

FY2018 Second Quarter (First Six Months) Financial Flash Report

(¥ billion)

1. Statements of Income (Consolidated base)	Mar-2015		Mar-2016		Mar-2017		Mar-2018		Mar-2019	
	1H		1H		1H		1H		1H	Forecasts
Operating revenue	322.3	773.1	351.3	815.5	319.3	808.5	408.0	866.1	402.6	900.0
Operating gross profit	65.7	148.8	74.0	163.8	72.2	173.0	85.3	182.5	85.2	—
Gross margin ratio	20.4%	19.2%	21.1%	20.1%	22.6%	21.4%	20.9%	21.1%	21.2%	—
SG&A expenses	40.7	85.5	44.5	95.0	46.8	99.8	50.3	105.0	53.0	—
SG&A expenses to sales	12.6%	11.1%	12.7%	11.7%	14.7%	12.3%	12.3%	12.1%	13.2%	—
Operating profit	24.9	63.3	29.5	68.8	25.3	73.2	35.0	77.5	32.2	80.0
Non-operating income	0.6	1.1	0.6	1.2	0.5	1.3	0.6	1.4	0.9	—
Interest and dividends	0.3	0.5	0.3	0.9	0.3	0.7	0.2	0.6	0.4	—
Other	0.2	0.6	0.3	0.4	0.2	0.6	0.4	0.8	0.4	—
Non-operating expenses	6.0	12.7	6.4	13.6	5.6	10.9	4.9	10.3	5.3	—
Interest	5.0	10.0	5.1	9.6	4.2	8.4	3.9	7.9	4.5	—
Other	1.0	2.8	1.3	4.0	1.4	2.5	1.0	2.3	0.8	—
(Net interest receive)	(4.6)	(9.5)	(4.8)	(8.7)	(3.9)	(7.7)	(3.7)	(7.3)	(4.1)	—
Ordinary profit	19.5	51.7	23.7	56.4	20.3	63.6	30.7	68.7	27.8	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	0.5	—
Profit before income taxes and minority interests	19.2	40.0	23.7	46.8	19.3	45.9	29.6	59.4	27.3	—
Profit	11.4	25.8	14.9	29.0	10.4	32.0	17.6	35.4	16.1	—
Profit attributable to owners of parent	11.2	25.2	14.8	28.7	10.3	31.5	17.6	35.2	16.7	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	2,124.4	2,173.2	2,277.3	—
ROA	—	3.4%	—	3.5%	—	3.6%	—	3.7%	—	3.5%
Equity	374.8	395.3	407.0	418.8	421.0	442.3	452.3	468.1	479.9	—
Equity ratio	19.7%	20.0%	20.3%	21.1%	20.2%	21.4%	21.3%	21.5%	21.1%	—
ROE	—	6.6%	—	7.1%	—	7.3%	—	7.7%	—	7.2%
Earnings per share (Yen)	18.47	41.45	24.35	47.18	16.97	51.77	28.92	57.80	27.37	56.14
Net assets per share (Yen)	615.69	649.40	668.60	687.92	691.49	726.59	742.91	768.85	788.21	—
Dividends (Yen)	5.0	10.0	5.5	12.0	6.5	13.0	7.0	14.5	7.5	15.5
Dividend payout ratio	—	24.1%	—	25.4%	—	25.1%	—	25.1%	—	27.6%
Operating profit before depreciation *	37.0	88.0	42.2	94.3	39.2	101.7	48.9	106.1	46.8	109.7
Depreciation	9.8	20.2	10.3	21.0	11.6	23.5	11.1	23.1	11.9	24.3
Amortization of goodwill	2.3	4.5	2.3	4.5	2.3	4.9	2.7	5.4	2.7	5.4

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	1,313.9	1,320.0
Interest-bearing Debt/EBITDA	—	12.8	—	11.7	—	11.2	—	11.4	—	12.0
DER	—	2.8	—	2.6	—	2.6	—	2.6	—	2.3
Interest	5.0	10.0	5.1	9.6	4.2	8.4	3.9	7.9	4.5	—
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		1H	Forecasts
Capital Investment	64.3	126.7	43.5	78.8	40.0	60.3	24.1	44.6	36.7	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	43.4	100.0
Land for sale (Condominiums* Detached housing)	27.7	74.8	13.9	54.0	18.9	41.0	4.7	36.7	6.7	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	(45.7)	—
CF from investing activities	(63.8)	(100.3)	(65.8)	(112.4)	(46.6)	(71.0)	(47.7)	(96.4)	(32.5)	—
CF from financing activities	140.0	139.2	35.0	(30.5)	126.5	23.0	94.6	82.4	102.8	—
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	86.3	—

(¥ billion)

6. Segment Performance	Mar-2015 *1		Mar-2016 *2		Mar-2017		Mar-2018		Mar-2019	
	1H		1H		1H		1H		1H	Forecasts
Operating revenue	322.3	773.1	351.3	815.5	319.3	808.5	408.0	866.1	402.6	900.0
Urban Development	97.9	261.0	99.9	258.7	80.0	249.0	145.8	269.8	121.8	255.5
Residential	40.6	104.8	45.3	117.7	28.2	108.5	41.7	123.5	32.0	124.5
Property Management	64.0	136.1	68.9	145.2	70.3	148.6	72.8	160.9	80.7	174.2
Real-Estate Agents	26.9	61.4	34.5	80.3	36.8	82.1	44.4	99.3	51.4	108.0
Wellness	32.7	75.1	42.1	90.2	43.8	94.4	45.6	97.0	62.3	124.7
Tokyu Hands	41.6	87.9	47.4	95.7	48.4	97.2	49.1	97.1	49.3	98.7
Innovation business *2	27.8	68.3	24.0	51.2	22.0	49.6	19.8	41.7	17.6	49.1
Elimination	(9.3)	(21.5)	(10.9)	(23.7)	(10.1)	(20.9)	(11.2)	(23.3)	(12.5)	(34.8)
Operating profit	24.9	63.3	29.5	68.8	25.3	73.2	35.0	77.5	32.2	80.0
Urban Development	17.4	38.5	22.7	44.8	20.0	44.9	27.3	50.7	23.0	50.0
Residential	2.7	5.5	1.4	7.0	(0.9)	9.7	1.4	7.6	0.1	5.0
Property Management	3.6	9.1	3.8	8.0	2.8	8.1	3.3	8.2	3.3	8.4
Real-Estate Agents	3.0	9.4	4.0	10.2	5.6	11.3	6.6	13.2	6.4	14.0
Wellness	0.7	4.4	1.5	6.4	2.3	7.6	1.6	5.8	2.6	7.6
Tokyu Hands	(0.2)	0.9	0.3	1.1	(0.2)	0.3	(0.1)	0.4	0.1	0.7
Innovation business *2	0.3	1.2	(1.6)	(3.0)	(1.4)	(1.9)	(1.9)	(2.2)	(0.1)	0.9
Elimination	(2.5)	(5.7)	(2.7)	(5.7)	(3.0)	(6.6)	(3.0)	(6.3)	(3.2)	(6.7)
Operating Profit Ratio	7.7%	8.2%	8.4%	8.4%	7.9%	9.1%	8.6%	9.0%	8.0%	8.9%
Urban Development	17.7%	14.7%	22.8%	17.3%	25.0%	18.0%	18.7%	18.8%	18.9%	19.6%
Residential	6.6%	5.3%	3.1%	5.9%	(3.0)%	8.9%	3.3%	6.1%	0.4%	4.0%
Property Management	5.7%	6.7%	5.5%	5.5%	4.0%	5.4%	4.5%	5.1%	4.1%	4.8%
Real-Estate Agents	11.2%	15.3%	11.6%	12.7%	15.3%	13.8%	14.8%	13.3%	12.4%	13.0%
Wellness	2.0%	5.9%	3.6%	7.1%	5.3%	8.0%	3.5%	6.0%	4.2%	6.1%
Tokyu Hands	(0.5)%	1.0%	0.7%	1.1%	(0.4)%	0.3%	(0.3)%	0.4%	0.2%	0.8%
Innovation business *2	1.1%	1.7%	(6.5)%	(5.9)%	(6.4)%	(3.8)%	(9.6)%	(5.3)%	(0.7)%	1.8%

* 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		1H	Forecasts
Assets	—	1,973.8	—	1,984.4	—	2,067.2	—	2,173.2	—	—
Urban Development	—	1,363.1	—	1,377.7	—	1,395.6	—	—	—	—
Residential	—	146.5	—	148.6	—	168.5	—	—	—	—
Property Management	—	89.6	—	91.9	—	91.0	—	—	—	—
Real-Estate Agents	—	57.1	—	59.8	—	66.4	—	—	—	—
Wellness	—	206.2	—	240.2	—	251.2	—	—	—	—
Tokyu Hands	—	36.0	—	38.4	—	39.3	—	—	—	—
Innovation business *2	—	77.0	—	56.3	—	94.6	—	—	—	—
Elimination	—	(1.8)	—	(28.5)	—	(39.5)	—	—	—	—
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	121.8	255.5
Leasing (Office buildings)	19.0	38.9	19.4	38.1	19.0	37.7	19.4	37.9	18.5	36.6
Leasing (commercial facilities)	17.3	36.6	19.9	39.3	21.8	43.8	21.7	42.9	20.8	41.3
Asset management etc.	34.0	129.7	34.9	126.6	10.8	102.2	65.4	107.3	40.9	89.0
Leasing (Residence) etc.	27.7	55.8	25.8	54.7	28.4	65.3	39.3	81.6	41.7	88.5
Vacancy rate	2.0%	2.8%	2.8%	0.9%	0.9%	2.0%	0.3%	0.5%	0.5%	—
Total floor area (thousand m ²)	1,582	1,548	1,538	1,580	1,590	1,458	1,451	1,438	1,426	—
Office	669	689	665	646	651	586	576	592	582	—
Commercial Facilities	913	859	873	934	939	872	875	846	844	—
Owned (Including SPC)	1,471	1,441	1,447	1,465	1,474	1,342	1,335	1,322	1,310	—
Subleased	111	107	91	116	116	116	116	116	116	—
Office for each area										—
Chiyoda, Chuo, Minato, Shinjuku, Shibuya	535	577	558	538	543	479	480	497	486	—
Other Tokyo districts (total 23 districts)	67	64	67	67	67	66	66	66	66	—
Other Metropolitan area	14	14	14	14	14	14	14	14	14	—
Kansai area and Others	53	34	26	26	26	26	16	16	16	—

7. Segment Indicators

	Mar-2015		Mar-2016		Mar-2017		Mar-2018		(thousand units)	
									Mar-2019	
	1H		1H		1H		1H		1H	Forecasts
①Urban Development										
No. of rental housing under management	—	—	—	—	—	124	—	128	133	—
No. of corporate housing under management	—	—	—	—	—	92	—	90	92	—
②Residential										
(¥ billion)										
Operating revenue	40.6	104.8	45.3	117.7	28.2	108.5	41.7	123.5	32.0	124.5
Condominiums	31.1	89.7	34.2	87.6	23.6	96.7	33.3	95.5	18.7	88.7
Detached housing	2.5	5.5	3.5	7.5	4.2	7.6	1.9	3.1	1.4	2.5
Other	7.0	9.6	7.6	22.7	0.4	4.2	6.5	25.0	12.0	33.4
No. of units sold *1	828	2,169	839	2,128	702	1,798	604	1,698	434	1,371
Condominiums	768	2,027	733	1,892	572	1,560	561	1,627	352	1,262
Detached housing	60	142	106	236	130	238	43	71	82	109
Inventory of completed units *1	221	348	477	427	244	472	344	635	430	—
Condominiums	162	303	439	396	229	457	332	629	422	—
Detached housing	59	45	38	31	15	15	12	6	8	—
No. of units supplied *1	1,099	2,201	1,036	2,143	776	1,401	684	1,565	594	1,710
Condominiums	1,030	2,061	953	2,013	713	1,285	650	1,491	553	1,650
Metropolitan area	598	1,173	553	1,081	365	701	221	627	197	1,000
Kansai area	383	699	324	791	297	501	355	729	214	500
Other area	49	189	76	141	51	83	74	135	142	150
Detached housing	69	140	83	130	63	116	34	74	41	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	835,410	839,809
Number of office buildings	1,399	1,360	1,386	1,453	1,482	1,483	1,517	1,500	1,529	1,549

④Real-Estate Agents

Number of transactions	9,327	19,568	10,594	21,939	11,487	23,278	12,189	24,410	12,460	26,000
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⑤Wellness

									(¥ billion)	
Operating revenue	32.7	75.1	42.1	90.2	43.8	94.4	45.6	97.0	62.3	124.7
Golf course [20]	4.8	8.6	4.6	8.6	4.5	8.2	4.7	8.3	4.7	8.6
Harvest club [25]	7.4	14.7	7.4	14.7	7.7	15.2	7.9	15.4	8.1	16.3
Ski resort [8]	2.5	11.1	2.9	11.6	2.7	12.0	2.8	12.5	2.9	13.1
Oasis [36]	7.9	15.8	8.2	16.4	8.4	16.7	8.5	17.1	8.8	18.0
Senior housing [11]	3.1	6.4	3.2	6.5	3.1	6.5	3.8	7.5	3.9	7.9
TOKYU STAY [21]	—	—	4.2	8.7	5.0	10.0	5.2	10.6	6.7	13.2
Consignment welfare	—	—	3.8	7.7	4.4	8.9	4.6	9.2	5.0	9.8
Sales of country houses and membership	1.9	8.3	1.8	4.2	2.1	4.8	0.9	2.5	14.9	21.9
Other	5.2	10.3	6.0	11.9	5.9	12.0	7.2	13.8	7.4	15.9

[] No. of facilities as of September 30, 2018