

FY2017 Ended March 31, 2018 Financial Flash Report

(¥ billion)

1. Statements of Income (Consolidated base)	Mar-2015		Mar-2016		Mar-2017		Mar-2018		Mar-2019
	1H		1H		1H		1H		Forecasts
Operating revenue	322.3	773.1	351.3	815.5	319.3	808.5	408.0	866.1	880.0
Operating gross profit	65.7	148.8	74.0	163.8	72.2	173.0	85.3	182.5	—
Gross margin ratio	20.4%	19.2%	21.1%	20.1%	22.6%	21.4%	20.9%	21.1%	—
SG&A expenses	40.7	85.5	44.5	95.0	46.8	99.8	50.3	105.0	—
SG&A expenses to sales	12.6%	11.1%	12.7%	11.7%	14.7%	12.3%	12.3%	12.1%	—
Operating profit	24.9	63.3	29.5	68.8	25.3	73.2	35.0	77.5	80.0
Non-operating income	0.6	1.1	0.6	1.2	0.5	1.3	0.6	1.4	—
Interest and dividends	0.3	0.5	0.3	0.9	0.3	0.7	0.2	0.6	—
Other	0.2	0.6	0.3	0.4	0.2	0.6	0.4	0.8	—
Non-operating expenses	6.0	12.7	6.4	13.6	5.6	10.9	4.9	10.3	—
Interest	5.0	10.0	5.1	9.6	4.2	8.4	3.9	7.9	—
Other	1.0	2.8	1.3	4.0	1.4	2.5	1.0	2.3	—
(Net interest receive)	(4.6)	(9.5)	(4.8)	(8.7)	(3.9)	(7.7)	(3.7)	(7.3)	—
Ordinary profit	19.5	51.7	23.7	56.4	20.3	63.6	30.7	68.7	70.0
Extraordinary income	—	1.2	—	0.3	0.2	0.2	0.0	0.0	—
Extraordinary losses	0.3	12.9	—	9.9	1.2	18.0	1.1	9.3	—
Profit before income taxes and minority interests	19.2	40.0	23.7	46.8	19.3	45.9	29.6	59.4	—
Profit	11.4	25.8	14.9	29.0	10.4	32.0	17.6	35.4	—
Profit attributable to owners of parent	11.2	25.2	14.8	28.7	10.3	31.5	17.6	35.2	37.0

2. Management Indexes

(Consolidated base)

Total assets	1,898.9	1,973.8	2,006.6	1,984.4	2,088.6	2,067.2	2,125.5	2,176.8	—
ROA	—	3.4%	—	3.5%	—	3.6%	—	3.7%	3.6%
Equity	374.8	395.3	407.0	418.8	421.0	442.3	452.3	468.1	—
Equity ratio	19.7%	20.0%	20.3%	21.1%	20.2%	21.4%	21.3%	21.5%	—
ROE	—	6.6%	—	7.1%	—	7.3%	—	7.7%	7.7%
Earnings per share (Yen)	18.47	41.45	24.35	47.18	16.97	51.77	28.92	57.80	60.77
Net assets per share (Yen)	615.69	649.40	668.60	687.92	691.49	726.59	742.91	768.85	—
Dividends (Yen)	5.0	10.0	5.5	12.0	6.5	13.0	7.0	14.5	15.5
Dividend payout ratio	—	24.1%	—	25.4%	—	25.1%	—	25.1%	25.5%
Operating profit before depreciation *	37.0	88.0	42.2	94.3	39.2	101.7	48.9	106.1	107.1
Depreciation	9.8	20.2	10.3	21.0	11.6	23.5	11.1	23.1	21.9
Amortization of goodwill	2.3	4.5	2.3	4.5	2.3	4.9	2.7	5.4	5.2

3. Interest-bearing Debt

(Consolidated base)

Interest-bearing Debt	1,130.2	1,125.4	1,165.4	1,106.1	1,230.8	1,137.9	1,223.0	1,210.4	1,355.0
Interest-bearing Debt/EBITDA	—	12.8	—	11.7	—	11.2	—	11.4	12.7
DER	—	2.8	—	2.6	—	2.6	—	2.6	2.7
Interest	5.0	10.0	5.1	9.6	4.2	8.4	3.9	7.9	—
Average interest rate	—	0.9%	—	0.9%	—	0.7%	—	0.7%	—

* Operating profit before depreciation = Operating profit+Depreciation+Amortization of goodwill

(¥ billion)

4. Investment etc. (Consolidated base)	Mar-2015		Mar-2016		Mar-2017		Mar-2018		Mar-2019
	1H		1H		1H		1H		Forecasts
Capital Investment	64.3	126.7	43.5	78.8	40.0	60.3	24.1	44.6	120.0
Real estate for sale (buildings*commercial facilities)	72.5	150.4	26.8	68.7	36.0	47.7	37.6	88.4	70.0
Land for sale (Condominiums*Detached housing)	27.7	74.8	13.9	54.0	18.9	41.0	4.7	36.7	50.0
Investment overseas	17.8	21.1	25.8	42.2	—	1.9	6.2	9.6	25.0

5. Cash Flows (Consolidated base)

CF from operating activities	(108.5)	(38.5)	2.3	87.9	(60.5)	68.9	(34.3)	12.3	—
CF from investing activities	(63.8)	(100.3)	(65.8)	(112.4)	(46.6)	(71.0)	(47.7)	(96.4)	—
CF from financing activities	140.0	139.2	35.0	(30.5)	126.5	23.0	94.6	82.4	—
Cash and cash equivalents at the end of the year	60.2	93.9	67.2	39.9	62.2	61.9	74.8	61.7	—

(¥ billion)

6. Segment Performance	Mar-2015 *1		Mar-2016 *2		Mar-2017		Mar-2018		Mar-2019
	1H		1H		1H		1H		Forecasts
Operating revenue	322.3	773.1	351.3	815.5	319.3	808.5	408.0	866.1	880.0
Urban Development	97.9	261.0	99.9	258.7	80.0	249.0	145.8	269.8	233.4
Residential	40.6	104.8	45.3	117.7	28.2	108.5	41.7	123.5	115.4
Property Management	64.0	136.1	68.9	145.2	70.3	148.6	72.8	160.9	174.3
Real-Estate Agents	26.9	61.4	34.5	80.3	36.8	82.1	44.4	99.3	107.9
Wellness	32.7	75.1	42.1	90.2	43.8	94.4	45.6	97.0	126.3
Tokyu Hands	41.6	87.9	47.4	95.7	48.4	97.2	49.1	97.1	98.6
Innovation business *2	27.8	68.3	24.0	51.2	22.0	49.6	19.8	41.7	48.6
Elimination	(9.3)	(21.5)	(10.9)	(23.7)	(10.1)	(20.9)	(11.2)	(23.3)	(24.5)
Operating profit	24.9	63.3	29.5	68.8	25.3	73.2	35.0	77.5	80.0
Urban Development	17.4	38.5	22.7	44.8	20.0	44.9	27.3	50.7	50.0
Residential	2.7	5.5	1.4	7.0	(0.9)	9.7	1.4	7.6	5.0
Property Management	3.6	9.1	3.8	8.0	2.8	8.1	3.3	8.2	8.4
Real-Estate Agents	3.0	9.4	4.0	10.2	5.6	11.3	6.6	13.2	14.0
Wellness	0.7	4.4	1.5	6.4	2.3	7.6	1.6	5.8	7.4
Tokyu Hands	(0.2)	0.9	0.3	1.1	(0.2)	0.3	(0.1)	0.4	0.5
Innovation business *2	0.3	1.2	(1.6)	(3.0)	(1.4)	(1.9)	(1.9)	(2.2)	1.2
Elimination	(2.5)	(5.7)	(2.7)	(5.7)	(3.0)	(6.6)	(3.0)	(6.3)	(6.5)
Operating Profit Ratio	7.7%	8.2%	8.4%	8.4%	7.9%	9.1%	8.6%	9.0%	9.1%
Urban Development	17.7%	14.7%	22.8%	17.3%	25.0%	18.0%	18.7%	18.8%	21.4%
Residential	6.6%	5.3%	3.1%	5.9%	(3.0)%	8.9%	3.3%	6.1%	4.3%
Property Management	5.7%	6.7%	5.5%	5.5%	4.0%	5.4%	4.5%	5.1%	4.8%
Real-Estate Agents	11.2%	15.3%	11.6%	12.7%	15.3%	13.8%	14.8%	13.3%	13.0%
Wellness	2.0%	5.9%	3.6%	7.1%	5.3%	8.0%	3.5%	6.0%	5.9%
Tokyu Hands	(0.5)%	1.0%	0.7%	1.1%	(0.4)%	0.3%	(0.3)%	0.4%	0.6%
Innovation business *2	1.1%	1.7%	(6.5)%	(5.9)%	(6.4)%	(3.8)%	(9.6)%	(5.3)%	2.4%

* 1. The Group reorganized its structure and reportable segments effective from the fiscal year ending March 31, 2015.

* 2. The Group reorganized its structure and reportable segments effective from the fiscal year ending March 31, 2016.

The segment name of "Business Innovation and Others" used until the fiscal year ended March 31, 2015, has been changed to "Innovation business"

(¥ billion)

6. Segment Performance	Mar-2015		Mar-2016		Mar-2017		Mar-2018		Mar-2019
	1H		1H		1H		1H		Forecasts
Assets	—	1,973.8	—	1,984.4	—	2,067.2	—	2,176.8	—
Urban Development	—	1,363.1	—	1,377.7	—	1,395.6	—	1,427.1	—
Residential	—	146.5	—	148.6	—	168.5	—	211.9	—
Property Management	—	89.6	—	91.9	—	91.0	—	92.6	—
Real-Estate Agents	—	57.1	—	59.8	—	66.4	—	75.4	—
Wellness	—	206.2	—	240.2	—	251.2	—	258.9	—
Tokyu Hands	—	36.0	—	38.4	—	39.3	—	38.7	—
Innovation business *2	—	77.0	—	56.3	—	94.6	—	117.6	—
Elimination	—	(1.8)	—	(28.5)	—	(39.5)	—	(45.4)	—
Depreciation	—	20.2	—	21.0	—	23.5	—	23.1	—
Urban Development	—	10.6	—	10.3	—	11.9	—	10.9	—
Residential	—	0.2	—	0.3	—	0.4	—	0.5	—
Property Management	—	0.8	—	0.7	—	1.1	—	1.1	—
Real-Estate Agents	—	1.2	—	1.2	—	1.2	—	1.2	—
Wellness	—	5.2	—	6.8	—	7.1	—	7.4	—
Tokyu Hands	—	1.2	—	1.3	—	1.5	—	1.5	—
Innovation business *2	—	1.0	—	0.3	—	0.1	—	0.1	—
Elimination	—	0.1	—	0.2	—	0.3	—	0.4	—
Capital expenditures	—	102.2	—	90.7	—	61.5	—	47.3	—
Urban Development	—	83.8	—	60.3	—	36.3	—	21.8	—
Residential	—	0.6	—	8.4	—	1.2	—	1.1	—
Property Management	—	1.8	—	2.3	—	1.9	—	2.1	—
Real-Estate Agents	—	1.6	—	1.9	—	1.2	—	1.8	—
Wellness	—	7.3	—	14.0	—	17.8	—	17.0	—
Tokyu Hands	—	3.5	—	3.2	—	1.4	—	1.3	—
Innovation business *2	—	3.0	—	0.3	—	0.8	—	1.0	—
Elimination	—	0.6	—	0.3	—	0.8	—	1.2	—

7. Segment Indicators

① Urban Development

(¥ billion)

Operating revenue	97.9	261.0	99.9	258.7	80.0	249.0	145.8	269.8	233.4
Leasing (Office buildings)	19.0	38.9	19.4	38.1	19.0	37.7	19.4	37.9	36.7
Leasing (commercial facilities)	17.3	36.6	19.9	39.3	21.8	43.8	21.7	42.9	40.7
Asset management etc.	34.0	129.7	34.9	126.6	10.8	102.2	65.4	107.3	68.3
Leasing (Residence) etc.	27.7	55.8	25.8	54.7	28.4	65.3	39.3	81.6	87.7
Vacancy rate	2.0%	2.8%	2.8%	0.9%	0.9%	2.0%	0.3%	0.5%	—
Total floor area (thousand m ²)	1,582	1,548	1,538	1,580	1,590	1,458	1,451	1,438	—
Office	669	689	665	646	651	586	576	592	—
Commercial Facilities	913	859	873	934	939	872	875	846	—
Owned (Including SPC)	1,471	1,441	1,447	1,465	1,474	1,342	1,335	1,322	—
Subleased	111	107	91	116	116	116	116	116	—
Office for each area									
Chiyoda, Chuo, Minato, Shinjuku, Shibuya	535	577	558	538	543	479	480	497	—
Other Tokyo districts (total 23 districts)	67	64	67	67	67	66	66	66	—
Other Metropolitan area	14	14	14	14	14	14	14	14	—
Kansai area and Others	53	34	26	26	26	26	16	16	—

7. Segment Indicators

(thousand units)

	Mar-2015		Mar-2016		Mar-2017		Mar-2018		Mar-2019
	1H		1H		1H		1H		Forecasts
①Urban Development									
No. of rental housing under management	—	—	—	—	—	124	—	128	—
No. of corporate housing under management	—	—	—	—	—	92	—	90	—

②Residential

(¥ billion)

Operating revenue	40.6	104.8	45.3	117.7	28.2	108.5	41.7	123.5	115.4
Condominiums	31.1	89.7	34.2	87.6	23.6	96.7	33.3	95.5	89.6
Detached housing	2.5	5.5	3.5	7.5	4.2	7.6	1.9	3.1	2.3
Other	7.0	9.6	7.6	22.7	0.4	4.2	6.5	25.0	23.4
No. of units sold *1	828	2,169	839	2,128	702	1,798	604	1,698	1,350
Condominiums	768	2,027	733	1,892	572	1,560	561	1,627	1,266
Detached housing	60	142	106	236	130	238	43	71	84
Inventory of completed units *1	221	348	477	427	244	472	344	635	—
Condominiums	162	303	439	396	229	457	332	629	—
Detached housing	59	45	38	31	15	15	12	6	—
No. of units supplied *1	1,099	2,201	1,036	2,143	776	1,401	684	1,565	1,510
Condominiums	1,030	2,061	953	2,013	713	1,285	650	1,491	1,450
Metropolitan area	598	1,173	553	1,081	365	701	221	627	800
Kansai area	383	699	324	791	297	501	355	729	500
Other area	49	189	76	141	51	83	74	135	150
Detached housing	69	140	83	130	63	116	34	74	60

*1 No. of units is after conversion for ownership share.

③Property Management

Condominium units	668,760	678,479	707,994	715,660	755,434	741,624	819,414	822,231	844,931
Number of office buildings	1,399	1,360	1,386	1,453	1,482	1,483	1,517	1,500	1,556

④Real-Estate Agents

Number of transactions	9,327	19,568	10,594	21,939	11,487	23,278	12,189	24,410	27,189
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⑤Wellness

(¥ billion)

Operating revenue	32.7	75.1	42.1	90.2	43.8	94.4	45.6	97.0	126.3
Golf course [20]	4.8	8.6	4.6	8.6	4.5	8.2	4.7	8.3	8.9
Harvest club [24]	7.4	14.7	7.4	14.7	7.7	15.2	7.9	15.4	16.4
Ski resort [8]	2.5	11.1	2.9	11.6	8.4	12.0	2.8	12.5	13.1
Oasis [34]	7.9	15.8	8.2	16.4	2.7	16.7	8.5	17.1	18.4
Senior housing [11]	3.1	6.4	3.2	6.5	3.1	6.5	3.8	7.5	8.0
TOKYU STAY [19]	—	—	4.2	8.7	5.0	10.0	5.2	10.6	13.4
Consignment welfare	—	—	3.8	7.7	4.4	8.9	4.6	9.2	9.4
Sales of country houses and membership	1.9	8.3	1.8	4.2	2.1	4.8	0.9	2.5	22.9
Other	5.2	10.3	6.0	11.9	5.9	12.0	7.2	13.8	15.8

[] No. of facilities as of March 31, 2018