

# Financial Highlights

## FY2021 Second Quarter (First Six Months)

### Ended September 30, 2021

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**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 Group. Actual performance may significantly differ from these forecasts due to various factors in the future.**

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# FY2021 Q2 (First Six Months) / plan for FY2021 Highlights

## Topics

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### Continued impact of COVID-19

The declarations of a state of emergency and the implementation of priority measures to prevent the spread of disease and other matters to prevent the spread of COVID-19 had impacts on facilities such as closure and shortened business hours.

Emergency declaration lifted in October to restore normal business activities.

### FY2021 Q2 (First Six Months)

Operating profit 33.5 billion yen (yoy +16.5 billion yen)

Net income\* 14.3 billion yen (yoy +13.7 billion yen)

Significant increase in both revenue and profit due to easing of impact of COVID-19, increase in operation of renewable energy and strong sales brokerage.

### Forecast for FY2021

Operating profit 80 billion yen (yoy +23.5 billion yen, same level as initially forecasted) Net income\* 30 billion yen (yoy +8.3 billion yen, same level as initially forecasted)

Incorporating a certain level of risk in preparation for the reemergence of COVID-19. Revised profit forecast for each segment as strong business compensates for risk of deterioration.

### GROUP VISION 2030 Launched

Environmental management:

As the first step of achieving RE100, 17 facilities were switched to renewable energy sources.

Formulation of the WE ARE GREEN Bond Policy

Issuance of Sustainability-Linked Bonds

DX:

Business process reforms underway in the Real Estate Agents business, etc.

\* Profit attributable to owners of parent.

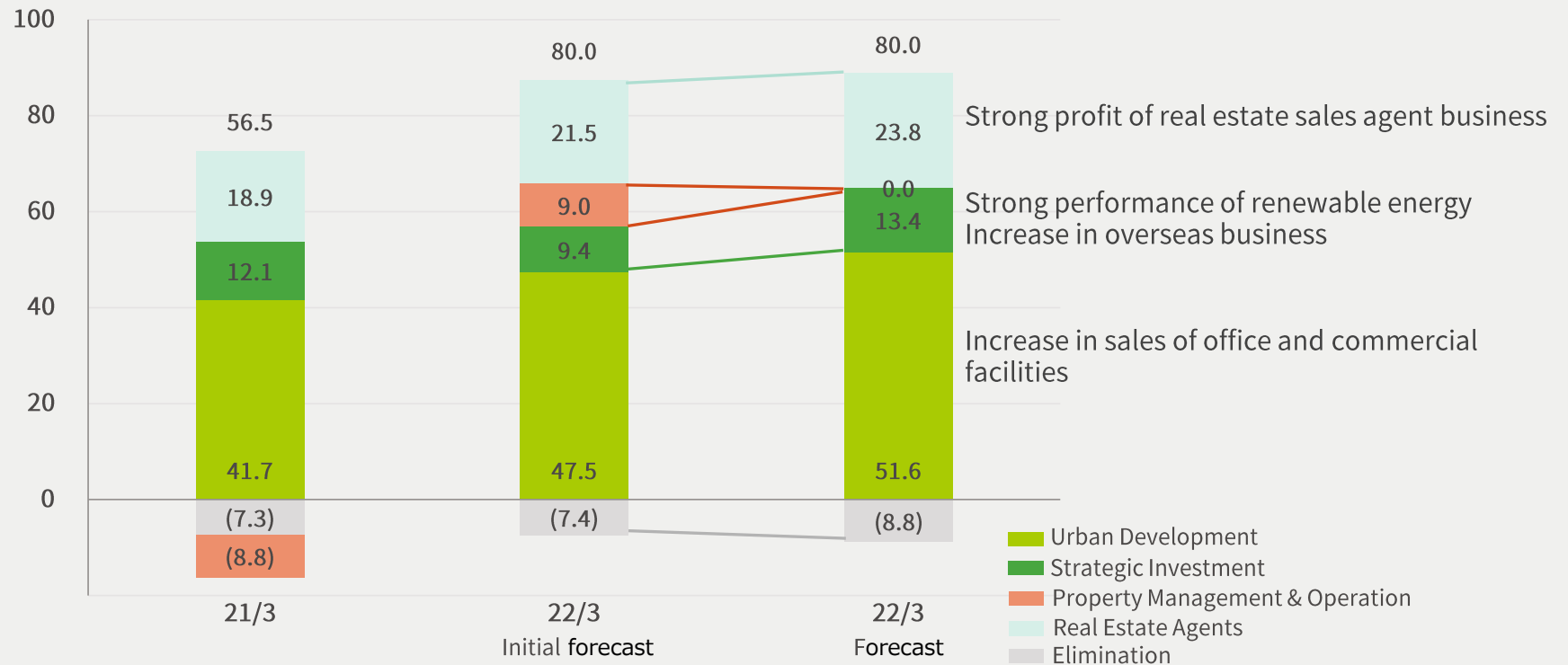


# Forecast for the FY2021

Despite a downward revision of the forecast for the Management & Operation business segment to reflect the risk of a resurgence of the COVID-19 in the Wellness and Tokyuu Hands businesses, operating profit is expected to be 80 billion yen, as initially forecasted, due to increased profit in other segments resulting from the active trading market, and other factors.

## 〈Operating profit〉

¥billion



# **Results of the FY2021 Q2 / Highlight for the FY 2021 plan**

## FY2021 Q2 (First Six Months) Operating Results

Both revenue and profit increased compared to the same period of the previous year, and various KPIs improved.

(¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	FY2020	FY2021 Forecast**	Progress	Compared to the same period last year
<b>Operating Revenue</b>	<b>383.9</b>	<b>411.8</b>	<b>27.9</b>	<b>907.7</b>	<b>1,010.0</b>	<b>40.8%</b>	
<b>Operating profit</b>	<b>17.0</b>	<b>33.5</b>	<b>16.5</b>	<b>56.5</b>	<b>80.0</b>	<b>41.9%</b>	
Non-operating income	1.3	1.4	0.1	3.8	—	—	
Non-operating expenses	6.2	8.0	1.9	13.7	—	—	□Extraordinary income
<b>Ordinary profit</b>	<b>12.1</b>	<b>26.8</b>	<b>14.7</b>	<b>46.6</b>	<b>66.5</b>	<b>40.4%</b>	Sales of fixed assets: 1.9 billion yen
Extraordinary income	2.1	2.5	0.4	7.3	—	—	
Extraordinary losses	6.8	1.6	(5.2)	12.0	—	—	□Extraordinary losses
Income before income taxes and minority interests	7.4	27.8	20.4	41.8	—	—	Loss on COVID-19 impact: 1.5 billion yen (6.6 billion yen in the same period last year)
<b>Profit attributable to owners of parent</b>	<b>0.6</b>	<b>14.3</b>	<b>13.7</b>	<b>21.7</b>	<b>30.0</b>	<b>47.7%</b>	
Total assets	2,612.1	2,606.7	(5.3)	2,652.3	—	—	
ROA	—	—	—	2.2%	3.0%	—	
<b>Interest-bearing Debt</b>	<b>1,495.0</b>	<b>1,479.3</b>	<b>(15.7)</b>	<b>1,478.8</b>	<b>1,480.0</b>	—	□Interest-bearing Debt
Equity	579.3	612.0	32.7	596.7	—	—	As part of the hybrid financing announced in the previous fiscal year, we raised 30.0 billion yen in hybrid loans (50% equity credit rating acquired) in April.
Equity ratio	22.2%	23.5%	1.3P	22.5%	—	—	
ROE	—	—	—	3.7%	5.0%	—	
D/E ratio	2.6	2.4	(0.2)	2.5	2.4	—	
<b>[D/E ratio in consideration of hybrid financing] ***</b>	—	2.2	—	2.3	2.2	—	

\* 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 figures are the revised forecast that we announced on November 4, 2021 (common for all pages)

\*\*\* Hybrid financing of 100 billion yen raised in December 2020 and April 2021. Acquired equity credit rating for 50% of raised funds from the Japan Credit Rating Agency (common for all pages)

## Impact of COVID-19 on each business

Business activities were restricted due to the declaration of a state of emergency and other factors, mainly in the first quarter, but the impact was limited compared with the same period last year.

Segment/Business		FY2020 Q2	FY2021 Q2
Urban Development	Commercial facilities	Temporary closure of entire building (excluding some stores selling food and pharmaceutical products)	[Metropolitan area] Temporary closure of entire building only in Tokyo [Kansai] Temporary closure of entire building (excluding daily necessities and daily necessity services)
	Condominiums	Temporary closure of model rooms	No closure
Property Management & Operation	Management	Temporary suspension of some management services	Regular operation
	Leasing conference rooms	Temporary closure of entire building	No closure
	Harvest Club	Temporary closure of entire facility	No closure
	Tokyu Stay	Partial closure of some facilities	No closure
	Golf courses	Temporary admission restrictions	No closure
	Tokyu Sports Oasis	Temporary closure of all gyms	Partial closure of some facilities
	Tokyu Hands	Temporary closure of all stores	[Metropolitan Area] Temporary closure of some facilities in Tokyo [Kansai] Temporarily closure of some facilities such as in Osaka and Hyogo [Other] Temporarily closure of some facilities on Saturdays and Sundays
Real Estate Agents	TOKYU LIVABLE, INC.	Temporary suspension of in-store sales activities of some real estate agents	Regular operation

\* No closure: Although operations are not suspended, some business restrictions apply (e.g. visitor restrictions, reduced business of restaurants, etc.)

## FY2021 Q2 (First Six Months) Summary of balance sheets

Increase in real estate for sale due to progress in investments

(¥ billion)	FY2020	FY2021		(¥ billion)	FY2020	FY2021	
	As of Mar 31, 2021	As of Sep 30, 2021	Comparison		As of Mar 31, 2021	As of Sep 30, 2021	Comparison
Cash and deposits	190.0	100.2	(89.8)	<b>Interest-bearing Debt</b>	<b>1,478.8</b>	<b>1,479.3</b>	<b>0.5</b>
<b>Real estate for sale</b>	<b>680.6</b>	<b>722.0</b>	<b>41.4</b>	Deposits	264.6	249.1	(15.5)
<b>Property and equipment, Intangible assets</b>	<b>1,223.9</b>	<b>1,218.8</b>	<b>(5.1)</b>	Trade payables etc.	126.4	80.0	(46.4)
Goodwill	66.4	63.7	(2.7)	Other	173.7	174.0	0.3
Other investments	339.1	361.4	22.4	<b>Total liabilities</b>	<b>2,043.6</b>	<b>1,982.5</b>	<b>(61.1)</b>
Accounts receivable etc.	64.6	42.7	(21.9)	<b>Equity</b>	<b>596.7</b>	<b>612.0</b>	<b>15.4</b>
Other	87.7	97.9	10.2	Non-controlling interests	12.1	12.2	0.2
<b>Total assets</b>	<b>2,652.3</b>	<b>2,606.7</b>	<b>(45.6)</b>	<b>Total net assets</b>	<b>608.7</b>	<b>624.3</b>	<b>15.5</b>

# Summary of Cash Flows

Progress in investment in inventory and noncurrent assets

(¥ billion)	FY2020 Q2	FY2021 Q2	Main factors for changes
Net cash provided by (used in) operating activities	(16.4)	(46.1)	+27.8 billion yen of profit before income taxes +21.1 billion yen of depreciation (30.3) billion yen for purchase of Inventories (29.7) billion yen for Trade payable
Net cash provided by (used in) investment activities	(107.3)	(21.4)	(23.4) billion yen for purchase of noncurrent assets (16.1) billion yen for purchase of securities and investment securities +20.2 billion yen for sales of noncurrent assets
Net cash provided by (used in) financing activities	130.3	(22.5)	(26.6) billion yen of long-term liabilities
cash and cash equivalents at end of period	103.8	99.7	

## 〈Information: investment actuals records and plans〉

(¥ billion)	FY2020 Results **	FY2021 Q2 **	FY2021 Forecast **
Capital Investment	108.7	21.1	60.0
Real estate for sale (domestic business excluding condominiums)	85.8	66.3	190.0
Land for sale (condominiums)	10.0	8.4	25.0
Equity Investment (domestic business excluding condominiums)	—	3.0	15.0
Overseas Investment *	13.0	4.1	25.0

\* Contributions are included

\*\* Investments in the greater Shibuya area included in the amount:  
28.3 billion yen invested in FY2020,  
2.2 billion yen invested in FY2021 Q2,  
8.0 billion yen planned in FY2021

# FY2021 Earnings Forecasts

ROE of 5.0%, D/E ratio of 2.4 times planned

(¥ billion)	FY2020 Results	FY2021 Forecast	Comparison	Initial Forecast	Projected Change	Compared to the same period last year
<b>Operating Revenue</b>	907.7	1,010.0	102.3	1,040.0	(30.0)	
<b>Operating profit</b>	56.5	80.0	23.5	80.0	—	
Non-operating income	3.8	—	—	—	—	
Non-operating expenses	13.7	—	—	—	—	
<b>Ordinary profit</b>	46.6	66.5	19.9	66.5	—	
Extraordinary income	7.3	—	—	—	—	
Extraordinary losses	12.0	—	—	—	—	
Income before income taxes and minority interests	41.8	—	—	—	—	
<b>Profit attributable to owners of parent</b>	21.7	30.0	8.3	30.0	—	
Total assets	2,652.3	—	—	—	—	
ROA	2.2%	3.0%	0.8P	3.0%	—	
<b>Interest-bearing Debt</b>	1,478.8	1,480.0	1.2	1,480.0	—	□ Interest-bearing Debt
Equity	596.7	—	—	—	—	As part of the hybrid financing
Equity ratio	22.5%	—	—	—	—	announced in the previous fiscal
<b>ROE</b>	3.7%	5.0%	1.3P	5.0%	0.0P	year, we raised 30.0 billion yen in
Earnings per share (Yen)	30.13	41.71	11.58	41.71	0.00	hybrid loans (50% equity credit
<b>D/E ratio</b>	2.5	2.4	(0.1)	2.4	0.0	rating acquired) in April.
<b>[D/E ratio in consideration of hybrid financing]</b>	2.3	2.2	(0.1)	2.2	0.0	
EBITDA	101.7	124.5	22.9	125.9	(1.4)	
<b>EBITDA multiple</b>	14.5	11.9	(2.7)	11.8	0.1	
Dividends per share	¥16.0	¥16.0	—	¥16.0	± ¥0.0	
Dividend payout ratio	53.1%	38.4%	(14.7)P	38.4%	0.0P	

## FY2021 Q2 (First Six Months) and Forecast Segment performance

In the second quarter, both revenue and profit decreased from the same period of last year only in the urban development segment due to a decrease in sales, but asset sales progressed steadily.

(¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	FY2020	FY2021 Forecast	Comparison (FY2020)	Comparison (Initial forecast)	compared to the same period last year			
<b>Operating revenue</b>	<b>383.9</b>	<b>411.8</b>	<b>27.9</b>	<b>907.7</b>	<b>1,010.0</b>	<b>102.3</b>	<b>(30.0)</b>				
Urban Development	132.3	106.4	(26.0)	316.7	335.0	18.3	(15.0)				
Strategic Investment	11.0	19.5	8.4	46.9	74.0	27.1	9.0	* Change before transfer of extraordinary			
Property Management & Operation	152.3	179.0	26.7	351.2	390.0	38.8	(30.0)	loss on COVID-19			
Real Estate Agents	96.9	117.7	20.8	212.3	232.0	19.7	7.0	[] = extraordinary loss impact			
Elimination	(8.7)	(10.8)	(2.1)	(19.4)	(21.0)	(1.6)	(1.0)				
<b>Operating profit</b>	<b>17.0</b>	<b>33.5</b>	<b>*16.5</b>	<b>56.5</b>	<b>80.0</b>	<b>*23.5</b>	<b>-</b>	FY2021 Q2		FY2021 Forecast	
								<b>21.6</b>	<b>[5.1]</b>	<b>28.6</b>	<b>[5.1]</b>
Urban Development	21.6	21.4	(0.2)	41.7	51.6	9.9	4.1	1.0	[1.3]	11.2	[1.3]
Strategic Investment	3.0	6.0	3.0	12.1	13.4	1.3	4.0	3.0	-	1.3	-
Property Management & Operation	(11.0)	(4.9)	6.1	(8.8)	0.0	8.8	(9.0)	10.0	[3.8]	12.7	[3.8]
Real Estate Agents	7.0	15.0	8.0	18.9	23.8	4.9	2.3	8.0	-	4.9	-
Elimination	(3.7)	(4.0)	(0.3)	(7.3)	(8.8)	(1.5)	(1.4)	(0.3)	-	(1.5)	-

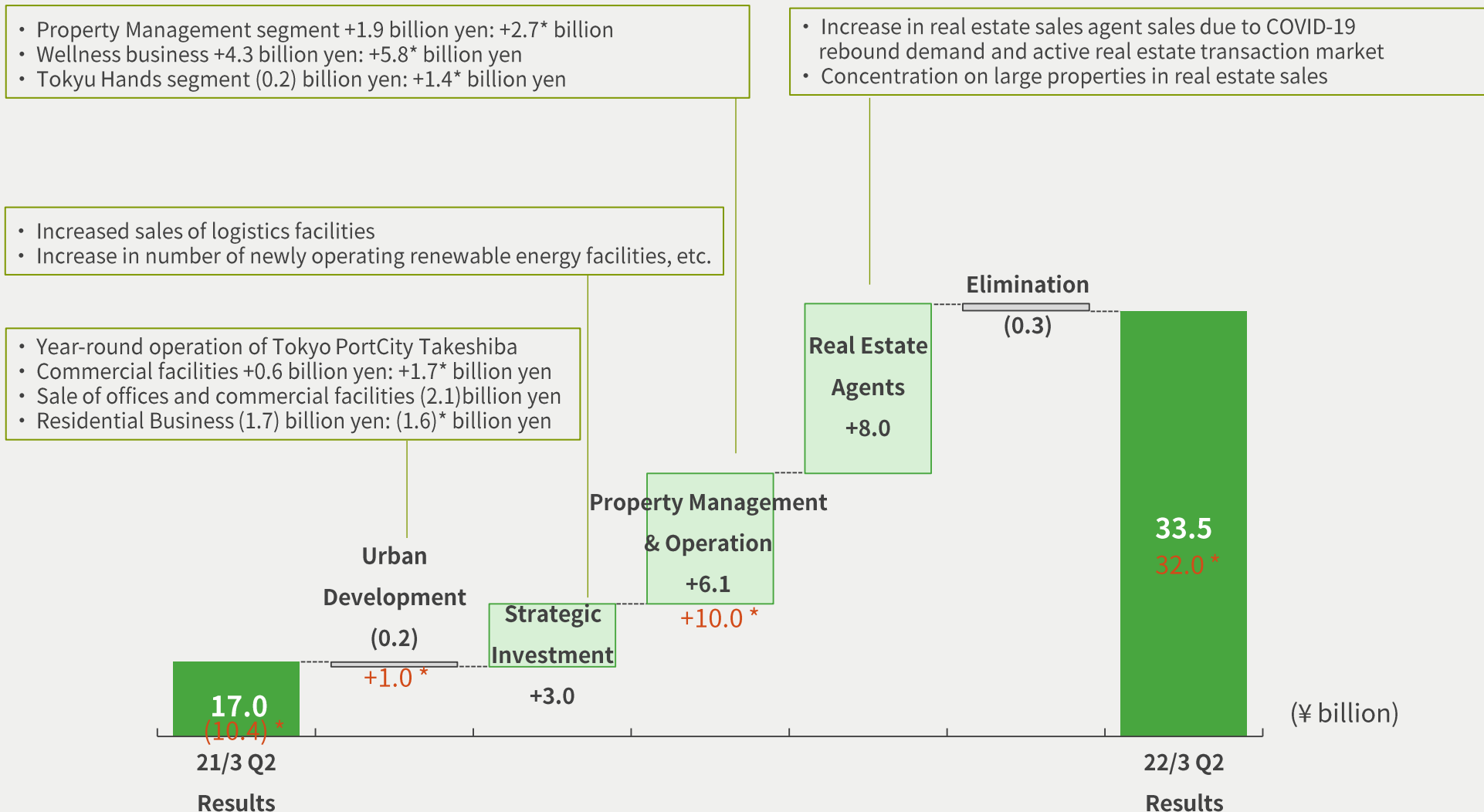
### <Gain on sales by asset>

<b>Operating revenue</b>	<b>76.1</b>	<b>45.4</b>	<b>(30.8)</b>	<b>138.6</b>	<b>160.8</b>	<b>22.2</b>	<b>2.3</b>				
Office · Commercial facility, etc.	61.8	25.1	(36.7)	80.1	85.0	4.9	(4.0)				
Houses for rent, land	12.4	3.6	(8.8)	36.6	15.6	(21.1)	0.5	Urban Development			
Infrastructure & Industry	-	3.3	3.3	13.4	39.5	26.1	5.9	Strategic Investment			
Wellness	-	13.4	13.4	6.5	20.7	14.2	(0.0)	Property Management & Operation			
Other	1.9	-	(1.9)	1.9	-	(1.9)	-	Real Estate Agents			
<b>Operating gross profit</b>	<b>15.7</b>	<b>12.9</b>	<b>(2.8)</b>	<b>21.8</b>	<b>33.6</b>	<b>11.8</b>	<b>5.5</b>				
Office · Commercial facility, etc.	12.3	10.2	(2.1)	12.4	21.7	9.3	4.2				
Houses for rent, land	2.7	0.4	(2.3)	5.4	0.9	(4.5)	0.2	Urban Development			
Infrastructure & Industry	-	1.0	1.0	1.4	7.5	6.2	1.0	Strategic Investment			
Wellness	-	1.3	1.3	2.0	3.6	1.6	0.1	Property Management & Operation			
Other	0.8	-	(0.8)	0.8	-	(0.8)	-	Real Estate Agents			



# FY2021 Q2 (First Six Months) Analysis of segment performance

+16.5 billion yen compared to the same period last year, +21.6 billion yen before transfer of loss on COVID-19

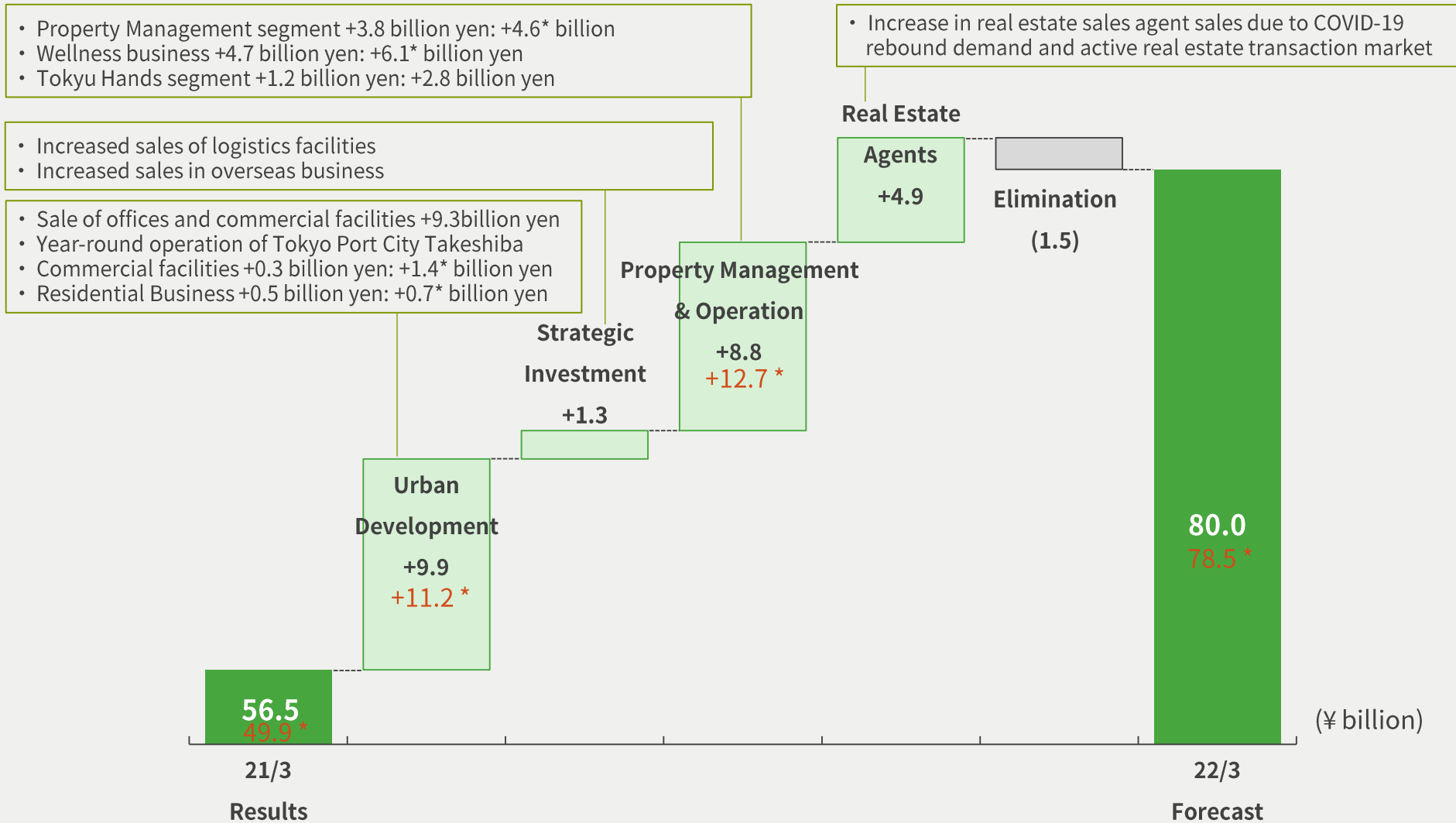


\* The figures in red on this page are before the extraordinary loss transfer.

\*\* Loss on COVID-19 impact (extraordinary loss): 6.6 billion yen for second quarter of fiscal year ended March 2021, 1.5 billion yen for second quarter of fiscal year ending March 2022

# FY2021 Earnings Forecasts Analysis of segment performance

+23.5 billion yen compared to FY2020, +28.6 billion yen before transfer of loss on COVID-19



- Property Management segment +3.8 billion yen: +4.6\* billion
- Wellness business +4.7 billion yen: +6.1\* billion yen
- Tokyu Hands segment +1.2 billion yen: +2.8 billion yen

- Increased sales of logistics facilities
- Increased sales in overseas business

- Sale of offices and commercial facilities +9.3 billion yen
- Year-round operation of Tokyo Port City Takeshiba
- Commercial facilities +0.3 billion yen: +1.4\* billion yen
- Residential Business +0.5 billion yen: +0.7\* billion yen

- Increase in real estate sales agent sales due to COVID-19 rebound demand and active real estate transaction market

\* The figures in red on this page are before the extraordinary loss transfer.

\*\* Loss on COVID-19 impact (extraordinary loss): 6.6 billion yen for fiscal year ended March 2021, 1.5 billion yen for fiscal year ending March 2022

# Urban Development ① FY2021 Q2(First Six Months)

Q2: Decreases in both revenue and profit

FY2021: Increases in revenue and profit due to sales of office buildings and commercial facilities, etc.

Second Quarter (¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	Compared to the same period last year
<b>Operating revenue</b>	<b>132.3</b>	<b>106.4</b>	<b>(26.0)</b>	[Operating profit]
Leasing (Office buildings)	20.4	25.9	5.6	Newly operated +5.4
Leasing (Commercial facilities)	18.0	19.5	1.4	Lost revenue for properties sold (1.3) Existing commercial facilities+1.7
Other *1	64.2	27.8	(36.4)	Sales of assets (36.7) [25.1]
Condominiums	15.6	27.6	12.0	No. of units sold +191 [464]
Other *2	14.1	5.6	(8.5)	Sales of assets (8.8) [3.6]
<b>Operating profit</b>	<b>21.6</b>	<b>21.4</b>	<b>(0.2)</b>	New operated(Office buildings/Commercial facilities) +4.0, Sales of assets(Office buildings/Commercial facilities) (2.1) [10.2]

\*Extraordinary loss on COVID-19 impact(Q2) :FY2020: 2.2 (Urban Development 2.0, Residential 0.2)

:FY2021: 0.9 (Urban Development 0.9)

Full-year (¥ billion)	FY2020	FY2021	Comparison	Compared to the end of the previous fiscal year	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>316.7</b>	<b>335.0</b>	<b>18.3</b>	[Operating profit]	<b>350.0</b>	<b>(15.0)</b>
Leasing (Office buildings)	45.9	50.4	4.5	Newly operated +5.5	50.7	(0.4)
Leasing (Commercial facilities)	38.6	39.1	0.5	Lost revenue for properties sold (2.6) Sales of assets +4.9 [85.0]	40.0	(0.9)
Other *1	86.0	92.0	6.1		97.5	(5.5)
Condominiums	106.0	133.6	27.6	No. of units will be sold +305 [2,082]	142.5	(8.9)
Other *2	40.3	19.9	(20.4)	Sales of assets (21.1) [15.6]	19.3	0.6
<b>Operating profit</b>	<b>41.7</b>	<b>51.6</b>	<b>9.9</b>	Sales of assets(Office buildings/Commercial facilities) +9.3 [21.7]	<b>47.5</b>	<b>4.1</b>

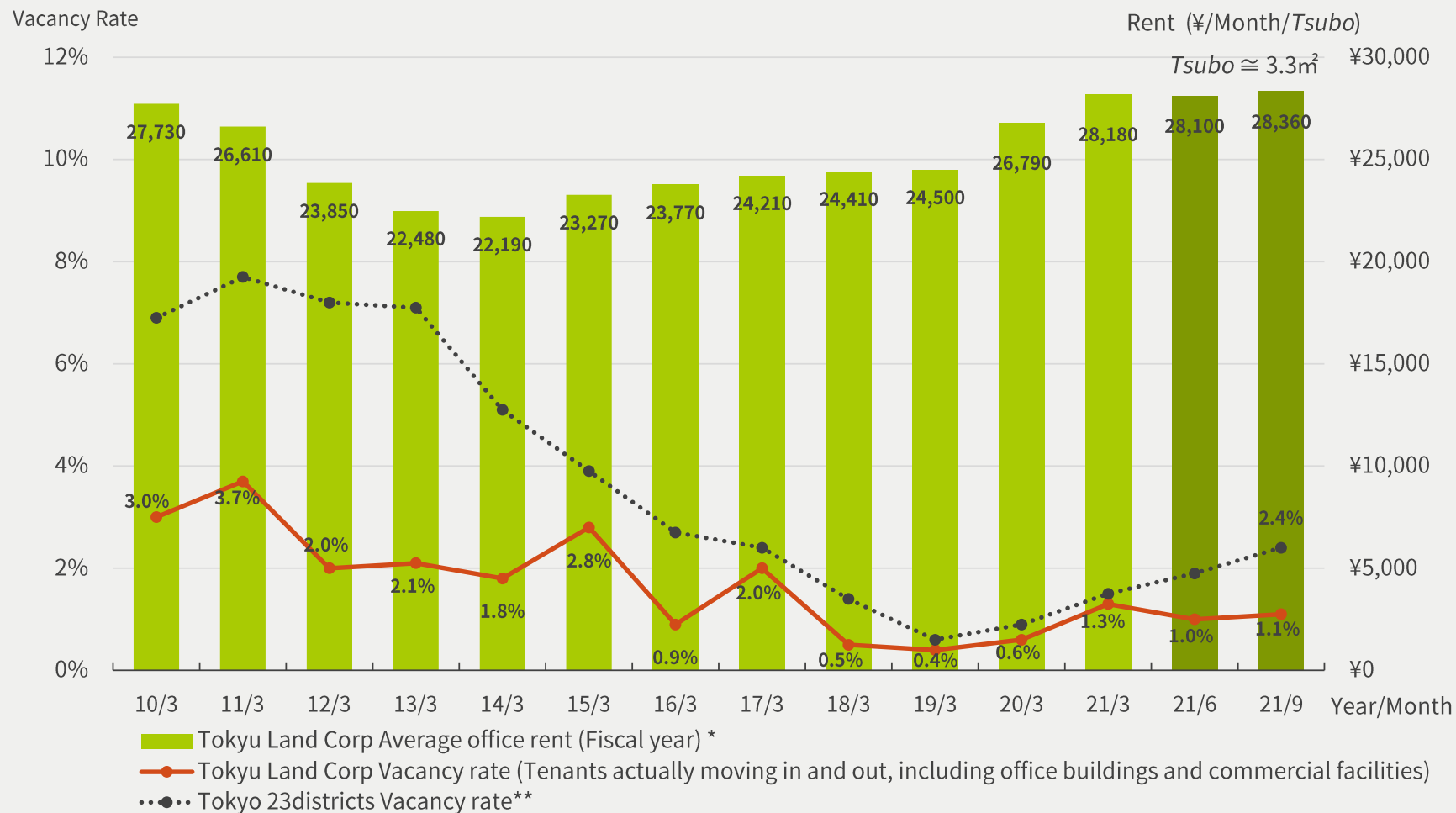
\* Operating profit stated above is a reference value before consolidated accounting treatment.

\*1 Excluding lease in office and commercial facility business

\*2 Excluding condominiums in residential business

## Urban Development ② Vacancy Rate and Rent

As of September 30, 2021, Average office rent 28,360 yen (Month/Tsubo) Vacancy rate 1.1%  
 (Tenants actually moving in and out, including 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 (Office/Commercial)



**Tokyo PortCity Takeshiba**  
Minato-ku  
Office/Commercial/Housing  
Floor space : 201



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



**West Shinsaibashi 2-chome Project\*\***  
Osaka  
Hotel  
Floor space : 14  
Complete : FY2022 (Plan)



**Sapporo Susukino Ekimae Complex Redevelopment Project\*\***  
Sapporo  
Hotel/Commercial/Cinema, etc.  
Floor space : 53  
Open : FY2023 (Plan)

## 【Other projects】



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

**Project for Using Land at Tokyo Institute of Technology's Tamachi Campus\*\***  
Minato-ku  
Office/Commercial/Industry-academia-government collaboration, etc.  
Scheduled to become available as a complex in 2030

**HigashiGotanda 2-chome Redevelopment Project**  
Shinagawa-ku  
Office/Commercial/Housing, etc.

FY2020  
Or Before

FY2021

FY2022

FY2023

After FY2024



**Shibuya Solasta**  
Shibuya-ku  
Office  
Floor space : 47



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



**Dogenzaka 1-chome Project\*\***  
Shibuya-ku  
Office/Commercial  
Floor space : 1  
Complete : FY2022 (Plan)



**Daikanyamacho Project\*\***  
Shibuya-ku  
Housing/Commercial/Office  
Floor space : 22  
Complete : FY2023 (Plan)



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



**Jingumae 6-chome Block Urban Redevelopment Project**  
Shibuya-ku  
Commercial/Public facilities  
Floor space : 20  
Open : FY2023 (Plan)

Projects in the Greater Shibuya area

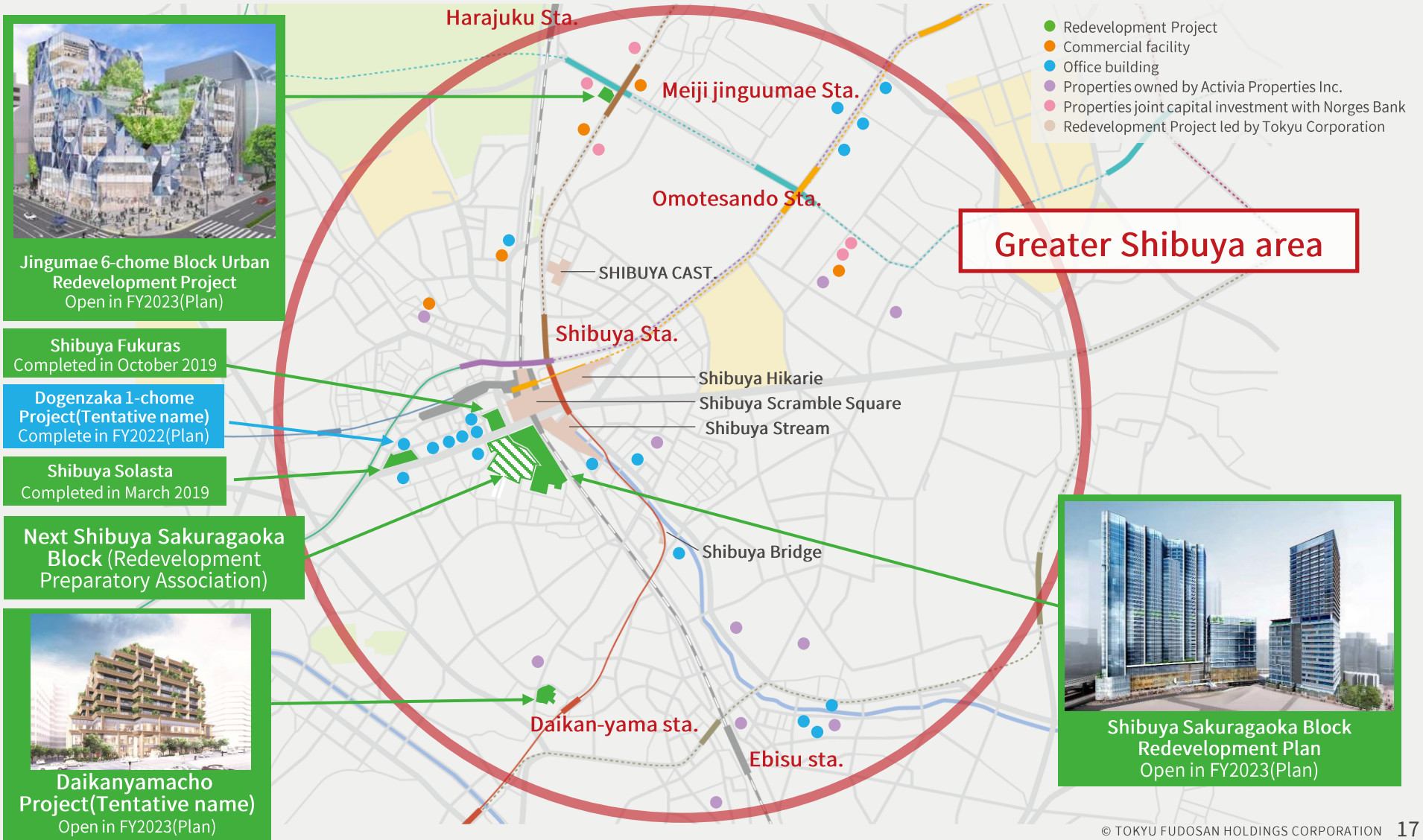
Floor space : thousand m<sup>2</sup>

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



# Urban Development ④ Major projects (Greater Shibuya area)

Several projects are ongoing in the Greater Shibuya area.



# Urban Development ⑤ Condominium index

Contract ratio at the end of second quarter compared with condominium sales forecast in the fiscal year ending March 2022: 89%

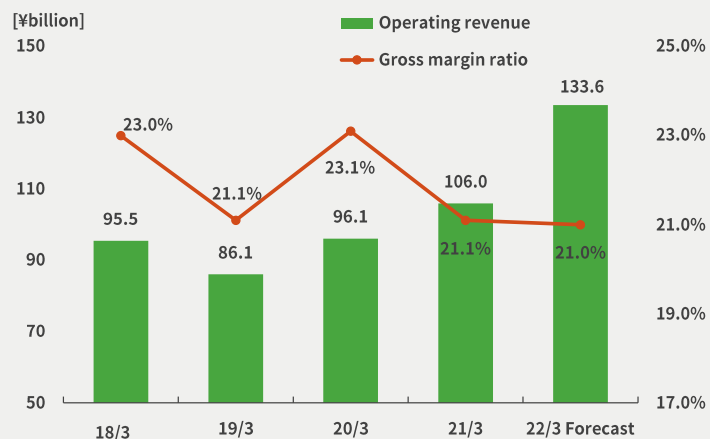
Accounting year	FY2019	FY2020	FY2021 Forecast
No. of units sold	1,680	1,777	2,082
Contract obtaining rate (Beginning-of-year→1Q→2Q→3Q)	54%→66%→82%→90%	50%→57%→76%→93%	54%→68%→89%
Year-end inventory of completed units*	453	827	587 (As of September 30, 2021)
Major condominiums Number of units refers to the number of units of sale ( ) ownership ratio	BRANZ Kawaguchi Honcho 163units(100%) BRANZ Tower Umeda North 653units(33%) BRANZ Tower Hagaromo 145units(80%)	Kosugi 3rd Avenue The Residence 475units(30%) BRANZ City Hasuda 168units(100%) BRANZ Tower Ofuna 227units(100%)	BRANZ Tower Toyosu 1,152units(55%) Grand Maison Shin-Umeda Tower 871units(15%) BRANZ Tower Shibaura 482units(46%)
Purchase of land for sales (¥ billion)	24.9 (1,943units)	10.0 (1,970units)	25.0(plan) Q2 : 8.4 (764units)



BRANZ Tower Toyosu  
Complete : October 2021

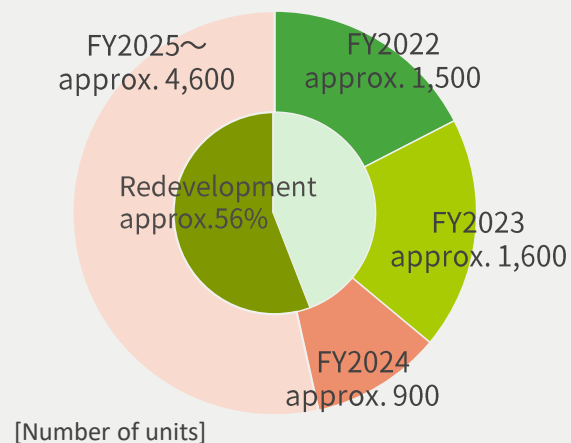
\* The year-end inventory of completed units includes units not yet supplied.

## Change in operating revenue and gross margin ratio for condominiums



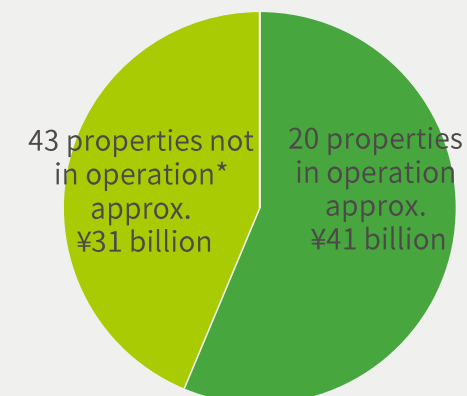
## Land bank of Condominiums to be completed

End of September 2021 approx. 8,600 units



## Rental housing pipeline

End of September 2021 approx. 72 billion yen



\* Total investment of 43 non-operating properties: approximately 99 billion yen

## Strategic Investment ① FY2021 Q2(First Six Months)

Q2: Increases in both revenue and profit

FY2021: Increases in both revenue and profit due to sales of logistics facilities and increase in operation of renewable energy facilities

Second Quarter (¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	Compared to the same period last year	
<b>Operating revenue</b>	<b>11.0</b>	<b>19.5</b>	<b>8.4</b>	[Operating profit]	
Infrastructure & Industry	5.6	13.5	7.9	In operation+4.0 Sales of assets+3.3[3.3]	* Infrastructure & Industry [3.4]+2.1
Asset management	3.5	3.9	0.4		* Asset management [2.5]+0.2
Overseas operations	1.9	2.0	0.1		* Overseas operations [0.0]+0.6
<b>Operating profit</b>	<b>3.0</b>	<b>6.0</b>	<b>3.0</b>	In operation+1.3, Sales of assets+1.0[1.0]	

Full-year (¥ billion)	FY2020	FY2021	Comparison	Compared to the end of the previous fiscal year		Initial Forecast	Comparison
<b>Operating revenue</b>	<b>46.9</b>	<b>74.0</b>	<b>27.1</b>	[Operating profit]		<b>65.0</b>	<b>9.0</b>
Infrastructure & Industry	34.5	60.1	25.6	Sales of assets +26.1[39.5] In operation +6.6	* Infrastructure & Industry [8.6] (1.1)	52.1	8.0
Asset management	7.8	8.0	0.2		* Asset management [4.8] (0.5)	8.0	(0.0)
Overseas operations	4.6	5.9	1.3		* Overseas operations [(0.0)] +2.8	4.9	1.1
<b>Operating profit</b>	<b>12.1</b>	<b>13.4</b>	<b>1.3</b>	Sales of assets +6.2[7.5], In operation +0.4, Dividend on sale (4.1), PJM fee (1.7)		<b>9.4</b>	<b>4.0</b>

\* Operating profit stated above is a reference value before consolidated accounting treatment.



# Strategic Investment ② Renewable energy business

The number of operating properties has increased, and it has grown to make a stable contribution to earnings.

## Projects acquired (As of September 30, 2021)

Properties in operation : 48

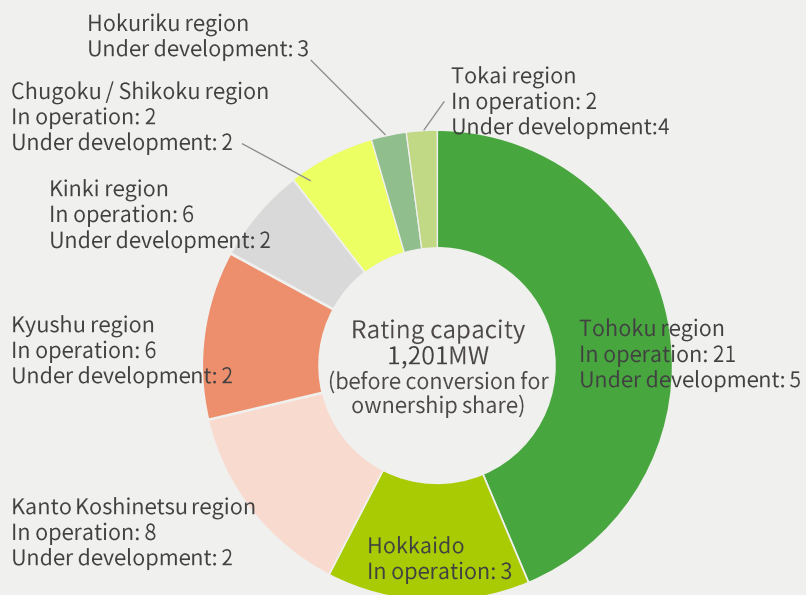
(solar power generation projects: 45, wind generation projects: 3)






Projects under development : 20

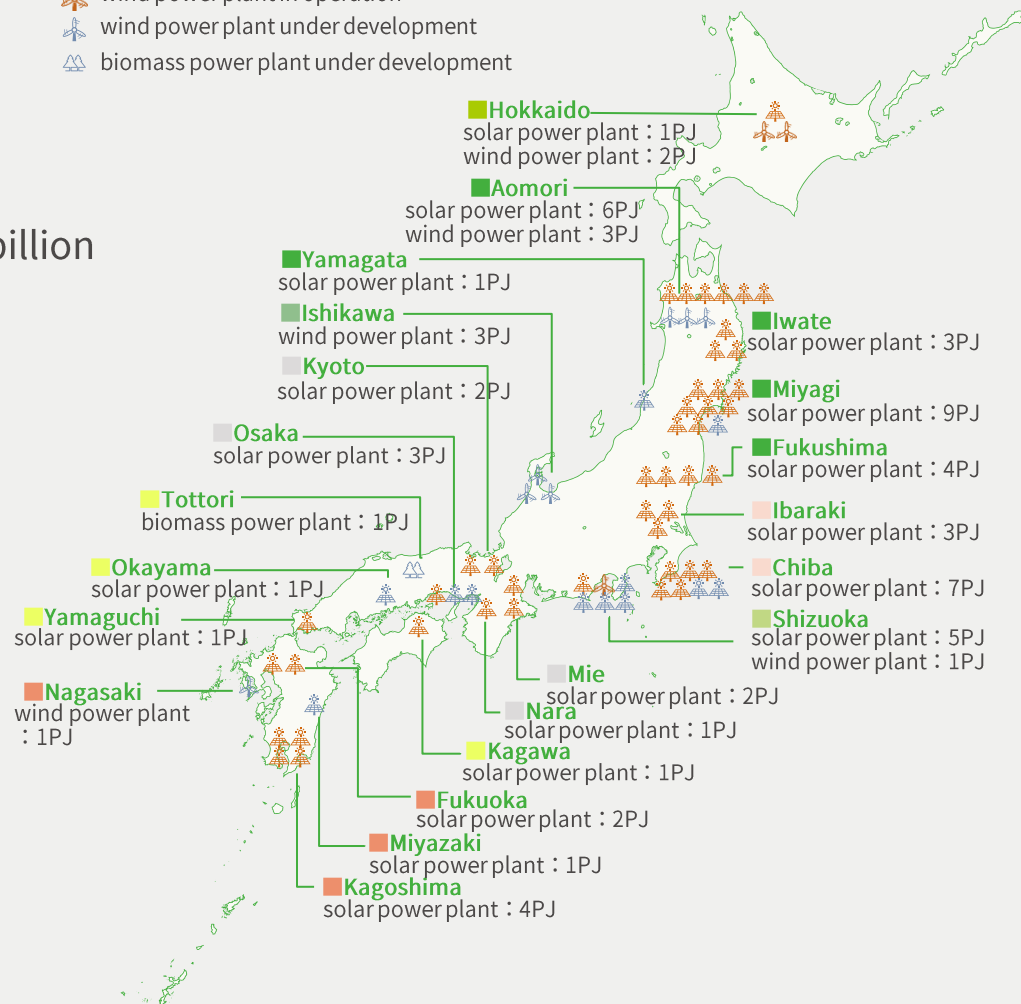
(solar power generation projects: 12, wind generation projects: 7, biomass power generation project: 1)

Investment progress (amount posted in BS) ¥186.6billion

### <Portfolio>



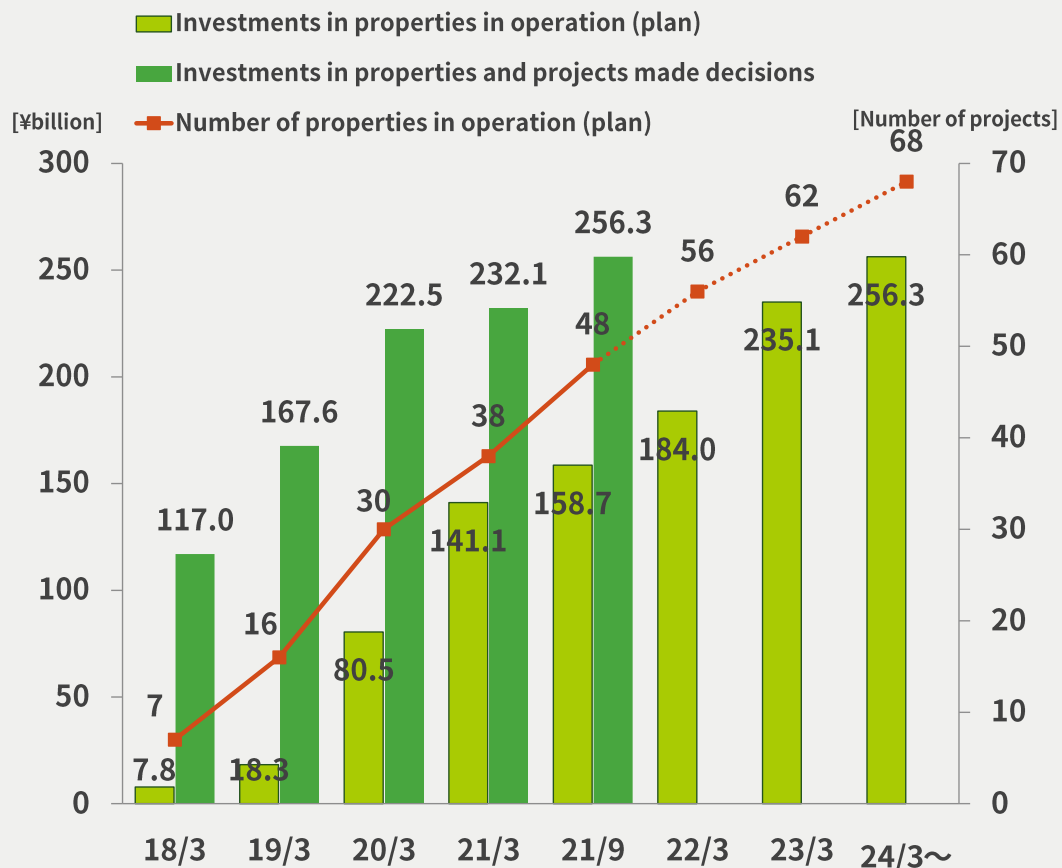
-  solar power plant in operation
-  solar power plant under development
-  wind power plant in operation
-  wind power plant under development
-  biomass power plant under development



# Strategic Investment ② Renewable energy business

Business expansion is expected to continue with solid business promotion for committed properties and the aggressive acquisition of new projects.

## Investment amount and operating property transition



## Major projects (100% stake in the Group)



ReENE Chonan  
Solar Power Plant (Chiba)  
Rated capacity: 24MW  
(Operation started in FY2020)



ReENE Namegata  
Solar Power Plant (Ibaraki)  
Rated capacity: 28MW  
(Operation started in FY2020)



ReENE Matsumae  
Wind Power Plant (Hokkaido)  
Rated capacity: 41MW  
(Operation started in FY2019)



ReENE Zenibako  
Wind Power Plant (Hokkaido)  
Rated capacity: 34MW  
(Operation started in FY2019)

\* The investment amounts above are different from the amounts posted in BS due to depreciation.

Cyclical reinvestments will be executed aggressively with a series of development projects starting operation.

## Projects acquired (As of September 30, 2021)

Properties in operation: 5  
 Projects under development: 8  
 Investment progress: ¥60.3 billion

## Introduction of future projects

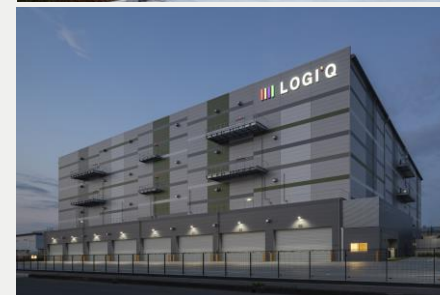
### LOGI'Q Miyoshi

Floor space : 71 thousand m<sup>2</sup>  
 3 stories above ground  
 Complete : January 2020



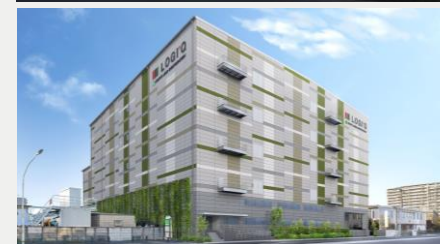
### LOGI'Q Kyoto Kumiyama

Floor space : 26 thousand m<sup>2</sup>  
 4 stories above ground  
 Complete : June 2021

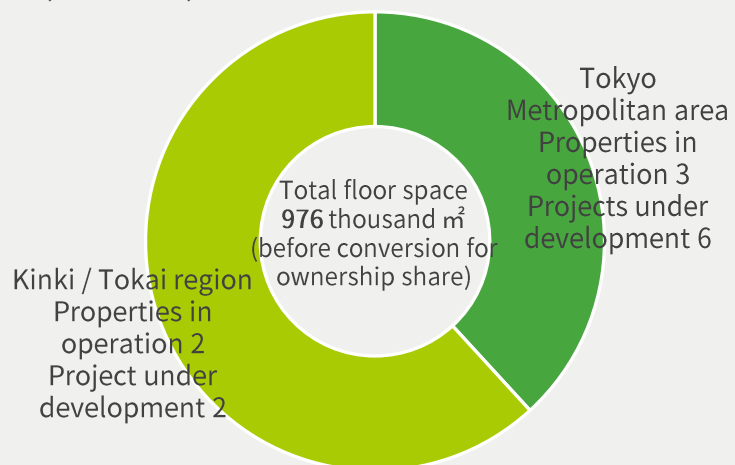


### LOGI'Q Minamisunamachi \*Tentative name

Floor space : 14 thousand m<sup>2</sup>  
 6 stories above ground  
 Complete : FY 2022 (Plan)



## 〈Portfolio〉

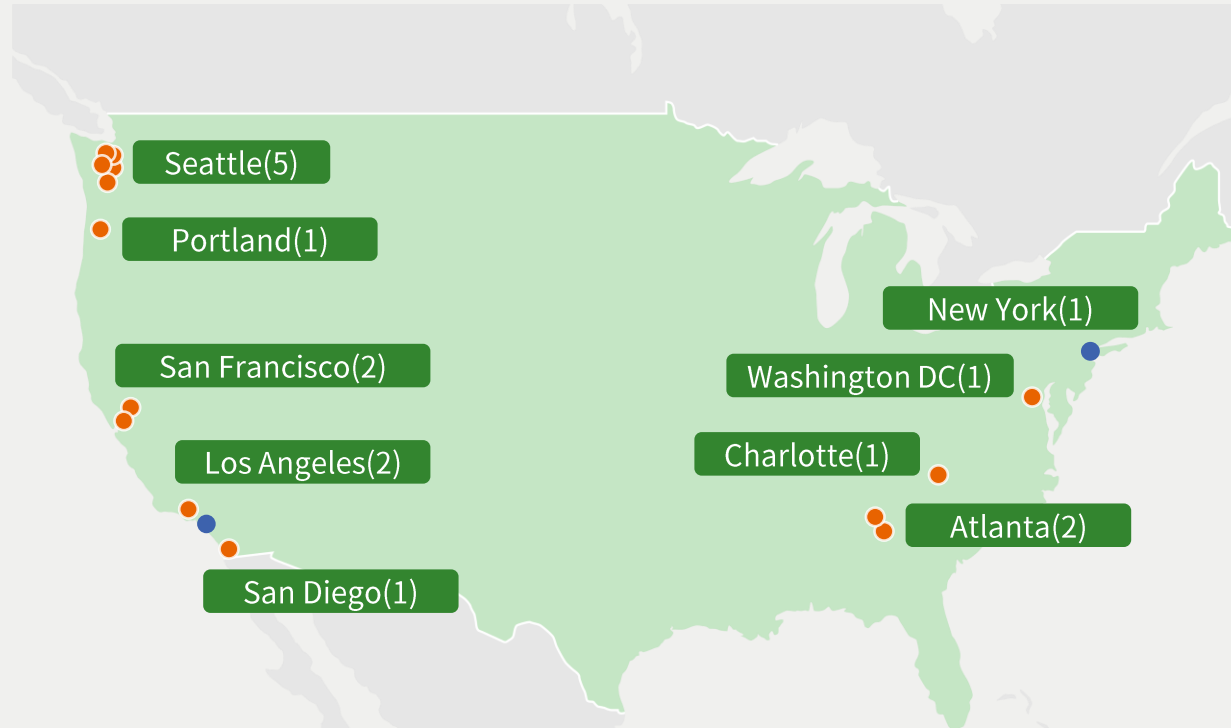


## Efforts to resolve labor shortages in the logistics industry

In addition to differentiation in terms of tangible aspects, the Company will differentiate itself in terms of intangible aspects by leveraging the Group's strengths, including the provision of contact points for new graduate recruitment and part-time jobs through the alliance with NATIONAL STUDENTS INFORMATION CENTER CO., LTD. and the expansion of employee benefit services for office tenants to logistics facility tenants.

# Strategic Investment ④ Overseas operations

16 projects are in progress in the United States. As of September 30, 2021



**Urban area (number of projects involved)**

- Rental housing
- Office / Other

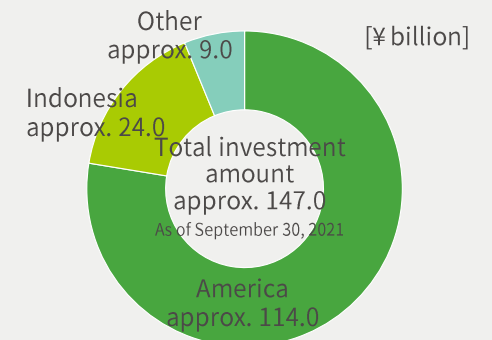
Projects involved : 16 projects  
 Cumulative number of projects : 26 projects  
 (As of September 30, 2021)

## <425 Park Avenue>

New York  
 Office Building Redevelopment Project  
 47 stories above ground with 2 basements  
 Completed in January 2021



## <Breakdown of investments by area in overseas operations>



# Property Management & Operation ① FY2021 Q2(First Six Months)

Q2: Increases in both revenue and profit

FY2021: Profit decreased from the initial forecast, but revenue and profit increased from the previous fiscal year due to easing of the Impact of COVID-19.

Second Quarter (¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	Compared to the same period last year
<b>Operating revenue</b>	<b>152.3</b>	<b>179.0</b>	<b>26.7</b>	[Operating profit]
Property management (Condominiums)	54.0	57.5	3.5	Management+0.6, Construction+3.0
Property management (Office buildings)	31.8	37.6	5.8	Management+0.8, Construction+4.2, Leasing conference rooms+0.8
Hotel	9.2	12.6	3.4	Tokyu Stay +2.0
Leisure facilities	4.7	5.3	0.6	
Health care	11.1	11.5	0.4	* Wellness [(5.1)] +4.3
Other (wellness)	7.8	22.4	14.6	Sales of assets +13.4[13.4]
Tokyu Hands	29.1	27.3	(1.8)	Existing 36 stores +3.9% * Tokyu Hands [(2.4)] (0.2)
Environmental greening	4.5	4.8	0.3	* Environmental greening [0.0] (0.1)
<b>Operating profit</b>	<b>(11.0)</b>	<b>(4.9)</b>	<b>6.1</b>	Sales of assets +1.3[1.3]

\*Extraordinary loss on COVID-19 impact(Q2) :FY2020: 4.4 (Property management 0.8, Wellness 1.8, Tokyu Hands 1.8)

:FY2021: 0.6 (Wellness 0.4, Tokyu Hands 0.2)

Full-year (¥ billion)	FY2020	FY2021	Comparison	Compared to the end of the previous fiscal year	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>351.2</b>	<b>390.0</b>	<b>38.8</b>	[Operating profit]	<b>420.0</b>	<b>(30.0)</b>
Property management (Condominiums)	122.7	134.5	11.8	Management+0.3, Construction+11.5	136.4	(1.9)
Property management (Office buildings)	71.0	80.5	9.5	Management+2.7, Construction+5.0, Leasing conference rooms+1.8	79.6	0.9
Hotel	22.1	28.3	6.2	Tokyu Stay +4.0	32.9	(4.6)
Leisure facilities	14.3	14.9	0.6		18.5	(3.6)
Health care	23.3	24.0	0.7	* Wellness [(6.7)] +4.7	29.8	(5.9)
Other (wellness)	22.7	36.4	13.8	Sales of assets +14.2 [20.7]	38.3	(1.9)
Tokyu Hands	63.2	58.1	(5.1)	Existing 36 stores +1.7% * Tokyu Hands [(3.3)] +1.2	71.4	(13.3)
Environmental greening	12.1	13.3	1.3	* Environmental greening [0.7] (0.1)	13.0	0.3
<b>Operating profit</b>	<b>(8.8)</b>	<b>0.0</b>	<b>8.8</b>	Sales of assets +1.6 [3.6]	<b>9.0</b>	<b>(9.0)</b>

\* Operating profit stated above is a reference value before consolidated accounting treatment.

## Property Management & Operation ② Stock of properties

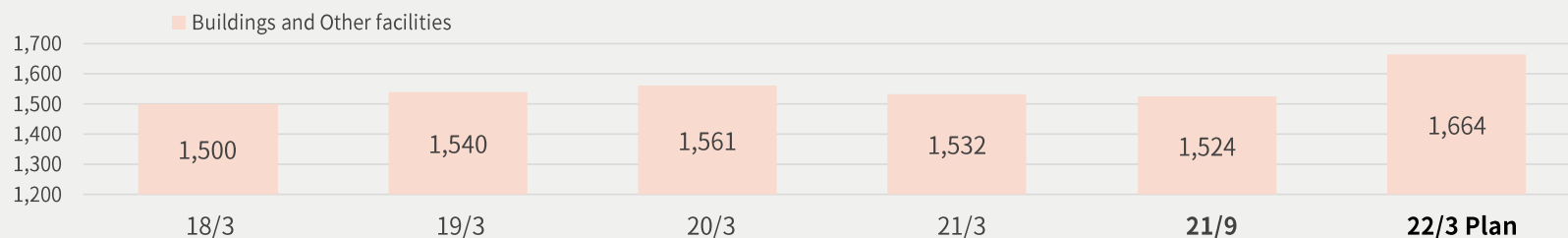
The expansion of management stock and the rearrangement of unprofitable projects will be advanced.

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



Total units (Change from the end of preceding fiscal year)	822,231 + 80,607	831,684 + 9,453	829,533 (2,151)	839,891 + 10,358	851,679 + 11,788	853,184 + 13,293
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### 〈Trend in stock of management of buildings and other facilities in number of projects〉



Number of projects (Change from the end of preceding fiscal year)	1,500 + 17	1,540 + 40	1,561 + 21	1,532 (29)	1,524 (8)	1,664 + 132
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# Property Management & Operation ③ Main projects and Operating ratio

ROKU KYOTO, LXR Hotels & Resorts opened in September, and sales of Harvest Club memberships are progressing steadily.



**nol kyoto sanjo**  
Resort hotel  
Opened in November 2020



**Tokyu Stay Hakodate Asaichi Akari no Yu**  
Urban style hotel  
Opened in April 2021



**Tokyu Stay Shinjuku EastSide**  
Urban style hotel  
Opened in August 2021



**ROKU KYOTO, LXR Hotels & Resorts**  
Resort hotel  
Opened in September 2021



**Tokyu Harvest Club VIALA Kinugawa Keisui**  
Membership resort hotel  
Open in December 2022 (plan)

FY2020

After FY2021



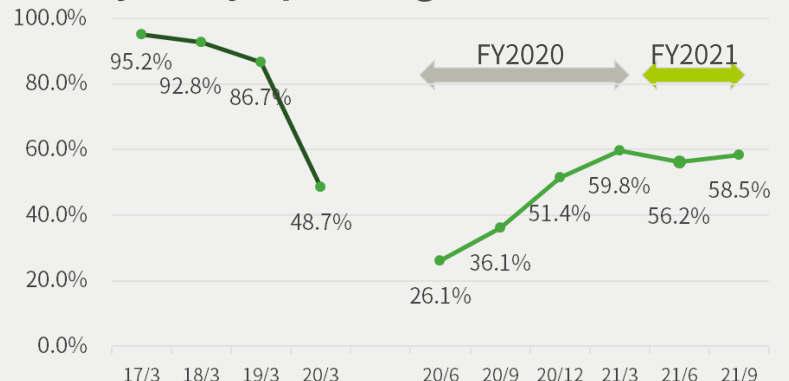
**Grancreer Shibaura**  
Senior housing  
Opened in July 2020



**Grancreer Tachikawa**  
Senior housing  
Opened in September 2020

**Grancreer Tsunashima**  
Senior housing  
Open in Autumn 2023 (plan)

## < Tokyu Stay operating ratio \* >



\* The operating ratio is a monthly average for each month stated.

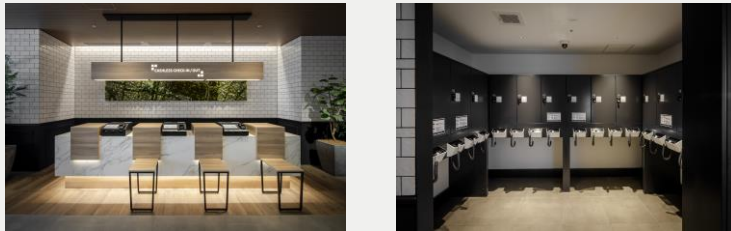
# Property Management & Operation ④ New Initiatives in COVID-19

Promote new initiatives in the management and operation business based on the premise of coexistence with COVID-19

## Tokyu Stay Shinjuku EastSide (Opened in August 2021)

< Providing contactless services >

Unmanned front desk and checkroom, enabling contactless check-in. Verification of service provision and cost efficiency with an eye on after-COVID-19 services



< AP Higashi-Shinjuku, a conference room with the latest equipment for rent, is attached >

The hotel and rental conference rooms can meet a variety of needs, including overnight training. Online seminar delivery facilities are also available.



< Concept room in collaboration with Tokyu Hands >

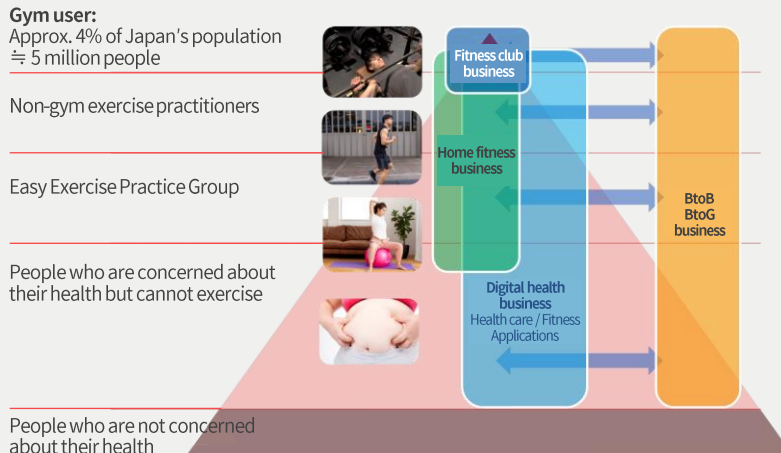
Tokyu Hands products are installed in the rooms to in the rooms and offer ways to spend time that match the concept of your stay. You can also purchase products you like.



## From a gym operator to a comprehensive Well-being company (TOKYU SPORTS OASIS)

Revised the corporate mission to 'Well-being First!'

In addition to the 4% of the population who use gyms in the new lifestyle, we are reorganizing into four businesses to enable all people to enjoy wellbeing.



<weltag>

An online service that allows you to select your ideal health partner from a wide range of health professionals and form a team.



\* National registered dietitian

< Health management support services (BtoB, BtoG businesses) >

Provide menus to meet the needs of companies and local governments to introduce exercise for health management and communication revitalization in their organizations.





# Real Estate Agents ① FY2021 Q2(First Six Months)

Q2: Increases in both revenue and profit

FY2021: Increase in both revenue and profit due to an increase in the number of brokerages

Second Quarter (¥ billion)	FY2020 Q2	FY2021 Q2	Comparison	Compared to the same period last year
<b>Operating revenue</b>	<b>96.9</b>	<b>117.7</b>	<b>20.8</b>	[Operating profit]
Real estate sales agent	24.3	33.0	8.7	Retail+5.9, Wholesale+2.9
Real estate sales	29.5	40.9	11.4	* Real Estate Agents [12.8] +9.0
Consignment sales, etc	2.8	3.4	0.6	
Rental housing service	40.4	40.4	0.0	Reactionary decline in sales (1.9) * Rental housing service [1.9] (1.0)
<b>Operating profit</b>	<b>7.0</b>	<b>15.0</b>	<b>8.0</b>	Increased real estate sales agent and Real estate sales

Full-year (¥ billion)	FY2020	FY2021	Comparison	Compared to the end of the previous fiscal year	Initial Forecast	Comparison
<b>Operating revenue</b>	<b>212.3</b>	<b>232.0</b>	<b>19.7</b>	[Operating profit]	<b>225.0</b>	<b>7.0</b>
Real estate sales agent	55.6	67.2	11.7	Retail+7.8, Wholesale+3.7	66.1	1.1
Real estate sales	67.0	68.9	1.9	* Real Estate Agents [18.5] +5.5	65.6	3.3
Consignment sales, etc	7.3	7.7	0.4		6.6	1.2
Rental housing service	82.4	88.1	5.7	* Rental housing service [4.5] (0.6)	86.8	1.4
<b>Operating profit</b>	<b>18.9</b>	<b>23.8</b>	<b>4.9</b>	Increased real estate sales agent	<b>21.5</b>	<b>2.3</b>

\* Operating profit stated above is a reference value before consolidated accounting treatment.

## Real Estate Agents ② Performance indicators in sales agent

Number and amount of transactions increased in both retail and wholesale in the second quarter

	FY2021 Q2		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	13,685 +22.0%	544 +28.6%	14,229 +22.3%
Amount of transactions (billion yen)	545.2 +31.0%	208.9 +93.6%	754.1 +43.9%
Average handling price (million yen)	40 +7.4%	384 +50.5%	53 +17.7%
Commission fee ratio	4.6%	3.1%	4.2%

	FY2020		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	24,660 (3.0)%	975 (4.8)%	25,635 (3.0)%
Amount of transactions (billion yen)	942.7 (3.2)%	283.8 (17.0)%	1,226.5 (6.8)%
Average handling price (million yen)	38 (0.3)%	291 (12.8)%	48 +3.9%
Commission fee ratio	4.6%	3.5%	4.4%

Highlights
------------

### □Retail

- Both the number of transactions and amount of transactions increased from the previous fiscal year and the fiscal year before that.
- Plan to open a total of 6 new stores in the fiscal year ending March 2022 (5 stores opened in the second quarter)

### □Wholesale

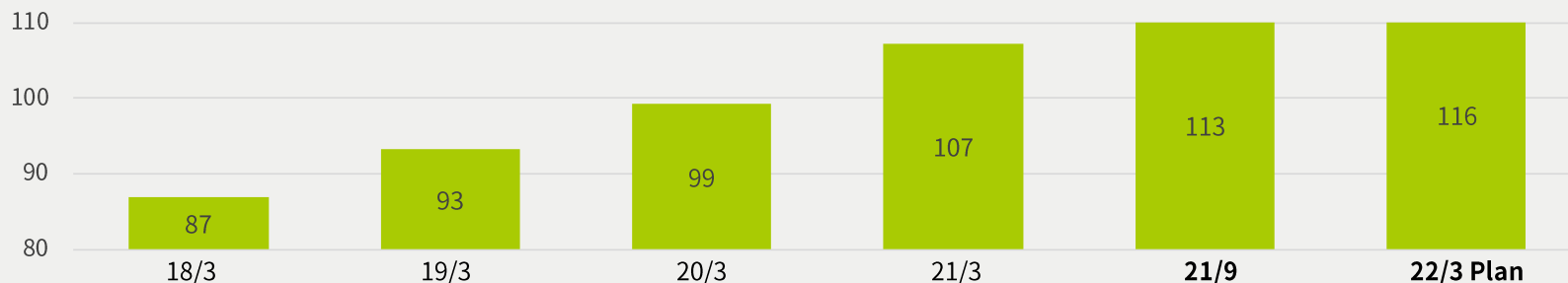
Both the number of transactions and amount of transactions increased from the previous fiscal year and the fiscal year before that.

	FY2021 (Plan)		
	Retail	Wholesale	Total
	Rate of change YoY		
No. of transactions (units)	28,193 +14.3%	1,076 +10.4%	29,269 +14.2%
Amount of transactions (billion yen)	1,120.2 +18.8%	426.9 +50.4%	1,547.2 +26.1%
Average handling price (million yen)	40 +3.9%	397 +36.3%	53 +10.5%
Commission fee ratio	4.6%	3.1%	4.2%

# Real Estate Agents ③ Changes in properties under management

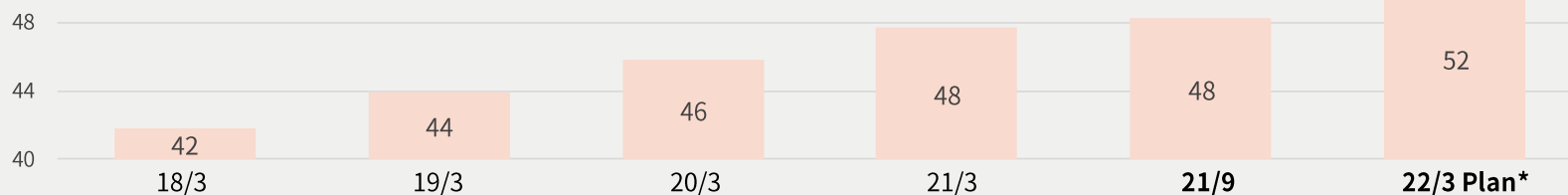
Aim at achieving stable revenue growth by expanding management stock.

## 〈Rental housing under management〉



[Units: thousand]	87	93	99	107	113	116
(Change from the end of preceding fiscal year)	+ 6	+ 6	+ 6	+ 8	+ 6	+ 8

## 〈Student condominiums, etc. under management〉



[Units: thousand]	42	44	46	48	48	52
(Change from the end of preceding fiscal year)	+ 2	+ 2	+ 2	+ 2	+ 1	+ 4

\* The plan for the number of managed units including student condominiums for the fiscal year ending March 2022 is the initial plan for the fiscal year ending March 2023.

# Basic Policy for Increasing Shareholder Value and Corporate Value

We will aim to enhance shareholder value and corporate value by realizing efficiency-conscious profit growth under an optimum financial capital structure.

## Asset Control

### Efficient Improvement of Existing Businesses (ROA and Profit Margin)

- ① Asset-utilizing business
  - Lot / cyclical reinvesting and expanding high-efficiency business operations
  - Operating large-scale projects
  - Utilizing external capital and expansion of fee income
  - Replacing asset portfolio, sale of low-profit assets
- ② Human capital-utilizing business
  - Improving scale growth and efficiency (shifting away from labor-intensive operations)

### Business Portfolio Management

- Improving efficiency through portfolio optimization
- Maximizing business value through mergers and acquisitions (M&A) and alliances, etc.

## Liability and Equity Control

### Financial Discipline Maintenance

- Building a financial base that can withstand a downturn in market conditions
- Improving our rating position for the purpose of smooth fund procurement
- Improving debt-to-equity (D/E) ratio by building up periodic profits

### Shareholder Returns Policy

- Achieving EPS growth through reinvestment in growth

**Immediate policy**  
Dividend payout ratio 30% or more, continuation and maintenance of stable dividend payment

**Enhance shareholder value and corporate value**

**ROE improvement**

**EPS growth**

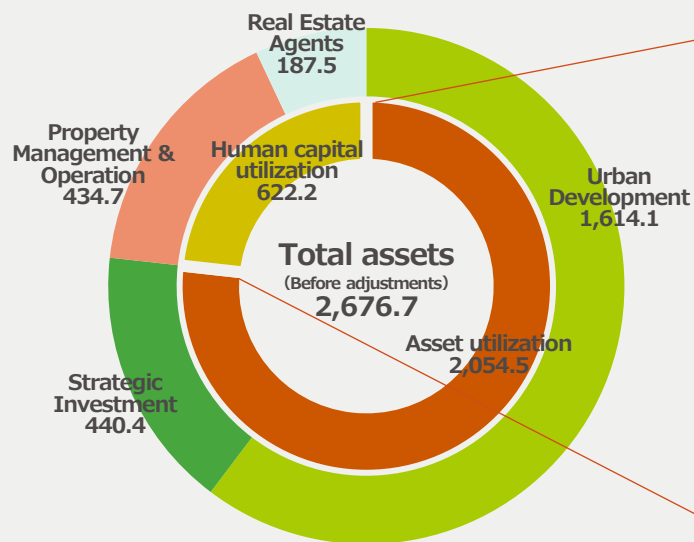
Achieve ROE 8% target by mid-2020s

# Financial Capital Strategy ①

Expand stable revenue foundations through leasing and renewable energy businesses and execute cyclical reinvestments steadily.

Total assets 2,606.7 billion yen	
Total Assets 2,606.7 billion yen	Total Liabilities 1,982.5 billion yen
	Net assets 624.3 billion yen

〈Asset breakdown by segment (¥billion)〉 \*As of September 30, 2021



〈Breakdown of Urban Development segments〉



〈Breakdown of Strategic Investment segments〉



〈Investment results and plans〉

(¥ billion)	FY2020 Results **	FY2021 Q2 **	FY2021 Forecast **
Capital Investment	108.7	21.1	60.0
Real estate for sale (domestic business excluding condominiums)	85.8	66.3	190.0
Land for sale (condominiums)	10.0	8.4	25.0
Equity Investment (domestic business excluding condominiums)	—	3.0	15.0
Overseas Investment *	13.0	4.1	25.0

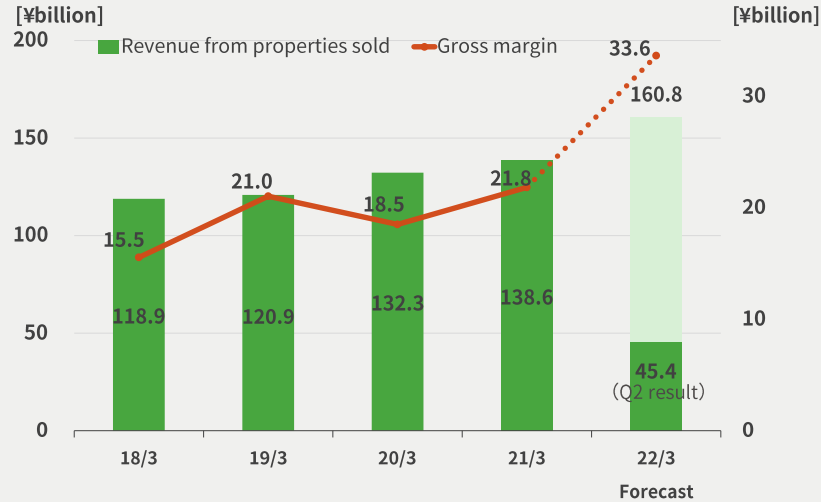
\* Contributions are included  
\*\* Investments in the greater Shibuya area included in the amount :  
28.3 billion yen invested in FY2020,  
2.2 billion yen invested in FY2021 Q2,  
8.0 billion yen planned in FY2021

# Financial Capital Strategy ②

Promote efficient asset turnover and profit generation by closely observing trading markets.

Total assets 2,606.7 billion yen	
Total Assets 2,606.7 billion yen	Total Liabilities 1,982.5 billion yen
	Net assets 624.3 billion yen

## 〈Changes in gain on sales〉



## 〈Major real estate sold〉

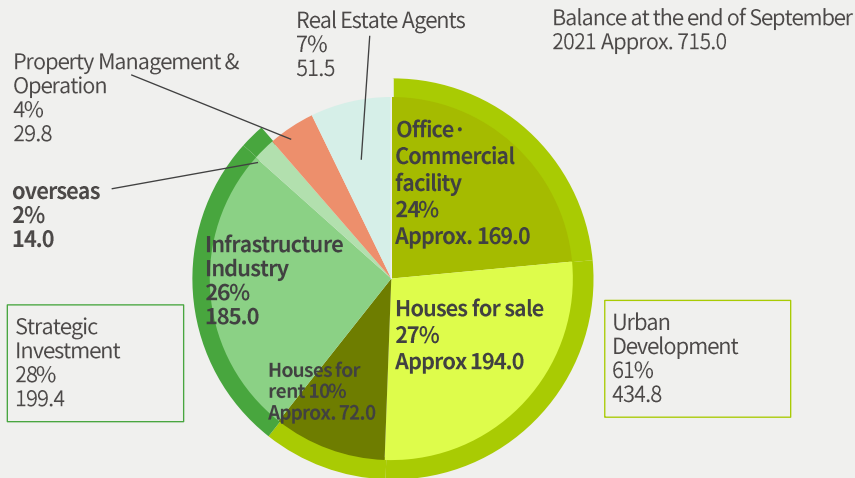


Meguro Tokyu Building



LOGI'Q Hirakata

## 〈Real estate for sale by asset (¥billion)〉



## 〈Major real estate for sale〉



Comforia Shin-nakano

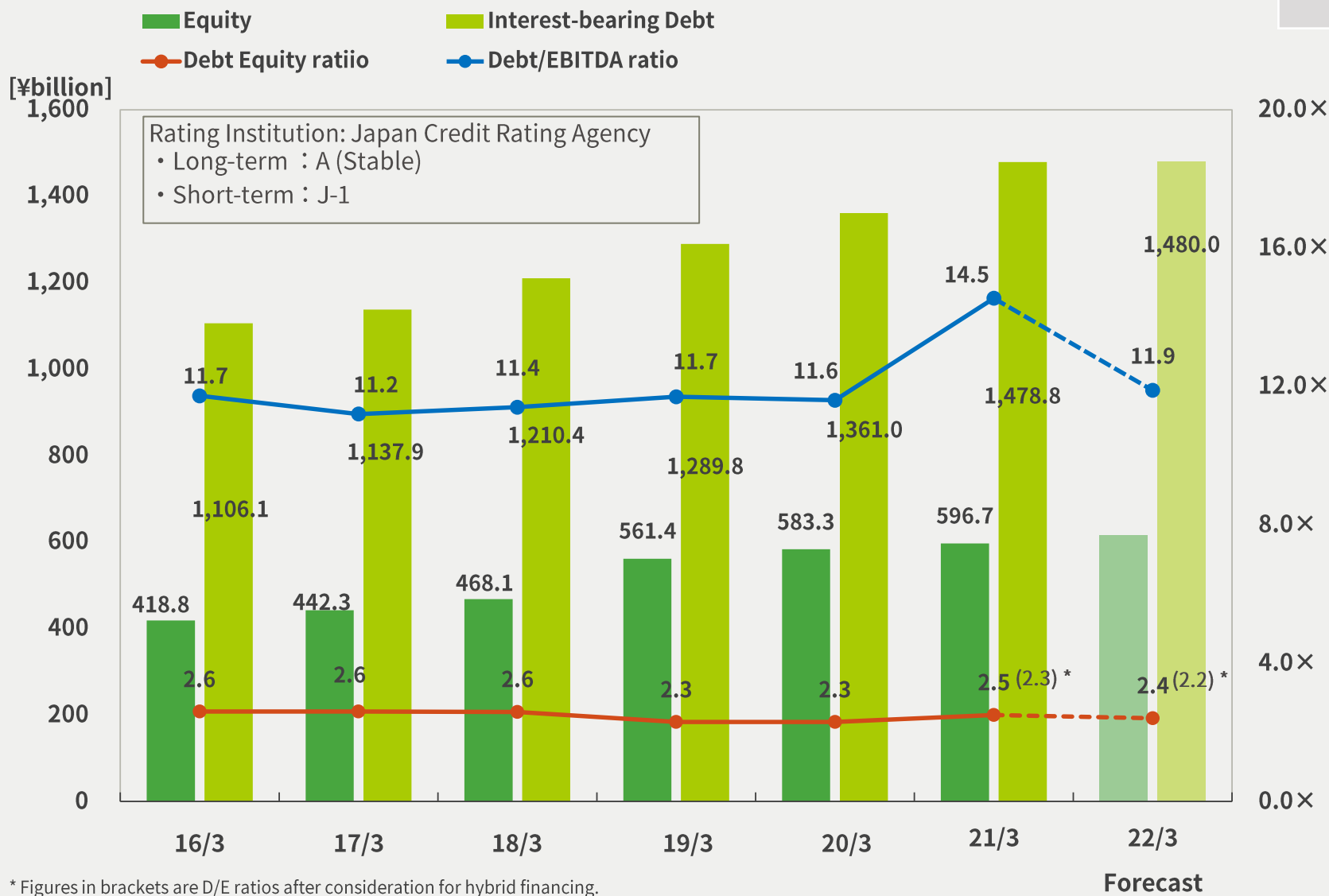


Campus Village Kyoto Shimogamohigashi

# Financial Capital Strategy ③

Total assets 2,606.7 billion yen	
Total Assets 2,606.7 billion yen	Total Liabilities 1,982.5 billion yen
	Net assets 624.3 billion yen

Maintain financial discipline by executing hybrid financing and taking other steps.



\* Figures in brackets are D/E ratios after consideration for hybrid financing.

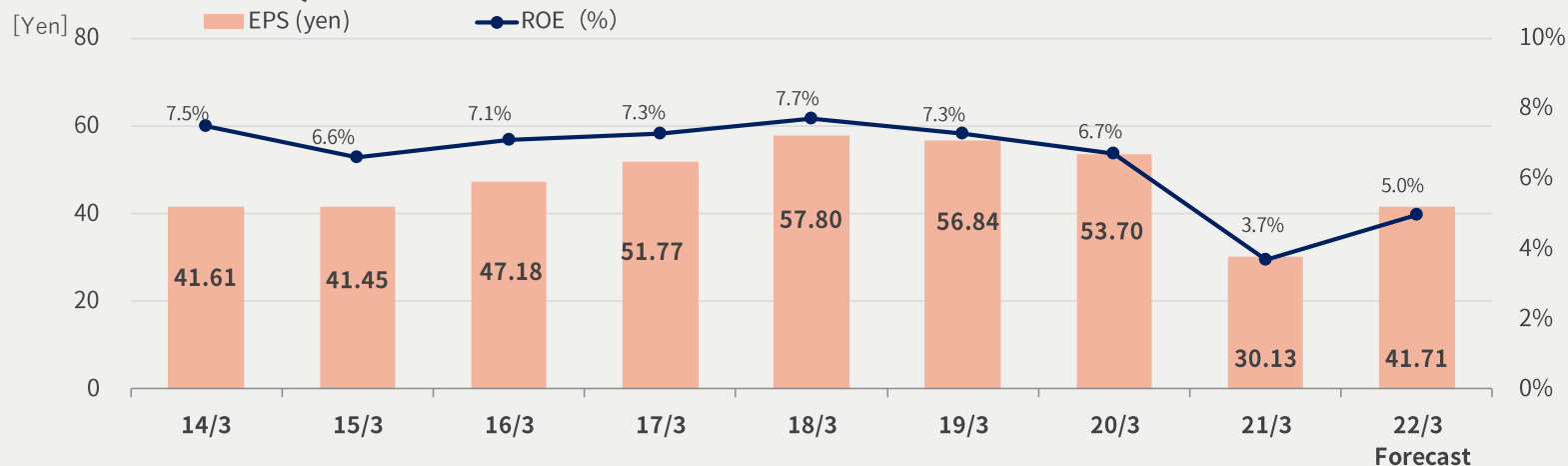
# Financial Capital Strategy ④

Aim at increasing EPS through reinvestment in growth.

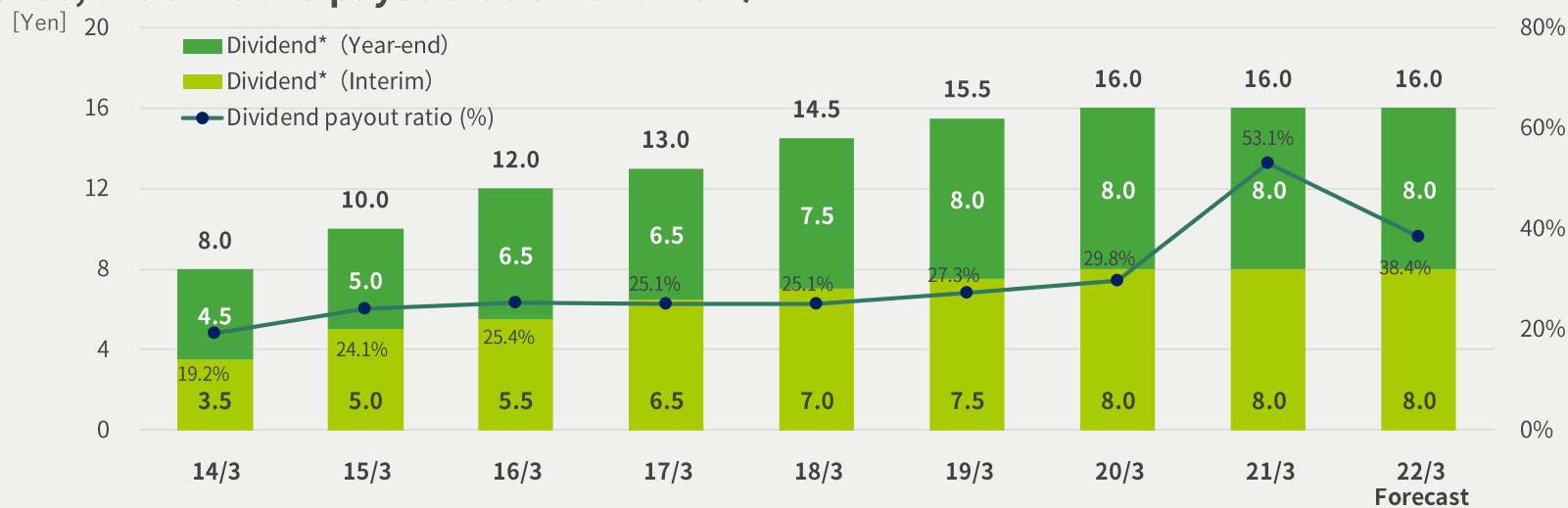
Maintain stable dividends with a payout ratio of 30% or above for the time being.

Total assets 2,606.7 billion yen	
Total Assets 2,606.7 billion yen	Total Liabilities 1,982.5 billion yen
	Net assets 624.3 billion yen

## 〈EPS and ROE transition〉



## 〈 Dividends, the dividend payout ratio transition 〉



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



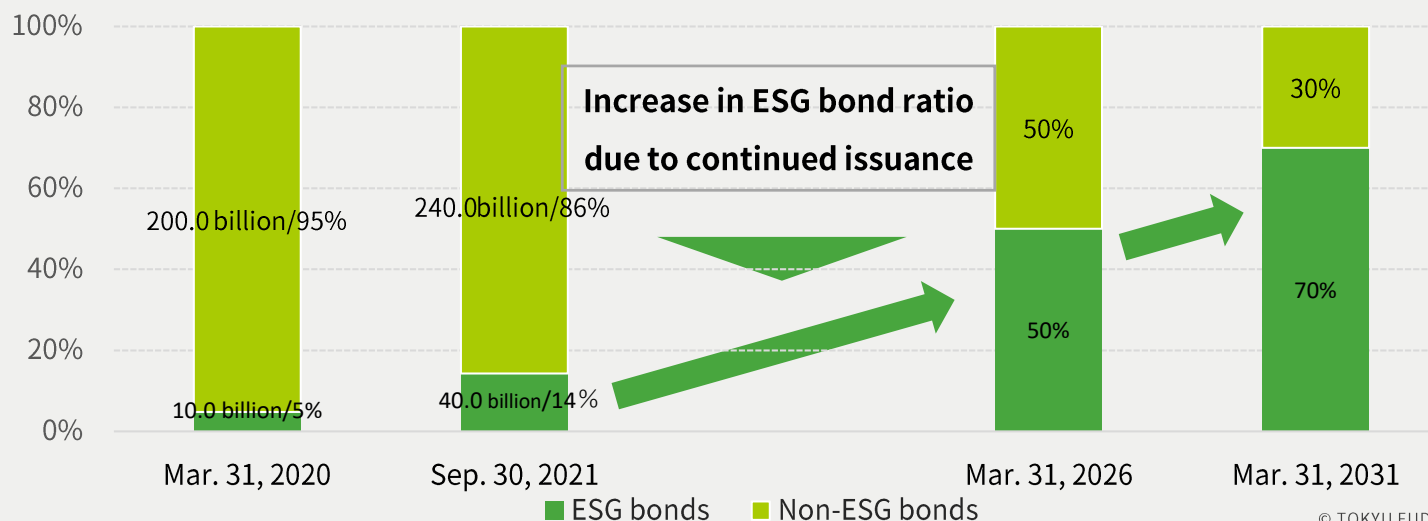
# | Formulation of bond policy |

Formulation of bond policy to achieve sustainable society and growth through continuous issuance of ESG bonds

## 〈Outline of the Bond Policy〉

Name	WE ARE GREEN Bond Policy
Purpose	<ul style="list-style-type: none"> <li>- We will obtain the comprehensive and continual understanding and approval of the Group's ESG initiatives from bond investors.</li> <li>- We will consistently provide bond investors with opportunities to invest in ESG bonds and will expand our financing base through ESG bonds.</li> </ul>
Target	The ratio of ESG bonds to the outstanding bonds of the Company <ul style="list-style-type: none"> <li>- End of FY2025: 50% or more</li> <li>- End of FY2030: 70% or more</li> </ul>
Deepning engagement	We will hold WE ARE GREEN Bond Policy Meetings (tentative) <ul style="list-style-type: none"> <li>- Disseminate the Group's ESG initiatives and the progress/status of ESG bonds.</li> <li>- Collect opinions from participants and make the most of them for the Group's ESG initiatives.</li> </ul>
Types of ESG bonds	Green bonds, social bonds, sustainability bonds, sustainability-linked bonds (plan)

## 〈 Trends in ESG bond ratio 〉



# | Issuance of sustainability-linked bond |

Issuance of sustainability-linked bond as the first step of the WE ARE GREEN Bond Policy

## < Outline of sustainability-linked Bond (The 26th Unsecured Corporate Bond) >

Term	10-year
Issue Amount	10 billion yen
Interest rate	0.300% per annum (Pricing Date: October 5, 2021)
SPTs	SPT1: Reduce greenhouse gas emissions by 46.2% by FY2030 SPT2: Achieve carbon-negative status by FY2025
What to do when the SPTs are not achieved	On the maturity date, the following amount will be donated to the recipients related to the Midori wo Tsunagu Project and other similar organizations. • SPT1: 0.25% of issue amount • SPT2: 0.25% of issue amount

## < The Group's ESG Bonds to Date >

### Green Bond (January 2020)

- Term...5-year
- Issue Amount...10 billion yen
- 18 Investment proposals
- Use of the bond



ReENE Matsumae Wind Farm



SHIBUYA SOLASTA

### Sustainability Hybrid Bond (December 2020)

- Term...40-year  
(Non-call period...10-year)
- Issue Amount...30 billion yen
- 51 Investment proposals
- Main use of the bond



Senior housing business

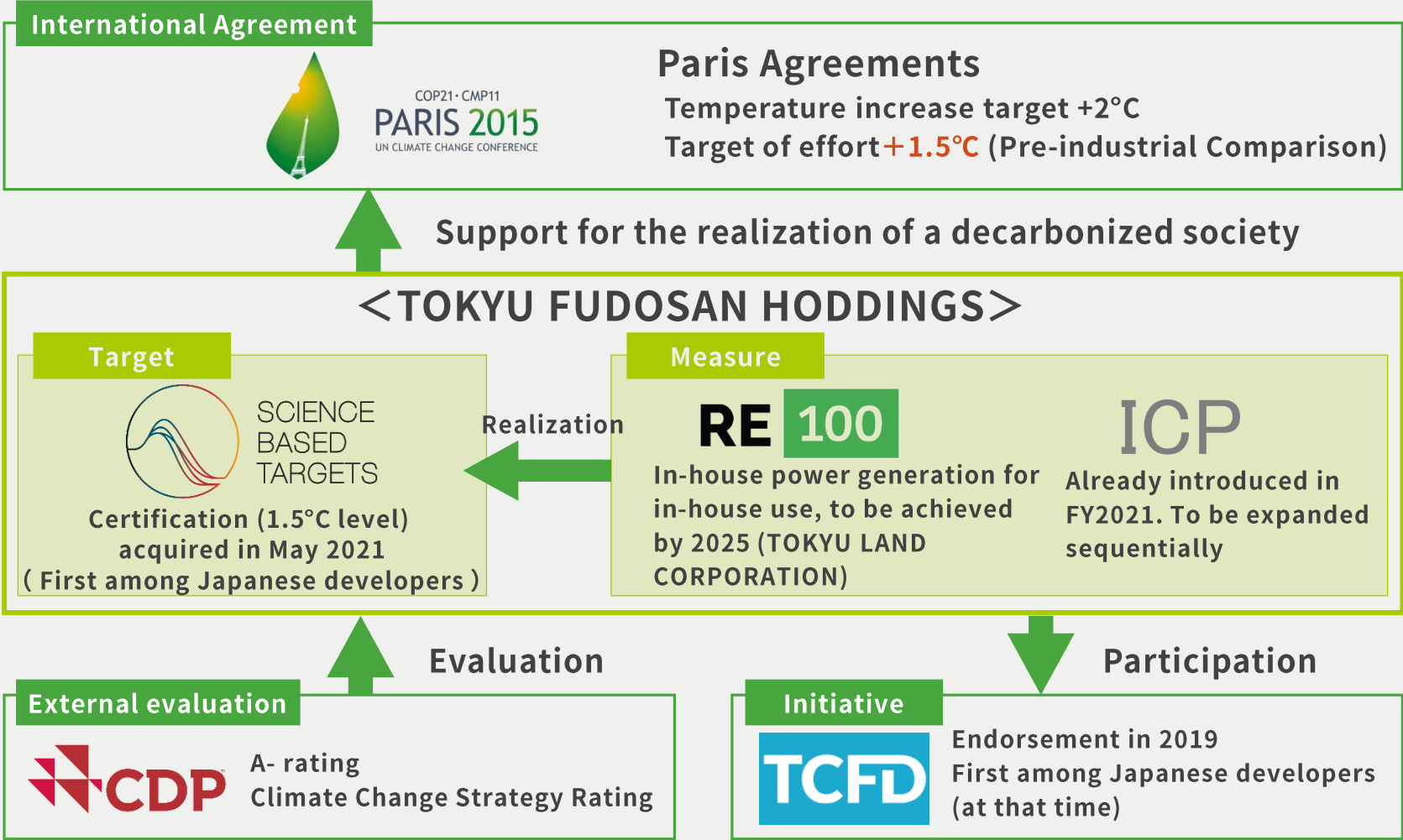


Support For Start-ups and Co-creation Business



Membership shared office business










# Our efforts in relation to the international agreement for the realization of a decarbonized society



# Sustainable Management <External Evaluation>

Selected as a major domestic and overseas index

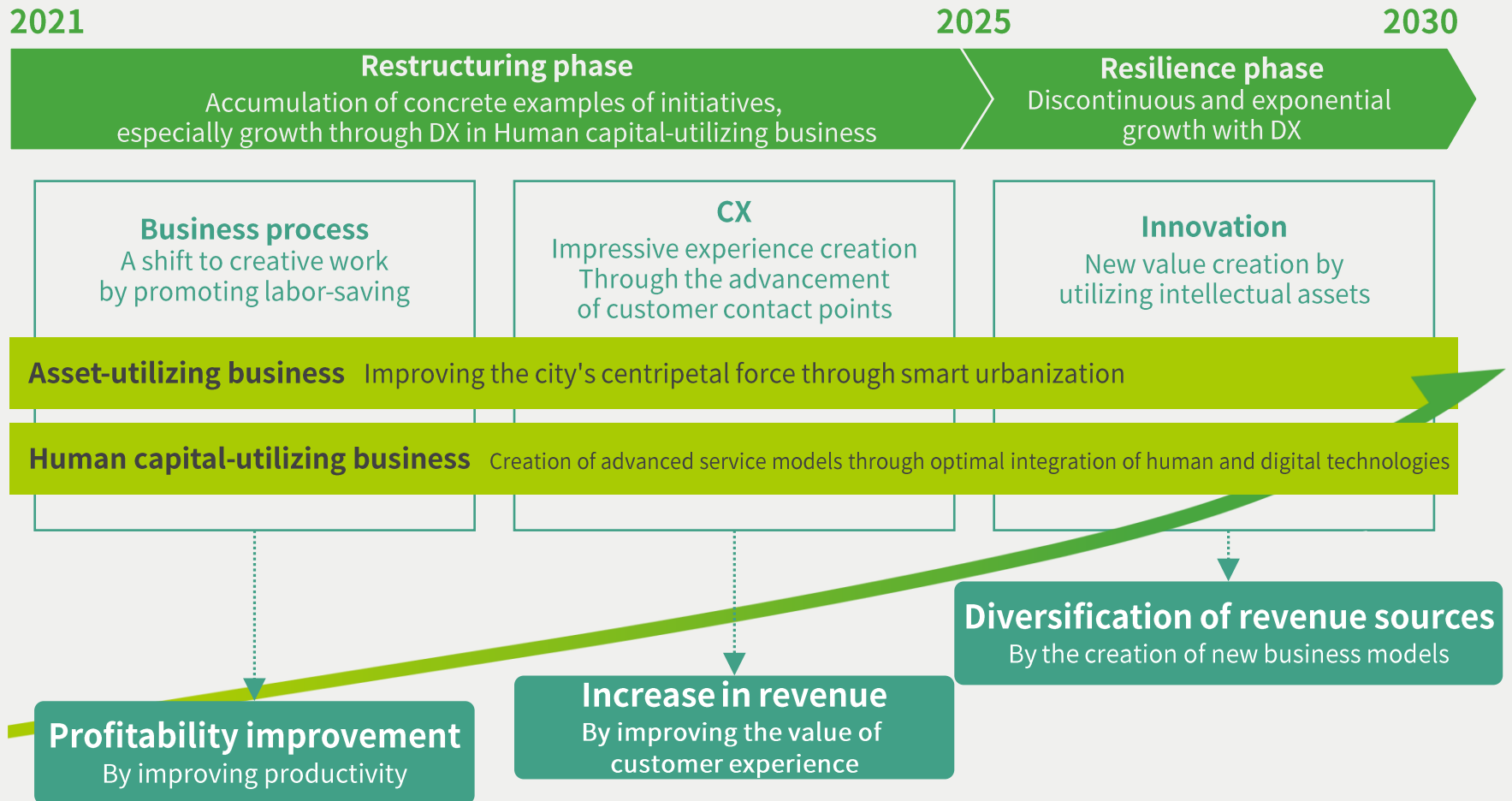
● Selected - Not selected / No evaluation

Classification	Index/Evaluation	Description of Evaluation	2016	2017	2018	2019	2020
ESG	DJSI Asia Pacific  Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Evaluating companies' sustainability in comprehensive consideration of economic, environmental, and social aspects	●	●	●	●	●
	FTSE 4good Index Series  FTSE4Good	Evaluating companies' activities to fulfill their social responsibilities in terms of environmental, social, and governance (ESG) aspects	●	●	●	●	●
	FTSE Blossom Japan Index  FTSE Blossom Japan	Adopted by the GPIF. The index reflects the performance of outstanding Japanese companies in terms of ESG management.	●	●	●	●	●
	MSCI Japan ESG Select Leaders  2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	Adopted by the GPIF. Selecting outstanding Japanese companies in different industries in terms of ESG evaluation	●	●	●	●	●
	GRESB Real Estate Assessment  GRESB	The benchmark assessment that measures the ESG considerations of real estate companies and funds.	—	—	—	—	Green Star 3Stars
E (environment)	S&P/JPX Carbon Efficient Index  S&P/JPX カーボン エフィシエント 指数	Adopted by the GPIF. The weights of the constituents are determined in accordance with their carbon efficiency.	/	/	●	●	●
	CDP  DISCLOSURE INSIGHT ACTION	The companies' initiatives related to climate change, decarbonization strategies and performance in line with the TCFD recommendations, are evaluated.	C	B	A-	A-	A-
S (society)	Health & Productivity Management Outstanding Organizations  2021 健康経営優良法人 Health and productivity	Evaluating health management practices Evaluated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi	●	●	●	●	●
	Health & Productivity Stock  健康経営銘柄 2021 Health and Productivity	Selecting outstanding companies in terms of health management Selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange	—	—	—	●	●

# Roadmap for Value Creation through DX

By 2025, the group will promote labor-saving operations and the sophistication of customer contact, aiming for discontinuous and exponential growth by 2030.

## GROUP VISION 2030 Create value for the future



# | DX Case Study |

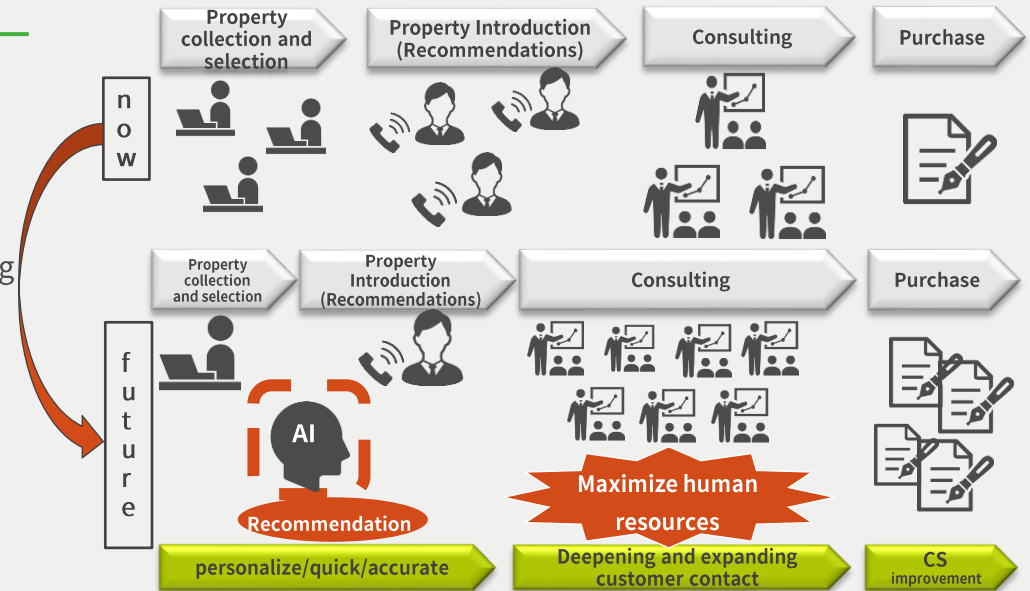
Business process reform is underway

## AI assessment (real estate agent business)

Introducing AI to prospective buyers of condominiums and introducing AI to price and rent assessments when selling properties.

The newly developed 'Condominium Price Appraisal AI' has succeeded in reducing the median error rate to 1.98% by using actual appraisal data from Tokyu Livable representatives and data science.

In the course of undertaking over 30,000 condominium appraisals per year (in the Tokyo metropolitan area), the use of AI is expected to reduce labor hours by 15,000 hours. In the future, we are considering providing this service externally.

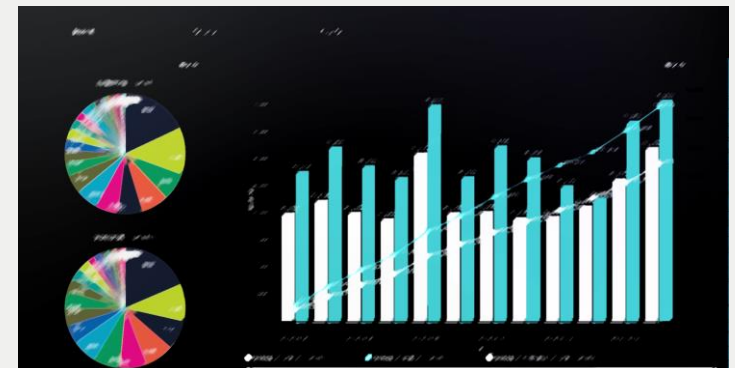


## Management of Renewable Energy Facilities with BI Tools

Using Tokyu Sports Oasis' sales management system to create a BI tool for managing solar power generation facilities.

Automatically aggregates solar radiation, power generation, and temperature data, and integrates and visualizes the data.

Reduces data extraction time, standardizes the data to be extracted, and utilizes the reduced time for other tasks.



# Reference



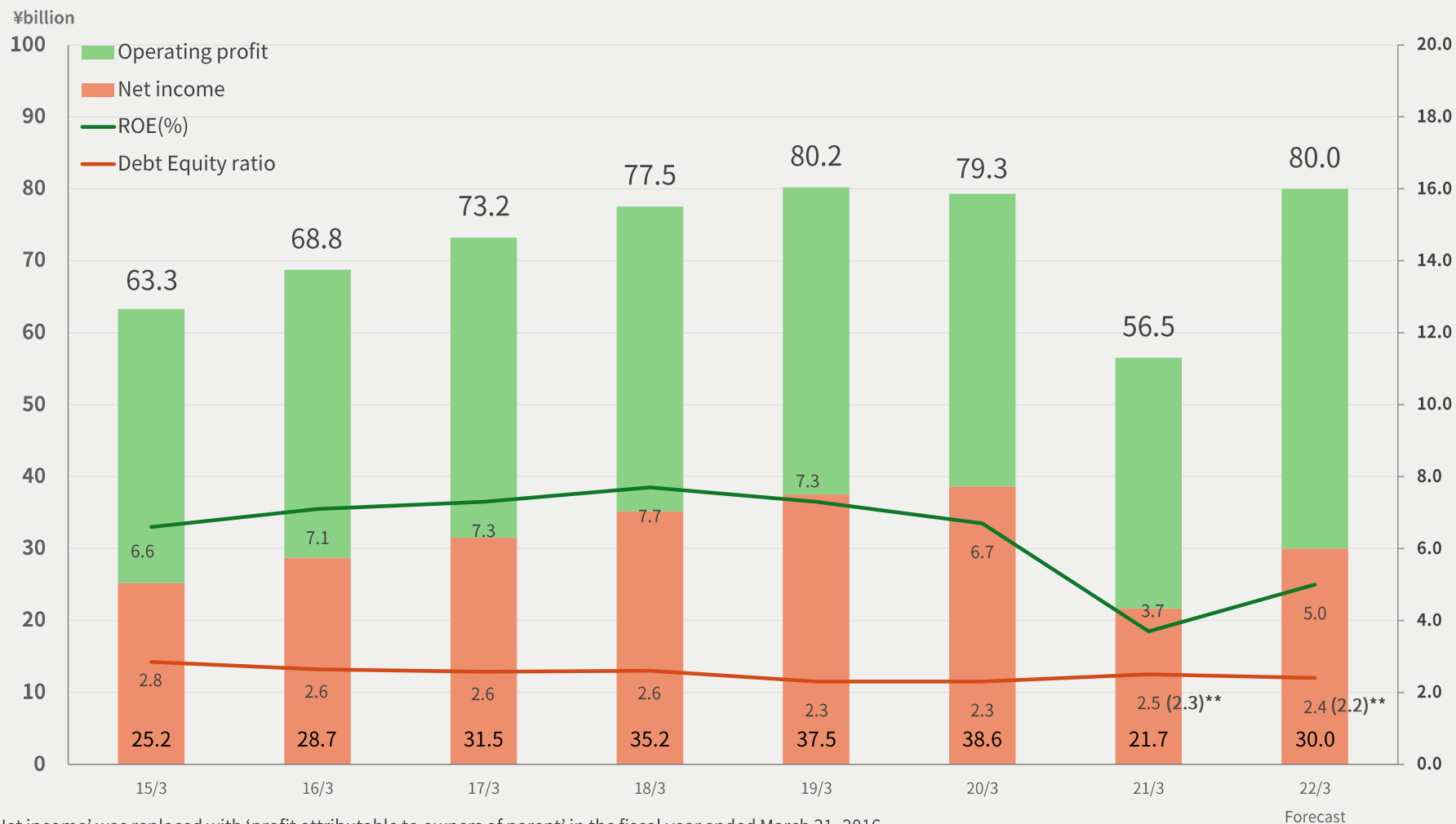
## Recognized Conditions for Main Businesses \*the beginning of FY2021

The recovery from the effects of COVID-19 will differ from one business to another.

The Group will focus on measures based on a careful look at the post-pandemic situation.

Office building	No major effect on the vacancy rate and rent has been observed. However, a deterioration in corporate performance linked with the prolongation of COVID-19 require attention. In addition to center offices, the Company will provide workplaces, such as space for rent limited to specific days of the week and shared offices, in response to the accelerating diversification of workstyles.
Commercial facilities	Performance differs depending on locations, but tenant net sales are gradually picking up with the recovery in consumer behavior. In leasing operations, the Company will focus on attracting hands-on tenants, in addition to merchandise sales and other traditional tenants.
Renewable energy facilities	There is a strong possibility that the market for renewable energy facilities will keep expanding with rising interest in decarbonization among governments and companies. The pandemic has had no effect on this business. Renewable energy facilities are consistently contributing to revenues with an increasing number of properties in operation.
Condominium	Results for condominiums centered on the actual demand segment returned to the levels before the COVID-19 outbreak.
Real este agents	The number of wholesale transactions recovered in addition to the number of retail transactions led by strong housing demand.
Hotel	There are encouraging factors, such as the increased availability of vaccines against COVID-19. However, a recovery in inbound demand will take time under the current circumstances. The Company will step up initiatives to meet domestic demand and will focus on raising operational efficiency using DX and reforming the cost structure for the time being.
Investor trading market	Trading markets for investors centered on markets for assets, such as offices, rental houses and logistics facilities, have been active. The Company will engage in sales activities, taking balance sheet management into consideration and observing market conditions closely.

# Trends in business performance

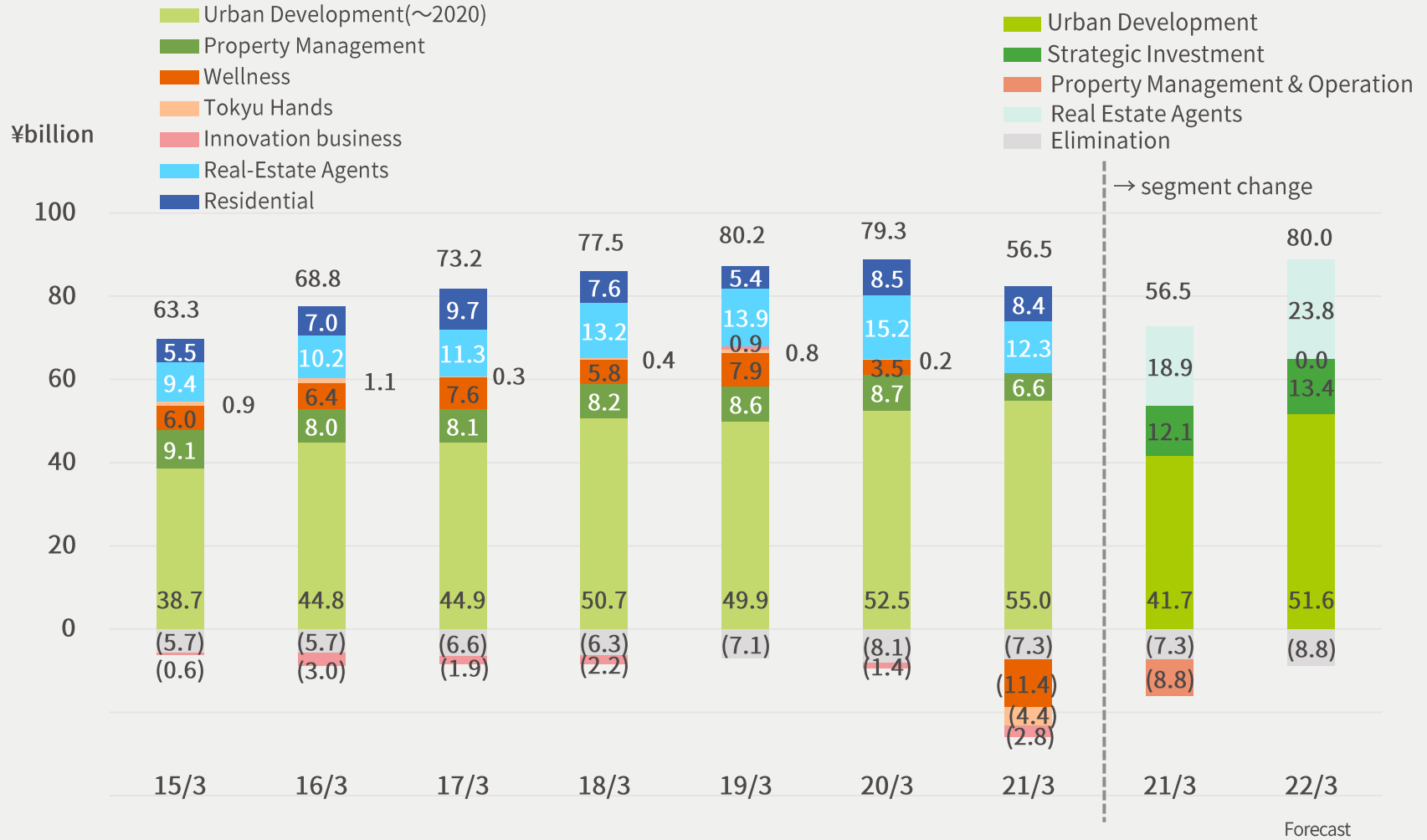


\* 'Net income' was replaced with 'profit attributable to owners of parent' in the fiscal year ended March 31, 2016.

\*\* The numbers in parentheses are D/E ratios after the consideration of equity credit for ratings through hybrid financing

# Breakdown of Results by Segment

Changes in operating profit by segment



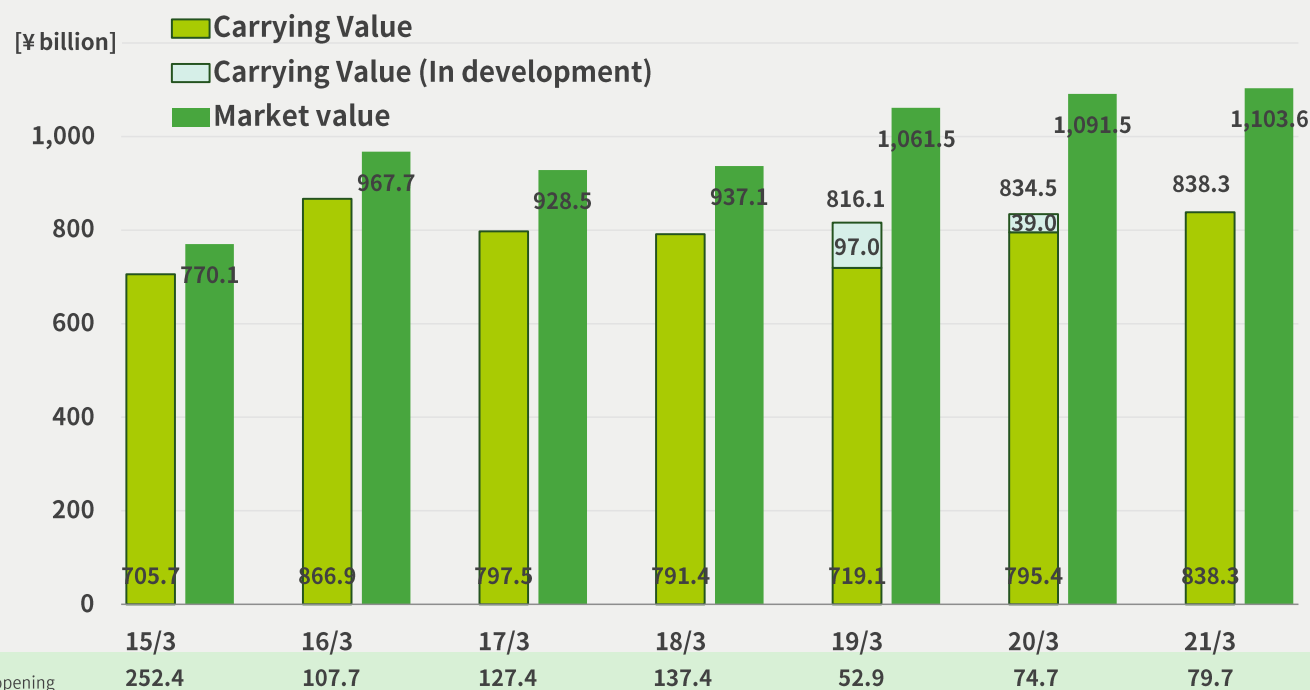
# Market value appraisal for leased properties \*As of Mar-31, 2021

Unrealized profit of leased properties increased thanks to the firm real estate market.

(¥ billion)	FY2019 Mar-2020	FY2020 Mar-2021	Comparison	Remarks
Carrying Value	834.5	838.3	3.8	<input type="checkbox"/> Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate". <input type="checkbox"/> The properties to be developed before opening* are in the early process of development and therefore their market value cannot be grasped (¥74.7 billion at the end of March 2020 and ¥79.7 billion at the end of March 2021)*.
Market value	1,091.5	1,103.6	12.0	
Difference	257.1	265.3	8.2	

\* Shibuya Sakuragaoka Block Redevelopment Plan, Jingumae6-chome Block Urban Redevelopment Project, Kudanminami 1-chome Project, and others.

## 〈Changes in market value and book value of leased properties and others〉

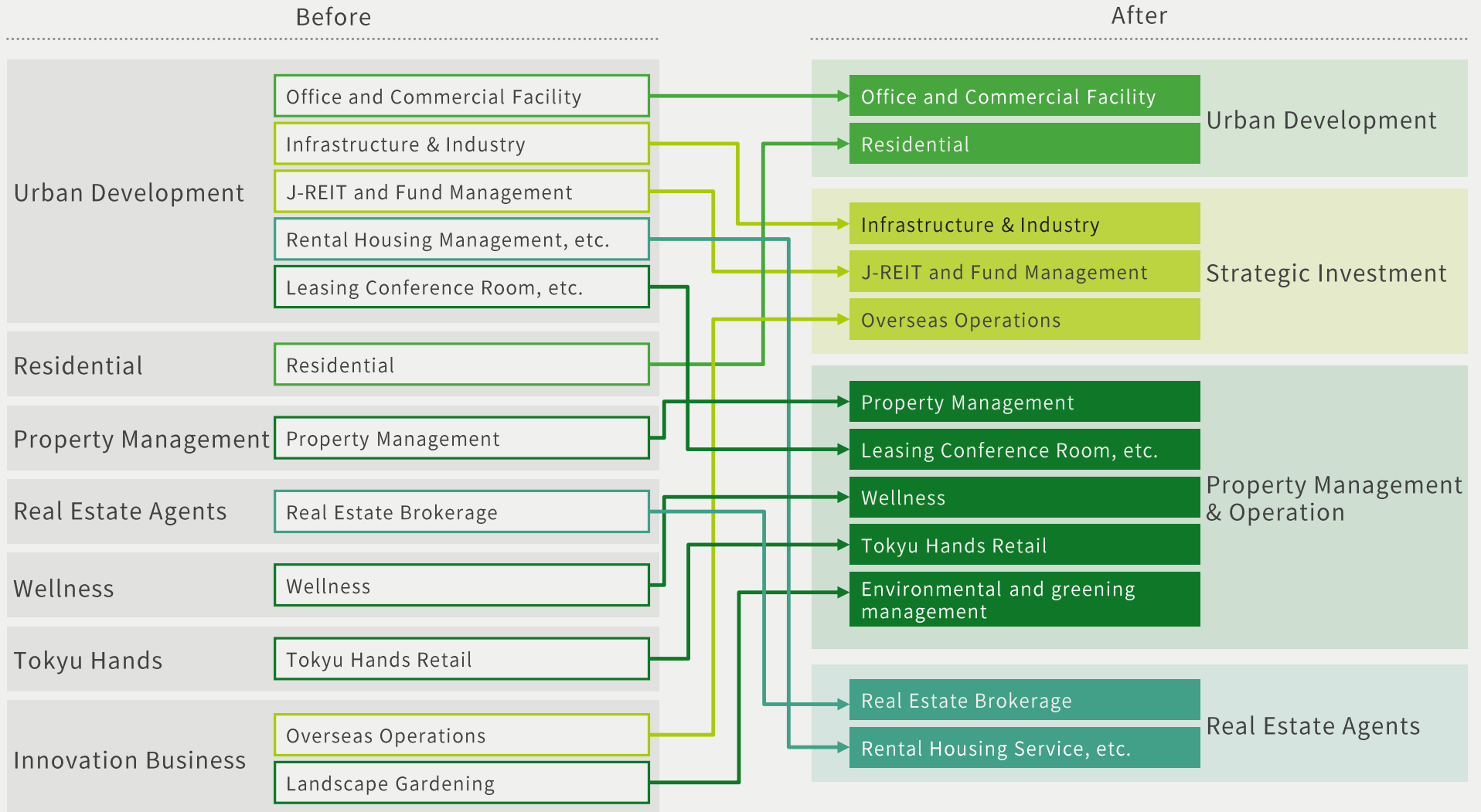


### Carrying Value (In development) Breakdown

- As of March 2019
  - Shibuya Solasta
  - Shibuya Fukuras
  - Jimbocho North Tokyu Building
  - Tokyo PortCity Takeshiba (Office tower)
- As of March 2020
  - Tokyo PortCity Takeshiba (Office tower, Residence tower)
- As of March 2021
  - Not applicable

# Reorganization of Business Segment

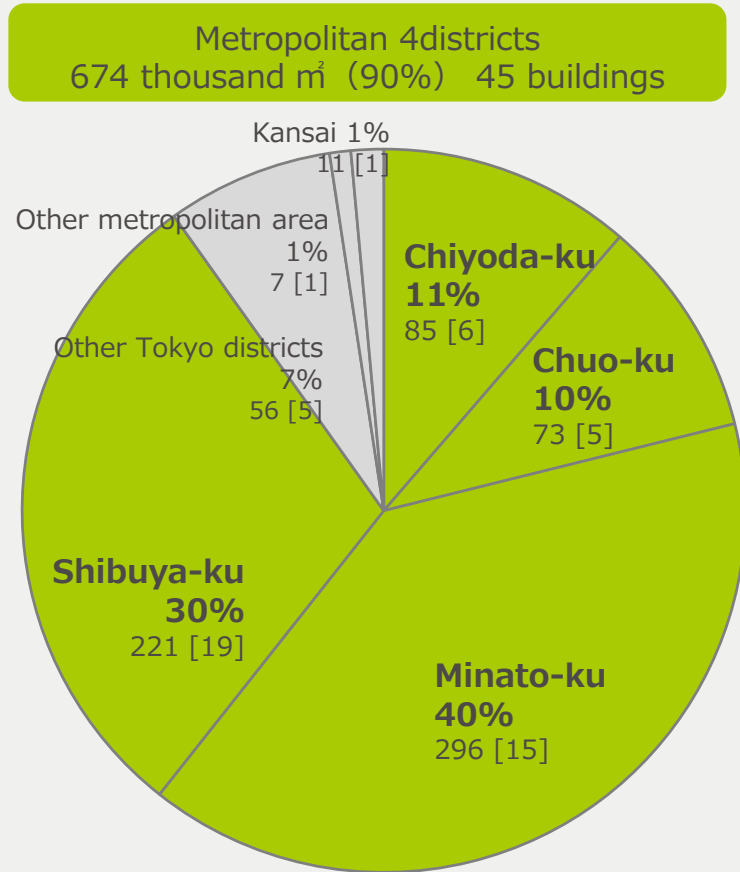
We have been reorganized into four business segments from the previous seven business segments from the perspective of human capital and asset utilization from FY2021.



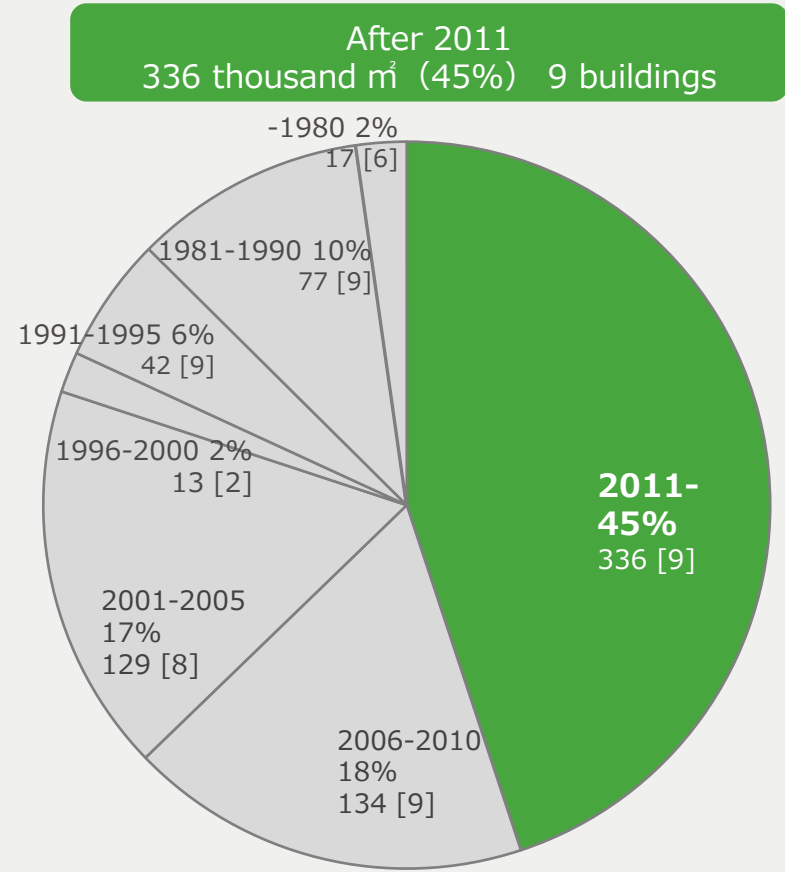
# Distribution of Office Buildings | As of the end of September 2021

For the portfolios, Owns 90% of office buildings in metropolitan 4 districts in Tokyo, 45% were completed after 2011. (52 buildings and 748,000 m<sup>2</sup> in total)

〈Area〉



〈Completed year〉



\* The figure in [ ] are the number of buildings. The listed area is total floor area: thousand m<sup>2</sup>.

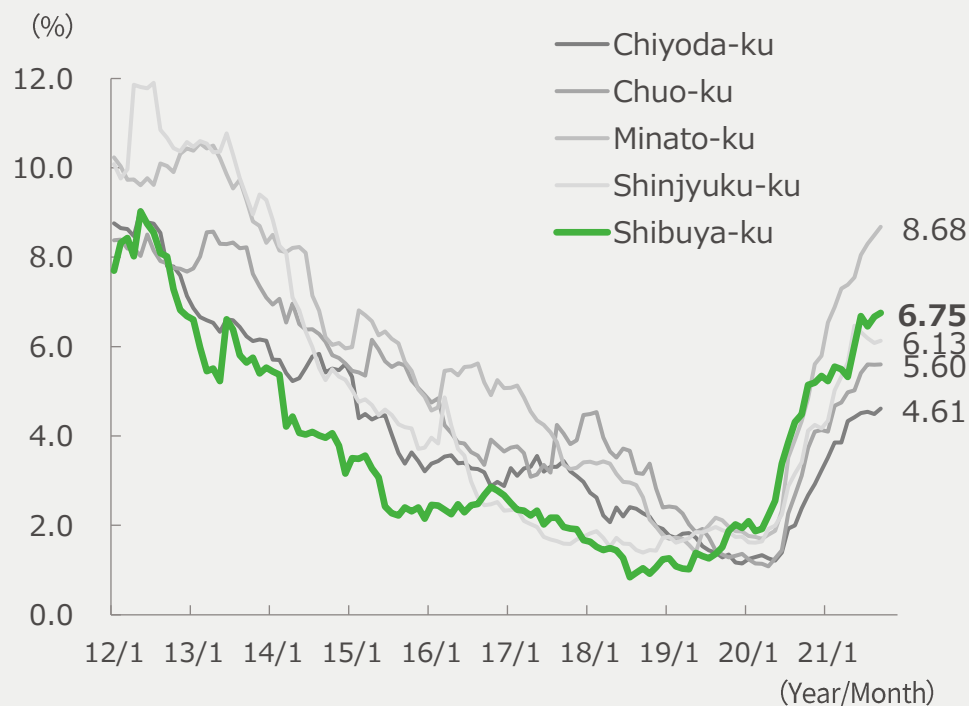
# Office market in Shibuya, our main developing district

The vacancy rate in Shibuya-ku rose, and that tends to be highly volatile. However, vacancy rates within the Group remain at a low level. (see Page 15)

## 〈Assumed Causes of High Volatility in Shibuya-ku〉

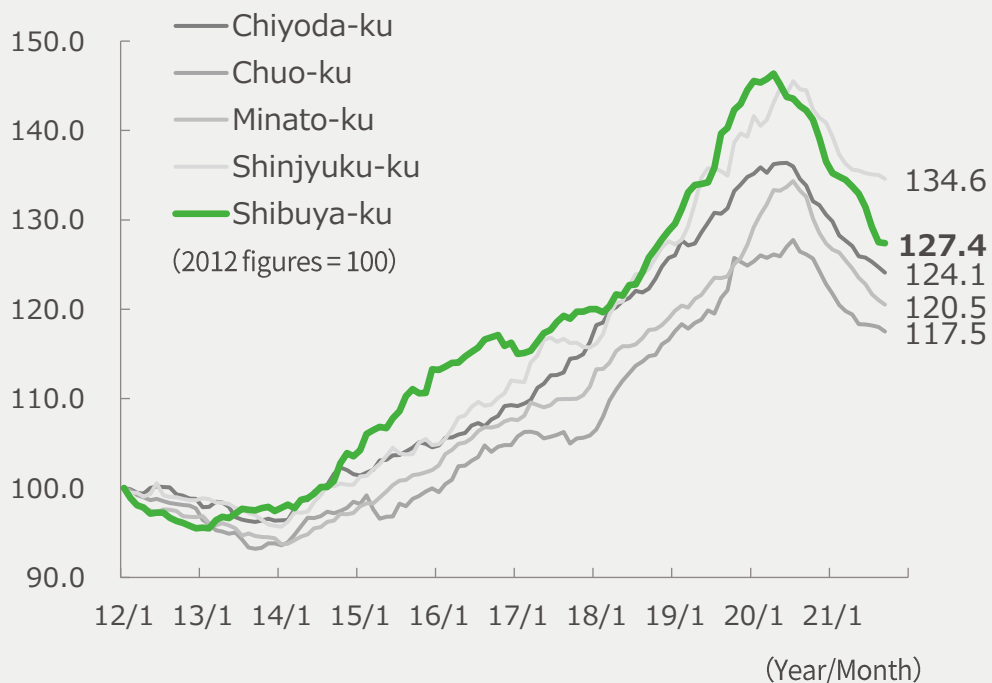
- (1) The average floor area of offices in Shibuya-ku is small compared with that in the other four central districts in Tokyo, and the vacancy rate is susceptible to fluctuations in the vacant area.
- (2) Growing enterprises such as startups which are often found in Shibuya-ku are capable of agile decision-making concerning the upscaling or downscaling of office space.

### 〈Vacancy rate〉



Source : Miki Shoji Co.,Ltd

### 〈Average rent〉



Source : Miki Shoji Co.,Ltd

As of September 30, 2021

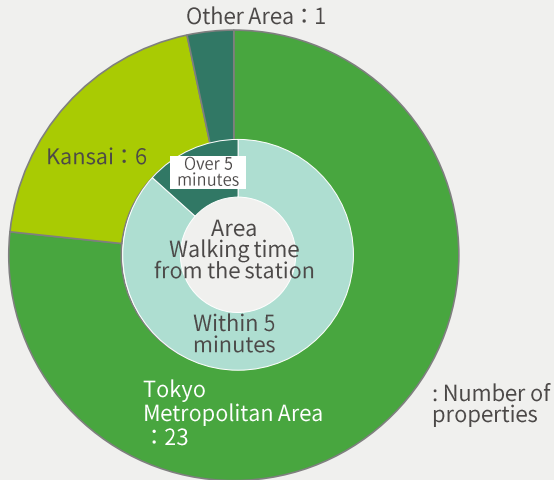


# Commercial facilities | As of the end of September 2021

Developing commercial facilities in convenient areas, primarily in the Tokyo metropolitan area and the Kansai area.

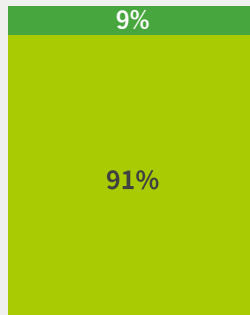
## 〈Features of our commercial facilities〉

Locations that are commercially busy and convenient in terms of transportation



A high percentage of fixed rent leads to stable rent income.

■ Fixed rent ■ Percentage rent



## TOKYU PLAZA

Tokyu Plaza Ginza



## Q plaza

Q Plaza Ikebukuro



## Q's MALL

Abeno Q'sMALL



## MARKET SQUARE

Market Square Kawasaki East



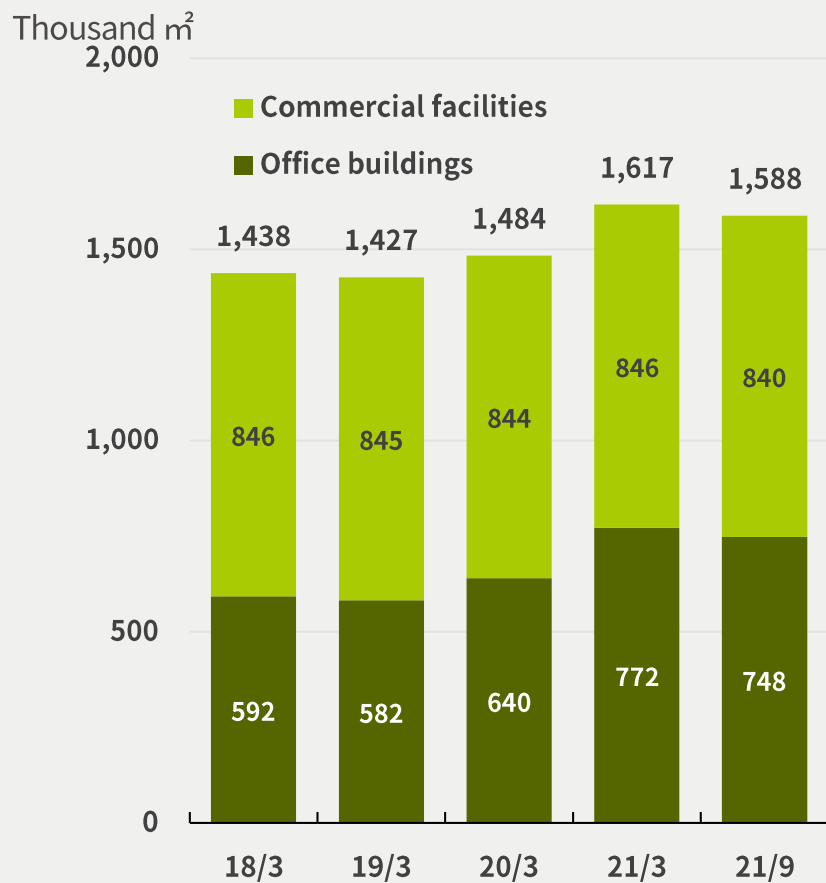
\* A survey on major commercial facilities of the Group

\*\* FY2020 Ended March 31, 2021

# Transition in total floor area and AUM transition

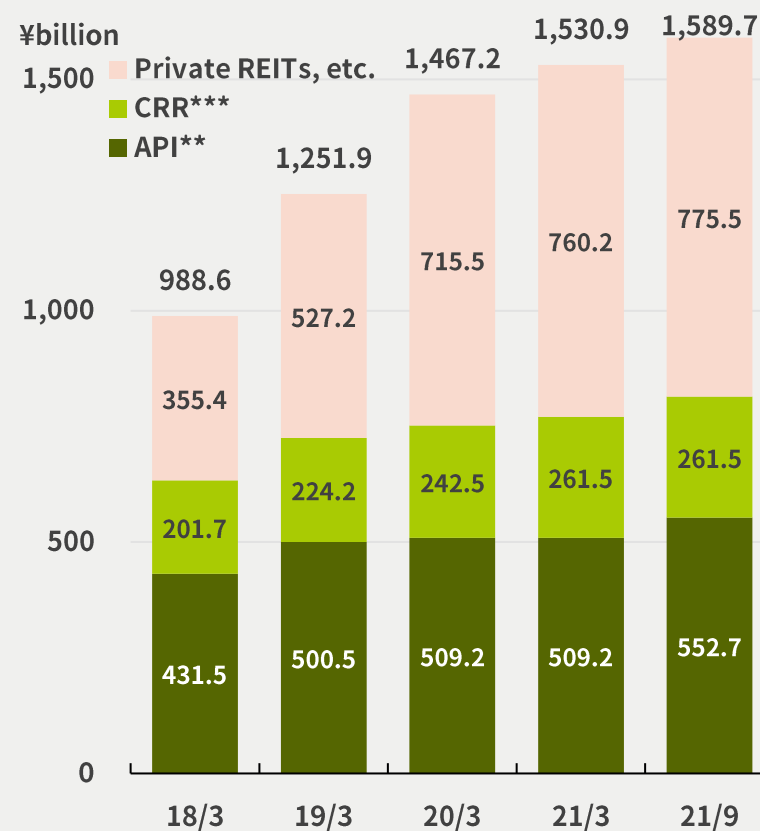
Urban Development Segment: Both total floor area and AUM are expanding.

〈Total floor area〉



\* As of September 30, 2021

〈AUM〉



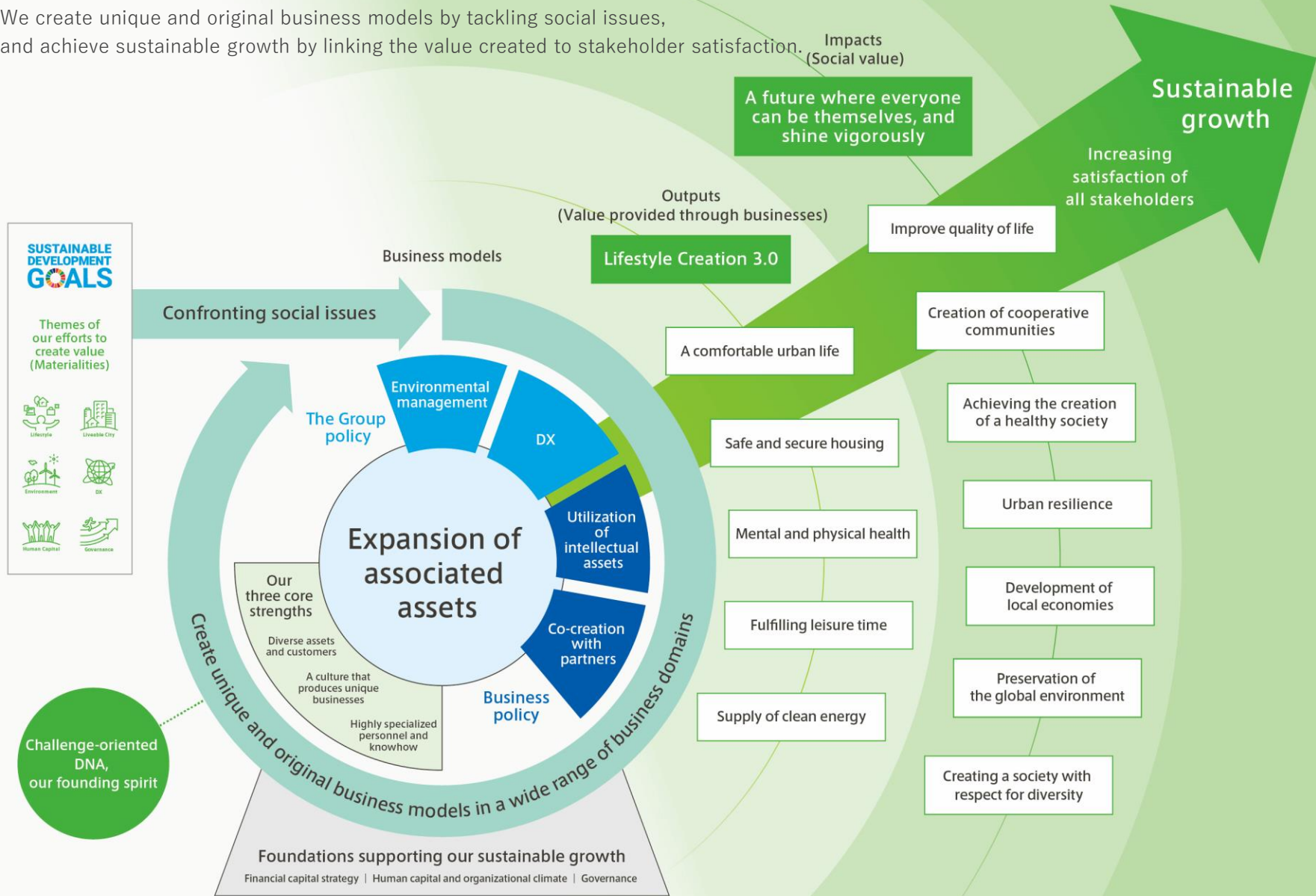
\* As of September 30, 2021

\*\* API: Activia Properties Inc.

\*\*\* CRR: Comforia Residential REIT, Inc

# Process for Value Creation

We create unique and original business models by tackling social issues, and achieve sustainable growth by linking the value created to stakeholder satisfaction.



# Development of Business to Address Social Issues

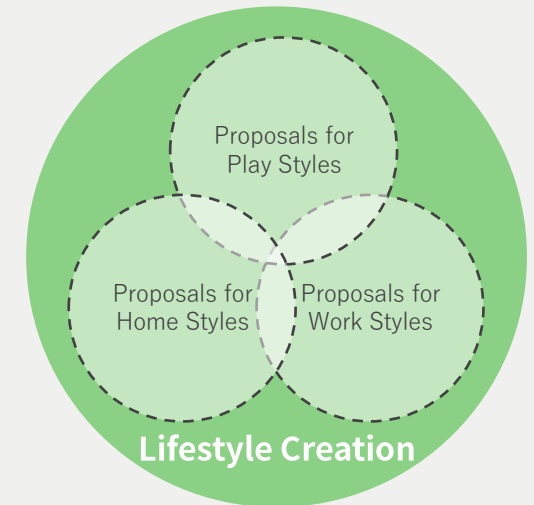
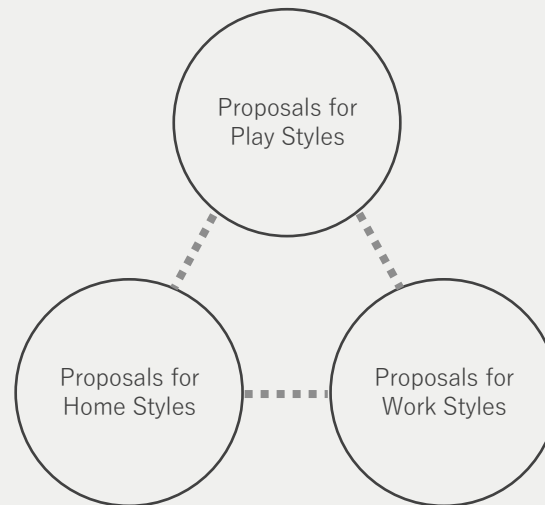
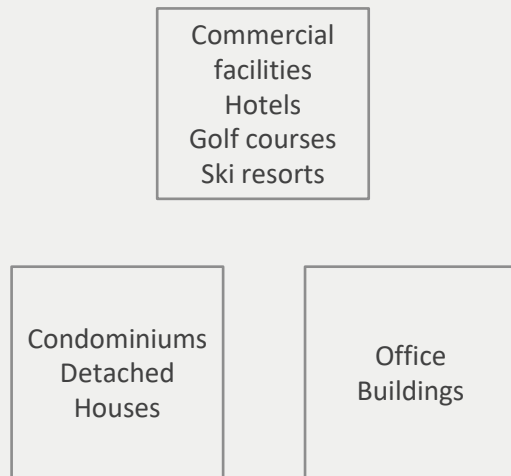
〈Evolution of lifestyle creation〉

Lifestyle Creation 3.0 fuses different aspects of everyday life: living, working and playing

**Lifestyle Creation 1.0**  
Developing Businesses from Buildings

**Lifestyle Creation 2.0**  
Proposing Solutions Using Buildings

**Lifestyle Creation 3.0**  
Combining Every Aspect of Life















\* From the 2019 Integrated Report

# Development of Business to Address Social Issues

<Diversification of working styles>

Developing workspaces that leverage our diverse assets.

	City center	Suburban area	Local area
Exclusive space	<p>Center office</p>  <p>Office building of TOKYU LAND CORPORATION</p>	<p>Flexible office*</p>  <p>Hotel (Individual rooms)</p> 	<p>Resort facilities (Workation)</p>  
Membership space	<p>Rental office / shared office</p> 	<p>Co-creation facilities for startups</p>  	<p>Suburban workplace**</p> 
Shared space	<p>Leasing conference room</p>  	<p>SPACEMARKET WORK (business partnership)</p>	<p>Hotel Harvest</p>
Residential space	<p>Exclusive internal unit space***</p> 		

\* The office introduces an agreement that minimizes the initial cost and enables short-term leasing for the flexible opening and relocation of offices

\*\* The Company has formed an alliance with Spacemarket, Inc., which operates a platform that enables the leasing of more than 14,000 spaces, including conference rooms and offices, and provides to its office tenants a service that enables them to use suburban workplaces close to home.

\*\*\* BRANZ has introduced compact, comfortable spaces for particular purposes in exclusive spaces for tenants. Each compact space has a door, and tenants can connect them to living rooms or use them as autonomous spaces. They can work from home, using the spaces as workplaces.



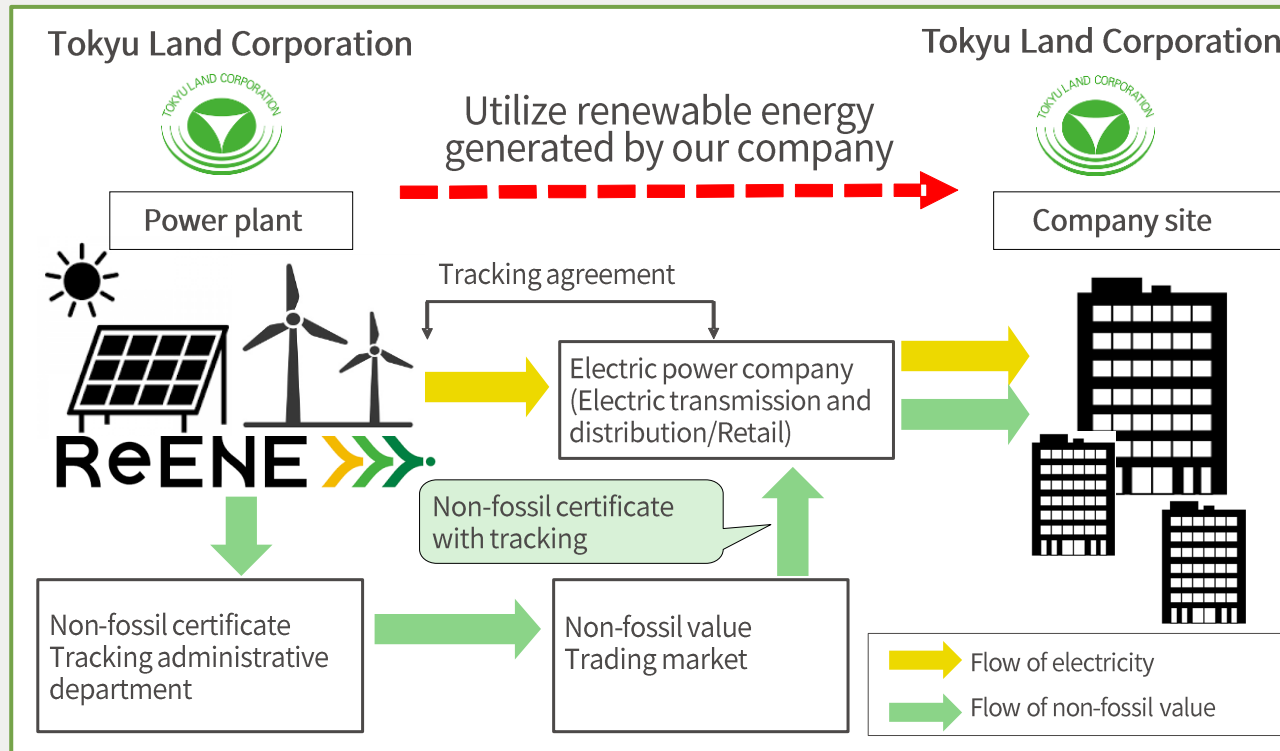
# Initiatives for Achieving RE100 Targets

Tokyu Land Corporation moved substantially the year for achieving RE100 targets forward from 2050 to 2025.

## State of initiatives in Tokyu Land Corporation

- Achieved RE100 targets for owned facilities, making the most of self-generated renewable energy and other means. CO2 emissions reduction at the point of RE100 target achievement: approx. 210,000 tons per year (equivalent to annual emissions from electricity used by approx. 109,040 ordinary households)
- Switchover to the use of renewable energy at our 17 business facilities\* in districts centered on the greater Shibuya area from April 2021  
Estimated CO2 emissions reduction: approx. 9,400 tons per year

## Scheme for renewable energy introduction



Shibuya Solasta



Shin-Aoyama Tokyu building



ReENE Zenibako in Hokkaido  
Wind power plant : 34MW

\* Company site (5 sites): Shibuya Solasta, Shibuya Dogenzaka Tokyu building, Shinsaibashi Tokyu building and others. Office building(9 properties): Ebisu East building, Shibuya Center Place, Shin-Aoyama Tokyu building and others. Commercial facilities(3 properties): Shibuya BEAM, Glassarea Aoyama and other.

# Initiatives Related to Climate Change

Verify climate change risks and business opportunities and formulate 1.5 °C targets for CO2 emissions reduction.

## 〈Verifying multiple scenarios for climate change risks and business opportunities based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)〉

- Verify climate change risks and business opportunities in the future, address governance and business strategies, and promote disclosures based on TCFD recommendations.
- Assume 1.5 °C, 3 °C and 4 °C as multiple scenarios and verify business risks and opportunities that result from climate change.

Assumed environmental changes	1.5 °C scenario (realization of targets set in the Paris Agreement) Strengthening of policies and tightening of laws and other regulations		3 °C scenario (observance of nationally determined contributions (NDCs) by respective countries) An intermediate scenario between the 1.5 °C and the 4 °C		4 °C scenario (failure of reduction measures) Intensification of natural disasters	
	2030	2050	2030	2050	2030	2050
Transition risks (partially excerpted)	↓ Introduction of the carbon tax and increases in the tax ↓		↓ Introduction of the carbon tax and increases in the tax ↓			
	↑ Competitive advantages produced through conversion to net zero energy buildings (ZEBs) ↓ Increase in the cost of conversion to ZEBs ↓		↑ Competitive advantages produced through conversion to net zero energy buildings (ZEBs) ↓ Increase in the cost of conversion to ZEBs ↓			
	↑ Expansion of the renewable energy business ↑		↑ Expansion of the renewable energy business ↑			
Physical risks (partially excerpted)	↑ Competitive advantages produced through compatibility with business continuity plans (BCPs) ↓ Facility damage caused by natural disasters ↓		↑ Competitive advantages produced through compatibility with business continuity plans (BCPs) ↓ Facility damage caused by natural disasters ↓		↑ Competitive advantages produced through compatibility with business continuity plans (BCPs) ↓ Facility damage caused by winds and floods ↓	
	↑ New businesses based on existing assets ↓ Revenue decreases and cost increases due to temperature rises ↓		↑ New businesses based on existing assets ↓ Revenue decreases and cost increases due to temperature rises ↓		↑ Competitive advantages produced through locations ↓ Revenue decreases and cost increases due to temperature rises ↓	

### 〈Acquisition of SBT certification (1.5 °C standard) as the first developer in Japan〉

- Acquisition of certification for SBTs, which are greenhouse gas emissions reduction targets based on scientific grounds Aim at reducing CO2 emissions to the 1.5 °C target, an ambitious goal set in the Paris Agreement (CO2 emissions reduction by 46.2% in 2030 compared with the emissions level in 2019)



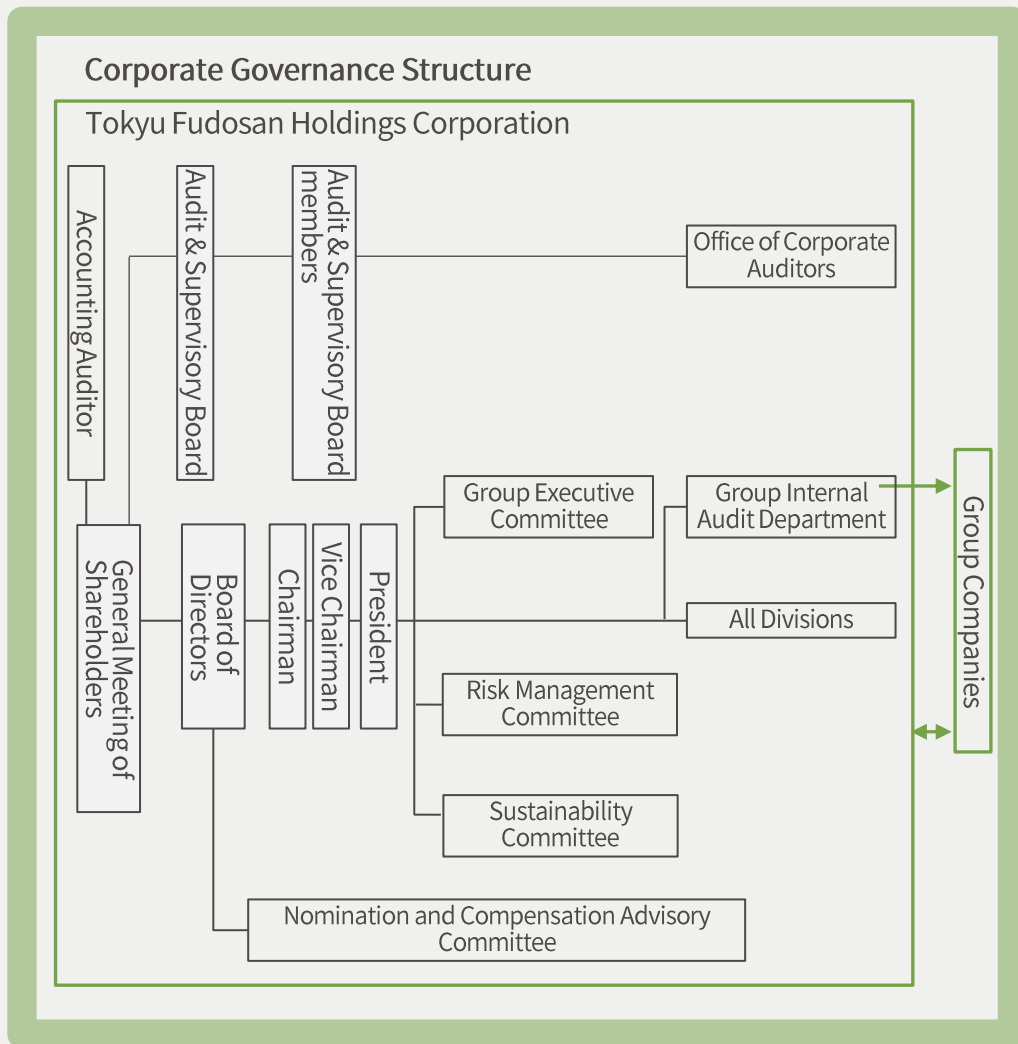
↑ Positive financial impact  
↓ Negative financial impact





# Corporate Governance

Strengthening our governance system for higher management transparency and better promotion of long-term management policies



## 〈 Increased ratio and diversification of outside directors 〉

Increase in the number of directors to 15 from 13 in the previous fiscal year

- Outside directors : from 4 to 6
- Ratio of outside directors: from 31% to 40%
- The number of women : from 1 to 2

Disclosure of directors' skill matrix

## 〈 Increase in the number of outside officers on the Nomination and Compensation Committee 〉

- Increased the number of committee members: from 4 to 5  
( includes the number of outside officers from 2 to 3)

Achieved a majority of outside officers on the committee

## 〈 System of Remuneration for Officers 〉

Item	Fixed Remuneration	Variable Remuneration	
	Monthly Remuneration	Bonus	Stock-based Compensation
Positioning	Basic remuneration	Short-term incentive	Medium-to-long-term incentive
Target percentage of total remuneration	60%	30%	10%
Approach to fluctuation		Linked to performance evaluation	Linked to stock price
Fluctuation from base amount		60~140%	Linked to stock price

# Major office buildings | As of the end of September 2021

The Group holds 52 buildings, located mainly in four wards in central Tokyo.

Area		No. of buildings	Major properties [Building]	Year built	Total floor space *	Remarks		
Tokyo Metropolitan area	Shibuya-ku	19	Shibuya Dogenzaka Tokyu	1983	13			
			Unosawa Tokyu	1984	15			
			Shibuya Shin-Minamiguchi	2000	7			
			Ebisu Business Tower	2003	23			
			Shibuya Square	2004	13			
			Shibuya Minami Tokyu	2005	20			
			Shibuya Place	2009	4			
			Shibuya Solasta	2019	44			
			Shibuya Fukuras	2019	53			
	Hamamatsucho Square	2004	24					
	Shinagawa Tokyu	2007	21					
	Minamiaoyama Tokyu	2008	12					
	Minato-ku	15	Shimbashi Tokyu	2008	15			
			Spline Aoyama Tokyu	2012	8			
			Shin-Aoyama Tokyu	2015	10			
			Tokyo PortCity Takeshiba	2020	162			
			Sanban-cho Tokyu	2001	12			
	Chiyoda-ku	6	Ichiban-cho Tokyu	2002	20			
			Uchisaiwaicho Tokyu	2006	14			
			Kasumigaseki Tokyu	2010	19			
Jimbocho North Tokyu Building			2019	11				
Cyuo-ku	5	St. Luke's Tower	1994	14				
		Nihombashi hon-cho Tokyu	2004	12				
		Nihombashi Maruzen Tokyu	2006	17				
		Nihombashi Front	2008	29				
Other	6	Futako Tamagawa Rise • office	2011	9				
		Shin-Meguro Tokyu	2012	22				
		Futako Tamagawa Rise Tower office	2015	17				
Kansai	1	Shinsaibashi Tokyu	1982	11				

\* (thousand m<sup>2</sup>) : Floor space is after conversion for ownership share (including the leased area).

# Major commercial facilities | As of the end of September 2021

The Group operates 23 locations in the Tokyo area and 7 locations in Kansai and other regions.

Area	No. of facilities	Major properties [Commercial facilities]	Year built	Total floor space *	Remarks	
Tokyo Metropolitan area	23	Tokyu Plaza Kamata	1968	28		
		Tokyu Plaza Akasaka	1969	21		
		Shibuya B E A M	1992	7		
		DECKS Tokyo Beach	1997	35		
		Glassarea Aoyama	2002	2		
		Northport Mall	2007	141		
		Tokyu Plaza Totsuka	2010	12		
		Futakotamagawa rise・SC	2011	20		
		Tokyu Plaza Omotesando Harajyuku	2012	3		
		Q Plaza Harajyuku	2015	3		
		Market Square Kawasaki East (sublease)	2016	30		
		Tokyu Plaza Ginza	2016	51		
		Q Plaza Futakotamagawa	2017	3		
Q Plaza Ikebukuro	2019	17				
Tokyu Plaza Shibuya**	2019	53				
Kansai・Others	7	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 Shinnagata (sublease)	2013	10		
		Morinomiya Q's MALL BASE	2015	25		

\* (thousand m<sup>2</sup>) :Floor space is after conversion for ownership share (including the leased area). \*\* Described the total floor area as Shibuya Fukurasu

## Major renewable energy facilities | As of the end of September 2021

The Group is advancing businesses through 57 solar power generation projects, 10 wind power generation projects and 1 biomass power generation project.

Type	Status	Business plant name	Location	Rating capacity (MW) *
<b>Solar Power Plant</b>	In operation	Suzuran Kushirocho	Kushiro-gun Kushiro-cho, Hokkai-do	92.2
		ReENE Aomori Shichinohe	Kamikita-gun Shichinohe-machi	4.1
		Ichinosekishi Yoshitaka	Fujisawacho Ichinoseki-shi, Iwate-ken	2.6
		Ichinosekishi Suzugazawa	Fujisawacho Ichinoseki-shi, Iwate-ken	2.6
		ReENE RJ Urushihara	Motoyoshichourushibara Kesenuma-shi, Miyagi-ken	31.7
		ReENE RJ Izumisawa	Motoyoshichoizumisawa Kesenuma-shi, Miyagi-ken	21.1
		ReENE RJ Kurihara	Kurikomasappirai Kurihara-shi, Miyagi-ken	7.5
		ReENE Kurihara	Kurikomahishinuma Kurihara-shi, Miyagi-ken	9.7
		ReENE Shiraishi	Obara Shiroishi-shi, Miyagi-ken	6.7
		Kawasaki Solar Park	Shibata-gun Kawasaki-machi, Miyagi-ken	56
		ReENE Aizu	Kawanuma-gun Aidubange-machi, Fukushima-ken	4.7
		Nishigo Habuto	Nishishirakawa-gun Nishigo-mura, Fukushima-ken	25.2
		ReENE Namegata	Tega Namegata-shi, Ibaraki-ken	27.8
		ReENE Chonan	Chosei-gun Chonan-machi, Chiba-ken	24
		ReENE Kamifuse	Isumi-gun Onjuku-machi, Chiba-ken	2.4
		ReENE Mutsuzawa	Chosei-gun Mutsuzawa-machi, Chiba-ken	4.8
		Kitaema	Kitaema Izunokuni-shi, Shizuoka-ken	11.3
		ReENE RJ Matsuo	Matsuo-cho Toba-shi, Mie-ken	16.5
		ReENE RJ Toba	Matsuo-cho Toba-shi, Mie-ken	13.3
		Takuma	Takumacho Mitoyo-shi, Kagawa-ken	10.8
		ReENE Ube	Yoshiwa Ube-shi, Yamaguchi-ken	3.8
Nogata	Shimozakai Nogata-shi, Fukuoka-ken	22.9		
ReENE Shibushi	Ariakecho Shibushi-shi, Kagoshima-ken	9.1		
ReENE Akune	HaruAkune-shi, Kagoshima-ken	4.3		
ReENE RJ Minamikyusyu	Eicho Minamikyusyu-shi, Kagoshima-ken	25.8		
<b>Wind Power Plant</b>		ReENE Matsumae	Matsumae-gun Matsumae-cho, Hokkaido	41
		ReENE Zenibako	Zenibako Otaru-shi, Hokkaido	34
		Takegawa	Okinosu Takegawa-shi, Shizuoka-ken	13.8
<b>Biomass</b>	Under development	Yonago Biomass power plant	Tottori-ken	-

\* Before conversion to equities

\*\* Refer to the ReENE website (<https://tokyu-reene.com/portfolio>) for properties other than those stated above.

# Major operating facilities | As of the end of September 2021

The Group operates 61 hotels, 8,405 rooms

	Number of facilities	Number of rooms	Name of facilities			
<b>Tokyu Harvest Club</b>	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
<b>Tokyu Stay Hotel</b>	30 facilities	4,904 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 Sapporo Odori Kyoto Shin Kyogoku Fukuoka Tenjin	Kanazawa Okinawa Naha Osaka-Hommachi Hida Takayama Musubi no Yu Hakodate Asaichi Akari no Yu Shinjuku EastSide
<b>Resort Hotel</b>	6 facilities	751 rooms	KYU KARUIZAWA KIKYO Curio Collection by Hilton Hyatt Regency Seragaki Island Okinawa		Palau Pacific Resort nol kyoto sanjo	ROKU KYOTO, LXR Hotels & Aso CANYON TERRACE&LODGE
<b>Ski resorts</b>	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
<b>Golf courses</b>	19 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 CLUB Otakijo Golf Club Tsurumai Country Club Sashima Country Club	Shibayama Golf Club Kansai Country Club Miki Yokawa Country Club Asakura Golf Club
<b>Tokyu Sports Oasis</b>	37 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 24Plus Yukigaya 24Plus Totsuka Akatsuka 24Plus Esaka 24Plus	Shinsaibashi EAST 24Plus Umeda Ibaraki 24Plus Hiroshima Shinsaibashi WEST 24Plus Abeno 24Plus Sumiyoshi 24Plus Sannomiya 24Plus Tsurugaoka 24Plus Sayama 24Plus	Katsuragawa 24Plus Morinomiya Q's Mall Suminodo 24Plus Sagamihara 24Plus Narashino 24Plus Kamioka Matsudo 24Plus
<b>Senior housing</b>	15 facilities	1,923 units	Grancreeper Azamino Grancreeper Fujigaoka Lifenix Takaido Grancreeper Utsukushigaoka Grancreeper Aobadai	Creer Residence Sakuradai Grancreeper Center Minami Grancreeper Seijo Grancreeper Bajikoen Grancreeper Aobadai 2-chome	Grancreeper Setagaya Nakamachi Creer-residence Yokohama Tokaichiba Hikarigaoka Park Villa Grancreeper Shibaura Grancreeper Tachikawa	



***TOKYU FUDOSAN HOLDINGS***

