

Financial Summary
FY2022 First Quarter (First Three Months)
Ended June 30, 2022

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on August 4, 2022 at 15:30 (GMT+9).
The review has not been completed.

1. Overview of the FY2022 First Quarter (First Three Months) Ended June 30, 2022

*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 three months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2022	220,305	17.6	24,888	132.4	22,476	171.0	14,420	–
FY2021	187,303	24.6	10,707	–	8,294	–	108	–

Note: Comprehensive income: First three months of FY2022 ¥24,420 million [103.4%]
First three months of FY2021 ¥12,003 million [–%]

	Earnings per share	Fully diluted earnings per share
First three months	(Yen)	(Yen)
FY2022	20.05	–
FY2021	0.15	–

(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 June 30, 2022	2,611,943	662,015	24.9	904.11
As of March 31, 2022	2,634,343	643,298	24.0	878.32

Reference: Equity: As of June 30, 2022 ¥650,340 million; As of March 31, 2022 ¥631,789 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2021 ended March 31, 2022	–	8.00	–	9.00	17.00
FY2022 ending March 31, 2023	–	/	/	/	/
FY2022 ending March 31, 2023 (Forecast)	/	9.00	–	9.00	18.00

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

3. Forecast for Fiscal Year 2022 Ending March 31, 2023

(% 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	1,000,000	1.1	90,000	7.4	76,000	4.3	37,000	5.3	51.44

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 June 30, 2022: 719,830,974 shares

As of March 31, 2022: 719,830,974 shares

(b) Number of treasury shares at end of period

As of June 30, 2022: 511,199 shares

As of March 31, 2022: 514,089 shares

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

Three months ended June 30, 2022: 719,318,673 shares

Three months ended June 30, 2021: 719,318,722 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 three months ended June 30, 2022, with regard to the Japanese economy, partially thanks to the lifting of COVID-19 related activity restrictions, efforts to regain normalcy in social and economic activities have been proceeding, and recovery can be observed. On the other hand, the overall economy continues to present an uncertain outlook, owing to the factors brought about by the increasing tension in the international state of affairs, such as rising raw material prices and fluctuations in financial and capital markets.

The Group's business performance during the first three months ended June 30, 2022, recovered dramatically mainly owing to the increase in the number of condominium units sold due to a continuing underlying strength of demand in the residential market, the increase in gain on sales of assets due to strong activity in the real estate transaction market, and the reactionary increase from the temporary closing or reduction in operating hours of commercial facilities, managed facilities, and retail stores in the first three months ended June 30, 2021.

The results showed increases both in revenues and profit with ¥220.3 billion in operating revenue (up 17.6% from the same period of the previous fiscal year), ¥24.9 billion in operating profit (up 132.4%), ¥22.5 billion in ordinary profit (up 171.0%), and ¥14.4 billion in profit attributable to owners of parent (up ¥14.3 billion).

Note that during the first three months ended June 30, 2022, our business performance has been making steady progress toward meeting the full-year forecasts, however, going forward, we will carry out our business activities while paying close attention to US interest rates and inflation, and the trends of new waves of infection of COVID-19.

The first three months for FY2021 in the tables below was from April 1, 2021 to June 30, 2021 and the first three months for FY2022 was from April 1, 2022 to June 30, 2022.

	First three months		Comparison	FY2021	FY2022 forecast
	FY2021	FY2022			
Operating revenue	187.3	220.3	33.0	989.0	1,000.0
Operating profit	10.7	24.9	14.2	83.8	90.0
Ordinary profit	8.3	22.5	14.2	72.8	76.0
Profit attributable to owners of parent	0.1	14.4	14.3	35.1	37.0

Operating revenue and operating profit				
	First three months	First six months	First nine months	Full-year
Operating revenue for FY2022	220.3	—	—	—
Operating revenue for FY2021	187.3	411.8	634.1	989.0
Operating revenue for FY2020	150.3	383.9	592.6	907.7
Operating profit for FY2022	24.9	—	—	—
Operating profit for FY2021	10.7	33.5	53.2	83.8
Operating profit for FY2020	(3.5)	17.0	30.1	56.5

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

Operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2021	FY2022 forecast
	FY2021	FY2022			
Total	187.3	220.3	33.0	989.0	1,000.0
Urban Development	36.5	70.0	33.5	325.8	335.0
Strategic Investment	11.6	25.0	13.4	67.0	83.0
Property Management & Operation	79.0	70.0	(9.1)	383.8	345.0
Real Estate Agents	65.1	59.4	(5.7)	234.5	257.0
Adjustment for Inter-Company Transactions	(5.0)	(4.2)	0.8	(22.0)	(20.0)

Operating profit

(Unit:¥ billion)

	First three months		Comparison	FY2021	FY2022 forecast
	FY2021	FY2022			
Total	10.7	24.9	14.2	83.8	90.0
Urban Development	4.9	11.2	6.3	51.9	49.7
Strategic Investment	4.1	8.1	4.0	14.7	11.7
Property Management & Operation	(3.7)	(1.0)	2.6	(0.1)	11.9
Real Estate Agents	7.5	8.6	1.1	26.1	27.8
Adjustment for Inter-Company Transactions	(2.1)	(2.0)	0.1	(8.9)	(11.1)

1) Urban Development

In our Urban Development business, we recorded ¥70.0 billion in operating revenue (up 91.6% from the same period of the previous fiscal year) and ¥11.2 billion in operating profit (up 127.5%).

In the first three months for FY2021, some local governments declared a state of emergency and implemented priority measures to prevent the spread of disease and other matters due to the spread of COVID-19 and there was an impact mainly from the temporary closing or reduction in operating hours of commercial facilities, however such impacts were limited in the first three months for FY2022.

Overall the segment achieved increased revenues and profit. Although the segment saw lost operating profit due to sales of assets in Leasing (Office buildings) and Leasing (Commercial facilities) in the previous fiscal year on one hand, it managed to achieve a certain amount of recovery 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 sales of assets of residential leasing properties in Other (excluding condominiums in residential business) in the breakdown of operating revenue below.

In the office building market, 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 0.9%, with robust leasing activity particularly in the Shibuya area where a large proportion of the Company's owned properties are located.

Sales of condominium units continued to show an underlying strength of demand and proceeded strongly. Regarding condominiums during the first three months ended June 30, 2022, completed inventories were recorded including those newly completed and delivered properties of BRANZ Kagurazaka (Shinjuku-ku, Tokyo) and BRANZ Bunkyo Hongo 1-chome (Bunkyo-ku, Tokyo) and for the part of properties of BRANZ Tower Toyosu (Koto-ku, Tokyo), that were contracted but undelivered as of the end of the fiscal year ended March 31, 2022, among others. The ratio of contracted amount for sale to the planned sales amount for the full year for condominiums grew from 58% at the beginning of the fiscal year to 79% (up 11 percentage points from the same period of the previous fiscal year).

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	FY2022 forecast
Operating revenue	36.5	70.0	33.5	325.8	335.0
Operating profit	4.9	11.2	6.3	51.9	49.7

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	
Leasing (Office buildings)	13.0	12.8	(0.2)	51.0	
Leasing (Commercial facilities)	9.1	10.3	1.2	39.6	
Other *1	0.8	1.4	0.6	78.8	
Condominiums	10.5	37.3	26.8	139.9	
Other *2	3.1	8.2	5.1	16.6	

*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, 2020	As of March 31, 2021	As of March 31, 2022	As of June 30, 2022
0.6%	1.3%	1.3%	0.9%

Condominiums: condominium units sold

(Units)

	First three months		Comparison	FY2021
	FY2021	FY2022		
No. of units sold	189	488	299	2,194
New supply	309	339	30	1,549
Contracted units	376	444	68	1,833
Inventory of completed units	684	562	(122)	661

2) Strategic Investment

In our Strategic Investment business, we recorded ¥25.0 billion in operating revenue (up 115.7% from the same period of the previous fiscal year) and ¥8.1 billion in operating profit (up 99.6%).

Revenues and profit increased mainly due to sales of logistics facilities and an increase in operation projects in the renewable energy business included in Infrastructure & Industry in the breakdown of operating revenue below.

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 1,329 MW.

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	FY2022 forecast
Operating revenue	11.6	25.0	13.4	67.0	83.0
Operating profit	4.1	8.1	4.0	14.7	11.7

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)
	FY2021	FY2022		FY2021
Infrastructure & Industry	8.4	19.3	10.9	52.8
Asset management	1.8	2.1	0.3	8.3
Overseas operations	1.4	3.6	2.2	5.9

Renewable energy power generation facilities

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of June 30, 2022
Facilities in operation	30	38	66	67
Rated capacity (MW)	487	730	882	937

* 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 ¥70.0 billion in operating revenue (down 11.5% from the same period of the previous fiscal year) and ¥1.0 billion in operating loss.

In the first three months for FY2021, some local governments declared a state of emergency and implemented priority measures to prevent the spread of disease and other matters due to the spread of COVID-19 and there was an impact mainly from the temporary closing or reduction in operating hours of managed facilities, however such impacts were limited in the first three months for FY2022.

Overall the segment achieved decreased revenues and increased profit. In the breakdown of operating revenue below, there were declines in Property management (Condominiums) and Property management (Office buildings) related to the pull-back effect of large constructions in the first three months for FY2021, and there was reduced revenue due to the exclusion of “Tokyu Hands” from the scope of consolidation since the end of the previous fiscal year following a share transfer. However, there was a certain level of recovery in demand for Hotel, Leisure facilities, and Healthcare.

The stock of condominium management service sites was 877 thousand units (of which the number of units under comprehensive management was 527 thousand units) as of June 30, 2022.

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	FY2022 forecast
Operating revenue	79.0	70.0	(9.1)	383.8	345.0
Operating profit	(3.7)	(1.0)	2.6	(0.1)	11.9

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	
Property management (Condominiums)	26.9	26.3	(0.6)	127.3	
Property management (Office buildings)	18.3	18.1	(0.2)	78.6	
Hotel	5.2	8.1	2.9	28.5	
Leisure facilities	2.6	3.1	0.5	16.0	
Healthcare	5.4	6.3	0.9	23.8	
Other (wellness)	5.1	5.0	(0.1)	39.0	
Tokyu Hands	13.1	–	(13.1)	56.7	
Environmental greening	2.4	3.1	0.7	13.8	

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

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

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

*Tokyu Hands: Excluded from the Company’s scope of consolidation since the end of FY2021 following the transfer of all issued shares of Tokyu Hands Inc.

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

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of June 30, 2022
Condominiums (units)	829,533	839,891	831,603	876,840
Buildings (no. of contracts)	1,561	1,532	1,626	1,648

4) Real Estate Agents

In our Real Estate Agents business, we recorded ¥59.4 billion in operating revenue (down 8.7% from the same period of the previous fiscal year) and ¥8.6 billion in operating profit (up 14.6%).

The main factors for decreased revenues and increased profit were rises in the average traded price in retail and wholesale sales in the real estate sales agent business of Tokyu Livable Inc. due to the strong activity in the real estate transaction market, despite a decline in revenue due to the pull-back effect of a large property being recorded in the first three months for FY2021 in the real estate sales business of that company.

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	FY2022 forecast
Operating revenue	65.1	59.4	(5.7)	234.5	257.0
Operating profit	7.5	8.6	1.1	26.1	27.8

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2021	FY2022		FY2021	
Real estate sales agent	14.4	16.5	2.1	69.0	
Real estate sales	28.3	18.8	(9.5)	70.6	
Consignment sales, etc.	1.9	2.0	0.1	7.1	
Rental housing service	20.5	22.2	1.6	87.8	

Real estate sales agent

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of June 30, 2022
Number of transactions	26,437	25,635	28,750	6,712
Transaction amounts (Billions of yen)	1,315.9	1,226.5	1,578.0	370.0

*Total of retail and wholesale

(2) Analysis of Financial Position

As of the end of the first quarter ended June 30, 2022, total assets decreased by ¥22.4 billion compared to the end of the previous fiscal year and total liabilities decreased by ¥41.1 billion compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of June 30, 2021	As of June 30, 2022	(Reference) As of March 31, 2022	
Total assets	2,626.8	2,611.9	2,634.3	
Total liabilities	2,012.8	1,949.9	1,991.0	
Net assets	614.1	662.0	643.3	
Equity	601.6	650.3	631.8	As of March 31, 2023 (Forecast)
Equity ratio	22.9%	24.9%	24.0%	
Interest-bearing debt	1,508.4	1,439.3	1,421.7	1,500.0
DER	2.5×	2.2×	2.3×	2.3×

(3) Forecast for Fiscal Year 2022 Ending March 31, 2023

	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	1,000.0	90.0	76.0	37.0

Reference: Projected earnings per share (full-year): ¥51.44

There is no change from the forecasts announced on May 11, 2022.

With the spread of COVID-19, it remains impossible to foresee when the pandemic will end. While it is difficult to estimate rationally the impact of the spread of COVID-19 in the financial results forecast, we have factored in an assumed impact on certain businesses to calculate the forecast.

Actual performance, etc. may fluctuate due to the time the spread of COVID-19 ends or other factors. If it becomes necessary to revise the forecasts, the Group will promptly make an announcement.

First Quarter Consolidated Balance Sheet

Tokyu Fudosan Holdings Corporation

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	153,998	115,562
Notes and accounts receivable - trade, and contract assets	39,212	31,537
Securities	23,598	20,393
Merchandise	804	891
Real estate for sale	438,252	451,604
Real estate for sale in process	315,851	316,457
Costs on construction contracts in progress	3,287	6,605
Supplies	784	818
Other	61,274	60,904
Allowance for doubtful accounts	(113)	(106)
Total current assets	1,036,951	1,004,669
Non-current assets		
Property, plant and equipment		
Buildings and structures	533,564	535,412
Accumulated depreciation	(207,388)	(212,126)
Buildings and structures, net	326,176	323,286
Land	630,851	631,405
Construction in progress	84,952	88,500
Other	104,917	105,407
Accumulated depreciation	(53,466)	(55,156)
Other, net	51,450	50,250
Total property, plant and equipment	1,093,431	1,093,442
Intangible assets		
Goodwill	60,734	59,422
Other	47,482	47,184
Total intangible assets	108,216	106,606
Investments and other assets		
Investment securities	246,373	257,413
Leasehold and guarantee deposits	87,642	87,536
Other	62,025	62,571
Allowance for doubtful accounts	(297)	(297)
Total investments and other assets	395,743	407,224
Total non-current assets	1,597,391	1,607,273
Total assets	2,634,343	2,611,943

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

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	43,900	19,772
Short-term borrowings	158,469	156,733
Commercial papers	–	18,000
Current portion of bonds payable	20,000	10,000
Income taxes payable	18,404	8,604
Provisions	16,742	10,130
Other	181,257	158,704
Total current liabilities	438,774	381,945
Non-current liabilities		
Bonds payable	260,000	260,000
Long-term borrowings	983,249	994,547
Long-term leasehold and guarantee deposits received	208,993	210,424
Retirement benefit liability	29,149	29,243
Provisions	165	166
Other	70,712	73,600
Total non-current liabilities	1,552,270	1,567,981
Total liabilities	1,991,044	1,949,927
Net assets		
Shareholders' equity		
Share capital	77,562	77,562
Capital surplus	166,585	167,447
Retained earnings	356,986	364,928
Treasury shares	(341)	(339)
Total shareholders' equity	600,791	609,598
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,010	14,198
Deferred gains or losses on hedges	610	1,304
Revaluation reserve for land	9,181	9,181
Foreign currency translation adjustment	6,453	16,274
Remeasurements of defined benefit plans	(256)	(216)
Total accumulated other comprehensive income	30,997	40,742
Share acquisition rights	5	5
Non-controlling interests	11,503	11,669
Total net assets	643,298	662,015
Total liabilities and net assets	2,634,343	2,611,943

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

First Quarter Consolidated Statements of (Comprehensive) Income

(First Quarter Consolidated Statement of Income)

Tokyu Fudosan Holdings Corporation

(Millions of yen)

	First three months FY2021 (from April 1, 2021 to June 30, 2021)	First three months FY2022 (from April 1, 2022 to June 30, 2022)
Operating revenue	187,303	220,305
Operating costs	151,770	175,460
Operating gross profit	35,533	44,845
Selling, general and administrative expenses	24,825	19,957
Operating profit	10,707	24,888
Non-operating income		
Interest income	43	44
Dividend income	92	108
Foreign exchange gains	15	121
Share of profit of entities accounted for using equity method	35	-
Subsidy income	349	55
Guarantee commission received	94	160
Other	92	66
Total non-operating income	724	555
Non-operating expenses		
Interest expenses	2,785	2,650
Share of loss of entities accounted for using equity method	-	103
Other	351	211
Total non-operating expenses	3,136	2,966
Ordinary profit	8,294	22,476
Extraordinary income		
Gain on sale of investment securities	-	46
Total extraordinary income	-	46
Extraordinary losses		
Loss on COVID-19	1,513	-
Total extraordinary losses	1,513	-
Profit before income taxes	6,781	22,523
Income taxes	6,513	7,881
Profit	267	14,641
Profit attributable to non-controlling interests	158	220
Profit attributable to owners of parent	108	14,420

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

(First Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Millions of yen)

	First three months FY2021 (from April 1, 2021 to June 30, 2021)	First three months FY2022 (from April 1, 2022 to June 30, 2022)
Profit	267	14,641
Other comprehensive income		
Valuation difference on available-for-sale securities	3,003	(810)
Deferred gains or losses on hedges	316	722
Foreign currency translation adjustment	1,653	2,276
Remeasurements of defined benefit plans, net of tax	66	40
Share of other comprehensive income of entities accounted for using equity method	6,695	7,549
Total other comprehensive income	11,735	9,778
Comprehensive income	12,003	24,420
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,837	24,165
Comprehensive income attributable to non-controlling interests	166	254

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