

FY2022 Second Quarter (First Six Months) Financial Flash Report

(¥ billion)

1. Statements of Income (Consolidated base)	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
Operating revenue	402.6	901.9	412.5	963.2	383.9	907.7	411.8	989.0	445.0	1,005.0
Operating gross profit	85.2	193.4	90.9	201.7	64.9	164.8	84.4	193.9	86.7	—
Gross margin ratio	21.2%	21.4%	22.0%	20.9%	16.9%	18.2%	20.5%	19.6%	19.5%	—
SG&A expenses	53.0	113.2	59.3	122.4	48.0	108.3	50.9	110.1	40.8	—
SG&A expenses to sales	13.2%	12.6%	14.4%	12.7%	12.5%	11.9%	12.4%	11.1%	9.2%	—
Operating profit	32.2	80.2	31.7	79.3	17.0	56.5	33.5	83.8	45.9	95.0
Non-operating income	0.9	2.4	0.6	1.4	1.3	3.8	1.4	3.3	1.1	—
Interest and dividends	0.4	0.9	0.3	0.7	0.2	1.0	0.2	0.6	0.2	—
Other	0.4	1.5	0.4	0.8	1.1	2.8	1.2	2.7	0.8	—
Non-operating expenses	5.3	11.9	6.2	13.3	6.2	13.7	8.0	14.3	6.2	—
Interest	4.5	9.3	5.0	10.3	5.3	11.9	5.6	11.1	5.3	—
Other	0.8	2.6	1.2	3.0	0.8	1.8	2.4	3.2	0.9	—
(Net interest receive)	(4.1)	(8.4)	(4.8)	(9.6)	(5.1)	(10.9)	(5.4)	(10.5)	(5.0)	—
Ordinary profit	27.8	70.7	26.1	67.5	12.1	46.6	26.8	72.8	40.8	81.0
Extraordinary income	—	0.1	—	0.1	2.1	7.3	2.5	7.1	0.4	—
Extraordinary losses	0.5	9.6	0.7	4.6	6.8	12.0	1.6	24.0	—	—
Profit before income taxes and minority interests	27.3	61.2	25.3	63.0	7.4	41.8	27.8	55.9	41.1	—
Profit	16.1	37.4	14.4	38.6	0.0	21.6	14.6	36.0	27.1	—
Profit attributable to owners of parent	16.7	37.5	14.4	38.6	0.6	21.7	14.3	35.1	26.9	39.0

2. Management Indexes

(Consolidated base)

Total assets	2,277.3	2,405.2	2,485.7	2,487.4	2,612.1	2,652.3	2,606.7	2,634.3	2,698.0	—
ROA	—	3.5%	—	3.3%	—	2.2%	—	3.2%	—	3.5%
Equity	479.9	561.4	575.1	583.3	579.3	596.7	612.0	631.8	684.3	—
Equity ratio	21.1%	23.3%	23.1%	23.5%	22.2%	22.5%	23.5%	24.0%	25.4%	—
ROE	—	7.3%	—	6.7%	—	3.7%	—	5.7%	—	5.9%
Earnings per share (Yen)	27.37	56.84	20.02	53.70	0.84	30.13	19.90	48.84	37.43	54.22
Net assets per share (Yen)	788.21	780.78	799.82	811.04	805.50	829.50	850.86	878.32	951.36	—
Dividends per share (Yen)	7.5	15.5	8.0	16.0	8.0	16.0	8.0	17.0	9.0	19.0
Dividend payout ratio	—	27.3%	—	29.8%	—	53.1%	—	34.8%	—	35.0%
EBITDA *	46.8	110.2	47.6	117.1	38.0	101.7	57.3	132.5	70.1	143.4
Depreciation	11.9	24.6	13.2	32.3	18.4	39.8	21.1	43.3	21.6	43.1
Amortization of goodwill	2.7	5.4	2.7	5.4	2.6	5.3	2.7	5.4	2.6	5.2

3. Interest-bearing Debt

(Consolidated base)

Interest-bearing Debt	1,313.9	1,289.8	1,399.4	1,361.0	1,495.0	1,478.8	1,479.3	1,421.7	1,473.1	1,500.0
Interest-bearing Debt/EBITDA	—	11.7	—	11.6	—	14.5	—	10.7	—	10.5
D/E ratio	—	2.3	—	2.3	—	2.5	—	2.3	—	2.2
D/E ratio in consideration of hybrid financing *	—	2.3	—	2.3	—	2.3	—	2.0	—	2.0
Interest	4.5	9.3	5.0	10.3	5.3	11.9	5.6	11.1	5.3	—
Average interest rate	—	0.7%	—	0.8%	—	0.8%	—	0.8%	—	—

* EBITDA (Operating profit before depreciation) = Operating profit+Depreciation+Amortization of goodwill

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

(¥ billion)

4. Investment etc. (Consolidated base)	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
Capital Investment	36.7	89.8	83.9	136.1	80.4	108.7	21.1	41.7	35.6	80.0
Real estate for sale *1	43.4	96.8	30.0	70.4	36.4	85.8	66.3	158.4	85.0	200.0
Land for sale (Domestic condominiums)	6.7	40.5	17.6	24.9	0.1	10.0	8.4	28.2	17.7	30.0
Equity Investment *2 (Domestic business)	—	—	—	—	—	—	3.0	18.4	2.4	15.0
Overseas Investment	—	11.9	10.4	25.3	12.1	13.0	4.1	18.6	26.7	30.0

*1 Investment in for-rent housing is included in real estate for sale (domestic business excluding condominiums) from the fiscal year ending March 2022.

*2 Equity Investment (domestic business excluding condominiums) has been disclosed from the fiscal year ending March 2022.

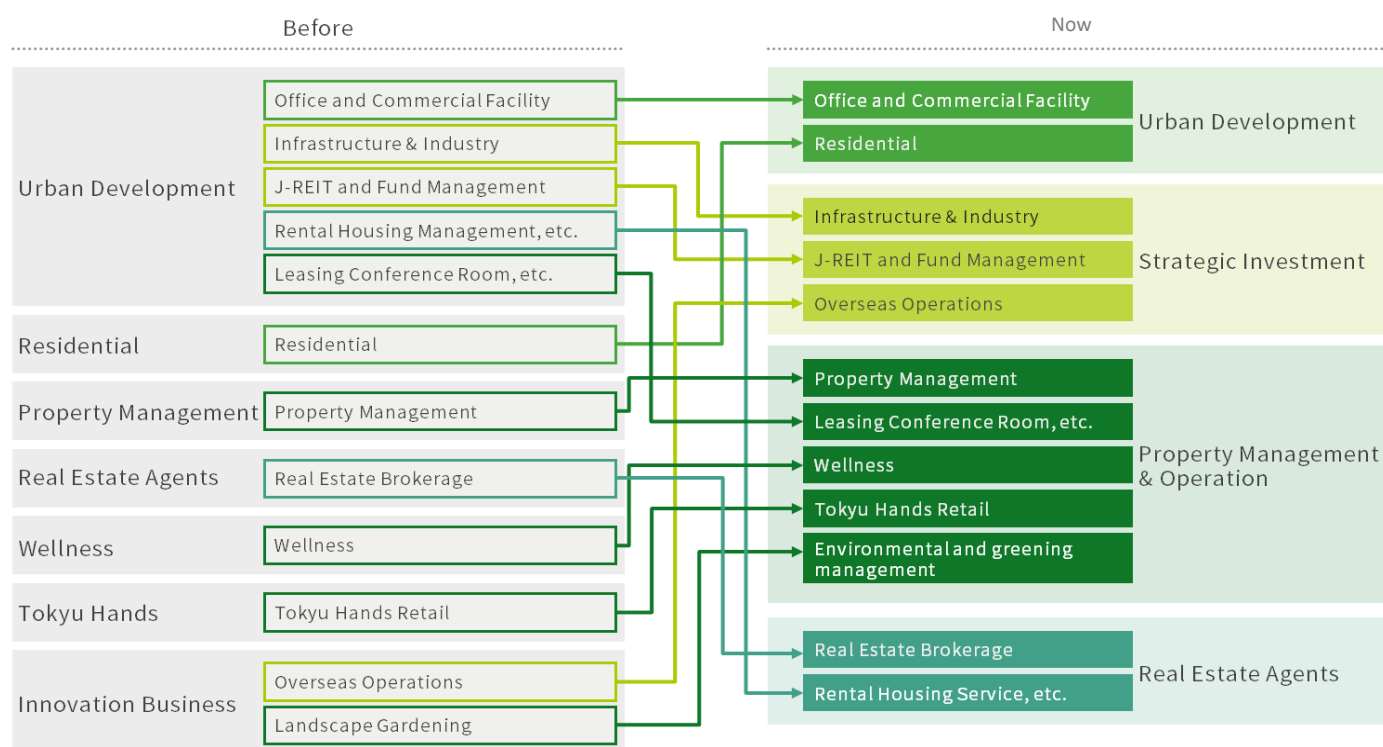
5. Cash Flows (Consolidated base)

(¥ billion)

CF from operating activities	(45.7)	44.5	(113.0)	(6.7)	(16.4)	100.4	(46.1)	76.5	(9.4)	—
CF from investing activities	(32.5)	(60.4)	(97.2)	(147.2)	(107.3)	(116.0)	(21.4)	(31.8)	(63.3)	—
CF from financing activities	102.8	139.1	108.4	65.1	130.3	108.3	(22.5)	(81.3)	45.3	—
Cash and cash equivalents at the end of the year	86.3	184.8	83.1	97.0	103.8	189.5	99.7	153.9	127.4	—

6. Reorganization of Business Segments

We have consolidated and reorganized our business segments from the previous seven segments to four segments from the fiscal year ending March 2022.



* Tokyu Hands Business: Excluded from the scope of consolidation from the end of the previous fiscal year due to the transfer of all issued shares of Tokyu Hands Co., Ltd. (Company name changed to Hands Inc. from October 1, 2022)

(¥ billion)

7. Segment Performance	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue	411.8	989.0	445.0	1,005.0	33.3	16.0	—	5.0
Urban Development	106.4	325.8	135.7	348.0	29.3	22.2	—	13.0
Strategic Investment	19.5	67.0	33.8	75.0	14.4	8.0	—	(8.0)
Property Management & Operation	179.0	383.8	152.0	339.0	(27.0)	(44.8)	—	(6.0)
Real Estate Agents	117.7	234.5	132.6	263.0	14.9	28.5	—	6.0
Elimination	(10.8)	(22.0)	(9.1)	(20.0)	1.7	2.0	—	—
Operating profit	33.5	83.8	45.9	95.0	12.4	11.2	—	5.0
Urban Development	21.4	51.9	20.4	51.3	(1.0)	(0.6)	—	1.6
Strategic Investment	6.0	14.7	8.6	11.8	2.6	(2.9)	—	0.1
Property Management & Operation	(4.9)	(0.1)	1.8	11.4	6.7	11.5	—	(0.5)
Real Estate Agents	15.0	26.1	19.1	31.0	4.1	4.9	—	3.2
Elimination	(4.0)	(8.9)	(4.1)	(10.5)	(0.1)	(1.6)	—	0.6
Operating Profit Ratio	8.1%	8.5%	10.3%	9.5%	2.2P	1.0P	—	0.5P
Urban Development	20.1%	15.9%	15.1%	14.7%	(5.1)P	(1.2)P	—	(0.1)P
Strategic Investment	30.6%	22.0%	25.4%	15.7%	(5.2)P	(6.3)P	—	1.6P
Property Management & Operation	—	—	1.2%	3.4%	1.2P	3.4P	—	(0.1)P
Real Estate Agents	12.8%	11.1%	14.4%	11.8%	1.6P	0.7P	—	1.0P

* Comparison of initial forecasts and forecasts

(¥ billion)

	Mar-2022		Mar-2023		* Comparison	
	1H		1H	Forecasts	1H	
Assets	2,606.7	2,634.3	2,698.0	—	63.7	—
Urban Development	1,614.1	1,627.5	1,595.3	—	(32.2)	—
Strategic Investment	440.4	463.6	543.3	—	79.8	—
Property Management & Operation	434.7	403.4	405.8	—	2.4	—
Real Estate Agents	187.5	221.8	202.1	—	(19.7)	—
Elimination	(70.0)	(82.0)	(48.6)	—	33.4	—
Depreciation	21.1	43.3	21.6	—	0.5	—
Urban Development	9.1	18.3	8.9	—	(0.2)	—
Strategic Investment	3.7	8.1	5.2	—	1.4	—
Property Management & Operation	6.5	13.4	5.7	—	(0.8)	—
Real Estate Agents	1.3	2.8	1.5	—	0.2	—
Elimination	0.4	0.8	0.4	—	(0.0)	—
Additions to property, plant and equipment and intangible assets	21.6	48.8	47.7	—	26.1	—
Urban Development	5.1	12.5	30.7	—	25.6	—
Strategic Investment	9.3	22.0	8.9	—	(0.4)	—
Property Management & Operation	4.9	9.9	5.5	—	0.6	—
Real Estate Agents	2.1	4.2	2.4	—	0.2	—
Elimination	0.2	0.2	0.3	—	0.1	—

* Assets are compared with the end of the previous fiscal year. Others are compared with the same period of the previous year.

8. Segment Indicators

① Urban Development

	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue (¥ billion)	106.4	325.8	135.7	348.0	29.3	22.2	—	13.0
Leasing	73.2	169.4	53.7	216.3	(19.5)	46.9	—	3.6
Leasing (Office buildings)	25.9	51.0	26.5	52.2	0.6	1.2	—	1.7
Leasing (Commercial facilities)	19.5	39.6	20.7	41.4	1.2	1.8	—	1.4
Other *1	27.8	78.8	6.5	122.6	(21.3)	43.9	—	0.5
Residential	33.2	156.4	82.0	131.7	48.8	(24.7)	—	9.4
Condominiums	27.6	139.9	57.4	90.4	29.8	(49.4)	—	6.3
Other *2	5.6	16.6	24.6	41.3	19.0	24.7	—	3.0
Operating profit	21.4	51.9	20.4	51.3	(1.0)	(0.6)	—	1.6
Leasing *3	23.4	43.1	10.9	43.3	(12.5)	0.3	—	(1.4)
Residential *3	(2.0)	8.9	9.5	8.0	11.5	(0.9)	—	2.9

*1 Excluding lease in office and commercial facility business

* Comparison of initial forecasts and forecasts

*2 Excluding condominiums in residential business

*3 Operating profit before consolidation processing

Leasing (Office buildings· Commercial facilities)	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
Vacancy rate (%)	0.5%	0.4%	0.4%	0.6%	0.8%	1.3%	1.1%	1.3%	2.7%	—
Total floor area (thousand m ²)	1,426	1,427	1,496	1,484	1,624	1,617	1,588	1,579	1,648	—
Office	582	582	646	640	775	772	748	731	801	—
Commercial facilities	844	845	850	844	849	846	840	848	848	—
Owned (Including SPC)	1,310	1,311	1,389	1,382	1,521	1,515	1,486	1,477	1,546	—
Subleased	116	116	107	102	102	102	102	102	102	—
Office for each area										
Chiyoda, Chuo, Minato, Shinjuku, Shibuya	486	486	544	543	688	685	678	661	731	—
Other Tokyo districts (total 23 districts)	66	66	72	72	62	62	52	52	52	—
Other Metropolitan area	14	14	14	14	14	14	7	7	7	—
Kansai area and Others	16	16	16	11	11	11	11	11	11	—

Residential	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
No. of units sold *1	434	1,377	800	1,697	273	1,777	464	2,194	796	1,296
Condominiums	352	1,266	789	1,680	273	1,777	464	2,194	796	1,296
Detached housing	82	111	11	17	—	—	—	—	—	—
Inventory of completed units *1	430	504	388	453	299	827	587	661	367	—
Condominiums	422	497	382	453	299	827	587	661	367	—
Detached housing	8	7	6	—	—	—	—	—	—	—
No. of units supplied *1	594	1,654	1,180	2,269	593	1,797	855	1,549	629	1,020
Condominiums	553	1,598	1,171	2,260	593	1,797	855	1,549	629	1,020
Metropolitan area	197	924	827	1,674	375	1,176	439	916	386	620
Kansai area	214	387	312	546	188	520	316	518	172	280
Other area	142	287	32	40	30	101	100	115	71	120
Detached housing	41	56	9	9	—	—	—	—	—	—

*1 Number of units after conversion to equity

② Strategic Investment

	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue (¥ billion)	19.5	67.0	33.8	75.0	14.4	8.0	—	(8.0)
Infrastructure & Industry	13.5	52.8	24.8	59.1	11.3	6.4	—	(4.7)
Asset management	3.9	8.3	4.1	8.7	0.2	0.4	—	0.2
Overseas operations	2.0	5.9	4.9	7.1	2.8	1.3	—	(3.5)
Operating profit	6.0	14.7	8.6	11.8	2.6	(2.9)	—	0.1
Infrastructure & Industry *1	3.4	9.0	6.1	13.7	2.7	4.7	—	3.2
Asset management *1	2.5	5.5	2.7	5.5	0.2	(0.0)	—	0.2
Overseas operations *1	0.0	0.2	(0.2)	(7.3)	(0.2)	(7.5)	—	(3.3)

*1 Operating profit before consolidation processing

* Comparison of initial forecasts and forecasts

	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
Renewable energy power generation facilities										
No. of facilities in operation	10	16	19	30	35	38	48	66	67	—
Rated capacity (MW)	215	246	296	487	596	730	773	882	937	—

③ Property Management & Operation

	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue (¥ billion)	179.0	383.8	152.0	339.0	(27.0)	(44.8)	—	(6.0)
Property management	95.1	206.0	96.8	213.0	1.7	7.0	—	(7.0)
Property management (Condominiums)	57.5	127.3	59.3	131.0	1.7	3.7	—	(3.1)
Property management (Office buildings)	37.6	78.6	37.5	82.0	(0.0)	3.4	—	(3.9)
Wellness	51.8	107.3	49.3	112.6	(2.4)	5.3	—	0.3
Hotel	12.6	28.5	19.0	41.3	6.4	12.9	—	0.0
Leisure facilities	5.3	16.0	6.8	18.7	1.5	2.7	—	1.6
Health care	11.5	23.8	13.2	27.5	1.8	3.7	—	(0.5)
Other (Wellness)	22.4	39.0	10.3	25.0	(12.1)	(14.0)	—	(0.9)
Tokyu Hands	27.3	56.7	—	—	(27.3)	(56.7)	—	0.0
Environmental and greening management	4.8	13.8	5.8	13.4	1.0	(0.4)	—	0.7
Operating profit	(4.9)	(0.1)	1.8	11.4	6.7	11.5	—	(0.5)
Property management *1	2.6	7.9	2.8	10.5	0.3	2.6	—	(0.5)
Wellness *1	(5.1)	(5.3)	(1.4)	0.5	3.6	5.8	—	0.1
Tokyu Hands *1	(2.4)	(4.0)	—	—	2.4	4.0	—	—
Environmental and greening *1 management	0.0	0.8	0.3	0.4	0.3	(0.4)	—	(0.1)

*1 Operating profit before consolidation processing

* Comparison of initial forecasts and forecasts

	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
Condominium units	835,410	831,684	841,817	829,533	842,927	839,891	851,679	831,603	875,015	865,039
Number of office buildings	1,529	1,540	1,562	1,561	1,552	1,532	1,524	1,626	1,632	1,629

④ Real Estate Agents

	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue (¥ billion)	117.7	234.5	132.6	263.0	14.9	28.5	—	6.0
Real estate agent	77.3	146.7	88.1	164.8	10.8	18.1	—	5.1
Real estate sales agent	33.0	69.0	38.5	77.6	5.5	8.6	—	3.0
Real estate sales	40.9	70.6	46.0	79.5	5.1	8.9	—	1.8
Consignment sales, etc.	3.4	7.1	3.6	7.7	0.1	0.6	—	0.2
Rental housing service	40.4	87.8	44.5	98.2	4.1	10.3	—	0.9
Operating profit	15.0	26.1	19.1	31.0	4.1	4.9	—	3.2
Real estate agent *1	12.8	21.1	16.9	25.7	4.1	4.6	—	3.0
Rental housing service *1	1.9	4.7	2.0	5.3	0.1	0.6	—	0.2

*1 Operating profit before consolidation processing

* Comparison of initial forecasts and forecasts

	Mar-2019		Mar-2020		Mar-2021		Mar-2022		Mar-2023	
	1H		1H		1H		1H		1H	Forecasts
No. of transactions in real estate agents	12,460	25,570	13,300	26,437	11,638	25,635	14,229	28,750	14,731	29,992
Amount of transactions (¥ billion)	600.3	1,246	653	1,316	524	1,227	754	1,578	858	1,745
No. of rental housing under management *	133	137	140	145	148	155	161	165	173	—
No. of corporate housing under management *	92	86	87	85	86	83	85	79	79	—

* (thousand)

9. Breakdown by asset type

	Mar-2022		Mar-2023		YoY Comparison		* Comparison	
	1H		1H	Forecasts	1H		1H	
Operating revenue (¥ billion)	45.4	139.2	37.2	187.2	(8.1)	48.0	—	(4.1)
Urban Development	28.7	83.8	25.1	153.5	(3.6)	69.7	—	2.7
Office buildings Commercial facilities	25.1	72.7	3.3	116.7	(21.9)	44.1	—	(0.4)
Rental housing, Land	3.6	11.1	21.8	36.7	18.2	25.6	—	3.0
Strategic Investment (Infrastructure & Industry)	3.3	32.7	12.2	32.9	8.8	0.2	—	(6.8)
Property Management & Operation (Wellness)	13.4	20.8	—	0.8	(13.4)	(20.0)	—	0.0
Real Estate Agents	—	1.8	—	—	—	(1.8)	—	—
Operating profit	12.9	32.9	7.4	41.6	(5.4)	8.7	—	1.7
Urban Development	10.5	23.4	4.2	31.3	(6.3)	7.9	—	(0.9)
Office buildings Commercial facilities	10.2	22.8	0.3	25.0	(9.9)	2.2	—	(2.3)
Rental housing, Land	0.4	0.6	3.9	6.3	3.6	5.7	—	1.4
Strategic Investment (Infrastructure & Industry)	1.0	5.7	3.2	10.0	2.2	4.3	—	2.6
Property Management & Operation (Wellness)	1.3	3.7	—	0.3	(1.3)	(3.4)	—	0.0
Real Estate Agents	—	0.1	—	—	—	(0.1)	—	—

* Comparison of initial forecasts and forecasts