

FY2016 Second Quarter (First Six Months) Financial Flash Report

(¥ billion)

1. Statements of Income (Consolidated base)	Mar-2013		Mar-2014		Mar-2015		Mar-2016		Mar-2017	
	1H		1H		1H		1H		1H	Forecasts
Operating revenue	286.5	595.9	294.1	714.1	322.3	773.1	351.3	815.5	319.3	830.0
Operating gross profit	58.3	126.8	63.6	145.3	65.7	148.8	74.0	163.8	72.2	—
Gross margin ratio	20.3%	21.3%	21.6%	20.3%	20.4%	19.2%	21.1%	20.1%	22.6%	—
SG&A expenses	35.3	74.8	38.5	83.9	40.7	85.5	44.5	95.0	46.8	—
SG&A expenses to sales	12.3%	12.6%	13.1%	11.7%	12.6%	11.1%	12.7%	11.7%	14.7%	—
Operating income	23.0	52.0	25.2	61.4	24.9	63.3	29.5	68.8	25.3	73.0
Non-operating income	0.7	1.2	0.6	1.3	0.6	1.1	0.6	1.2	0.5	—
Interest and dividends	0.2	0.3	0.2	0.3	0.3	0.5	0.3	0.9	0.3	—
Other	0.5	0.9	0.4	1.0	0.2	0.6	0.3	0.4	0.2	—
Non-operating expenses	7.1	13.3	5.7	12.2	6.0	12.7	6.4	13.6	5.6	—
Interest	6.2	11.6	5.1	10.2	5.0	10.0	5.1	9.6	4.2	—
Other	0.9	1.7	0.6	2.0	1.0	2.8	1.3	4.0	1.4	—
(Net interest receive)	(6.0)	(11.3)	(4.9)	(9.9)	(4.6)	(9.5)	(4.8)	(8.7)	(3.9)	—
Ordinary income	16.5	39.9	20.1	50.6	19.5	51.7	23.7	56.4	20.3	61.0
Extraordinary income	11.0	11.5	0.1	0.2	—	1.2	—	0.3	0.2	—
Extraordinary loss	3.1	9.5	0.2	7.0	0.3	12.9	—	9.9	1.2	—
Income before income taxes and minority interests	24.4	42.0	20.0	43.7	19.2	40.0	23.7	46.8	19.3	—
Profit	15.9	26.7	11.5	26.6	11.4	25.8	14.9	29.0	10.4	—
Profit attributable to owners of parent	14.2	22.1	9.1	23.7	11.2	25.2	14.8	28.7	10.3	31.5

2. Management Indexes

(Consolidated base)

Total assets	1,610.1	1,718.4	1,756.2	1,789.8	1,898.9	1,973.8	2,006.6	1,984.4	2,088.6	—
ROA	—	3.0%	—	3.5%	—	3.4%	—	3.5%	—	3.6%
Equity	252.9	268.7	275.2	364.5	374.8	395.3	407.0	418.8	421.0	—
Equity ratio	15.7%	15.6%	15.7%	20.4%	19.7%	20.0%	20.3%	21.1%	20.2%	—
ROE	—	8.7%	—	7.5%	—	6.6%	—	7.1%	—	7.4%
Earnings per share (Yen)	26.75	41.71	17.15	41.61	18.47	41.45	24.35	47.18	16.97	51.74
Net assets per share (Yen)	476.34	505.99	518.60	598.73	615.69	649.40	668.60	687.92	691.49	—
Dividends (Yen)	3.5	7.0	3.5	*3 8.0	5.0	10.0	5.5	12.0	6.5	13.0
Dividend payout ratio	—	16.8%	—	19.2%	—	24.1%	—	25.4%	—	25.1%
Operating income before depreciation *2	33.1	72.4	36.0	84.6	37.0	88.0	42.2	94.3	39.2	101.2
Depreciation	10.0	20.2	9.8	20.0	9.8	20.2	10.3	21.0	11.6	23.5
Amortization of goodwill	0.1	0.2	1.0	3.2	2.3	4.5	2.3	4.5	2.3	4.7

3. Interest-bearing Debt

(Consolidated base)

Interest-bearing Debt	934.7	974.1	1,043.4	991.0	1,130.2	1,125.4	1,165.4	1,106.1	1,230.8	1,140.0
Interest-bearing Debt/EBITDA	—	13.5	—	11.7	—	12.8	—	11.7	—	11.3
DER	—	3.6	—	2.7	—	2.8	—	2.6	—	2.6
Interest	6.2	11.6	5.1	10.2	5.0	10.0	5.1	9.6	4.2	—
Average interest rate	—	1.1%	—	1.0%	—	0.9%	—	0.9%	—	—

*1 For the FY2013 second quarter ended September 30, 2013 and prior fiscal periods, data of Tokyu Land Corporation (on a consolidated basis) is used. (Page1~4)

*2 Operating income before depreciation = Operating income+Depreciation+Amortization of goodwill

*3 The sum of the interim dividend of ¥3.5 paid by Tokyu Land Corporation and the year-end dividend of ¥4.5 paid by the Company.

(¥ billion)

4. Investment etc. (Consolidated base)	Mar-2013		Mar-2014	
	1H		1H	
Capital Investment	18.1	43.8	27.6	77.5
Real estate for sale (buildings* commercial facilities)	—	27.4	33.3	92.9
Land for sale (Condominiums* Detached housing)	15.5	59.5	31.3	51.1

5. Cash Flows (Consolidated base)

CF from operating activities	22.0	70.2	(62.8)	(13.5)
CF from investing activities	103.5	42.5	(31.5)	19.7
CF from financing activities	(128.5)	(90.5)	68.3	3.0
Cash and cash equivalents at the end of the year	58.9	84.1	58.3	92.7

4. Investment etc. (Consolidated base)	Mar-2015		Mar-2016		Mar-2017	
	1H		1H		1H	Forecasts
Capital Investment	64.3	126.7	43.5	78.8	40.0	110.0
Real estate for sale (buildings* commercial facilities)	72.5	150.4	26.8	68.7	36.0	40.0
Land for sale (Condominiums* Detached housing)	27.7	74.8	13.9	54.0	18.9	45.0
Investment overseas	17.8	21.1	25.8	42.2	—	—

5. Cash Flows (Consolidated base)

CF from operating activities	(108.5)	(38.5)	2.3	87.9	(60.5)	—
CF from investing activities	(63.8)	(100.3)	(65.8)	(112.4)	(46.6)	—
CF from financing activities	140.0	139.2	35.0	(30.5)	126.5	—
Cash and cash equivalents at the end of the year	60.2	93.9	67.2	39.9	62.2	—

(¥ billion)

6. Segment Performance	Mar-2013		Mar-2014	
	1H		1H	
Operating revenue	286.5	595.9	294.1	714.1
Real Estate Sales	69.0	145.1	57.9	209.1
Contracted Construction	30.6	70.1	36.7	90.7
Retail Sales	40.9	82.8	41.3	84.5
Leasing of Real Estate	65.5	128.3	63.2	130.9
Property Management	37.9	76.5	47.5	96.0
Facility Operations	27.2	59.7	29.2	63.8
Real Estate Agents	19.3	42.3	24.2	51.6
Other	4.0	8.8	4.5	9.9
Elimination	(7.9)	(17.8)	(10.4)	(22.3)
Operating income	23.0	52.0	25.2	61.4
Real Estate Sales	2.5	6.6	2.9	12.5
Contracted Construction	(0.2)	1.6	(0.0)	2.9
Retail Sales	0.2	0.9	0.0	1.1
Leasing of Real Estate	19.5	35.0	17.9	33.6
Property Management	2.5	5.1	3.1	6.7
Facility Operations	0.0	3.8	0.8	4.3
Real Estate Agents	1.2	4.8	3.6	8.5
Other	(0.1)	0.0	(0.2)	0.0
Elimination	(2.7)	(5.8)	(3.0)	(8.0)
Operating Income Ratio	8.0%	8.7%	8.6%	8.6%
Real Estate Sales	3.7%	4.6%	4.9%	6.0%
Contracted Construction	(0.7)%	2.3%	(0.0)%	3.2%
Retail Sales	0.5%	1.0%	0.0%	1.3%
Leasing of Real Estate	29.8%	27.3%	28.3%	25.6%
Property Management	6.7%	6.7%	6.6%	6.9%
Facility Operations	0.2%	6.3%	2.7%	6.7%
Real Estate Agents	6.0%	11.3%	14.9%	16.5%
Other	(3.7)%	0.3%	(3.4)%	0.1%

6. Segment Performance	Mar-2015 *1		Mar-2016 *2		Mar-2017	
	1H		1H		1H	Forecasts
Operating revenue	322.3	773.1	351.3	815.5	319.3	830.0
Urban Development	97.9	261.0	99.9	258.7	80.0	260.0
Residential	40.6	104.8	45.3	117.7	28.2	111.0
Property Management	64.0	136.1	68.9	145.2	70.3	152.6
Real-Estate Agents	26.9	61.4	34.5	80.3	36.8	83.3
Wellness	32.7	75.1	42.1	90.2	43.8	95.0
Tokyu Hands	41.6	87.9	47.4	95.7	48.4	100.9
Business Innovation and Others/Innovation business *2	27.8	68.3	24.0	51.2	22.0	54.2
Elimination	(9.3)	(21.5)	(10.9)	(23.7)	(10.1)	(27.1)
Operating income	24.9	63.3	29.5	68.8	25.3	73.0
Urban Development	17.4	38.5	22.7	44.8	20.0	44.0
Residential	2.7	5.5	1.4	7.0	(0.9)	8.9
Property Management	3.6	9.1	3.8	8.0	2.8	8.8
Real-Estate Agents	3.0	9.4	4.0	10.2	5.6	10.9
Wellness	0.7	4.4	1.5	6.4	2.3	7.6
Tokyu Hands	(0.2)	0.9	0.3	1.1	(0.2)	0.9
Business Innovation and Others/Innovation business *2	0.3	1.2	(1.6)	(3.0)	(1.4)	(1.0)
Elimination	(2.5)	(5.7)	(2.7)	(5.7)	(3.0)	(6.9)
Operating Income Ratio	7.7%	8.2%	8.4%	8.4%	7.9%	8.8%
Urban Development	17.7%	14.7%	22.8%	17.3%	25.0%	16.9%
Residential	6.6%	5.3%	3.1%	5.9%	(3.0)%	8.0%
Property Management	5.7%	6.7%	5.5%	5.5%	4.0%	5.8%
Real-Estate Agents	11.2%	15.3%	11.6%	12.7%	15.3%	13.1%
Wellness	2.0%	5.9%	3.6%	7.1%	5.3%	8.0%
Tokyu Hands	(0.5)%	1.0%	0.7%	1.1%	(0.4)%	0.9%
Business Innovation and Others/Innovation business *2	1.1%	1.7%	(6.5)%	(5.9)%	(6.4)%	(1.9)%

* 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-2013		Mar-2014		6. Segment Performance	Mar-2015		Mar-2016		Mar-2017	
	1H		1H			1H		1H		1H	Forecasts
Assets	—	1,718.4	—	1,789.8	Assets	—	1,973.8	—	1,984.4	—	—
Real Estate Sales	—	190.8	—	260.2	Urban Development	—	1,363.1	—	1,377.7	—	—
Contracted Construction	—	24.4	—	30.1	Residential	—	146.5	—	148.6	—	—
Retail Sales	—	33.2	—	32.2	Property Management	—	89.6	—	91.9	—	—
Leasing of Real Estate	—	1,165.8	—	1,099.5	Real-Estate Agents	—	57.1	—	59.8	—	—
Property Management	—	54.2	—	52.7	Wellness	—	206.2	—	240.2	—	—
Facility Operations	—	195.0	—	196.5	Tokyu Hands	—	36.0	—	38.4	—	—
Real Estate Agents	—	72.7	—	48.0	Business Innovation and Others/Innovation business *2	—	77.0	—	56.3	—	—
Other	—	15.4	—	24.1	Elimination	—	(1.8)	—	(28.5)	—	—
Eliminations	—	(33.2)	—	46.5							
Depreciation	—	20.2	—	20.0	Depreciation	—	20.2	—	21.0	—	—
Real Estate Sales	—	0.1	—	0.1	Urban Development	—	10.6	—	10.3	—	—
Contracted Construction	—	0.3	—	0.3	Residential	—	0.2	—	0.3	—	—
Retail Sales	—	1.1	—	1.1	Property Management	—	0.8	—	0.7	—	—
Leasing of Real Estate	—	11.5	—	11.1	Real-Estate Agents	—	1.2	—	1.2	—	—
Property Management	—	0.2	—	0.3	Wellness	—	5.2	—	6.8	—	—
Facility Operations	—	4.8	—	5.0	Tokyu Hands	—	1.2	—	1.3	—	—
Real Estate Agents	—	1.1	—	0.9	Business Innovation and Others/Innovation business *2	—	1.0	—	0.3	—	—
Other	—	0.6	—	0.6	Elimination	—	0.1	—	0.2	—	—
Eliminations	—	0.4	—	0.4							
Capital expenditures	—	82.9	—	77.5	Capital expenditures	—	102.2	—	90.7	—	—
Real Estate Sales	—	0.6	—	0.4	Urban Development	—	83.8	—	60.3	—	—
Contracted Construction	—	0.4	—	0.4	Residential	—	0.6	—	8.4	—	—
Retail Sales	—	1.2	—	1.1	Property Management	—	1.8	—	2.3	—	—
Leasing of Real Estate	—	35.9	—	64.2	Real-Estate Agents	—	1.6	—	1.9	—	—
Property Management	—	38.4	—	0.6	Wellness	—	7.3	—	14.0	—	—
Facility Operations	—	4.1	—	6.9	Tokyu Hands	—	3.5	—	3.2	—	—
Real Estate Agents	—	1.2	—	1.4	Business Innovation and Others/Innovation business *2	—	3.0	—	0.3	—	—
Other	—	0.6	—	1.0	Elimination	—	0.6	—	0.3	—	—
Eliminations	—	0.5	—	1.5							

7. Segment Indicators

① Leasing of Real Estate

	65.5	128.3	63.2	130.9
Operating revenue				
Owned (*TLC)	15.3	30.1	14.6	30.1
Owned (Consolidated SPC)	17.8	33.7	16.3	34.3
Leased etc.(*TLC)	6.3	11.9	5.0	11.6
Other	26.1	52.5	27.2	54.9
Vacancy rate	1.3%	2.1%	1.5%	1.8%

① Urban Development

	97.9	261.0	99.9	258.7	80.0	260.0
Operating revenue						
Leasing (Office buildings)	19.0	38.9	19.4	38.1	19.0	37.9
Leasing (commercial facilities)	17.3	36.6	19.9	39.3	21.8	43.6
Asset management etc.	34.0	129.7	34.9	126.6	10.8	111.3
Leasing (Residence) etc.	27.7	55.8	25.8	54.7	28.4	67.2
Vacancy rate	2.0%	2.8%	2.8%	0.9%	0.9%	—

* TLC=TOKYU LAND CORPORATION

7. Segment Indicators

① Leasing of Real Estate

Total Leasing floor area	Mar-2013		Mar-2014	
	1H		1H	
Total floor area (*TLC-SPC)	1,406	1,425	1,486	1,512
Office	584	620	612	671
Commercial Facilities	822	805	874	841
Owned (Including SPC)	1,275	1,298	1,364	1,394
Subleased	132	127	122	118
Office for each area				
Chiyoda,Chuo,Minato, Shinjuku,Shibuya	466	465	460	525
Other Tokyo districts (total 23 districts)	57	77	77	71
Other Metropolitan area	21	21	21	21
Kansai area and Others	40	57	55	55

② Real Estate Sales
(TOKYU LAND CORPORATION)

Operating revenue	65.2	134.4	51.5	175.4
Condominiums	29.1	95.1	39.1	137.0
Detached housing	1.4	3.5	4.6	7.6
Country houses,Cottages	0.2	0.5	6.1	7.2
Other sales	34.5	35.4	1.8	23.5
No.of units sold *1	788	2,502	1,087	3,057
Condominiums	730	2,367	782	2,633
Detached housing	51	122	180	272
Country houses,Cottages	7	13	125	152
Inventory of completed units *1	269	280	153	306
Condominiums	243	252	122	260
Detached housing	26	28	31	46
No.of units supplied *1	1,028	2,537	1,646	2,747
Condominiums	978	2,381	1,517	2,489
Metropolitan area	275	1,144	1,112	1,818
Kansai area	594	1,124	281	511
Other area	109	113	124	160
Detached housing	31	99	86	170
Country houses,Cottages	19	57	43	88

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

③ Property Management (Number of sites managed)

Condominiums (units)	451,606	617,687	627,304	641,591
Buildings (no. of contracts)	1,352	1,330	1,318	1,305

④ Real Estate Agents

Number of transactions	7,872	16,615	9,446	19,435
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⑤ Facility Operations (Consolidated base)

Operating revenue	27.2	59.7	29.2	63.8
Golf course	4.9	8.6	4.7	8.4
Harvest club	6.3	12.2	6.7	13.5
Oasis	7.3	14.5	7.5	15.0
Ski resort	2.4	10.7	2.4	10.5
Senior housing	2.5	5.7	2.8	6.3
Other	3.8	8.1	5.1	10.2
Registration fee	0.7	1.7	1.5	2.8
No.of memberships	507	1,325	1,019	1,841

* TLC=TOKYU LAND CORPORATION

① Urban Development

Total floor area	Mar-2015		Mar-2016		Mar-2017	
	1H		1H		1H	Forecasts
Total floor area	1,582	1,548	1,538	1,580	1,590	—
Office	669	689	665	646	651	—
Commercial Facilities	913	859	873	934	939	—
Owned (Including SPC)	1,471	1,441	1,447	1,465	1,474	—
Subleased	111	107	91	116	116	—
Office for each area						
Chiyoda,Chuo,Minato, Shinjuku,Shibuya	535	577	558	538	543	—
Other Tokyo districts (total 23 districts)	67	64	67	67	67	—
Other Metropolitan area	14	14	14	14	14	—
Kansai area and Others	53	34	26	26	26	—

② Residential

Operating revenue					Mar-2017	
	1H		1H		1H	Forecasts
Operating revenue	40.6	104.8	45.3	117.7	28.2	111.0
Condominiums	31.1	89.7	34.2	87.6	23.6	97.4
Detached housing	2.5	5.5	3.5	7.5	4.2	8.8
Other	7.0	9.6	7.6	22.7	0.4	4.7
No.of units sold *1	828	2,169	839	2,128	702	1,829
Condominiums	768	2,027	733	1,892	572	1,582
Detached housing	60	142	106	236	130	247
Inventory of completed units *1	221	348	477	427	244	—
Condominiums	162	303	439	396	229	—
Detached housing	59	45	38	31	15	—
No.of units supplied *1	1,099	2,201	1,036	2,143	776	1,820
Condominiums	1,030	2,061	953	2,013	713	1,700
Metropolitan area	598	1,173	553	1,081	365	850
Kansai area	383	699	324	791	297	750
Other area	49	189	76	141	51	100
Detached housing	69	140	83	130	63	120

③ Property Management

Condominium units	668,760	678,479	707,994	715,660	755,434	761,739
Number of office buildings	1,399	1,360	1,386	1,453	1,482	1,498

④ Real-Estate Agents

Number of transactions	9,327	19,568	10,594	21,939	11,487	24,202
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⑤ Wellness

Operating revenue					Mar-2017	
	1H		1H		1H	Forecasts
Operating revenue	32.7	75.1	42.1	90.2	43.8	95.0
Golf course [20]	4.8	8.6	4.6	8.6	4.5	8.2
Harvest club [27]	7.4	14.7	7.4	14.7	7.7	15.1
Oasis [33]	7.9	15.8	8.2	16.4	2.7	12.7
Ski resort [8]	2.5	11.1	2.9	11.6	8.4	17.0
Senior housing [11]	3.1	6.4	3.2	6.5	3.1	6.4
TOKYU STAY [17]	—	—	4.2	8.7	5.0	9.9
Consignment welfare	—	—	3.8	7.7	4.4	8.7
Sales of country houses and membership	1.9	8.3	1.8	4.2	2.1	5.3
Other	5.2	10.3	6.0	11.9	5.9	11.7

[] No. of facilities as of September 30, 2016