

# Financial Highlights

## FY2023 Second Quarter (First Six Months)

### Ended September 30, 2023

---

**The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. Actual performance may significantly differ from these forecasts due to various factors in the future.**

## | Contents |

|   |         |           |
|---|---------|-----------|
| • <b>Highlights</b>   | • • • • | <b>4</b>  |
| • <b>Progress of Medium-Term Management Plan and Initiatives to Enhance Corporate Value</b>                       | • • • • | <b>5</b>  |
| • <b>Summary of the FY2023 Second Quarter (First Six Months) Ended September 30, 2023, and Earnings Forecasts</b> | • • • • | <b>13</b> |
| • <b>Segment Overview</b>   | • • • • | <b>29</b> |
| • <b>Partner co-creation initiatives</b>  | • • • • | <b>54</b> |
| • <b>Sustainability Initiatives</b>   | • • • • | <b>57</b> |
| • <b>DX Initiatives</b>   | • • • • | <b>68</b> |
| • <b>Overview of the Medium-term management plan 2025</b>   | • • • • | <b>72</b> |
| • <b>Reference</b>  | • • • • | <b>85</b> |

# Highlights

## Topics

## Contents

### Financial results for the period under review

Operating profit: 58.0 billion yen (+12.2 billion yen YoY)  
Net profit\* 38.3 billion yen (+11.4 billion yen YoY)  
Increased in both revenues and profit YoY due to strong sales of assets and brokerage business, recovery in the hotel business due to domestic and inbound demand.

### Full-year forecasts upgraded

Operating profit: 115.0 billion yen (+4.6 billion yen YoY, +3.0 billion yen from initial forecast)  
Net income\* 64.0 billion yen (+15.8 billion yen YoY, +2.0 billion yen from initial forecast)  
Full-year forecasts revised upward in anticipation of growth in the hotel business and strong performance in the real estate agents business due to the brisk real estate sales market.

### Progress of the Medium-Term Management Plan 2025

We're within reach of our targets for Fiscal Year Ending March 2026. Given this, we've brought forward the start of the next medium-term plan by one year, to Fiscal Year Ending March 2026.

### Released in Nov 7 2023: 2023 Environmental Management Report 2023 DX Report

These reports concern two Group-wide policies set out in Group Vision 2030. We address socioenvironmental issues through our business activities in order to be an organization that keeps creating new value.

\* Profit attributable to owners of parent.

# **Progress of Medium-Term Management Plan and Initiatives to Enhance Corporate Value**

## Progress of Medium-Term Management Plan (Financial Targets)

All target financial indicators are steadily improving.

|  | FY2021<br>(Result) | FY2022<br>(Result) | Initial forecast<br>for FY2023 | Latest forecast<br>for FY2023 | FY2025<br>(Target) |
|--|--------------------|--------------------|--------------------------------|-------------------------------|--------------------|
| Efficiency   | ROE                | 5.7%               | 7.3%                           | 8.8% ▶ 8.9%                   | 9%                 |
|  | ROA                | 3.2%               | 4.1%                           | 4.0% ▶ 4.1%                   | 4%                 |
|  | EPS                | ¥48.84             | ¥67.21                         | ¥87.37 ▶ ¥90.10               | ¥90 or more        |
| Profit targets   | Operating profit   | ¥83.8 billion      | ¥110.4 billion                 | ¥112 billion ▶ ¥115 billion   | ¥120 billion       |
|  | Net profit*        | ¥35.1 billion      | ¥48.2 billion                  | ¥62 billion ▶ ¥64 billion     | ¥65 billion        |
| Financial soundness  | D/E ratio          | 2.3x               | 2.2x                           | 2.3x ▶ 2.2x                   | 2.2x or less       |
|  | EBITDA multiple    | 10.7x              | 9.3x                           | 10.1x ▶ 10.0x                 | 10x or less        |
| Asset-utilizing business** ROA                             | 3.2%               | 3.5%               | 3.1% ▶ 3.0%                    | 3.6%                          |                    |
| Human capital-utilizing business** operating profit margin | 4.2%               | 7.7%               | 8.0% ▶ 8.8%                    | 8.1%                          |                    |

\* Profit attributable to owners of parent.

\*\*Asset-utilizing business: Urban Development and Strategic Investment business

Human capital-utilizing business: Property Management and Operation business and Real Estate Agents business

# Social Issues to Address During the Next Medium-Term Period

To produce differentiated value, we'll engage in supporting urban competitiveness and regional economies (regional revitalization).

## Megatrends

- Shrinking domestic population, net inflow into urban centers
- Growing gap in incomes and services
- High construction costs
- Rise in inbound tourism
- Inflation
- Renewable becomes the main power source(GX promotion)
- etc.

### Need to adapt to external business environment

**Covid-19 influence**      **Business transformation**

- Need to capitalize on recovery in domestic and inbound tourism
- Need to restructure fundamentally (business transfers, sales, etc.)

### Promote long-term management policy

**Build a solid and distinctive business portfolio**

Four focused strategic priorities for the long-term vision

1. Producing of attractive city development
2. Strengthening of environment-related business
3. Digital transformation of BtoC business
4. Creating of business in new domains

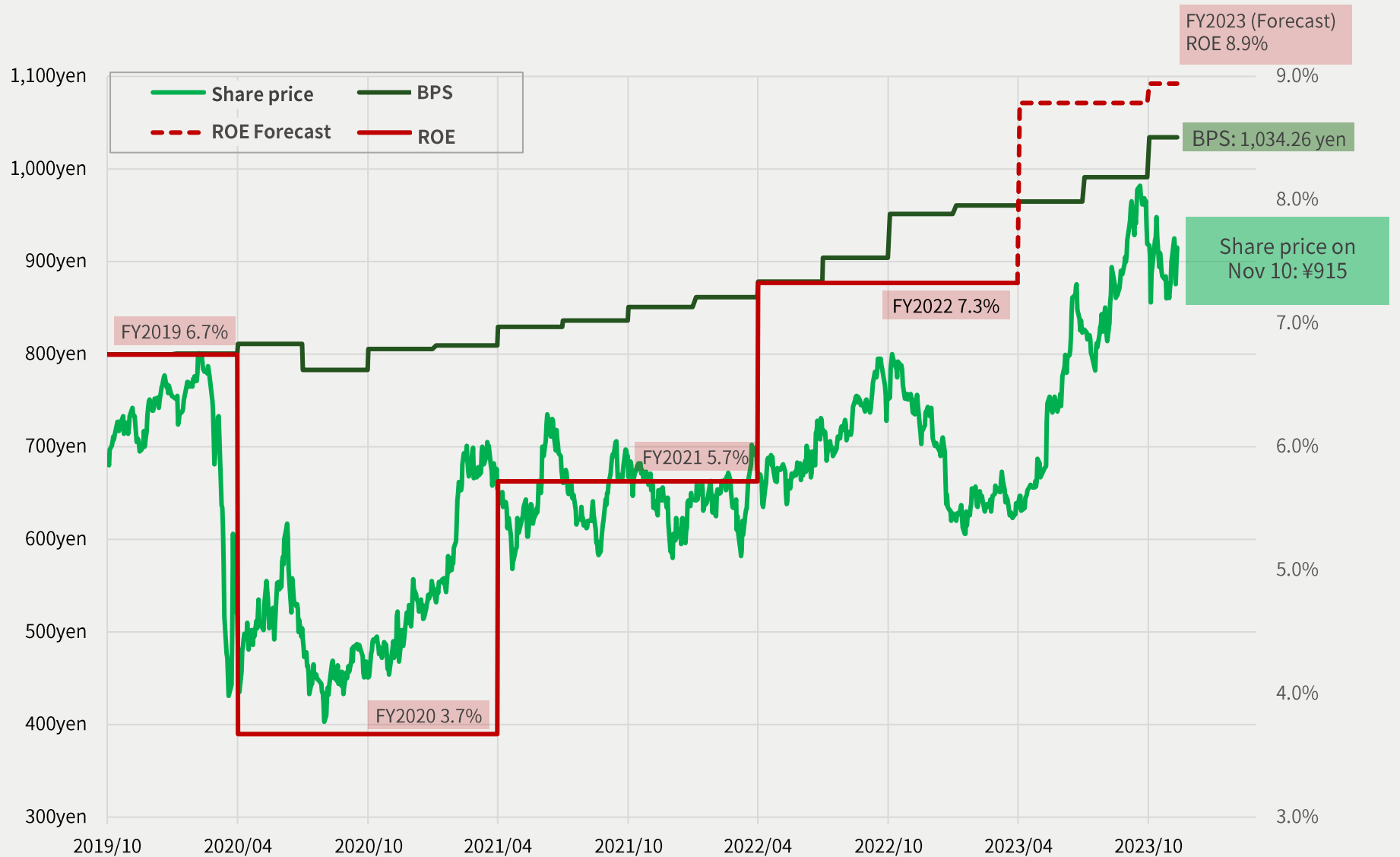
### Long-term management policy The Group policy and business policy



### Social issues to address during the next medium-term management plan

1. Supporting urban competitiveness: e.g. raise Shibuya's international profile
2. Supporting regional economies (regional revitalization): e.g. drive the green transformation and promote tourism

# Changes in Share Price, etc. (2019.10.1~2023. 11.10)



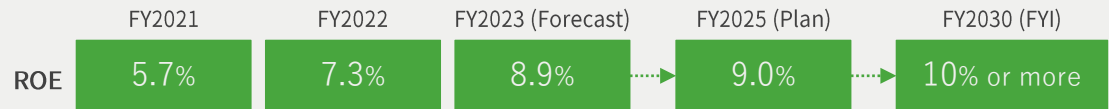


# Initiatives to enhance corporate value and market valuation

Improve corporate value and market valuation by promoting and achieving the long-term management policy and the mid-term management plan 2025.

$$PBR \uparrow = ROE \uparrow \times PER \uparrow$$

## Improved earning power and efficiency



ROE

### Medium-term management plan initiatives

#### Asset-utilizing business

- Completion and operation of large-scale development properties
- Reinforce high-efficiency businesses such as renewable energy and logistics facilities

#### Human capital-utilizing business

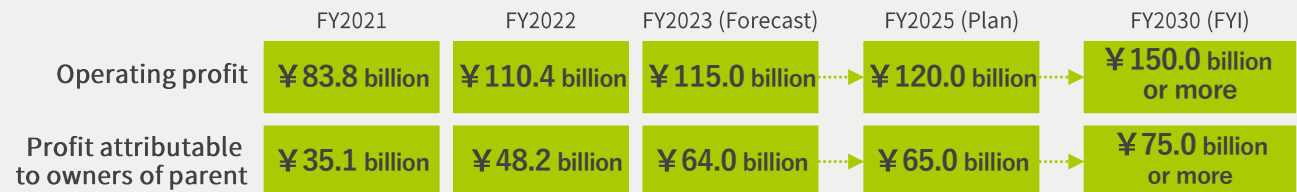
- Capturing the recovery in tourism demand
- Labor and manpower saving through DX

#### Financial Capital Strategy

- Promotion of Business Portfolio Management
- Improvement of D/E ratio by increasing periodic profit

×

## Sustainable growth over the medium to long term



PER

### Long-term management policy

#### The Group policy

**Environmental management:** Expand business opportunities embracing the environment as a starting point  
**DX:** Establish a new revenue model by maximizing the values of assets and human capital

#### Business policy

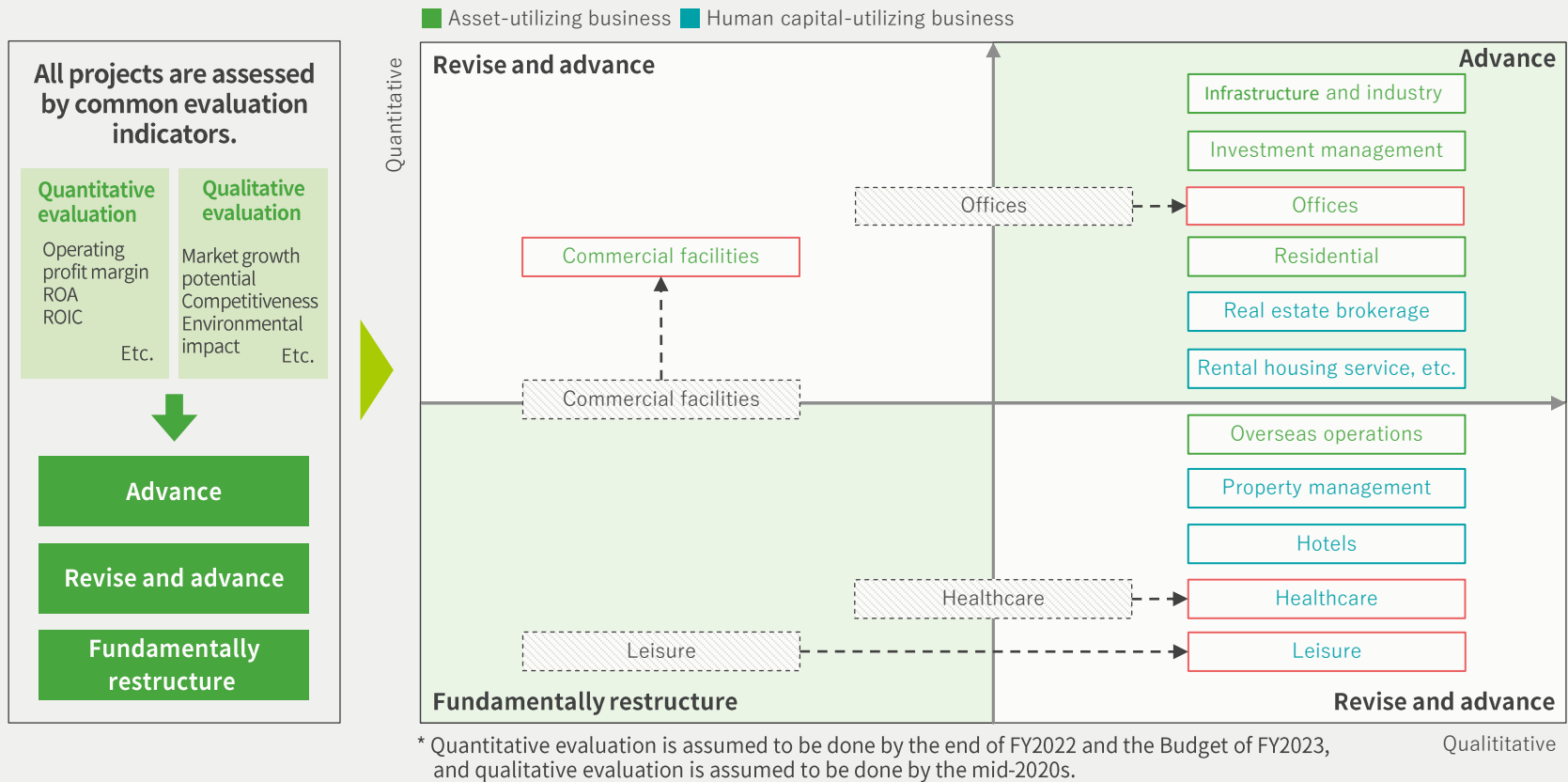
**Utilization of intellectual assets:** Monetization of know-how and data  
**Co-creation with partners:** Breaking away from a self-supporting approach

#### Strengthening of Management Base

**Financial Capital Strategy:** Profit growth with efficiency based on optimal financial capital structure  
**Human capital and organizational climate:** Fostering an innovative organizational climate with a sense of unity  
**Governance:** Building a fair and highly transparent governance system  
**Building Relationships with Shareholders:** Stable shareholder returns, proactive dialogue and disclosure

# Progress in business portfolio management①

Completed structural reforms of businesses that were positioned as requiring radical restructuring, and moved into a new phase of business structural reforms.



## Initiatives for fundamental restructuring projects

- Leisure business → On track to become an asset-light company. Promoting the development of products and strengthening of the operating structure in anticipation of a recovery in domestic and inbound demand.
- Healthcare business → Made the decision in the fitness business to transfer all shares to Renaissance, Incorporated on March 31, 2024.
- Commercial facilities business → Implemented asset replacement, including the sale of Tokyo Plaza Ginza. Attracted tenants that respond to experience-based consumption and empathy-based consumption, etc.

\* Reference: Office business → Demand for office space in the Shibuya area, our core business area, remained strong.

## Progress in business portfolio management②

In the businesses that we have positioned as “Revise and advance,” we will continue to aim for transformation and growth in each business, with a focus on improving efficiency.

### Business

### Business policies and Initiatives

#### Commercial facilities

**Promote leasing activities in response to changes in consumer behavior**, including recovery of inbound consumption and continued expansion of the e-commerce market, **and implement renewals to provide new value.**

#### Overseas operations

**Review existing businesses to reduce business risks and promote initiatives to improve profitability**, while keeping a close eye on the impact of rising policy interest rates and bank failures overseas (mainly in the U.S.)

#### Property management

Shift from "quantity" to "quality" and expand business domains, rather than profit growth through stock expansion. **Improve productivity and profitability and expand business domains by improving quality**

#### Wellness

Hotels

Leisure

**Implementation of initiatives to increase operating revenues** by capturing the recovery of domestic and inbound demand

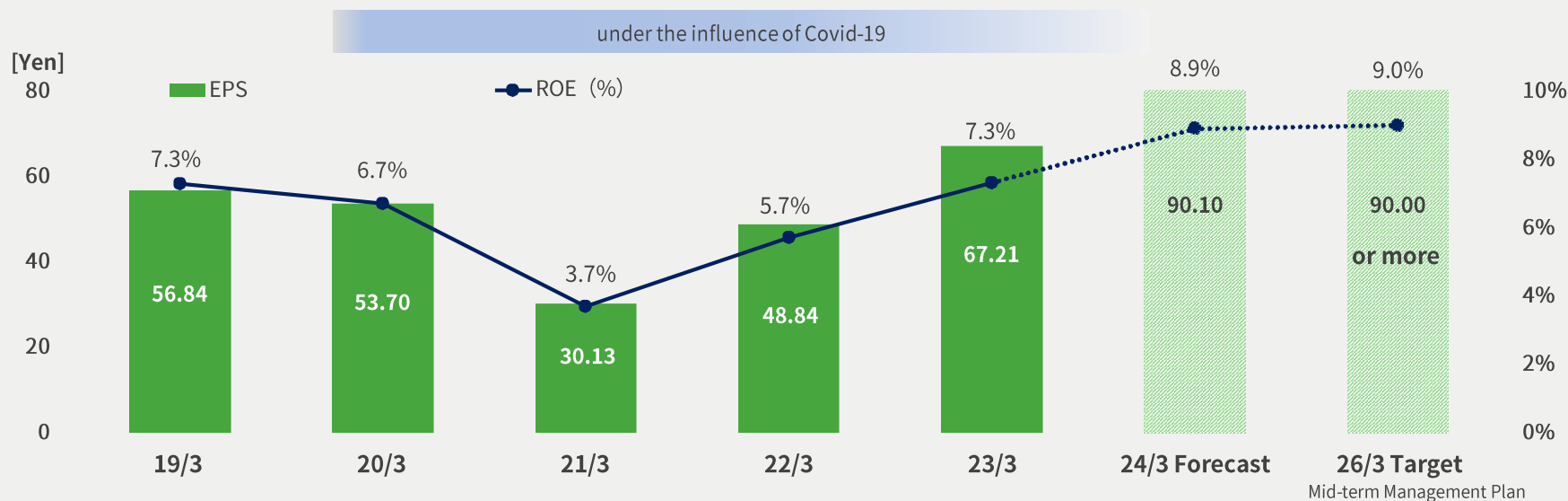
**Promotion of membership hotel and condominium development business to increase profits**

Healthcare

**Made the decision to transfer all shares** of the Tokyu Sports Oasis fitness business **to industry leader Renaissance, Incorporated** on March 31, 2024

# Progress in business portfolio management③

Conducted structural reforms intensively in FY2021 and FY2022, focusing on fundamental restructuring businesses.



\* Profit attributable to owners of parent

[¥ billion]

|                             | 19/3         | 20/3         | 21/3  | 22/3  | 23/3   | 24/3 Forecast | 26/3 Target |
|-----------------------------|--------------|--------------|---|---|--|---------------|-------------|
| <b>Net profit *</b>         | <b>37.5</b>  | <b>38.6</b>  | <b>21.7</b>   | <b>35.1</b>   | <b>48.2</b>  | <b>64.0</b>   | <b>65.0</b> |
| <b>Extraordinary income</b> | <b>0.1</b>   | <b>0.1</b>   | <b>7.3</b>  | <b>7.1</b>  | <b>1.9</b>   |               |             |
|                             |              |              |   | <ul style="list-style-type: none"> <li>• Transfer of Hands business, etc.</li> </ul>  | <ul style="list-style-type: none"> <li>• Transfer of Golf courses, ski resort, Hokuwa Corporation, etc.</li> </ul>   |               |             |
| <b>Extraordinary losses</b> | <b>(9.6)</b> | <b>(4.6)</b> | <b>(12.0)</b>   | <b>(24.0)</b>   | <b>(31.3)</b>  |               |             |
|                             |              |              | <ul style="list-style-type: none"> <li>• Due to Covid-19, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Due to Golf courses businesses</li> <li>• Due to Fitness businesses, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Decision to transfer Tokyu Plaza Ginza</li> <li>• Due to Ski businesses</li> <li>• Fitness</li> <li>• Capital alliance, etc.</li> </ul> |               |             |

# **Summary of the FY2023 Second Quarter (First Six Months) Ended September 30, 2023, and Earnings Forecasts**

## FY2023 Major business environment

Progress in Condominiums, Hotels, Real estate agents businesses, and asset sales exceeded expectations at the time the mid-term management plan was formulated.

| Topics                                    | Contents  |
|---|---|
| Offices                                   | No major fluctuations in both vacancy rates and rents, and the occurrence of strong and weak trends in each area continues.<br>Our vacancy rate remains low, and the supply-demand balance is expected to remain tight for the time being.              |
| Commercial facilities                     | Facilities in suburban areas recovered to pre-Covid-19 levels, and facilities in urban areas are also on a gradual recovery trend.<br>Continue to monitor the situation closely for the impact of soaring electricity rates and tenant labor shortages. |
| Condominiums                              | Continued customer appetite for acquisitions against a backdrop of low interest rates. Mortgage rates require close monitoring, but the impact on variable interest rates, which account for the majority of mortgages, is not apparent.                |
| Renewable energy facilities               | Market continues to expand in response to the decarbonization trend, while competition for acquisition intensifies.<br>Electricity New demand is emerging for PPA models, etc., as power prices soar.   |
| Hotels                                    | RevPAR at Tokyu Stay exceeds pre-Covid-19 levels due to a recovery in domestic and inbound demand.<br>Assume further recovery in inbound demand, etc. in FY2023   |
| Real estate agents and transaction market | Market remains active regardless of asset type.<br>Despite concerns about rising interest rates, favorable market conditions are expected to continue for the time being.   |

# FY2023 Q2 (First six months) Operating Results, major index

Both revenues and profit increased YoY

| (¥ billion)   | FY2022<br>Q2   | FY2023<br>Q2   | Comparison   | FY2022         | FY2023<br>Forecast** | Progress     | note  |
|---|----------------|----------------|--------------|----------------|----------------------|--------------|---|
| <b>Operating Revenue</b>                                    | <b>445.0</b>   | <b>490.7</b>   | <b>45.7</b>  | <b>1,005.8</b> | <b>1,120.0</b>       | <b>43.8%</b> |   |
| <b>Operating profit</b>                                     | <b>45.9</b>    | <b>58.0</b>    | <b>12.2</b>  | <b>110.4</b>   | <b>115.0</b>         | <b>50.5%</b> | □ Extraordinary income <FY2022>   |
| Non-operating income  | 1.1            | 2.1            | 1.0          | 2.6            | —                    | —            | Gain on sale of shares of subsidiaries and associates ¥1.5 billion, and other |
| Non-operating expenses                                      | 6.2            | 6.6            | 0.4          | 13.5           | —                    | —            |   |
| <b>Ordinary profit</b>                                      | <b>40.8</b>    | <b>53.5</b>    | <b>12.7</b>  | <b>99.6</b>    | <b>104.5</b>         | <b>51.2%</b> |   |
| Extraordinary income  | 0.4            | —              | (0.4)        | 1.9            | —                    | —            | □ Extraordinary losses <FY2022>   |
| Extraordinary losses  | —              | —              | —            | 31.3           | —                    | —            | Impairment loss ¥31.1billion, and other                                       |
| Income before income taxes and minority interests           | 41.1           | 53.5           | 12.4         | 70.2           | —                    | —            |   |
| <b>Profit attributable to owners of parent</b>              | <b>26.9</b>    | <b>38.3</b>    | <b>11.4</b>  | <b>48.2</b>    | <b>64.0</b>          | <b>59.9%</b> |   |
| Total assets  | 2,698.0        | 2,986.5        | 288.5        | 2,738.5        | —                    | —            |   |
| <b>ROA</b>  | —              | —              | —            | <b>4.1%</b>    | <b>4.1%</b>          | —            | □ ROA of Asset-utilizing business ****  |
| <b>Interest-bearing Debt</b>                                | <b>1,473.1</b> | <b>1,672.4</b> | <b>199.4</b> | <b>1,482.9</b> | <b>1,650.0</b>       | —            | FY2022 : 3.5% FY2023 forecast : 3.0%  |
| Equity  | 684.3          | 735.4          | 51.1         | 684.6          | —                    | —            |   |
| Equity ratio  | 25.4%          | 24.6%          | (0.7)P       | 25.0%          | —                    | —            | □ Operating profit ratio of Human ****  |
| <b>Operating profit ratio</b>                               | <b>10.3%</b>   | <b>11.8%</b>   | <b>1.5P</b>  | <b>11.0%</b>   | <b>10.3%</b>         | —            | capital-utilizing business  |
| <b>ROE</b>  | —              | —              | —            | <b>7.3%</b>    | <b>8.9%</b>          | —            | FY2022 : 7.7% FY2023 forecast : 8.8%  |
| Earnings per share (Yen)                                    | —              | —              | —            | 67.21          | 90.10                | —            |   |
| <b>D/E ratio</b>  | <b>2.2</b>     | <b>2.3</b>     | <b>0.1</b>   | <b>2.2</b>     | <b>2.2</b>           | —            |   |
| <b>[D/E ratio in consideration of hybrid financing] ***</b> | <b>1.9</b>     | <b>2.0</b>     | <b>0.1</b>   | <b>2.0</b>     | <b>1.9</b>           | —            |   |
| EBITDA  | —              | —              | —            | 160.2          | 165.7                | —            |   |
| EBITDA multiple   | —              | —              | —            | 9.3            | 10.0                 | —            |   |
| Dividends per share   | ¥ 9.0          | ¥ 14.0         | ¥ 5.0        | ¥ 23.5         | ¥ 28.0               | —            |   |
| <b>Dividend payout ratio</b>                                | —              | —              | —            | <b>35.0%</b>   | <b>31.1%</b>         | —            |   |

\* Figures in brackets show amounts posted, and figures with the mark + or figures in parentheses show increases or decreases. (common for all pages)

\*\* The figures are the revised forecast that we announced on November 7, 2023 (common for all pages)

\*\*\* Consideration of capitalization approval from Japan Credit Rating Agency for hybrid finance (common to all pages)

\*\*\*\* Asset-utilizing business: Urban Development and Strategic Investment businesses; Human capital-utilizing business: Property Management & Operation business and Real Estate Agents business

# FY2023 Q2 (First six months) Segment performance

Revenues and profit Increased YoY in All Segments; Steady Progress in Asset Sales

| (¥ billion)                     | FY2022<br>Q2 | FY2023<br>Q2 | Comparison  | FY2022         | FY2023<br>Forecast | Comparison   | note |
|---------------------------------|--------------|--------------|-------------|----------------|--------------------|--------------|------|
| <b>Operating revenue</b>        | <b>445.0</b> | <b>490.7</b> | <b>45.7</b> | <b>1,005.8</b> | <b>1,120.0</b>     | <b>43.8%</b> |      |
| Urban Development               | 135.7        | 142.3        | 6.6         | 346.1          | 380.6              | 37.4%        |      |
| Strategic Investment            | 33.8         | 53.0         | 19.2        | 78.8           | 104.4              | 50.8%        |      |
| Property Management & Operation | 152.0        | 163.8        | 11.9        | 337.1          | 369.2              | 44.4%        |      |
| Real Estate Agents              | 132.6        | 147.3        | 14.7        | 263.0          | 284.0              | 51.9%        |      |
| Elimination                     | (9.1)        | (15.7)       | (6.7)       | (19.1)         | (18.2)             | —            |      |
| <b>Operating profit</b>         | <b>45.9</b>  | <b>58.0</b>  | <b>12.2</b> | <b>110.4</b>   | <b>115.0</b>       | <b>50.5%</b> |      |
| Urban Development               | 20.4         | 23.4         | 2.9         | 58.6           | 52.8               | 44.3%        |      |
| Strategic Investment            | 8.6          | 9.5          | 0.9         | 15.2           | 13.9               | 68.2%        |      |
| Property Management & Operation | 1.8          | 7.9          | 6.0         | 12.3           | 21.5               | 36.7%        |      |
| Real Estate Agents              | 19.1         | 21.7         | 2.6         | 33.7           | 36.3               | 59.7%        |      |
| Elimination                     | (4.1)        | (4.4)        | (0.3)       | (9.4)          | (9.5)              | —            |      |

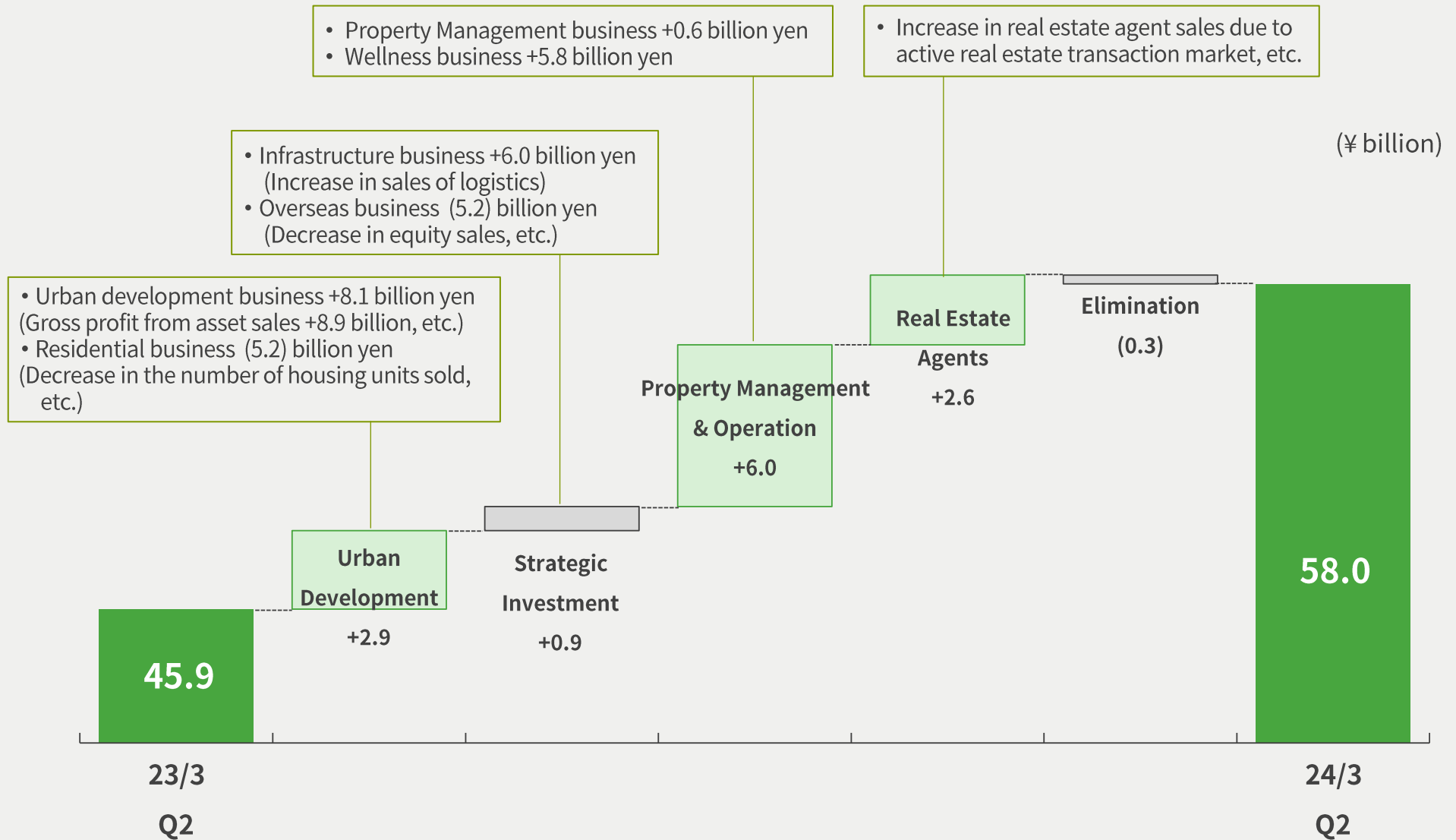
## 〈Gain on sales by asset〉

|                                 |                                    |              |             |              |              |              |       |
|---------------------------------|------------------------------------|--------------|-------------|--------------|--------------|--------------|-------|
| <b>Operating revenue</b>        | <b>37.2</b>                        | <b>104.8</b> | <b>67.6</b> | <b>176.7</b> | <b>242.2</b> | <b>43.3%</b> |       |
| Urban Development               | Office · Commercial facility, etc. | 3.3          | 35.7        | 32.4         | 98.2         | 84.3         | 42.3% |
|                                 | Houses for rent, land              | 21.8         | 37.4        | 15.6         | 44.3         | 90.1         | 41.5% |
| Strategic Investment            | Infrastructure & Industry          | 12.2         | 31.7        | 19.6         | 34.2         | 59.5         | 53.3% |
| Property Management & Operation | Wellness                           | —            | —           | —            | —            | 8.4          | —     |
| Real Estate Agents              | Other                              | —            | —           | —            | —            | —            | —     |
| <b>Operating gross profit</b>   | <b>7.4</b>                         | <b>26.4</b>  | <b>18.9</b> | <b>44.4</b>  | <b>53.2</b>  | <b>49.6%</b> |       |
| Urban Development               | Office · Commercial facility, etc. | 0.3          | 9.1         | 8.9          | 28.4         | 18.4         | 49.8% |
|                                 | Houses for rent, land              | 3.9          | 7.1         | 3.1          | 5.4          | 15.2         | 46.7% |
| Strategic Investment            | Infrastructure & Industry          | 3.2          | 10.2        | 6.9          | 10.6         | 16.6         | 61.2% |
| Property Management & Operation | Wellness                           | —            | —           | —            | —            | 3.1          | —     |
| Real Estate Agents              | Other                              | —            | —           | —            | —            | —            | —     |



# FY2023 Q2 (First six months) Analysis of segment performance

12.2 billion yen increase YoY, due to strong asset sales and brokerage sales, recovery in wellness business, etc.



# FY2023 Q2 (First six months) Summary of balance sheets

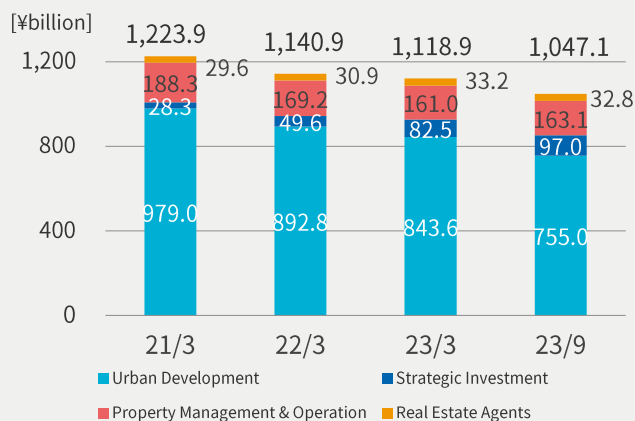
Increase in cash and deposits due to sales of non-current assets, etc

Interest-bearing debt increased as we procured finance in preparation for capital expenditure in the year ending March 2024.

| (¥ billion)  | FY2022<br>Mar-31, 2023 | FY2023<br>Sep-30, 2023 | Comparison    | (¥ billion)                    | FY2022<br>Mar-31, 2023 | FY2023<br>Sep-30, 2023 | Comparison   |
|--|------------------------|------------------------|---------------|--------------------------------|------------------------|------------------------|--------------|
| Cash and deposits                                      | 171.0                  | 428.9                  | 257.9         | <b>Interest-bearing Debt</b>   | <b>1,482.9</b>         | <b>1,672.4</b>         | <b>189.5</b> |
| <b>Real estate for sale*</b>                           | <b>792.3</b>           | <b>823.1</b>           | <b>30.7</b>   | Deposits                       | 261.0                  | 262.6                  | 1.7          |
| <b>Property and equipment,<br/>Intangible assets**</b> | <b>1,118.9</b>         | <b>1,047.1</b>         | <b>(71.8)</b> | Trade payables etc.            | 98.3                   | 92.7                   | (5.6)        |
| Goodwill   | 53.4                   | 50.9                   | (2.5)         | Other                          | 195.6                  | 204.6                  | 9.0          |
| <b>Other investments</b>                               | <b>424.5</b>           | <b>456.3</b>           | <b>31.8</b>   | <b>Total liabilities</b>       | <b>2,037.8</b>         | <b>2,232.3</b>         | <b>194.6</b> |
| Accounts receivable etc.                               | 68.1                   | 48.6                   | (19.5)        | <b>Equity</b>                  | <b>684.6</b>           | <b>735.4</b>           | <b>50.8</b>  |
| Other  | 110.2                  | 131.6                  | 21.4          | Non-controlling interests etc. | 16.1                   | 18.7                   | 2.7          |
| <b>Total assets</b>                                    | <b>2,738.5</b>         | <b>2,986.5</b>         | <b>248.0</b>  | <b>Total net assets</b>        | <b>700.7</b>           | <b>754.2</b>           | <b>53.5</b>  |

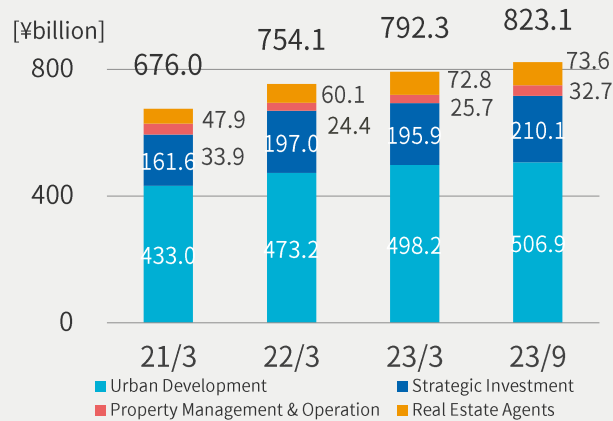
\* Total real estate for sale and real estate for sale in process \*\*Tangible and intangible assets subtracting goodwill

< Property and equipment, Intangible assets breakdown >



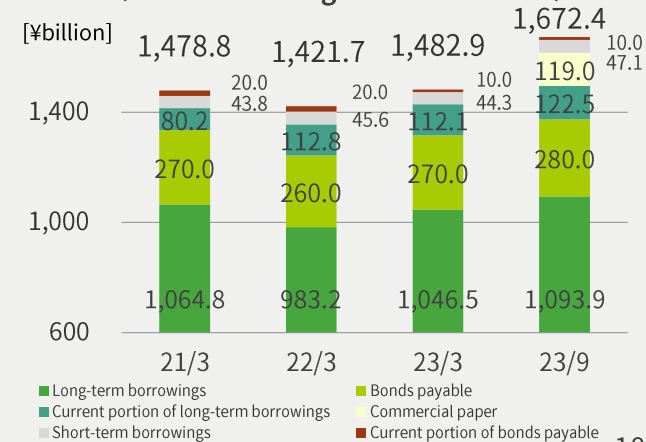
\* Before consolidated accounting treatment

< Real estate for sale breakdown >



\* Before consolidated accounting treatment

< Interest-bearing Debt breakdown >

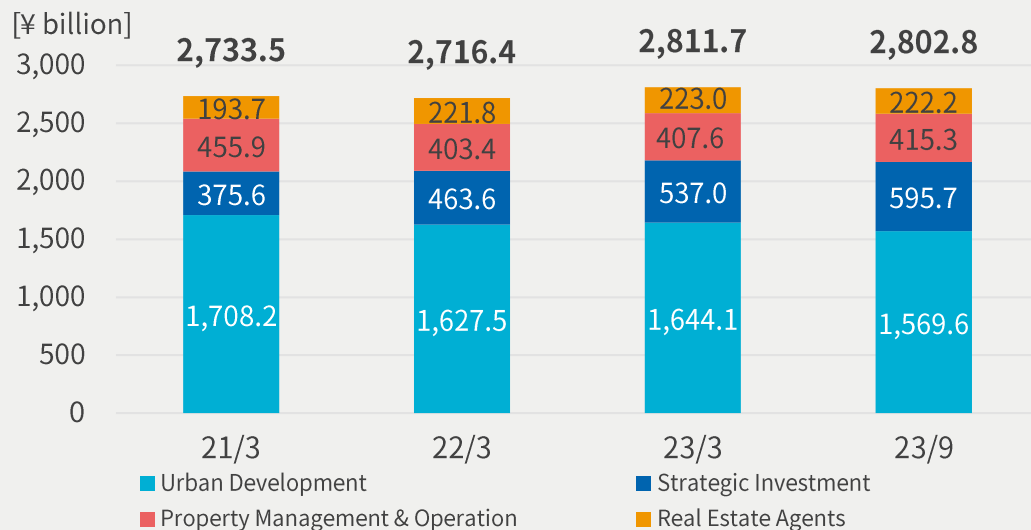


© TOKYU FUDOSAN HOLDINGS CORPORATION

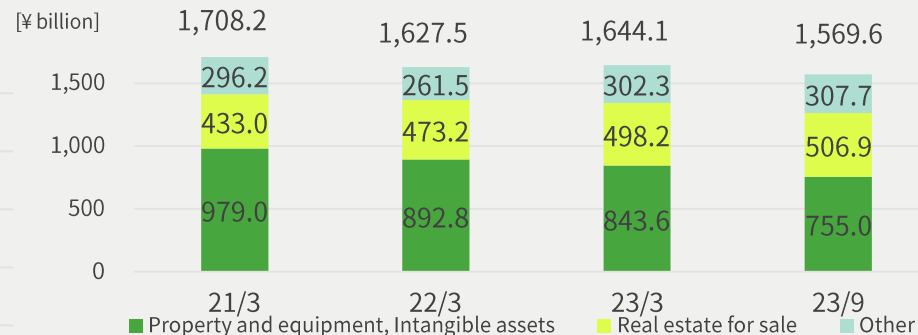
# Results for the First Six Months of FY2023: Asset Breakdown by Segment and ROA Trends

Progress in investments has led to an increase in land and buildings for sale in Urban development and Strategic investment businesses

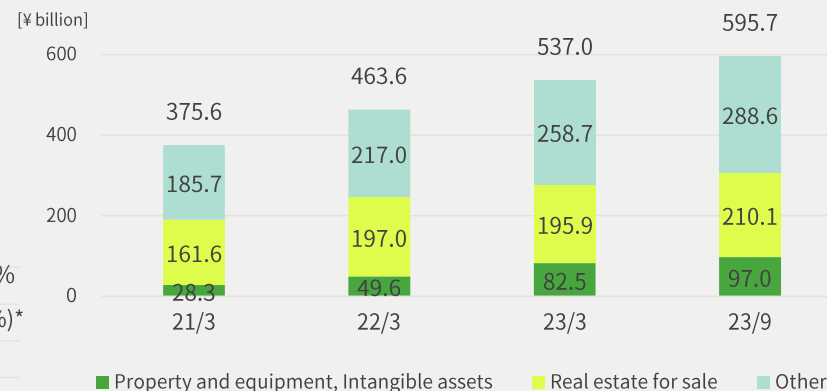
〈Asset breakdown by segment〉 \* Before adjustments



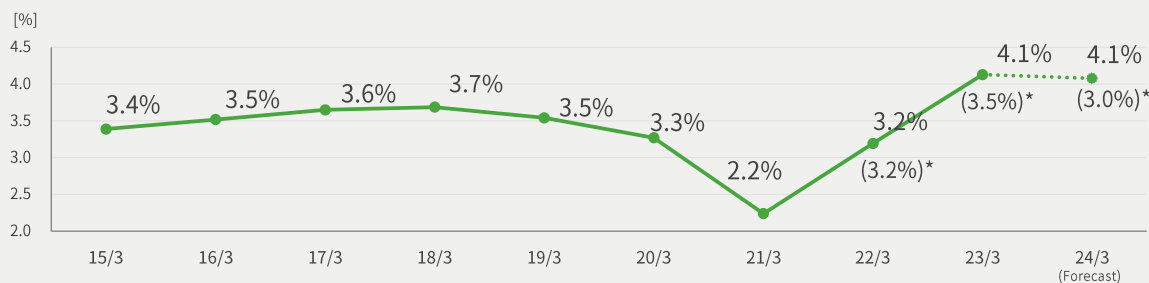
〈Breakdown of Urban Development segment〉



〈Breakdown of Strategic Investment segment〉



〈ROA Trends〉



\* Figures in parentheses are ROA of Asset-utilizing business (Urban Development / Strategic Investment segment)

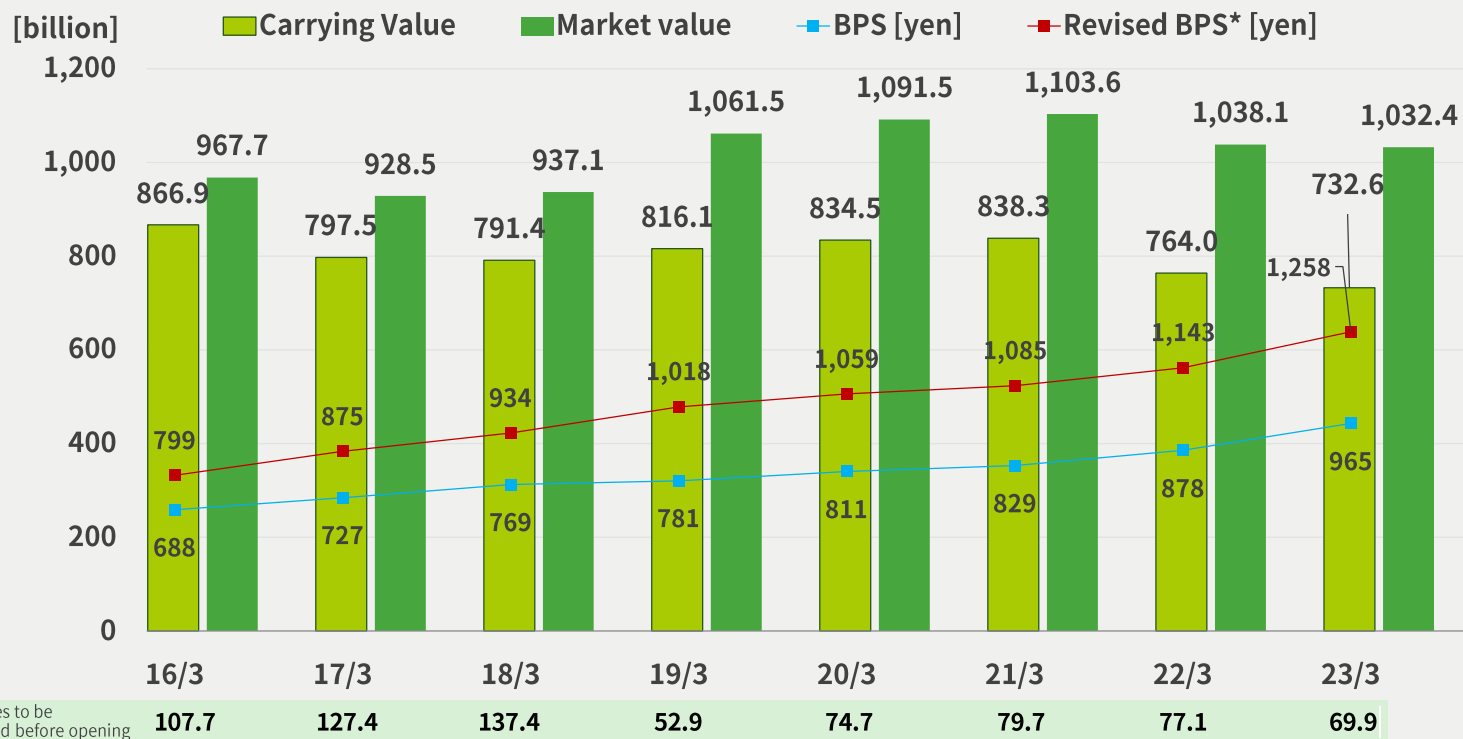
# Market value appraisal for leased properties

Unrealized profit of leased properties increased

| (¥ billion)                   | FY2021<br>Mar-2022 | FY2022<br>Mar-2023 | Comparison | Remarks   |
|-------------------------------|--------------------|--------------------|------------|---|
| Carrying Value                | 764.0              | 732.6              | (31.4)     | □ Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate".   |
| Market value                  | 1,038.1            | 1,032.4            | (5.7)      | □ The properties to be developed before opening* are in the early process of development and therefore their market value cannot be grasped (¥77.1 billion at the end of March 2022 and ¥69.9 billion at the end of March 2023)*. |
| Difference<br>(latent profit) | 274.1              | 299.8              | 25.7       | □ NOI yield on operating properties at normal times : approx.5%   |

\* Shibuya Sakura Stage, and others.

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



\*BPS added to unrealized gains per share (after adjustment for tax)

## Summary of Cash flow and Investment plan

Capital investment will be made mainly in Shibuya Sakura Stage and renewable energy facilities, and in rental housing and logistics facilities for sale.

| (¥ billion)  | FY2022<br>Q2 | FY2023<br>Q2 | Main factors for changes  |
|--|--------------|--------------|---|
| Net cash provided by (used in) operating activities  | (9.4)        | 32.6         | +53.5 billion yen of profit before income taxes<br>+21.0 billion yen of depreciation<br>(33.4) billion yen for deposits received for consignment sales<br>(9.8) billion yen for consignment sales |
| Net cash provided by (used in) investment activities | (63.3)       | (55.9)       | (36.7) billion yen for purchase of noncurrent assets<br>(21.2) billion yen for purchase of securities and investment securities   |
| Net cash provided by (used in) financing activities  | 45.3         | 180.1        | +119.0 billion yen of commercial paper<br>+49.2 billion yen of long-term liabilities  |
| cash and cash equivalents at end of period           | 127.4        | 328.5        |   |

### Information: investment actuals and plans

| (¥ billion)  | FY2022** | FY2023 |             |
|--|----------|--------|-------------|
|  |          | Q2**   | Forecast ** |
| Capital Investment   | 79.8     | 34.4   | 280.0       |
| Real estate for sale<br>(domestic business excluding condominiums) | 145.8    | 77.7   | 230.0       |
| Land for sale (domestic condominiums)                              | 73.7     | 6.7    | 20.0        |
| Equity Investment<br>(domestic business)                           | 15.2     | 5.6    | 14.0        |
| Overseas Investment *  | 40.0     | 11.0   | 48.0        |

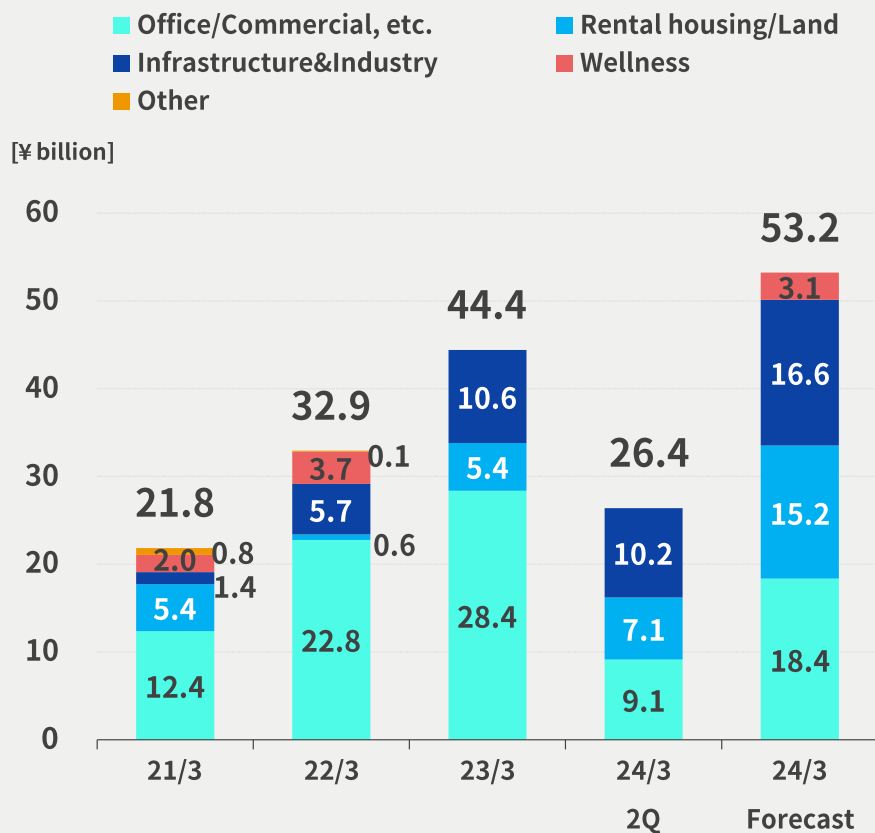
\* Contributions are included

\*\* Investments in the Greater Shibuya area included in the amount:  
6.2 billion yen invested in FY 2021,  
14.5 billion yen invested in FY 2022,  
192.3 billion yen planned in FY 2023

# Gross profit on sales and land and buildings for sale by assets

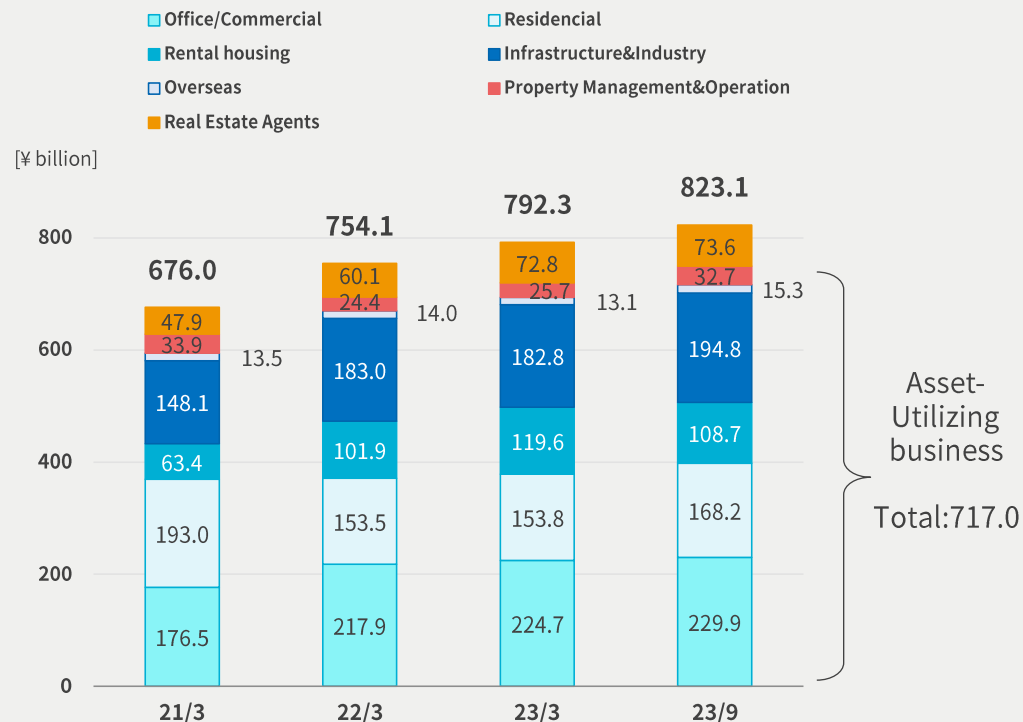
Promoting efficient asset turnover and profit generation against the backdrop of favorable trading market conditions. We'll actively sell off assets, including asset turnover.

## 〈Gross Profit from Asset Sales Trends〉



## 〈Land and Buildings for Sale by Asset〉

\* After adjustment for inter-company transactions



| Transfer from non-current assets to inventory |               |               |
|---|---------------|---------------|
| FYE Mar 2021                                  | FYE Mar 2022  | FYE Mar 2023  |
| ¥34.1 billion                                 | ¥54.8 billion | ¥55.6 billion |

## FY2023 Earnings Forecasts, major index

After we upgraded forecasts, ROE will increase to 8.9%.

| (¥ billion)   | FY2022         | FY2023 Forecast | Comparison    | FY2023 Forecast | Comparison    | note   |
|---|----------------|-----------------|---------------|-----------------|---------------|--|
| <b>Operating Revenue</b>                                | <b>1,005.8</b> | <b>1,120.0</b>  | <b>114.2</b>  | <b>1,120.0</b>  | <b>—</b>      |  |
| <b>Operating profit</b>                                 | <b>110.4</b>   | <b>115.0</b>    | <b>4.6</b>    | <b>112.0</b>    | <b>3.0</b>    |  |
| Non-operating income                                    | 2.6            | —               | —             | —               | —             |  |
| Non-operating expenses                                  | 13.5           | —               | —             | —               | —             |  |
| <b>Ordinary profit</b>                                  | <b>99.6</b>    | <b>104.5</b>    | <b>4.9</b>    | <b>100.5</b>    | <b>4.0</b>    |  |
| Extraordinary income                                    | 1.9            | —               | —             | —               | —             |  |
| Extraordinary losses                                    | 31.3           | —               | —             | —               | —             |  |
| Income before income taxes and minority interests       | 70.2           | —               | —             | —               | —             |  |
| <b>Profit attributable to owners of parent</b>          | <b>48.2</b>    | <b>64.0</b>     | <b>15.8</b>   | <b>62.0</b>     | <b>2.0</b>    |  |
| Total assets  | 2,738.5        | —               | —             | —               | —             |  |
| <b>ROA</b>  | <b>4.1%</b>    | <b>4.1%</b>     | <b>(0.1)P</b> | <b>4.0%</b>     | <b>0.1P</b>   | □ ROA of Asset-utilizing business *                            |
| <b>Interest-bearing Debt</b>                            | <b>1,482.9</b> | <b>1,650.0</b>  | <b>167.1</b>  | <b>1,650.0</b>  | <b>0.0</b>    | FY2022 : 3.5% FY2023 Forecast : 3.0%                           |
| Equity  | 684.6          | —               | —             | —               | —             |  |
| Equity ratio  | 25.0%          | —               | —             | —               | —             |  |
| <b>Operating profit ratio</b>                           | <b>11.0%</b>   | <b>10.3%</b>    | <b>(0.7)P</b> | <b>10.0%</b>    | <b>0.3P</b>   | □ Operating profit ratio of Human capital-utilizing business * |
| <b>ROE</b>  | <b>7.3%</b>    | <b>8.9%</b>     | <b>1.6P</b>   | <b>8.8%</b>     | <b>0.2P</b>   | FY2022 : 7.7% FY2023 Forecast : 8.8%                           |
| Earnings per share (Yen)                                | 67.21          | 90.10           | 22.88         | 87.37           | 2.73          |  |
| <b>D/E ratio</b>  | <b>2.2</b>     | <b>2.2</b>      | <b>0.0</b>    | <b>2.3</b>      | <b>(0.1)</b>  |  |
| <b>[D/E ratio in consideration of hybrid financing]</b> | <b>2.0</b>     | <b>1.9</b>      | <b>(0.0)</b>  | <b>2.0</b>      | <b>(0.0)</b>  |  |
| EBITDA  | 160.2          | 165.7           | 5.5           | 162.7           | 3.0           |  |
| EBITDA multiple   | 9.3            | 10.0            | 0.7           | 10.1            | (0.2)         |  |
| Dividends per share                                     | ¥ 23.5         | ¥ 28.0          | ¥ 4.5         | ¥ 28.0          | ¥ 0.0         |  |
| Dividend payout ratio                                   | <b>35.0%</b>   | <b>31.1%</b>    | <b>(3.9)P</b> | <b>32.0%</b>    | <b>(1.0)P</b> |  |

\* Asset-utilizing business: Urban Development/ Strategic Investment, Human capital-utilizing business: Property Management & Operation/ Real Estate Agents

## FY2023 Segment performance Forecast

With brisk buyer demand in the real-estate market, our asset sales reached 60% of the gross profit target for the year ending March 2024.

| (¥ billion)                     | FY2022                            | FY2023<br>Forecast | Comparison   | FY2023<br>Initial forecast | Comparison<br>(Initial<br>forecast) | note   |
|---------------------------------|-----------------------------------|--------------------|--------------|----------------------------|-------------------------------------|--------|
| <b>Operating revenue</b>        | <b>1,005.8</b>                    | <b>1,120.0</b>     | <b>114.2</b> | <b>1,120.0</b>             | <b>—</b>                            |        |
| Urban Development               | 346.1                             | 380.6              | 34.5         | 384.0                      | (3.4)                               |        |
| Strategic Investment            | 78.8                              | 104.4              | 25.6         | 107.0                      | (2.6)                               |        |
| Property Management & Operation | 337.1                             | 369.2              | 32.1         | 371.0                      | (1.8)                               |        |
| Real Estate Agents              | 263.0                             | 284.0              | 21.0         | 278.0                      | 6.0                                 |        |
| Elimination                     | (19.1)                            | (18.2)             | 0.9          | (20.0)                     | 1.8                                 |        |
| <b>Operating profit</b>         | <b>110.4</b>                      | <b>115.0</b>       | <b>4.6</b>   | <b>112.0</b>               | <b>3.0</b>                          |        |
| Urban Development               | 58.6                              | 52.8               | (5.8)        | 52.7                       | 0.1                                 |        |
| Strategic Investment            | 15.2                              | 13.9               | (1.3)        | 16.5                       | (2.6)                               |        |
| Property Management & Operation | 12.3                              | 21.5               | 9.2          | 17.2                       | 4.3                                 |        |
| Real Estate Agents              | 33.7                              | 36.3               | 2.6          | 34.9                       | 1.4                                 |        |
| Elimination                     | (9.4)                             | (9.5)              | (0.1)        | (9.3)                      | (0.2)                               |        |
| <b>Asset Sales</b>              |                                   |                    |              |                            |                                     |        |
| <b>Operating revenue</b>        | <b>176.7</b>                      | <b>242.2</b>       | <b>65.5</b>  | <b>256.5</b>               | <b>(14.2)</b>                       |        |
| Urban Development               | Office, Commercial facility, etc. | 98.2               | 84.3         | (14.0)                     | 100.9                               | (16.7) |
|                                 | Rental housing, land              | 44.3               | 90.1         | 45.8                       | 84.4                                | 5.8    |
| Strategic Investment            | Infrastructure & Industry         | 34.2               | 59.5         | 25.3                       | 60.0                                | (0.5)  |
| Property Management & Operation | Wellness                          | —                  | 8.4          | 8.4                        | 11.2                                | (2.8)  |
| Real Estate Agents              | Other                             | —                  | —            | —                          | —                                   | —      |
| <b>Operating gross profit</b>   | <b>44.4</b>                       | <b>53.2</b>        | <b>8.8</b>   | <b>51.0</b>                | <b>2.2</b>                          |        |
| Urban Development               | Office, Commercial facility, etc. | 28.4               | 18.4         | (10.0)                     | 21.9                                | (3.6)  |
|                                 | Rental housing, land              | 5.4                | 15.2         | 9.7                        | 11.8                                | 3.4    |
| Strategic Investment            | Infrastructure & Industry         | 10.6               | 16.6         | 6.0                        | 14.7                                | 1.9    |
| Property Management & Operation | Wellness                          | —                  | 3.1          | 3.1                        | 2.6                                 | 0.5    |
| Real Estate Agents              | Other                             | —                  | —            | —                          | —                                   | —      |

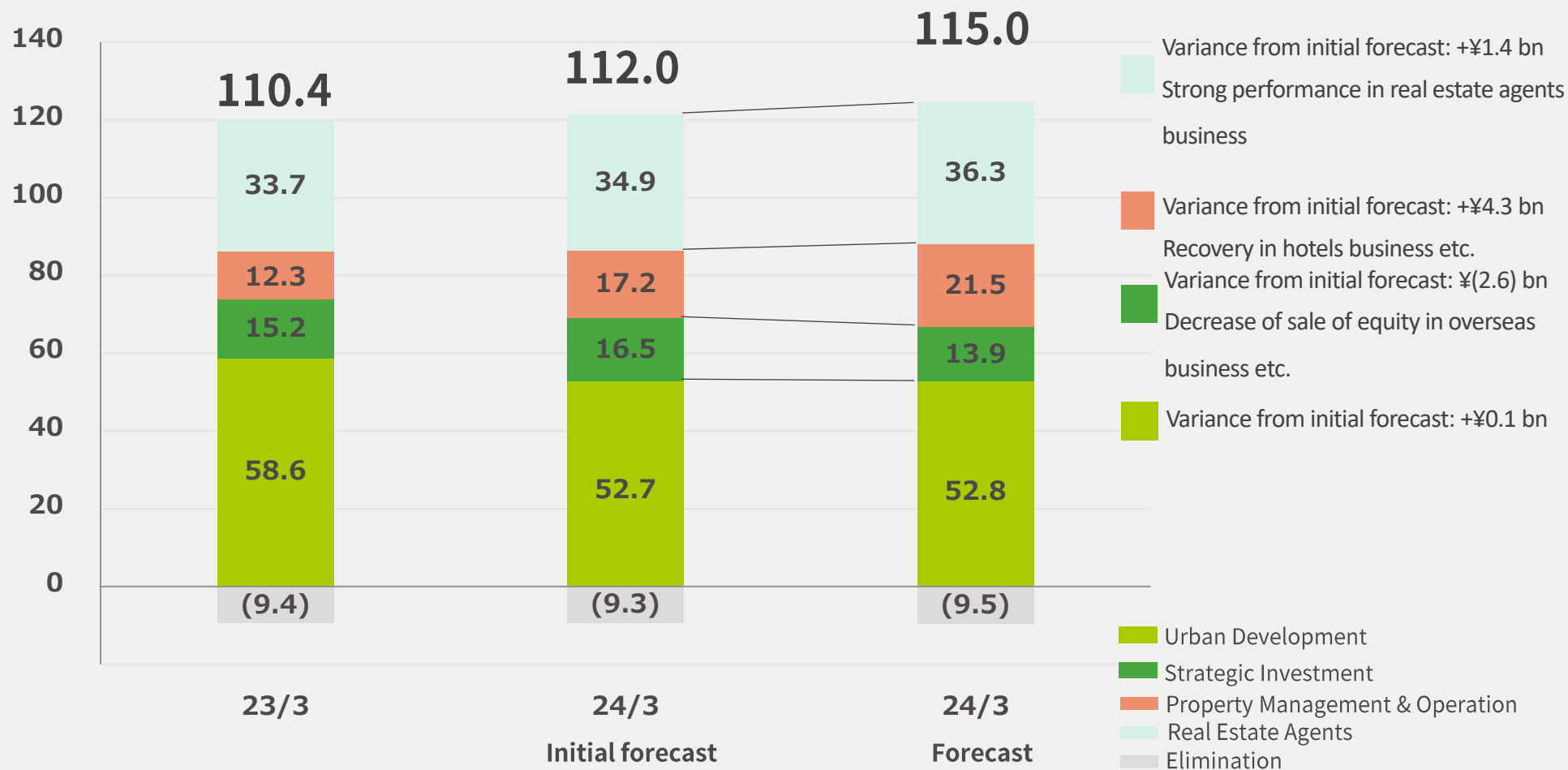


# New Forecasts for FY 2023

We upgraded the forecasts in view of the recovery in hotels and brisk business in Real Estate Agents segment (the segment benefitted from strong buyer demand in real-estate market).

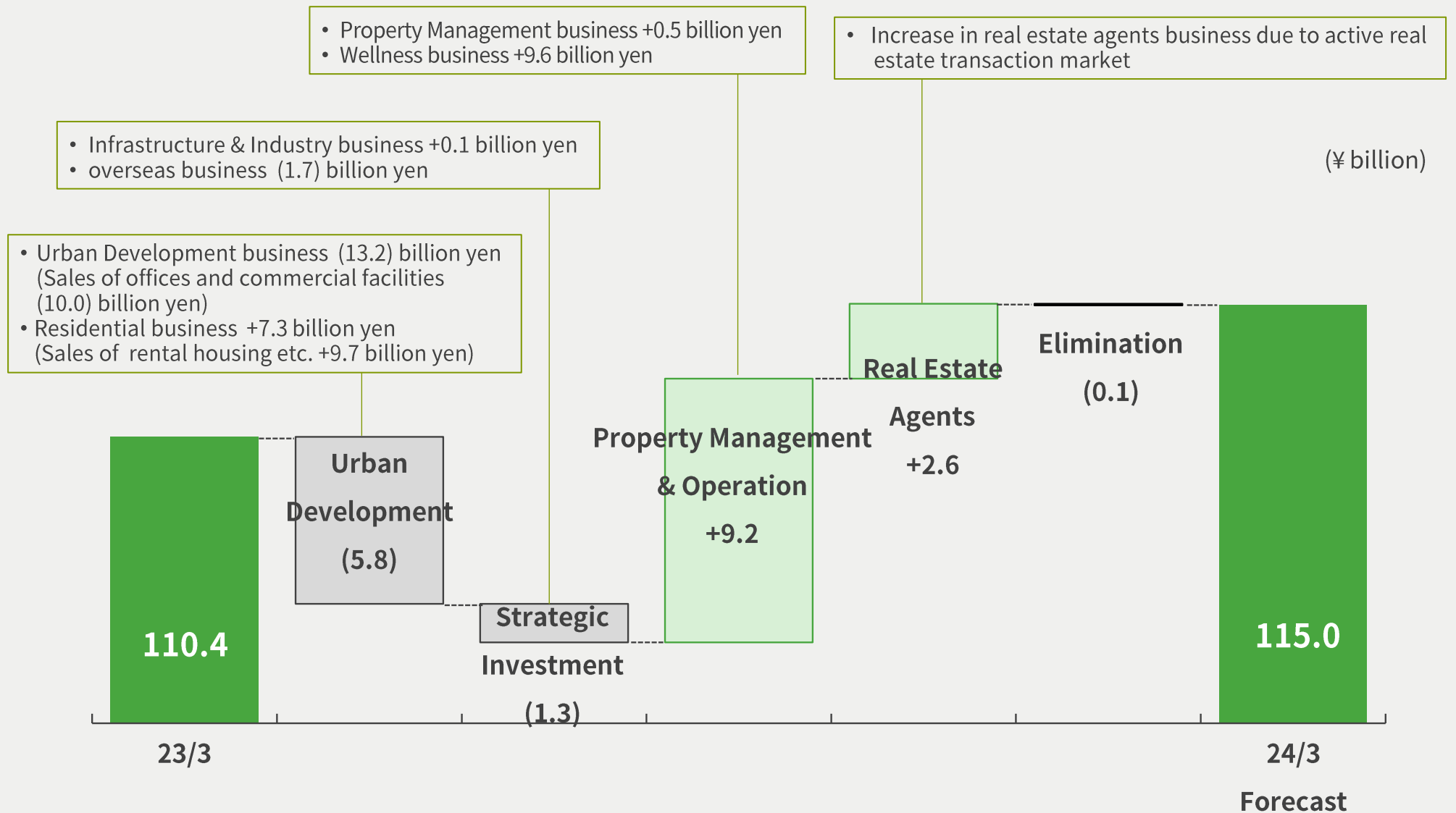
## 〈Operating profit trends〉

(¥ billion)



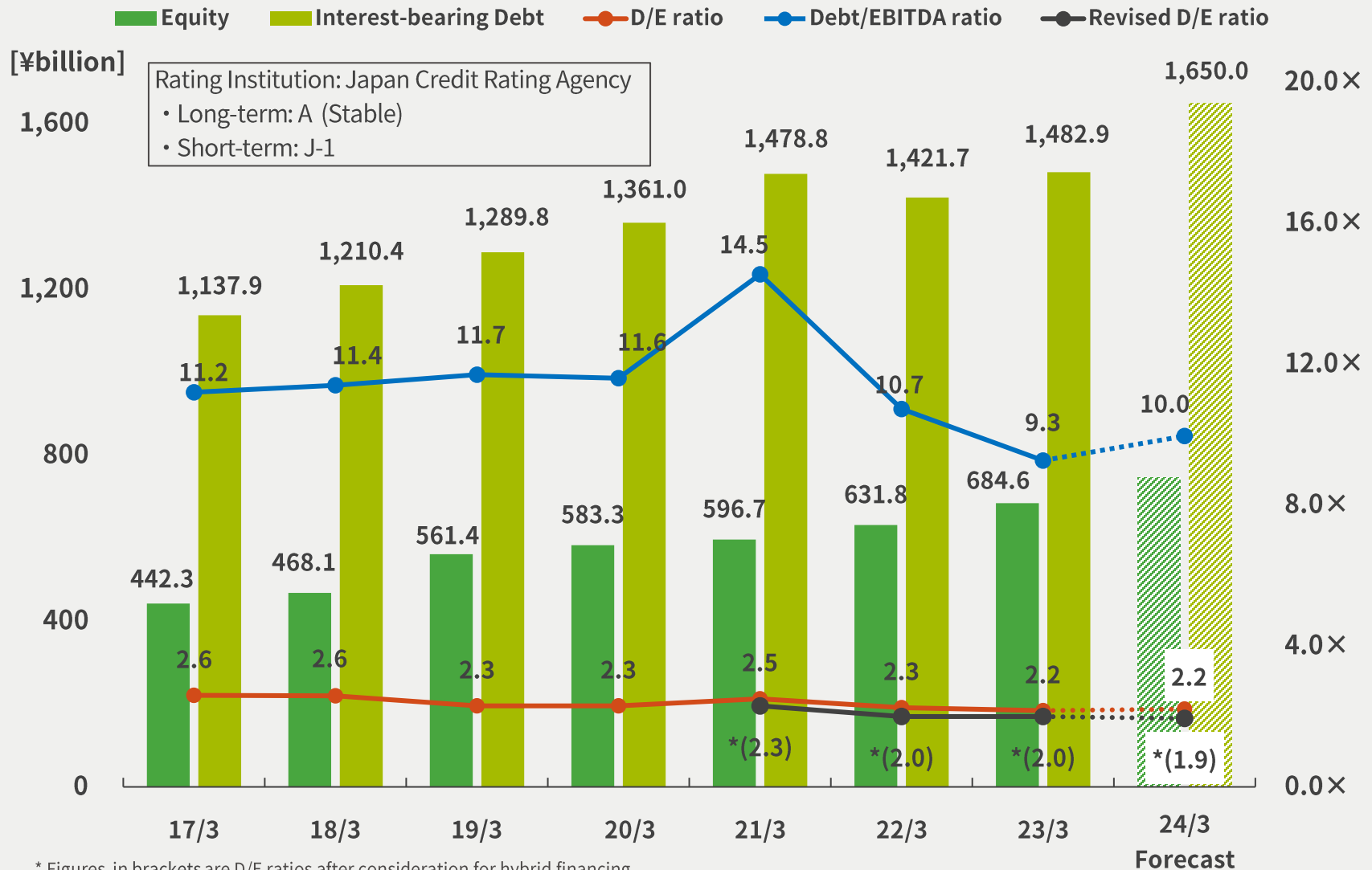
# FY2023 Earnings forecasts and analysis of segment performance

Plan to increase profit by 4.6 billion yen YoY due to increase in Real estate agents business and recovery in Wellness business, etc.



# Financial Condition

Long-term ratio of interest-bearing debt at the end of FY2022 was 95.9%, and the fixed ratio was 95.3%. Interest-bearing debt at the end of FY2023 is planned to be ¥1,650.0 billion due to the promotion of large-scale projects, etc.



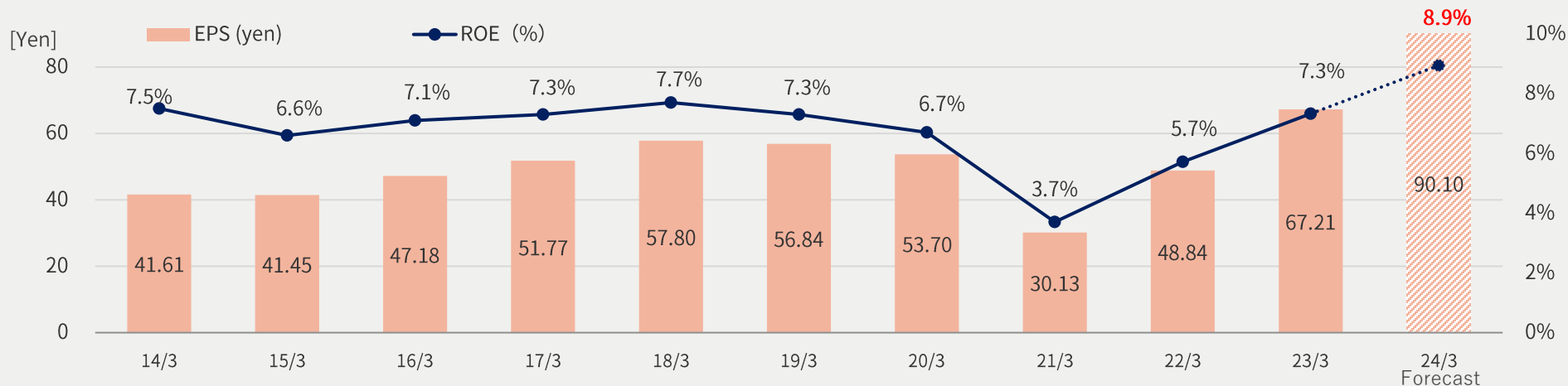
\* Figures in brackets are D/E ratios after consideration for hybrid financing

\*\*Long-term and fixed ratios are on a consolidated basis (excluding SPCs)

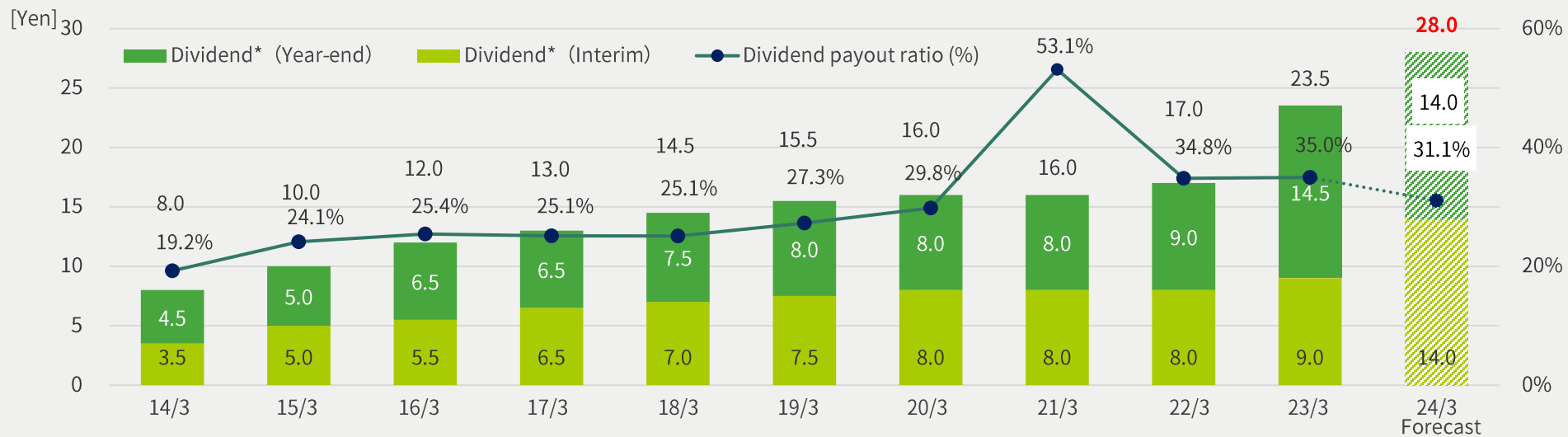
# Shareholder Return

ROE of 8.9% and annual dividend of ¥28.0 per share (up ¥4.5 from the previous fiscal year) are planned for FY2023.  
 Shareholder return policy: Payout ratio of 30% or more and maintain stable dividends

## 〈EPS and ROE Trends〉



## 〈Dividends, the dividend payout ratio Trends〉

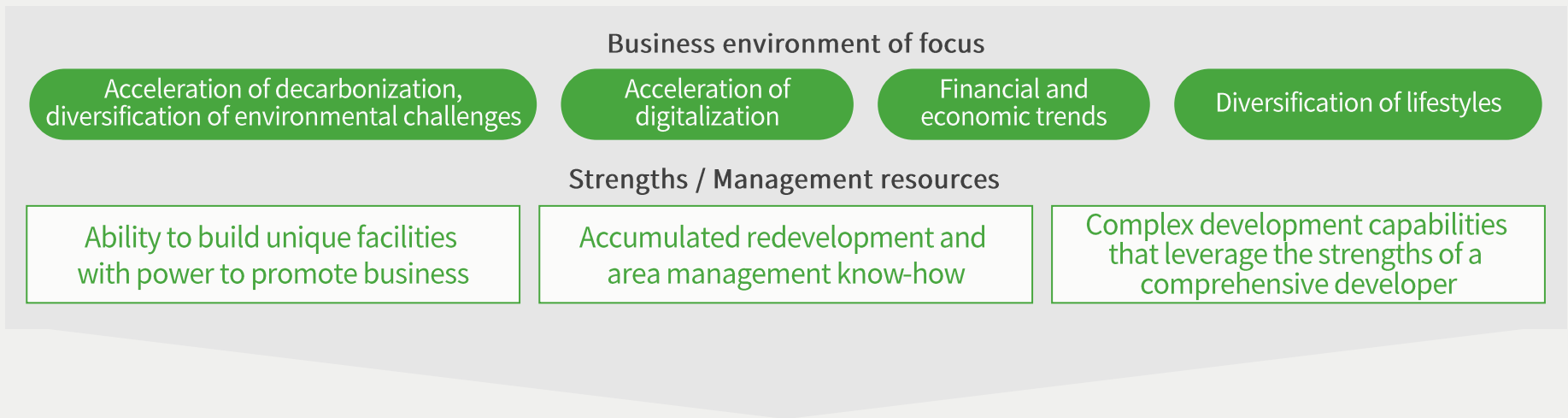
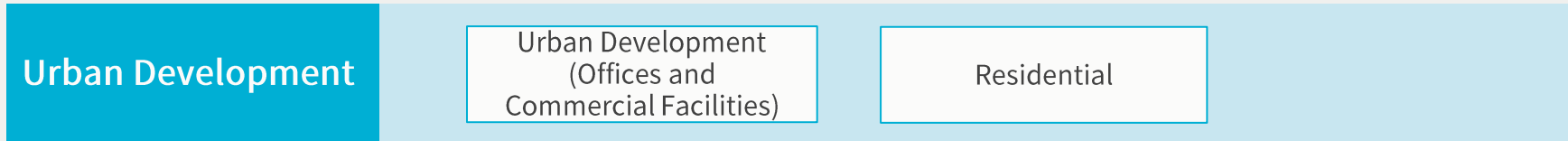


\* Interim dividend for the fiscal year ended March 2014 is paid by Tokyu Land Corporation

# Segment Overview

# | Urban Development (Asset-utilizing business) |

This segment creates attractive urban living environments.



## Business strategy



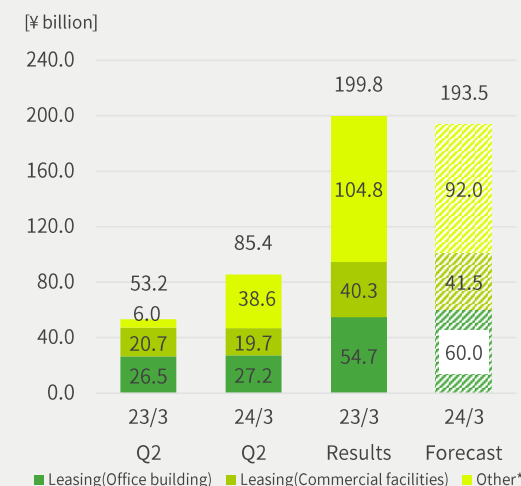
# Urban Development ① FY2023 Q2 (First Six Months)

Result in period under review: YoY growth in revenues and profit

Annual outlook: Performance will fluctuate with asset sales fluctuating, but leasing and residential sales will remain strong.

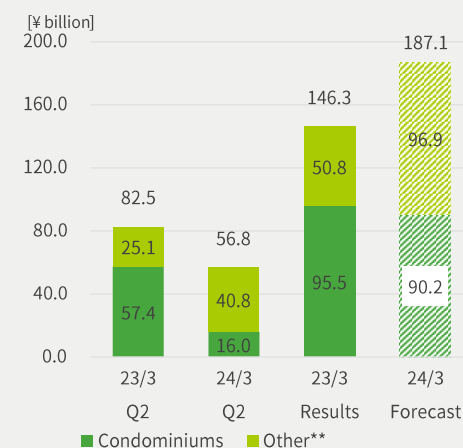
| (¥ billion)              | FY2022<br>Q2 | FY2023<br>Q2 | Comparison | note   |
|--------------------------|--------------|--------------|------------|--|
| <b>Operating revenue</b> | <b>135.7</b> | <b>142.3</b> | <b>6.6</b> |  |
| Urban Development        | 53.2         | 85.4         | 32.2       | Newly operated +2.2, Lost revenue for properties sold (3.4), Existing facilities +0.9, Sales of assets +32.4 |
| (the sale)               | 3.3          | 35.7         | 32.4       |  |
| Residential              | 82.5         | 56.8         | (25.7)     | No. of units sold (550)units[246units]<br>Sales of assets +15.6  |
| (the sale)               | 21.8         | 37.4         | 15.6       |  |
| <b>Operating profit</b>  | <b>20.4</b>  | <b>23.4</b>  | <b>2.9</b> |  |
| Urban Development*       | 10.7         | 18.8         | 8.1        | Sales of assets +8.9, Newly operated +1.5, Lost profit for properties sold (1.3)                             |
| (the sale)               | 0.3          | 9.1          | 8.9        |  |
| Residential*             | 9.7          | 4.5          | (5.2)      | Decrease in the number of units recorded<br>Sales of assets +3.1   |
| (the sale)               | 3.9          | 7.1          | 3.1        |  |

## <Breakdown of revenues in Urban Development>



| (¥ billion)              | FY2022       | FY2023<br>Forecast | Comparison   | note  | Initial<br>Forecast | Comparison   |
|--------------------------|--------------|--------------------|--------------|---|---------------------|--------------|
| <b>Operating revenue</b> | <b>346.1</b> | <b>380.6</b>       | <b>34.5</b>  |   | <b>384.0</b>        | <b>(3.4)</b> |
| Urban Development        | 199.8        | 193.5              | (6.3)        | Newly operated +6.6, Lost revenue for properties sold (1.9), Existing facilities +1.8, Sales of assets (14.0) | 209.4               | (15.9)       |
| (the sale)               | 98.2         | 84.3               | (14.0)       |   | 100.9               | (16.7)       |
| Residential              | 146.3        | 187.1              | 40.8         | No. of units sold (98)[1,271] units<br>Sales of assets +45.8  | 174.6               | 12.5         |
| (the sale)               | 44.3         | 90.1               | 45.8         |   | 84.4                | 5.8          |
| <b>Operating profit</b>  | <b>58.6</b>  | <b>52.8</b>        | <b>(5.8)</b> |   | <b>52.7</b>         | <b>0.1</b>   |
| Urban Development*       | 47.3         | 34.1               | (13.2)       | Lost profit for properties sold (10.0), Sales of assets (0.7)   | 37.9                | (3.8)        |
| (the sale)               | 28.4         | 18.4               | (10.0)       |   | 21.9                | (3.6)        |
| Residential*             | 11.4         | 18.7               | 7.3          | Decrease in the number of units recorded<br>Sales of assets +9.7  | 14.8                | 3.9          |
| (the sale)               | 5.4          | 15.2               | 9.7          |   | 11.8                | 3.4          |

## <Breakdown of revenues in Residential business>

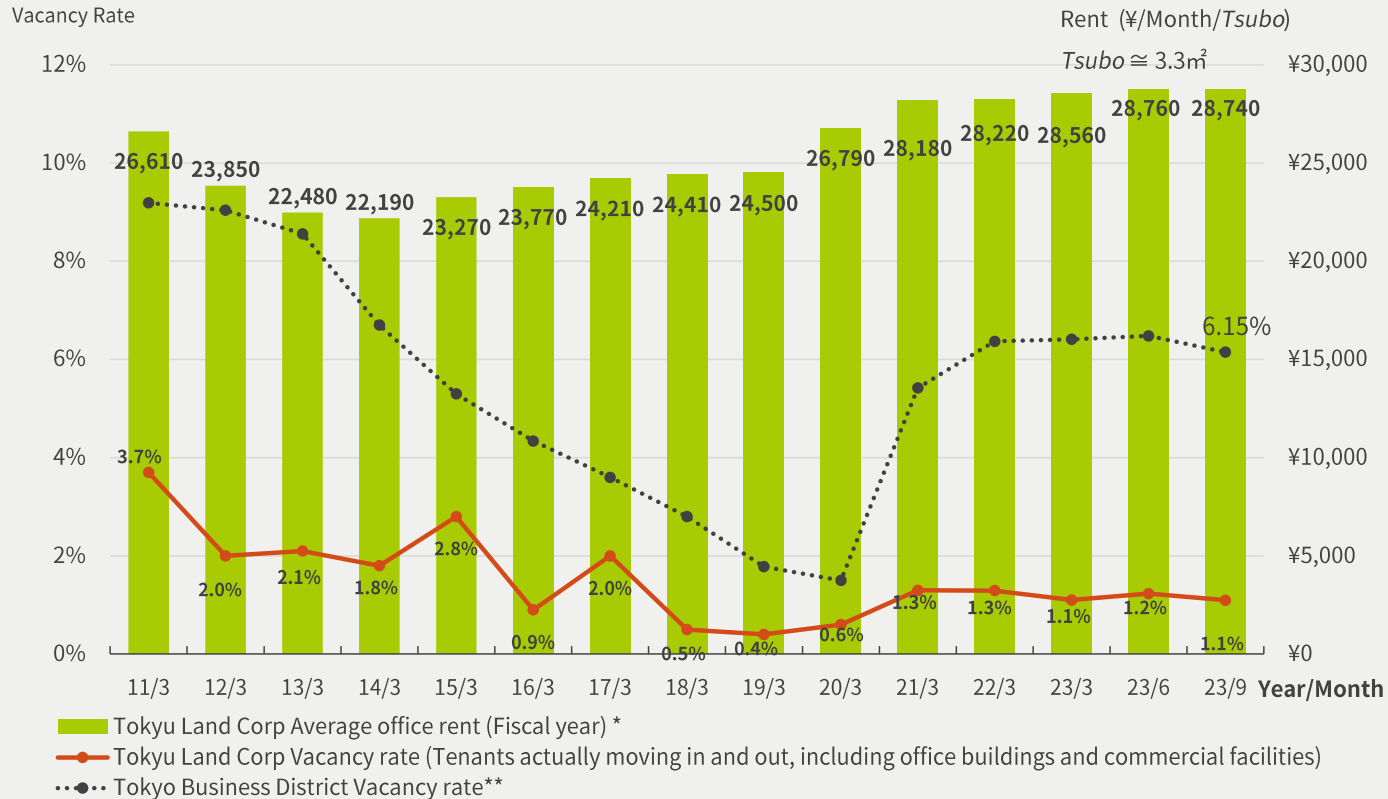


\* Operating profit stated above is a reference value before consolidated accounting treatment.

# Urban Development ② Vacancy Rate and Rent trends and Portfolio Characteristics

As of September 30, 2023, vacancy rate remains low at 1.1 % (office buildings and commercial facilities), and average office rent at 28,740 yen (month/tsubo)

## <Vacancy Rate and Rent trends>

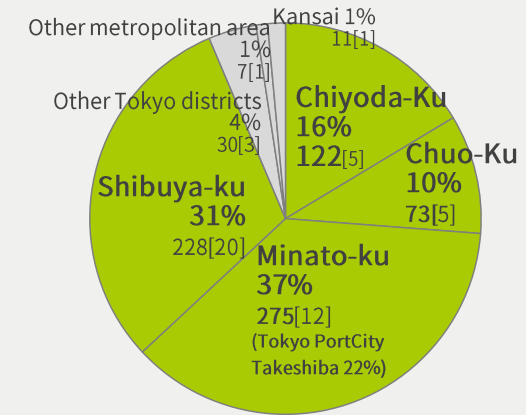


\* The average office rents of Tokyu Land Corporation presented include common area service expenses.

\*\* Tokyo Business District Vacancy rate ...Date Source : Miki Shoji Co., Ltd

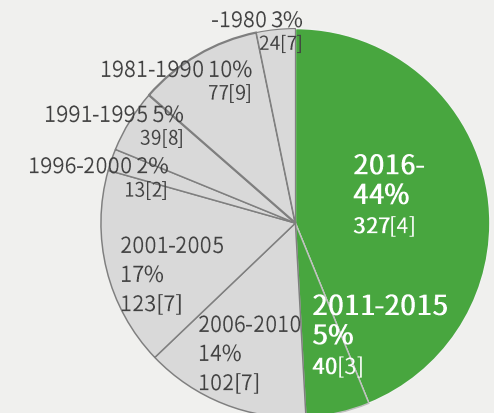
## <Office Area>

Metropolitan 4 districts  
698 thousandm<sup>2</sup> (94%)  
42 buildings



## <Office Completed Year>

After 2011  
367 thousand m<sup>2</sup> (49%)  
7 buildings





# Urban Development ③ Major projects (Offices/Commercial facilities, etc.)



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



**KUDAN-KAIKAN TERRACE**  
Chiyoda-ku  
Office/Commercial  
Floor space: 68  
Opened in October 2022



**COCONO SUSUKINO**  
(Sapporo Susukino Ekimae  
Complex Redevelopment Project)  
Sapporo, Hokkaido  
Hotel/Commercial/Cinema, etc.  
Floor space: 53  
Scheduled to open in November in 2023



**Higashi Gotanda 2-chome  
Redevelopment Plan**  
Shinagawa-ku  
Office/Commercial/ Housing, etc.  
Total floor space: 112  
Scheduled for completion in FY2027

## [Other projects]



**Chayamachi B-2/B-3 Blocks  
Redevelopment Project**  
Osaka  
Commercial/office/accommod  
ation etc. Total floor space: 31  
Scheduled for completion in  
FY2029

**Project for Using Land at Tokyo  
Institute of Technology's  
Tamachi Campus (tentative  
name)**  
Minato-ku  
Office/Commercial/Industry-  
academia-government  
collaboration, etc.  
Total floor space: 250  
Operatorship scheduled to start as  
a complex in 2030

**Shinjuku West Gate  
Redevelopment Plan**  
Shinjuku-ku  
Office/Commercial/  
Station Facilities, etc  
Total floor space: 282  
Scheduled for completion in FY2029

(Scheduled to open)

FY2022 or Before

FY2023

FY2024

FY2025 or Later



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



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



**Forestgate Daikanyama  
(Daikanyamacho Project)**  
Shibuya-ku  
Housing/Commercial/Office  
Floor space: 21  
Opened in October 2023



**Shibuya Sakura Stage  
(Shibuya Sakuragaoka Block  
Redevelopment Plan)**  
Shibuya-ku  
Office/Commercial/Housing  
Floor space: 255  
Scheduled for completion by end of  
November 2023



**Tokyu Plaza Harajuku "Harakado"  
(Jingumae 6-chome Block  
Redevelopment Project)**  
Shibuya-ku  
Commercial/Public facilities  
Floor space: 20  
Scheduled to open in Spring 2024

Floor space: thousand ㎡

Projects in  
the Greater Shibuya area

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

# Urban Development ④ Major projects (the Greater Shibuya area)

After the completion of Shibuya Sakura Stage, several projects remain underway in the Greater Shibuya area, including Next Shibuya Sakuragaoka and Jinnan 1-chome.



**Tokyu Plaza Harajuku "Harakado"**  
(Jingumae 6-chome Block  
Redevelopment Project)  
Scheduled to open in Spring 2024

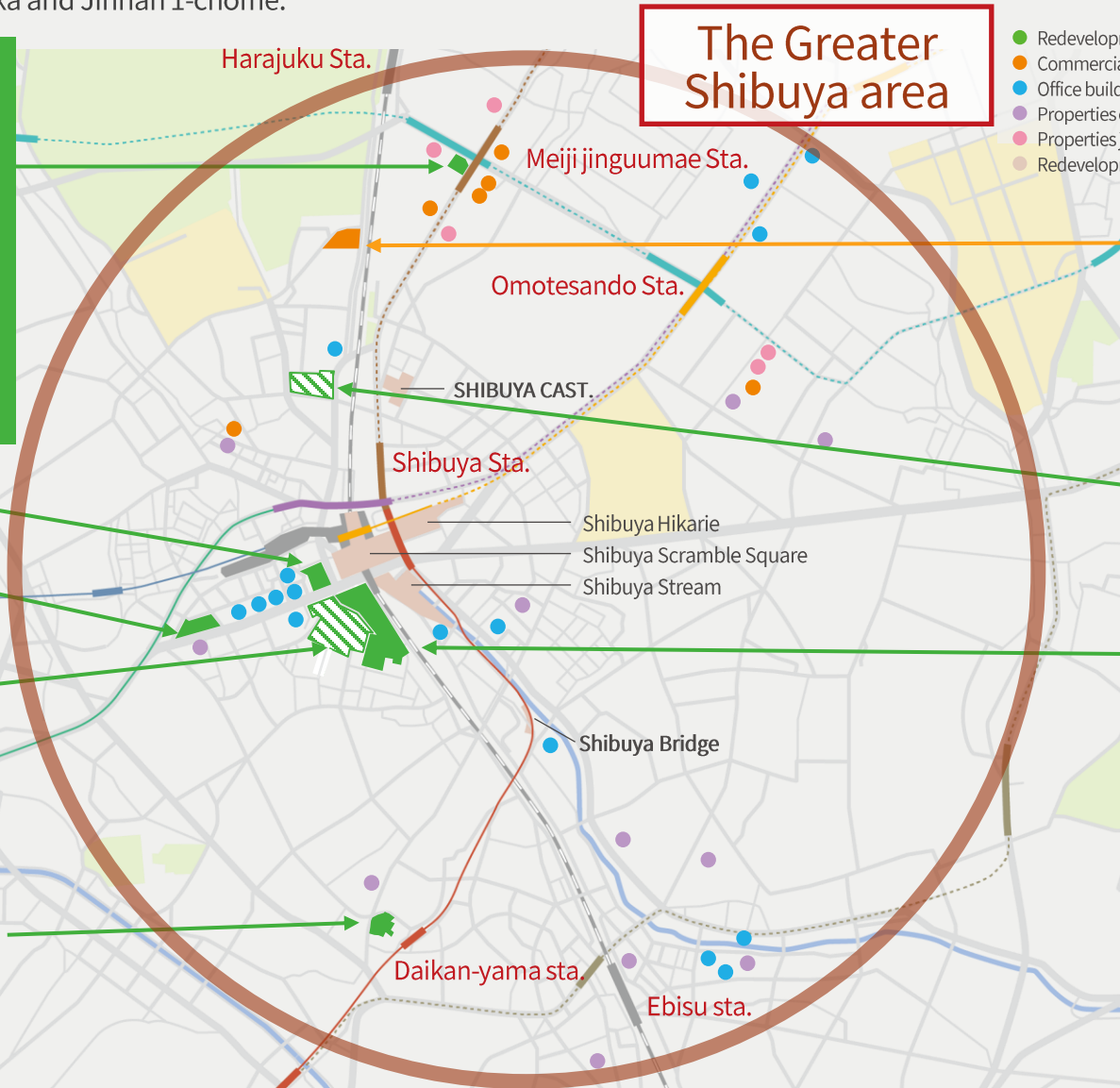
**Shibuya Fukuras**  
Completed in October 2019

**Shibuya Solasta**  
Completed in March 2019

**Next Shibuya Sakuragaoka  
Block\*** (Redevelopment  
Preparatory Association)



**Forestgate Daikanyama  
(Daikanyamacho Project)**  
Opened in October 2023





- Redevelopment Project
- Commercial facility
- Office building
- Properties owned by Activia Properties Inc.
- Properties joint capital investment with Norges Bank
- Redevelopment Project led by Tokyu Corporation



**Yoyogi park Park-PFI Project\***  
Operatorship scheduled to start in  
February 2025

**Jinnan 1-chome Block\***  
(Redevelopment Preparatory  
Association)

**Shibuya Sakura Stage**  
Scheduled for completion in November 2023

\* tentative name

# Urban Development ⑤ Major project ~Shibuya Sakura Stage~

Combined facility for *work, living, and play* is scheduled for completion for end of November 2023, and will open sequentially thereafter

## Shibuya Sakura Stage



### ◆Office

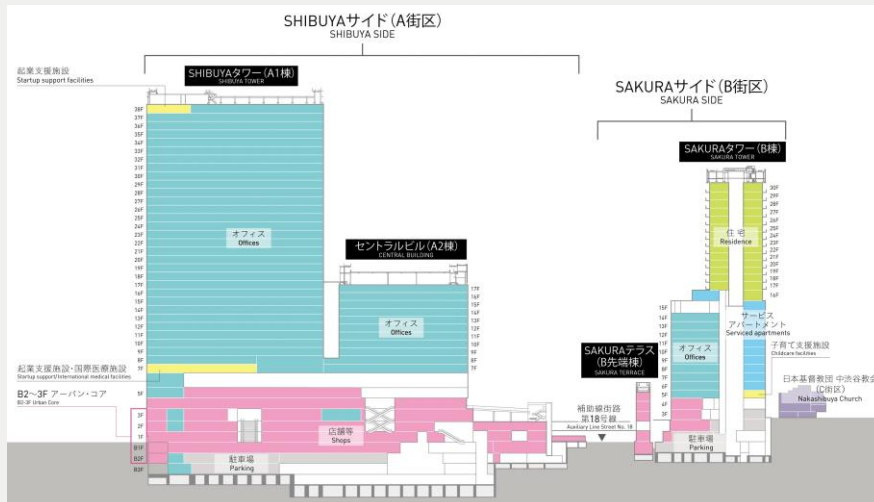


Advanced office floor

### ◆Commercial Facility



Commercial facilities to create culture

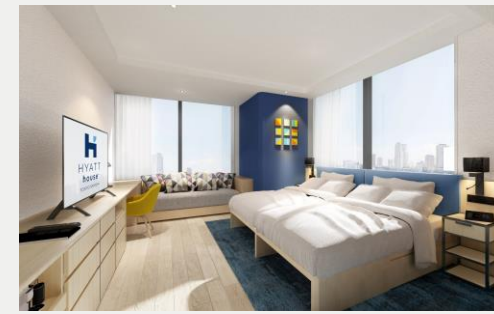


### ◆Residence



「BRANZ Shibuya Sakuragaoka」

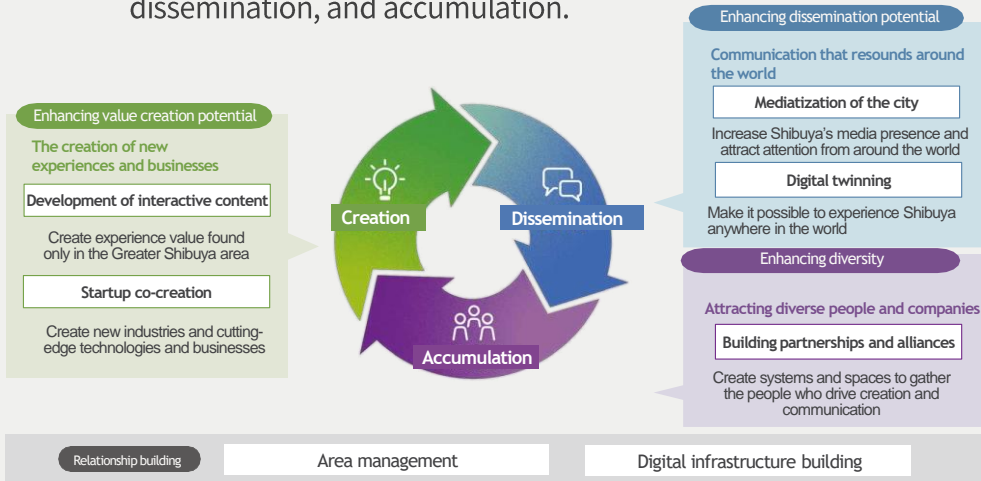
### ◆Extended stay hotel



「Hyatt House Tokyo Shibuya」

# Urban Development ⑥ Upgrading the Greater Shibuya Area

We add value to the Greater Shibuya area by delivering robust area management and digital infrastructure and creating a cycle of creation, dissemination, and accumulation.



## Dissemination

### Mediatization of the city

Through the interlinking of outdoor advertisements and events to strengthen Shibuya's media potential, we will enhance the reach of Shibuya-centered communication as well as the ability of the area to attract customers.



Communicating cutting-edge information from Shibuya to the world through outdoor advertising at the Jingumae intersection and other places

### Digital twinning

Utilizing XR (VR/AR/MR), we will provide entertainment experiences merging the digital and real to enable people to experience Shibuya anywhere in the world.



Developing digital background asset business

## Accumulation

### Building partnerships and alliances

By building partnerships and alliances with venture capital funds and creators, we will promote the development of new interactive content and startup co-creation, creating structures to attract partners in the Greater Shibuya area.



A bold attempt to create a new pattern for commercial facilities that goes beyond any such initiative to date. Creators and other members of the Harakado Neighborhood Association scheduled to move into Tokyuu Plaza Harajuku "Harakado" will plan their own events and content and share these with the world.

## Creation

### Development of interactive content

Collaborating with partners in other industries, we will create new, interactive content for the Greater Shibuya area that is buzzworthy and which will attract customers.



Operating New Make Labo to address the issue of clothing loss

### Startup co-creation

By incorporating the vitality and growth potential of startups, we will aim to promote Shibuya's branding as a district where new industries and services are constantly being created, increasing the area's value.



Working to form startup community with Plug and Play Japan

## Relationship building

### Area management

In cooperation with a variety of people from the government, the local area, and concerned organizations, we will hold events in public spaces leveraging whole area coordination unlike anything possible in any other city.

### Digital infrastructure building

We will expand contacts with customers through the digital and gather, analyze, and utilize the data thus acquired to improve the navigability of the Greater Shibuya area as well as its ability to attract customers.

# Urban Development ⑦ Condominium index

As of the second quarter of FY2023, the contract securing rate has progressed to 94% of the forecast

| Accounting year   | FY2021  | FY2022   | FY2023 Forecast   |
|---|---|--|---|
| No. of units sold   | 2,194   | 1,369  | 1,271 (Q2 : 246)  |
| Average price per unit (million yen)  | 64  | 70   | 71 (Q2: 65 million yen/unit)  |
| Contract obtaining rate<br>(Beginning-of-year→1Q→2Q→3Q)   | 54%→68%→89%→101%  | 58%→79%→90%→102%   | 82%→87%→94%   |
| Year-end inventory of completed units*  | 661   | 200  | Q2: 131 (as of September 30)  |
| Major condominiums<br>Number of units<br>refers to the number of units of sale<br>( ) ownership ratio | BRANZ Tower Toyosu 1,152units(55%)<br>Grand Maison Shin-Umeda Tower 871units(15%)<br>BRANZ Tower Shibaura 482units(46%) | BRANZ City Minami-Kusatsu 209units(100%)<br>BRANZ Kamimeguro Suwayama 19units(100%)<br>BRANZ Kagurazaka 81units(85%) | BRANZ Ushigome-yanagicho 82units(100%)<br>BRANZ Tower Osaka-honmachi 302units(50%)<br>ONE Sapporo Station Tower 542units(25%) |
| Purchase of land for sales<br>(¥ billion)   | 28.2<br>(2,861 units)   | 73.7<br>(2,457 units)  | 20.0<br>Q2: 6.7 billion yen (901 units)   |

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

## Major upcoming projects

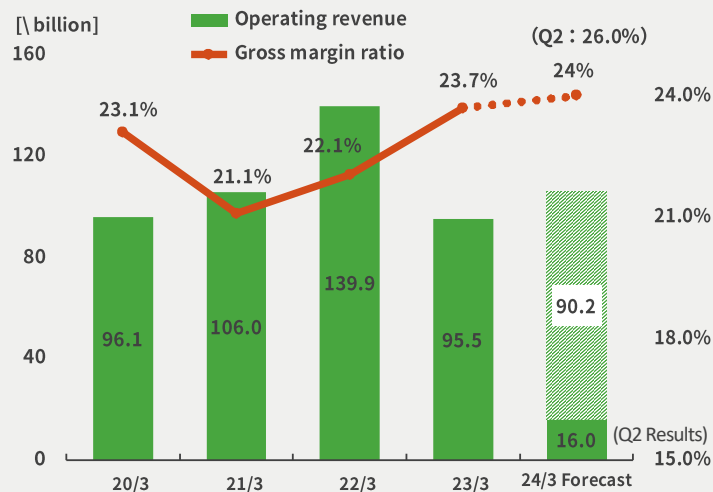
| Delivery begins | Name                | Units* |
|-----------------|---------------------|--------|
| FY2024          | The Tower Jyujyo    | 394    |
|                 | BRANZ Chiyodafujimi | 69     |
|                 | BRANZ Miyakojima    | 126    |

\* Before conversion to equity



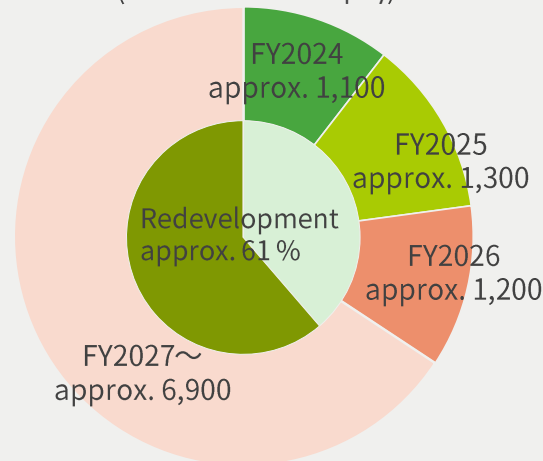
BRANZ Chiyoda Fujimi (Chiyoda-ku, Tokyo)

## Trends in condominium sales and gross margin



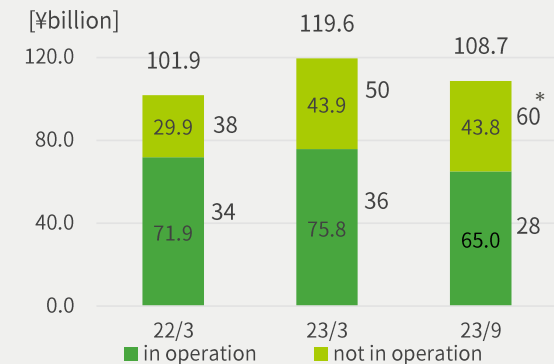
## Land bank of Condominiums to be completed

End of September 2023 approx. 10,500 units  
(After conversion to equity)



## Rental housing pipeline

End of September 2023 108.7 billion yen



\* Total investment of 60 non-operating properties: 153.0 billion yen

# Urban Development ⑧ Major Large-Scale Residential Projects

**BRANZ TOWER Osaka Honmachi**  
 Address: Osaka-shi, Osaka  
 Units: 302  
 Scheduled delivery: Feb 2024

**THE TOWER JUJO**  
 Address: Kita-ku, Tokyo  
 Units: 394  
 (plus 184 that belong to partners)  
 Scheduled delivery: Jan 2025

**HARUMI FLAG SKY DUO (Skyscrapers)**  
 Address: Chuo-ku, Tokyo  
 Units: 1,455  
 Scheduled delivery: FY2025

**Kitanakadori North District B-1**  
 Address: Yokohama-shi, Kanagawa  
 Units: approx. 700

**Higashigotanda 2-3 Redevelopment**  
 Address: Shinagawa-ku, Tokyo  
 Units: approx. 300

**Sengakuji Station District Redevelopment**  
 Address: Minato-ku, Tokyo  
 Units: approx. 400

**Nishi-Nippori Station District Redevelopment**  
 Address: Arakawa-ku, Tokyo  
 Units: approx. 1,000



Fiscal year

FY2023

FY2024

FY2025

FY2026 or Later

**HARUMI FLAG (Plated block)**  
 Address: Chuo-ku, Tokyo  
 Units: 2,690  
 Scheduled delivery: Jan 2024

**ONE Sapporo Station Tower**  
 Address: Sapporo-shi, Hokkaido  
 Units: 624  
 (82 of which are non-condo units)  
 Scheduled delivery: Mar 2024

**THE TOYOMI TOWER MARINE&SKY**  
 Address: Chuo-ku, Tokyo  
 Units: 2,046  
 (1,509 of which are for-sale units)

**Osaka Kita-ku Residential Tower Block Project**  
 Address: Osaka-shi, Osaka  
 Units: approx. 300

**JR Nishinomiya Station Southwest District Redevelopment**  
 Address: Nishinomiya-shi, Hyogo  
 Units: approx. 400

**Shirokane 1-chome Seibunaka Redevelopment**  
 Address: Minato-ku, Tokyo  
 Units: approx. 950

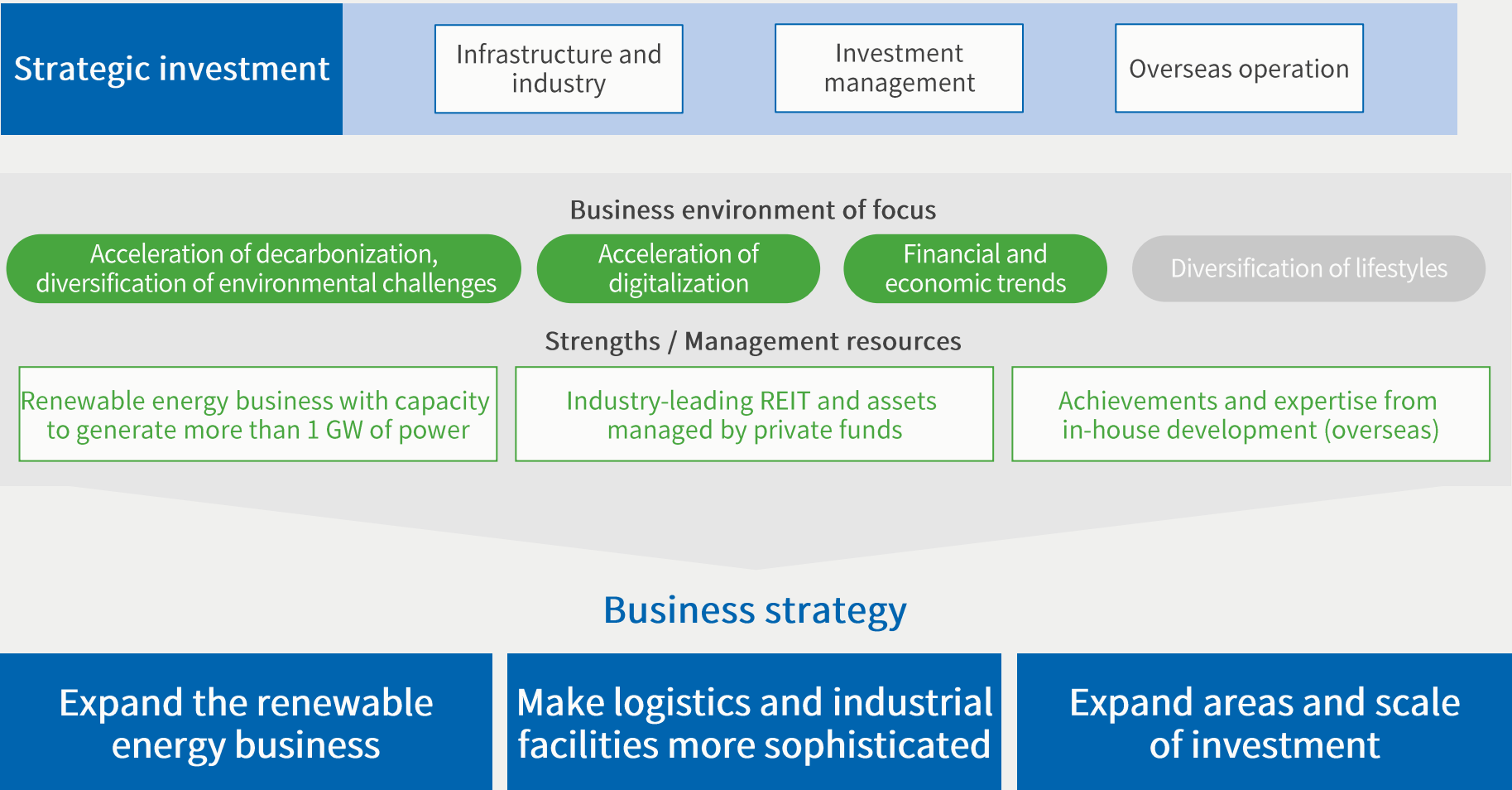
**Nakano Station North Exit Vicinity Redevelopment**  
 Address: Nakano-ku, Tokyo  
 Units: approx. 1,000



Units: Number of units indicates the figure prior to equity conversion. Properties in planning stage include non-condominium units.

# Strategic Investment (Asset-utilizing business)

This segment develops infrastructure for the next generation.



# Strategic Investment ① FY2023 Q2 (First Six Months)

Result in period under review: YoY growth in revenues and profit

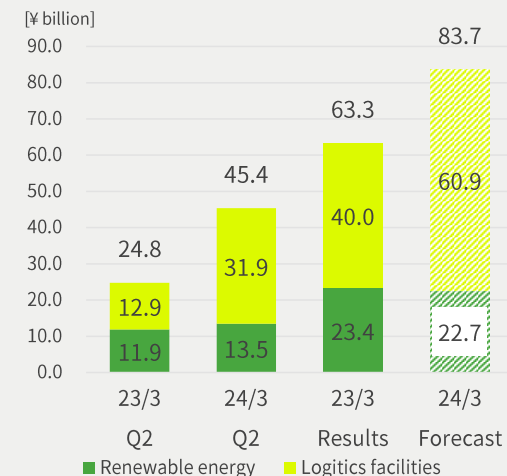
Annual outlook: Net revenues will increase. However, profit will decrease because of higher costs in overseas businesses.

| (¥ billion)                | FY2022 Q2   | FY2023 Q2   | Comparison  | note                               |
|----------------------------|-------------|-------------|-------------|------------------------------------|
| <b>Operating revenue</b>   | <b>33.8</b> | <b>53.0</b> | <b>19.2</b> |                                    |
| Infrastructure & Industry  | 24.8        | 45.4        | 20.6        | Sales of assets +19.6              |
| (the sale)                 | 12.2        | 31.7        | 19.6        | Renewable energy in operation +1.1 |
| Asset management           | 4.1         | 4.6         | 0.4         |                                    |
| Overseas operations        | 4.9         | 3.1         | (1.8)       | Rebound in EQ sales                |
| <b>Operating profit</b>    | <b>8.6</b>  | <b>9.5</b>  | <b>0.9</b>  |                                    |
| Infrastructure & Industry* | 6.1         | 12.1        | 6.0         | Sales of assets +6.9               |
| (the sale)                 | 3.2         | 10.2        | 6.9         |                                    |
| Asset management*          | 2.7         | 3.0         | 0.3         |                                    |
| Overseas operations*       | (0.2)       | (5.4)       | (5.2)       | Rebound in EQ sales                |

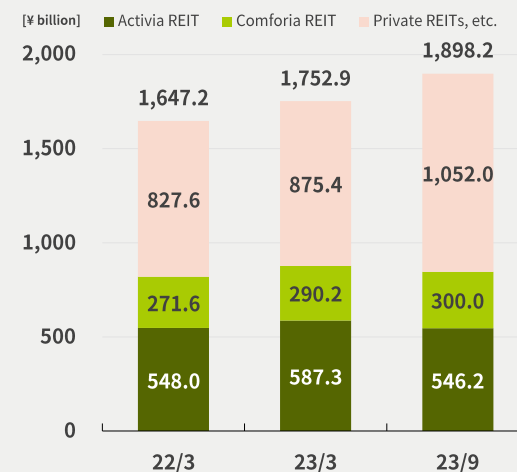
| (¥ billion)                | FY2022      | FY2023 Forecast | Comparison   | note                                  | Initial Forecast | Comparison   |
|----------------------------|-------------|-----------------|--------------|---------------------------------------|------------------|--------------|
| <b>Operating revenue</b>   | <b>78.8</b> | <b>104.4</b>    | <b>25.6</b>  |                                       | <b>107.0</b>     | <b>(2.6)</b> |
| Infrastructure & Industry  | 63.3        | 83.7            | 20.3         | Sales of assets +25.3, EQ sales (3.7) | 83.3             | 0.3          |
| (the sale)                 | 34.2        | 59.5            | 25.3         |                                       | 60.0             | (0.5)        |
| Asset management           | 8.9         | 9.0             | 0.1          |                                       | 8.7              | 0.3          |
| Overseas operations        | 6.5         | 11.7            | 5.2          | Increase EQ sales                     | 15.0             | (3.3)        |
| <b>Operating profit</b>    | <b>15.2</b> | <b>13.9</b>     | <b>(1.3)</b> |                                       | <b>16.5</b>      | <b>(2.6)</b> |
| Infrastructure & Industry* | 16.3        | 16.3            | 0.1          | Sales of assets +6.0, EQ sales (3.7)  | 16.5             | (0.2)        |
| (the sale)                 | 10.6        | 16.6            | 6.0          |                                       | 14.7             | 1.9          |
| Asset management*          | 6.1         | 5.9             | (0.2)        |                                       | 6.1              | (0.2)        |
| Overseas operations*       | (6.7)       | (8.4)           | (1.7)        |                                       | (6.2)            | (2.2)        |

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

## Breakdown of revenues in Infrastructure & industry business



## AUM Trends





# Strategic Investment ② Renewable energy business

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

## Domestic projects acquired (As of September 30, 2023)

Properties in operation: 70 (solar: 63, wind power: 6, biomass: 1)  
 Projects under development: 18 (solar: 8, wind power: 6, biomass: 4)

\*multiple rooftop solar projects are counted as a single solar project.

Investment progress (amount posted in BS) : ¥ 238.5 billion

Rated capacity\*: 1,625MW After conversion to equity: 1,074MW

Generation capacity\*: 3,516 GWh

(Equivalent to the energy used by approx. 741,000 regular households\*\*)

CO<sup>2</sup> emissions reduction\*: Approx. 1,529 t-CO<sup>2</sup>/year\*\*\*

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



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



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

\* Before conversion for ownership share (including projects under development)  
 \*\* Calculated based on the average household using 4,743 kWh of energy per year  
 (From the Photovoltaic Power Generation Association's "Display Guidelines 2022")  
 \*\*\* CO<sup>2</sup> emission factor "435g-CO<sup>2</sup>/kWh" published by Ministry of the Environment  
 and Ministry of Economy, Trade and Industry is applied.

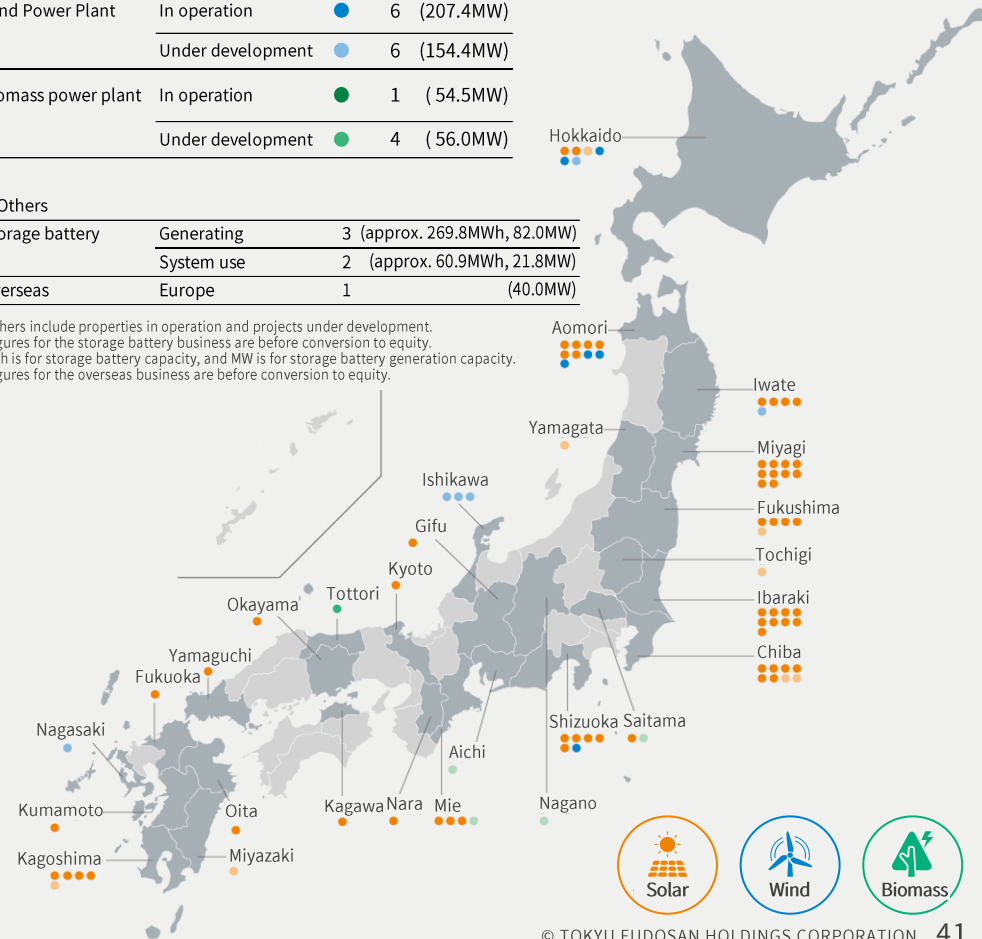
## Portfolio

|                               |                   |                             |           |
|-------------------------------|-------------------|-----------------------------|-----------|
| Solar Power Plant             | In operation      | ● 63                        | (920.6MW) |
|                               | Under development | ● 8                         | (139.0MW) |
| Rooftop solar project,<br>etc |                   | 1                           | (92.9MW)  |
|                               |                   | 1,006 properties nationwide |           |
| Wind Power Plant              | In operation      | ● 6                         | (207.4MW) |
|                               | Under development | ● 6                         | (154.4MW) |
| Biomass power plant           | In operation      | ● 1                         | (54.5MW)  |
|                               | Under development | ● 4                         | (56.0MW)  |

»Others

|                 |            |   |                            |
|-----------------|------------|---|----------------------------|
| Storage battery | Generating | 3 | (approx. 269.8MWh, 82.0MW) |
|                 | System use | 2 | (approx. 60.9MWh, 21.8MW)  |
| Overseas        | Europe     | 1 | (40.0MW)                   |

\*Others include properties in operation and projects under development.  
 \*Figures for the storage battery business are before conversion to equity.  
 MWh is for storage battery capacity, and MW is for storage battery generation capacity.  
 \*Figures for the overseas business are before conversion to equity.

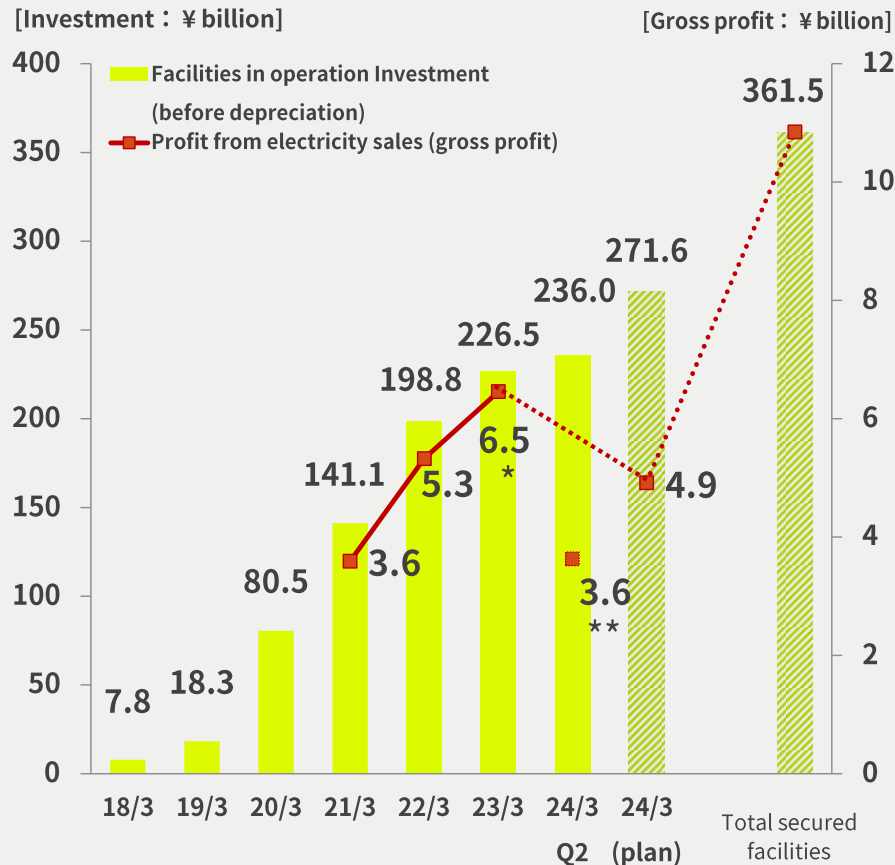


## Strategic Investment ③ Expansion of renewable energy business

Further profit expansion is planned through the solid execution of projects for which decisions have already been made and the acquisition of new non-FIT projects such as wind power generation and PPA projects

### Investment in facilities already in operation (before depreciation) and profit from electricity sales (including plan)

Domestic projects only



\* Profit from electricity sales (before depreciation) FY2022 : 16.7 billion yen

\*\*Profit from electricity sales (before depreciation) FY2023 Q2: 8.3 billion yen

### Business environment

Growing importance of renewable energy has led to a succession of entrants from various industries, and the acquisition environment is overheated.

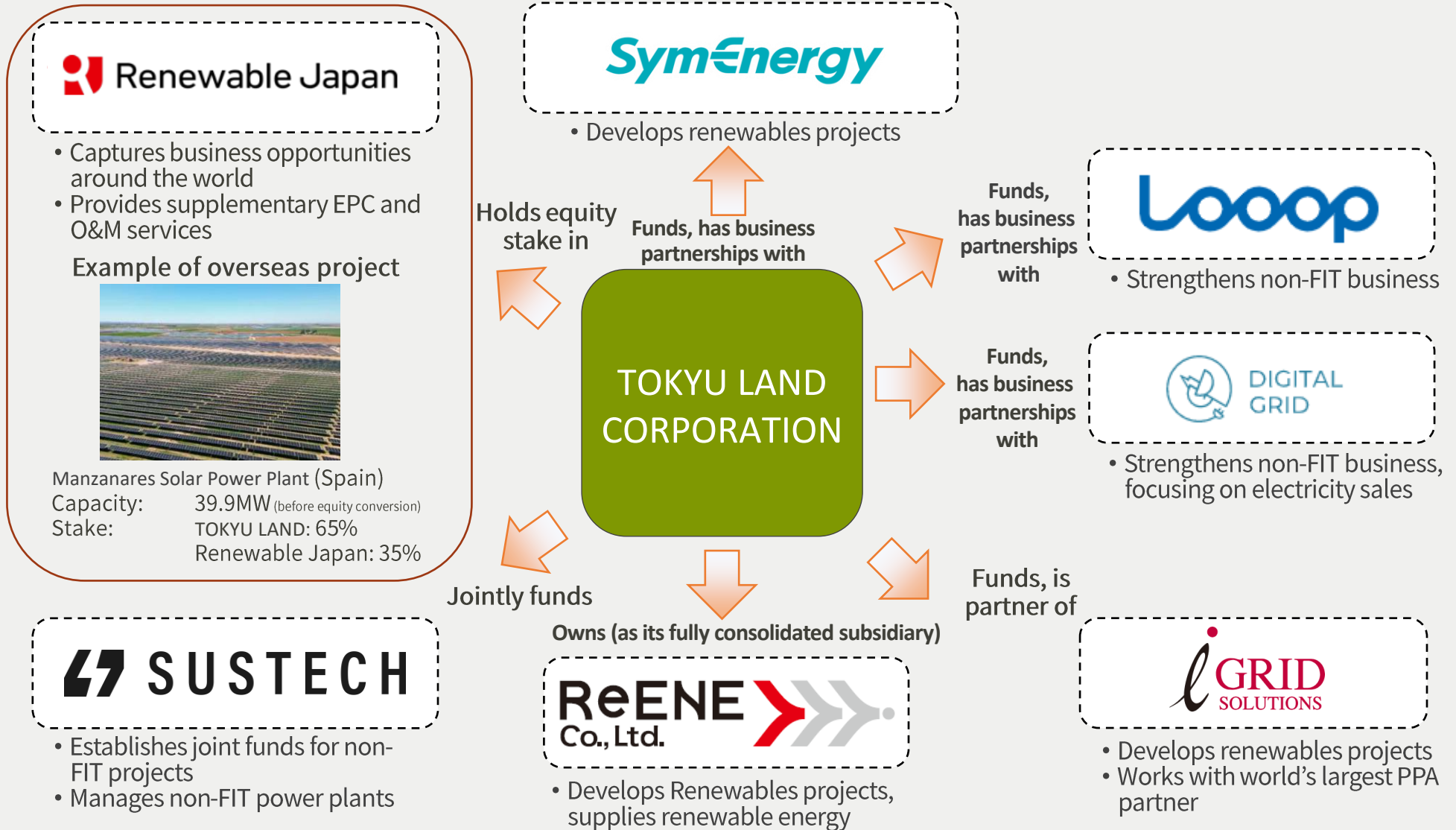


### Strategies for future expansion

- Shift the focus of development to wind power generation**  
 Focusing on development of onshore wind power generation facilities for FIT projects for which bids have already been won, even after the FIT system ends. Also considering commercialization of offshore wind power generation facilities.
- Development from the ground up by the Company**  
 Developing from the ground up in-house based on expertise in FIT projects and maintaining profitability by also utilizing the FIP system.
- Expansion of business domain**  
 Verify new business models such as the PPA model for selling electricity directly to customers, the model for solar sharing on farmland, and the model for overseas business expansion

# Strategic Investment ④ Expansion of associated assets in renewables

Through a wide range of partnerships, we bring in expertise, expand our associated assets, and diversify our revenue sources.



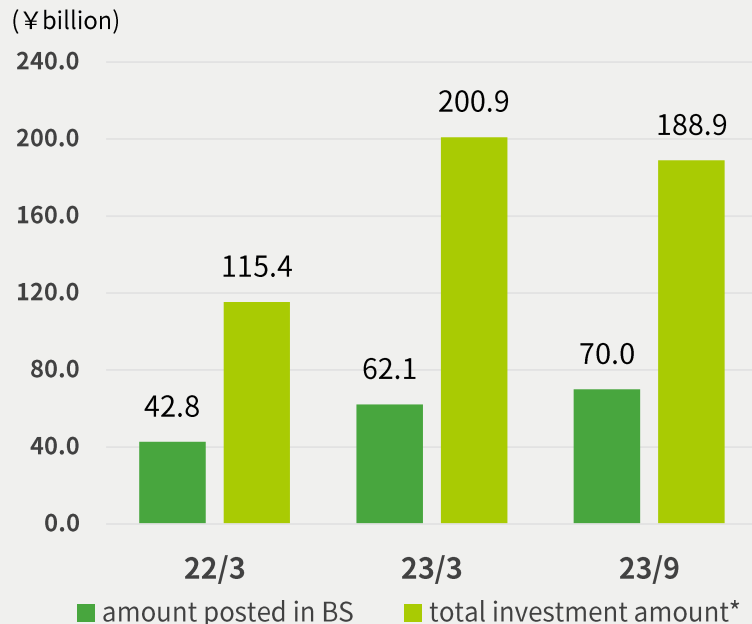
Steady progress in securing projects while increasing asset turnover

## Projects acquired (As of September 30, 2023)

Properties in operation: 5  
Projects under development: 16

Investment progress (amount posted in BS) :  
¥ 70.0 billion

〈Amount posted in BS/  
Total investment amount Trends〉



## Major projects

### LOGI'Q Ebina minami

Floor space: 14 thousand m<sup>2</sup>  
4 stories above ground  
Completed in June 2023



### LOGI'Q Kashiwa

Floor space: 34 thousand m<sup>2</sup>  
4 stories above ground  
Completed in September 2023



### LOGI'Q Minami Ibaraki

Floor space: 162 thousand m<sup>2</sup>  
4 stories above ground  
Scheduled for completion in FY2023



## Started construction of flagship property "LOGI'Q Minami Ibaraki"

Providing future-ready refrigerated/freezer compartments, low-floor compartments, high quality public areas, etc., to secure tenants' employment and reduce their initial investment.

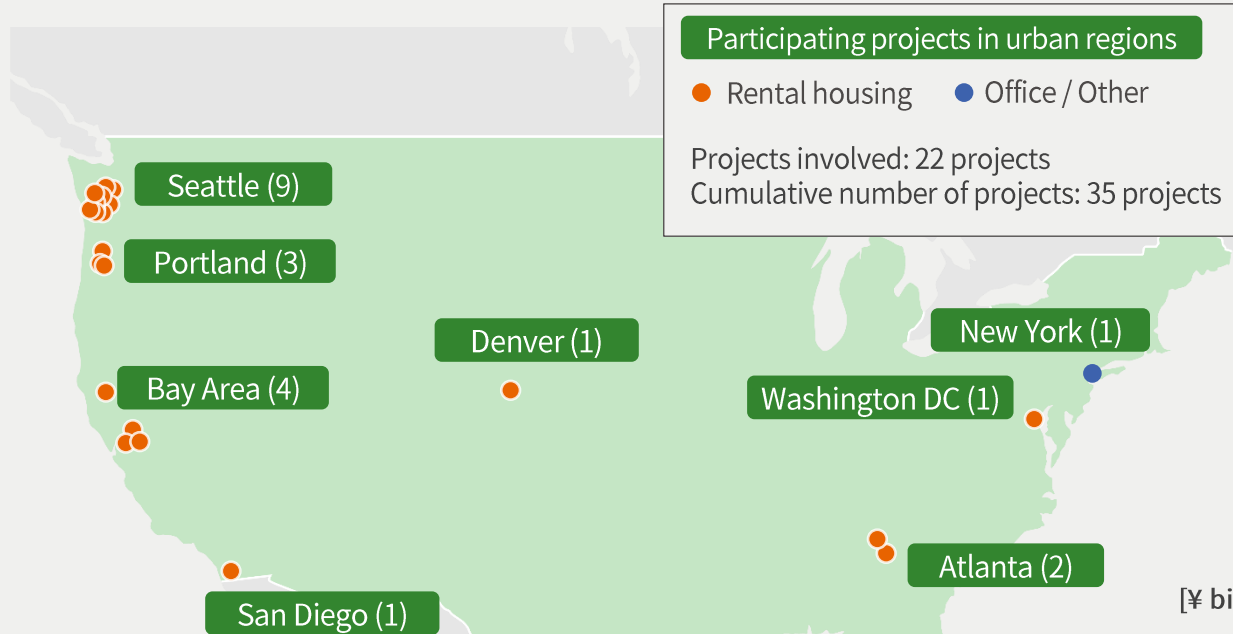


\*Total investment in unconsolidated deals after conversion to equity

# Strategic Investment ⑥ Overseas operations

22 projects are in progress in the United States

## U.S. Portfolio



### <Saddlebrook Apartments>

Seattle  
Rental housing  
Units: 223



### <Dockside Apartments>

Seattle  
Rental housing  
Units: 344

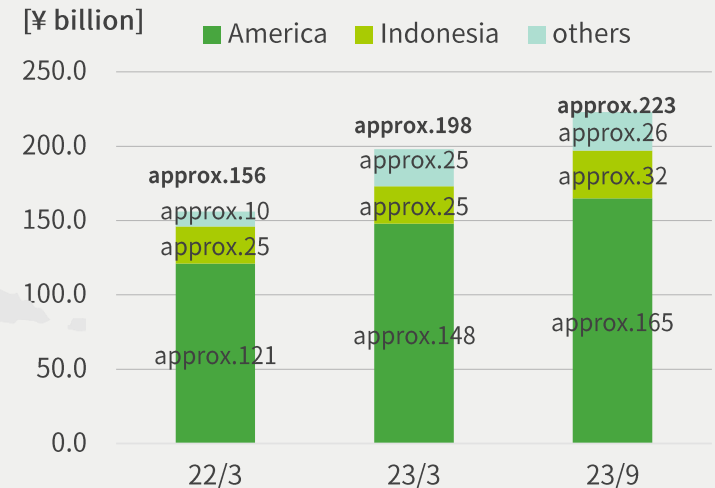


### 425 Park Avenue

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



### <Balance by Overseas Business Area>



# Property Management & Operation (Human capital-utilizing business)

This segment offers gratifying experiences to customers

Property management & operation

Property management

Wellness

Greening, etc.

## Business environment of focus

Acceleration of decarbonization, diversification of environmental challenges

Acceleration of digitalization

Financial and economic trends

Diversification of lifestyles

## Strengths / Management resources

Industry-leading number of units under management and a wide range of management areas

Highly experienced human capital and management know-how

A wealth of customer and community touchpoints

## Business strategy

Evolve a model that offers management solutions

Build a new wellness business model

# Property Management & Operation ① FY2023 Q2 (First Six Months)

Result in period under review: YoY growth in revenues and profit

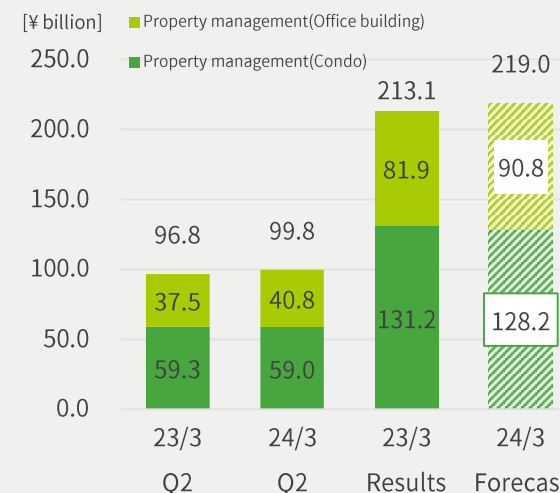
Annual outlook: Revenues and profit increased due to recovery in demand centered on the hotel business.

| (¥ billion)                   | FY2022<br>Q2 | FY2023<br>Q2 | Comparison  | note   |
|-------------------------------|--------------|--------------|-------------|--|
| <b>Operating revenue</b>      | <b>152.0</b> | <b>163.8</b> | <b>11.9</b> |  |
| Property management           | 96.8         | 99.8         | 3.0         | Management +1.1, Construction +1.1,<br>Leasing conference rooms +0.8 |
| Wellness                      | 49.2         | 58.9         | 9.6         | Hotel +7.1, Health care +1.0   |
| (the sale)                    | -            | -            | -           |  |
| Environmental greening, etc.  | 5.9          | 5.2          | (0.8)       |  |
| <b>Operating profit</b>       | <b>1.8</b>   | <b>7.9</b>   | <b>6.0</b>  |  |
| Property management*          | 2.8          | 3.4          | 0.6         |  |
| Wellness*                     | (1.4)        | 4.3          | 5.8         | Hotel +3.4, Health care +1.1   |
| (the sale)                    | -            | -            | -           |  |
| Environmental greening, etc.* | 0.2          | (0.1)        | (0.3)       |  |

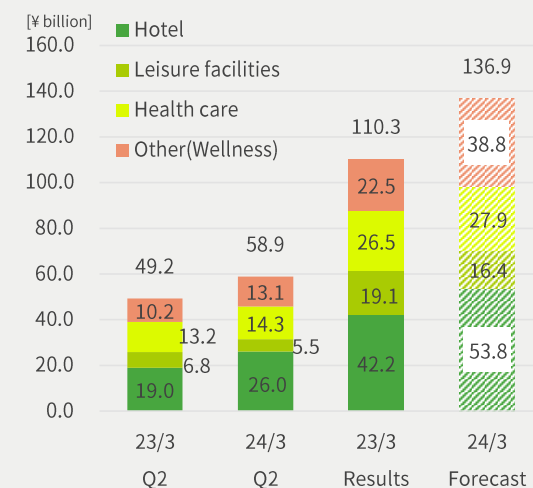
| (¥ billion)                   | FY2022       | FY2023<br>Forecast | Comparison  | note   | Initial<br>Forecast | Comparison   |
|-------------------------------|--------------|--------------------|-------------|--|---------------------|--------------|
| <b>Operating revenue</b>      | <b>337.1</b> | <b>369.2</b>       | <b>32.1</b> |  | <b>371.0</b>        | <b>(1.8)</b> |
| Property management           | 213.1        | 219.0              | 5.9         | Management +0.9, Construction +4.0,<br>Leasing conference rooms +1.1 | 219.0               | 0.0          |
| Wellness                      | 110.3        | 136.9              | 26.5        | Hotel +11.5, Health care +1.4  | 138.7               | (1.9)        |
| (the sale)                    | -            | 8.4                | 8.4         | Sales of assets +8.4   | 11.2                | (2.8)        |
| Environmental greening, etc.  | 13.7         | 13.3               | (0.4)       |  | 13.3                | 0.1          |
| <b>Operating profit</b>       | <b>12.3</b>  | <b>21.5</b>        | <b>9.2</b>  |  | <b>17.2</b>         | <b>(4.3)</b> |
| Property management*          | 10.1         | 10.7               | 0.5         |  | 10.7                | 0.0          |
| Wellness*                     | 1.2          | 10.7               | 9.6         | Hotel +4.6   | 6.6                 | 4.1          |
| (the sale)                    | -            | 3.1                | 3.1         | Sales of assets +3.1   | 2.6                 | 0.5          |
| Environmental greening, etc.* | 0.7          | 0.1                | (0.5)       |  | (0.0)               | 0.2          |

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

## 〈Breakdown of revenues in Property management business〉



## 〈Breakdown of revenues in Wellness business〉



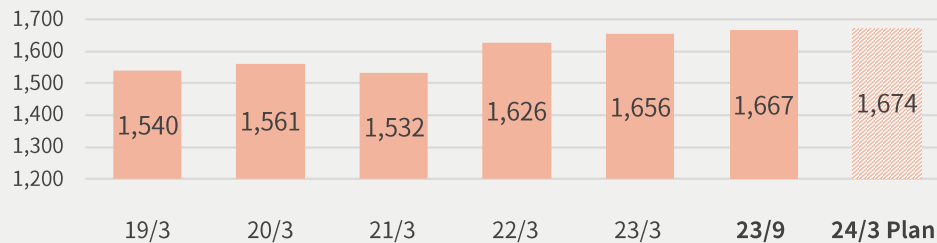
# Property Management & Operation ② Stock of properties

## Condominium Management Stock Trends



|  |         |         |          |         |          |         |         |
|--|---------|---------|----------|---------|----------|---------|---------|
| Total units                                    | 831,684 | 829,533 | 839,891  | 831,603 | 867,891  | 866,715 | 857,936 |
| (Change from the end of preceding fiscal year) | + 9,453 | (2,151) | + 10,358 | (8,288) | + 36,288 | (1,176) | (9,955) |

## Buildings and other facilities Management Stock Trends



|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Number of projects                             | 1,540 | 1,561 | 1,532 | 1,626 | 1,656 | 1,667 | 1,674 |
| (Change from the end of preceding fiscal year) | + 40  | + 21  | (29)  | + 94  | + 30  | + 11  | + 18  |

## Major properties under management



©H.N.F.

ES CON FIELD HOKKAIDO  
(opened in March 2023)



Yoyogi Park Park-PFI Project (tentative name)  
(operatorship scheduled to start in February 2025)



# Property Management & Operation ③ Main projects and Operation status

Tokyu Stay's RevPAR exceeds to pre-Covid-19 levels thanks to inbound demand, etc.



**Tokyu Harvest Club VIALA Karuizawa Retreat**  
Membership resort hotel  
Opened in October 2023



**Grancreer Tsunashima**  
Senior housing  
Scheduled to open by end of November 2023



**Hyatt House Tokyo Shibuya Resort Hotel**  
Scheduled to open in February 2024

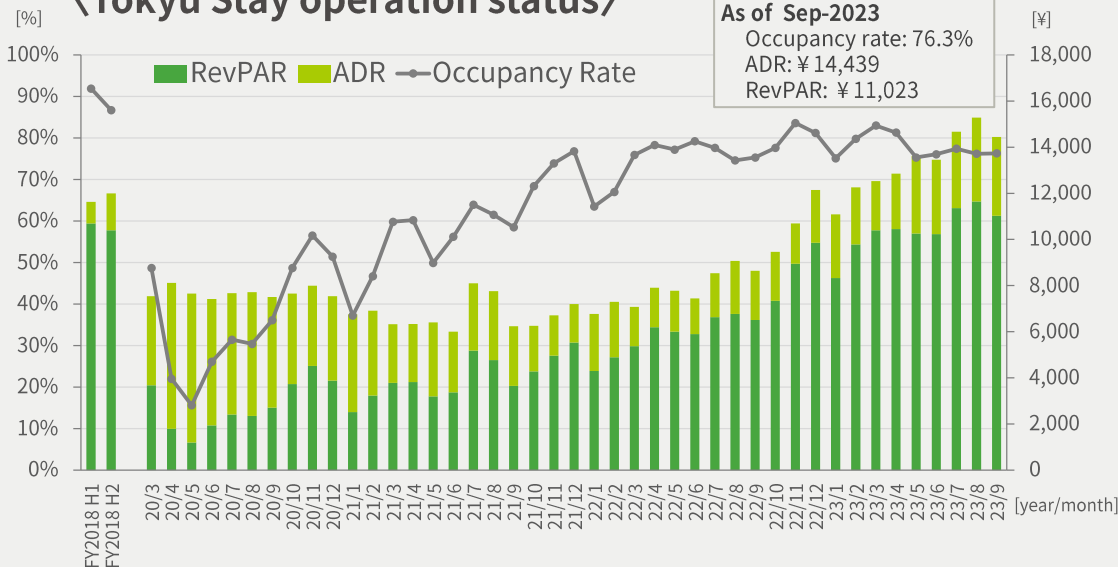


**TOKYU Harvest Club VIALA Hakonekoyu Membership Resort Hotel**  
Scheduled to open in October 2024

(Scheduled to open)

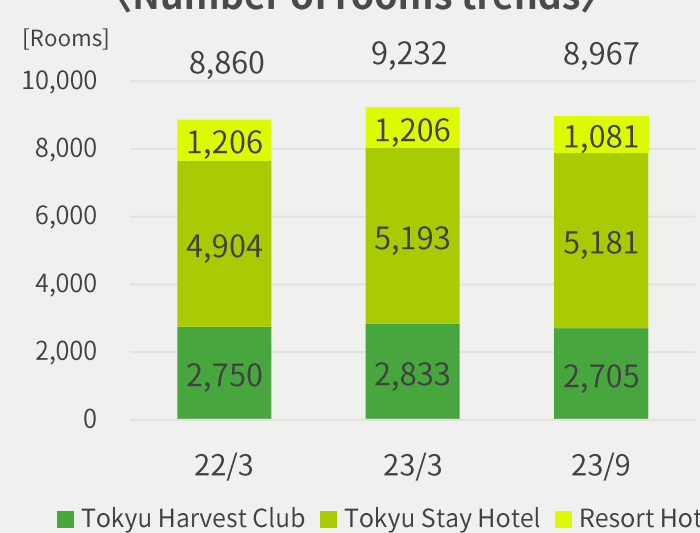
## FY2023

### <Tokyu Stay operation status>



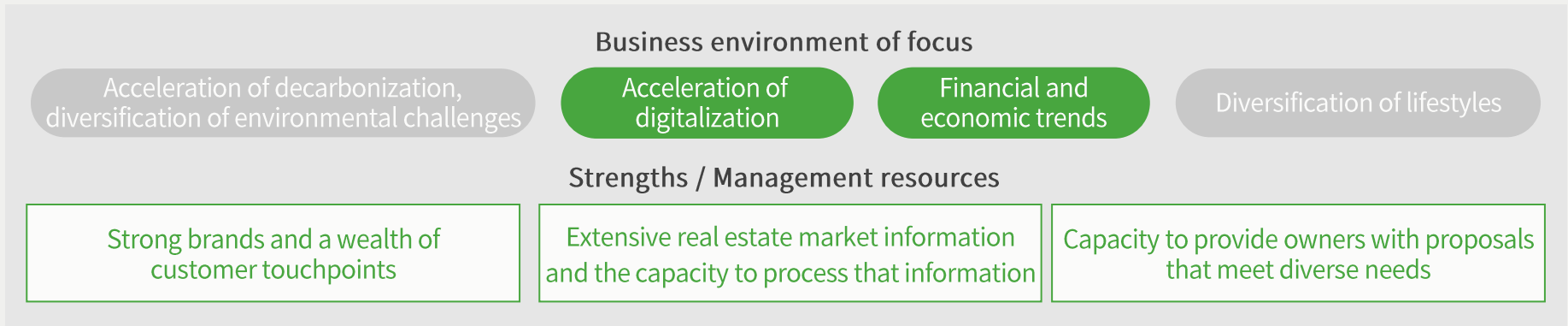
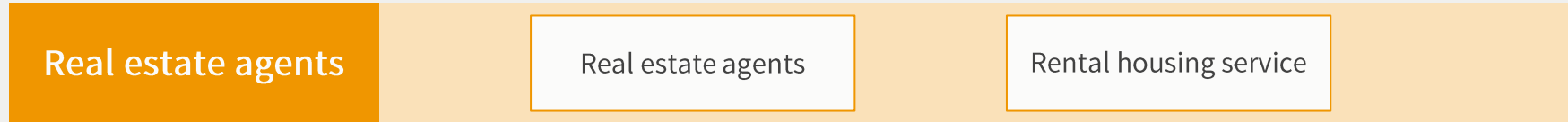
## FY2024

### <Number of rooms trends>



# Real Estate Agents (Human capital-utilizing business)

This segment leads a healthy stock-type society



## Business strategy



# Real Estate Agents ① FY2023 Q2 (First Six Months)

Result in period under review: YoY growth in revenues and profit

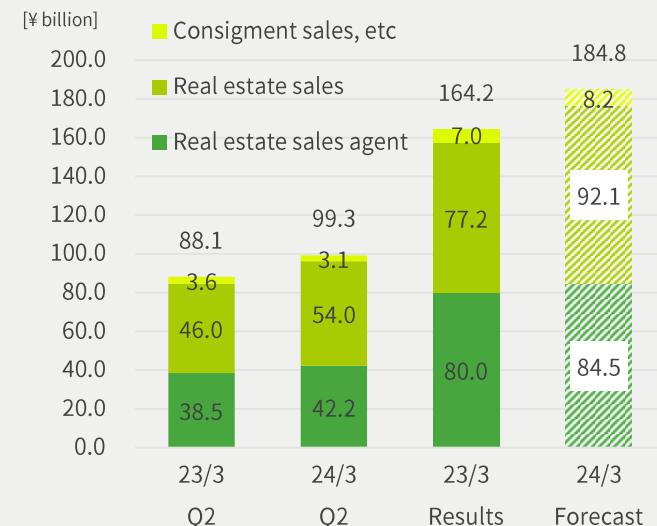
Annual outlook: Increased revenues and profit mainly in the brokerage business against the backdrop of a brisk real estate transaction market

| (¥ billion)              | FY2022 Q2    | FY2023 Q2    | Comparison | note  |
|--------------------------|--------------|--------------|------------|---|
| <b>Operating revenue</b> | <b>132.6</b> | <b>147.3</b> | 14.7       |   |
| Real Estate Agents       | 88.1         | 99.3         | 11.2       | Retail +1.7, Wholesale +1.9, Real estate sales +8.0 |
| Rental housing service   | 44.5         | 48.0         | 3.6        |   |
| <b>Operating profit</b>  | <b>19.1</b>  | <b>21.7</b>  | 2.6        |   |
| Real Estate Agents*      | 16.9         | 19.4         | 2.5        |   |
| Rental housing service*  | 2.0          | 2.2          | 0.3        |   |

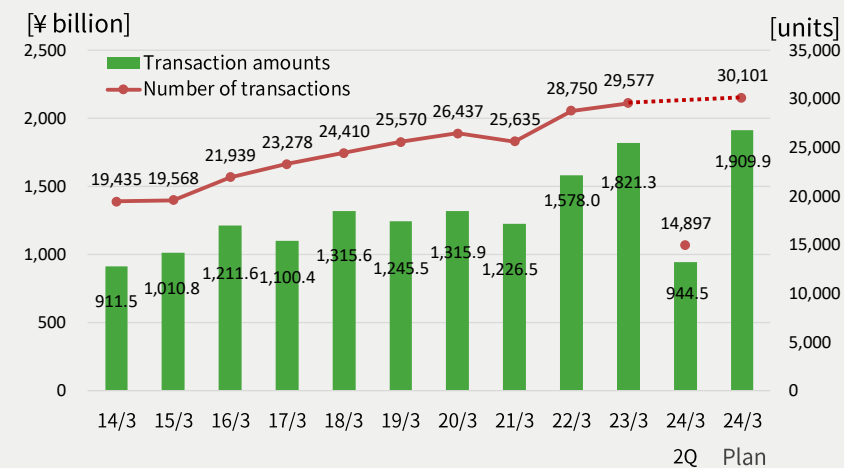
| (¥ billion)              | FY2022       | FY2023 Forecast | Comparison | note   | Initial Forecast | Comparison |
|--------------------------|--------------|-----------------|------------|--|------------------|------------|
| <b>Operating revenue</b> | <b>263.0</b> | <b>284.0</b>    | 21.0       |  | 278.0            | 6.0        |
| Real Estate Agents       | 164.2        | 184.8           | 20.5       | Retail +3.1, Wholesale +1.4, Real estate sales +14.9 | 179.5            | 5.2        |
| Rental housing service   | 98.7         | 99.2            | 0.5        |  | 98.5             | 0.8        |
| <b>Operating profit</b>  | <b>33.7</b>  | <b>36.3</b>     | 2.6        |  | 34.9             | 1.4        |
| Real Estate Agents*      | 28.2         | 31.4            | 3.2        |  | 30.4             | 1.0        |
| Rental housing service*  | 5.1          | 5.0             | (0.2)      |  | 4.5              | 0.4        |

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

## 〈Breakdown in revenues of Real estate sales agent business〉



## 〈Trends in Brokerage Volume and Number of Transactions〉



## Real Estate Agents ② Performance indicators in sales agent

|   | FY2023 Q2          |                 |                 |
|---|--------------------|-----------------|-----------------|
|   | Retail             | Wholesale       | Total           |
|   | Rate of change YoY |                 |                 |
| No. of transactions<br>(units)          | 14,319<br>+0.9%    | 578<br>+8.0%    | 14,897<br>+1.1% |
| Amount of transactions<br>(billion yen) | 680.2<br>+6.7%     | 264.4<br>+20.0% | 944.5<br>+10.1% |
| Average handling price<br>(million yen) | 47<br>+5.7%        | 457<br>+11.1%   | 63<br>+8.9%     |
| Commission fee ratio                    | 4.6%               | 3.4%            | 4.3%            |

|   | FY2022             |                 |                   |
|---|--------------------|-----------------|-------------------|
|   | Retail             | Wholesale       | Total             |
|   | Rate of change YoY |                 |                   |
| No. of transactions<br>(units)          | 28,473<br>+3.0%    | 1,104<br>+0.9%  | 29,577<br>+2.9%   |
| Amount of transactions<br>(billion yen) | 1,315.4<br>+14.7%  | 505.9<br>+17.4% | 1,821.3<br>+15.4% |
| Average handling price<br>(million yen) | 46<br>+11.4%       | 458<br>+16.3%   | 62<br>+12.2%      |
| Commission fee ratio                    | 4.7%               | 3.1%            | 4.2%              |

| Highlights |
|------------|
|------------|

### □ Retail

- Number of brokerage offices: 210 as of March 31, 2023, with plans to open 9 new offices this fiscal year. (6 stores opened in the Q2)
- No.2 in Real estate brokerage volume ranking for the fiscal year ending March 31, 2023.\*

\*Reference: Weekly Housing, May 29, 2023 issued

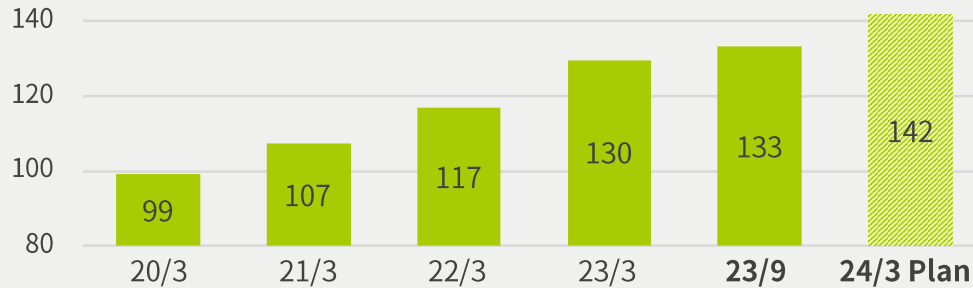
### □ Wholesale

The amount of transactions increased from FY2022

|   | FY2023 (Plan)      |                |                  |
|---|--------------------|----------------|------------------|
|   | Retail             | Wholesale      | Total            |
|   | Rate of change YoY |                |                  |
| No. of transactions<br>(units)          | 28,991<br>+1.8%    | 1,110<br>+0.6% | 30,101<br>+1.8%  |
| Amount of transactions<br>(billion yen) | 1,398.3<br>+6.3%   | 511.6<br>+1.1% | 1,909.9<br>+4.9% |
| Average handling price<br>(million yen) | 48<br>+4.4%        | 461<br>+0.6%   | 63<br>+3.0%      |
| Commission fee ratio                    | 4.6%               | 3.3%           | 4.3%             |

# Real Estate Agents ③ Changes in properties under management

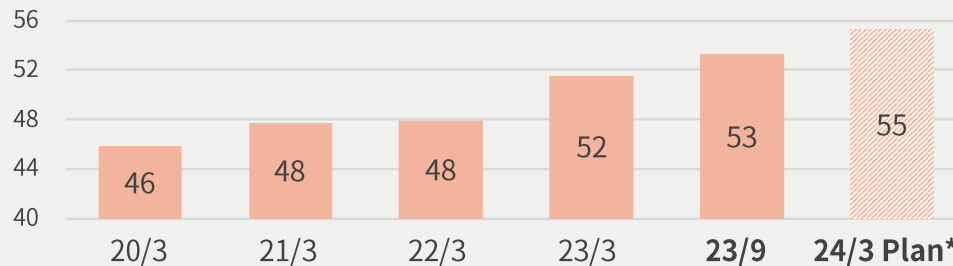
## Rental Housing Management Stock Trends



[Units: thousand]  
(Change from the end  
of preceding fiscal year)

|     |     |      |      |     |      |
|-----|-----|------|------|-----|------|
| 99  | 107 | 117  | 130  | 133 | 142  |
| + 6 | + 8 | + 10 | + 13 | + 4 | + 12 |

## Student Condominiums, etc. Management Stock Trends



[Units: thousand]  
(Change from the end  
of preceding fiscal year)

|     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|
| 46  | 48  | 48  | 52  | 53  | 55  |
| + 2 | + 2 | + 0 | + 4 | + 2 | + 4 |

\* The plan for the number of managed units including student condominiums for the fiscal year ending March 2024 is the initial plan for the fiscal year ending March 2025.

## Major properties under management



SHINONOME CANAL COURT CODAN  
(Completed in 2003; total rental units: 1,712)

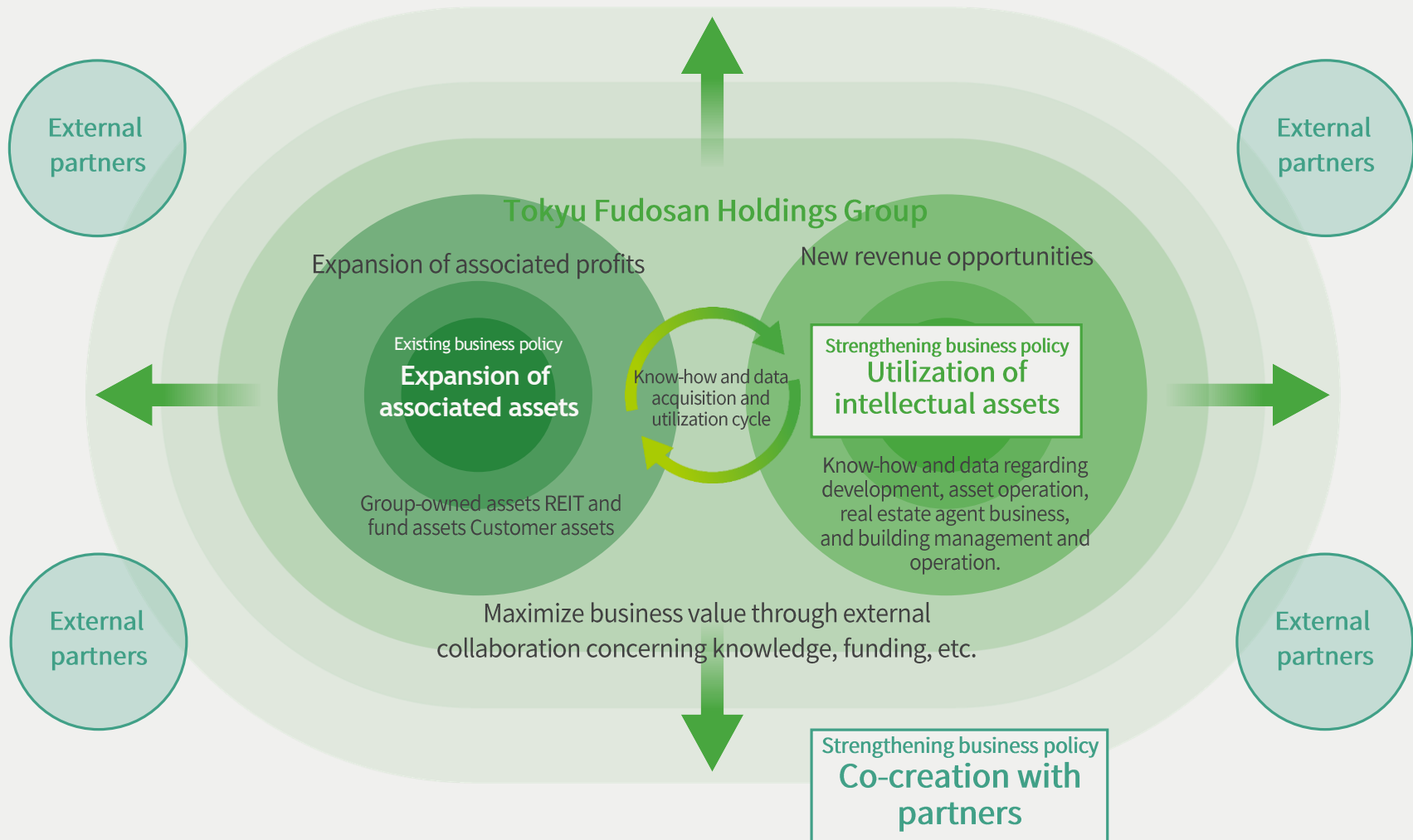


CAMPUS VILLAGE Chitose Karasuyama  
(Completed in March 2023;  
total student condominiums units: 182)

# Partner co-creation initiatives

# Upgrade Model for Expanding Associated Assets

We're upgrading our model for expanding associated assets. Under the new model, we'll deploy intellectual assets and co-create value with partners.



# Partner co-creation initiatives

Co-create with external partners to expand assets involved

## Comprehensive business alliance with JR East (February 2023)

A comprehensive business alliance was formed with the aim of solving social issues through environmentally symbiotic, community self-help sustainable community development and the growth of both company groups. The two groups will work together to promote housing, renewable energy, and overseas business development through the utilization of their assets, know-how, and human resources, as well as a wide range of business collaborations.



Residential business, etc.



Renewable energy business



\*The above photos are for illustrative purposes only.

## Collaboration with Massachusetts Institute of Technology (MIT) (October 2023)

Collaboration with MIT to make the Greater Shibuya Area, where IT ventures are concentrated, into a world-class startup cluster. Opening a place to support deep tech startups at "Shibuya Sakura Stage".



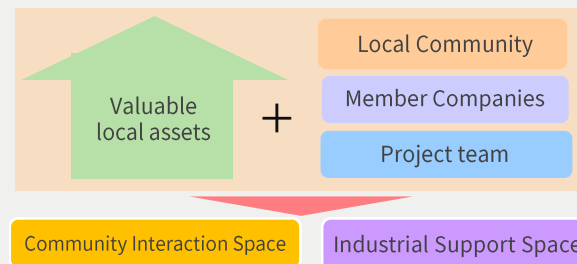
Shibuya, where diverse people gather



[Shibuya Deep-tech Accelerator (tentative name)]

## Started a community symbiosis project in Noshiro City and Oga City, Akita Prefecture (April 2023)

The cities of Noshiro and Oga in Akita Prefecture are making progress in introducing offshore wind power. We have opened "TENOKA Noshiro" and "TENOKA Oga" there as a participatory community symbiosis project. Working with local residents and partners to support local lifestyles and industries











# Sustainability Initiatives

# Materiality and KPI

We will aim to achieve non-financial KPI based on materialities

| Themes to work on (Materialities)   | Target indicators  | FY2022 Result                           | FY2025 Targets   | (FY)FY2030 Targets             |
|---|--|---|--|--------------------------------|
|  <p>Lifestyle</p>      | <ul style="list-style-type: none"> <li>• Customer satisfaction level*</li> </ul>   | 94%                                     | 90% or more  | 90% or more                    |
|   | <ul style="list-style-type: none"> <li>• Products and services that contribute to Lifestyles Creation 3.0</li> </ul>                 | Total 35 cases****<br>(FY2022 15cases)  | 50 cases or more<br>(10/year)  | 100 cases or more<br>(10/year) |
|  <p>Liveable City</p>  | <ul style="list-style-type: none"> <li>• Measures to revitalize communities</li> </ul>   | Total 38cases****<br>(FY2022 17cases)   | 50 cases or more<br>(10/year)  | 100 cases or more<br>(10/year) |
|   | <ul style="list-style-type: none"> <li>• Strengthening buildings safety and security**</li> </ul>                                    | 100%                                    | 100%   | 100%                           |
|  <p>Environment</p>    | <ul style="list-style-type: none"> <li>• CO2 emissions (compared with FY2019)</li> </ul>   | Scope1,2: (50.6)%<br>Scope3: (10.9)%    | Scope1,2: (50)% or more<br>Scope3: Reduction through cooperation with construction companies, etc. | (46.2)%<br>(SBT certification) |
|   | <ul style="list-style-type: none"> <li>• Environmental efforts through business</li> </ul>   | Total 36 cases****<br>(FY 2022 14cases) | 50cases or more<br>(10/year)   | 100 cases or more<br>(10/year) |
|  <p>DX</p>             | <ul style="list-style-type: none"> <li>• Number of initiatives for digital utilization</li> </ul>                                    | Total 43 cases****<br>(FY2022 13 cases) | 50cases or more<br>(10/year)   | 100cases or more<br>(10/year)  |
|   | <ul style="list-style-type: none"> <li>• Acquisition of IT passport***</li> </ul>  | 71%                                     | 80% or more  | 100%                           |
|  <p>Human Capital</p> | <ul style="list-style-type: none"> <li>• Ensuring of diversity in the core human capital (ratio of female managers)</li> </ul>       | 7%                                      | 9% or more   | 20% or more                    |
|   | <ul style="list-style-type: none"> <li>• Ratio of childcare leave taken by male employees</li> </ul>                                 | 65%                                     | 100%   | 100%                           |
|  <p>Governance</p>   | <ul style="list-style-type: none"> <li>• Engagement with shareholders and investors</li> </ul>                                       | 284 cases                               | 290 cases or more  | 300 cases or more              |
|   | <ul style="list-style-type: none"> <li>• Improvement of effectiveness of the Board of Directions (third party evaluation)</li> </ul> | 100%                                    | 100%   | 100%                           |

\* Tokyu Cosmos Members Club Questionnaire survey

\*\* Support people who have difficulty returning home in the event of a disaster in a large and non-residential building, etc.

\*\*\* Tokyu Land Corporation employees

\*\*\*\* Cumulative results since FY2021

\*\*\*\*\*FY2022 results include results prior to third-party verification and are subject to change.

# Sustainability Initiatives

We address socioenvironmental issues through our business activities.

## Environmental Management Report 2023 released in November 2023



The report discloses our progress in the Group policy for the environment. It describes priority issues (e.g. supporting decarbonisation, a recycling-oriented society, biodiversity).

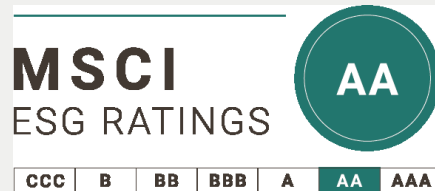


Access the report on our corporate website:  
<https://www.tokyu-fudosan-hd.co.jp/ir/library/>

## Tokyu Fudosan earns an AA rating from MSCI



MSCI (which rates the ESG commitment and disclosure quality of businesses around the world) awarded Tokyu Fudosan Holdings Corporation an AA rating.



In MSCI's ESG ratings, AA is second only to AAA. This rating honors the Company's commitment to ESG as well as the company's strategic planning and business actions made under the Group's environmental and DX agendas.

- \* This excludes certain projects that lie outside the RE100 target coverage, namely, properties to be sold or demolished and jointly managed properties (properties whose energy use is not fully controlled by Tokyu Land Corporation)
- \*\* This excludes energy produced by co-generation systems because Japan has no market for RE100-approved green gas certificates. Using carbon-neutral fuel supplied by Tokyo Gas, we are making the low-carbon transition.

## Transition Plan toward Decarbonized Society and TNFD report released in August 2023



We published Transition Plan toward Decarbonized Society, a climate transition plan aligned with the TCFD and released a TNFD report, marking a first for the Japanese real estate industry.



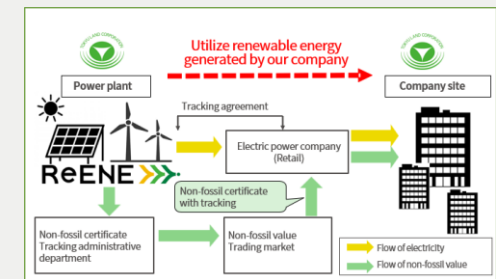
## Tokyu Land Corporation goes 100% renewable\*\* in its workplaces and properties\*



Tokyu Land Corporation has switched to 100% renewables in 244 of its properties (e.g. offices, commercial facilities). This switch will cut annual CO2 emissions by 156 kt, equivalent to the emissions of 80 thousand general households.



Key examples of properties that have switched to 100% renewables: Tokyo Port City Takeshiba (left) Shibuya Fukuras (right)



Scheme for using non-fossil certificates for our properties

# Creating more business opportunities with the environment as a starting point

We act on priority environmental issues: decarbonized society, recycling-based society, and biodiversity

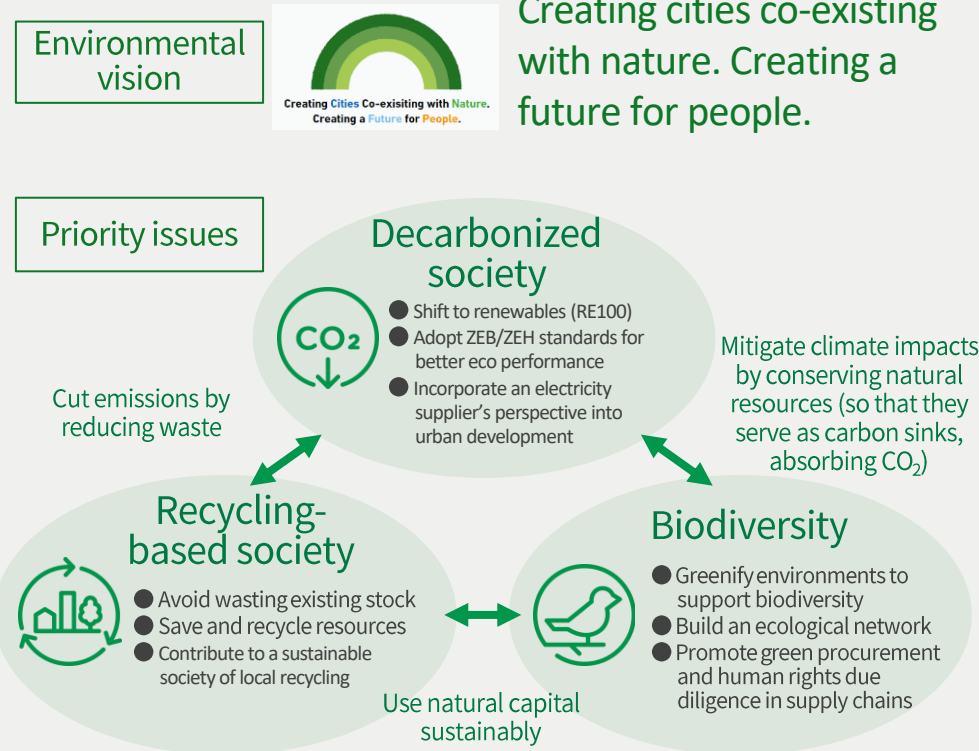


**Comprehensively addressing environmental issues as an environmentally advanced company.**

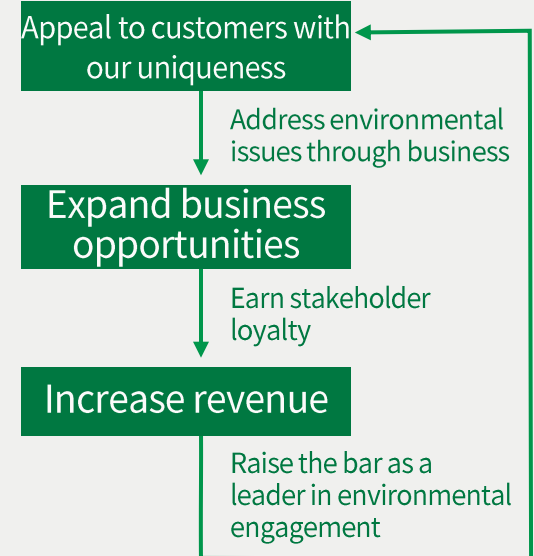
We address environmental challenges through our businesses to drive sustainable corporate development (balancing business growth with socioenvironmental sustainability).

Medium-term management plan

**Expand business opportunities with the environment as a starting point**



**Capitalize on the business opportunities in environmental issues**

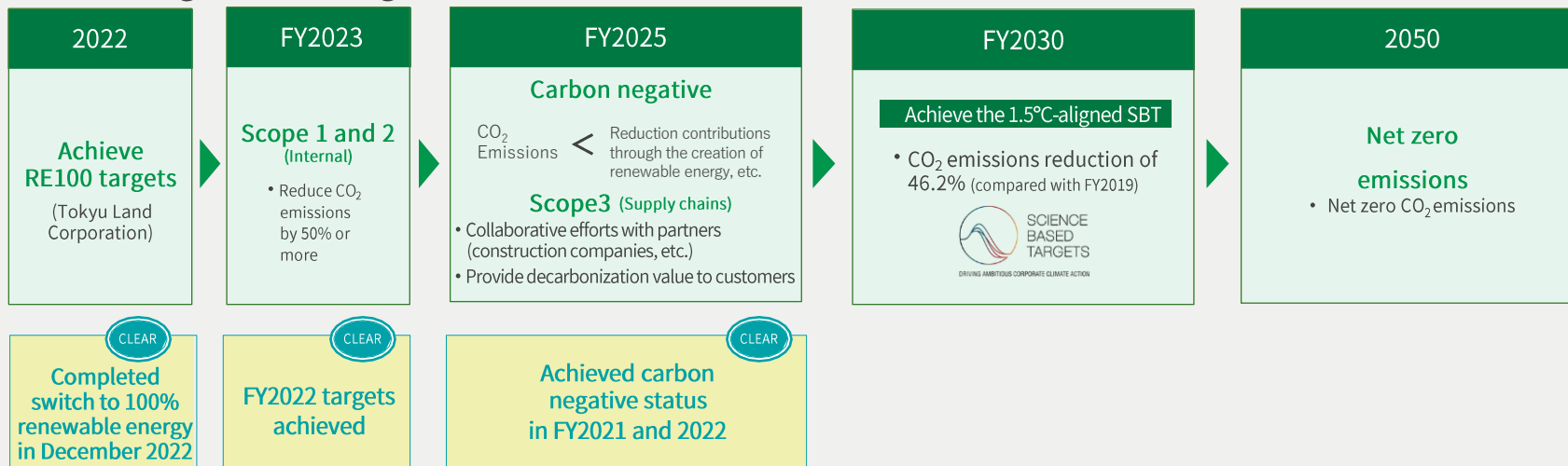


# Science-Based Targets for the Low-Carbon Transition



We're stepping up climate efforts, committing to our 1.5°C-aligned science-based target for 2030.

## Climate change-related targets



## Progress toward environmental targets

**Environmental certifications obtained\***

- Percentage of large non-residential properties certified as low-carbon buildings:  
FY2025: 70% FY2030: 100%
- In September, we added condos to the metric  
Percentage of condos certified as low-carbon buildings:  
FY2023: 100%  
Low-carbon building certification obtained for all properties

\*This metric applies to large non-residential properties (with a total floor space of at least 10 km<sup>2</sup>) other than some jointly owned properties.

**ZEB/ZEH percentage\***

FY2025: approx. 50%  
FY2030: 100%  
In the housing business, the expansion of the target and 100% advance in fiscal year 2023.

\*This metric describes the percentage of residential properties certified as ZEH Oriented or better and the percentage of non-residential properties certified as ZEB Oriented or better (as of construction commencement).

**Use of ICP**

FY2021: Adopted ICP  
FY2022: Graphical data on ICP presented at Tokyu Land's General Executive Committee

**Participation in GX League**

Tokyu Fudosan Holdings Corporation has joined METI's GX League, led by the Ministry of Economy, Trade and Industry.

# Initiatives to realize a decarbonized society (TCFD)



Scenario analysis was conducted for the Group's four businesses in the following three cases

## <Summary>

Conduct scenario analysis to assess climate change-related risks and opportunities over the mid- to long-term (2030 and 2050) for the Group's four businesses (cities, resorts, housing, and renewable energy) and reflect them in our business strategies.

| Category   | 1.5°C  | 3°C   | 4°C   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>✓ Transition risks<br/>Policies, Regulations, Markets, Reputation</li> <li>✓ Opportunities<br/>Energy Sources, Products, Services Market</li> </ul> | <p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the med-term, a significant financial impact due to carbon pricing and ZEB compliance costs are seen, but in the long-term, ZEB conversion will be completed, securing a competitive advantage and increasing rental income. The demand for renewable energy power is expanding.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy.</li> <li>• Promote conversion of new buildings to ZEB/ZEH and upgrade of equipment at existing operating facilities. Differentiation through early introduction of renewable electricity.</li> </ul> | <p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the med-term, ZEB conversion is relatively mild and has less impact than the 1.5°C scenario, but the impact of ZEB conversion continues in the long-term.</li> <li>• Demand for tenant offices shrinks due to the spread of remote work.</li> <li>• Renewable energy power demand is expanding to a certain extent.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity. Resort business utilizes local natural energy.</li> <li>• Each business promotes the same differentiation as in the 1.5°C scenario.</li> <li>• Expand satellite offices in view of the spread of remote working.</li> </ul> | <p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• Higher temperatures increased construction costs and air conditioning costs during operation.</li> <li>• Demand for tenant offices shrinks due to the spread of remote work.</li> <li>• Higher temperatures increased the need for high-efficiency housing.</li> <li>• Policy support for renewable electricity is feeble. Market trends are uncertain.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Expand business in response to increasing demand for renewable electricity.</li> <li>• Each business promotes the same differentiation as in the 3.0°C scenario.</li> <li>• In the resort business, offers new resort lifestyles such as vacationing.</li> </ul> |
| <ul style="list-style-type: none"> <li>✓ Physical risks<br/>Acute, Chronic</li> <li>✓ Opportunities<br/>Resilience</li> </ul>  | <p>【Risks · Opportunities/ Financial impacts】</p> <p>In the long-term, natural disasters due to extreme weather events will increase moderately, but with low impact.</p> <p>【Strategy】</p> <p>Differentiation through building location selection and strengthened BCP/LCP response through collaboration with tenants and residents.</p>   | <p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• Climate change moves forward faster and with greater impact than in the 1.5°C scenario.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Each business promotes the same differentiation as in the 1.5°C scenario.</li> <li>• Concentrated investment in high-latitude ski resorts in the resort business. Managed golf courses using heat-tolerant turf to differentiate from competing facilities.</li> </ul>   | <p>【Risks · Opportunities/ Financial impacts】</p> <ul style="list-style-type: none"> <li>• In the long term, the impact of sea level rise increases versus the 3°C scenario. Drastic increase in damage to facilities due to natural disasters.</li> </ul> <p>【Strategy】</p> <ul style="list-style-type: none"> <li>• Each business promotes the same differentiation as in the 3.0°C scenario.</li> <li>• In the renewable energy business, maintain power generation efficiency by installing storage batteries. Screening of facilities for climate change.</li> </ul>   |

## <Disclosure in response to TCFD recommendations>

Disclosure broken down into governance, strategy, risk management, and indicators and targets

Lean more: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/54>

# Human Capital Strategy

Establishing a structure for implementing human capital management based on our human capital philosophy



## Implementation structure


- Platforms for connecting with the Board of Directors
- Maintenance of a structure and mechanisms for strategy implementation such as monitoring activities and the establishment of various councils

## Structure and mechanisms



# Human Capital Strategy

We've set human capital KPIs for each strategy.

| Human capital strategies   | Measures  | Human capital KPI  | Progress<br>(results for April 2023 are preliminary figures)                    | Target  |
|--|---|--|---|---|
|  <p>Develop people who create value</p>   | <ul style="list-style-type: none"> <li>Dissemination of Group philosophy</li> </ul>                           | <ul style="list-style-type: none"> <li>Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination)</li> </ul> | 84% (FY2022 result, covering a total of 140 officers)                           | 90% (FY2025)                                  |
|  |   | <ul style="list-style-type: none"> <li>Development of DX talent</li> </ul>   | <ul style="list-style-type: none"> <li>Acquisition of IT passports*1</li> </ul> | 71% (FY2022 result)                           |
|  | <ul style="list-style-type: none"> <li>Number of initiatives utilizing digital technology</li> </ul>          |  | Cumulative total of 43 (FY2022 result)  | Cumulative total of at least 100 (FY2030)     |
|  | <ul style="list-style-type: none"> <li>Human capital development based on environmental management</li> </ul> |  | <ul style="list-style-type: none"> <li>Sustainable Action Awards</li> </ul>     | 123 entries (FY2022 result)                   |
|  |   | <ul style="list-style-type: none"> <li>Environmental efforts through business</li> </ul>   | Cumulative total of 36 (FY2022 result)  | Cumulative total of at least 100 (FY2030)     |
|  <p>Develop organizations with diversity and a sense of unity</p>                 | <ul style="list-style-type: none"> <li>Empowerment of women</li> </ul>  | <ul style="list-style-type: none"> <li>Ratio of women among new graduate hires*2</li> </ul>  | 46% (April 2023 result)   | 50% (April 2030)                              |
|  |   | <ul style="list-style-type: none"> <li>Ratio of female managers (ensuring the diversity of core human capital)*2*3</li> </ul>  | 8% (April 2023 result)  | At least 20% (April 2030)                     |
|  |   | <ul style="list-style-type: none"> <li>Ratio of female candidates for management positions*2*3</li> </ul>  | 18% (April 2023 result)   | At least 20% (April 2030)                     |
|  | <ul style="list-style-type: none"> <li>Empowerment of diverse human capital</li> </ul>                        | <ul style="list-style-type: none"> <li>Ratio of mid-career hires among managers*2*3</li> </ul>   | 46% (April 2023 result)   | 50% (April 2030)                              |
|  |   | <ul style="list-style-type: none"> <li>Deepening understanding of DE&amp;I (percentage of employees who took an e-learning course)*2</li> </ul>  | 86% (FY2022 result)   | 100% (FY2030)                                 |
|  |   | <ul style="list-style-type: none"> <li>Number of proposals commercialized through STEP, the Group's co-creation-based internal venture scheme</li> </ul>                                     | Cumulative totals of 253 proposals received, 3 commercialized (FY2022 results)  | Commercialization of 1 proposal/year (FY2025) |
|  |   | <ul style="list-style-type: none"> <li>Acquiring external knowledge and sharing expertise within the Group</li> </ul>  | Cumulative total of 111 seminars (FY2022 result)                                | Hold 4 seminars/year (FY2025)                 |
|  <p>Enhance motivation to work and foster an employee-friendly work culture</p> | <ul style="list-style-type: none"> <li>Promotion of health and productivity management</li> </ul>             | <ul style="list-style-type: none"> <li>Ratio of employees who undergo physical examinations*2</li> </ul>   | 100% (FY2022 result)  | 100% (FY2030)                                 |
|  |   | <ul style="list-style-type: none"> <li>Ratio of employees who undergo stress checks*2</li> </ul>   | 93% (FY2022 result)   | 100% (FY2030)                                 |
|  |   | <ul style="list-style-type: none"> <li>Ratio of childcare leave taken by male employees*2</li> </ul>   | 65% (FY2022 result)   | 100% (FY2030)                                 |
|  | <ul style="list-style-type: none"> <li>Support for diverse work styles</li> </ul>                             | <ul style="list-style-type: none"> <li>Ratio of Group companies implementing a remote working system*2</li> </ul>  | 100% (FY2022 result)  | 100% (FY2030)                                 |
|  |   | <ul style="list-style-type: none"> <li>Ratio of Group companies implementing a flextime (or staggered working hours) system*2</li> </ul>   | 100% (FY2022 result)  | 100% (FY2030)                                 |
|  | <ul style="list-style-type: none"> <li>Improvement of employee engagement</li> </ul>                          | <ul style="list-style-type: none"> <li>Carrying out employee engagement surveys and implementing improvements*1</li> </ul>   | AA engagement rating (FY2022 result)  | AA engagement rating (FY2030)                 |

## Outcomes

2030  
Create value for the future

Production of personnel who are highly-productive and widely contribute to society

Realization of environments where employees can work with motivation and ambition and in good physical and mental health.

Results include figures that have yet to undergo third party verification and are therefore subject to change.

(\*1) Tokyu Land Corporation (\*2) Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Livable Inc., Tokyu Community Corp., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.) (\*3) "Managers" indicates employees at the manager level or above while "candidates for management positions" indicates employees one level below manager (assistant manager or equivalent)

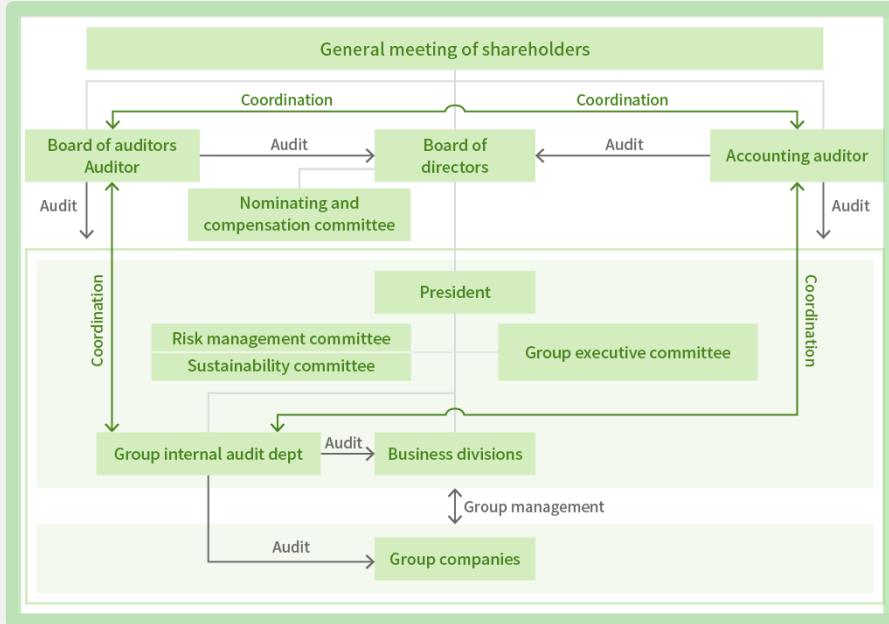


# Corporate Governance

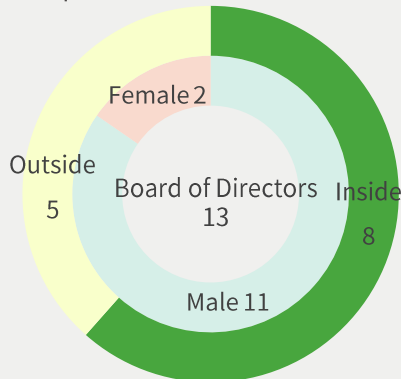


Establish a governance system that contributes to ensuring sound and transparent management and strengthening the system for implementing the long-term management policy

## 〈Corporate Governance Structure〉



〈Composition of Board of Directors〉

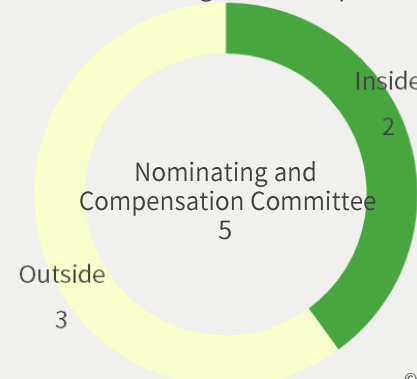


## 〈System of Remuneration for Officers〉

Improved linkage between achievement of KPIs (including ESG) and compensation

| 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 | 50%                  | 40%                              | 10%                           |
| Approach to fluctuation                 |                      | Linked to performance evaluation | Linked to stock price         |
| Fluctuation from base amount            |                      | 40~160%                          | Linked to stock price         |










〈Composition of Nominating and Compensation Committee〉



# Sustainable Management (External Evaluation)

Received "AA" in the "MSCI ESG Rating" and was selected as a constituent of the "FTSE4Good Index Series" for a total of 14 consecutive years\*.

● Selected - Not selected / No evaluation

| Classification  | Index/Evaluation  | Description of Evaluation  | 2017 | 2018 | 2019 | 2020               | 2021               | 2022               |
|-----------------|---|--|------|------|------|--------------------|--------------------|--------------------|
| ESG             | FTSE 4good Index Series<br>                                      | Evaluating companies' activities to fulfill their social responsibilities in terms of environmental, social, and governance (ESG) aspects              | ●    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | FTSE Blossom Japan Index<br>                                     | Adopted by the GPIF. The index reflects the performance of outstanding Japanese companies in terms of ESG management.                                  | ●    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | MSCI Japan ESG Select Leaders<br>                                | Adopted by the GPIF. Selecting outstanding Japanese companies in different industries in terms of ESG evaluation                                       | ●    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | GRESB Real Estate Assessment<br>                                 | The benchmark assessment that measures the ESG considerations of real estate companies and funds.  | —    | —    | —    | Green Star 3 Stars | Green Star 4 Stars | Green Star 4 Stars |
| E (environment) | S&P/JPX Carbon Efficient Index<br>                               | Adopted by the GPIF. The weights of the constituents are determined in accordance with their carbon efficiency.  | /    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | CDP<br>  | The companies' initiatives related to climate change, decarbonization strategies and performance in line with the TCFD recommendations, are evaluated. | B    | A-   | A-   | A-                 | A                  | A                  |
| S (society)     | MSCI Japan Empowering Women Index<br>                           | Adopted by the GPIF. Companies with high gender diversity scores based on data on the employment of women are selected.                                | —    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | Health & Productivity Management Outstanding Organizations<br> | Evaluating health management practices Evaluated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi                             | ●    | ●    | ●    | ●                  | ●                  | ●                  |
|                 | Health & Productivity Stock<br>                                | Selecting outstanding companies in terms of health management Selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange     | —    | —    | ●    | ●                  | ●                  | —                  |

\* Selected for four consecutive years from 2010 to 2013 as Tokyu Land Corporation, and for 10 consecutive years from 2014 to 2023 after the establishment of Tokyu Fudosan Holdings, Inc.

## | IR Report |

We continued engaging with investors and analysts to aid our sustainable growth and build our organization's value over the long term.

### IR events organized in FY2022

| Major IR events                          | Frequency | Person who primarily handled the event   |
|--|-----------|--|
| Earnings briefing session                | Twice     | President & CEO, Director, Operating Officer   |
| Interviews and meetings                  | 284 times | Operating Officer, Executive Manager, Investor Relations Office Senior Manager, Investor Relations Staff |
| Conferences sponsored by brokerage firms | 11 times  | Operating Officer, Executive Manager, Investor Relations Office Senior Manager                           |
| Small meeting with the president         | Once      | President & CEO, Operating Officer   |
| International IR                         | Twice     | President & CEO, Operating Officer   |
| Business briefing session                | Once      | Director in charge of the business division, Operating Offer   |
| Business tour                            | Twice     | Business division staff  |
| Briefing for individual investors        | Once      | President & CEO  |

### 〈Main themes of our dialogue with investors and analysts/ main concerns expressed by investors and analysts〉

- Likelihood of achieving the growth strategies and financial targets set forth in the medium-term management plan
- Progress in business portfolio management and structural reforms
- Impact of rising construction costs, energy costs, and interest rates on business
- Market conditions for various businesses (office, condominiums for sale, real estate agents, real estate trading, etc.) and how the Company is impacted
- How the hotel business, commercial facilities business, and other operations are recovering from the effects of the COVID-19
- Growth strategy for the renewable energy business
- Status of overseas operations and future strategy
- Shareholder return policy

### 〈Feedback from investors and analysts (such as opinions and concerns) to management, etc.〉

Opinions and concerns expressed by investors and analysts during our interactions are always conveyed to senior management. Periodic reports are made to the Company's Board of Directors (twice in FY2022) and to the management meetings of major subsidiaries (twice in FY2022).

# DX Initiatives



Our digital transformation focuses on business processes and customer experience.

### DX Report2023 released in November 2023

The report discloses our progress in our Group-wide digital transformation. It defines four priority issues and our strategy of providing seamless digital services in many different business areas that create new experience value.



Access the report on our corporate website:  
 <<https://www.tokyu-fudosan-hd.co.jp/ir/library/>>

### Tokyu Fudosan Holdings listed in DX Stocks 2023

Tokyu Fudosan Holdings was listed in DX Stocks 2023, by virtue of its best practices in integrating digital technology to upgrade its longstanding business models and generate new business models. Examples include having a DX strategy aligned with the overarching corporate strategy, and having the organizational and procedural infrastructure to implement the strategy.



### Launch of Niseko Powder Token, Japan’s first ski NFT

We launched NFTs that grant early entry to the slopes of Niseko, renowned internationally for its Japow (a portmanteau of Japan, powder, and snow, Japow refers to the powdery snow in Hokkaido).



NISEKO TOKYU Grand HIRAFU



Design of the NFTs

### Digital twinning of entire condominium

By entering into a strategic partnership with Accenture and utilizing their Computer-Generated Imagery (CGI), we will create and improve the CX of digital twins for BRANZ properties, and in the future, reduce the environmental impact of building standard model rooms, etc.



Exclusive area created by Digital Twin

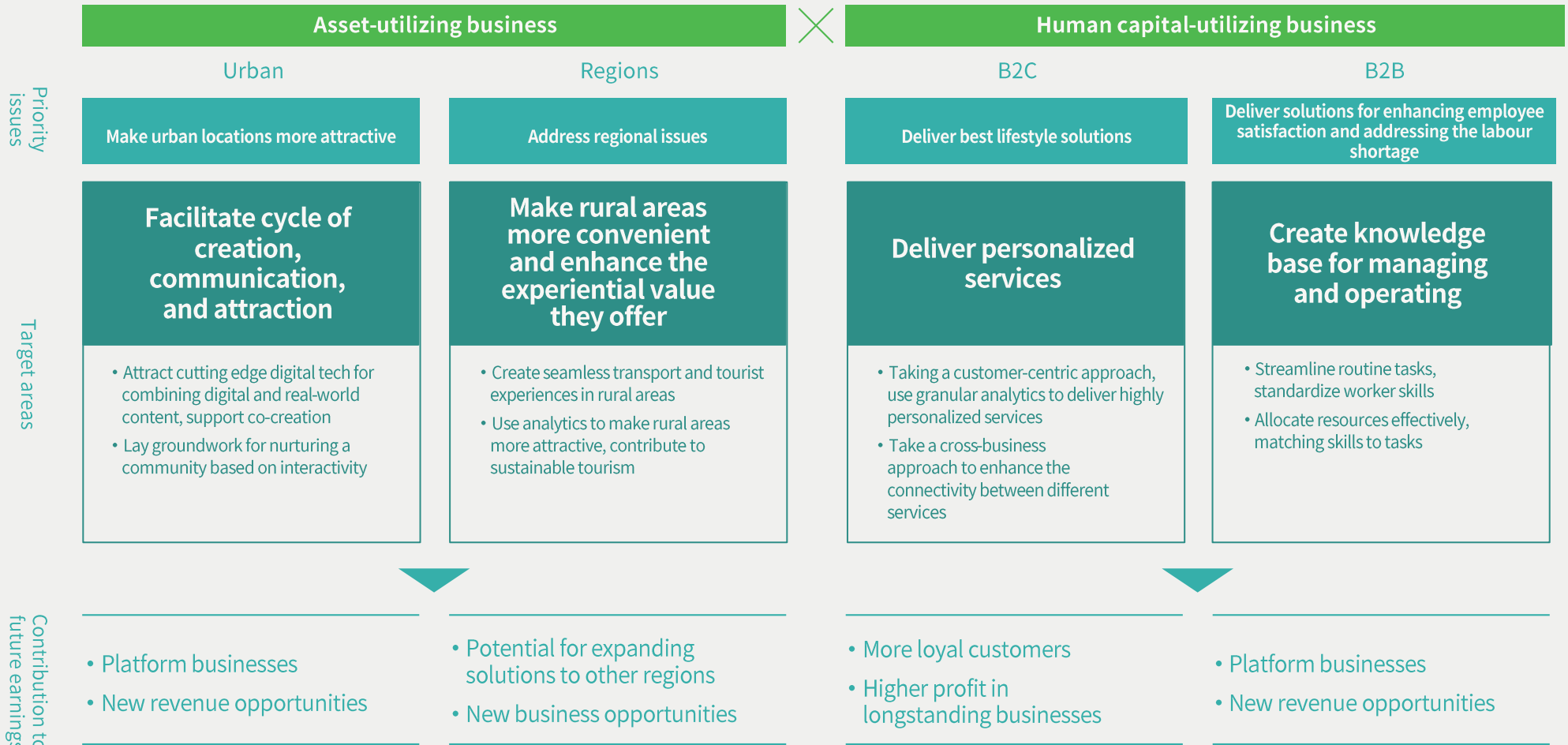


3D model based on drawing



We've defined the following four priority issues for providing seamless digital services that create new experience value.

## Four priority issues, business areas



# DX Value Creation Roadmap



Between now and FY2025, we'll focus on saving labor and enhancing customer-centrism, unlocking discontinuous exponential growth in the run-up to FY2030.

2021 - 2025

2026 - 2030

## Restructuring phase

Accumulate examples of specific actions and achieve growth especially through DX in human capital-utilizing businesses

## Resilience phase

Achieve discontinuous, exponential growth through DX

### Business process

A shift to creative work by promoting labor saving

### CX

Impressive experience creation through the advancement of customer contact points

### Innovation

New value creation by utilizing intellectual assets

Asset-utilizing business Enhance the centrally attracting force of cities with the introduction of smart urban of development

Human capita-utilizing business Creation of advanced service models through the optimal combination of people and DX

**Improved profit margins**  
through higher productivity

**Increased revenue**  
through enhanced customer experiential value

**Diversification of revenue sources**  
through the creation of new business models

# Overview of the Medium-term management plan 2025



## | Positioning of Medium-term management plan 2025 |

Medium-term management plan has been positioned as the restructuring phase of our long-term management policy. During the plan period, we will work realizing efficiency with a view to returning to growth in the post-COVID-19 period.

### GROUP VISION 2030 Create value for the future

Realizing a future where everyone can be themselves and shine vigorously

2021-2025

Long-term management policy: Restructuring phase

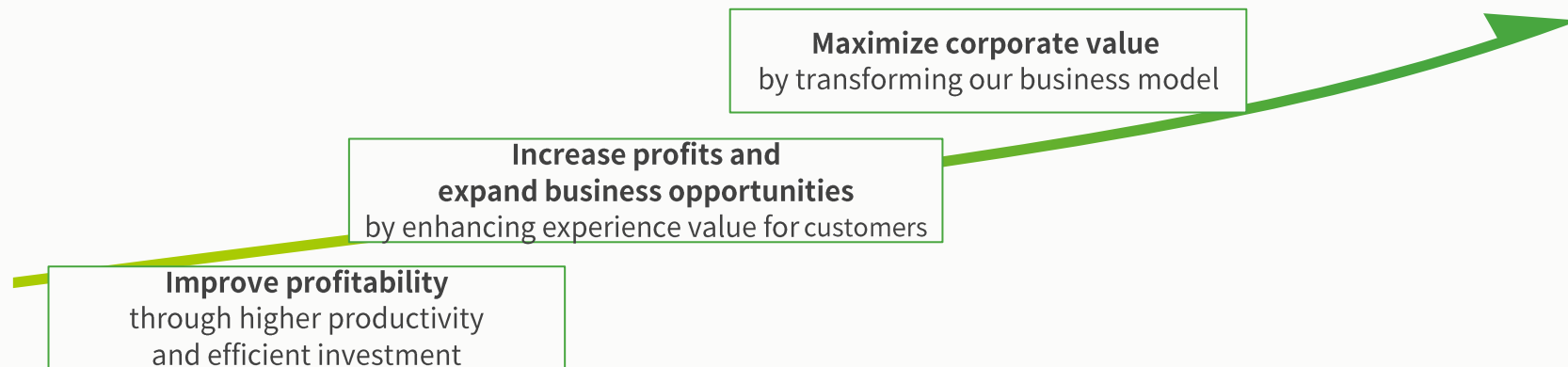
2026-2030

Long-term management policy: Resilience phase

Improve earning power and efficiency for the post-COVID-19 period in order to achieve renewed growth

Build a solid and distinctive business portfolio

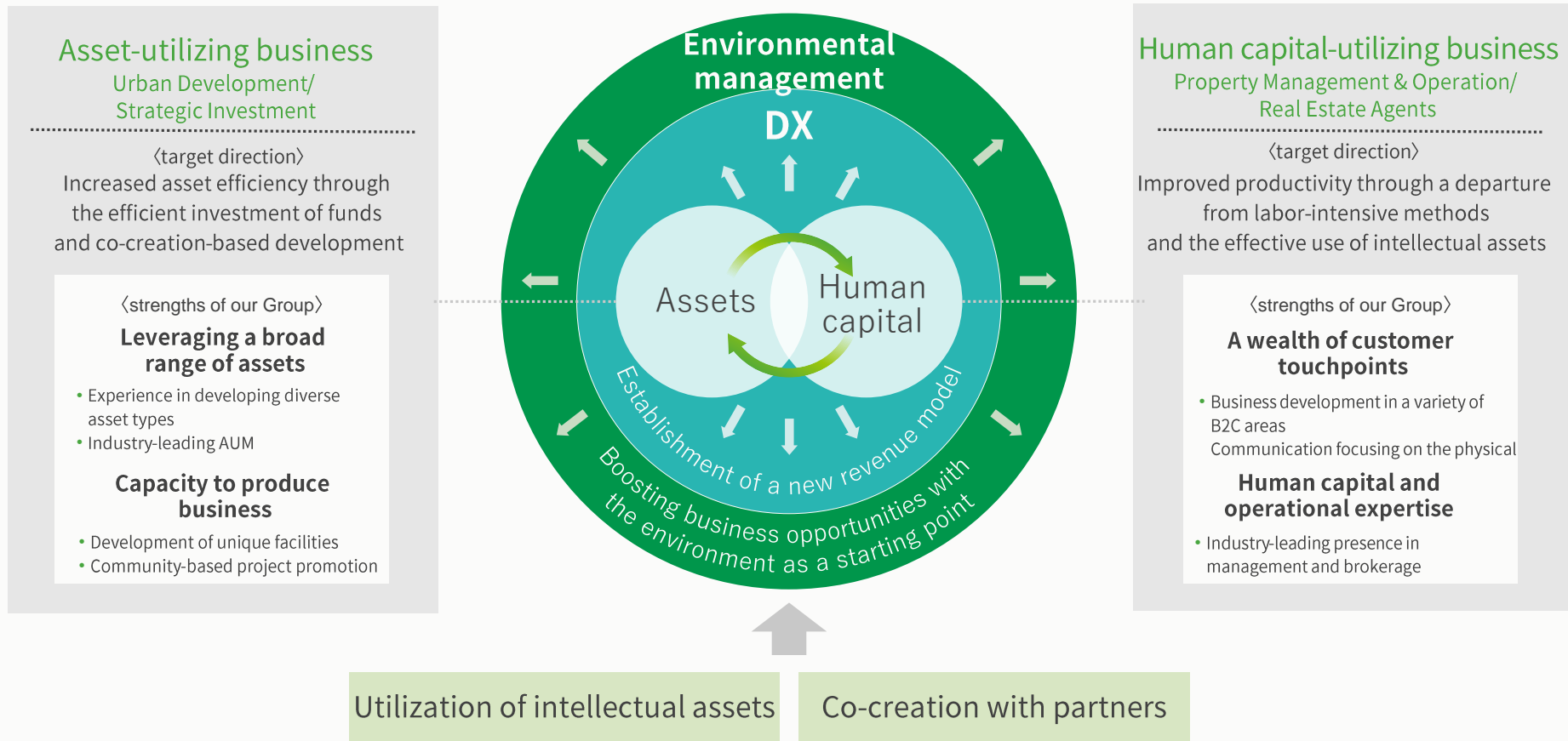
## Medium-Term Management Plan 2025



# Outline of the medium-term management plan

Combine Environmental management and DX to our Group's strengths to create unique value.

## Creating unique value through environmental management and DX



# Value creation based on the Environmental Management

Aiming to increase business opportunities with the environment as a starting point, through initiatives aimed for decarbonization, a recycling-oriented society, and efforts for biodiversity.



Medium-term management plan

## Expand business opportunities with the environment as a starting point

Three priority issues

|  |  |   |
|--|--|---|
|  <p><b>Decarbonized society</b></p> <ul style="list-style-type: none"> <li>Achievement of RE100, introduction of internal corporate pricing (ICP)</li> <li>Introduction of ZEB/ZEH, environmental certification</li> <li>Recycling, energy saving, energy creation</li> </ul> |  <p><b>Recycling-oriented society</b></p> <ul style="list-style-type: none"> <li>Reducing waste and water usage</li> <li>Leveraging stock</li> <li>Co-creation business initiatives with the community and the environment</li> </ul> |  <p><b>Biodiversity</b></p> <ul style="list-style-type: none"> <li>Urban greenification, long-term maintenance and management</li> <li>Forest conservation and utilization</li> <li>Sustainable procurement</li> </ul> |
|--|--|---|

### Key examples of third-party recognition (as of FY 2021)



**CDP Climate Change 2021**  
Recognized on CDP's highest rating A list, commended for its medium- to long-term targets and other initiatives



**2021 New Energy Award**  
Recipient of the prestigious METI Minister's Award, commended for expanding, promoting, and spreading its renewable energy business initiatives

# Value creation based on the DX

Maximize the values of assets and human capital that belong to the Group integrating DX and aim to establish a new revenue model.

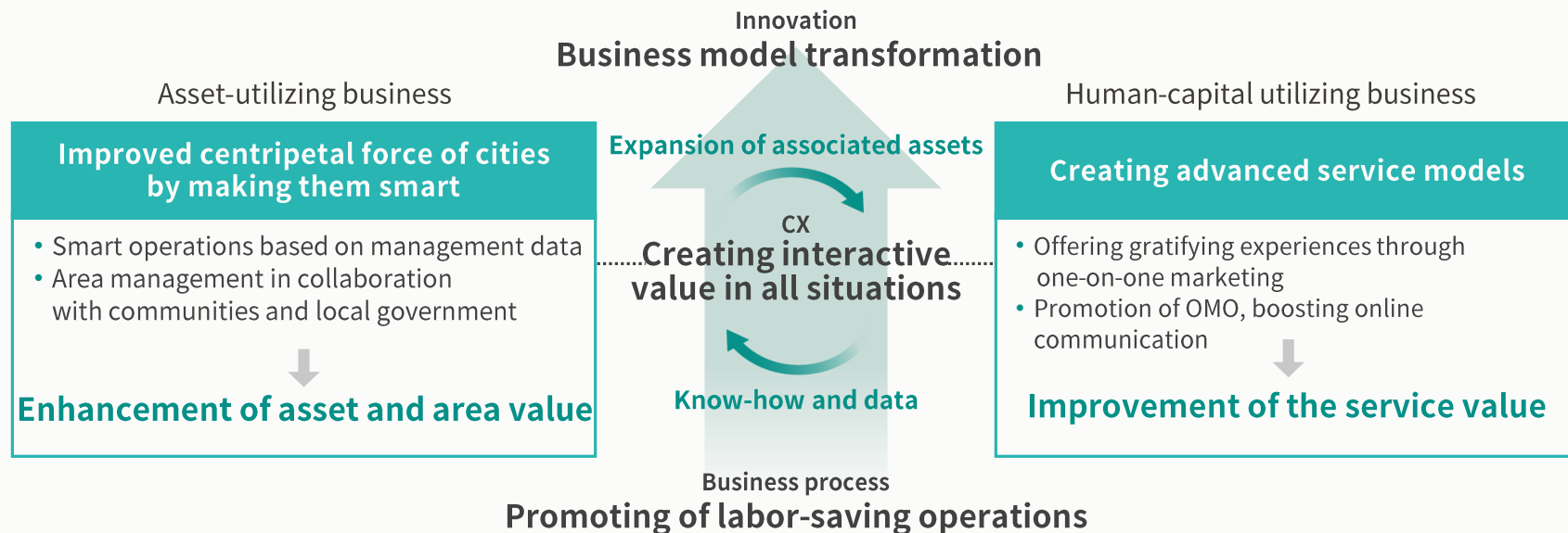
Long-term management policy

Strengths of the Group



Medium-term management plan

## Establish a new revenue model by maximizing the values of assets and human capital



# Target Indicators for Fiscal 2025

Aim to achieve target indicators that integrate financial and non-financial data based on materialities.

## Primary Targets for Each Materiality\*1



Lifestyle

Customer satisfaction  
level\*2

**90% or more**



Liveable City

Community  
Revitalization  
measures

**50 cases or  
more**



Environment

CO2 emissions or  
GHG (CO2)  
emissions\*3

**-50% or more**  
(versus fiscal 2019)



DX

Number of initiatives  
for digital utilization

**50 cases or  
more**



Human Capital

Ratio of childcare  
leave taken by male  
employees

**100%**



Governance

Improvement of  
effectiveness of the  
Board of Directors  
(Third-party  
evaluation)

**100%**

### Efficiency

**ROE**  
**9%**

**ROA**  
**4%**

**EPS**  
**¥ 90 or more**

### Profit targets

**Operating profit**  
**¥ 120 billion**

**Net profit**  
**¥ 65 billion\*4**

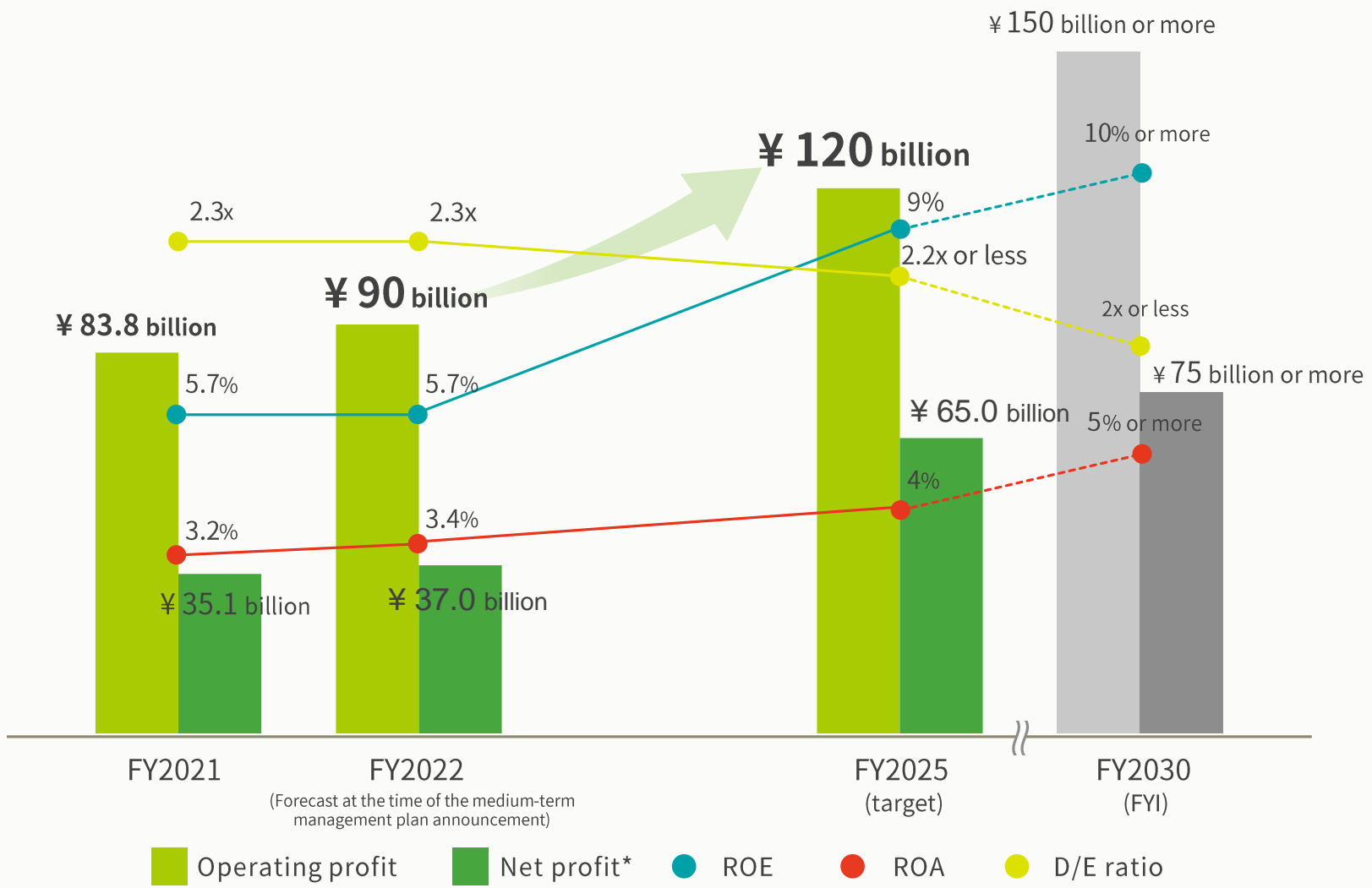
### Financial soundness

**D/E ratio**  
**2.2x or  
less**  
**EBITDA  
multiple**  
**10x or less**

\*1: Detailed targets are stated on p. 34. \*2: Tokyu Cosmos Members Club questionnaire \*3: Scope 1 & 2 under SBT certification \*4: Profit attributable to owners of parent

# Transitions in Target Indicators (financial indicators)

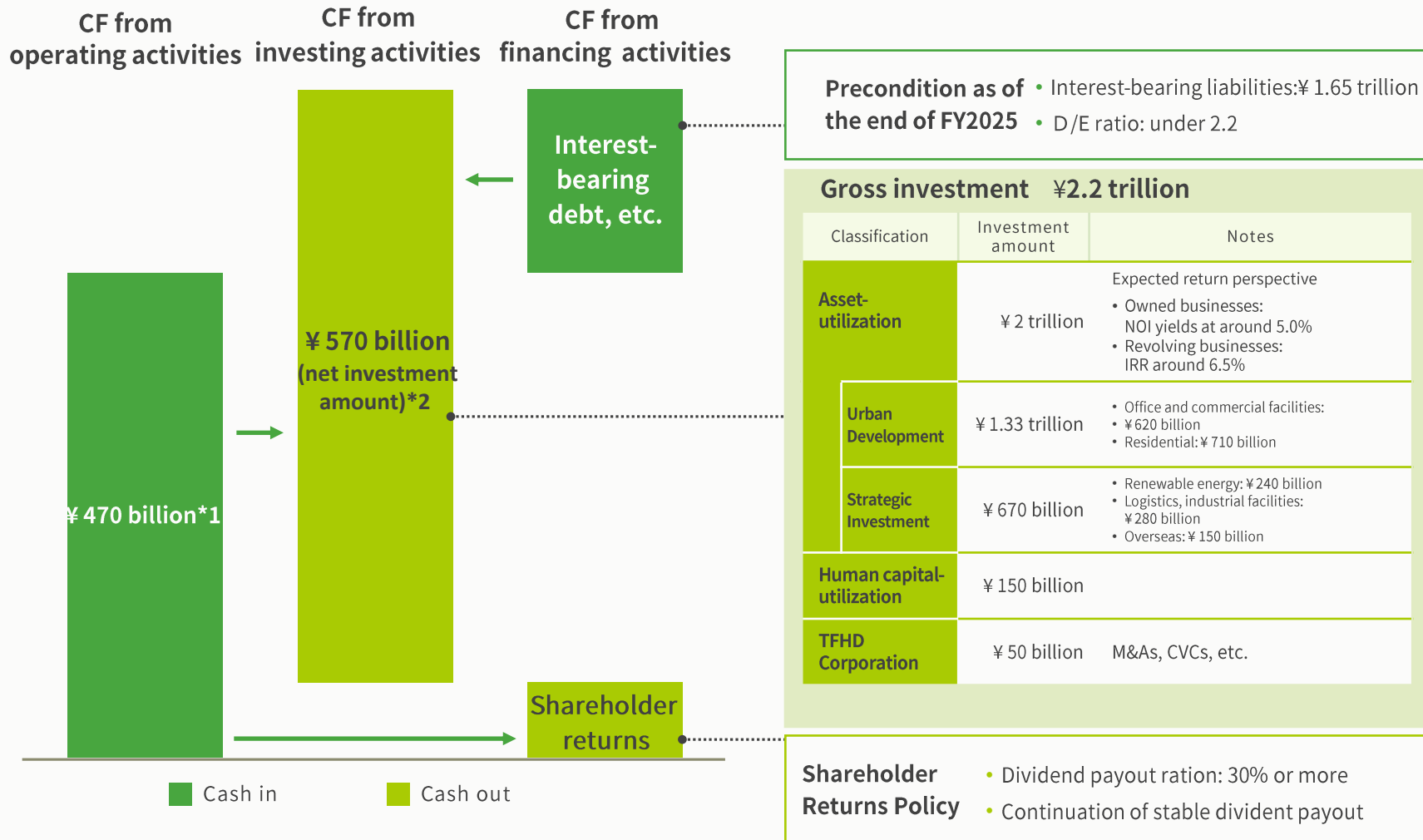
Aim for profit growth and efficiency improvement toward FY2025 through our business restructuring during the first half of the plan and the start of operations with our large-scale development properties.



\* Profit attributable to owners of parent.

# Capital Allocation

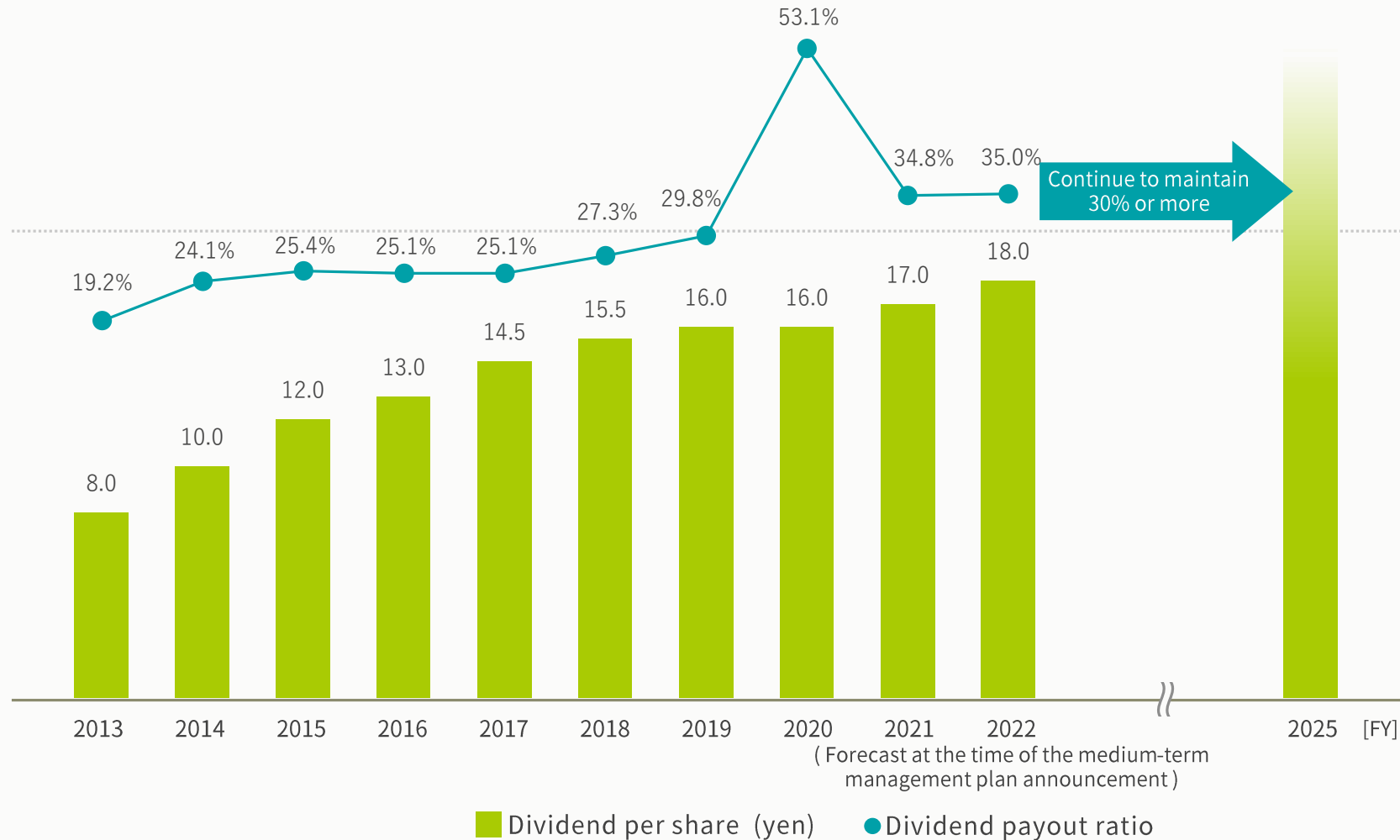
With a D/E ratio under 2.2x at the end of FY2025 as a precondition, we plan net investments at 570 billion yen (FY2021-FY2025.)



\*1: Net income for the period + amortization expenses   \*2: Includes inventory investment

# Shareholder Returns Strategy

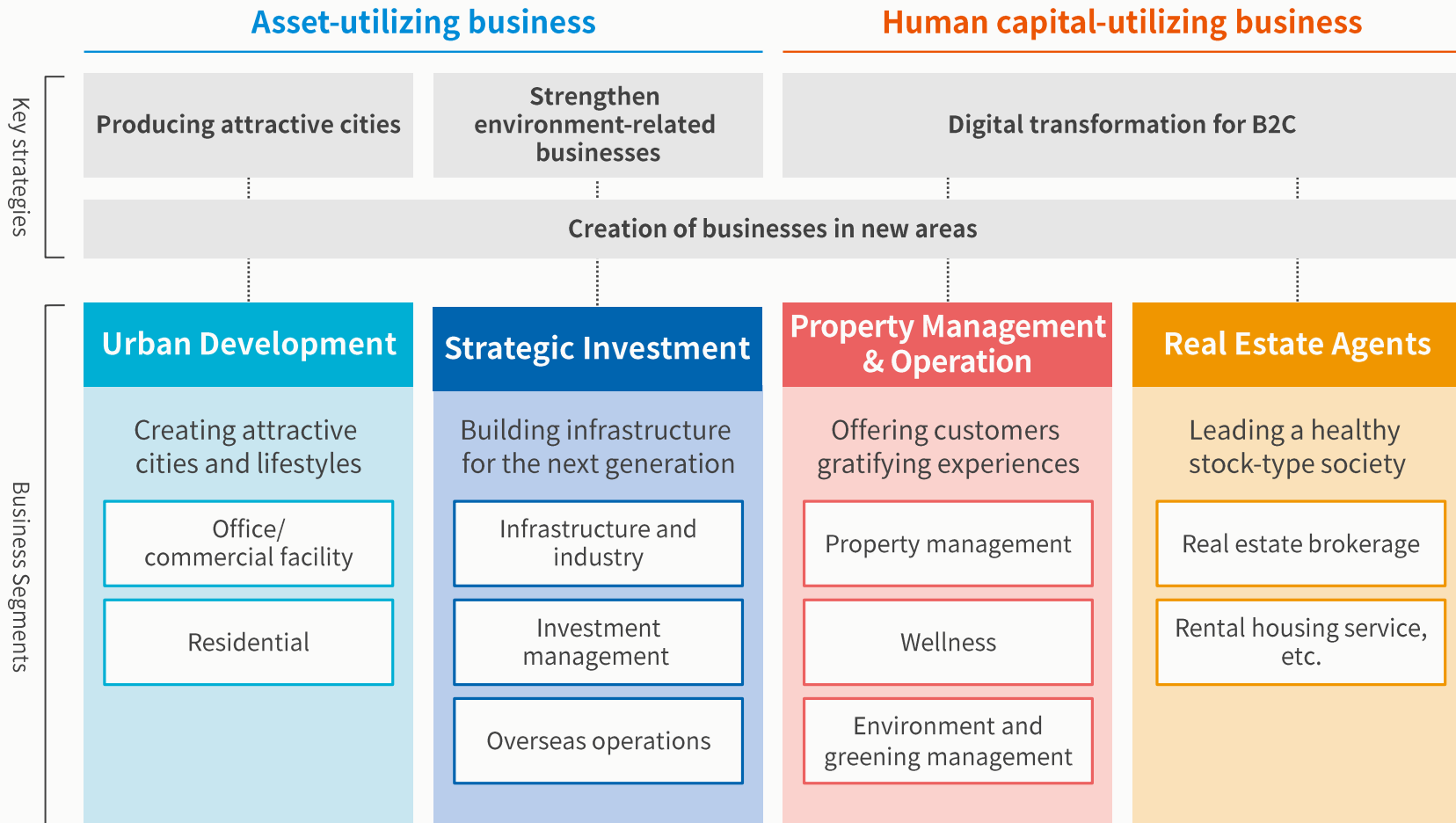
Increase EPS through reinvestment in growth and maintain a stable dividend payout ratio of 30% or more for the time being.





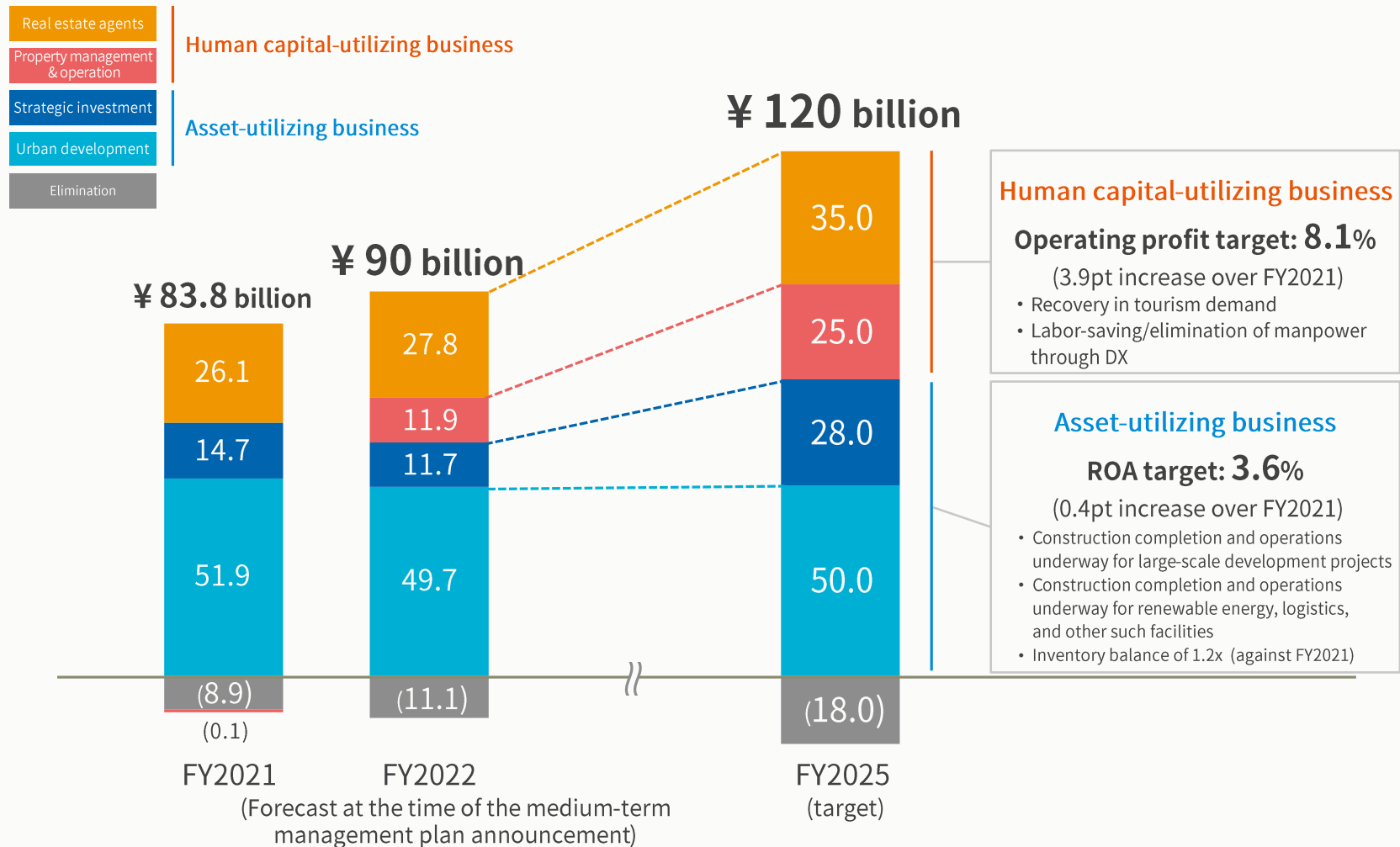
# Positioning of business segments

Manage the segments by classifying them into business areas with high affinity for social roles from the perspective of human capital and asset utilization.



# Transitions in Operating Profit by Business Segment

Management and operations needs from a recovery in tourism demand and strategic investments to boost infrastructure and industry-related businesses will lead profit growth.



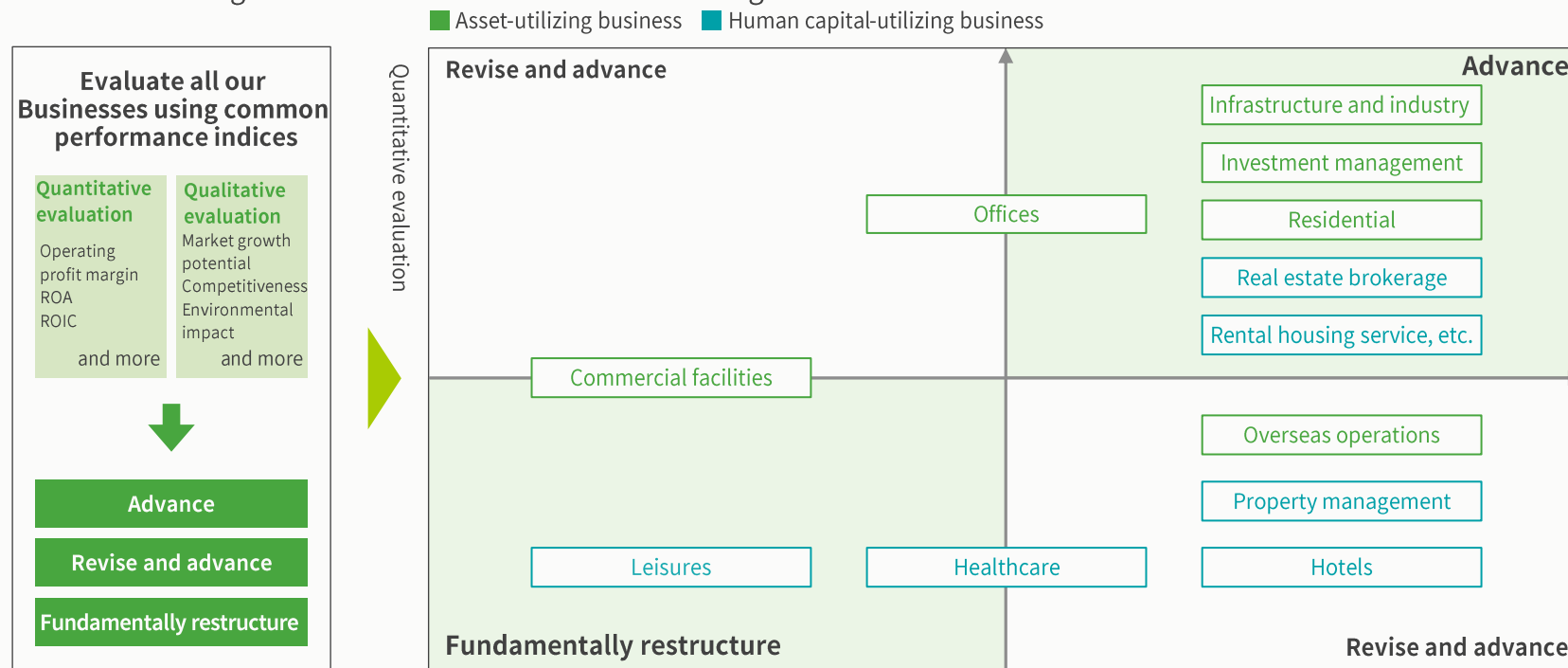
# Operating Profit by Business Segment (by business division)

|   | FY2021         | FY2022 (Forecast at the time of the medium-term management plan announcement) | FY2025 (target)        |
|---|----------------|---|------------------------|
|   | ¥83.8 billion  | ¥90.0 billion   | ¥120.0 billion         |
| <b>Urban Development</b>  | <b>51.9</b>    | <b>49.7</b>   | <b>50.0</b>            |
| Office and commercial facility*<br>(profit on sales from above) | 43.1<br>[22.8] | 44.7<br>[approx. 27.0]  | 40.0<br>[approx. 18.0] |
| Residential*  | 8.9            | 5.0   | 10.0                   |
| <b>Strategic Investment</b>                                     | <b>14.7</b>    | <b>11.7</b>   | <b>28.0</b>            |
| Infrastructure and industry*                                    | 9.0            | 10.5  | 20.0                   |
| Investment management business*                                 | 5.5            | 5.3   | 7.0                    |
| Overseas operations*  | 0.2            | (4.0)   | 1.0                    |
| <b>Property Management &amp; Operation</b>                      | <b>(0.1)</b>   | <b>11.9</b>   | <b>25.0</b>            |
| Property management*  | 7.9            | 11.0  | 14.5                   |
| Wellness*   | (5.3)          | 0.3   | 10.0                   |
| Environmental and greening management*                          | 0.8            | 0.5   | 0.5                    |
| Tokyu Hands business*   | (4.0)          | -   | -                      |
| <b>Real Estate Agents</b>                                       | <b>26.1</b>    | <b>27.8</b>   | <b>35.0</b>            |
| Real estate brokerage*  | 21.1           | 22.7  | 27.0                   |
| Rental housing service, etc.                                    | 4.7            | 5.1   | 8.0                    |
| <b>Elimination</b>  | <b>(8.9)</b>   | <b>(11.1)</b>   | <b>(18.0)</b>          |

\*Operating profits indicated above are referential values before consolidation processing.

# Business Portfolio Management (at the time of the medium-term management plan announcement)

In the plan, portfolio management is conducted by assessing all businesses along two axes, qualitative and quantitative evaluations. Our goal is to realize the transformation and growth of each business.



\*Quantitative evaluations based on FY2020 results; qualitative evaluations expected to be based on period through mid 2020.

Qualitative evaluation

## Directions for businesses requiring for fundamentally restructuring

Tokyu Hands business → Transferred all shares to a new business partner (March 2022)

Leisure business → Promote steps to become asset-light based on TCFD scenarios, etc.

Healthcare business → Fundamentally restructure the fitness business with a focus on store operations due to expectations of a limited recovery in the number of members in the post-COVID-19 period.

Commercial facilities business → Shift focus of facilities to those that meet customer needs for experience-based/emphatic consumption amid developments in e-commerce; to promote changes in our portfolio.

# Reference

# Segments Summary

## Asset-utilizing business



### Urban Development

Creating attractive cities and lifestyles

- Office buildings
- Commercial facilities
- Residential



### Strategic Investment

Building infrastructure for the next generation

- Renewable energy generation
- Logistics facilities
- Invest management
- Overseas operations

## Human capital-utilizing business



### Property Management & Operation

Offering customers gratifying experiences

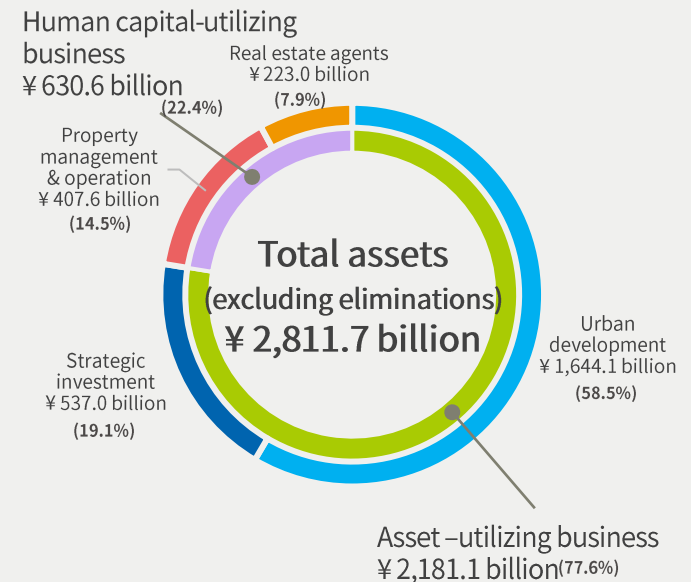
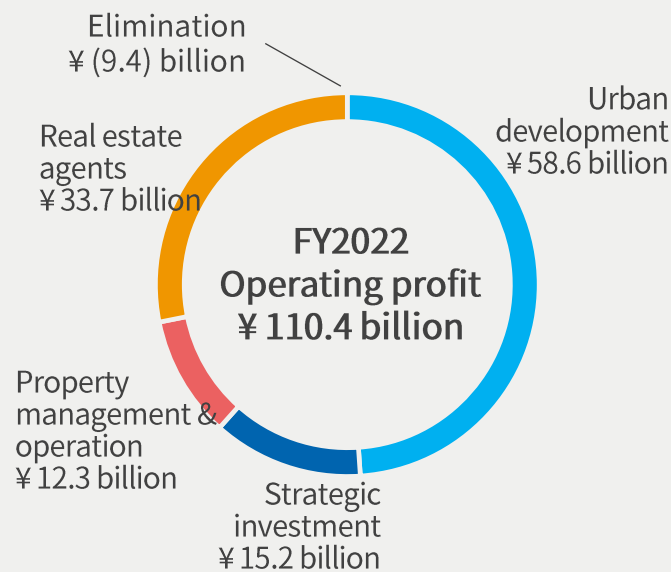
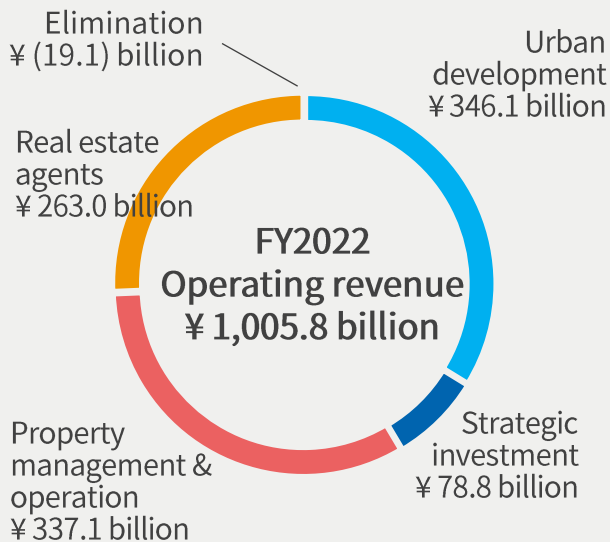
- Property management
- Wellness
- Greening management



### Real Estate Agents

Leading a healthy stock-type society

- Real estate agents
- Rental housing services



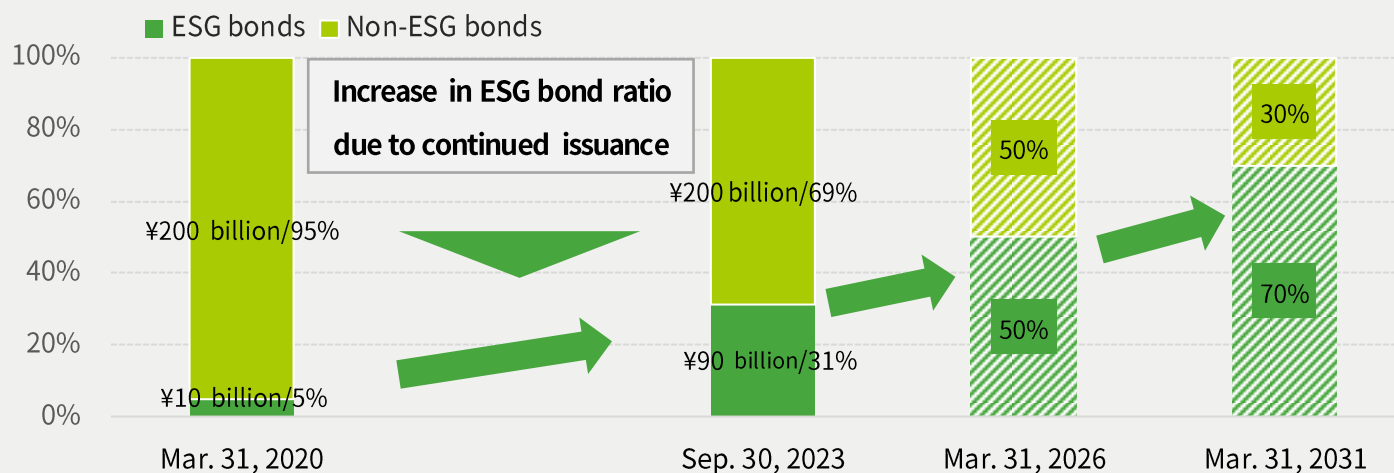
## Formulation of bond policy

Aiming to realize a sustainable society and growth through the continuous issuance of ESG bonds, we established Japan's first long-term issuance policy for ESG bonds.

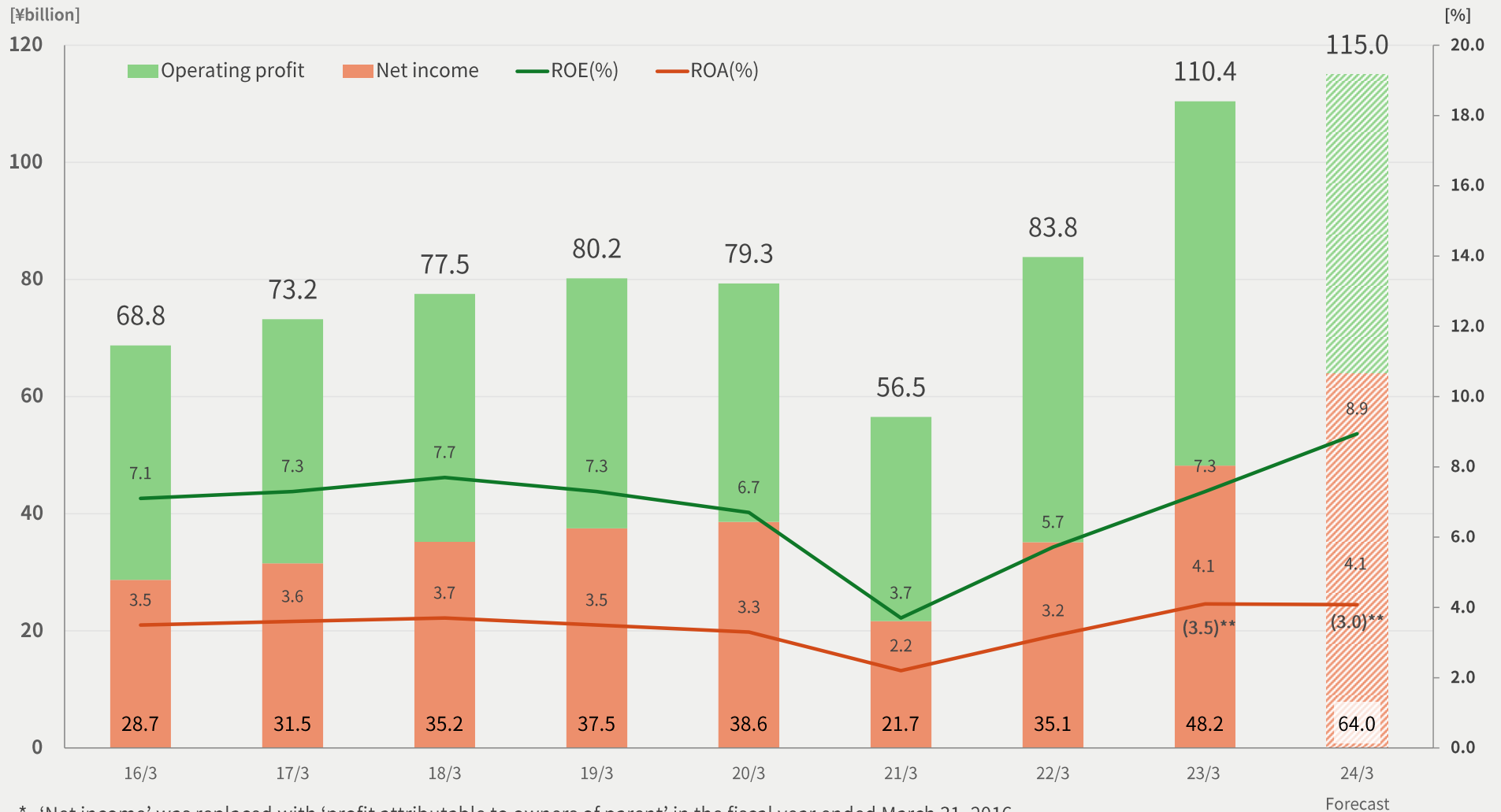
### 〈Outline of the Bond Policy〉

|                      |  |
|----------------------|--|
| 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>  |
| Deepening engagement | We will hold WE ARE GREEN Bond Policy Meetings <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)  |

### 〈ESG bond ratio Trends〉



# Trends in business performance



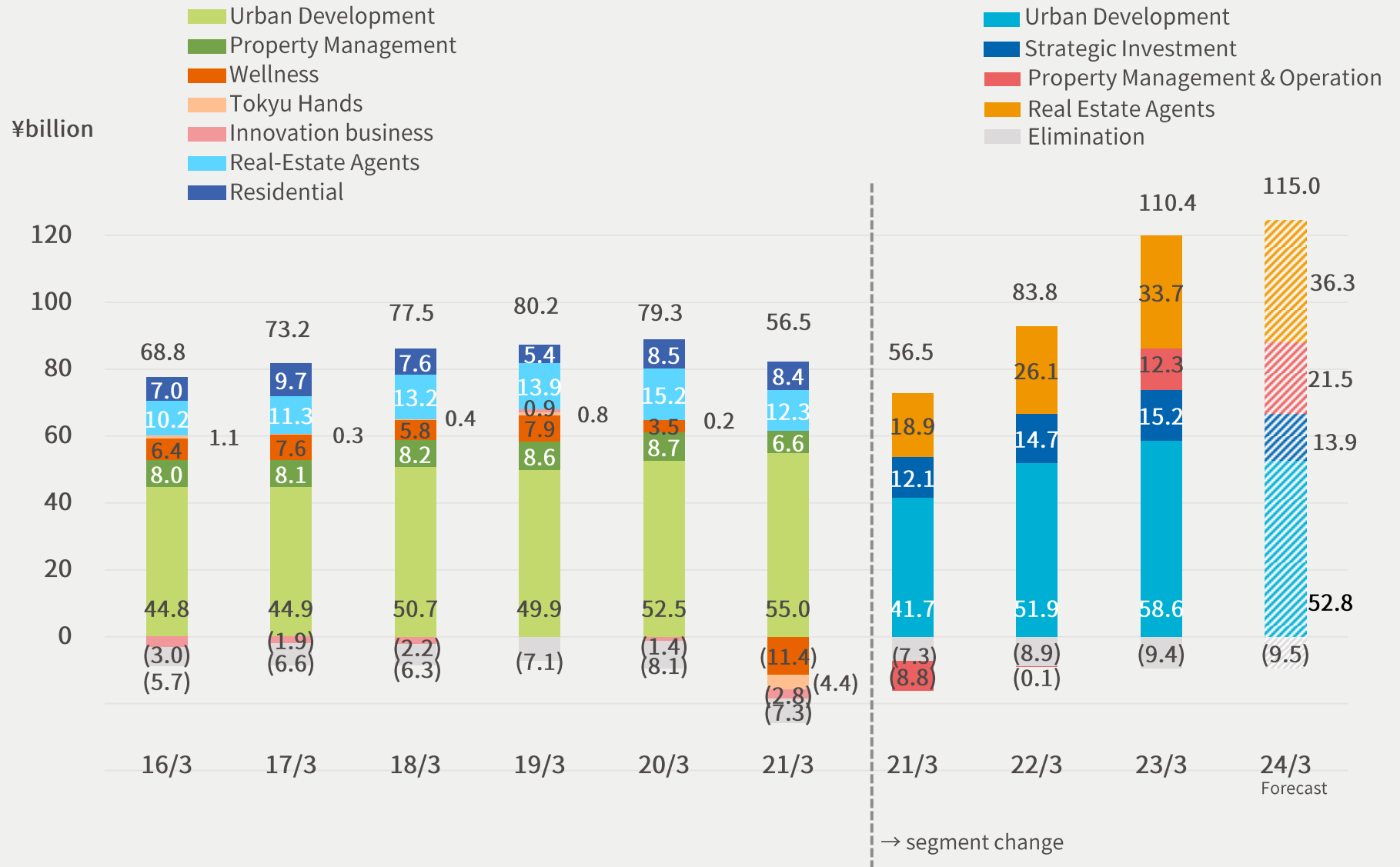
\* 'Net income' was replaced with 'profit attributable to owners of parent' in the fiscal year ended March 31, 2016.

\*\* ROA of Asset-utilizing business



# Breakdown of Results by Segment

Changes in operating profit by segment

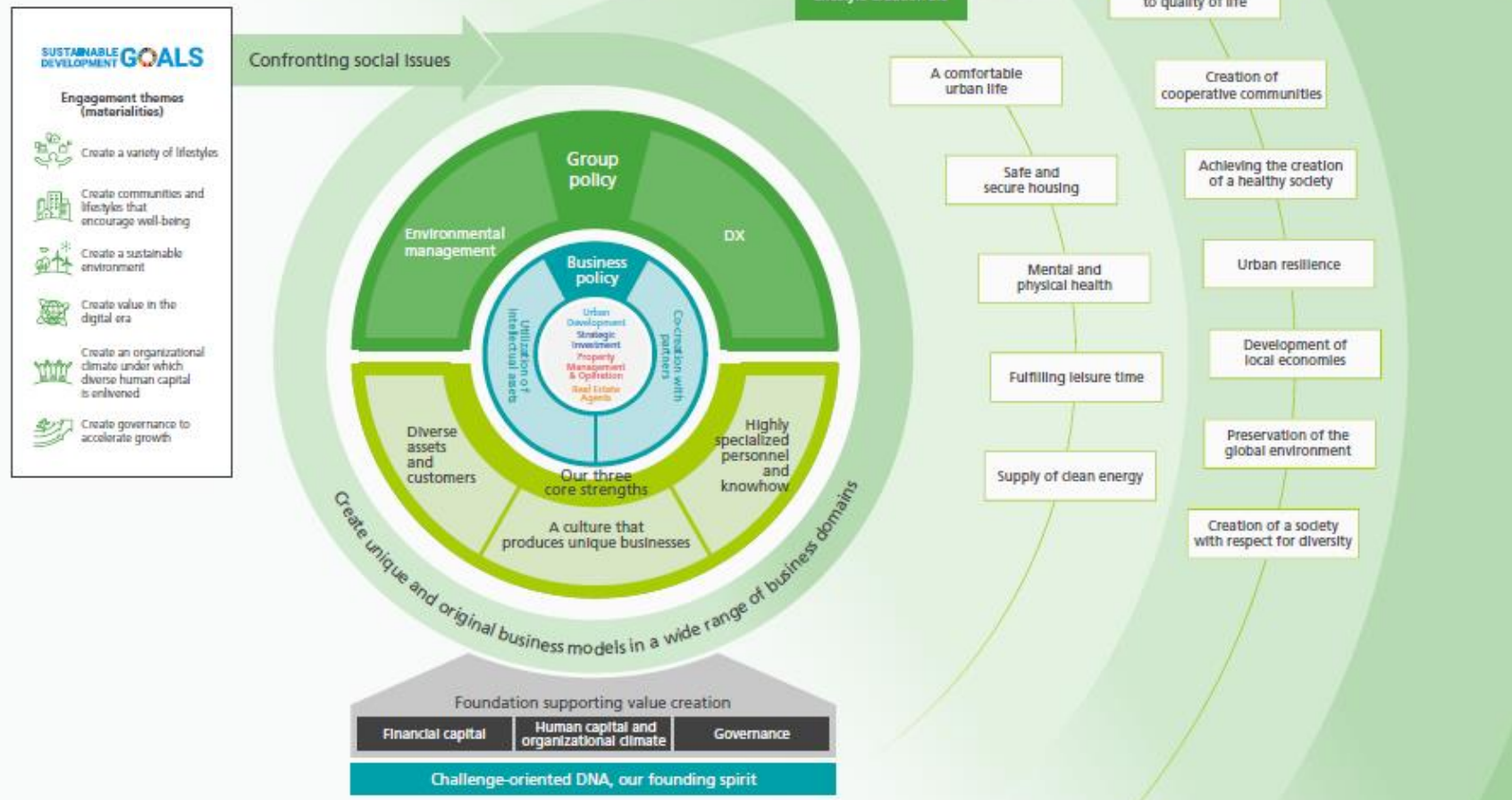


# Tokyu Fudosan Group's Value Creation Process

Our Ideal Vision Process for Value Creation

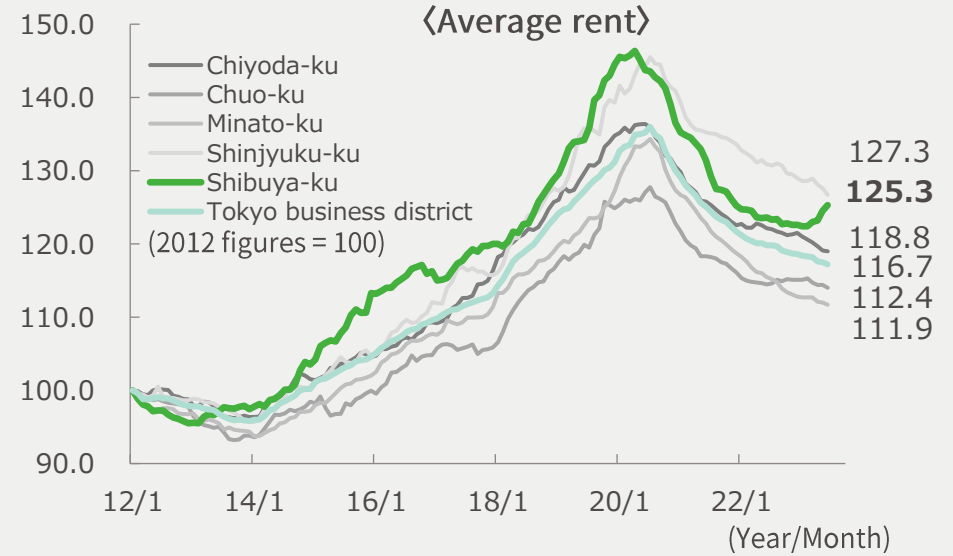
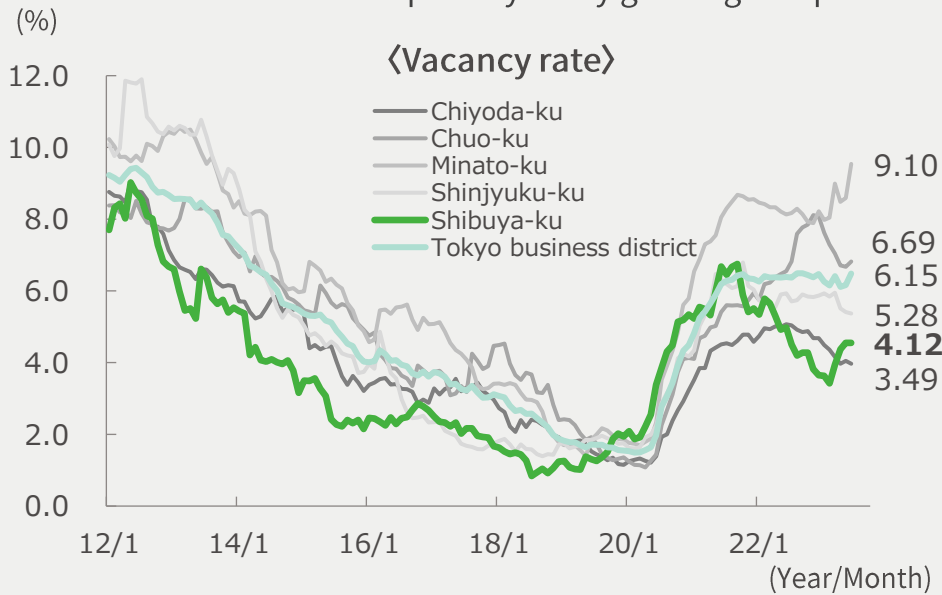
## Create Value for the Future

We create unique and original business models by confronting social issues and aim to realize a sustainable society alongside sustainable growth for the Group by providing diverse value to stakeholders.

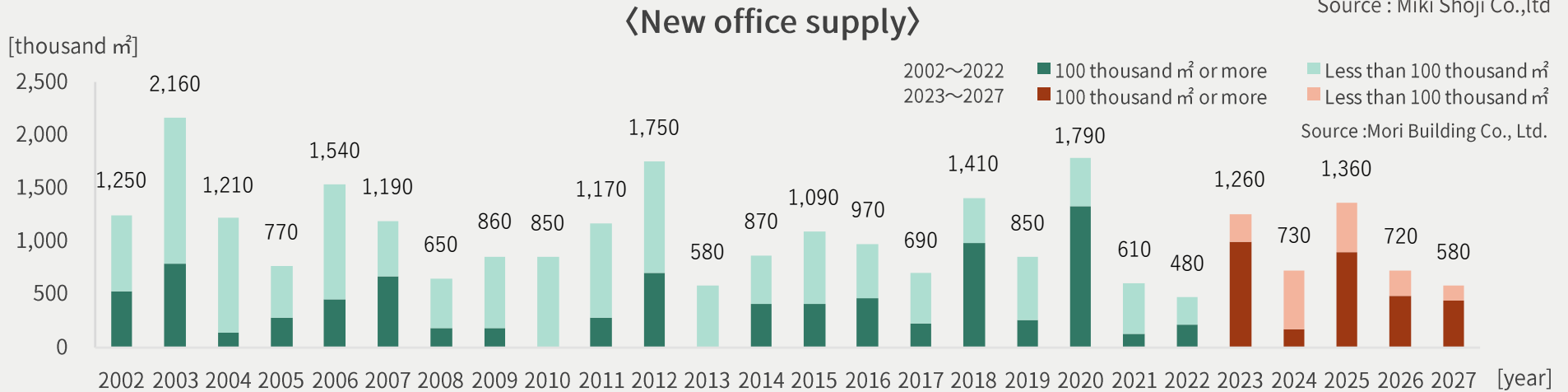


# Office Market

Vacancy rates are trending downward in Shibuya Ward due to the limited total office floor space and the high demand for additional floor space by many growing companies.



\*Vacancy rate and Average rent are both as of the end of September 2023  
Source : Miki Shoji Co.,Ltd



# Trends in Total Floor Area of Office and Retail Properties and Characteristics of Retail Properties

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

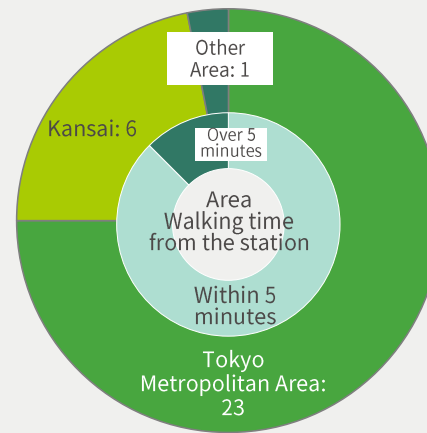
## 〈Total floor area Trends〉



## 〈Features of our commercial facilities〉

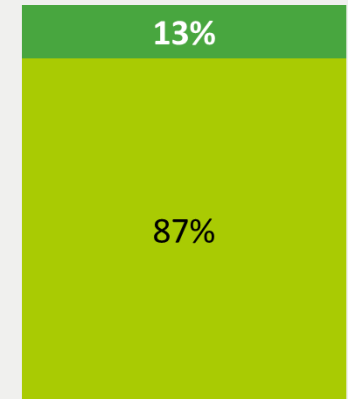
Locations that are commercially busy and convenient in terms of transportation

A high percentage of fixed rent leads to stable rent income



: Number of properties

■ Fixed rent ■ Percentage rent



\* A survey on major commercial facilities of the Group

# Major project ~ KUDAN-KAIKAN TERRACE (Opened in Oct.2022)~

A workplace with "unique features" that combines history and state-of-the-art technology

## A facility where history and cutting-edge technology are integrated. Embodying the concept of "retro-modernism in bloom along the waterfront"

Partially preserving and restoring the former Kudan-Kaikān, a registered tangible cultural property, while utilizing the cutting-edge technology to realize a variety of office needs.



Dynamic preservation in the conservation section



Entrance hall utilizing marble from the original construction



Newly constructed portion is cutting-edge office



AI-based automatic dimming function 「View Smart Glass」

## Wellness office supporting health management

A cafeteria that supports office workers with meals and a clinic mall that supports them with medical care



KUDAN-SHOKUDO for the Public Good



Clinic mall



Kudan Hiroba



Terrace along moat

## A place for interaction with the surrounding community

Lush green space and terraces can be used as common space and as a place for interaction in cooperation with the local community and government.

# GREEN WORK STYLE

Provide tenants with a one-stop service that leverages the Group's business domain to meet diverse office needs

## Multiple workplaces

Provide multiple and flexible workplaces to suit diverse work styles



Center Office



Flexible Office



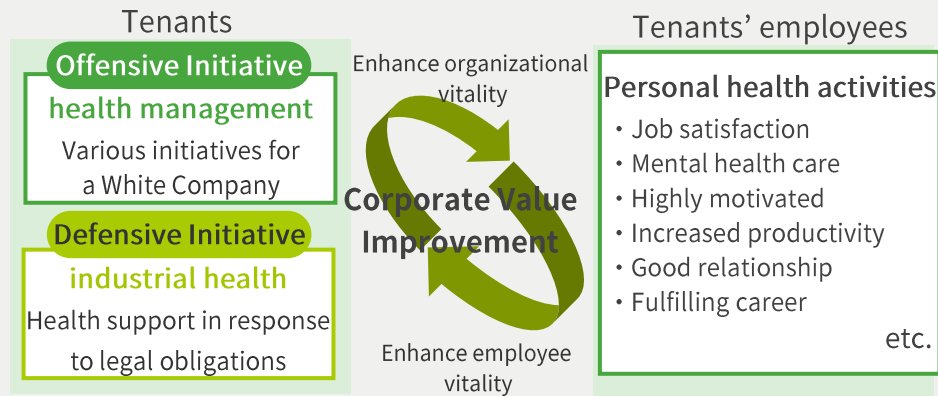
Members-only shared office



Workcation

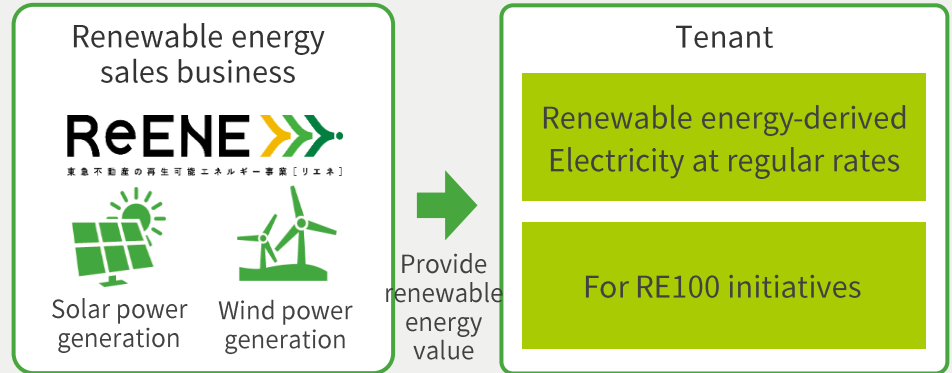
## Health Initiatives

Provide healthcare solutions by leveraging the Group's strengths and support to enhance tenants' corporate value



## Environmental Initiatives

Support tenants' contribution to a sustainable society with our Offices fully equipped with green energy



## Lifestyle Proposals (Worker's Garden)

Offer the tenant-only platform "Worker's Garden" with various preferential treatment at the Group facilities and services, and seminars to enhance their lifestyles

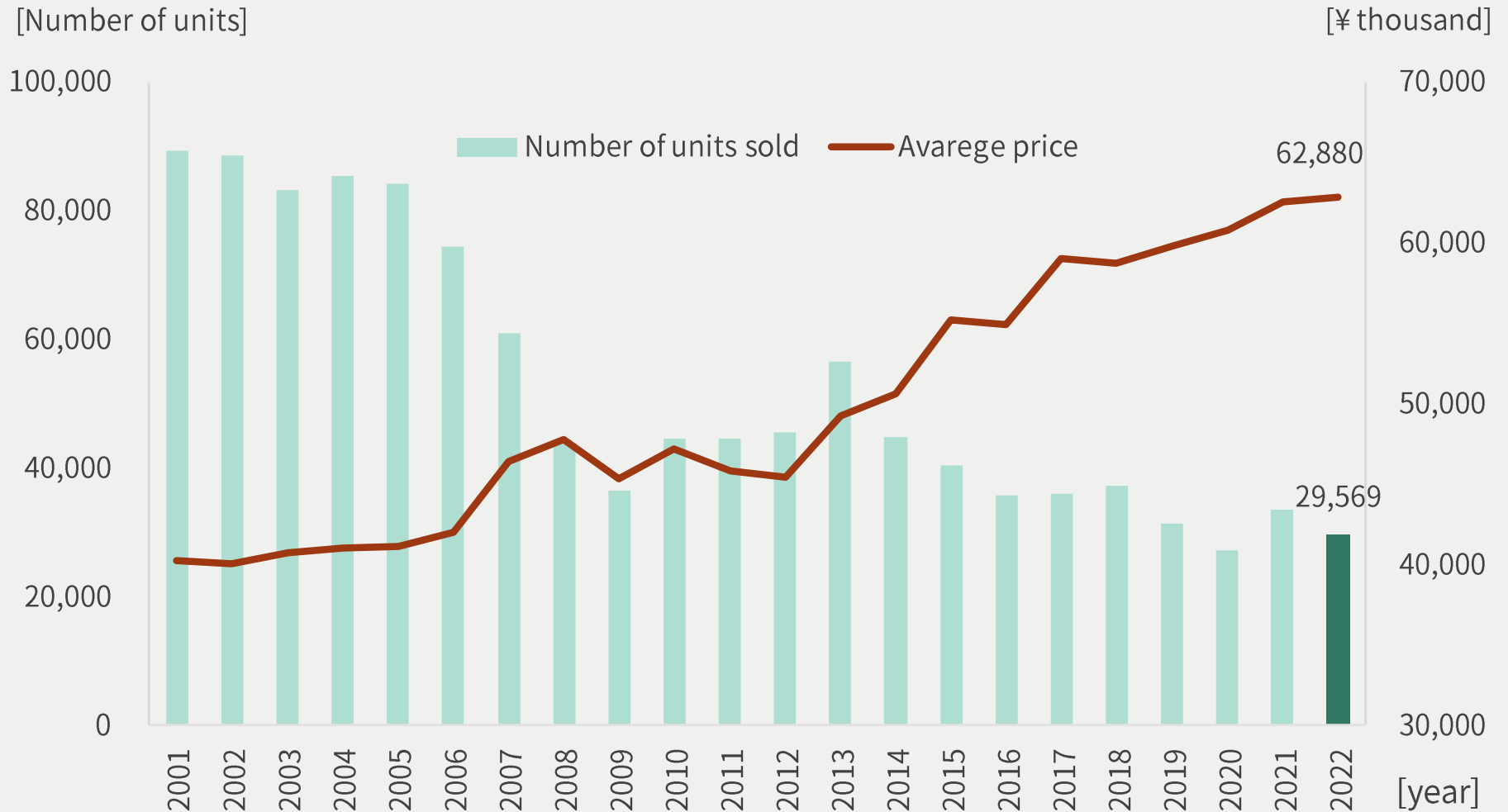
【 Examples of services for tenants 】

- weltag**  
2022.1.18  
Well-being webinar by Tokyu Sports Oasis
- News**  
2021.12.1  
Special treatment of accommodation in Tokyu Land Corporation facilities
- Event**  
2021.12.9  
[IKEA for Business Shibuya] Table setting course event

# Condominiums for Sale Market

The number of units supplied remains stable at a low level. Average price remains high.

〈New condominiums sold in the Tokyo metropolitan area and average price〉



Source: Real Estate Economic Institute CO.,LTD

# Major office buildings

Own 47 buildings mainly in 4 central wards of Tokyo

| Area                     | No. of buildings | Major properties [Building] | Year built               | Total floor space * | Remarks   |   |
|--------------------------|------------------|-----------------------------|--------------------------|---------------------|---|---|
| Tokyo Metropolitan area  | Shibuya-ku       | 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  |   |
|                          | Minato-ku        | 12                          | Hamamatsucho Square      | 2004                | 24  |          |
|                          |                  |                             | Shinagawa Tokyu          | 2007                | 21  |   |
|                          |                  |                             | Shimbashi Tokyu          | 2008                | 15  |   |
|                          |                  |                             | Spline Aoyama Tokyu      | 2012                | 8   |   |
|                          |                  |                             | Shin-Aoyama Tokyu        | 2015                | 10  |   |
|                          |                  |                             | Tokyo PortCity Takeshiba | 2020                | 162   |   |
|                          | Chiyoda-ku       | 5                           | Sanban-cho Tokyu         | 2001                | 12  |          |
|                          |                  |                             | Ichiban-cho Tokyu        | 2002                | 20  |   |
|                          |                  |                             | Uchisaiwaicho Tokyu      | 2006                | 14  |   |
|                          |                  |                             | KUDAN-KAIKAN TERRACE     | 2022                | 41  |   |
|                          | Cyo-ku           | 5                           | St. Luke's Tower         | 1994                | 14  |    |
| Nihombashi hon-cho Tokyu |                  |                             | 2004                     | 12                  |   |   |
| Nihombashi Maruzen Tokyu |                  |                             | 2006                     | 17                  |   |   |
| Other                    | 4                | Nihombashi Front            | 2008                     | 29                  |   |   |
|                          |                  | Yotsuya broadcasting center | 1994                     | 4                   |   |   |
|                          |                  | Shin-Meguro Tokyu           | 2012                     | 22                  |   |   |
| 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

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

| Area                    | No. of facilities | Major properties<br>[Commercial facilities] | Year built | Total floor space * | Remarks   |   |
|-------------------------|-------------------|---|------------|---------------------|---|---|
| Tokyo Metropolitan area | 23                | Tokyu Plaza Kamata                          | 1968       | 28                  |    |    |
|                         |                   | Tokyu Plaza Akasaka                         | 1969       | 41                  |    |    |
|                         |                   | 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                  |   |   |
|                         |                   | Tokyu Plaza Omotesando Harajuku             | 2012       | 3                   |   |   |
|                         |                   | Q Plaza Harajuku                            | 2015       | 3                   |   |   |
|                         |                   | Market Square Kawasaki East (sublease)      | 2016       | 30                  |   |   |
|                         |                   | Q Plaza Futakotamagawa                      | 2017       | 3                   |   |   |
| 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

The Group is advancing businesses through 72 solar power generation projects (Includes 1 roof top), 12 wind power generation projects, 5 biomass power generation projects, and one overseas project.

| Type                  | Status                                | Business plant name        | Location  | Rating capacity (MW) * |
|-----------------------|---------------------------------------|----------------------------|---|------------------------|
| Solar Power Plant     | In operation                          | Suzuran Kushirocho         | Kushiro-gun Kushiro-cho, Hokkai-do              | 92.2                   |
|                       |                                       | ReENE Tomakomai            | Tomakomai-shi, Hokkaido                         | 5.3                    |
|                       |                                       | 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                    |
|                       |                                       | ReENE RJ Urushihara        | Motoyoshichourushibara Kesenuma-shi, Miyagi-ken | 31.7                   |
|                       |                                       | ReENE RJ Izumisawa         | Motoyoshichoizumisawa Kesenuma-shi, Miyagi-ken  | 21.1                   |
|                       |                                       | Kawasaki Solar Park        | Shibata-gun Kawasaki-machi, Miyagi-ken          | 56.0                   |
|                       |                                       | ReENE Taiwa                | Kurokawa-gun Taiwa-machi, Miyagi-ken            | 20.4                   |
|                       |                                       | 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                  | 28.3                   |
|                       |                                       | ReENE Chonan               | Chosei-gun Chonan-machi, Chiba-ken              | 24.0                   |
|                       |                                       | 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                   |
|                       |                                       | ReENE Tsu                  | Karasu-cho Tsu-shi, Mie-ken                     | 5.0                    |
|                       |                                       | ReENE Tamano               | Tai Tamano-shi, Okayama-ken                     | 6.8                    |
|                       |                                       | Takuma                     | Takumacho Mitoyo-shi, Kagawa-ken                | 10.8                   |
| Nogata                | Shimozakai Nogata-shi, Fukuoka-ken    | 23.2                       |   |                        |
| 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                       |   |                        |
| Wind Power Plant      |                                       | ReENE Matsumae             | Matsumae-gun Matsumae-cho, Hokkaido             | 40.8                   |
|                       |                                       | ReENE Zenibako             | Zenibako Otaru-shi, Hokkaido                    | 34.0                   |
|                       |                                       | Kakegawa                   | Okinosu Kakegawa-shi, Shizuoka-ken              | 13.8                   |
| Biomass               |                                       | Yonago Biomass power plant | Oshinoducho Yonago-shi, Tottori-ken             | 54.5                   |
|                       | Under development                     | Tahara Biomass power plant | Aichi-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

The Group operates 65 hotels, 8,967 rooms

|  | Number of facilities | Number of rooms | Name of facilities  |  |   |  |
|--|----------------------|-----------------|---|--|---|--|
| <b>Tokyu Harvest Club</b><br>(VIALA annex is not included in the total number of facilities) | 26                   | 2,705           | Teteshina<br>Katsuura<br>Hamanako<br>Amagi Kougen<br>Shizunami Kaigan<br>Kinugawa<br>Nanki Tanabe<br>Ito                            | Hakone Koshien<br>Madarao<br>Tateshina Annex<br>Skijam Katsuyama<br>Yamanakako Mount Fuji<br>Kyu Karuizawa<br>Tateshina Resort<br>Atami Izusan | Nasu<br>Kyu Karuizawa Annex<br>VIALA Hakone Hisui<br>Arima Rokusai<br>VIALA annex Arima Rokusai<br>VIALA annex Atami Izusan<br>Kyoto Takagamine<br>VIALA annex Kyoto Takagamine | Nasu Retreat<br>Karuizawa<br>VIALA annex Karuizawa<br>Kyoto Higashiyama In THE<br>VIALA Kinugawa Keisui<br>Hida Takayama In                          |
| <b>Tokyu Stay Hotel</b>  | 31                   | 5,181           | Yutenji<br>Monzen-Nakacho<br>Yoga<br>Shibuya<br>Nihombashi<br>Yotsuya<br>Shibuya Shin-Minamiguchi<br>Tsukiji                        | Gotanda<br>Suidobashi<br>Aoyama<br>Nishi-Shinjuku<br>Ikebukuro<br>Kamata<br>Shimbashi<br>Shinjuku  | Ginza<br>Kyoto Sakaiza (Shijo Kawaramachi)<br>Takanawa (in front of Sengakuji Station)<br>Sapporo<br>Hakata<br>Sapporo Odori<br>Kyoto Sanjo Karasuma<br>Fukuoka Tenjin          | Kanazawa<br>Okinawa Naha<br>Osaka-Hommachi<br>Hida Takayama Musubi no Yu<br>Hakodate Asaichi Akari no Yu<br>Shinjuku EastSide<br>MERCURE OSAKA NAMBA |
| <b>Resort Hotel</b>  | 8                    | 1,081           | KYU KARUIZAWA KIKYO Curio Collection by Hilton<br>Hyatt Regency Seragaki Island Okinawa<br>HOTEL TANGRAM                            | Palau Pacific Resort<br>nol kyoto sanjo<br>AYA NISEKO  | ROKU KYOTO, LXR Hotels & Resorts<br>Aso CANYON TERRACE&LODGE  |  |
| <b>Ski resorts</b>   | 7                    | —               | Niseko Mountain Resort Grand Hirafu<br>Tateshina Tokyu Ski Resort   | Tambara Ski Park<br>TANGRAM SKI CIRCUS   | SKIJAM KATSUYAMA<br>Hunter Mountain Shiobara  | Mt. JEANS NASU   |
| <b>Golf courses</b>  | 15                   | —               | Oita Tokyu Golf Club<br>Aso Tokyu Golf Club<br>Katsuura Tokyu Golf Course<br>Tsukuba Tokyu Golf Club<br>Tateshina Tokyu Golf Course | Amagikogen Golf Course<br>Madarao Tokyu Golf Club<br>Omigawa Tokyu Golf Club<br>Kiminomori Golf Club<br>NASU KOKUSAI COUNTRY CLUB              | Otakijo Golf Club<br>Tsurumai Country Club<br>Sashima Country Club<br>Shibayama Golf Club<br>Asakura Golf Club  |  |
| <b>Tokyu Sports Oasis</b>  | 31                   | —               | Tamagawa<br>Shinjuku<br>Aoyama<br>Musashi-Koganei<br>Seiroka Garden<br>Kanamachi 24Plus<br>Minami-Osawa 24Plus<br>Jujo 24Plus       | Honkomagome<br>Yukigaya 24Plus<br>Rafeel Ebisu 24Plus<br>Akatsuka 24Plus<br>Kawaguchi<br>Urawa 24Plus<br>Narashino 24Plus<br>Matsudo 24Plus    | Musashi-Kosugi 24Plus<br>Yokosuka 24Plus<br>Kohoku<br>Totsuka<br>Sagamihara 24Plus<br>Kamioka<br>Esaka 24Plus<br>Ibaraki 24Plus   | Umeda<br>Abeno 24Plus<br>Sayama 24Plus<br>Morinomiya Q's Mall<br>Suminodo 24Plus<br>Katsuragawa 24Plus<br>Sumiyoshi 24Plus                           |
| <b>Senior housing</b>  | 15                   | 1,923戸          | Grancreeper Azamino<br>Grancreeper Fujigaoka<br>Lifenix Takaido<br>Grancreeper Utsukushigaoka                                       | Grancreeper Aobadai<br>Creer Residence Sakuradai<br>Grancreeper Center Minami<br>Grancreeper Seijo   | Grancreeper Bajikoen<br>Grancreeper Aobadai 2-chome<br>Grancreeper Setagaya Nakamachi<br>Creer-residence Yokohama Tokaichiba  | Hikarigaoka Park Villa<br>Grancreeper Shibaura<br>Grancreeper Tachikawa  |

## Past performance (financial)

(¥ million)

|                                     | FY2013    | FY2014    | FY2015    | FY2016    | FY2017    | FY2018    | FY2019    | FY2020    | FY2021    | FY2022    |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Operating revenue</b>            | 714,067   | 773,149   | 815,479   | 808,503   | 866,126   | 901,884   | 963,198   | 907,735   | 989,049   | 1,005,836 |
| <b>Operating profit</b>             | 61,433    | 63,300    | 68,750    | 73,227    | 77,519    | 80,205    | 79,312    | 56,517    | 83,817    | 110,410   |
| <b>Ordinary profit</b>              | 50,583    | 51,675    | 56,379    | 63,631    | 68,691    | 70,744    | 67,499    | 46,555    | 72,834    | 99,558    |
| <b>Net profit*</b>                  | 23,712    | 25,230    | 28,718    | 31,518    | 35,185    | 37,459    | 38,611    | 21,668    | 35,133    | 48,227    |
| <b>Total assets</b>                 | 1,789,822 | 1,973,801 | 1,984,382 | 2,067,152 | 2,176,761 | 2,405,249 | 2,487,369 | 2,652,296 | 2,634,343 | 2,738,458 |
| <b>Real estate for sale</b>         | 245,862   | 394,672   | 364,374   | 418,619   | 473,702   | 568,004   | 657,968   | 680,648   | 757,391   | 795,181   |
| <b>Total non-current assets</b>     | 1,235,117 | 1,401,165 | 1,492,439 | 1,479,126 | 1,518,206 | 1,532,153 | 1,598,109 | 1,647,245 | 1,597,391 | 1,622,854 |
| <b>Interest-bearing Debt</b>        | 991,015   | 1,125,379 | 1,106,114 | 1,137,893 | 1,210,376 | 1,289,807 | 1,361,042 | 1,478,770 | 1,421,718 | 1,482,932 |
| <b>ESG bond ratio</b>               | -         | -         | -         | -         | -         | -         | 5.0%      | 13.8%     | 17.9%     | 25.0%     |
| <b>Equity</b>                       | 364,491   | 395,333   | 418,785   | 442,320   | 468,140   | 561,405   | 583,289   | 596,673   | 631,789   | 684,625   |
| <b>Equity ratio</b>                 | 20.4%     | 20.0%     | 21.1%     | 21.4%     | 21.5%     | 23.3%     | 23.5%     | 22.5%     | 24.0%     | 25.0%     |
| <b>D/E ratio</b>                    | 2.7 x     | 2.8 x     | 2.6 x     | 2.6 x     | 2.6 x     | 2.3 x     | 2.3 x     | 2.5 x     | 2.3 x     | 2.2 x     |
| <b>CF from operating activities</b> | (13,504)  | (38,488)  | 87,922    | 68,925    | 12,265    | 44,522    | (6,660)   | 100,411   | 76,453    | 94,739    |
| <b>CF from investing activities</b> | 19,745    | (100,263) | (112,372) | (70,988)  | (96,423)  | (60,389)  | (147,223) | (116,031) | (31,786)  | (120,060) |
| <b>CF from financing activities</b> | 3,008     | 139,186   | (30,518)  | 23,042    | 82,400    | 139,093   | 65,077    | 108,344   | (81,273)  | 42,764    |
| <b>EBITDA</b>                       | 84,602    | 88,003    | 94,307    | 101,669   | 106,075   | 110,194   | 117,079   | 101,657   | 132,538   | 160,161   |
| <b>Interest-bearing Debt/EBITDA</b> | 11.7 x    | 12.8 x    | 11.7 x    | 11.2 x    | 11.4 x    | 11.7 x    | 11.6 x    | 14.5 x    | 10.7 x    | 9.3 x     |
| <b>ROE</b>                          | 7.5%      | 6.6%      | 7.1%      | 7.3%      | 7.7%      | 7.3%      | 6.7%      | 3.7%      | 5.7%      | 7.3%      |
| <b>ROA</b>                          | 3.5%      | 3.4%      | 3.5%      | 3.6%      | 3.7%      | 3.5%      | 3.3%      | 2.2%      | 3.2%      | 4.1%      |
| <b>EPS</b>                          | ¥ 41.61   | ¥ 41.45   | ¥ 47.18   | ¥ 51.77   | ¥ 57.80   | ¥ 56.84   | ¥ 53.70   | ¥ 30.13   | ¥ 48.84   | ¥ 67.21   |
| <b>BPS</b>                          | ¥ 598.73  | ¥ 649.40  | ¥ 687.92  | ¥ 726.59  | ¥ 768.85  | ¥ 780.78  | ¥ 811.04  | ¥ 829.50  | ¥ 878.32  | ¥ 964.77  |
| <b>Dividend</b>                     | ¥ 8.0     | ¥ 10.0    | ¥ 12.0    | ¥ 13.0    | ¥ 14.5    | ¥ 15.5    | ¥ 16.0    | ¥ 16.0    | ¥ 17.0    | ¥ 23.5    |
| <b>Dividend payout ratio</b>        | 19.2%     | 24.1%     | 25.4%     | 25.1%     | 25.1%     | 27.3%     | 29.8%     | 53.1%     | 34.8%     | 35.0%     |

\* Starting from the fiscal year ended March 31, 2016, "Net Profit" indicates "Profit attributable to owners of parent".

***WE ARE GREEN***



***TOKYU FUDOSAN HOLDINGS***