

**Financial Summary**  
**FY2017 Third Quarter (First Nine Months)**  
**Ended December 31, 2017**

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on February 6, 2018 at 16:00 (GMT+9).  
The review has not been completed.

## 1. Overview of the FY2017 Third Quarter (First Nine Months) Ended December 31, 2017

\*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 profit		Ordinary profit		Profit attributable to owners of parent	
First nine months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2017	608,847	21.4	54,999	30.5	48,354	38.1	29,108	34.0
FY2016	501,664	(8.5)	42,130	(10.9)	35,012	(9.3)	21,725	(8.6)

Note: Comprehensive income: First nine months of FY2017 ¥27,156 million [152.8%]  
First nine months of FY2016 ¥17,767 million [(18.7)%]

	Earnings per share	Fully diluted earnings per share
First nine months	(Yen)	(Yen)
FY2017	47.82	-
FY2016	35.69	-

### (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, 2017	2,197,900	465,484	21.0	757.47
As of March 31, 2017	2,067,152	446,307	21.4	726.59

Reference: Equity: As of December 31, 2017 ¥461,119 million; As of March 31, 2017 ¥442,320 million

## 2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2016 ended March 31, 2017	-	6.50	-	6.50	13.00
FY2017 ending March 31, 2018	-	7.00	-		
FY2017 ending March 31, 2018 (Forecast)				7.50	14.50

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

## 3. Forecast for Fiscal Year 2017 Ending March 31, 2018

(% indicates year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		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	840,000	3.9	73,500	0.4	64,000	0.6	34,500	9.5	56.67

Note: Revisions to the forecasts most recently announced: None

\* Quarterly financial summary reports are not required to be subjected to quarterly reviews.

\* 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, 2017 showed ¥608.8 billion in operating revenue (up 21.4% from the same period of the previous fiscal year), ¥55.0 billion in operating profit (up 30.5%), ¥48.4 billion in ordinary profit (up 38.1%) and ¥29.1 billion in profit attributable to owners of parent (up 34.0%).

Market conditions for offices and condominiums remained strong, and the results for this period indicate steady progress is being made toward achieving the full-year forecast. Both revenues and profit increased mainly due to an increase in revenues from sales of properties including buildings for investors in the Urban Development segment, as well as to higher sales of condominiums in the Residential segment and a strong performance in the Real-Estate Agents segment.

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Operating revenue	501.7	608.8	107.2	840.0	72.5%
Operating profit	42.1	55.0	12.9	73.5	74.8%
Ordinary profit	35.0	48.4	13.3	64.0	75.6%
Profit attributable to owners of parent	21.7	29.1	7.4	34.5	84.4%

### Operating revenue and operating profit

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2017	183.9	408.0	608.8	–
Operating revenue for FY2016	145.8	319.3	501.7	808.5
Operating profit for FY2017	17.4	35.0	55.0	–
Operating profit for FY2016	9.4	25.3	42.1	73.2

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

### Operating revenue

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Total	501.7	608.8	107.2	840.0	72.5%
Urban Development	143.0	192.3	49.3	253.5	75.9%
Residential	38.6	77.1	38.5	121.1	63.7%
Property Management	107.1	114.3	7.2	159.7	71.6%
Real-Estate Agents	52.8	66.9	14.1	91.3	73.3%
Wellness	67.3	69.2	1.9	97.4	71.1%
Tokyu Hands	74.1	74.1	(0.0)	98.7	75.1%
Innovation Business	33.8	31.1	(2.7)	41.8	74.5%
Adjustment for Inter-Company Transactions	(15.0)	(16.3)	(1.3)	(23.6)	–

### Operating profit

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Total	42.1	55.0	12.9	73.5	74.8%
Urban Development	33.9	36.6	2.7	47.3	77.3%
Residential	(1.9)	6.9	8.8	7.8	89.1%
Property Management	4.6	5.3	0.7	8.3	64.3%
Real-Estate Agents	6.6	9.1	2.6	12.3	74.6%
Wellness	5.3	3.1	(2.2)	5.8	54.0%
Tokyu Hands	0.3	0.5	0.2	0.1	370.0%
Innovation Business	(1.9)	(2.0)	(0.1)	(1.5)	–
Adjustment for Inter-Company Transactions	(4.9)	(4.7)	0.2	(6.6)	–

## 1) Urban Development

In our Urban Development business, we recorded ¥192.3 billion in operating revenue (up 34.5% from the same period of the previous fiscal year) and ¥36.6 billion in operating profit (up 7.8%).

Both revenues and profit increased mainly due to an increase in revenues from sales of properties including buildings for investors, and improvement in lease revenues from existing buildings, as well as to a contribution from NATIONAL STUDENTS INFORMATION CENTER, which became a consolidated subsidiary in November 2016.

As for new openings, “Q Plaza Futakotamagawa” (Setagaya-ku, Tokyo) opened in April 2017, “Shinsaibashisuji 2-chome Building” (Osaka-shi, Osaka) in November, and “Shimbashi 3-chome Place” (Minato-ku, Toyo) in December, and operations of these facilities have been successful with their occupancy rates at 100%.

In addition, the vacancy rate (office buildings and commercial facilities) improved from the end of March 2017 due to an improvement in occupancy at existing office buildings, and remained at a low level of 0.4%.

(Unit:¥ billion)

	First nine months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	143.0	192.3	49.3	249.0	253.5
Operating profit	33.9	36.6	2.7	44.9	47.3

### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2016
	FY2016	FY2017		
Leasing (Office buildings)	28.6	28.7	0.1	37.7
Leasing (Commercial facilities)	32.8	32.5	(0.3)	43.8
Asset management etc.	39.4	72.5	33.2	102.2
Leasing (Residence) etc.	42.2	58.6	16.4	65.3

### Vacancy rate of office buildings and commercial facilities

As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of December 31, 2017
2.8%	0.9%	2.0%	0.4%

### Major new openings

	Use	Open	Floor space (thousand m <sup>2</sup> )
Q Plaza Futakotamagawa	Commercial	April 2017	3
Shinsaibashisuji 2-chome Building	Commercial	November 2017	1
Shimbashi 3-chome Place	Hotel and commercial	December 2017	4

## 2) Residential

In our Residential business, we recorded ¥77.1 billion in operating revenue (up 100.0% from the same period of the previous fiscal year) and ¥6.9 billion in operating profit.

Both revenues and profit increased due mainly to an increase in the number of condominium units sold and an increase in high-end properties sold which boosted up sales, as well as to greater bulk sales of land.

Sales of condominium units in “BRANZ Shibuya Tokiwamatsu” (Shibuya-ku, Tokyo), “BRANZ Tower Midosuji Hommachi” (Osaka-shi, Osaka), “BRANZ Tower Wellith Shinsaibashi SOUTH” (Osaka-shi, Osaka) and others were recorded. In addition, sales continued to perform firmly and the inventory of completed units decreased compared to the end of the previous fiscal year. The ratio of contracted amount for sale to the planned sales amount for the full year for condominium became 89% (down 5 percentage points from the same period of the previous fiscal year) from 54% at the beginning of the fiscal year, showing a steady progress.

(Unit:¥ billion)

	First nine months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	38.6	77.1	38.5	108.5	121.1
Operating profit	(1.9)	6.9	8.8	9.7	7.8

### Breakdown of operating revenue

(Before adjustments in ¥ billion)

	First nine months				Comparison	FY2016	
	FY2016		FY2017				
Condominiums	714 units	31.9	1,021 units	62.7	30.8	1,560 units	96.7
Detached housing	196 units	5.5	54 units	2.5	(3.0)	238 units	7.6
Others	–	1.1	–	11.8	10.7	–	4.2

### Number of units supplied and sold

(Units)

	First nine months				Inventory of completed units	
	FY2016		FY2017		As of March 31, 2017	As of December 31, 2017
	New supply	Contracted units	New supply	Contracted units		
Condominiums	1,060	1,017	1,021	918	457	306
Detached housing	67	92	41	55	15	7

### 3) Property Management

In our Property Management business, we recorded ¥114.3 billion in operating revenue (up 6.7% from the same period of the previous fiscal year), and ¥5.3 billion in operating profit (up 15.4%).

The stock of condominium and building management service sites steadily expanded at Tokyu Community Corp. Both revenues and profit increased due to such factors as an expansion in the stock of management service sites, start of operations in October 2017 of Tokyu Re-design Corporation, which was established with the purpose of strengthening and expanding the renovation business, and higher sales of construction work for buildings, etc.

The stock of condominium management service sites continued to expand steadily, particularly in contracts as a designated manager of public housing, etc., to 822 thousand units (of which the number of units under comprehensive management was 519 thousand units) as of December 31, 2017.

(Unit:¥ billion)

	First nine months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	107.1	114.3	7.2	148.6	159.7
Operating profit	4.6	5.3	0.7	8.1	8.3

#### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2016
	FY2016	FY2017		
Condominiums	77.7	80.3	2.7	108.4
Buildings	29.4	34.0	4.6	40.2

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

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of December 31, 2017
Condominiums (units)	678,479	715,660	741,624	822,507
Buildings (no. of contracts)	1,360	1,453	1,483	1,515

#### 4) Real-Estate Agents

In our Real-Estate Agents business, we recorded ¥66.9 billion in operating revenue (up 26.8% from the same period of the previous fiscal year) and ¥9.1 billion in operating profit (up 39.4%).

In real-estate sales agent business at Tokyu Livable Inc., the number of transactions and contract prices rose in both retail and wholesale sales, as a result of launching new stores, and efforts to enhance and strengthen our service offerings, taking advantage of continuously strong performance of the real estate transaction market. Both revenues and profit increased thanks mainly to a sales increase in real-estate sales agent business, as well as to an increase in sales from purchase and resale transactions in real-estate sales.

(Unit:¥ billion)

	First nine months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	52.8	66.9	14.1	82.1	91.3
Operating profit	6.6	9.1	2.6	11.3	12.3

#### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2016
	FY2016	FY2017		
Real-estate sales agent	36.8	39.4	2.6	51.9
Consignment sales	1.6	1.6	0.0	2.8
Real-estate sales	12.8	23.8	11.0	25.1
Others	1.5	2.1	0.6	2.3

#### 5) Wellness

In our Wellness business, we recorded ¥69.2 billion in operating revenue (up 2.9% from the same period of previous fiscal year) and ¥3.1 billion in operating profit (down 41.5%).

While revenues increased due to a growth in sales from newly opened facilities in senior housing and Tokyu Stay urban style hotels, as well as to continued strong performance at existing facilities such as ski resorts and the Tokyu Harvest Club membership resort hotels, profit decreased mainly due to the absence, in sales of country houses and membership, of operating revenue from country house land sales recorded in the same period of the previous fiscal year.

In addition, we opened three new facilities, namely a senior housing, “Grancreeper Setagaya Nakamachi” (Setagaya-ku, Tokyo) in July 2017, a membership resort hotel, “Tokyu Harvestclub Nasu Retreat” (Nasu-gun, Tochigi) in October, and an urban style hotel, “Tokyu Stay Kyoto Ryogaemachi-Dori” (Kyoto-shi, Kyoto) in November.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2016	FY2017		FY2016	FY2017 forecast
Operating revenue	67.3	69.2	1.9	94.4	97.4
Operating profit	5.3	3.1	(2.2)	7.6	5.8

#### Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2016	FY2017		FY2016	
Resort operations	23.2	23.9	0.7	35.4	(Golf course, Harvest club, Ski resort, etc.)
Oasis	12.6	12.8	0.2	16.7	(Fitness club, etc.)
Senior housing	4.7	5.6	0.9	6.5	
Tokyu stay	7.6	7.9	0.4	10.0	(Urban style hotel)
Consignment welfare	6.5	6.8	0.3	8.9	
Sales of country houses and membership	3.9	1.8	(2.1)	4.8	
Others	8.9	10.4	1.5	12.0	

#### 6) Tokyu Hands

In our Tokyu Hands business, we recorded ¥74.1 billion in operating revenue (down 0.0% from the same period of the previous fiscal year) and ¥0.5 billion in operating profit (up 53.2%).

At Tokyu Hands, Inc., although revenues decreased mainly due to lower sales at existing stores (down 2.7%), profit increased due in part to a decrease in costs.

The new stores that opened were “Tokyu Hands Amagasaki Q’s MALL Store” in April 2017 and “Tokyu Hands Chiba Store” in September 2017, in an effort to achieve steady business expansion.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2016	FY2017		FY2016	FY2017 forecast
Operating revenue	74.1	74.1	(0.0)	97.2	98.7
Operating profit	0.3	0.5	0.2	0.3	0.1

## 7) Innovation Business

In our Innovation Business, we recorded ¥31.1 billion in operating revenue (down 7.9% from the same period of the previous fiscal year) and ¥2.0 billion in operating loss.

A part of the renovation business was transferred to Tokyu Re-design Corporation, which started its operations in October 2017 in the Property Management segment. As a result of this change and other factors, revenues decreased; profit also declined due mainly to an increase in costs for overseas operations.

(Unit:¥ billion)

	First nine months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	33.8	31.1	(2.7)	49.6	41.8
Operating profit	(1.9)	(2.0)	(0.1)	(1.9)	(1.5)

### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2016
	FY2016	FY2017		
Renovation / custom-built houses	24.9	20.5	(4.4)	35.4
Landscape gardening	7.0	7.9	0.9	11.7
Overseas operations, etc.	1.9	2.7	0.9	2.4

## (2) Analysis of Financial Position

As of the end of the third quarter ended December 31, 2017, total assets increased by ¥130.7 billion compared to the end of the previous fiscal year mainly due to increases in real estate for sale in process and investment securities. Total liabilities also increased by ¥111.6 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, 2016	As of December 31, 2017	(Reference) As of March 31, 2017
Total assets	2,139.7	2,197.9	2,067.2
Total liabilities	1,707.1	1,732.4	1,620.8
Net assets	432.6	465.5	446.3
Equity	428.7	461.1	442.3
Equity ratio	20.0%	21.0%	21.4%
Interest-bearing debt	1,254.9	1,273.0	1,137.9
DER	2.9×	2.8×	2.6×

## (3) Forecast for Fiscal Year 2017 Ending March 31, 2018

	Operating revenue (Billions of yen)	Operating profit (Billions of yen)	Ordinary profit (Billions of yen)	Profit attributable to owners of parent (Billions of yen)
Full-year forecast	840.0	73.5	64.0	34.5

Reference: Projected earnings per share (full-year): ¥56.67

There is no change from the forecasts announced on November 9, 2017.

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, 2017	As of December 31, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	62,885	70,816
Notes and accounts receivable - trade	27,391	26,026
Securities	5,403	13,654
Merchandise	12,023	12,594
Real estate for sale	213,239	200,002
Real estate for sale in process	199,431	262,517
Costs on uncompleted construction contracts	5,948	8,859
Supplies	779	811
Other	61,066	72,518
Allowance for doubtful accounts	(143)	(95)
<b>Total current assets</b>	<b>588,025</b>	<b>667,705</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	394,607	407,312
Accumulated depreciation	(169,750)	(178,613)
Buildings and structures, net	224,857	228,699
Land	815,232	821,249
Construction in progress	77,129	78,122
Other	62,025	63,611
Accumulated depreciation	(38,465)	(39,872)
Other, net	23,560	23,738
<b>Total property, plant and equipment</b>	<b>1,140,779</b>	<b>1,151,810</b>
<b>Intangible assets</b>		
Goodwill	87,975	83,909
Other	23,339	25,501
<b>Total intangible assets</b>	<b>111,315</b>	<b>109,410</b>
<b>Investments and other assets</b>		
Investment securities	119,314	158,499
Lease and guarantee deposits	68,664	69,276
Other	39,754	41,903
Allowance for doubtful accounts	(701)	(704)
<b>Total investments and other assets</b>	<b>227,032</b>	<b>268,974</b>
<b>Total non-current assets</b>	<b>1,479,126</b>	<b>1,530,195</b>
<b>Total assets</b>	<b>2,067,152</b>	<b>2,197,900</b>

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

Account title	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	40,791	26,303
Short-term loans payable	257,025	189,783
Current portion of bonds	20,000	10,000
Commercial papers	60,000	133,000
Income taxes payable	9,781	13,340
Provision	10,955	5,603
Other	139,183	133,118
<b>Total current liabilities</b>	<b>537,737</b>	<b>511,149</b>
<b>Non-current liabilities</b>		
Bonds payable	120,000	165,825
Long-term loans payable	680,867	774,396
Long-term lease and guarantee deposited	175,218	179,723
Net defined benefit liability	29,062	29,545
Provision	82	98
Other	77,875	71,677
<b>Total non-current liabilities</b>	<b>1,083,106</b>	<b>1,221,267</b>
<b>Total liabilities</b>	<b>1,620,844</b>	<b>1,732,416</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	60,000	60,000
Capital surplus	118,704	119,188
Retained earnings	243,131	264,016
Treasury shares	(1,790)	(2,277)
<b>Total shareholders' equity</b>	<b>420,045</b>	<b>440,927</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	15,792	13,879
Deferred gains or losses on hedges	–	82
Revaluation reserve for land	8,069	8,069
Foreign currency translation adjustment	1,089	138
Remeasurements of defined benefit plans	(2,675)	(1,978)
<b>Total accumulated other comprehensive income</b>	<b>22,275</b>	<b>20,191</b>
<b>Non-controlling interests</b>	<b>3,987</b>	<b>4,365</b>
<b>Total net assets</b>	<b>446,307</b>	<b>465,484</b>
<b>Total liabilities and net assets</b>	<b>2,067,152</b>	<b>2,197,900</b>

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

## Third Quarter Consolidated Statements of (Comprehensive) Income

(Third Quarter Consolidated Statements of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2016 (from April 1, 2016 to December 31, 2016)	First nine months FY2017 (from April 1, 2017 to December 31, 2017)
Operating revenue	501,664	608,847
Operating cost	389,179	477,534
Operating gross profit	112,485	131,313
Selling, general and administrative expenses	70,354	76,313
Operating profit	42,130	54,999
Non-operating income		
Interest income	74	78
Dividend income	523	350
Other	319	495
Total non-operating income	918	925
Non-operating expenses		
Interest expenses	6,240	5,925
Other	1,796	1,644
Total non-operating expenses	8,036	7,570
Ordinary profit	35,012	48,354
Extraordinary income		
Gain on sales of non-current assets	116	2
Gain on sales of investment securities	82	3
Total extraordinary income	199	6
Extraordinary losses		
Loss on disaster	1,158	-
Loss on building reconstruction	-	665
Impairment loss	55	339
Loss on liquidation of business	580	-
Other	322	79
Total extraordinary losses	2,116	1,083
Profit before income taxes	33,096	47,277
Income taxes	11,366	18,033
Profit	21,729	29,243
Profit attributable to non-controlling interests	4	135
Profit attributable to owners of parent	21,725	29,108

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

(Third Quarter Consolidated Statements of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2016 (from April 1, 2016 to December 31, 2016)	First nine months FY2017 (from April 1, 2017 to December 31, 2017)
Profit	21,729	29,243
Other comprehensive income		
Valuation difference on available-for-sale securities	586	(1,913)
Deferred gains or losses on hedges	–	82
Foreign currency translation adjustment	1,016	881
Remeasurements of defined benefit plans, net of tax	708	696
Share of other comprehensive income of entities accounted for using equity method	(6,272)	(1,835)
Total other comprehensive income	(3,961)	(2,087)
Comprehensive income	17,767	27,156
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,806	27,024
Comprehensive income attributable to non-controlling interests	(38)	132

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