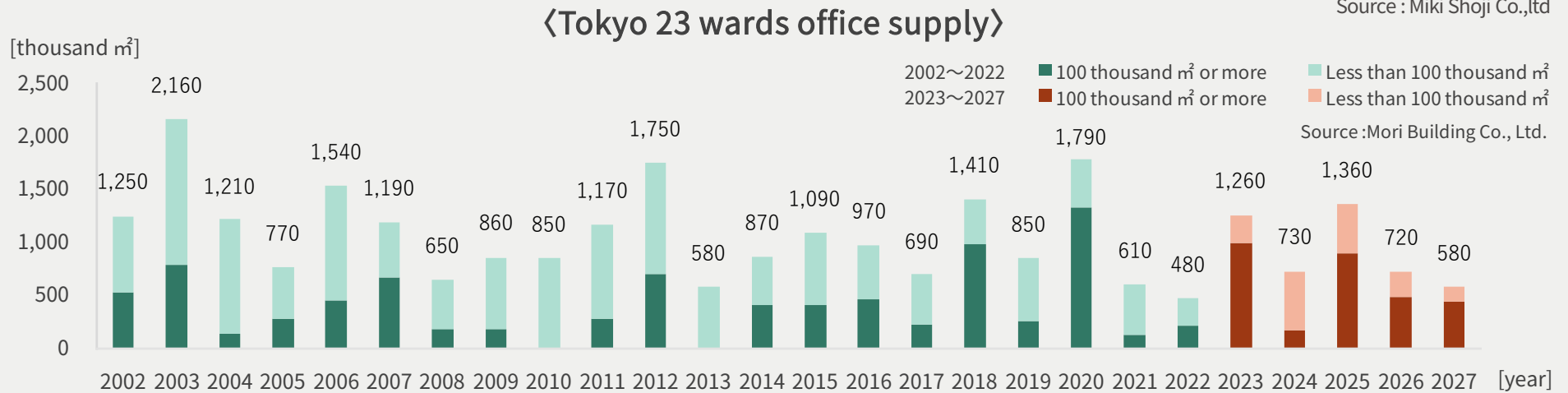
EPS growth

# Office Market

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 June 2023  
Source : Miki Shoji Co.,Ltd

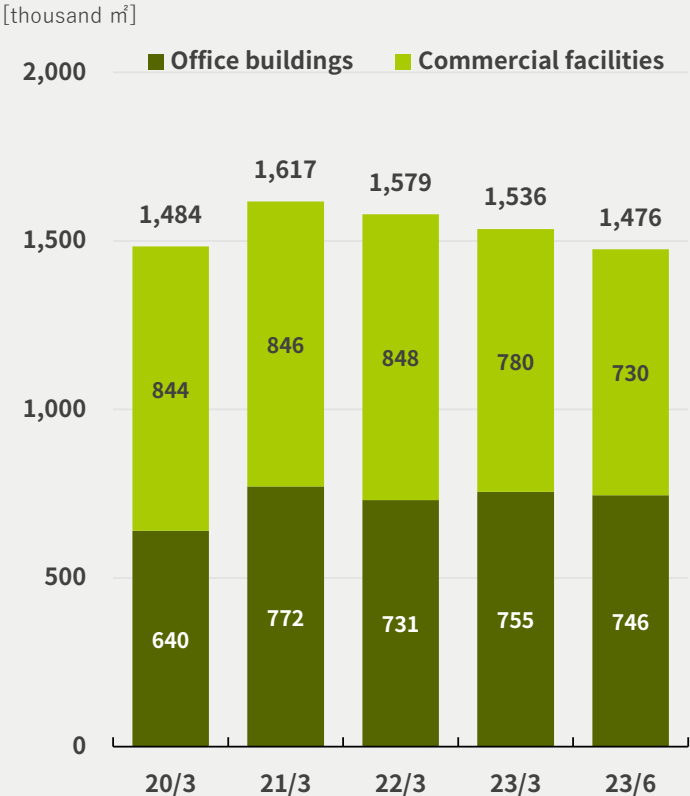




# Trends in Total Floor Area of Office and Retail Properties and Characteristics of Retail Properties

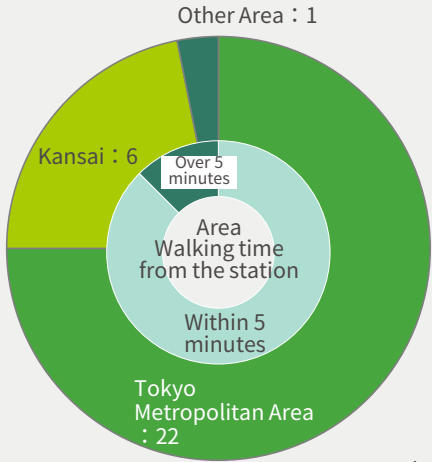
Developing commercial facilities in convenient areas, primarily in the Tokyo metropolitan area and the Kansai area

## 〈Total floor area Trends〉



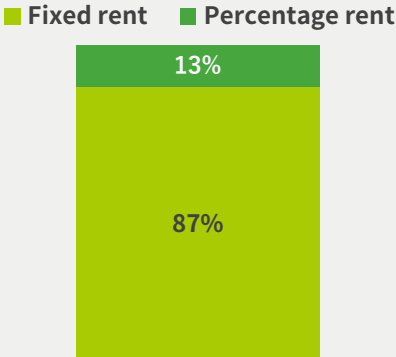
## 〈Features of our commercial facilities〉

Locations that are commercially busy and convenient in terms of transportation



: Number of properties

A high percentage of fixed rent leads to stable rent income



\* A survey on major commercial facilities of the Group

\*\* FY2022 Ended March 31, 2023

# | 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-Kaikan, a registered tangible cultural property, while utilizing the cutting-edge technology to realize a variety of office needs.



Dynamic preservation in the conservation section



Entrance hall utilizing marble from the original construction



Newly constructed portion is cutting-edge office



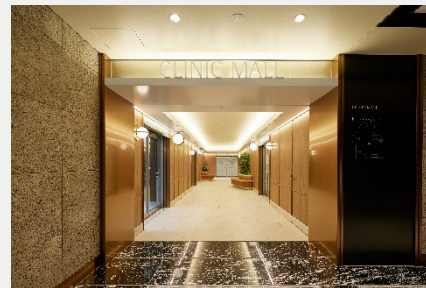
AI-based automatic dimming function 「View Smart Glass」

## Wellness office supporting health management

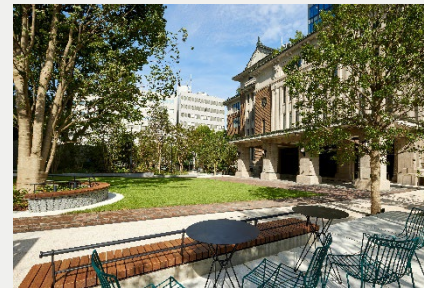
A cafeteria that supports office workers with meals and a clinic mall that supports them with medical care



KUDAN-SHOKUDO for the Public Good



Clinic mall



Kudan Hiroba



Terrace along moat

## A place for interaction with the surrounding community

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

# GREEN WORK STYLE

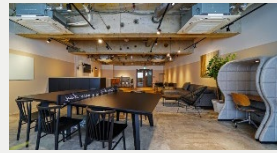
Provide tenants with a one-stop service that leverages the Group's business domain to meet diverse office needs

## Multiple workplaces

Provide multiple and flexible workplaces to suit diverse work styles



Center Office



Flexible Office



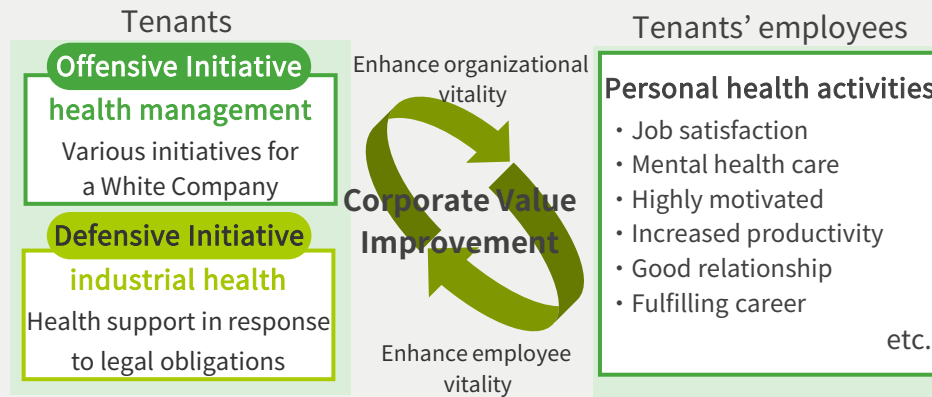
Members-only shared office



Workcation

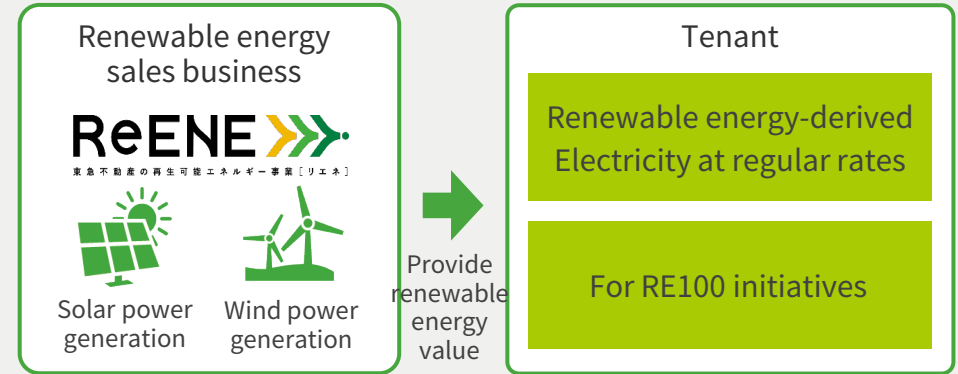
## Health Initiatives

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



## Environmental Initiatives

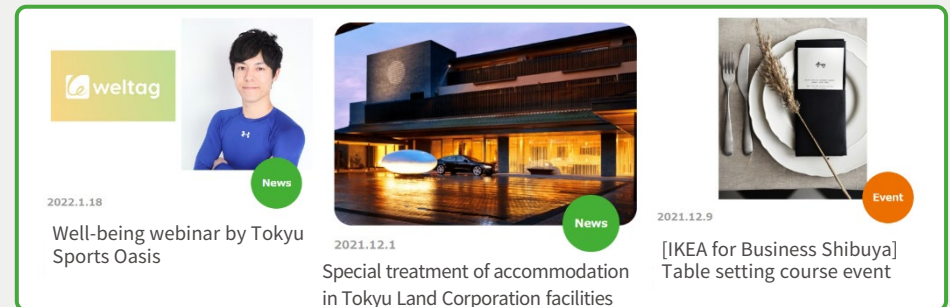
Support tenants' contribution to a sustainable society with our Offices fully equipped with green energy



## 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 】



# Business development addressing social issues <Diverse work styles >

Developing workspaces leveraging the Group's diverse assets

	City center	City center – Suburban area	Local Area
Workplace	Center Office  <b>building smiles</b> 東急不動産のオフィス	Flexible office <b>QUICK</b> by 東急不動産	Workcation  <i>Hotel Harvest</i>
		Individual workplace *** <b>QUICK solo</b> <b>NW NewWork</b> *	
		Membership Shared office <b>Business-Airport</b>	<b>HYATT REGENCY</b> SERAGAKI ISLAND OKINAWA <b>KYUKARUIZAWA KIKYO</b> 日暮野 <b>CURIO COLLECTION</b> by Fillcom
		Stay type hotel <b>TOKYU STAY</b>	
Purpose-built facility	Leasing conference room <b>MEETING SPACE AP</b> ** <b>INFIELD</b> ** SPACE MANAGEMENT/PLANNING		Distribution studio <b>TOKYO PORTCITY TAKESHIBA PORT HALL PORT STUDIO</b> <b>WIZZ</b>
	Residential  Exclusive internal unit space***  <b>BRANZ</b>		

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

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

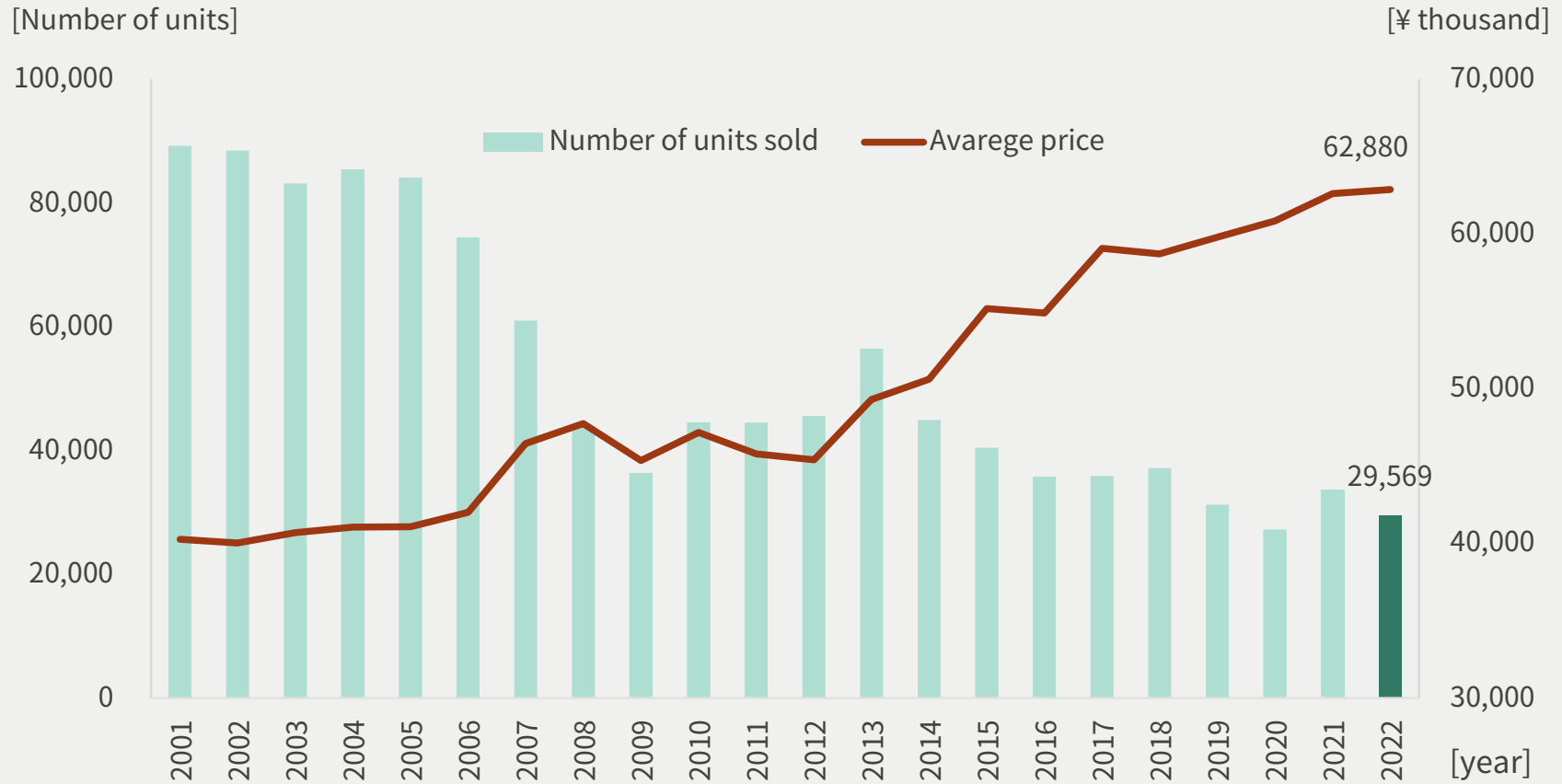
\*\*\* Individual work booth operated by Tokyu Community Corp.

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

# | 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	  		
		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			
	Minato-ku	12	Shibuya Fukuras	2019	53	  	
			Hamamatsucho Square	2004	24		
			Shinagawa Tokyu	2007	21		
			Shimbashi Tokyu	2008	15		
			Spline Aoyama Tokyu	2012	8		
			Shin-Aoyama Tokyu	2015	10		
	Chiyoda-ku	5	Tokyo PortCity Takeshiba	2020	162	  	
			Sanban-cho Tokyu	2001	12		
			Ichiban-cho Tokyu	2002	20		
			Uchisaiwaicho Tokyu	2006	14		
	KUDAN-KAIKAN TERRACE		KUDAN-KAIKAN TERRACE	2022	41		
			Cyuo-ku	5	St. Luke's Tower	1994	14
Nihombashi hon-cho Tokyu					2004	12	
Nihombashi Maruzen Tokyu					2006	17	
Nihombashi Front	2008	29					
Other	4	Yotsuya broadcasting center	1994	4			
		Shin-Meguro Tokyu	2012	22			
Kansai	1	Shinsaibashi Tokyu	1982	11			

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

# Major commercial facilities

The Group operates 22 locations in the Tokyo area and 7 locations in Kansai and other regions

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

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

\*\* Described the total floor area as Shibuya Fukurasu



## Major renewable energy facilities

The Group is advancing businesses through 70 solar power generation projects (Includes 1 roof top), 12 wind power generation projects and 5 biomass power generation projects

Type	Status	Business plant name	Location	Rating capacity (MW) *
Solar Power Plant	In operation	Suzuran Kushirocho	Kushiro-gun Kushiro-cho, Hokkai-do	92.2
		ReENE Tomakomai	Tomakomai-shi, Hokkaido	5.3
		ReENE RJ Kurihara	Kurikomasappirai Kurihara-shi, Miyagi-ken	7.5
		ReENE Kurihara	Kurikomahishinuma Kurihara-shi, Miyagi-ken	9.7
		ReENE Shiraishi	Obara Shiroishi-shi, Miyagi-ken	6.7
		ReENE RJ Urushihara	Motoyoshichourushibara Kesennuma-shi, Miyagi-ken	31.7
		ReENE RJ Izumisawa	Motoyoshichoizumisawa Kesennuma-shi, Miyagi-ken	21.1
		Kawasaki Solar Park	Shibata-gun Kawasaki-machi, Miyagi-ken	56.0
		ReENE Taiwa	Kurokawa-gun Taiwa-machi, Miyagi-ken	20.4
		ReENE Aizu	Kawanuma-gun Aidubange-machi, Fukushima-ken	4.7
		Nishigo Habuto	Nishishirakawa-gun Nishigo-mura, Fukushima-ken	25.2
		ReENE Namegata	Tega Namegata-shi, Ibaraki-ken	28.3
		ReENE Chonan	Chosei-gun Chonan-machi, Chiba-ken	24.0
		ReENE Mutsuzawa	Chosei-gun Mutsuzawa-machi, Chiba-ken	4.8
		Kitaema	Kitaema Izunokuni-shi, Shizuoka-ken	11.3
		ReENE RJ Matsuo	Matsuo-cho Toba-shi, Mie-ken	16.5
		ReENE RJ Toba	Matsuo-cho Toba-shi, Mie-ken	13.3
		ReENE Tsu	Karasu-cho Tsu-shi, Mie-ken	5.0
		ReENE Tamano	Tai Tamano-shi, Okayama-ken	6.8
		Takuma	Takumacho Mitoyo-shi, Kagawa-ken	10.8
Nogata	Shimozakai Nogata-shi, Fukuoka-ken	23.2		
ReENE Shibushi	Ariakecho Shibushi-shi, Kagoshima-ken	9.1		
ReENE Akune	HaruAkune-shi, Kagoshima-ken	4.3		
ReENE RJ Minamikyusyu	Eicho Minamikyusyu-shi, Kagoshima-ken	25.8		
Wind Power Plant		ReENE Matsumae	Matsumae-gun Matsumae-cho, Hokkaido	40.8
		ReENE Zenibako	Zenibako Otaru-shi, Hokkaido	34.0
		Kakegawa	Okinosu Kakegawa-shi, Shizuoka-ken	13.8
Biomass		Yonago Biomass power plant	Oshinoducho Yonago-shi, Tottori-ken	54.5
	Under development	Tahara Biomass power plant	Aichi-ken	-

\* Before conversion to equities

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

# Major operating facilities

The Group operates 66 hotels, 9,107 rooms

	Number of facilities	Number of rooms	Name of facilities			
<b>Tokyu Harvest Club</b> (VIALA annex is not included in the total number of facilities)	27 facilities	2,833 rooms	Teteshina Katsuura Hamanako Amagi Kougen Shizunami Kaigan Kinugawa Nanki Tanabe Ito	Hakone Myojindai Madarao Tateshina Annex Skijam Katsuyama Yamanakako Mount Fuji Kyu Karuizawa Tateshina Resort Hakone Koshien	Urabandai Grandeco Nasu Kyu Karuizawa Annex VIALA Hakone Hisui Arima Rokusai VIALA annex Arima Rokusai Atami Izusan VIALA annex Atami Izusan	Kyoto Takagamine VIALA annex Kyoto Takagamine Nasu Retreat Karuizawa VIALA annex Karuizawa <small>Kyoto Higashiyama In THE HOTEL HIGASHIYAMA</small> VIALA Kinugawa Keisui
<b>Tokyu Stay Hotel</b>	31 facilities	5,193 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
<b>Resort Hotel</b>	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	
<b>Ski resorts</b>	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
<b>Golf courses</b>	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	
<b>Tokyu Sports Oasis</b>	31 facilities	—	Tamagawa Kawaguchi Shinjuku Musashi-Kosugi 24Plus Urawa 24Plus Aoyama Musashi-Koganei Seiroka Garden	Kanamachi 24Plus Jujo 24Plus Minami-Osawa 24Plus Yokosuka 24Plus Kohoku Honkomagome Rafeel Ebisu 24Plus Yukigaya 24Plus	Totsuka Akatsuka 24Plus Umeda Ibaraki 24Plus Abeno 24Plus Sumiyoshi 24Plus Matsudo 24Plus Sayama 24Plus	Kamioka Katsuragawa 24Plus Morinomiya Q's Mall Suminodo 24Plus Sagamihara 24Plus Narashino 24Plus Esaka 24Plus
<b>Senior housing</b>	15 facilities	1,923 units	Grancreeper Azamino Grancreeper Fujigaoka Lifenix Takaido Grancreeper Utsukushigaoka Grancreeper Aobadai	Creer Residence Sakuradai Grancreeper Center Minami Grancreeper Seijo Grancreeper Bajikoen Grancreeper Aobadai 2-chome	Grancreeper Setagaya Nakamachi Creer-residence Yokohama Tokaichiba Hikarigaoka Park Villa Grancreeper Shibaura Grancreeper Tachikawa	

## Past performance (financial)

(¥ million)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Operating revenue</b>	714,067	773,149	815,479	808,503	866,126	901,884	963,198	907,735	989,049	1,005,836
<b>Operating profit</b>	61,433	63,300	68,750	73,227	77,519	80,205	79,312	56,517	83,817	110,410
<b>Ordinary profit</b>	50,583	51,675	56,379	63,631	68,691	70,744	67,499	46,555	72,834	99,558
<b>Net profit*</b>	23,712	25,230	28,718	31,518	35,185	37,459	38,611	21,668	35,133	48,227
<b>Total assets</b>	1,789,822	1,973,801	1,984,382	2,067,152	2,176,761	2,405,249	2,487,369	2,652,296	2,634,343	2,738,458
<b>Real estate for sale</b>	245,862	394,672	364,374	418,619	473,702	568,004	657,968	680,648	757,391	795,181
<b>Total non-current assets</b>	1,235,117	1,401,165	1,492,439	1,479,126	1,518,206	1,532,153	1,598,109	1,647,245	1,597,391	1,622,854
<b>Interest-bearing Debt</b>	991,015	1,125,379	1,106,114	1,137,893	1,210,376	1,289,807	1,361,042	1,478,770	1,421,718	1,482,932
<b>ESG bond ratio</b>	-	-	-	-	-	-	5.0%	13.8%	17.9%	25.0%
<b>Equity</b>	364,491	395,333	418,785	442,320	468,140	561,405	583,289	596,673	631,789	684,625
<b>Equity ratio</b>	20.4%	20.0%	21.1%	21.4%	21.5%	23.3%	23.5%	22.5%	24.0%	25.0%
<b>D/E ratio</b>	2.7 x	2.8 x	2.6 x	2.6 x	2.6 x	2.3 x	2.3 x	2.5 x	2.3 x	2.2 x
<b>CF from operating activities</b>	(13,504)	(38,488)	87,922	68,925	12,265	44,522	(6,660)	100,411	76,453	94,739
<b>CF from investing activities</b>	19,745	(100,263)	(112,372)	(70,988)	(96,423)	(60,389)	(147,223)	(116,031)	(31,786)	(120,060)
<b>CF from financing activities</b>	3,008	139,186	(30,518)	23,042	82,400	139,093	65,077	108,344	(81,273)	42,764
<b>EBITDA</b>	84,602	88,003	94,307	101,669	106,075	110,194	117,079	101,657	132,538	160,161
<b>Interest-bearing Debt/EBITDA</b>	11.7 x	12.8 x	11.7 x	11.2 x	11.4 x	11.7 x	11.6 x	14.5 x	10.7 x	9.3 x
<b>ROE</b>	7.5%	6.6%	7.1%	7.3%	7.7%	7.3%	6.7%	3.7%	5.7%	7.3%
<b>ROA</b>	3.5%	3.4%	3.5%	3.6%	3.7%	3.5%	3.3%	2.2%	3.2%	4.1%
<b>EPS</b>	¥ 41.61	¥ 41.45	¥ 47.18	¥ 51.77	¥ 57.80	¥ 56.84	¥ 53.70	¥ 30.13	¥ 48.84	¥ 67.21
<b>BPS</b>	¥ 598.73	¥ 649.40	¥ 687.92	¥ 726.59	¥ 768.85	¥ 780.78	¥ 811.04	¥ 829.50	¥ 878.32	¥ 964.77
<b>Dividend</b>	¥ 8.0	¥ 10.0	¥ 12.0	¥ 13.0	¥ 14.5	¥ 15.5	¥ 16.0	¥ 16.0	¥ 17.0	¥ 23.5
<b>Dividend payout ratio</b>	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".

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