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## Readjustment of Targets of the Medium-Term Management Plan

Tokyu Fudosan Holdings Corporation (the “Company”) hereby announces that it has set target indicators for fiscal 2020 in the four-year “Medium-Term Management Plan 2017 - 2020” (hereinafter called the “Plan”) starting in fiscal 2017, and it has decided to readjust the target indicators as follows:

### 1. Background of the readjustment

The Plan was prepared as the second half (Stage 2) of the medium- and long-term management plan “Value Frontier 2020 To Become a Corporate Group that Continues to Create Value” for the period from fiscal 2014 until fiscal 2020, and it was announced on May 11, 2017.

The Group, under “Expansion of associated assets” and “Creation of new demand,” the two basic policies laid out in the medium- and long-term management plan, has been operating based on the major steps of the three growth strategies that make the best use of the Group’s overall abilities and that are specified in the Plan, (1) Urban development that proposes new lifestyles, (2) Expansion of the scope of cyclical reinvestment business, (3) Reinforcing stock utilization. It has aimed to simultaneously achieve income growth and strengthen its financial base with an eye to the new stages from fiscal 2021, and is taking steps to establish a pillar for new future revenues and the generation of stable cash flows.

The operating environment surrounding the real estate business generally remains steady. In the office building market, concern about a deterioration in supply and demand attributable to heavy supply is receding thanks to robust demand, attributable to strong corporate earnings and stepped up recruitment efforts in response to labor shortages. The condominium market remains favorable, centering on strongly motivated customers, despite rising sales prices in a shrinking market.

Under these business circumstances, the Company’s results have outperformed the initial forecast at the time of developing the Plan. In view of the status of progress of the Plan, and given progress in the aforementioned growth strategy and the public offering implemented in October last year, the Company has

decided to readjust the target indicators for fiscal 2020, the final year of the Plan, in financial terms.

## 2. Details of the readjustment

In the financial target indicators for fiscal 2020, EPS and ROE targets are added to the previously announced indicators as indicators to improve shareholder value from the viewpoint of capital policy. Numerical plans are as follows:

	Fiscal 2020 target * <sub>1</sub> (before readjustment)	Fiscal 2020 target * <sub>1</sub> (after readjustment)	Fiscal 2018 (Actual)
Operating profit	93.0 billion yen	95.0 billion yen	80.2 billion yen
Profit attributable to owners of parent	42.0 billion yen	50.0 billion yen	37.5 billion yen
D/E ratio * <sub>2</sub>	About 2.3 times	2.3 times or below	2.3 times
EBITDA multiple* <sub>3</sub>	10 times level	10 times level	11.7 times
EPS * <sub>4</sub>	—	69.53 yen	56.84 yen
ROE * <sub>5</sub>	—	Over 8.0%	7.3%

\*1 Fiscal 2020 target Target for Fiscal Year 2020 Ending March 31, 2021

\*2 D/E ratio Interest-bearing debt/Equity

\*3 EBITDA multiple Interest-bearing debt/EBITDA (Operating profit before depreciation)

\*4 EPS Earnings per share

\*5 ROE Return on equity

Forward-looking statements such as business forecasts shown in the material are based on information currently available to management and certain assumptions that the Company regards as reasonable. They do not represent a commitment from the Company that they will be achieved. Actual results may significantly differ due to various factors in the future.