

FY2017 Second Quarter (First Six Months) Financial Flash Report

(¥ billion)

1. Statements of Income (Consolidated base)	Mar-2014		Mar-2015		Mar-2016		Mar-2017		Mar-2018	
	1H		1H		1H		1H		1H	Forecasts
Operating revenue	294.1	714.1	322.3	773.1	351.3	815.5	319.3	808.5	408.0	840.0
Operating gross profit	63.6	145.3	65.7	148.8	74.0	163.8	72.2	173.0	85.3	—
Gross margin ratio	21.6%	20.3%	20.4%	19.2%	21.1%	20.1%	22.6%	21.4%	20.9%	—
SG&A expenses	38.5	83.9	40.7	85.5	44.5	95.0	46.8	99.8	50.3	—
SG&A expenses to sales	13.1%	11.7%	12.6%	11.1%	12.7%	11.7%	14.7%	12.3%	12.3%	—
Operating profit	25.2	61.4	24.9	63.3	29.5	68.8	25.3	73.2	35.0	73.5
Non-operating income	0.6	1.3	0.6	1.1	0.6	1.2	0.5	1.3	0.6	—
Interest and dividends	0.2	0.3	0.3	0.5	0.3	0.9	0.3	0.7	0.2	—
Other	0.4	1.0	0.2	0.6	0.3	0.4	0.2	0.6	0.4	—
Non-operating expenses	5.7	12.2	6.0	12.7	6.4	13.6	5.6	10.9	4.9	—
Interest	5.1	10.2	5.0	10.0	5.1	9.6	4.2	8.4	3.9	—
Other	0.6	2.0	1.0	2.8	1.3	4.0	1.4	2.5	1.0	—
(Net interest receive)	(4.9)	(9.9)	(4.6)	(9.5)	(4.8)	(8.7)	(3.9)	(7.7)	(3.7)	—
Ordinary profit	20.1	50.6	19.5	51.7	23.7	56.4	20.3	63.6	30.7	64.0
Extraordinary income	0.1	0.2	—	1.2	—	0.3	0.2	0.2	0.0	—
Extraordinary loss	0.2	7.0	0.3	12.9	—	9.9	1.2	18.0	1.1	—
Income before income taxes and minority interests	20.0	43.7	19.2	40.0	23.7	46.8	19.3	45.9	29.6	—
Profit	11.5	26.6	11.4	25.8	14.9	29.0	10.4	32.0	17.6	—
Profit attributable to owners of parent	9.1	23.7	11.2	25.2	14.8	28.7	10.3	31.5	17.6	34.5

2. Management Indexes

(Consolidated base)

Total assets	1,756.2	1,789.8	1,898.9	1,973.8	2,006.6	1,984.4	2,088.6	2,067.2	2,125.5	—
ROA	—	3.5%	—	3.4%	—	3.5%	—	3.6%	—	3.5%
Equity	275.2	364.5	374.8	395.3	407.0	418.8	421.0	442.3	452.3	—
Equity ratio	15.7%	20.4%	19.7%	20.0%	20.3%	21.1%	20.2%	21.4%	21.3%	—
ROE	—	7.5%	—	6.6%	—	7.1%	—	7.3%	—	7.6%
Earnings per share (Yen)	17.15	41.61	18.47	41.45	24.35	47.18	16.97	51.77	28.92	56.67
Net assets per share (Yen)	518.60	598.73	615.69	649.40	668.60	687.92	691.49	726.59	742.91	—
Dividends (Yen)	3.5	*3 8.0	5.0	10.0	5.5	12.0	6.5	13.0	7.0	14.5
Dividend payout ratio	—	19.2%	—	24.1%	—	25.4%	—	25.1%	—	25.6%
Operating profit before depreciation *2	36.0	84.6	37.0	88.0	42.2	94.3	39.2	101.7	48.9	101.7
Depreciation	9.8	20.0	9.8	20.2	10.3	21.0	11.6	23.5	11.1	22.8
Amortization of goodwill	1.0	3.2	2.3	4.5	2.3	4.5	2.3	4.9	2.7	5.4

3. Interest-bearing Debt

(Consolidated base)

Interest-bearing Debt	1,043.4	991.0	1,130.2	1,125.4	1,165.4	1,106.1	1,230.8	1,137.9	1,223.0	1,230.0
Interest-bearing Debt/EBITDA	—	11.7	—	12.8	—	11.7	—	11.2	—	12.1
DER	—	2.7	—	2.8	—	2.6	—	2.6	—	2.6
Interest	5.1	10.2	5.0	10.0	5.1	9.6	4.2	8.4	3.9	—
Average interest rate	—	1.0%	—	0.9%	—	0.9%	—	0.7%	—	—

*1 On the FY2013 second quarter ended September 30, data of Tokyu Land Corporation (on a consolidated basis) is used. (Page1~4)

*2 Operating profit before depreciation = Operating profit+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-2014	
	1H	
Capital Investment	27.6	77.5
Real estate for sale (buildings* commercial facilities)	33.3	92.9
Land for sale (Condominiums* Detached housing)	31.3	51.1

4. Investment etc. (Consolidated base)	Mar-2015		Mar-2016		Mar-2017	
	1H		1H		1H	
Capital Investment	64.3	126.7	43.5	78.8	40.0	60.3
Real estate for sale (buildings* commercial facilities)	72.5	150.4	26.8	68.7	36.0	47.7
Land for sale (Condominiums* Detached housing)	27.7	74.8	13.9	54.0	18.9	41.0
Investment overseas	17.8	21.1	25.8	42.2	—	1.9

Mar-2018	Forecasts	
	1H	
Capital Investment	24.1	60.0
Real estate for sale (buildings* commercial facilities)	37.6	90.0
Land for sale (Condominiums* Detached housing)	4.7	50.0
Investment overseas	6.2	20.0

5. Cash Flows (Consolidated base)	Mar-2014	
	1H	
CF from operating activities	(62.8)	(13.5)
CF from investing activities	(31.5)	19.7
CF from financing activities	68.3	3.0
Cash and cash equivalents at the end of the year	58.3	92.7

5. Cash Flows (Consolidated base)	Mar-2015		Mar-2016		Mar-2017	
	1H		1H		1H	
CF from operating activities	(108.5)	(38.5)	2.3	87.9	(60.5)	68.9
CF from investing activities	(63.8)	(100.3)	(65.8)	(112.4)	(46.6)	(71.0)
CF from financing activities	140.0	139.2	35.0	(30.5)	126.5	23.0
Cash and cash equivalents at the end of the year	60.2	93.9	67.2	39.9	62.2	61.9

Mar-2018	Forecasts	
	1H	
CF from operating activities	(34.3)	—
CF from investing activities	(47.7)	—
CF from financing activities	94.6	—
Cash and cash equivalents at the end of the year	74.8	—

6. Segment Performance	Mar-2014	
	1H	
Operating revenue	294.1	714.1
Real Estate Sales	57.9	209.1
Contracted Construction	36.7	90.7
Retail Sales	41.3	84.5
Leasing of Real Estate	63.2	130.9
Property Management	47.5	96.0
Facility Operations	29.2	63.8
Real Estate Agents	24.2	51.6
Other	4.5	9.9
Elimination	(10.4)	(22.3)
Operating income	25.2	61.4
Real Estate Sales	2.9	12.5
Contracted Construction	(0.0)	2.9
Retail Sales	0.0	1.1
Leasing of Real Estate	17.9	33.6
Property Management	3.1	6.7
Facility Operations	0.8	4.3
Real Estate Agents	3.6	8.5
Other	(0.2)	0.0
Elimination	(3.0)	(8.0)
Operating Income Ratio	8.6%	8.6%
Real Estate Sales	4.9%	6.0%
Contracted Construction	(0.0)%	3.2%
Retail Sales	0.0%	1.3%
Leasing of Real Estate	28.3%	25.6%
Property Management	6.6%	6.9%
Facility Operations	2.7%	6.7%
Real Estate Agents	14.9%	16.5%
Other	(3.4)%	0.1%

6. Segment Performance	Mar-2015 *1		Mar-2016 *2		Mar-2017	
	1H		1H		1H	
Operating revenue	322.3	773.1	351.3	815.5	319.3	808.5
Urban Development	97.9	261.0	99.9	258.7	80.0	249.0
Residential	40.6	104.8	45.3	117.7	28.2	108.5
Property Management	64.0	136.1	68.9	145.2	70.3	148.6
Real-Estate Agents	26.9	61.4	34.5	80.3	36.8	82.1
Wellness	32.7	75.1	42.1	90.2	43.8	94.4
Tokyu Hands	41.6	87.9	47.4	95.7	48.4	97.2
Business Innovation and Others/Innovation business *2	27.8	68.3	24.0	51.2	22.0	49.6
Elimination	(9.3)	(21.5)	(10.9)	(23.7)	(10.1)	(20.9)
Operating profit	24.9	63.3	29.5	68.8	25.3	73.2
Urban Development	17.4	38.5	22.7	44.8	20.0	44.9
Residential	2.7	5.5	1.4	7.0	(0.9)	9.7
Property Management	3.6	9.1	3.8	8.0	2.8	8.1
Real-Estate Agents	3.0	9.4	4.0	10.2	5.6	11.3
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)	0.3
Business Innovation and Others/Innovation business *2	0.3	1.2	(1.6)	(3.0)	(1.4)	(1.9)
Elimination	(2.5)	(5.7)	(2.7)	(5.7)	(3.0)	(6.6)
Operating Profit Ratio	7.7%	8.2%	8.4%	8.4%	7.9%	9.1%
Urban Development	17.7%	14.7%	22.8%	17.3%	25.0%	18.0%
Residential	6.6%	5.3%	3.1%	5.9%	(3.0)%	8.9%
Property Management	5.7%	6.7%	5.5%	5.5%	4.0%	5.4%
Real-Estate Agents	11.2%	15.3%	11.6%	12.7%	15.3%	13.8%
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)%	0.3%
Business Innovation and Others/Innovation business *2	1.1%	1.7%	(6.5)%	(5.9)%	(6.4)%	(3.8)%
Elimination	(3.0)%	(6.6)%	(3.0)%	(6.6)%	(3.0)%	(6.6)%
Operating Profit Ratio	8.6%	8.8%	8.6%	8.8%	8.6%	8.8%
Urban Development	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Residential	3.3%	6.4%	3.3%	6.4%	3.3%	6.4%
Property Management	4.5%	5.2%	4.5%	5.2%	4.5%	5.2%
Real-Estate Agents	14.8%	13.4%	14.8%	13.4%	14.8%	13.4%
Wellness	3.5%	5.9%	3.5%	5.9%	3.5%	5.9%
Tokyu Hands	(0.3)%	0.1%	(0.3)%	0.1%	(0.3)%	0.1%
Business Innovation and Others/Innovation business *2	(9.6)%	(3.6)%	(9.6)%	(3.6)%	(9.6)%	(3.6)%

Mar-2018	Forecasts	
	1H	
Operating revenue	408.0	840.0
Urban Development	145.8	253.5
Residential	41.7	121.1
Property Management	72.8	159.7
Real-Estate Agents	44.4	91.3
Wellness	45.6	97.4
Tokyu Hands	49.1	98.7
Business Innovation and Others/Innovation business *2	19.8	41.8
Elimination	(11.2)	(23.6)
Operating profit	35.0	73.5
Urban Development	27.3	47.3
Residential	1.4	7.8
Property Management	3.3	8.3
Real-Estate Agents	6.6	12.3
Wellness	1.6	5.8
Tokyu Hands	(0.1)	0.1
Business Innovation and Others/Innovation business *2	(1.9)	(1.5)
Elimination	(3.0)	(6.6)
Operating Profit Ratio	8.6%	8.8%
Urban Development	18.7%	18.7%
Residential	3.3%	6.4%
Property Management	4.5%	5.2%
Real-Estate Agents	14.8%	13.4%
Wellness	3.5%	5.9%
Tokyu Hands	(0.3)%	0.1%
Business Innovation and Others/Innovation business *2	(9.6)%	(3.6)%

* 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-2014		6. Segment Performance	Mar-2015		Mar-2016		Mar-2017		Mar-2018	
	1H			1H		1H		1H		1H	Forecasts
Assets	—	1,789.8	Assets	—	1,973.8	—	1,984.4	—	2,067.2	—	—
Real Estate Sales	—	260.2	Urban Development	—	1,363.1	—	1,377.7	—	1,395.6	—	—
Contracted Construction	—	30.1	Residential	—	146.5	—	148.6	—	168.5	—	—
Retail Sales	—	32.2	Property Management	—	89.6	—	91.9	—	91.0	—	—
Leasing of Real Estate	—	1,099.5	Real-Estate Agents	—	57.1	—	59.8	—	66.4	—	—
Property Management	—	52.7	Wellness	—	206.2	—	240.2	—	251.2	—	—
Facility Operations	—	196.5	Tokyu Hands	—	36.0	—	38.4	—	39.3	—	—
Real Estate Agents	—	48.0	Business Innovation and Others/Innovation business *2	—	77.0	—	56.3	—	94.6	—	—
Other	—	24.1	Elimination	—	(1.8)	—	(28.5)	—	(39.5)	—	—
Eliminations	—	46.5									
Depreciation	—	20.0	Depreciation	—	20.2	—	21.0	—	23.5	—	—
Real Estate Sales	—	0.1	Urban Development	—	10.6	—	10.3	—	11.9	—	—
Contracted Construction	—	0.3	Residential	—	0.2	—	0.3	—	0.4	—	—
Retail Sales	—	1.1	Property Management	—	0.8	—	0.7	—	1.1	—	—
Leasing of Real Estate	—	11.1	Real-Estate Agents	—	1.2	—	1.2	—	1.2	—	—
Property Management	—	0.3	Wellness	—	5.2	—	6.8	—	7.1	—	—
Facility Operations	—	5.0	Tokyu Hands	—	1.2	—	1.3	—	1.5	—	—
Real Estate Agents	—	0.9	Business Innovation and Others/Innovation business *2	—	1.0	—	0.3	—	0.1	—	—
Other	—	0.6	Elimination	—	0.1	—	0.2	—	0.3	—	—
Eliminations	—	0.4									
Capital expenditures	—	77.5	Capital expenditures	—	102.2	—	90.7	—	61.5	—	—
Real Estate Sales	—	0.4	Urban Development	—	83.8	—	60.3	—	36.3	—	—
Contracted Construction	—	0.4	Residential	—	0.6	—	8.4	—	1.2	—	—
Retail Sales	—	1.1	Property Management	—	1.8	—	2.3	—	1.9	—	—
Leasing of Real Estate	—	64.2	Real-Estate Agents	—	1.6	—	1.9	—	1.2	—	—
Property Management	—	0.6	Wellness	—	7.3	—	14.0	—	17.8	—	—
Facility Operations	—	6.9	Tokyu Hands	—	3.5	—	3.2	—	1.4	—	—
Real Estate Agents	—	1.4	Business Innovation and Others/Innovation business *2	—	3.0	—	0.3	—	0.8	—	—
Other	—	1.0	Elimination	—	0.6	—	0.3	—	0.8	—	—
Eliminations	—	1.5									

7. Segment Indicators

① Leasing of Real Estate

	63.2	130.9
Operating revenue		
Owned (*TLC)	14.6	30.1
Owned (Consolidated SPC)	16.3	34.3
Leased etc.(*TLC)	5.0	11.6
Other	27.2	54.9
Vacancy rate	1.5%	1.8%

① Urban Development

	97.9	261.0	99.9	258.7	80.0	249.0	145.8	253.5
Operating revenue								
Leasing (Office buildings)	19.0	38.9	19.4	38.1	19.0	37.7	19.4	37.9
Leasing (commercial facilities)	17.3	36.6	19.9	39.3	21.8	43.8	21.7	42.4
Asset management etc.	34.0	129.7	34.9	126.6	10.8	102.2	65.4	94.2
Leasing (Residence) etc.	27.7	55.8	25.8	54.7	28.4	65.3	39.3	78.9
Vacancy rate	2.0%	2.8%	2.8%	0.9%	0.9%	2.0%	0.3%	—

* TLC=TOKYU LAND CORPORATION

7. Segment Indicators

① Leasing of Real Estate

	Mar-2014	
	1H	
Total Leasing floor area		
Total floor area (*TLC·SPC)	1,486	1,512
Office	612	671
Commercial Facilities	874	841
Owned (Including SPC)	1,364	1,394
Subleased	122	118
Office for each area		
Chiyoda,Chuo,Minato, Shinjuku,Shibuya	460	525
Other Tokyo districts (total 23 districts)	77	71
Other Metropolitan area	21	21
Kansai area and Others	55	55

① Urban Development

	Mar-2015		Mar-2016		Mar-2017		Mar-2018	
	1H		1H		1H		1H	Forecasts
Total floor area	1,582	1,548	1,538	1,580	1,590	1,458	1,451	—
Office	669	689	665	646	651	586	576	—
Commercial Facilities	913	859	873	934	939	872	875	—
Owned (Including SPC)	1,471	1,441	1,447	1,465	1,474	1,342	1,335	—
Subleased	111	107	91	116	116	116	116	—
Office for each area								
Chiyoda,Chuo,Minato, Shinjuku,Shibuya	535	577	558	538	543	479	480	—
Other Tokyo districts (total 23 districts)	67	64	67	67	67	66	66	—
Other Metropolitan area	14	14	14	14	14	14	14	—
Kansai area and Others	53	34	26	26	26	26	16	—

② Real Estate Sales
(TOKYU LAND CORPORATION)

Operating revenue	51.5	175.4
Condominiums	39.1	137.0
Detached housing	4.6	7.6
Country houses,Cottages	6.1	7.2
Other sales	1.8	23.5
No.of units sold *1	1,087	3,057
Condominiums	782	2,633
Detached housing	180	272
Country houses,Cottages	125	152
Inventory of completed units *1	153	306
Condominiums	122	260
Detached housing	31	46
No.of units supplied *1	1,646	2,747
Condominiums	1,517	2,489
Metropolitan area	1,112	1,818
Kansai area	281	511
Other area	124	160
Detached housing	86	170
Country houses,Cottages	43	88

② Residential

	Mar-2015		Mar-2016		Mar-2017		Mar-2018	
	1H		1H		1H		1H	Forecasts
Operating revenue	40.6	104.8	45.3	117.7	28.2	108.5	41.7	121.1
Condominiums	31.1	89.7	34.2	87.6	23.6	96.7	33.3	98.1
Detached housing	2.5	5.5	3.5	7.5	4.2	7.6	1.9	3.2
Other	7.0	9.6	7.6	22.7	0.4	4.2	6.5	19.7
No.of units sold *1	828	2,169	839	2,128	702	1,798	604	1,730
Condominiums	768	2,027	733	1,892	572	1,560	561	1,655
Detached housing	60	142	106	236	130	238	43	75
Inventory of completed units *1	221	348	477	427	244	472	344	—
Condominiums	162	303	439	396	229	457	332	—
Detached housing	59	45	38	31	15	15	12	—
No.of units supplied *1	1,099	2,201	1,036	2,143	776	1,401	684	1,390
Condominiums	1,030	2,061	953	2,013	713	1,285	650	1,350
Metropolitan area	598	1,173	553	1,081	365	701	221	600
Kansai area	383	699	324	791	297	501	355	600
Other area	49	189	76	141	51	83	74	150
Detached housing	69	140	83	130	63	116	34	40

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

③ Property Management (Number of sites managed)

Condominiums (units)	627,304	641,591
Buildings (no. of contracts)	1,318	1,305

③ Property Management

Condominium units	668,760	678,479	707,994	715,660	755,434	741,624	819,414	830,289
Number of office buildings	1,399	1,360	1,386	1,453	1,482	1,483	1,517	1,536

④ Real Estate Agents

Number of transactions	9,446	19,435
------------------------	-------	--------

④ Real-Estate Agents

Number of transactions	9,327	19,568	10,594	21,939	11,487	23,278	12,189	25,700
------------------------	-------	--------	--------	--------	--------	--------	--------	--------

⑤ Facility Operations (Consolidated base)

Operating revenue	29.2	63.8
Golf course	4.7	8.4
Harvest club	6.7	13.5
Ski resort	2.4	10.5
Oasis	7.5	15.0
Senior housing	2.8	6.3
Other	5.1	10.2
Registration fee	1.5	2.8
No.of memberships	1,019	1,841

⑤ Wellness

	Mar-2015		Mar-2016		Mar-2017		Mar-2018	
	1H		1H		1H		1H	Forecasts
Operating revenue	32.7	75.1	42.1	90.2	43.8	94.4	45.6	97.4
Golf course [20]	4.8	8.6	4.6	8.6	4.5	8.2	4.7	8.5
Harvest club [23]	7.4	14.7	7.4	14.7	7.7	15.2	7.9	15.3
Ski resort [8]	2.5	11.1	2.9	11.6	8.4	12.0	2.8	13.1
Oasis [34]	7.9	15.8	8.2	16.4	2.7	16.7	8.5	17.3
Senior housing [12]	3.1	6.4	3.2	6.5	3.1	6.5	3.8	7.5
TOKYU STAY [17]	—	—	4.2	8.7	5.0	10.0	5.2	10.6
Consignment welfare	—	—	3.8	7.7	4.4	8.9	4.6	9.4
Sales of country houses and membership	1.9	8.3	1.8	4.2	2.1	4.8	0.9	2.3
Other	5.2	10.3	6.0	11.9	5.9	12.0	7.2	13.4

* TLC=TOKYU LAND CORPORATION

[] No. of facilities as of September 30, 2017