

Financial Summary
FY2017 First Quarter (First Three Months)
Ended June 30, 2017

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on August 1, 2017 at 16:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2017 First Quarter (First Three Months) Ended June 30, 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 three months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2017	183,947	26.2	17,396	85.9	15,440	122.6	8,145	331.7
FY2016	145,776	(9.6)	9,356	(18.7)	6,935	(19.4)	1,886	(64.1)

Note: Comprehensive income: First three months of FY2017 ¥5,010 million [-%]

First three months of FY2016 ¥(145) million [-%]

	Earnings per share	Fully diluted earnings per share
First three months	(Yen)	(Yen)
FY2017	13.38	-
FY2016	3.10	-

(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 June 30, 2017	2,072,551	447,323	21.4	728.28
As of March 31, 2017	2,067,152	446,307	21.4	726.59

Reference: Equity: As of June 30, 2017 ¥443,349 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	-	/	/	/	/
FY2017 ending March 31, 2018 (Forecast)	/	7.00	-	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 three months ended June 30, 2017 showed ¥183.9 billion in operating revenue (up 26.2% from the same period of the previous fiscal year), ¥17.4 billion in operating profit (up 85.9%), ¥15.4 billion in ordinary profit (up 122.6%) and ¥8.1 billion in profit attributable to owners of parent (up 331.7%).

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 against the backdrop of strong market conditions for offices and condominiums, and to higher sales of condominium units in the Residential segment. We believe the results for this period indicate steady progress is being made toward achieving the full-year forecast.

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Operating revenue	145.8	183.9	38.2	840.0	21.9%
Operating profit	9.4	17.4	8.0	73.5	23.7%
Ordinary profit	6.9	15.4	8.5	64.0	24.1%
Profit attributable to owners of parent	1.9	8.1	6.3	34.5	23.6%

Operating revenue and operating profit

(Unit:¥ billion)

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

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

Operating revenue

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Total	145.8	183.9	38.2	840.0	21.9%
Urban Development	36.1	55.1	19.1	253.5	21.7%
Residential	9.6	27.9	18.3	121.5	23.0%
Property Management	34.0	33.6	(0.3)	154.0	21.8%
Real-Estate Agents	16.4	18.4	2.1	88.2	20.9%
Wellness	21.7	21.2	(0.6)	98.8	21.4%
Tokyu Hands	23.0	22.9	(0.1)	98.9	23.1%
Innovation Business	10.1	9.5	(0.6)	49.6	19.1%
Adjustment for Inter-Company Transactions	(4.9)	(4.7)	0.3	(24.6)	–

Operating profit

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2016	FY2017			
Total	9.4	17.4	8.0	73.5	23.7%
Urban Development	9.1	14.2	5.1	47.3	30.0%
Residential	(1.2)	2.1	3.3	7.8	26.9%
Property Management	1.2	1.3	0.1	8.6	14.6%
Real-Estate Agents	1.4	2.0	0.7	11.8	17.3%
Wellness	1.3	0.2	(1.1)	5.7	3.8%
Tokyu Hands	0.1	0.0	(0.1)	0.1	30.8%
Innovation Business	(0.9)	(0.9)	0.0	(1.5)	–
Adjustment for Inter-Company Transactions	(1.6)	(1.6)	0.1	(6.4)	–

1) Urban Development

In our Urban Development business, we recorded ¥55.1 billion in operating revenue (up 52.8% from the same period of the previous fiscal year) and ¥14.2 billion in operating profit (up 55.4%).

Both revenues and profit increased mainly due to an increase in revenues from sales of properties including buildings for investors.

“Q Plaza Futakotamagawa” (Setagaya-ku, Tokyo, commercial facility) opened in April 2017. In addition, the vacancy rate (office buildings and commercial facilities) remained at a low level of 0.5%.

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	36.1	55.1	19.1	249.0	253.5
Operating profit	9.1	14.2	5.1	44.9	47.3

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2016
	FY2016	FY2017		
Leasing (Office buildings)	9.6	10.2	0.6	37.7
Leasing (Commercial facilities)	10.7	10.6	(0.1)	43.8
Asset management etc.	1.6	13.4	11.9	102.2
Leasing (Residence) etc.	14.2	20.8	6.6	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 June 30, 2017
2.8%	0.9%	2.0%	0.5%

Major new openings

	Use	Open	Floor space (thousand m ²)
Q Plaza Futakotamagawa	Commercial	April 2017	3

2) Residential

In our Residential business, we recorded ¥27.9 billion in operating revenue (up 190.5% from the same period of the previous fiscal year) and ¥2.1 billion in operating profit.

Both revenues and profit increased thanks mainly to higher sales of condominium units.

Sales of condominium units in “BRANZ Kawaguchi Saiwaicho” (Kawaguchi-shi, Saitama), “BRANZ Bunkyo Honkomagome 6-chome” (Bunkyo-ku, Tokyo), “BRANZ Uemachi 1-chome” (Osaka-shi, Osaka) 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 68% from 54% at the beginning of the fiscal year (up 1 percentage point from the same period of the previous fiscal year).

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	9.6	27.9	18.3	108.5	121.5
Operating profit	(1.2)	2.1	3.3	9.7	7.8

Breakdown of operating revenue

(Before adjustments in ¥ billion)

	First three months				Comparison	FY2016	
	FY2016		FY2017				
Condominiums	154 units	7.4	409 units	24.7	17.3	1,560 units	96.7
Detached housing	65 units	2.0	12 units	0.5	(1.6)	238 units	7.6
Others	–	0.2	–	2.8	2.6	–	4.2

Number of units supplied and sold

(Units)

	First three months				Inventory of completed units	
	FY2016		FY2017		As of March 31, 2017	As of June 30, 2017
	New supply	Contracted units	New supply	Contracted units		
Condominiums	403	360	298	287	457	432
Detached housing	46	58	22	25	15	22

3) Property Management

In our Property Management business, we recorded ¥33.6 billion in operating revenue (down 0.9% from the same period of the previous fiscal year), and ¥1.3 billion in operating profit (up 6.5%).

Although revenues decreased due partly to lower sales of construction work for condominium common areas at Tokyu Community Corp., profit increased mainly due to an improvement in profitability of construction work for condominiums and buildings.

The stock of condominium management service sites continued to expand steadily to 820 thousand units (of which the number of units under comprehensive management was 516 thousand units) as of June 30, 2017, thanks to such factors as acquisition, as a designated manager of public housing, of seven new contracts for 76 thousand units from April 2017.

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	34.0	33.6	(0.3)	148.6	154.0
Operating profit	1.2	1.3	0.1	8.1	8.6

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2016
	FY2016	FY2017		
Condominiums	23.8	23.6	(0.3)	108.4
Buildings	10.1	10.1	(0.1)	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 June 30, 2017
Condominiums (units)	678,479	715,660	741,624	820,738
Buildings (no. of contracts)	1,360	1,453	1,483	1,500

4) Real-Estate Agents

In our Real-Estate Agents business, we recorded ¥18.4 billion in operating revenue (up 12.8% from the same period of the previous fiscal year) and ¥2.0 billion in operating profit (up 49.0%).

In real-estate sales agent business at Tokyu Livable Inc., the number of transactions and contract prices rose in both retail and wholesale sales, reflecting continued strong performance in 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 higher sales from the development-type asset management business, which are included in “Others.”

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	16.4	18.4	2.1	82.1	88.2
Operating profit	1.4	2.0	0.7	11.3	11.8

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2016
	FY2016	FY2017		
Real-estate sales agent	10.7	11.4	0.7	51.9
Consignment sales	0.3	0.5	0.2	2.8
Real-estate sales	4.8	5.2	0.5	25.1
Others	0.6	1.3	0.7	2.3

5) Wellness

In our Wellness business, we recorded ¥21.2 billion in operating revenue (down 2.6% from the same period of previous fiscal year) and ¥0.2 billion in operating profit (down 83.2%).

Both revenues and 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 spite of revenue increase thanks to continued strong performance at existing facilities such as resort facilities and Tokyu Stay urban style hotels.

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	21.7	21.2	(0.6)	94.4	98.8
Operating profit	1.3	0.2	(1.1)	7.6	5.7

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2016	
	FY2016	FY2017			
Resort operations	6.9	7.3	0.4	35.4	(Golf course, Harvest club, Ski resort, etc.)
Oasis	4.2	4.1	(0.1)	16.7	(Fitness club, etc.)
Senior housing	1.5	1.6	0.1	6.5	
Tokyu stay	2.5	2.6	0.1	10.0	(Hotel)
Consignment welfare	2.2	2.3	0.0	8.9	
Sales of country houses and membership	1.4	0.4	(1.0)	4.8	
Other	2.9	2.9	(0.0)	12.0	

6) Tokyu Hands

In our Tokyu Hands business, we recorded ¥22.9 billion in operating revenue (down 0.5% from the same period of the previous fiscal year) and ¥43 million in operating profit (down 64.4%).

At Tokyu Hands, Inc., although revenues increased mainly due to a contribution from new stores, both revenues and profit decreased due partly to a decline in revenues at existing stores (down 2.9%). The new store that opened was “Tokyu Hands Amagasaki Q’s MALL Store” in April 2017.

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	23.0	22.9	(0.1)	97.2	98.9
Operating profit	0.1	0.0	(0.1)	0.3	0.1

7) Innovation Business

In Innovation Business, we recorded ¥9.5 billion in operating revenue (down 5.6% from the same period of the previous fiscal year) and ¥0.9 billion in operating loss.

While revenues decreased due in part to a decrease in completions of constructions in the renovation business, profit increased mainly due to a decrease in costs.

(Unit:¥ billion)

	First three months		Comparison	FY2016	FY2017 forecast
	FY2016	FY2017			
Operating revenue	10.1	9.5	(0.6)	49.6	49.6
Operating profit	(0.9)	(0.9)	0.0	(1.9)	(1.5)

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2016
	FY2016	FY2017		
Renovation / custom-built houses	7.6	7.0	(0.6)	35.4
Landscape gardening	1.9	2.5	0.6	11.7
Overseas operations, etc.	0.6	0.0	(0.5)	2.4

(2) Analysis of Financial Position

As of the end of the first quarter ended June 30, 2017, total assets increased by ¥5.4 billion compared to the end of the previous fiscal year mainly due to an increase in property, plant and equipment resulting from the investments in redevelopment projects and others. Total liabilities also increased by ¥4.4 billion due mainly to an increase in interest-bearing debt, compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of June 30, 2016	As of June 30, 2017	(Reference) As of March 31, 2017
Total assets	2,040.9	2,072.6	2,067.2
Total liabilities	1,622.2	1,625.2	1,620.8
Net assets	418.7	447.3	446.3
Equity	414.7	443.3	442.3
Equity ratio	20.3%	21.4%	21.4%
Interest-bearing debt	1,188.7	1,182.1	1,137.9
DER	2.9×	2.7×	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 May 11, 2017.

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Actual performance may significantly differ from these forecasts due to various factors in the future.

First 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 June 30, 2017
Assets		
Current assets		
Cash and deposits	62,885	60,462
Notes and accounts receivable - trade	27,391	19,791
Securities	5,403	9,684
Merchandise	12,023	11,797
Real estate for sale	213,239	194,430
Real estate for sale in process	199,431	215,203
Costs on uncompleted construction contracts	5,948	7,995
Supplies	779	836
Other	61,066	65,483
Allowance for doubtful accounts	(143)	(103)
Total current assets	588,025	585,582
Non-current assets		
Property, plant and equipment		
Buildings and structures	394,607	395,394
Accumulated depreciation	(169,750)	(172,053)
Buildings and structures, net	224,857	223,341
Land	815,232	819,662
Construction in progress	77,129	82,345
Other	62,025	60,733
Accumulated depreciation	(38,465)	(38,018)
Other, net	23,560	22,714
Total property, plant and equipment	1,140,779	1,148,063
Intangible assets		
Goodwill	87,975	86,620
Other	23,339	23,371
Total intangible assets	111,315	109,991
Investments and other assets		
Investment securities	119,314	120,734
Lease and guarantee deposits	68,664	69,432
Other	39,754	39,488
Allowance for doubtful accounts	(701)	(742)
Total investments and other assets	227,032	228,912
Total non-current assets	1,479,126	1,486,968
Total assets	2,067,152	2,072,551

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

Account title	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,791	27,001
Short-term loans payable	257,025	259,040
Current portion of bonds	20,000	20,000
Commercial papers	60,000	85,000
Income taxes payable	9,781	7,050
Provision	10,955	6,669
Other	139,183	138,241
Total current liabilities	537,737	543,004
Non-current liabilities		
Bonds payable	120,000	140,000
Long-term loans payable	680,867	678,017
Long-term lease and guarantee deposited	175,218	176,936
Net defined benefit liability	29,062	29,185
Provision	82	88
Other	77,875	57,995
Total non-current liabilities	1,083,106	1,082,223
Total liabilities	1,620,844	1,625,227
Net assets		
Shareholders' equity		
Capital stock	60,000	60,000
Capital surplus	118,704	118,704
Retained earnings	243,131	247,320
Treasury shares	(1,790)	(1,791)
Total shareholders' equity	420,045	424,232
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,792	13,666
Revaluation reserve for land	8,069	8,069
Foreign currency translation adjustment	1,089	(175)
Remeasurements of defined benefit plans	(2,675)	(2,443)
Total accumulated other comprehensive income	22,275	19,116
Non-controlling interests	3,987	3,973
Total net assets	446,307	447,323
Total liabilities and net assets	2,067,152	2,072,551

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

First Quarter Consolidated Statements of (Comprehensive) Income

(First Quarter Consolidated Statements of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First three months FY2016 (from April 1, 2016 to June 30, 2016)	First three months FY2017 (from April 1, 2017 to June 30, 2017)
Operating revenue	145,776	183,947
Operating cost	113,793	141,860
Operating gross profit	31,983	42,087
Selling, general and administrative expenses	22,627	24,691
Operating profit	9,356	17,396
Non-operating income		
Interest income	18	31
Dividend income	139	122
Other	96	262
Total non-operating income	253	417
Non-operating expenses		
Interest expenses	2,083	1,929
Other	590	442
Total non-operating expenses	2,674	2,372
Ordinary profit	6,935	15,440
Extraordinary income		
Gain on sales of non-current assets	109	2
Gain on sales of investment securities	11	3
Total extraordinary income	120	6
Extraordinary losses		
Loss on disaster	1,124	-
Loss on building reconstruction	-	665
Impairment loss	-	277
Other	-	54
Total extraordinary losses	1,124	997
Profit before income taxes	5,931	14,449
Income taxes	4,002	6,275
Profit	1,929	8,173
Profit attributable to non-controlling interests	43	28
Profit attributable to owners of parent	1,886	8,145

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

(First Quarter Consolidated Statements of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First three months FY2016 (from April 1, 2016 to June 30, 2016)	First three months FY2017 (from April 1, 2017 to June 30, 2017)
Profit	1,929	8,173
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,612)	(2,125)
Foreign currency translation adjustment	1,522	620
Remeasurements of defined benefit plans, net of tax	254	232
Share of other comprehensive income of entities accounted for using equity method	(2,240)	(1,890)
Total other comprehensive income	(2,075)	(3,163)
Comprehensive income	(145)	5,010
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(171)	4,986
Comprehensive income attributable to non-controlling interests	25	23

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