

Financial Summary
FY2015 Third Quarter (First Nine Months)
Ended December 31, 2015

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on February 8, 2016 at 16:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2015 Third Quarter (First Nine Months) Ended December 31, 2015

*All the figures in millions are rounded down and all the figures in billions are rounded off to one decimal place.

(1) Summary of consolidated statements of income

(% indicates year-on-year change.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
First nine months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2015	548,132	15.9	47,262	24.9	38,595	31.3	23,779	58.9
FY2014	472,974	2.9	37,853	7.6	29,388	9.4	14,962	69.4

Note: Comprehensive income: First nine months of FY2015 ¥21,853 million [(4.7)%]
First nine months of FY2014 ¥22,919 million [117.0%]

	Earnings per share	Fully diluted earnings per share
First nine months	(Yen)	(Yen)
FY2015	39.06	–
FY2014	24.58	–

(2) Summary of consolidated balance sheets

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2015	2,009,221	413,755	20.4	674.65
As of March 31, 2015	1,973,801	398,282	20.0	649.40

Reference: Equity: As of December 31, 2015 ¥410,707 million; As of March 31, 2015 ¥395,333 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2014 ended March 31, 2015	–	5.00	–	5.00	10.00
FY2015 ending March 31, 2016	–	5.50	–		
FY2015 ending March 31, 2016 (Forecast)				5.50	11.00

Note: Revisions to the forecasts of dividends most recently announced: None

3. Forecast for Fiscal Year 2015 Ending March 31, 2016

(% indicates year-on-year change.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full-year forecast	800,000	3.5	65,000	2.7	52,000	0.6	26,500	5.0	43.53

Note: Revisions to the forecasts most recently announced: None

* Indication regarding execution of quarterly review procedures

This quarterly financial summary report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial summary report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of forecasts, and other special matters

(Disclaimer)

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

Operating Results and Financial Position

1. Analysis of Operating Results

(1) Overview

Results for the first nine months ended December 31, 2015 showed ¥548.1 billion in operating revenue (up 15.9% from the same period of the previous fiscal year), ¥47.3 billion in operating income (up 24.9%), ¥38.6 billion in ordinary income (up 31.3%) and ¥23.8 billion in profit attributable to owners of parent (up 58.9%).

Both revenues and profit increased mainly due to a contribution from the start of new facilities operations and an increase in revenues from sales of properties including buildings for investors in the Urban Development segment as well as increased bulk sales of land in the Residential segment and the strong performance in the Real-Estate Agents segment and other factor. Profit attributable to owners of parent also increased mainly due to an improvement in the extraordinary loss.

The Group reorganized its structure and reportable segments of part of our businesses effective from the first quarter ended June 30, 2015. In the business results for the same period and the full-year period of the previous fiscal year in the below explanation of each segment, the existing figures have been reclassified in accordance with the new segment structure.

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2014	FY2015			
Operating revenue	473.0	548.1	75.2	800.0	68.5%
Operating income	37.9	47.3	9.4	65.0	72.7%
Ordinary income	29.4	38.6	9.2	52.0	74.2%
Profit attributable to owners of parent	15.0	23.8	8.8	26.5	89.7%

Operating revenue and operating income

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2015	161.2	351.3	548.1	–
Operating revenue for FY2014	162.1	322.3	473.0	773.1
Operating income for FY2015	11.5	29.5	47.3	–
Operating income for FY2014	9.2	24.9	37.9	63.3

By segment, the five segments of Urban Development, Residential, Property Management, Real-Estate Agents and Tokyu Hands saw an increase in revenues and profit, Innovation Business saw an increase in revenues but a decrease in profit, and Wellness saw a decrease in revenues but an increase in profit (compared with the same period of the previous fiscal year).

Operating revenue

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2014	FY2015			
Total	473.0	548.1	75.2	800.0	68.5%
Urban Development	138.8	168.3	29.5	255.9	65.8%
Residential	51.9	69.7	17.8	116.9	59.6%
Property Management	97.2	105.9	8.7	146.0	72.5%
Real-Estate Agents	40.2	50.2	10.0	72.6	69.1%
Wellness	64.4	63.9	(0.6)	89.6	71.3%
Tokyu Hands	65.5	72.8	7.3	98.1	74.2%
Innovation Business	28.9	33.4	4.5	48.5	68.9%
Adjustment for Inter-Company Transactions	(14.0)	(16.0)	(2.0)	(27.5)	–

Operating income

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2014	FY2015			
Total	37.9	47.3	9.4	65.0	72.7%
Urban Development	27.7	32.8	5.1	44.3	73.9%
Residential	1.8	5.2	3.4	5.0	104.1%
Property Management	5.7	6.3	0.6	8.0	78.6%
Real-Estate Agents	4.8	5.8	1.0	9.1	63.3%
Wellness	3.1	3.2	0.1	5.3	61.6%
Tokyu Hands	1.2	1.2	0.0	1.3	95.4%
Innovation Business	(2.3)	(3.1)	(0.8)	(2.4)	–
Adjustment for Inter-Company Transactions	(4.0)	(4.0)	(0.1)	(5.5)	–

1) Urban Development

In our Urban Development business, we recorded ¥168.3 billion in operating revenue (up 21.3% from the same period of the previous fiscal year) and ¥32.8 billion in operating income (up 18.5%).

Both revenues and profit increased mainly due to a contribution from the start of new facilities operations, as well as to an increase in revenues from sales of properties including buildings for investors.

“Morinomiya Q’s MALL BASE” (Osaka-shi, Osaka, commercial facility) and “Futako Tamagawa Rise (The second phase project)” (Setagaya-ku, Tokyo, office building and commercial facility) were opened, and “CROSS PLACE Hamamatsucho” (Minato-ku, Tokyo, office building) was acquired in April 2015. In addition, the vacancy rate (office buildings and commercial facilities) remained at a low level of 1.9%.

(Unit:¥ billion)

	First nine months		Comparison	FY2014	FY2015 forecast
	FY2014	FY2015			
Operating revenue	138.8	168.3	29.5	267.4	255.9
Operating income	27.7	32.8	5.1	38.6	44.3

Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2014
	FY2014	FY2015		
Leasing (Office buildings)	29.2	28.7	(0.5)	38.9
Leasing (Commercial facilities)	27.1	29.5	2.3	36.6
Asset management etc.	45.7	71.1	25.4	142.4
Leasing (Residence) etc.	36.7	39.0	2.2	49.4

Vacancy rate of office buildings and commercial facilities

As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of December 31, 2015
2.1%	1.8%	2.8%	1.9%

Major new openings

	Use	Open	Floor space (thousand m ²)
Morinomiya Q’s MALL BASE	Commercial	April 2015	24
Futako Tamagawa Rise (The second phase project)	Office and commercial	April 2015	157
CROSS PLACE Hamamatsucho	Office	April 2015 (Acquisition)	12
MARKET SQUARE KAWASAKI EAST (Subleased)	Commercial	February 2016 (scheduled)	30
Tokyu Plaza Ginza	Commercial	March 2016 (scheduled)	50

2) Residential

In our Residential business, we recorded ¥69.7 billion in operating revenue (up 34.2% from the same period of the previous fiscal year) and ¥5.2 billion in operating income (up 190.2%).

Both revenues and profit increased mainly due to sales growth of condominium units as well as increased bulk sales of land.

Meanwhile, sales of condominium units in “Branz City Shinagawa Katsushima” (Shinagawa-ku, Tokyo), “Branz City Abeno Ouji-cho” (Osaka-shi, Osaka), “Branz Sapporo Nakajima-koen” (Sapporo-shi, Hokkaido), and others were recorded. Sales continued to perform firmly and the ratio of contracted amount for sale to the planned sales amount for the full year for condominium became 90% from 34% at the beginning of the fiscal year (up 5 percentage points from the same period of the previous fiscal year).

(Unit:¥ billion)

	First nine months		Comparison	FY2014	FY2015 forecast
	FY2014	FY2015			
Operating revenue	51.9	69.7	17.8	104.8	116.9
Operating income	1.8	5.2	3.4	5.5	5.0

Breakdown of operating revenue

(Before adjustments in ¥ billion)

	First nine months				Comparison	FY2014	
	FY2014		FY2015				
Condominiums	1,015 units	41.1	936 units	42.9	1.9	2,027 units	89.7
Detached housing	91 units	3.6	145 units	4.5	0.9	142 units	5.5
Others	–	7.2	–	22.2	15.0	–	9.6

Number of units supplied and sold

(Units)

	First nine months				Inventory of completed units	
	FY2014		FY2015		As of March 31, 2015	As of December 31, 2015
	New supply	Contracted units	New supply	Contracted units		
Condominiums	1,555	1,397	1,403	1,464	303	333
Detached housing	105	105	94	122	45	21

3) Property Management

In our Property Management business, we recorded ¥105.9 billion in operating revenue (up 9.0% from the same period of the previous fiscal year), and ¥6.3 billion in operating income (up 10.0%).

Both revenues and profit increased mainly due to expansion in the stock of condominium and building management service sites. The stock of condominium management service sites continued to expand steadily to 711 thousand units (of which the number of units under comprehensive management was 502 thousand units) as of December 31, 2015.

(Unit:¥ billion)

	First nine months		Comparison	FY2014	FY2015 forecast
	FY2014	FY2015			
Operating revenue	97.2	105.9	8.7	136.1	146.0
Operating income	5.7	6.3	0.6	9.1	8.0

Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2014
	FY2014	FY2015		
Condominiums	73.7	76.7	2.9	102.8
Buildings	23.4	29.2	5.8	33.3

Number of sites managed as of fiscal year (period) end

	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of December 31, 2015
Condominiums (units)	617,687	641,591	678,479	711,547
Buildings (no. of contracts)	1,330	1,305	1,360	1,416

4) Real-Estate Agents

In our Real-Estate Agents business, we recorded ¥50.2 billion in operating revenue (up 24.7% from the same period of the previous fiscal year) and ¥5.8 billion in operating income (up 21.4%).

Against the backdrop of strong performance in the real estate transaction market, in real-estate sales agent, the number of transactions and contract prices rose both in retail sales and in wholesale sales, which lead to an increase in revenues and profit. In retail sales, we continued to open new stores and enhance services provided to individual clients. Also in wholesale sales, we continued to strengthen efforts for large contracts.

(Unit:¥ billion)

	First nine months		Comparison	FY2014	FY2015 forecast
	FY2014	FY2015			
Operating revenue	40.2	50.2	10.0	61.4	72.6
Operating income	4.8	5.8	1.0	9.4	9.1

Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2014
	FY2014	FY2015		
Real-estate sales agent	29.3	34.0	4.7	41.5
Consignment sales	2.0	1.5	(0.4)	3.9
Real-estate sales	7.3	12.4	5.1	13.5
Others	1.7	2.3	0.6	2.4

5) Wellness

In our Wellness business, we recorded ¥63.9 billion in operating revenue (down 0.9% from the same period of the previous fiscal year) and ¥3.2 billion in operating income (up 4.6%).

Although there was a decrease in some revenue mainly due to the country house sales of “Kyoto Takagamine” and “VIALA annex Kyoto Takagamine” (Kyoto-shi, Kyoto), the Harvest Club membership resort hotels that opened in October 2014, were recorded in the same period of the previous fiscal year, profit increased mainly due to a greater inbound demand at Tokyu Stay medium- and long-term stay hotels as well as a contribution from the start of new facilities operations of the Harvest Club, Fitness club, and Tokyu Stay.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2014	FY2015		FY2014	FY2015 forecast
Operating revenue	64.4	63.9	(0.6)	89.6	89.6
Operating income	3.1	3.2	0.1	6.0	5.3

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2014	FY2015		FY2014	
Resort operations	22.7	23.1	0.5	34.3	(Golf course, Harvest club, Ski resort, etc.)
Oasis	11.6	12.2	0.7	15.8	(Fitness club, etc.)
Senior housing	4.8	4.8	0.0	6.4	
Tokyu stay	5.3	6.4	1.1	7.2	(Hotel)
Consignment welfare	5.2	5.6	0.4	7.1	
Sales of country houses and membership	6.6	2.8	(3.8)	8.3	
Other	8.3	8.9	0.6	10.5	

6) Tokyu Hands

In our Tokyu Hands business, we recorded ¥72.8 billion in operating revenue (up 11.2% from the same period of the previous fiscal year) and ¥1.2 billion in operating income (up 3.8%).

Both revenues and profit increased mainly due to an improvement at existing stores (up 2.3%) reflecting greater inbound demand at Tokyu Hands, Inc., as well as to a contribution from new stores.

The new stores that opened were “Tokyu Hands LaLaport Fujimi Store” and “Tokyu Hands Oita Store” in April 2015, “Tokyu Hands Matsuyama Store” in October 2015, and “Tokyu Hands LaLaport Tachikawa Tachihi Store” in December 2015. We are also working to achieve steady business expansion including a plan of opening a new business “HANDS EXPO” in our newly opened facility, Tokyu Plaza Ginza, scheduled for March 2016.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2014	FY2015		FY2014	FY2015 forecast
Operating revenue	65.5	72.8	7.3	87.9	98.1
Operating income	1.2	1.2	0.0	0.9	1.3

7) Innovation Business

In Innovation Business, we recorded ¥33.4 billion in operating revenue (up 15.5% from the same period of the previous fiscal year) and ¥3.1 billion in operating loss.

Although revenues increased due partly to increased sales of properties in overseas operations, profit decreased due to such factors as a decrease in completions of constructions in renovation and custom-built houses.

(Unit:¥ billion)

	First nine months		Comparison	FY2014	FY2015 forecast
	FY2014	FY2015			
Operating revenue	28.9	33.4	4.5	47.5	48.5
Operating income	(2.3)	(3.1)	(0.8)	(0.5)	(2.4)

Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2014
	FY2014	FY2015		
Renovation / custom-built houses	21.2	20.2	(1.0)	36.0
Landscape gardening	6.6	7.4	0.8	10.1
Overseas operations, etc.	1.1	5.8	4.7	1.5

(2) Analysis of Financial Position

As of the end of the third quarter ended December 31, 2015, total assets increased by ¥35.4 billion compared to the end of the previous fiscal year mainly due to increases in non-current assets. Total liabilities also increased by ¥19.9 billion due mainly to an increase in interest-bearing debt, compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of December 31, 2014	As of December 31, 2015	(Reference) As of March 31, 2015
Total assets	2,005.4	2,009.2	1,973.8
Total liabilities	1,620.0	1,595.5	1,575.5
Net assets	385.4	413.8	398.3
Equity	381.2	410.7	395.3
Equity ratio	19.0%	20.4%	20.0%
Interest-bearing debt	1,214.9	1,171.4	1,125.4

(3) Forecast for Fiscal Year 2015 Ending March 31, 2016

	Operating revenue (Billions of yen)	Operating income (Billions of yen)	Ordinary income (Billions of yen)	Profit attributable to owners of parent (Billions of yen)
Full-year forecast	800.0	65.0	52.0	26.5

Reference: Projected earnings per share (full-year): ¥43.53

There is no change from the forecasts announced on November 9, 2015.

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

Third Quarter Consolidated Balance Sheets

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	94,275	64,676
Notes and accounts receivable - trade	25,462	22,781
Securities	1,735	1,308
Merchandise	10,254	11,879
Real estate for sale	246,761	216,830
Real estate for sale in process	142,087	154,240
Costs on uncompleted construction contracts	5,823	9,971
Supplies	723	889
Other	45,704	51,889
Allowance for doubtful accounts	(191)	(189)
Total current assets	572,635	534,277
Non-current assets		
Property, plant and equipment		
Buildings and structures	370,560	378,595
Accumulated depreciation	(153,178)	(156,892)
Buildings and structures, net	217,381	221,702
Land	866,836	865,417
Construction in progress	26,055	70,015
Other	51,277	55,315
Accumulated depreciation	(34,305)	(35,690)
Other, net	16,972	19,625
Total property, plant and equipment	1,127,244	1,176,760
Intangible assets		
Goodwill	79,930	76,998
Other	32,968	30,087
Total intangible assets	112,898	107,085
Investments and other assets		
Investment securities	80,202	98,989
Lease and guarantee deposits	62,208	64,428
Other	19,617	28,654
Allowance for doubtful accounts	(1,006)	(973)
Total investments and other assets	161,021	191,097
Total non-current assets	1,401,165	1,474,944
Total assets	1,973,801	2,009,221

Note: Amounts are in units of millions of yen with fractional units discarded.

Account title	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	51,641	27,313
Short-term loans payable	203,717	200,982
Current portion of bonds	10,000	10,000
Commercial papers	73,000	90,000
Income taxes payable	10,382	10,967
Provision	9,608	4,657
Other	112,568	109,891
Total current liabilities	470,918	453,812
Non-current liabilities		
Bonds payable	80,000	90,000
Long-term loans payable	758,661	780,439
Long-term lease and guarantee deposited	176,248	176,462
Net defined benefit liability	26,751	27,613
Provision	429	402
Other	62,508	66,734
Total non-current liabilities	1,104,600	1,141,653
Total liabilities	1,575,518	1,595,466
Net assets		
Shareholders' equity		
Capital stock	60,000	60,000
Capital surplus	118,638	118,638
Retained earnings	195,774	214,705
Treasury shares	(1,785)	(1,789)
Total shareholders' equity	372,628	391,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,143	14,382
Deferred gains or losses on hedges	(73)	-
Revaluation reserve for land	9,222	7,674
Foreign currency translation adjustment	1,466	(349)
Remeasurements of defined benefit plans	(3,052)	(2,556)
Total accumulated other comprehensive income	22,705	19,152
Non-controlling interests	2,948	3,048
Total net assets	398,282	413,755
Total liabilities and net assets	1,973,801	2,009,221

Note: Amounts are in units of millions of yen with fractional units discarded.

Third Quarter Consolidated Statement of (Comprehensive) Income

(Third Quarter Consolidated Statement of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2014 (from April 1, 2014 to December 31, 2014)	First nine months FY2015 (from April 1, 2015 to December 31, 2015)
Operating revenue	472,974	548,132
Operating cost	374,341	433,347
Operating gross profit	98,633	114,785
Selling, general and administrative expenses	60,779	67,523
Operating income	37,853	47,262
Non-operating income		
Interest income	93	86
Dividend income	306	318
Other	336	454
Total non-operating income	735	858
Non-operating expenses		
Interest expenses	7,487	7,337
Other	1,713	2,187
Total non-operating expenses	9,200	9,525
Ordinary income	29,388	38,595
Extraordinary losses		
Impairment loss	2,018	-
Loss on sales of investments in silent partnership of subsidiaries and associates	1,585	-
Other	10	-
Total extraordinary losses	3,613	-
Income before income taxes and minority interests	25,774	38,595
Income taxes	10,538	14,731
Profit	15,236	23,863
Profit attributable to non-controlling interests	273	84
Profit attributable to owners of parent	14,962	23,779

Note: Amounts are in units of millions of yen with fractional units discarded.

(Third Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2014 (from April 1, 2014 to December 31, 2014)	First nine months FY2015 (from April 1, 2015 to December 31, 2015)
Profit	15,236	23,863
Other comprehensive income		
Valuation difference on available-for-sale securities	6,838	(760)
Deferred gains or losses on hedges	(38)	73
Foreign currency translation adjustment	(83)	(1,708)
Remeasurements of defined benefit plans, net of tax	512	496
Share of other comprehensive income of entities accounted for using equity method	454	(111)
Total other comprehensive income	7,683	(2,010)
Comprehensive income	22,919	21,853
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,627	21,773
Comprehensive income attributable to non-controlling interests	292	80

Note: Amounts are in units of millions of yen with fractional units discarded.