

Financial Highlights

FY2018 Third Quarter (First Nine Months)

Ended December 31, 2018

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.

FY2018 Q3 (First Nine Months) Operating Results

Respective businesses remained firm, although revenue and profit decreased due to a decrease in profit on sales of buildings for investors.

(¥ billion)	Q3 First Nine Months (ended Dec-31)			Full-year (ended March-31)		Progress	Compared to the same period last year
	FY2017 **	FY2018	Comparison	FY2017 **	FY2018 Forecast ***		
Operating revenue	608.8	584.4	(24.5)	866.1	900.0	64.9%	□ Operating revenue, Operating profit Both revenue and profit decreased, primarily reflecting a fall in the number of condominiums and a decrease in gains related to the sale of buildings for investors.
Operating profit	55.0	44.5	(10.5)	77.5	80.0	55.6%	
Non-operating income	0.9	1.3	0.3	1.4	—	—	
Non-operating expenses	7.6	8.1	0.5	10.3	—	—	
Ordinary profit	48.4	37.7	(10.7)	68.7	70.0	53.8%	
Extraordinary income	0.0	—	(0.0)	0.0	—	—	
Extraordinary losses	1.1	0.5	(0.6)	9.3	—	—	
Income before income taxes and minority interests	47.3	37.2	(10.1)	59.4	—	—	
Profit attributable to owners of parent	29.1	23.8	(5.3)	35.2	37.0	64.5%	
Total assets	2,196.6	2,338.8	142.2	2,173.2	—	—	
Interest-bearing Debt	1,273.0	1,317.4	44.4	1,210.4	1,320.0	—	
Equity	461.1	547.1	86.0	468.1	—	—	
Equity ratio	21.0%	23.4%	2.4P	21.5%	—	—	
D/E ratio	2.8	2.4	(0.4)	2.6	2.3	—	
EBITDA	—	—	—	106.1	109.7	—	
EBITDA multiple	—	—	—	11.4	12.0	—	

* Figures in brackets show amounts posted, and figures with the mark + or figures in parentheses show increases or decreases. (The same will apply in the following pages.)

** The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the key management indicators associated with the third quarter of the previous consolidated fiscal year and the previous consolidated fiscal year have been retrospectively adjusted to reflect the application of the aforementioned standard.

*** The figures are the revised forecast that we announced on November 8, 2018.

FY2018 Q3 (First Nine Months) Segment performance

Progress was basically made in line with the full-year forecast, although the rate of progress was low in a number of segments.

(¥ billion)	Q3 First Nine Months (ended Dec-31)			Full-year (ended March-31)		Progress	Compared to the same period last year
	FY2017	FY2018	Comparison	FY2017	FY2018 Forecast		
Operating revenue	608.8	584.4	(24.5)	866.1	900.0	64.9%	<input type="checkbox"/> Urban Development Both revenue and profit decreased due to a decline in gains related to the sale of buildings, despite an increase in profitability for existing properties.
Urban Development	192.3	166.3	(26.0)	269.8	255.5	65.1%	<input type="checkbox"/> Residential
Residential	77.1	45.0	(32.1)	123.5	124.5	36.2%	<input type="checkbox"/> Property Management Both revenue and profit decreased, reflecting a fall in the number of condominiums.
Property Management	114.3	123.3	8.9	160.9	174.2	70.8%	<input type="checkbox"/> Real Estate Agents
Real Estate Agents	66.9	83.8	16.9	99.3	108.0	77.6%	<input type="checkbox"/> Wellness Both revenue and profit increased due to an increase in the property management stock and a rise in sales of construction.
Wellness	69.2	88.3	19.1	97.0	124.7	70.9%	<input type="checkbox"/> Real Estate Agents
Tokyu Hands	74.1	74.4	0.2	97.1	98.7	75.3%	<input type="checkbox"/> Innovation business Both revenue and profit increased mainly due to an increase in sales of resale, in addition to the strong performance of the retail business in the real-estate sales agent segment.
Innovation business	31.1	26.8	(4.3)	41.7	49.1	54.5%	<input type="checkbox"/> Wellness
Elimination	(16.3)	(23.4)	(7.2)	(23.3)	(34.8)	–	<input type="checkbox"/> Tokyu Hands Both revenue and profit increased due to the delivery of Harvest Club and the operation of new projects including Tokyu Stay Hotel, etc.
Operating profit	55.0	44.5	(10.5)	77.5	80.0	55.6%	<input type="checkbox"/> Tokyu Hands Both revenue and profit increased due to the opening of new stores and a decline in expenses, despite a decrease in the revenue of existing stores.
Urban Development	36.6	31.6	(5.0)	50.7	50.0	63.1%	<input type="checkbox"/> Innovation business
Residential	6.9	(1.0)	(7.9)	7.6	5.0	–	<input type="checkbox"/> Innovation business Profit increased chiefly due to the sale of properties overseas despite a decrease in revenue due to the effect of transferring the renovation business.
Property Management	5.3	5.4	0.0	8.2	8.4	64.4%	
Real Estate Agents	9.1	9.6	0.4	13.2	14.0	68.3%	
Wellness	3.1	3.2	0.1	5.8	7.6	42.5%	
Tokyu Hands	0.5	0.7	0.2	0.4	0.7	100.5%	
Innovation business	(2.0)	0.3	2.2	(2.2)	0.9	28.7%	
Elimination	(4.7)	(5.3)	(0.6)	(6.3)	(6.7)	–	

Summary of balance sheets

Equity increased substantially due to the implementation of the capital increase through public stock offering conducted in October 2018.

(¥ billion)	FY2017	FY2018		Compared to the end of the previous fiscal year
	As of Mar-31, 2018	As of Dec-31, 2018	Comparison	
Cash and deposits	62.8	80.7	17.9	<input type="checkbox"/> Real estate for sale Real estate for sale rose, reflecting new investments and investments for existing projects.
Real estate for sale	473.7	577.4	103.7	
Property and equipment, Intangible assets	1,165.6	1,197.7	32.1	<input type="checkbox"/> Property and equipment, Intangible assets Property and equipment, Intangible assets rose ¥32.1 billion due to investments. (Reference) Market value appraisal for leased properties Year-end book value: ¥791.4 billion, Year-end market value: ¥937.1 billion, Difference: +¥145.7 billion (As of March-31, 2018)
Goodwill	82.6	78.5	(4.1)	
Other investments	258.1	267.9	9.8	<input type="checkbox"/> Interest-bearing debt Interest-bearing debts increased by ¥107.1 billion due to the acquisition of assets.
Accruals receivable etc.	43.9	36.6	(7.3)	
Other	86.5	100.0	13.5	
Total assets	2,173.2	2,338.8	165.6	<input type="checkbox"/> Equity Equity increased due to the capital increase through public stock offering.
Interest-bearing Debt	1,210.4	1,317.4	107.1	
Guarantee and lease deposits received	180.0	181.3	1.3	
Deposits	70.5	49.1	(21.3)	
Trade payables etc.	83.1	74.2	(8.9)	
Other	154.0	162.2	8.3	<input type="checkbox"/> Equity Equity increased due to the capital increase through public stock offering.
Total liabilities	1,697.9	1,784.2	86.4	
Equity	468.1	547.1	79.0	<input type="checkbox"/> Equity Equity increased due to the capital increase through public stock offering.
Non-controlling interests	7.2	7.5	0.3	
Total net assets	475.3	554.6	79.3	

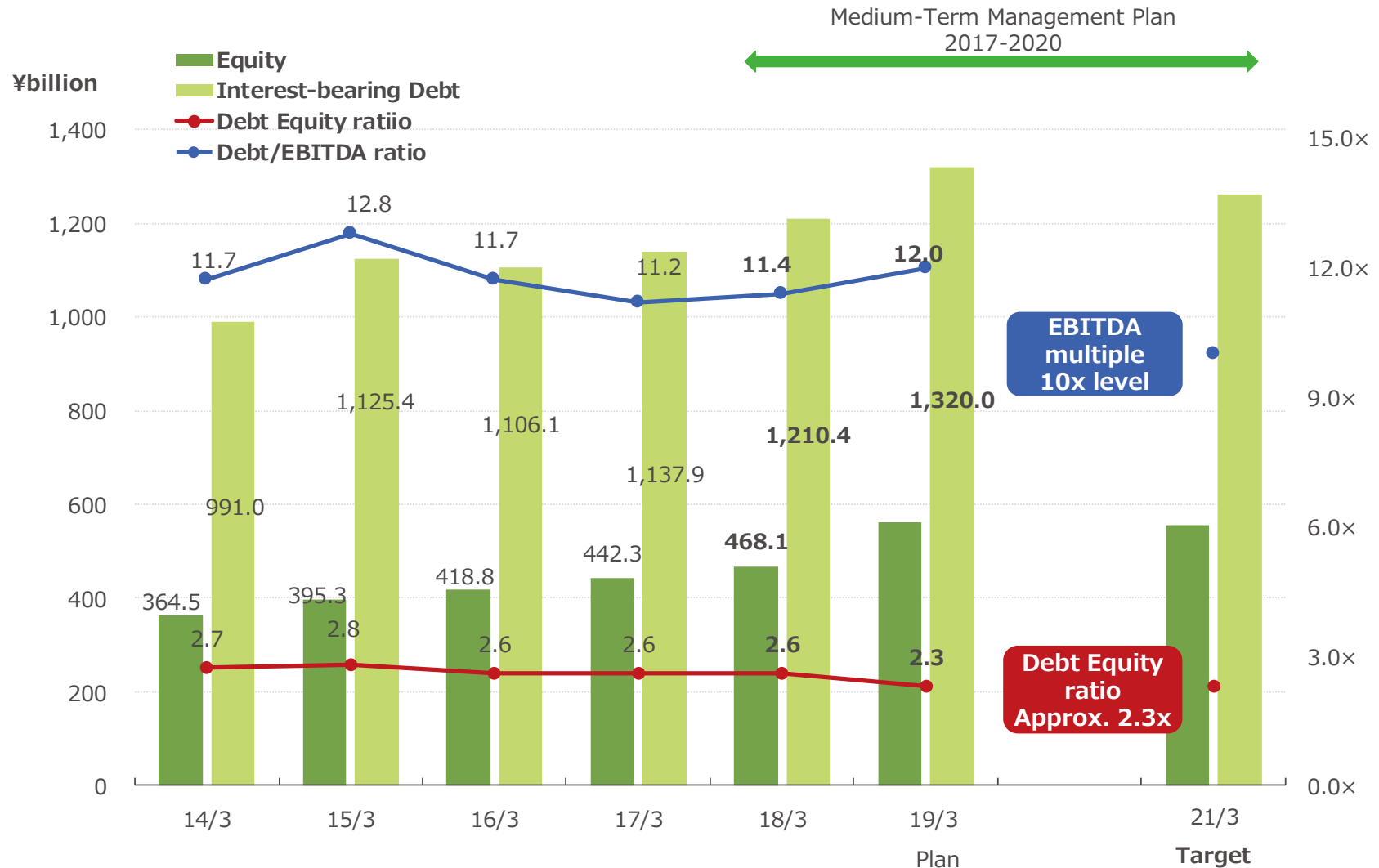
* The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the key management indicators associated with the previous consolidated fiscal year have been retrospectively adjusted to reflect the application of the aforementioned standard.

Trends in equity and interest-bearing debt

Rating Institution: Japan Credit Rating Agency, Ltd.

Long-term : A (Stable)

Short-term : J-1



Urban Development(1) FY2018 Q3(First Nine Months)

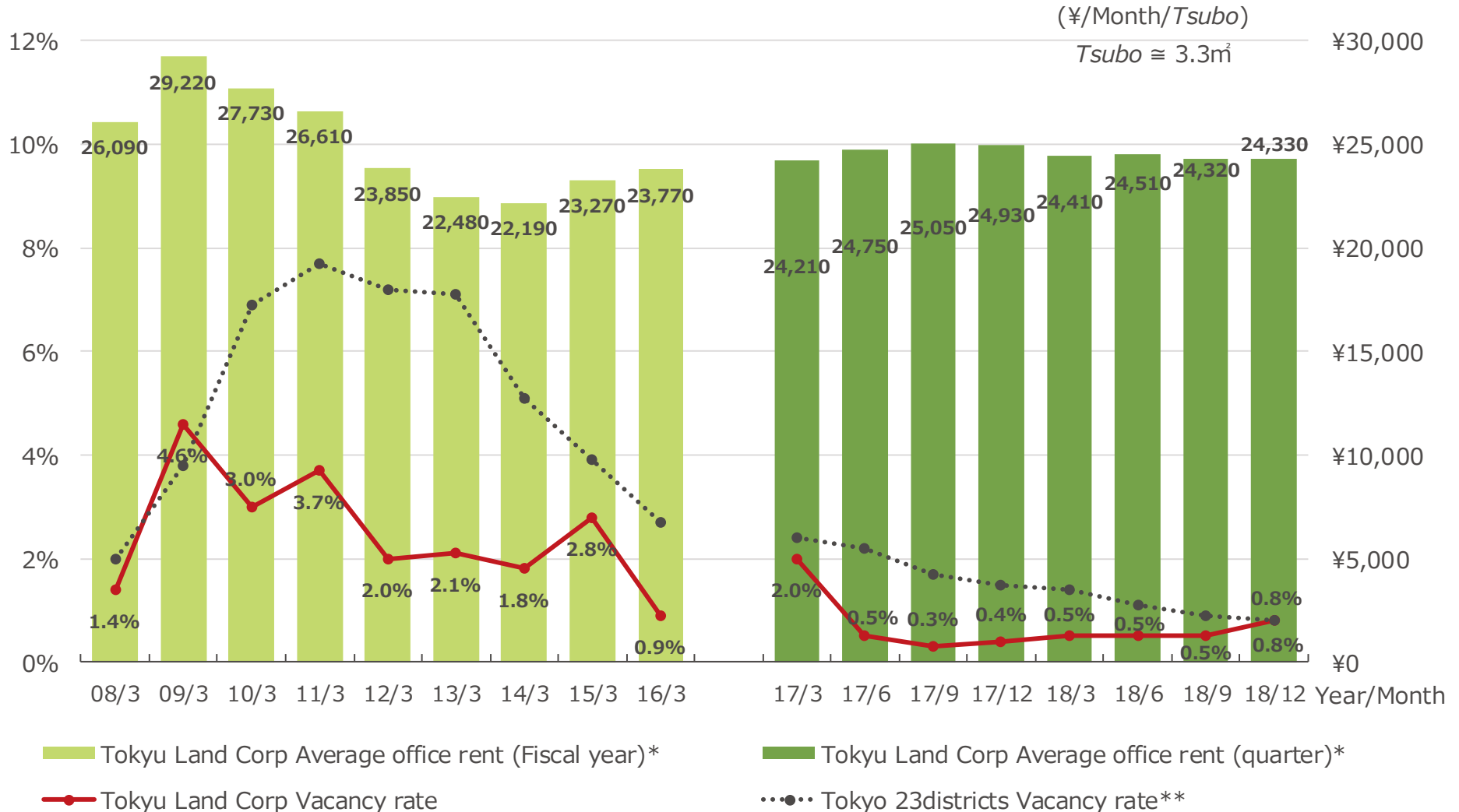
Q3: Decrease in both revenue and profit FY2018: Decrease in both revenue and profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	192.3	166.3	(26.0)		65.1%
Leasing (Office buildings)	28.7	27.6	(1.1)	Newly operated +1.3, Lost revenue for properties sold(2.4)	
Leasing (Commercial facilities)	32.5	31.2	(1.3)		
Asset management etc.	72.5	43.3	(29.3)	Proceeds from sales [35.2](30.4)	
Leasing (Residence) etc.	58.6	64.2	5.6		
Operating profit	36.6	31.6	(5.0)	Gain on sale [3.9](3.0), Lost profit for properties sold(1.0)	63.1%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	269.8	255.5	(14.2)	
Leasing (Office buildings)	37.9	36.6	(1.3)	Newly operated +1.6, Lost revenue for properties sold(3.1)
Leasing (Commercial facilities)	42.9	41.3	(1.6)	
Asset management etc.	107.3	89.0	(18.3)	Proceeds from sales [76.4](20.2)
Leasing (Residence) etc.	81.6	88.5	6.9	
Operating profit	50.7	50.0	(0.7)	Gain on sale [13.0]+1.2, Lost profit for properties sold(1.5)

Urban Development(2) Vacancy Rate and Rent

As of December 31, 2018 Vacancy rate 0.8%
 (Tenants actually moving in and out, Office buildings and commercial facilities)



* The average office rents of the Company presented include common area service expenses.

** [Tokyo 23districts] ···Date Source : CBRE K.K.「Japan Office MarketView」

Urban Development(3)Major projects

Floor space : thousand m



Shibuya Solasta
Shibuya-ku
Office
Floor space : 47



Osakashi Naniwaku motomachi Hotel Project **
Osaka
Hotel
Floor space : 6



Q Plaza Ikebukuro
Toshima-ku
Commercial/Cinema
Floor space : 17



Takeshiba District Development Plan **
Minato-ku
Office/Commercial/Housing
Floor space : 201



Kudanminami 1-chome Project **
Chiyoda-ku
Office/Commercial
Floor space : 68
Open : July-2022(Plan)



Chayamachi B-2 Block Urban Redevelopment Project
Osaka
Commercial, etc.



Ginza 7th Place
Chuo-ku
Commercial
Floor space : 1



Jimbocho North Tokyu Building
Chiyoda-ku
Office
Floor space : 11



Shibuya Fukuras
Shibuya-ku
Office/Commercial
Floor space : 59

Jingumae 6-chome Block Urban Redevelopment Project**
Shibuya-ku
Commercial/Public facilities
Floor space : 22
Open : FY2022(Plan)

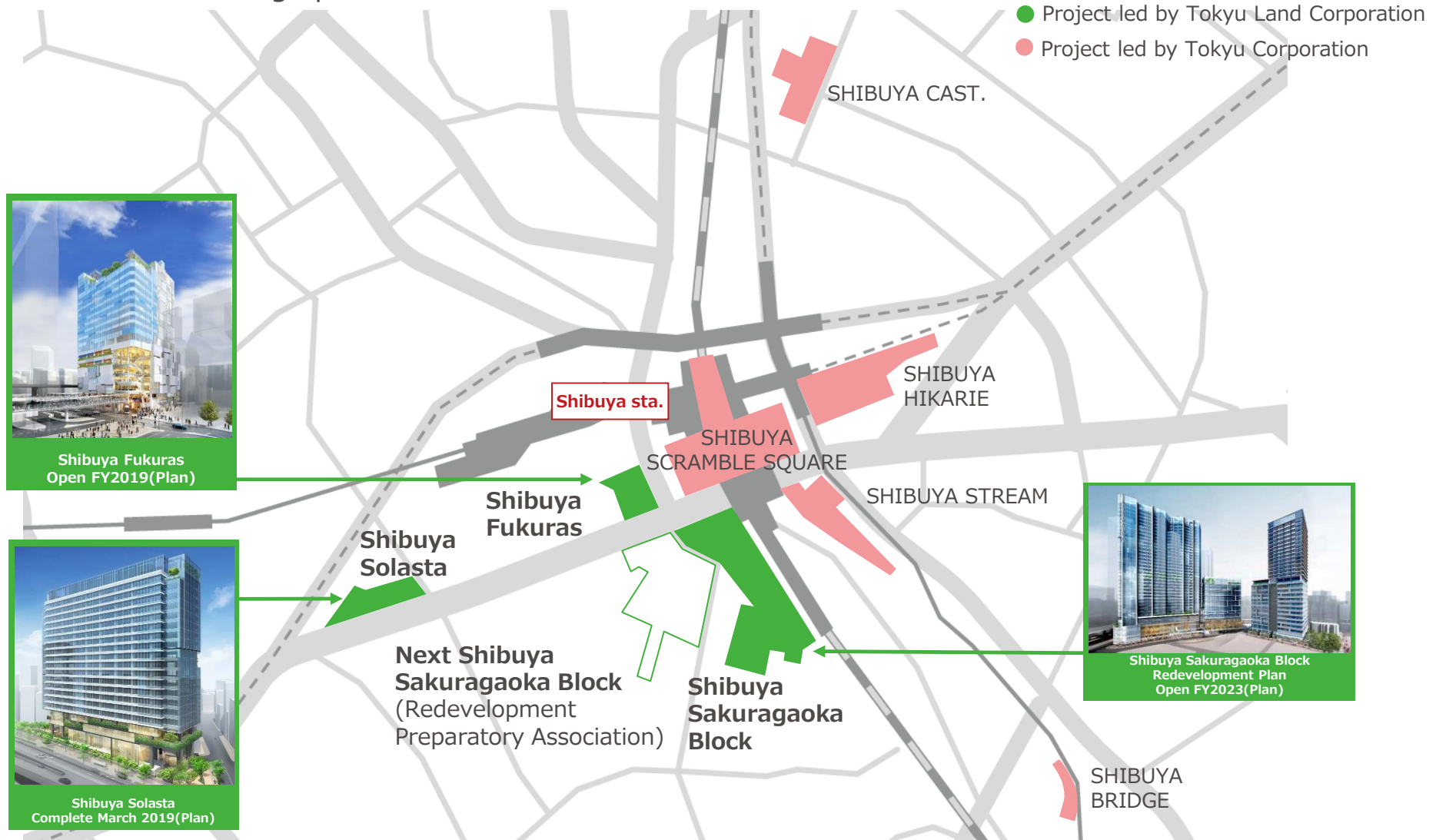


Shibuya Sakuragaoka Block Redevelopment Plan
Shibuya-ku
Office/Commercial/Housing
Floor space : 255
Open : FY2023(Plan)

* Floor space of all the projects before taking our equity into account
** tentative name

Urban Development(4) Major projects around Shibuya Station

Under the Shibuya Sakuragaoka Block Redevelopment Plan, demolition will start in January 2019 with the aim of commencing operation in FY2023.



Urban Development(5)Major projects <Takeshiba>

Both construction and leasing made steady progress toward opening in FY2020.



Takeshiba District Development Plan (Tentative name)

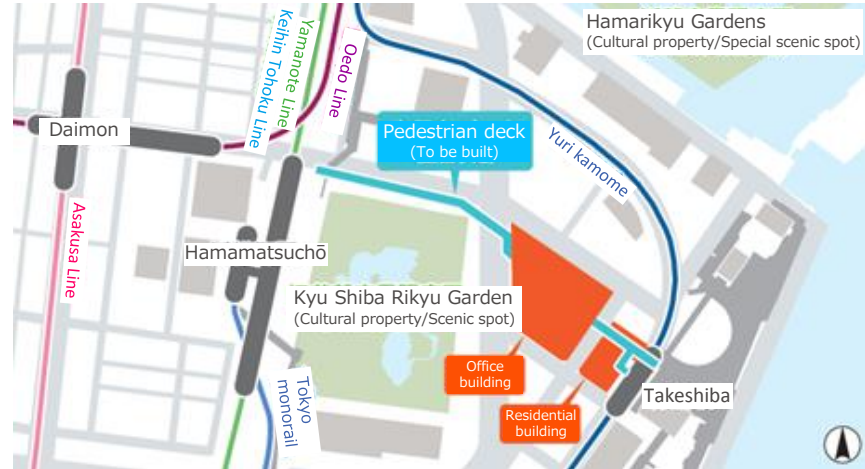
Office/Commercial/Housing

Floor space : about 180 (Office and Commercial)

about 20 (Housing)

Open : May, 2020 (Office and Commercial)

June, 2020 (Housing)



<Area map>



<Pedestrian deck>

Floor space : thousand m²

Urban Development(6)Renewable energy business

Investment in the renewable energy business, including investment in solar power and wind power generation plants, made progress.

Projects acquired (As of December 31, 2018)

Properties in operation: 14

Projects under development: 20

(solar power generation projects: 16,

wind generation projects: 3,

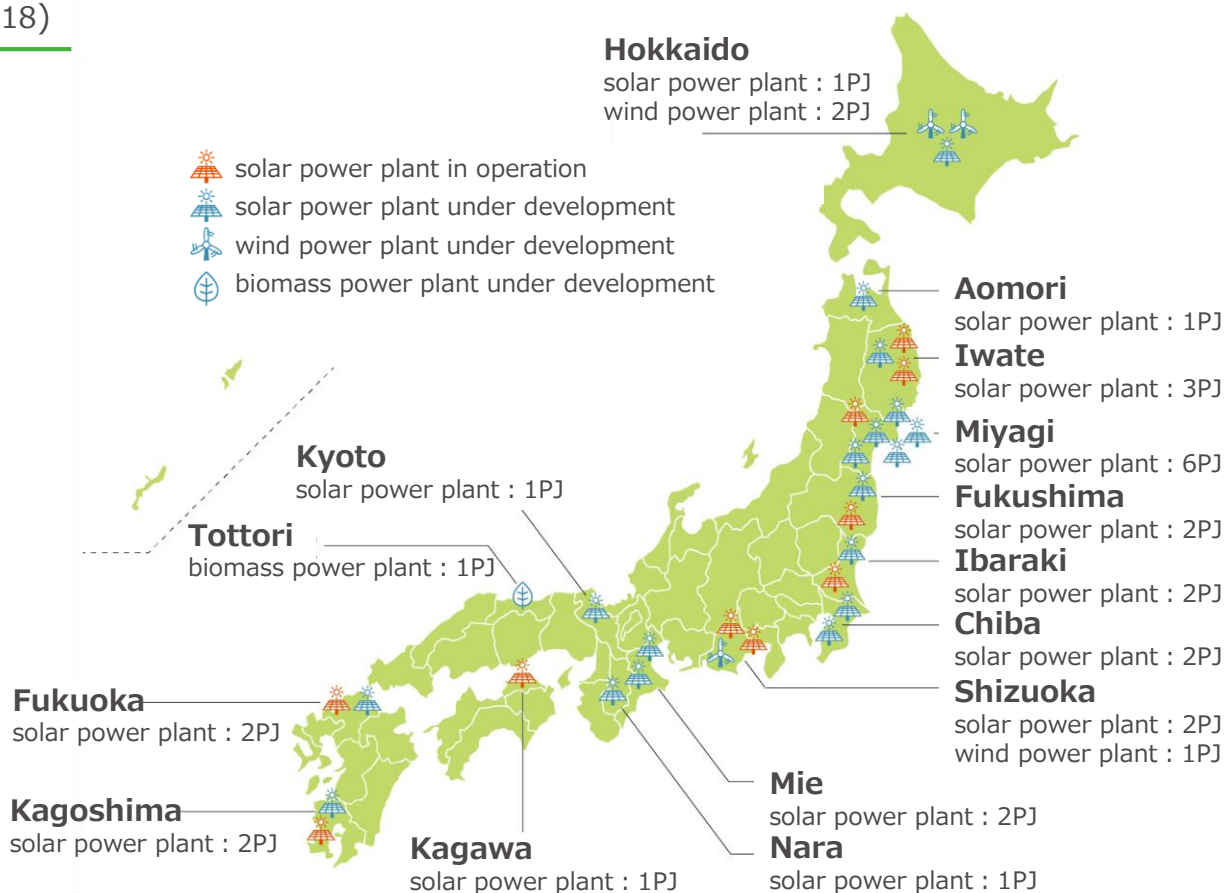
biomass power generation project: 1)

Investment progress: ¥71.1 billion

Major projects:

Kushiro (Hokkaido) 92MW

Matsumae (Hokkaido) 36MW



As of Sep-30, 2018

Residential(1) FY2018 Q3(First Nine Months)

Q3: Decrease in both revenue and profit FY2018: Increase in revenue and Decrease in profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	77.1	45.0	(32.1)		36.2%
Condominiums	62.7	30.9	(31.8)	No. of units sold (410) [611]	
Detached housing	2.5	1.7	(0.8)		
Others	11.8	12.4	0.6	Increase in the sale of rental houses to investors	
Operating profit	6.9	(1.0)	(7.9)		—

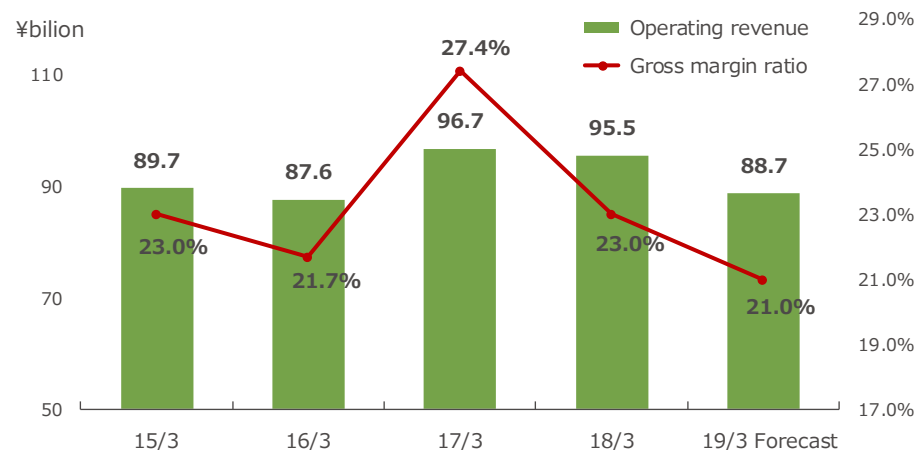
Full-year (¥ billion)	FY2017	FY2018 forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	123.5	124.5	1.0	
Condominiums	95.5	88.7	(6.8)	No. of units sold (365) [1,262]
Detached housing	3.1	2.5	(0.6)	
Others	25.0	33.4	8.4	Increase in the sale of rental houses to investors
Operating profit	7.6	5.0	(2.6)	

Residential(2) Change in the indexes for condominium sales

For the fiscal year ending March 31, 2019, high-end properties will increase, although the number of units estimated will decrease.

FY	FY2016	FY2017	FY2018 Forecast	FY2019 Forecast
No. of units sold	Total 1,560units	Total 1,627units	Total 1,262units	—
Contract ratio (Beginning-of-year→1Q→2Q→3Q)	57%→67%→84%→94%	54%→ 68%→ 80%→ 89%	32%→57%→73%→90% (As of Dec 31, 2018)	—
Year-end inventory of completed units	457	629	369 (As of Dec 31, 2018)	—
Major delivery condo Number of units refers to the number of units of sale () ownership ratio	BRANZ Tower Minatomirai 228units(100%) BRANZ The House Ichibancho 56units(100%) BRANZ City Kugahara 278units(100%) BRANZ Kakogawa ekimae 150units(60%)	BRANZ Yokohama 210units(50%) BRANZ Shibuya Tokiwamatsu 72units(85%) BRANZ Tower Midousujihommachi 276units(50%)	BRANZ Futakotomagawa terrace 79units(100%) BRANZ Rokuban-cho 39units(100%) BRANZ Roppongi Iikurakatomachi 33units(65%) BRANZ Roppongi The Residence 51units(40%)	BRANZ Kawaguchi Honcho 163units(100%) BRANZ Tower Umeda North 653units(33%) BRANZ Tower Hagoromo 145units(80%)
Purchase of land for sales (¥ billion)	40.7 (1,966 units)	36.7 (2,439units)	50.0 (Plan) 3Q : 22.2 (1,485 units)	— —

<Change in operating revenue and gross margin ratio for condominiums>



<Land bank of properties to be completed>

Acquired land to be delivered on or after 2020: about 10,100units



BRANZ Rokuban-cho
(To be completed in February 2019)



BRANZ Roppongi The Residence
(To be completed in February 2019)

Property Management(1) FY2018 Q3(First Nine Months)

Q3: Increase in both revenue and profit FY2018: Increase in both revenue and profit

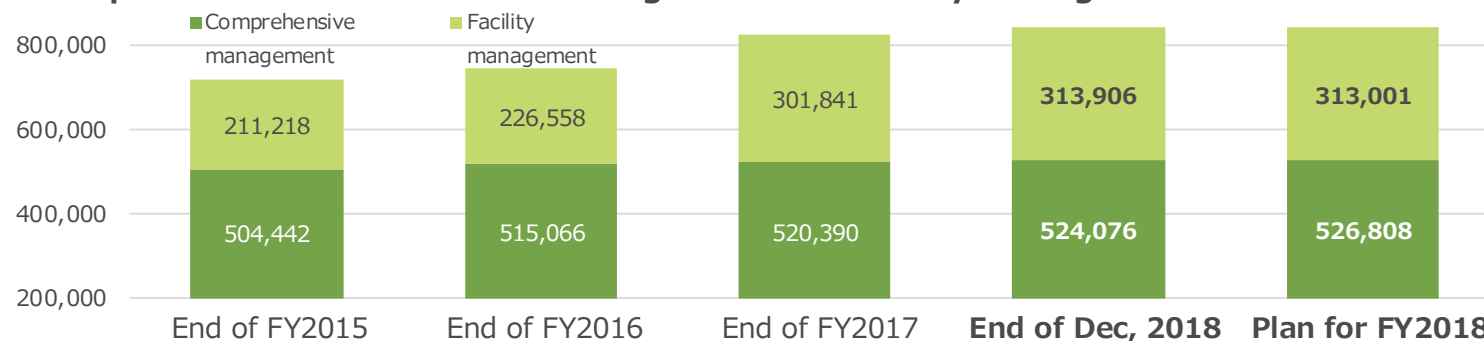
Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	114.3	123.3	8.9		70.8%
Condominium	80.3	83.4	3.0	Management+1.4, Construction+1.6	
Buildings and Other facilities	34.0	39.9	5.9	Management+2.3, Construction+3.6	
Operating profit	5.3	5.4	0.0		64.4%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	160.9	174.2	13.2	Increase in construction sales (due to the transfer of Tokyu Re·design Corporation)
Condominium	111.6	118.2	6.6	Management+2.2, Construction+4.4
Buildings and Other facilities	49.3	56.0	6.6	Management+3.7, Construction+2.9
Operating profit	8.2	8.4	0.2	

Property Management(2) Stock of properties

Condominiums and buildings under management steadily increased to expand stock under management.

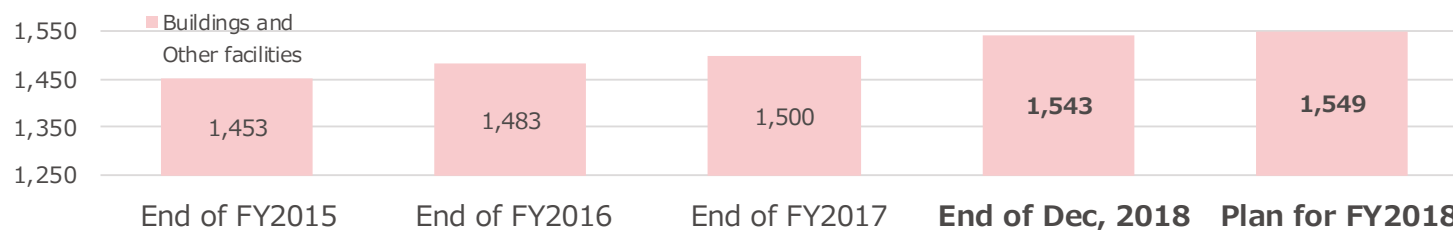
〈Trend in stock of comprehensive condominium management and facility management in number of units〉



[Units]

Number of condominium units under management (Change from the end of preceding fiscal year)	715,660 (+37,181)	741,624 (+25,964)	822,231 (+80,607)	837,982 (+15,751)	839,809 (+17,578)
Under comprehensive management	504,442	515,066	520,390	524,076	526,808
Under facility management	211,218	226,558	301,841	313,906	313,001

〈Trend in stock of management of buildings and other facilities in number of projects〉



[Projects]

Buildings and Other facilities (Change from the end of preceding fiscal year)	1,453 + 93	1,483 + 30	1,500 + 17	1,543 + 43	1,549 + 49
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Real Estate Agents(1) FY2018 Q3(First Nine Months)

Q3: Increase in both revenue and profit FY2018: Increase in both revenue and profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	66.9	83.8	16.9		77.6%
Real-estate sales agent	39.4	40.4	1.0	Retail+1.8, Wholesale(0.8)	
Consignment sales	1.6	1.8	0.2		
Real-estate sales	23.8	40.1	16.3	Increase in the delivery of entire residential buildings for investment	
Other	2.1	1.5	(0.6)	Decrease in the sales of development-oriented asset management business	
Operating profit	9.1	9.6	0.4		68.3%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	99.3	108.0	8.7	
Real-estate sales agent	54.9	58.1	3.1	Retail+2.9, Wholesale+0.3
Consignment sales	2.7	3.2	0.6	
Real-estate sales	39.0	44.7	5.7	Increase in the delivery of entire residential buildings for investment and the sales of purchase and resale business
Other	2.7	2.0	(0.7)	Decrease in the sales of development-oriented asset management business
Operating profit	13.2	14.0	0.8	

Real Estate Agents(2) Performance indicators in sales agency operations

Although both the number of real-estate agents' transactions and the average transaction prices decreased in wholesale activities, revenue increased due to an increase in retail activities.

	FY2018 Q3		
	Retail	Wholesale	Total
No. of transactions (Rate of change YoY)	17,664 +5.0%	710 (16.1)%	18,374 +4.0%
Amount of transactions (Rate of change YoY)	671.5 billion yen +6.2%	204.9 billion yen (41.5)%	876.4 billion yen (10.8)%
Average handling price (Rate of change YoY)	38 million yen +1.2%	289 million yen (30.3)%	48 million yen (14.2)%
Commission fee ratio	4.6%	3.8%	4.4%

	FY2017		
	Retail	Wholesale	Total
No. of transactions (Rate of change YoY)	23,268 +4.5%	1,142 +12.6%	24,410 +4.9%
Amount of transactions (Rate of change YoY)	884.5 billion yen +7.7%	431.1 billion yen +54.5%	1,315.6 billion yen +19.6%
Average handling price (Rate of change YoY)	38 million yen +3.0%	377 million yen +37.2%	54 million yen +14.0%
Commission fee ratio	4.7%	2.7%	4.0%

Highlights

□Retail (Result)

- Revenue increased due to growth both in the number of transactions and the average handling price.
- Five new stores opened in the first half (Nakanosakaue, Osone, Kiyosumishirakawa and others).
- Five new stores opened in the second half (Oizumi-gakuen, Kachidoki, Senrioka and others).

□Wholesale (Result)

- Both the number of real-estate agents' transactions and the average transaction prices decreased, resulting in lower revenue.

	FY2018 (Plan)		
	Retail	Wholesale	Total
No. of transactions (Rate of change YoY)	25,000 +7.4%	1,000 (12.4) %	26,000 +6.5%
Amount of transactions (Rate of change YoY)	947.7 billion yen +7.1%	321.5 billion yen (25.4) %	1,269.1 billion yen (3.5) %
Average handling price (Rate of change YoY)	38 million yen (0.3) %	321 million yen (14.8) %	49 million yen (9.4) %
Commission fee ratio	4.7%	3.7%	4.4%

Wellness(1) FY2018 Q3(First Nine Months)

Q3: Increase in both revenue and profit FY2018: Increase in both revenue and profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	69.2	88.3	19.1		70.9%
Operation of resort facilities*	23.9	24.7	0.8	Newly operated (HVC Karuizawa)	
Oasis (Sports Clubs)	12.8	13.2	0.4	Newly operated (Narashino, Sagamihara)	
Senior housing	5.6	5.9	0.3		
TOKYU STAY (Hotels)	7.9	10.2	2.3	Newly operated (5 hotels), contributed full year	
Consignment welfare	6.8	7.3	0.5		
Sales of country houses and membership	1.8	15.8	13.9	HVC Karuizawa delivered, and assets sold	
Other	10.4	11.3	0.9	Newly operated (Seragaki, Okinawa)	
Operating profit	3.1	3.2	0.1	HVC Karuizawa delivered	42.5%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	97.0	124.7	27.7	
Operation of resort facilities*	36.3	37.9	1.6	Newly operated (HVC Karuizawa), existing facilities improved
Oasis (Sports Clubs)	17.1	18.0	0.9	Newly operated (Narashino, Sagamihara)
Senior housing	7.5	7.9	0.4	
TOKYU STAY (Hotels)	10.6	13.2	2.6	Newly operated (6 hotels)
Consignment welfare	9.2	9.8	0.6	
Sales of country houses and membership	2.5	21.9	19.4	HVC Karuizawa delivered, and assets sold
Other	13.8	15.9	2.1	Newly operated (Seragaki, Okinawa)
Operating profit	5.8	7.6	1.8	HVC Karuizawa delivered and gain on sales of assets increased

* Sales at golf courses, Tokyu Harvest Club facilities, ski resorts and etc.

Wellness(2)Major projects

Plan new facilities mainly for hotel business such as Tokyu Stay

Type	Major project	Usage	Open
Tokyu Stay	Tokyu Stay Sapporo Tokyu Stay Hakata Tokyu Stay Sapporo Odori Tokyu Stay Kyoto Shin-Kyogoku Dori Tokyu Stay Kyoto Rryogaemachi-Dori Annex Tokyu Stay Fukuoka Tenjin Tokyu Stay Naha * Tokyu Stay Osaka Hommachi * Tokyu Stay Kanazawa* Tokyu Stay Takayama* Tokyu Stay Hakodate*	Urban style hotel	April 2018 June 2018 November 2018 December 2018 December 2018 February 2019 Winter FY2019 Winter FY2019 Winter FY2019 Spring 2020 Summer 2020
Harvestclub	Tokyu Harvestclub Karuizawa&VIALA	Membership Resort Hotel	July 2018
Senior housing	Creer-residence Yokohama Tōkaichiba Grancreer Shibaura*	Senior housing (mixed use development) Senior housing	April 2019 July 2020
Other	KYUKARUIZAWA KIKYO, Curio Collection by Hilton Hyatt Regency Seragaki Island Okinawa	Resort Hotel	April 2018 ** August 2018

* tentative name ** The former Karuizawa Hotel, which was acquired in FY2016, has been renovated and opened.



Tokyu Stay Kyoto Ryogaemachi-Dori Annex



Creer-residence Yokohama Tōkaichiba



Hyatt Regency Seragaki Island Okinawa

Tokyu Hands FY2018 Q3(First Nine Months)

Q3: Increase in both revenue and profit FY2018: Increase in both revenue and profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	74.1	74.4	0.2	New stores+1.3, Existing stores(2.1)%	75.3%
Operating profit	0.5	0.7	0.2	Fall in expenses, etc.	100.5%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	97.1	98.7	1.6	New stores+1.7, Existing stores(0.4)%
Operating profit	0.4	0.7	0.3	Fall in expenses, etc.

Innovation Business(1) FY2018 Q3(First Nine Months)

Q3: Decrease in revenue and Increase in profit FY2018: Increase in both revenue and profit

Third Quarter First Nine Months (¥ billion)	FY2017 Q3(Apr-Dec)	FY2018 Q3(Apr-Dec)	Comparison	Compared to the same period last year	Progress
Operating revenue	31.1	26.8	(4.3)		54.5%
Renovation / custom-built houses	20.5	14.2	(6.2)	Due to the transfer of Tokyu Re・design Corporation	
Landscape gardening	7.9	7.9	0.0		
Overseas operations, etc.	2.7	4.6	1.9	Properties sold	
Operating profit	(2.0)	0.3	2.2		28.7%

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year
Operating revenue	41.7	49.1	7.4	
Renovation / custom-built houses	26.3	19.5	(6.8)	Due to the transfer of Tokyu Re・design Corporation
Landscape gardening	12.0	13.1	1.1	
Overseas operations, etc.	3.4	16.6	13.2	Condominiums sales increased (Indonesia)
Operating profit	(2.2)	0.9	3.1	

Innovation Business(2)Overseas operations

Business expansion mainly in Indonesia and America

〈Indonesia〉

BRANZ BSD



Condominiums, Total number of units:
about 3,000 units scheduled
December 2018 (*)
(*) First project/BRANZ BSD Ai

BRANZ Simatupang



Condominium,
Total number of units: 381 units
scheduled December 2018

Puri Botanical project



Condominium, Total number of units:
about 600 units scheduled
To be completed at the end of 2021

Mega Kuningan project



Condominium, Commercial and others
Total number of units: 482 units
scheduled To be completed in 2022

〈America〉

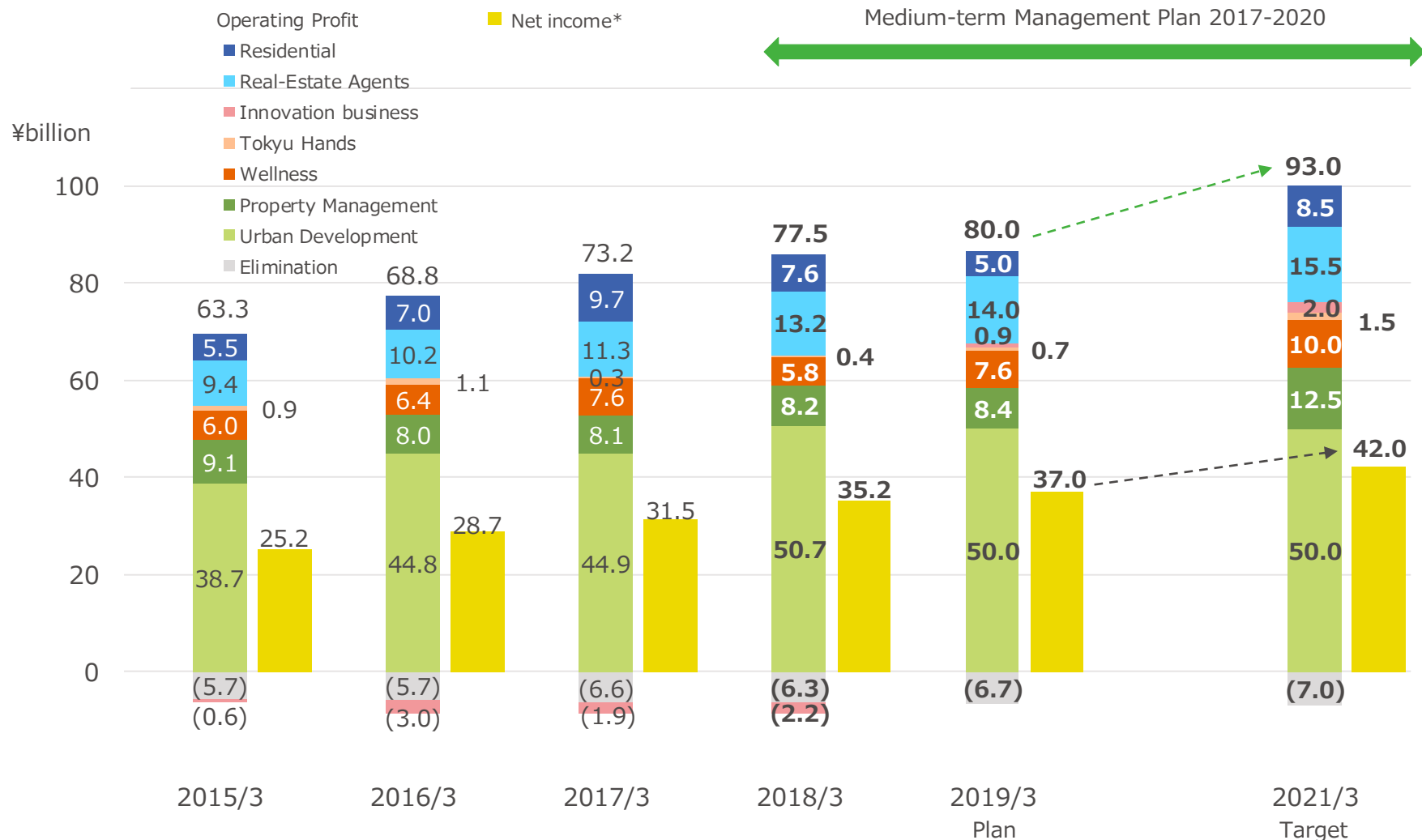
425 Park Avenue



Office building redevelopment project
New York, 47 stories above ground with
2 basements
Scheduled to be completed in FY2019

Reference

Reference① Progress in the Medium-term Management Plan (Operating profit/Net profit*)



* "Net income" was replaced with "profit attributable to owners of parent" in the fiscal year ended March 31, 2016.

Reference② Public stock offering

The public stock offering was resolved on October 3, and its conditions were determined on October 22.

No. of shares
for subscription 110 million

Capital increase ¥66.8 billion

*Total of new shares issued by public offering and third-party allotment, and disposal of treasury shares.
Based on the assumption of exercising a greenshoe option in full.

〈Background to capital increase through public offering〉

To be a comprehensive, value-creating developer continuously adding to the attractiveness of Tokyo, and in particular the Greater Shibuya Area

Steady progress in Medium-Term Management Plan⁽¹⁾

- Solid start in the first year of Value Frontier 2020 Stage 2
- Steady progress in redevelopment projects around Shibuya Station



Tokyo office market

- Diminishing concerns over supply of commercial office space
- Increasing competition among neighborhoods in Tokyo in mid- and long-term

Reinforce financial base through this offering

Strengthen our leasing business and raise our leasing portfolio NAV⁽²⁾ through proactive investments

Move forward with high value-added projects in major central Tokyo areas

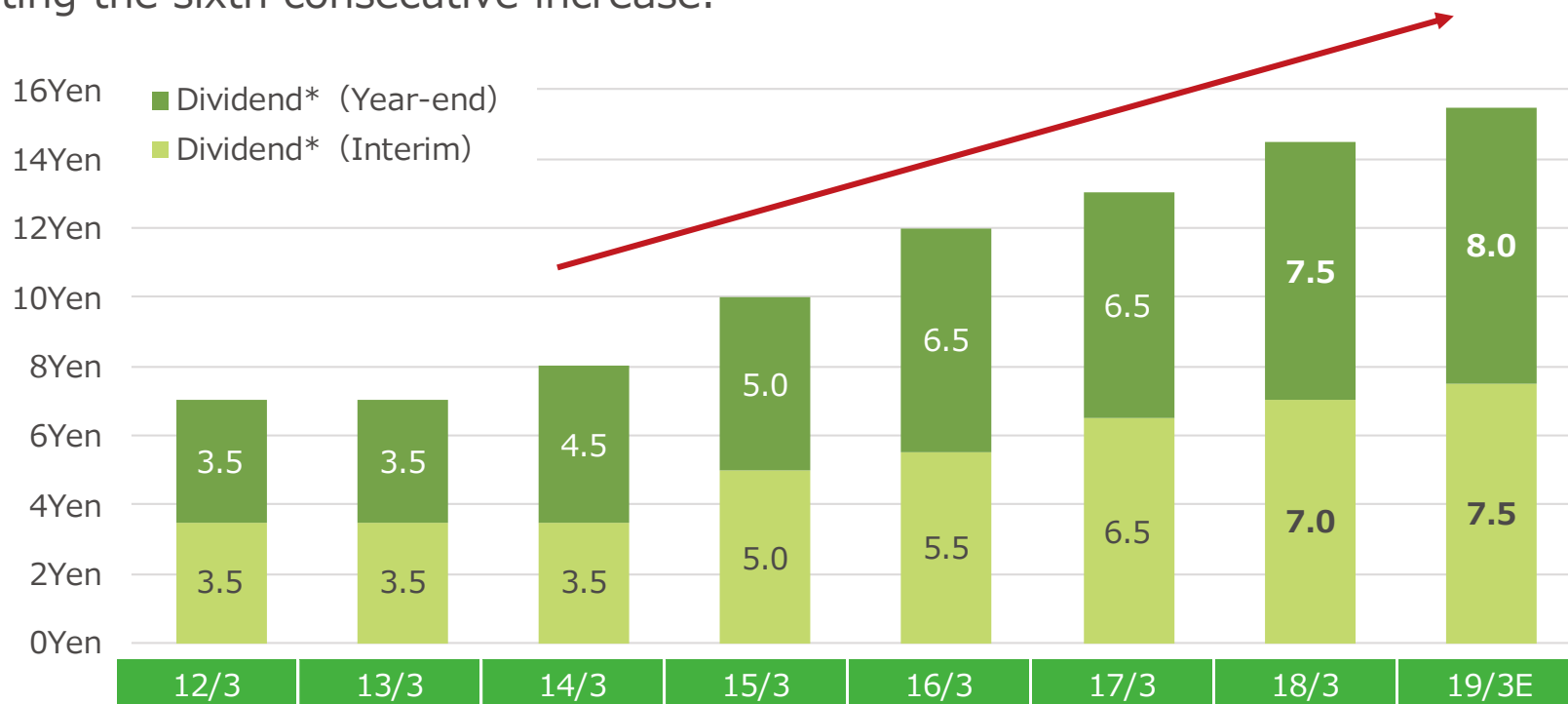
Continuous investments in the Greater Shibuya Area,
with strong growth potential
Planning to invest ¥350 billion by FY2023

(1) "Medium-Term Management Plan" is defined as "Value Frontier 2020 Stage 2 of the Medium-Term Management Plan" which we announced on May 11, 2017. The same shall apply hereafter

(2) NAV(Net Asset Value) is defined as net assets plus the difference between the leased property fair value and the leased property book value of our office buildings and retail properties (incl. land) plus an amount that takes into account corporate tax. The same shall apply hereafter

Reference③ Return to Shareholders

Annual dividend for the fiscal year ending March 31, 2019, will be raised to 15.5 yen, representing the sixth consecutive increase.



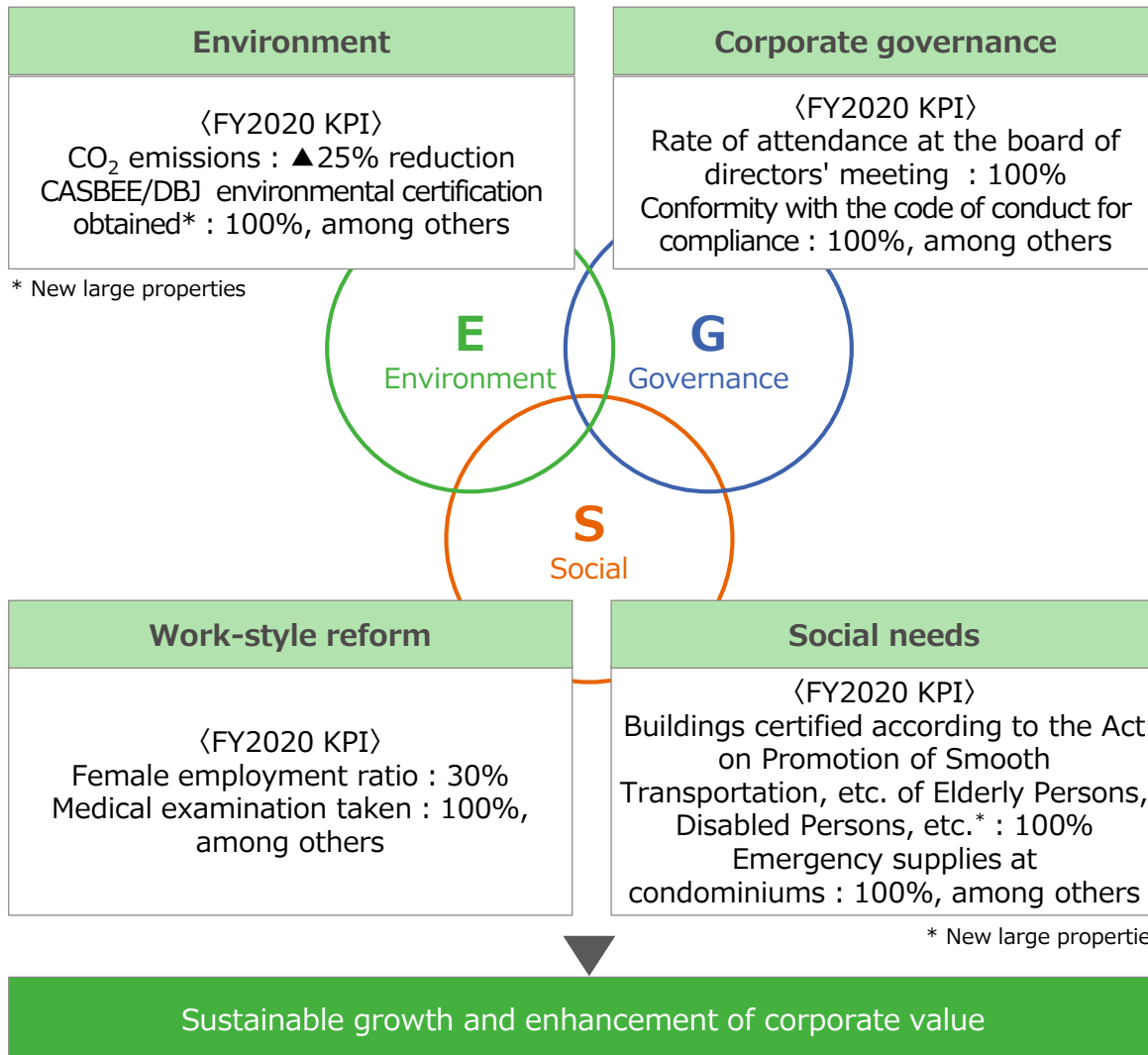
	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3E
Net income ** (¥billion)	34.2	22.1	23.7	25.2	28.7	31.5	35.2	37.0
EPS (Yen)	64.40	41.71	41.61	41.45	47.18	51.77	57.80	56.14
Dividend payout ratio (%)	10.9	16.8	19.2	24.1	25.4	25.1	25.1	27.6

* Dividends before interim dividends for the fiscal year ended March 2014 are those paid by Tokyu Land Corporation.

** "Net income" was replaced with "profit attributable to owners of parent" in the fiscal year ended March 31, 2016.

Reference④ ESG management

ESG management to realize sustainable growth and the enhancement of corporate value



— Selected as global ESG index —

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

— Chosen all the ESG indexes for GPIF —

MSCI

2018 Constituent
MSCI Japan ESG
Select Leaders Index



FTSE Blossom
Japan

MSCI

2018 Constituent
MSCI Japan Empowering
Women Index (WIN)



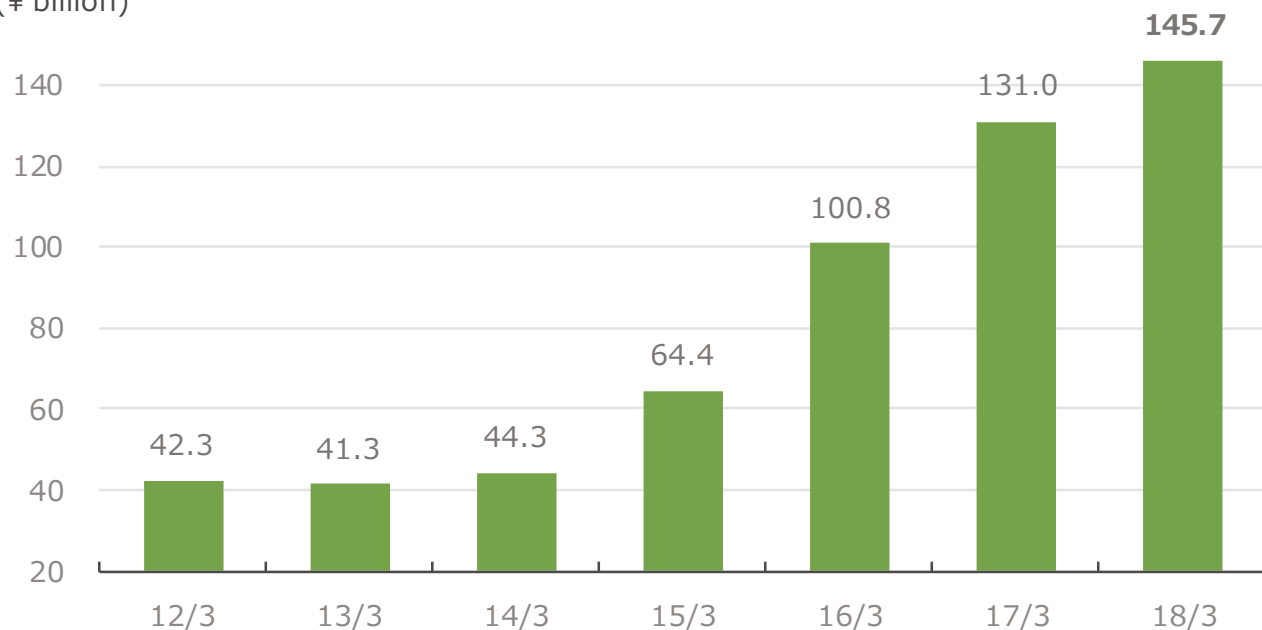
Reference⑤ Market value appraisal for leased properties *As of Mar-31, 2018

On the back of a brisk real estate market, unrealized profit of leased properties increased.

(¥ billion)	FY2016 Mar-2017	FY2017 Mar-2018	Comparison	Remarks
Carrying Value	797.5	791.4	(6.1)	<ul style="list-style-type: none"> ■ Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate". ■ The properties to be developed before opening are in the early process of development and therefore their market value cannot be grasped (¥127.4 billion at the end of March 2017 and ¥137.4 billion at the end of March 2018). The table on the left does not include those properties. (Reference: Dogenzaka 1-chome Shibuya-station Front District Urban Redevelopment, Nampoedai project and others)
Market value	928.5	937.1	8.6	
Difference	131.0	145.7	14.7	

<Change in unrealized profits>

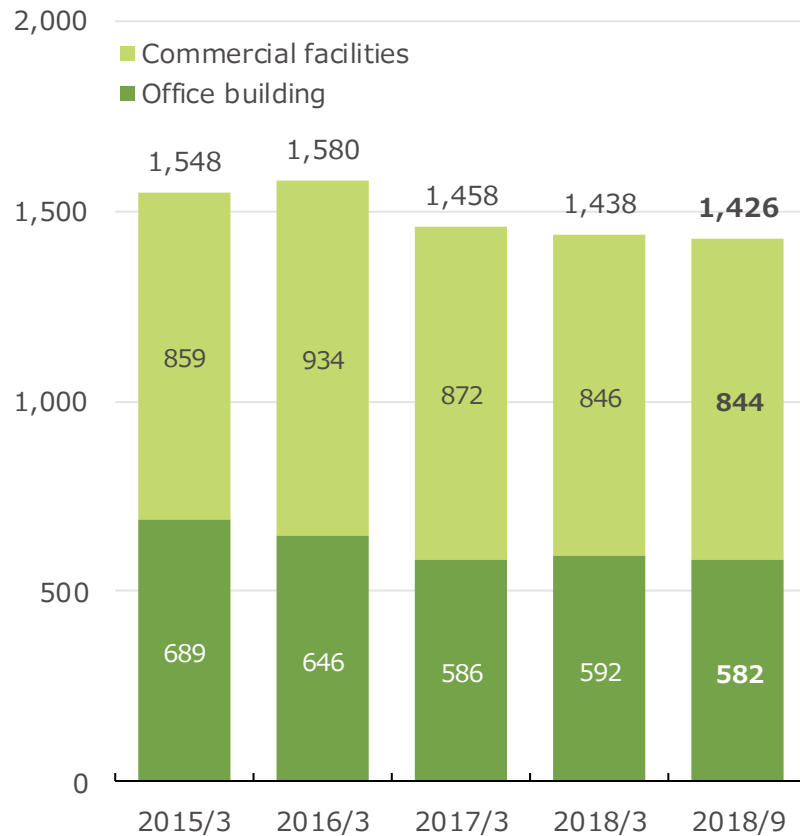
(¥ billion)



Reference⑥ Transition in total floor area and AUM transition *As of Sep-30, 2018

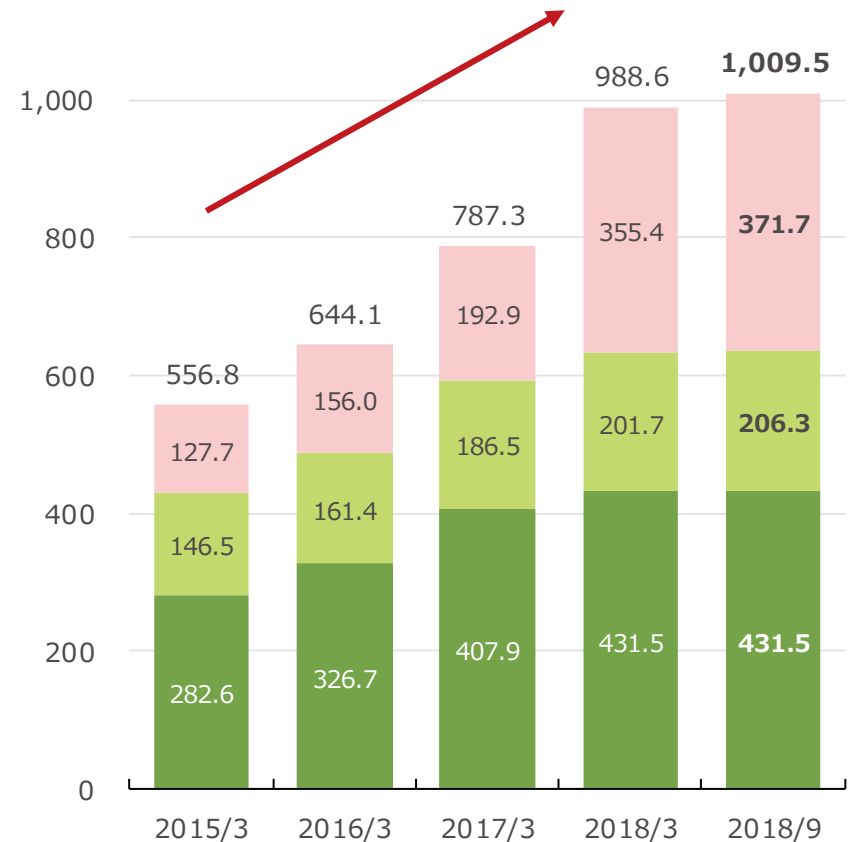
〈Transition in total floor area〉

Thousand m²



〈AUM transition〉

¥billion



* API: Activia Properties Inc.

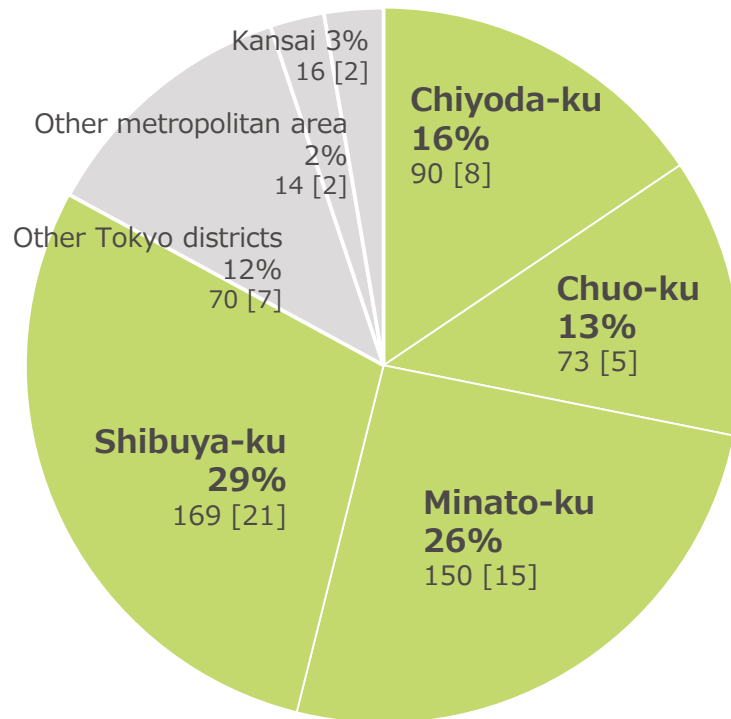
** CRR: Comforia Residential REIT, Inc

Reference⑦ Distribution of Office Buildings (Urban Development segment)

For the portfolios, office buildings are concentrated in four wards in the Tokyo Metropolitan area (As of Sep-30, 2018)

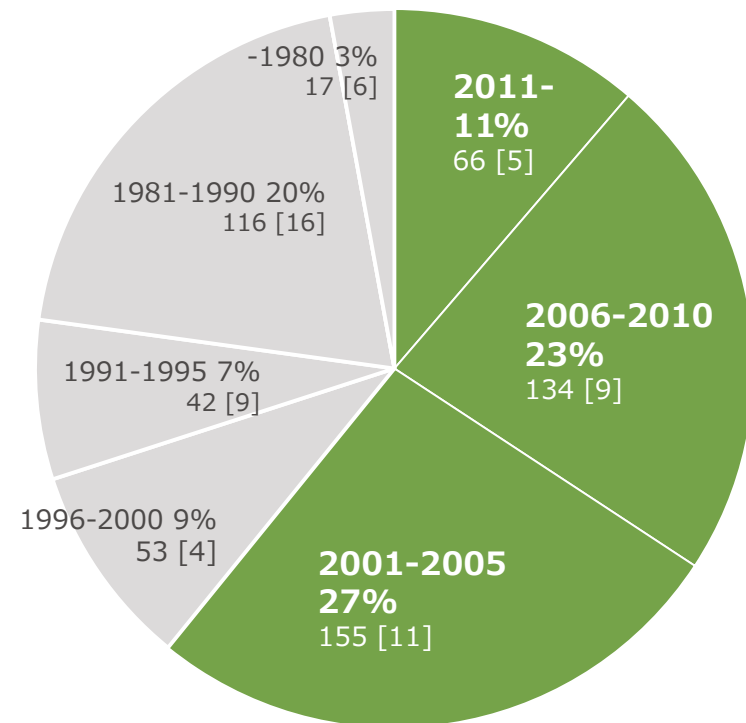
〈Area〉

Metropolitan 4districts
482thousand m² (83%) 49buildings



〈Completed year〉

After 2001
354thousand m² (61%) 25buildings

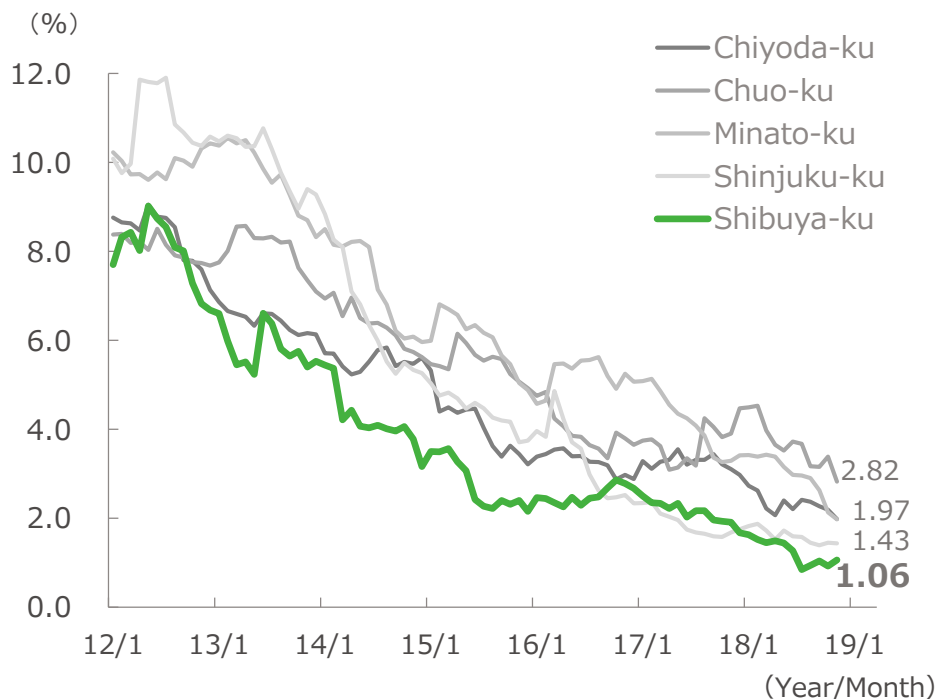


※ Office Buildings Floor space : thousand m², [] : Number of buildings

Reference⑧ The superiority of Shibuya

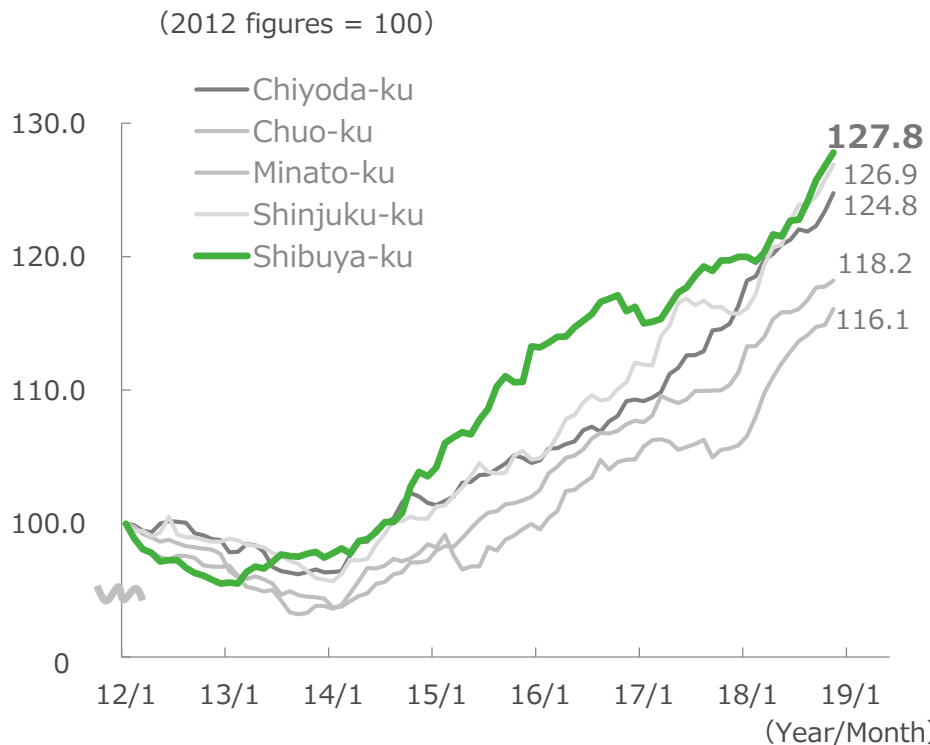
The vacancy rate continued to remain low in the 5 wards of central Tokyo as an office area, and rents are steadily on the rise.

〈Falling vacancy rate〉



Source : Miki Shoji

〈Increasing average rent〉



Source : Miki Shoji

Reference⑨ Major office buildings(Urban Development segment)

As of the end of September 2018, the Company holds 60 buildings, located mainly in four wards in central Tokyo.

Area		No. of buildings	Major properties[Building]	Year built	Total floor space *	notes
Tokyo Metropolitan area	Shibuya-ku	21	Shibuya Center Place	1983	7	 Shibuya Minami Tokyu  Ebisu Business Tower  Hamamatsucho Square
			Shibuya Dogenzaka Tokyu	1983	13	
			Unosawa Tokyu	1984	15	
			Ebisu Prime Square Tower	1997	35	
			Shibuya Shin-Minamiguchi	2000	7	
			Ebisu Business Tower	2003	23	
			Shibuya Square	2004	13	
			Shibuya Minami Tokyu	2005	20	
	Shibuya Place	2009	4			
	Minato-ku	15	Shimbashi Center Place	1986	9	 Minamiaoyama Tokyu  Shimbashi Tokyu  Shin-Aoyama Tokyu
			Hamamatsucho Square	2004	24	
			Shinagawa Tokyu	2007	21	
			Minamiaoyama Tokyu	2008	12	
			Shimbashi Tokyu	2008	15	
			Spline Aoyama Tokyu	2012	8	
	Shin-Aoyama Tokyu	2015	9			
	Chiyoda-ku	8	Sanban-cho Tokyu	2001	12	 Uchisaiwaicho Tokyu  Kasumigaseki Tokyu  Nihombashi Maruzen Tokyu
			Ichiban-cho Tokyu	2002	20	
			Ichigaya Tokyu	2004	15	
			Uchisaiwaicho Tokyu	2006	14	
			Kasumigaseki Tokyu	2010	19	
Cyuo-ku	5	St. Luke's Tower	1994	14	 Nihombashi Front  Shin-Meguro Tokyu  Futako Tamagawa Rise Office	
		Nihombashi hon-cho Tokyu	2004	12		
		Nihombashi Maruzen Tokyu	2006	17		
		Nihombashi Front	2008	29		
Other	9	Meguro Tokyu	2003	10		
		Futako Tamagawa Rise·office	2010	19		
		Shin-Meguro Tokyu	2012	22		
Kansai	2	Shinsaibashi Tokyu	1982	11		

* (thousand m²) : Floor space is after conversion for ownership share (including the leased area).

Reference^⑩ Major commercial facilities(Urban Development segment)

As of the end of September 2018, the Company operates 23 locations in the Tokyo area and 8 locations in Kansai and other regions.

Area	No. of facilities	Major properties [Commercial facilities]	Year built	Total floor space *	notes	
Tokyo Metropolitan area	23	Tokyu Plaza Kamata	1968	28		
		Tokyu Plaza Akasaka	1969	21		
		Shibuya B E A M	1992	7		
		Daini Musashino Building	1992	6		
		DECKS Tokyo Beach	1997	35		
		GLASSAREA AOYAMA	2002	2		
		Northport Mall	2007	141		
		Saclass Totsuka (sublease)	2009	48		
		Tokyu Plaza Totsuka	2010	12		
		Futakotamagawa rise・SC	2011	20		
		Tokyu Plaza Omotesando Harajyuku	2012	3		
		Q Plaza Harajyuku	2015	8		
		Market Square Kawasaki East (sublease)	2016	30		
Tokyu Plaza Ginza	2016	51				
Q Plaza Futakotamagawa	2017	3				
Kansai・Others	8	Market Square Nakayamadera	2003	22		
		Minoh Q'sMALL	2003	30		
		Market Square SASASHIMA	2005	19		
		Amagasaki Q'sMALL	2009	164		
		Abeno Q'sMALL	2011	123		
		Tokyu Plaza Shinagata (sublease)	2013	10		
		Morinomiya Q's MALL BASE	2015	24		

* (thousand m²) : Floor space is after conversion for ownership share (including the leased area).

Reference¹¹ Major facilities (Wellness business) * As of Sep-30, 2018

Manage diverse resort facilities throughout the country

	Number of facilities	Number of rooms	Name of facilities			
Tokyu Harvest Club	25 facilities	2,750 rooms	Teteshina Katsuura Hamanako Amagi Kougen Shizunami Kaigan Kinugawa Nanki Tanabe Ito	Hakone Myojindai Madarao Tateshina Annex Skijam Katsuyama Yamanakako Mount Fuji Kyu Karuizawa Tateshina Resort Hakone Koshien	Urabandai Grandeco Nasu Kyu Karuizawa Annex VIALA Hakone Hisui Arima Rokusai VIALA annex Arima Rokusai Atami Izusan VIALA annex Atami Izusan	Kyoto Takagamine VIALA annex Kyoto Takagamine Nasu Retreat Karuizawa VIALA annex Karuizawa
Ski resorts	8 facilities	—	Niseko Mountain Resort Grand Hirafu Tateshina Tokyu Ski Resort Tambara Ski Park TANGRAM SKI CIRCUS (MADARAO)		GRANDECO SNOW RESORT SKIJAM KATSUYAMA Hunter Mountain Shiobara Mt. JEANS NASU	
Golf courses	20 facilities	—	OITA Tokyu Golf Club Aso Tokyu Golf Club Katsuura Tokyu Golf Course Tsukuba Tokyu Golf Club TATESHINA TOKYU Golf Course	Amagikogen Golf Course Mochizuki Tokyu Golf Club MADARAO Tokyu Golf Club Omigawa Tokyu Golf Club Kiminomori Golf Club	Arita Tokyu Golf Club NASU KOKUSAI COUNTRY Otakijo Golf Club Tsurumai Country Club Sashima Country Club	Yoshikawa Country Club Shibayama Golf Club Kansai Country Club Miki Yokawa Country Club Asakura Golf Club
Tokyu Sports Oasis	36 facilities	—	Tamagawa Kawaguchi Shinjuku 24Plus Musashi-Kosugi 24Plus Urawa 24Plus Aoyama Hon-Atsugi Musashi-Koganei Seiroka Garden	Kanamachi 24Plus Jujo 24Plus Minami-Osawa 24Plus Yokosuka 24Plus Kohoku Honkomagome Rafeel Ebisu Yukigaya 24Plus Totsuka	Akatsuka 24Plus Minami-Koshigaya Esaka 24Plus Shinsaibashi EAST 24Plus Umeda Ibaraki 24Plus Hiroshima Shinsaibashi WEST 24Plus Abeno 24Plus	Sumiyoshi Sannomiya 24Plus Tsurugaoka 24Plus Sayama 24Plus Katsuragawa 24Plus Morinomiya Q's Mall Suminodo 24Plus Sagamihara 24Plus Narashino 24Plus
Tokyu Stay Hotel	21 facilities	3,136 rooms	Yutenji Monzen-Nakacho Yoga Shibuya Nihombashi Yotsuya	Shibuya Shin-Minamiguchi Tsukiji Gotanda Suidobashi Aoyama Nishi-Shinjuku	Ikebukuro Kamata Shimbashi Shinjuku Ginza Kyoto Ryogaemachi-Dori	Takanawa (in front of Sengakuji Station) Sapporo Hakata
Senior housing facilities	11 facilities	1,332 units	Grancreer Azamino Grancreer Fujigaoka Lifenix Takaido	Grancreer Utsukushigaoka Grancreer Aobadai Creer Residence Sakuradai	Grancreer Center Minami Grancreer Seijo Grancreer Bajikoen	Grancreer Aobadai 2-chome Grancreer Setagaya Nakamachi



 **TOKYU FUDOSAN HOLDINGS**