

Financial Summary
FY2023 First Quarter (First Three Months)
Ended June 30, 2023

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on August 7, 2023 at 15:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2023 First Quarter (First Three Months) Ended June 30, 2023

*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 statement 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)	(%)
FY2023	253,104	14.9	34,527	38.7	32,604	45.1	25,293	75.4
FY2022	220,305	17.6	24,888	132.4	22,476	171.0	14,420	–

Note: Comprehensive income: First three months of FY2023 ¥29,577 million [21.1%]
First three months of FY2022 ¥24,420 million [103.4%]

	Earnings per share	Fully diluted earnings per share
First three months	(Yen)	(Yen)
FY2023	35.63	–
FY2022	20.05	–

(2) Summary of consolidated balance sheet

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2023	2,839,341	720,043	24.8	991.09
As of March 31, 2023	2,738,458	700,702	25.0	964.77

Reference: Equity: As of June 30, 2023 ¥703,822 million; As of March 31, 2023 ¥684,625 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2022 ended March 31, 2023	–	9.00	–	14.50	23.50
FY2023 ending March 31, 2024	–				
FY2023 ending March 31, 2024 (Forecast)		14.00	–	14.00	28.00

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

3. Forecast for Fiscal Year 2023 Ending March 31, 2024

(% 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	1,120,000	11.4	112,000	1.4	100,500	0.9	62,000	28.6	87.37

Note: Revisions to the forecasts most recently announced: None

Total number of shares issued (common stock)

(a) Total number of shares issued at end of period (including treasury shares)

As of June 30, 2023: 719,830,974 shares

As of March 31, 2023: 719,830,974 shares

(b) Number of treasury shares at end of period

As of June 30, 2023: 9,682,878 shares

As of March 31, 2023: 10,207,732 shares

(c) Average number of shares (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023: 709,898,971 shares

Three months ended June 30, 2022: 719,318,673 shares

(Note) The Company has a “Director Stock Ownership Plan Trust” for directors, etc. of the Company and its subsidiaries and a “Tokyu Fudosan Holdings Employee Shareholding Incentive Plan Trust.” The shares of the Company held by the trust accounts of the trusts are included in the number of treasury shares as a deduction in calculating the number of treasury shares at end of period and the average number of shares.

* Quarterly financial summary reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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

The Group's business performance during the first three months ended June 30, 2023, owing to strong performance in sales of assets and the real estate sales agent business against the backdrop of a strong real estate market, strong performance in the hotel business due to the recovery in demand in Japan and overseas, etc., showed increases both in revenues and profit with ¥253.1 billion in operating revenue (up 14.9% from the same period of the previous fiscal year), ¥34.5 billion in operating profit (up 38.7%), ¥32.6 billion in ordinary profit (up 45.1%), and ¥25.3 billion in profit attributable to owners of parent (up 75.4%).

The first three months for FY2022 in the tables below was from April 1, 2022 to June 30, 2022 and the first three months for FY2023 was from April 1, 2023 to June 30, 2023.

	First three months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	220.3	253.1	32.8	1,005.8	1,120.0
Operating profit	24.9	34.5	9.6	110.4	112.0
Ordinary profit	22.5	32.6	10.1	99.6	100.5
Profit attributable to owners of parent	14.4	25.3	10.9	48.2	62.0

	(Unit:¥ billion)			
	First three months	First six months	First nine months	Full-year
Operating revenue for FY2023	253.1	–	–	–
Operating revenue for FY2022	220.3	445.0	641.7	1,005.8
Operating revenue for FY2021	187.3	411.8	634.1	989.0
Operating profit for FY2023	34.5	–	–	–
Operating profit for FY2022	24.9	45.9	62.0	110.4
Operating profit for FY2021	10.7	33.5	53.2	83.8

By segment, the Urban Development segment, the Property Management & Operation segment and the Real Estate Agents segment saw increases in revenues and profit while the Strategic Investment segment saw decreases in revenues and profit (compared with the same period of the previous fiscal year).

Operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Total	220.3	253.1	32.8	1,005.8	1,120.0
Urban Development	70.0	87.2	17.2	346.1	384.0
Strategic Investment	25.0	24.6	(0.5)	78.8	107.0
Property Management & Operation	70.0	76.7	6.7	337.1	371.0
Real Estate Agents	59.4	75.6	16.2	263.0	278.0
Adjustment for Inter-Company Transactions	(4.2)	(11.0)	(6.9)	(19.1)	(20.0)

Operating profit

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Total	24.9	34.5	9.6	110.4	112.0
Urban Development	11.2	17.4	6.2	58.6	52.7
Strategic Investment	8.1	5.4	(2.7)	15.2	16.5
Property Management & Operation	(1.0)	2.7	3.7	12.3	17.2
Real Estate Agents	8.6	11.3	2.7	33.7	34.9
Adjustment for Inter-Company Transactions	(2.0)	(2.3)	(0.3)	(9.4)	(9.3)

1) Urban Development

In our Urban Development business, we recorded ¥87.2 billion in operating revenue (up 24.6% from the same period of the previous fiscal year) and ¥17.4 billion in operating profit (up 55.3%).

Overall, the segment saw increases in revenues and profit. Despite a decrease in revenues due to a decrease in the number of condominium units sold in Condominiums, and lost lease revenues due to sales of assets in Leasing (Office buildings) in the previous fiscal year, the segment achieved an increase in revenues mainly due to the contribution to full-year results by KUDAN-KAIKAN TERRACE (Chiyoda-ku, Tokyo) that opened in October 2022, and an increase in the sales of assets in Other (excluding lease in office and commercial facility business) and Other (excluding condominiums in residential business), in the breakdown of operating revenue below.

In the office building market, despite concerns about factors such as a shrinking demand for office buildings due to the diversification of working styles such as telework, the vacancy rate (office buildings and commercial facilities) was maintained at a low level of 1.2%, with robust leasing activity particularly in the Shibuya area where a large proportion of the Company's owned properties are located.

Sales of condominium units continued to show an underlying strength of demand and proceeded strongly. Regarding condominiums during the first three months ended June 30, 2023, in addition to the recording of "BRANZ City Hongodai Field Terrace" (Yokohama-shi, Kanagawa) and "BRANZ Tennoji Komiyacho" (Osaka-shi, Osaka) as newly completed and delivered properties, sales of completed inventories have been progressing. The ratio of contracted amount for sale to the planned sales amount for the full year for condominiums grew from 82% at the beginning of the fiscal year to 87% (up 8 percentage points from the same period of the previous fiscal year).

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Operating revenue	70.0	87.2	17.2	346.1	384.0
Operating profit	11.2	17.4	6.2	58.6	52.7

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Urban Development	24.3	51.2	26.8	200.7	209.4
Leasing (Office buildings)	12.8	13.2	0.4	54.7	58.8
Leasing (Commercial facilities)	10.3	9.7	(0.6)	40.3	41.6
Other *1	1.1	28.2	27.1	105.8	109.1
Residential	45.7	36.1	(9.7)	145.3	174.6
Condominiums	37.3	11.3	(25.9)	95.5	84.4
Other *2	8.4	24.7	16.3	49.8	90.3

*1 Excluding lease in office and commercial facility business

*2 Excluding condominiums in residential business

Vacancy rate of leasing office buildings and leasing commercial facilities

As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
1.3%	1.3%	1.1%	1.2%

Major openings (facilities opened during FY2023)

Property name	Use	Completion / Opening	Floor space (thousand m ²)
Shibuya Sakura Stage (Shibuya Sakuragaoka Block Redevelopment Plan)	Office, commercial, residential, etc.	To be completed in November 2023	255
COCONO SUSUKINO (Sapporo Susukino Ekimae Complex Development Project)	Hotel, commercial, cinema, etc.	Scheduled to open in Autumn 2023	53
Forestgate Daikanyama (Daikanyamacho Project)	Rental housing, commercial, office, etc.	Scheduled to open in October 2023	21

Condominiums: condominium units sold

(Units)

	First three months		Comparison
	FY2022	FY2023	
No. of units sold	488	167	(321)
New supply	339	202	(137)
Contracted units	444	237	(207)
Inventory of completed units	562	199	(363)

FY2022	FY2023 forecast
1,369	1,218
1,310	940
1,562	–
200	–

2) Strategic Investment

In our Strategic Investment business, we recorded ¥24.6 billion in operating revenue (down 1.9% from the same period of the previous fiscal year) and ¥5.4 billion in operating profit (down 33.8%).

Overall, the segment saw decreases in revenues and profit. Although the segment achieved an increase in sales of assets of logistics facilities in Infrastructure & Industry, there was a fallback in sales of equity in Overseas business, in the breakdown of operating revenue below.

The renewable energy business is expanding steadily as the number of facilities in operation increased as planned. Total rated capacity after all facilities are put into operation (before taking our equity into account) is 1,612 MW.

	First three months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	25.0	24.6	(0.5)	78.8	107.0
Operating profit	8.1	5.4	(2.7)	15.2	16.5

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Infrastructure & Industry	19.3	21.4	2.1	63.3	83.3
Asset management	2.1	2.4	0.3	8.9	8.7
Overseas operations	3.6	0.7	(2.9)	6.5	15.0

Renewable energy power generation facilities

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
Facilities in operation	38	66	65	69
Rated capacity (MW)	730	882	1,034	1,174

* Rated capacity indicates the capacity before taking our equity into account.

* From March 31, 2023, rooftops (rooftop solar power generation facilities) are excluded from facilities in operation and rated capacity (MW).

3) Property Management & Operation

In our Property Management & Operation business, we recorded ¥76.7 billion in operating revenue (up 9.6% from the same period of the previous fiscal year) and ¥2.7 billion in operating profit (a return to profitability).

Overall, the segment saw increases in revenues and profit. The segment achieved an increase in revenues mainly due to an increase in condominium constructions in Property Management and a recovery in demand in Japan and inbound demand in the hotel business in Wellness, in the breakdown of operating revenue below.

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Operating revenue	70.0	76.7	6.7	337.1	371.0
Operating profit	(1.0)	2.7	3.7	12.3	17.2

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Property Management	44.3	45.8	1.4	213.1	219.0
Condominiums	26.3	27.4	1.1	131.2	130.3
Office buildings	18.1	18.4	0.4	81.9	88.7
Wellness	22.5	28.6	6.1	110.3	138.7
Hotel	8.1	11.9	3.9	42.2	51.8
Leisure facilities	3.1	2.6	(0.6)	19.1	16.3
Healthcare	6.3	7.1	0.8	26.5	28.5
Other	5.0	7.0	2.0	22.5	42.1
Environmental greening, etc.	3.1	2.4	(0.8)	13.7	13.3

*Hotel: Harvest Club, Tokyu Stay, resort hotels, etc.

*Leisure facilities: Golf courses, ski resorts, etc.

*Healthcare facilities: Senior housing and fitness facilities, etc.

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

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023	FY2023 forecast
Condominiums (units)	839,891	831,603	867,891	871,551	865,865
Buildings (no. of contracts)	1,532	1,626	1,656	1,667	1,673

4) Real Estate Agents

In our Real Estate Agents business, we recorded ¥75.6 billion in operating revenue (up 27.2% from the same period of the previous fiscal year) and ¥11.3 billion in operating profit (up 32.0%).

Overall, the segment saw increases in revenues and profit. The main factors for this increase in revenues were rises in the number of transactions and average traded price along with strong activity in the real estate transaction market in the Real Estate Sales Agents business, and an increase in sales of development projects in Real Estate Sales in the breakdown of operating revenue below.

	First three months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	59.4	75.6	16.2	263.0	278.0
Operating profit	8.6	11.3	2.7	33.7	34.9

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Real Estate Agents	37.3	52.3	15.0	164.2	179.5
Real estate sales agent	16.5	19.4	2.9	80.0	83.8
Real estate sales	18.8	31.3	12.6	77.2	87.8
Consignment sales, etc.	2.0	1.5	(0.5)	7.0	7.9
Rental housing service	22.2	23.4	1.2	98.7	98.5

Real estate sales agent

	As of June 30, 2022	As of June 30, 2023	Comparison	(Unit:¥ billion)	
				FY2022	FY2023 forecast
Number of transactions	6,712	6,864	152	29,577	31,701
Transaction amounts (Billions of yen)	370.0	434.5	64.6	1,821.3	1,905.6

*Total of retail and wholesale

(2) Analysis of Financial Position

As of the end of the first quarter ended June 30, 2023, total assets increased by ¥100.9 billion compared to the end of the previous fiscal year and total liabilities increased by ¥81.5 billion compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of June 30, 2022	As of June 30, 2023	(Reference) As of March 31, 2023	
Total assets	2,611.9	2,839.3	2,738.5	
Total liabilities	1,949.9	2,119.3	2,037.8	
Net assets	662.0	720.0	700.7	
Equity	650.3	703.8	684.6	As of March 31, 2024 (Forecast)
Equity ratio	24.9%	24.8%	25.0%	
Interest-bearing debt	1,439.3	1,584.6	1,482.9	1,650.0
DER	2.2×	2.3×	2.2×	2.3×
Revised DER	2.0×	2.0×	2.0×	2.0×

DER: Interest-Bearing Debt/Equity

Revised DER: DER that considers the equity nature of hybrid financing on the rating

(3) Forecast for Fiscal Year 2023 Ending March 31, 2024

	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	1,120.0	112.0	100.5	62.0

Reference: Projected earnings per share (full-year): ¥87.37

There is no change from the forecasts announced on May 10, 2023.

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.

First Quarter Consolidated Balance Sheet

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	170,985	342,032
Notes and accounts receivable - trade, and contract assets	45,771	35,924
Securities	15,023	14,169
Merchandise	846	932
Real estate for sale	388,913	361,375
Real estate for sale in process	403,434	425,042
Costs on construction contracts in progress	2,833	5,783
Supplies	750	809
Other	87,133	101,700
Allowance for doubtful accounts	(88)	(84)
Total current assets	1,115,603	1,287,687
Non-current assets		
Property, plant and equipment		
Buildings and structures	554,989	532,739
Accumulated depreciation	(206,937)	(204,537)
Buildings and structures, net	348,052	328,201
Land	580,111	516,105
Construction in progress	81,368	87,105
Other	112,183	116,330
Accumulated depreciation	(55,259)	(56,759)
Other, net	56,923	59,571
Total property, plant and equipment	1,066,456	990,983
Intangible assets		
Goodwill	53,412	52,152
Other	52,468	40,358
Total intangible assets	105,880	92,510
Investments and other assets		
Investment securities	295,496	309,088
Leasehold and guarantee deposits	92,580	90,900
Other	62,755	68,517
Allowance for doubtful accounts	(314)	(348)
Total investments and other assets	450,517	468,158
Total non-current assets	1,622,854	1,551,653
Total assets	2,738,458	2,839,341

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,847	25,087
Short-term borrowings	156,431	162,473
Commercial papers	–	40,000
Current portion of bonds payable	10,000	10,000
Income taxes payable	11,098	12,851
Provisions	17,436	11,373
Other	169,277	167,320
Total current liabilities	406,090	429,106
Non-current liabilities		
Bonds payable	270,000	290,000
Long-term borrowings	1,046,501	1,082,078
Long-term leasehold and guarantee deposits received	204,371	207,220
Retirement benefit liability	29,917	29,952
Provisions	820	824
Other	80,053	80,113
Total non-current liabilities	1,631,665	1,690,190
Total liabilities	2,037,755	2,119,297
Net assets		
Shareholders' equity		
Share capital	77,562	77,562
Capital surplus	165,707	165,707
Retained earnings	392,461	407,317
Treasury shares	(6,502)	(6,168)
Total shareholders' equity	629,228	644,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,485	15,962
Deferred gains or losses on hedges	7,231	5,604
Revaluation reserve for land	8,977	8,977
Foreign currency translation adjustment	26,798	28,931
Remeasurements of defined benefit plans	(96)	(71)
Total accumulated other comprehensive income	55,397	59,404
Share acquisition rights	5	5
Non-controlling interests	16,071	16,215
Total net assets	700,702	720,043
Total liabilities and net assets	2,738,458	2,839,341

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

First Quarter Consolidated Statements of (Comprehensive) Income

(First Quarter Consolidated Statement of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	First three months FY2022 (from April 1, 2022 to June 30, 2022)	First three months FY2023 (from April 1, 2023 to June 30, 2023)
Operating revenue	220,305	253,104
Operating costs	175,460	198,011
Operating gross profit	44,845	55,092
Selling, general and administrative expenses	19,957	20,565
Operating profit	24,888	34,527
Non-operating income		
Interest income	44	86
Dividend income	108	134
Foreign exchange gains	121	121
Share of profit of entities accounted for using equity method	-	72
Debt prescription profit	-	306
Other	282	655
Total non-operating income	555	1,377
Non-operating expenses		
Interest expenses	2,650	3,008
Share of loss of entities accounted for using equity method	103	-
Other	211	292
Total non-operating expenses	2,966	3,300
Ordinary profit	22,476	32,604
Extraordinary income		
Gain on sale of investment securities	46	-
Total extraordinary income	46	-
Profit before income taxes	22,523	32,604
Income taxes	7,881	7,024
Profit	14,641	25,580
Profit attributable to non-controlling interests	220	286
Profit attributable to owners of parent	14,420	25,293

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

(First Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	First three months FY2022 (from April 1, 2022 to June 30, 2022)	First three months FY2023 (from April 1, 2023 to June 30, 2023)
Profit	14,641	25,580
Other comprehensive income		
Valuation difference on available-for-sale securities	(810)	3,477
Deferred gains or losses on hedges	722	(1,637)
Foreign currency translation adjustment	2,276	1,192
Remeasurements of defined benefit plans, net of tax	40	24
Share of other comprehensive income of entities accounted for using equity method	7,549	941
Total other comprehensive income	9,778	3,997
Comprehensive income	24,420	29,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,165	29,301
Comprehensive income attributable to non-controlling interests	254	276

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