

Financial Summary
FY2021 Third Quarter (First Nine Months)
Ended December 31, 2021

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on February 9, 2022 at 15:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2021 Third Quarter (First Nine Months) Ended December 31, 2021

*All the figures in millions are rounded down and all the figures in billions are rounded off to one decimal place.

(1) Summary of consolidated statement of income

(% indicates year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
First nine months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2021	634,119	7.0	53,214	77.1	44,567	93.4	28,265	163.8
FY2020	592,582	(1.4)	30,051	(32.2)	23,046	(36.3)	10,713	(48.5)

Note: Comprehensive income: First nine months of FY2021 ¥36,313 million [263.3%]
First nine months of FY2020 ¥9,994 million [(61.1)%]

	Earnings per share	Fully diluted earnings per share
First nine months	(Yen)	(Yen)
FY2021	39.30	–
FY2020	14.90	–

(2) Summary of consolidated balance sheet

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2021	2,652,645	631,809	23.4	861.51
As of March 31, 2021	2,652,296	608,723	22.5	829.50

Reference: Equity: As of December 31, 2021 ¥619,701 million; As of March 31, 2021 ¥596,673 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2020 ended March 31, 2021	–	8.00	–	8.00	16.00
FY2021 ending March 31, 2022	–	8.00	–		
FY2021 ending March 31, 2022 (Forecast)				8.00	16.00

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

3. Forecast for Fiscal Year 2021 Ending March 31, 2022

(% indicates year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full-year forecast	1,010,000	11.3	80,000	41.5	66,500	42.8	30,000	38.4	41.71

Note: Revisions to the forecasts most recently announced: None

Total number of shares issued (common stock)

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

As of December 31, 2021: 719,830,974 shares

As of March 31, 2021: 719,830,974 shares

(b) Number of treasury shares at end of period

As of December 31, 2021: 513,612 shares

As of March 31, 2021: 512,042 shares

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

Nine months ended December 31, 2021: 719,318,148 shares

Nine months ended December 31, 2020: 719,188,967 shares

(Note) The Company has a "Director Stock Ownership Plan" for directors etc. of the Company and its subsidiaries, and the shares of the Company held by the Plan's trust account are included in treasury shares.

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

* Proper use of forecasts, and other special matters
(Disclaimer)

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

Operating Results and Financial Position

1. Analysis of Operating Results

(1) Overview

During the first nine months ended December 31, 2021, with regard to the Japanese economy, economic activity was restricted throughout the first six months by temporary closures of commercial facilities, etc., people refraining from going out, and other factors as a result of the declaration of a state of emergency and implementation of priority measures to prevent the spread of disease and other matters by some local governments due to the spread of the novel coronavirus disease (COVID-19). At the end of September, with the lifting of the state of emergency in conjunction with the progression of vaccination, economic activities started moving toward recovery. However, with the emergence of a new strain, it continues to be unclear when this pandemic will be under control and the outlook for the economy as a whole remains uncertain.

The Group also faced difficulties due to the continued impact of the temporary closing or reduction in operating hours of commercial facilities, facilities and retail stores mainly in the first quarter ended June 30, 2021, and reduction in operating hours in the second quarter ended September 30, 2021 and onward, based on the state of emergency declared by the Japanese government and requests from local governments due to the spread of COVID-19. However, results have recovered significantly, since the areas subject to measures under the state of emergency declaration and restrictions were limited compared to the previous state of emergency declaration, which has been declared in the first quarter ended June 30, 2020.

Results for the first nine months ended December 31, 2021 showed increases in revenues and profit with ¥634.1 billion in operating revenue (up 7.0% from the same period of the previous fiscal year), ¥53.2 billion in operating profit (up 77.1%), ¥44.6 billion in ordinary profit (up 93.4%) and, as a result of the recording of ¥2.7 billion in gain on sale of non-current assets, etc. as extraordinary income (¥6.8 billion in extraordinary income in the same period of the previous fiscal year), ¥1.6 billion in loss on COVID-19 as extraordinary losses (¥9.6 billion in extraordinary losses in the same period of the previous fiscal year), ¥28.3 billion in profit attributable to owners of parent (up 163.8%). This was mainly due to an increase in gain on sales of assets, a strong performance in the real estate sales agent and a rebound from the temporary closing or reduction in operating hours of commercial facilities, facilities and retail stores in the first quarter ended June 30, 2020.

Sales have proceeded strongly throughout the first nine months ended December 31, 2021, and they are on track to achieve the full-year forecast. However, we are remaining cautious regarding the effect that the resurgence of infections from the new strain will have on future business activities.

The first nine months for FY2020 was from April 1, 2020 to December 31, 2020 and the first nine months for FY2021 was from April 1, 2021 to December 31, 2021.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2021 forecast	Progress
Operating revenue	592.6	634.1	41.5	1,010.0	62.8%
Operating profit	30.1	53.2	23.2	80.0	66.5%
Ordinary profit	23.0	44.6	21.5	66.5	67.0%
Profit attributable to owners of parent	10.7	28.3	17.6	30.0	94.2%

Operating revenue and operating profit

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2021	187.3	411.8	634.1	–
Operating revenue for FY2020	150.3	383.9	592.6	907.7
Operating revenue for FY2019	186.5	412.5	601.2	963.2
Operating profit for FY2021	10.7	33.5	53.2	–
Operating profit for FY2020	(3.5)	17.0	30.1	56.5
Operating profit for FY2019	11.2	31.7	44.3	79.3

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

In accordance with the formulation of the long-term vision “GROUP VISION 2030,” the Group has changed its reportable segment classifications from seven business segments to four business segments effective from the first quarter ended June 30, 2021. In addition, in the explanations below for each segment, the figures for the business results for the first nine months ended December 31, 2020 and the fiscal year ended March 31, 2021 have been restated in accordance with the new segment classifications.

Operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2021 forecast	Progress
	FY2020	FY2021			
Total	592.6	634.1	41.5	1,010.0	62.8%
Urban Development	193.0	182.8	(10.2)	335.0	54.6%
Strategic Investment	21.4	28.6	7.2	74.0	38.6%
Property Management & Operation	245.7	273.5	27.8	390.0	70.1%
Real Estate Agents	145.4	165.1	19.7	232.0	71.1%
Adjustment for Inter-Company Transactions	(12.9)	(15.8)	(2.9)	(21.0)	—

Operating profit

(Unit:¥ billion)

	First nine months		Comparison	FY2021 forecast	Progress
	FY2020	FY2021			
Total	30.1	53.2	23.2	80.0	66.5%
Urban Development	28.4	33.7	5.3	51.6	65.3%
Strategic Investment	6.7	9.2	2.4	13.4	68.5%
Property Management & Operation	(10.4)	(3.4)	7.0	0.0	—
Real Estate Agents	10.7	20.2	9.5	23.8	84.7%
Adjustment for Inter-Company Transactions	(5.5)	(6.4)	(1.0)	(8.8)	—

1) Urban Development

In our Urban Development business, we recorded ¥182.8 billion in operating revenue (down 5.3% from the same period of the previous fiscal year) and ¥33.7 billion in operating profit (up 18.5%).

In the same period of the previous fiscal year, there were significant restrictions on business activities such as temporary closing or reduction in operating hours of commercial facilities due to the declaration of the state of emergency in response to the spread of COVID-19. During the first nine months ended December 31, 2021, although a state of emergency was declared and priority measures to prevent the spread of disease were implemented, the impact was limited compared to the same period of the previous fiscal year. Although economic activities had started moving toward recovery at the end of September, supported by the lifting of the state of emergency in conjunction with the progression of vaccination, the impact on commercial facilities has continued.

The segment overall saw a decrease in revenues but an increase in profit as shown in the breakdown of operating revenue below, mainly due to the full-year operation of Tokyo PortCity Takeshiba Office Tower, which opened in September 2020, in Leasing (Office buildings), a certain amount of recovery from the COVID-19 impact for the Group's major commercial facilities such as Tokyu Plaza in Leasing (Commercial facilities), an increase in the number of condominium units sold in Condominiums, and an increase in gain on sales due to vibrant buying and selling in the real estate market despite lower revenues from a decrease in the number of properties sold in sales of assets included Other (excluding lease in office and commercial facility business).

Despite concerns about factors such as a shrinking demand for office buildings due to the diversification of working styles such as telework, the vacancy rate (office buildings and commercial facilities) was maintained at a low level of 1.4%.

Sales of condominium units remained strong, and the ratio of contracted amount for sale to the planned sales amount for the full year for condominiums grew from 54% at the beginning of the fiscal year to 101% (up 7 percentage points from the same period of the previous fiscal year). In the first nine months ended December 31, 2021, sales of condominium units in "BRANZ City Hongodai" (Yokohama-shi, Kanagawa) and "BRANZ Kyoto Emmachi" (Kyoto-shi, Kyoto) and others were recorded.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	193.0	182.8	(10.2)	316.7	335.0
Operating profit	28.4	33.7	5.3	41.7	51.6

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	
Leasing (Office buildings)	32.8	38.6	5.8	45.9	
Leasing (Commercial facilities)	28.5	29.7	1.1	38.6	
Other *1	76.7	55.4	(21.3)	86.0	
Condominiums	32.7	48.3	15.6	106.0	
Other *2	22.3	10.8	(11.4)	40.3	

*1 Excluding lease in office and commercial facility business

*2 Excluding condominiums in residential business

Vacancy rate of leasing office buildings and leasing commercial facilities

As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of December 31, 2021
0.4%	0.6%	1.3%	1.4%

Condominiums: condominium units sold

(Units)

	First nine months		Comparison	FY2020
	FY2020	FY2021		
No. of units sold	544	857	313	1,777
New supply	1,223	1,233	10	1,797
Contracted units	1,131	1,450	319	1,767
Inventory of completed units	265	529	264	827

2) Strategic Investment

In our Strategic Investment business, we recorded ¥28.6 billion in operating revenue (up 33.5% from the same period of the previous fiscal year) and ¥9.2 billion in operating profit (up 36.3%).

In the breakdown of operating revenue below, revenues and profit increased mainly due to an increase of operating facilities in the renewable energy business of Infrastructure & Industry and an increase in dividends on the sale of properties in the U.S. in Overseas operations.

The renewable energy business is expanding steadily as the number of facilities in operation increased as planned. Total rated capacity after all facilities are put into operation (before taking our equity into account) is 1,314 MW.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	21.4	28.6	7.2	46.9	74.0
Operating profit	6.7	9.2	2.4	12.1	13.4

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)
	FY2020	FY2021		FY2020
Infrastructure & Industry	13.0	18.0	5.0	34.5
Asset management	5.6	5.9	0.3	7.8
Overseas operations	2.8	4.6	1.9	4.6

Renewable energy power generation facilities

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of December 31, 2021
Facilities in operation	16	30	38	61
Rated capacity (MW)	246	487	730	817

* Rated capacity indicates the capacity before taking our equity into account for power generation facilities in operation.

3) Property Management & Operation

In our Property Management & Operation business, we recorded ¥273.5 billion in operating revenue (up 11.3% from the same period of the previous fiscal year) and ¥3.4 billion in operating loss.

In the same period of the previous fiscal year, there were significant restrictions on business activities such as temporary closing or reduction in operating hours of managed facilities due to the declaration of the state of emergency in response to the spread of COVID-19. During the first nine months ended December 31, 2021, although a state of emergency was declared and priority measures to prevent the spread of disease were implemented, the impact was limited compared to the same period of the previous fiscal year. Although economic activities had started moving toward recovery at the end of September, supported by the lifting of the state of emergency in conjunction with the progression of vaccination, the impact on business activities has continued.

In the breakdown of operating revenue below, Property management (Condominiums) and Property management (Office buildings) saw a reactionary increase from refraining from operating activities and suspension of management activities because of the spread of COVID-19 in the same period of the previous fiscal year. Hotel, Leisure facilities and Healthcare facilities had a certain amount of recovery compared to the same period of the previous fiscal year despite the continuing decline in demand due to the protraction of the COVID-19 pandemic, and Other (wellness) recorded revenues from sales of assets. Overall, the segment saw an increase in revenues and profit.

The stock of condominium management service sites was 852 thousand units (of which the number of units under comprehensive management was 526 thousand units) as of December 31, 2021.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	245.7	273.5	27.8	351.2	390.0
Operating profit	(10.4)	(3.4)	7.0	(8.8)	0.0

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)
	FY2020	FY2021		FY2020
Property management (Condominiums)	85.8	90.8	4.9	122.7
Property management (Office buildings)	49.1	56.6	7.5	71.0
Hotel	16.7	21.1	4.4	22.1
Leisure facilities	8.7	9.1	0.4	14.3
Healthcare	17.4	17.5	0.1	23.3
Other (wellness)	13.3	27.7	14.4	22.7
Tokyu Hands	47.4	43.1	(4.3)	63.2
Environmental greening	7.3	7.6	0.3	12.1

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

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

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

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

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of December 31, 2021
Condominiums (units)	831,684	829,533	839,891	851,691
Buildings (no. of contracts)	1,540	1,561	1,532	1,669

4) Real Estate Agents

In our Real Estate Agents business, we recorded ¥165.1 billion in operating revenue (up 13.6% from the same period of the previous fiscal year) and ¥20.2 billion in operating profit (up 88.4%).

The main factors for this increase in both revenues and profit were the rebound in retail and wholesale sales in the real estate sales agent business of Tokyu Livable Inc. from the temporary closing or reduction in operating hours of retail stores in the same period of the previous fiscal year, which had occurred because of the spread of COVID-19, along with increased activity in the real estate transaction market and the recording of retail estate sales for large properties.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	145.4	165.1	19.7	212.3	232.0
Operating profit	10.7	20.2	9.5	18.9	23.8

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	
Real estate sales agent	37.8	49.6	11.9	55.6	
Real estate sales	43.5	49.5	6.0	67.0	
Consignment sales, etc.	3.8	5.0	1.2	7.3	
Rental housing service	60.3	60.9	0.6	82.4	

Real estate sales agent

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of December 31, 2021
Number of transactions	25,570	26,437	25,635	21,196
Transaction amounts (Billions of yen)	1,245.5	1,315.9	1,226.5	1,123.8

*Total of retail and wholesale

(2) Analysis of Financial Position

As of the end of the third quarter ended December 31, 2021, total assets increased by ¥0.3 billion compared to the end of the previous fiscal year and total liabilities decreased by ¥22.7 billion compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of December 31, 2020	As of December 31, 2021	(Reference) As of March 31, 2021	
Total assets	2,688.4	2,652.6	2,652.3	
Total liabilities	2,090.6	2,020.8	2,043.6	
Net assets	597.8	631.8	608.7	
Equity	582.1	619.7	596.7	As of March 31, 2022 (Forecast)
Equity ratio	21.7%	23.4%	22.5%	
Interest-bearing debt	1,566.3	1,498.1	1,478.8	1,480.0
DER	2.7×	2.4×	2.5×	2.4×

(3) Forecast for Fiscal Year 2021 Ending March 31, 2022

	Operating revenue (Billions of yen)	Operating profit (Billions of yen)	Ordinary profit (Billions of yen)	Profit attributable to owners of parent (Billions of yen)
Full-year forecast	1,010.0	80.0	66.5	30.0

Reference: Projected earnings per share (full-year): ¥41.71

There is no change from the forecasts announced on November 4, 2021.

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

Third Quarter Consolidated Balance Sheet

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	190,028	107,269
Notes and accounts receivable - trade	41,842	-
Notes and accounts receivable - trade, and contract assets	-	37,652
Securities	20,899	20,504
Merchandise	12,116	10,935
Real estate for sale	343,715	341,746
Real estate for sale in process	332,329	398,837
Costs on construction contracts in progress	4,604	9,033
Supplies	749	848
Other	58,801	63,050
Allowance for doubtful accounts	(105)	(100)
Total current assets	1,004,980	989,777
Non-current assets		
Property, plant and equipment		
Buildings and structures	562,827	562,794
Accumulated depreciation	(208,082)	(218,037)
Buildings and structures, net	354,745	344,756
Land	703,295	688,707
Construction in progress	78,156	83,387
Other	96,873	110,851
Accumulated depreciation	(52,521)	(56,957)
Other, net	44,351	53,893
Total property, plant and equipment	1,180,549	1,170,745
Intangible assets		
Goodwill	66,373	62,330
Other	43,317	47,072
Total intangible assets	109,691	109,402
Investments and other assets		
Investment securities	216,712	235,108
Leasehold and guarantee deposits	91,310	94,103
Other	49,316	53,816
Allowance for doubtful accounts	(335)	(309)
Total investments and other assets	357,004	382,719
Total non-current assets	1,647,245	1,662,867
Deferred assets		
Share issuance costs	71	-
Total deferred assets	71	-
Total assets	2,652,296	2,652,645

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

Account title	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,714	27,350
Short-term borrowings	123,956	146,832
Current portion of bonds payable	20,000	20,100
Commercial papers	–	68,000
Income taxes payable	19,779	15,282
Provisions	13,654	8,677
Other	164,920	161,540
Total current liabilities	399,025	447,784
Non-current liabilities		
Bonds payable	270,000	260,000
Long-term borrowings	1,064,814	1,003,208
Long-term leasehold and guarantee deposits received	204,386	205,091
Retirement benefit liability	29,732	29,733
Provisions	114	128
Other	75,500	74,890
Total non-current liabilities	1,644,547	1,573,051
Total liabilities	2,043,573	2,020,836
Net assets		
Shareholders' equity		
Share capital	77,562	77,562
Capital surplus	166,679	166,583
Retained earnings	333,829	350,118
Treasury shares	(174)	(79)
Total shareholders' equity	577,896	594,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,316	14,715
Deferred gains or losses on hedges	(422)	51
Revaluation reserve for land	9,903	9,181
Foreign currency translation adjustment	(8,084)	2,304
Remeasurements of defined benefit plans	(936)	(735)
Total accumulated other comprehensive income	18,776	25,517
Share acquisition rights	–	5
Non-controlling interests	12,050	12,101
Total net assets	608,723	631,809
Total liabilities and net assets	2,652,296	2,652,645

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

Third Quarter Consolidated Statements of (Comprehensive) Income
(Third Quarter Consolidated Statement of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2020 (from April 1, 2020 to December 31, 2020)	First nine months FY2021 (from April 1, 2021 to December 31, 2021)
Operating revenue	592,582	634,119
Operating costs	487,465	504,429
Operating gross profit	105,116	129,689
Selling, general and administrative expenses	75,065	76,474
Operating profit	30,051	53,214
Non-operating income		
Interest income	179	162
Dividend income	666	315
Share of profit of entities accounted for using equity method	186	150
Subsidy income	495	873
Other	1,363	846
Total non-operating income	2,891	2,348
Non-operating expenses		
Interest expenses	8,667	8,355
Other	1,229	2,639
Total non-operating expenses	9,896	10,995
Ordinary profit	23,046	44,567
Extraordinary income		
Gain on sale of investment securities	4,463	-
Gain on sale of non-current assets	-	1,896
Subsidies for employment adjustment	2,372	231
Other	4	586
Total extraordinary income	6,840	2,714
Extraordinary losses		
Loss on COVID-19	6,604	1,513
Loss on liquidation of subsidiaries and associates	2,477	-
Other	468	80
Total extraordinary losses	9,550	1,593
Profit before income taxes	20,336	45,688
Income taxes	9,910	16,848
Profit	10,426	28,840
Profit (loss) attributable to non-controlling interests	(287)	574
Profit attributable to owners of parent	10,713	28,265

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

(Third Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First nine months FY2020 (from April 1, 2020 to December 31, 2020)	First nine months FY2021 (from April 1, 2021 to December 31, 2021)
Profit	10,426	28,840
Other comprehensive income		
Valuation difference on available-for-sale securities	4,170	(3,602)
Deferred gains or losses on hedges	546	471
Foreign currency translation adjustment	(2,093)	2,281
Remeasurements of defined benefit plans, net of tax	303	200
Share of other comprehensive income of entities accounted for using equity method	(3,358)	8,121
Total other comprehensive income	(431)	7,473
Comprehensive income	9,994	36,313
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,316	35,728
Comprehensive income attributable to non-controlling interests	(321)	585

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