



March 3, 2023

Company: Tokyu Fudosan Holdings Corporation  
Representative: Hironori Nishikawa, President & CEO  
(Code No. 3289, TSE Prime)  
Inquiries: Shigeru Hashimoto, Operating Officer

### **Notice Regarding Posting of Extraordinary Losses Due to Transfer of Equity Investment in Silent Partnership**

Tokyu Fudosan Holdings Corporation (the “Company”) hereby announces that in line with its decision today to transfer its equity investment in a silent partnership held by consolidated subsidiary Tokyu Land Corporation, the Company is expecting to post extraordinary losses in its consolidated settlement of accounts for the fiscal year ending March 31, 2023. Details are as follows.

#### 1. Overview of Transfer

##### (1) Subject of Transfer

Equity investment (100%) in a silent partnership operated by Spade House LLC (“Silent Partnership”), which manages the beneficiary rights to a trust with real estate (“Real Estate”) as the property in trust.

##### (2) Schedule of Transfer

Scheduled date of execution of sale and purchase agreement: March 6, 2023

Scheduled date of transfer: April 5, 2023

##### (3) Transferee

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

##### (4) Transfer Price

The Company will take the liberty of refraining from disclosing the transfer price due to a confidentially agreement with the transferee. However, the transfer will be conducted at an appropriate price that reflects the market price.

##### (5) Overview of Real Estate

Name	Location	Land Area	Book Value*
Tokyu Plaza Ginza	Chuo-ku, Tokyo	2,072 m <sup>2</sup>	118,598 million yen

\*The book value of the Real Estate on the Company’s consolidated balance sheet (As of March 31, 2022)

##### (6) Posting of Extraordinary Losses

As a result of this transfer, the Company anticipates that it will post impairment losses of 21.1 billion yen as extraordinary losses on its consolidated statement of Income for the fiscal year ending

March 31, 2023. Said losses will exceed an amount equivalent to 30% of profit attributable to owners of parent for the fiscal year ended March 31, 2022.

#### (7) Impact on Consolidated Balance Sheet Following Transfer

The Silent Partnership is included in the Company's scope of consolidation. On the Company's consolidated balance sheet, the Real Estate is posted as non-current assets. Following the transfer, the Silent Partnership will be excluded from the Company's scope of consolidation. The Real Estate will also be excluded from the Company's consolidated balance sheet.

#### 2. Overview of Transferee

Name	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
Location of Head Office	2-3 Shibaura 1-chome, Minato-ku, Tokyo
Representative	Toshiya Nishino, President
Capital (As of March 31, 2022)	25,584 million yen
Establishment	October 1951
Net Assets (As of March 31, 2022)	180,069 million yen
Total Assets (As of March 31, 2022)	1,235,628 million yen
Major Shareholders and Shareholding Ratio	84.9% held by Sumitomo Mitsui Trust Bank, Limited 15.1% held by Panasonic Holdings Corporation
Relationship with Company	There are no matters of note with respect to the capital relationship, personal relationship, business relationship or related parties between the Company and the transferee.

#### 3. Reason for Transfer

Under its long-term management policy, the Company has espoused efforts to improve efficiency largely by implementing business portfolio management and asset portfolio reshuffling. This transfer will be conducted as part of those efforts.

Moreover, the Real Estate is a highly rare commercial facility located at internationally recognized Sukiyaabashi Crossing in Ginza, Tokyo. Following the transfer, Tokyu Fudosan Corporation is slated to continue operation of the facility as Tokyu Plaza Ginza.

#### 4. Future Outlook

Taking into consideration factors such as the favorable progress in its various businesses in the immediate term and tax effects pertaining to the extraordinary losses to be posted in line with the decision to conduct this transfer, at this current juncture, the Company has made no change to the figure of 39.0 billion yen in profit attributable to owners of parent under its consolidated results forecast for the fiscal year ending March 31, 2023 (disclosed on November 9, 2022). In the future, the Company will promptly announce any matters necessitating disclosure should they arise.

Note that in its "Medium-term management plan 2025" with the fiscal year ending March 31, 2026 as the target year, the Company is espousing the "improve the earning power and efficiency for the post Covid-19 period in order to achieve renewed growth." The Company's structural reforms

involving the posting of a large amount of extraordinary losses will wrap up in the fiscal year ending March 31, 2023. Going forward, after establishing its future prospects, the Company will endeavor to grow profit and improve efficiency with a view to the fiscal year ending March 31, 2026.