

Financial Summary
FY2021 First Quarter (First Three Months)
Ended June 30, 2021

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on August 10, 2021 at 15:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2021 First Quarter (First Three Months) Ended June 30, 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 three months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2021	187,303	24.6	10,707	–	8,294	–	108	–
FY2020	150,273	(19.4)	(3,455)	–	(6,096)	–	(13,954)	–

Note: Comprehensive income: First three months of FY2021 ¥12,003 million [–]
First three months of FY2020 ¥(14,705) million [–]

	Earnings per share	Fully diluted earnings per share
First three months	(Yen)	(Yen)
FY2021	0.15	–
FY2020	(19.40)	–

Note: The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter ended June 30, 2021, and each figure for the first three months of the fiscal year ending March 31, 2022 is the figure after applying the accounting standard and relevant revised ASBJ regulations.

(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, 2021	2,626,838	614,083	22.9	836.31
As of March 31, 2021	2,652,296	608,723	22.5	829.50

Reference: Equity: As of June 30, 2021 ¥601,569 million; As of March 31, 2021 ¥596,673 million

Note: The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter ended June 30, 2021, and each figure for the first three months of the fiscal year ending March 31, 2022 is the figure after applying the accounting standard and relevant revised ASBJ regulations.

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	–				
FY2021 ending March 31, 2022 (Forecast)		8.00	–	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	1,040,000	14.6	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 June 30, 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 June 30, 2021: 512,582 shares

As of March 31, 2021: 512,042 shares

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

Three months ended June 30, 2021: 719,318,722 shares

Three months ended June 30, 2020: 719,189,338 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, 2021, with regard to the Japanese economy, economic activity continues to be restricted by temporary closures of commercial facilities, etc., people refraining from going out, a significant decrease in the number of foreign visitors to Japan due to restrictions on travel, 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). Although there are expectations of a recovery as vaccinations against COVID-19 become available, the outlook for the economy as a whole remains uncertain due to the continuing uncertainty regarding when this pandemic will be under control.

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, 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 during the first three months ended June 30, 2020.

Results for the first three months ended June 30, 2021 showed an increase in revenues and profit with ¥187.3 billion in operating revenue (up 24.6% from the same period of the previous fiscal year), ¥10.7 billion in operating profit (¥3.5 billion in operating loss in the same period of the previous fiscal year), ¥8.3 billion in ordinary profit (¥6.1 billion in ordinary loss in the same period of the previous fiscal year) and, as a result of the recording of ¥1.5 billion in loss on COVID-19 as extraordinary losses (¥6.8 billion in extraordinary losses in the same period of the previous fiscal year), ¥0.1 billion in profit attributable to owners of parent (¥14.0 billion in loss attributable to owners of parent in the same period of the previous fiscal year). This was mainly due to an increase in operation projects in the renewable energy business and a rebound from the temporary closing or reduction in operating hours of commercial facilities, facilities and retail stores in the first three months ended June 30, 2020, despite the reactionary drop in revenues from sales of assets.

The first three months for FY2020 was from April 1, 2020 to June 30, 2020 and the first three months for FY2021 was from April 1, 2021 to June 30, 2021.

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	150.3	187.3	37.0	907.7	1,040.0
Operating profit	(3.5)	10.7	14.2	56.5	80.0
Ordinary profit	(6.1)	8.3	14.4	46.6	66.5
Profit attributable to owners of parent	(14.0)	0.1	14.1	21.7	30.0

Operating revenue and operating profit

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2021	187.3	—	—	—
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	—	—	—
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 an increase 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 three months ended June 30, 2020 and the fiscal year ended March 31, 2021 have been restated in accordance with the new segment classifications.

Operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2020	FY2021 forecast
	FY2020	FY2021			
Total	150.3	187.3	37.0	907.7	1,040.0
Urban Development	44.0	36.5	(7.5)	316.7	350.0
Strategic Investment	5.2	11.6	6.4	46.9	65.0
Property Management & Operation	66.2	79.0	12.8	351.2	420.0
Real Estate Agents	39.1	65.1	26.0	212.3	225.0
Adjustment for Inter- Company Transactions	(4.2)	(5.0)	(0.8)	(19.4)	(20.0)

Operating profit

(Unit:¥ billion)

	First three months		Comparison	FY2020	FY2021 forecast
	FY2020	FY2021			
Total	(3.5)	10.7	14.2	56.5	80.0
Urban Development	3.2	4.9	1.7	41.7	47.5
Strategic Investment	1.0	4.1	3.1	12.1	9.4
Property Management & Operation	(7.5)	(3.7)	3.8	(8.8)	9.0
Real Estate Agents	1.7	7.5	5.8	18.9	21.5
Adjustment for Inter- Company Transactions	(1.9)	(2.1)	(0.2)	(7.3)	(7.4)

1) Urban Development

In our Urban Development business, we recorded ¥36.5 billion in operating revenue (down 16.9% from the same period of the previous fiscal year) and ¥4.9 billion in operating profit (up 52.0%).

During the first three months ended June 30, 2021, although 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 a continuing impact mainly from the temporary closing or reduction in operating hours of commercial facilities, the impact was limited compared to the same period of the previous fiscal year.

The segment overall saw a decrease in revenues but an increase in profit 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 for the Group's major commercial facilities such as Tokyu Plaza in Leasing (Commercial facilities) and an increase in the number of condominium units sold in Condominiums, despite the reactionary drop in revenues from sales of assets included in Other (excluding lease in office and commercial facility business) in the breakdown of operating revenue below.

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 1.0%.

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 68% (up 11 percentage points from the same period of the previous fiscal year). In the first three months ended June 30, 2021, in addition to the recording of the condominium "BRANZ Tennoji Katsuyama" (Osaka-shi, Osaka) as a newly completed building for condominium units, inventory of completed units was recorded.

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	44.0	36.5	(7.5)	316.7	350.0
Operating profit	3.2	4.9	1.7	41.7	47.5

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	
Leasing (Office buildings)	9.6	13.0	3.4	45.9	
Leasing (Commercial facilities)	7.4	9.1	1.7	38.6	
Other *1	16.7	0.8	(15.9)	86.0	
Condominiums	6.5	10.5	4.0	106.0	
Other *2	3.8	3.1	(0.7)	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 June 30, 2021
0.4%	0.6%	1.3%	1.0%

Condominiums: condominium units sold

(Units)

	First three months		Comparison	FY2020
	FY2020	FY2021		
No. of units sold	118	189	71	1,777
New supply	144	309	165	1,797
Contracted units	159	376	217	1,767
Inventory of completed units	420	684	264	827

2) Strategic Investment

In our Strategic Investment business, we recorded ¥11.6 billion in operating revenue (up 124.7% from the same period of the previous fiscal year) and ¥4.1 billion in operating profit (up 304.0%).

Revenues and profit increased mainly due to revenues from 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.

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	5.2	11.6	6.4	46.9	65.0
Operating profit	1.0	4.1	3.1	12.1	9.4

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)
	FY2020	FY2021		FY2020
Infrastructure & Industry	2.7	8.4	5.6	34.5
Asset management	1.6	1.8	0.2	7.8
Overseas operations	0.8	1.4	0.6	4.6

Renewable energy power generation facilities

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of June 30, 2021
Facilities in operation	16	30	38	47
Rated capacity (MW)	246	487	730	772

*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 ¥79.0 billion in operating revenue (up 19.4% from the same period of the previous fiscal year) and ¥3.7 billion in operating loss.

During the first three months ended June 30, 2021, although 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 a continuing impact mainly from the temporary closing or reduction in operating hours of facilities, the impact was limited compared to the same period of the previous fiscal year.

The segment overall saw an increase in revenues and profit due to the rebound 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 in Property management (condominiums) and Property management (office buildings), and a certain amount of recovery compared to the same period of the previous fiscal year despite the continuing decline in demand due to the prolonging of the COVID-19 pandemic in Hotel, Leisure facilities, Healthcare facilities, Other (wellness) and Tokyu Hands in the breakdown of operating revenue below.

The stock of condominium management service sites was 851 thousand units (of which the number of units under comprehensive management was 526 thousand units) as of June 30, 2021.

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	66.2	79.0	12.8	351.2	420.0
Operating profit	(7.5)	(3.7)	3.8	(8.8)	9.0

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	
Property management (Condominiums)	24.6	26.9	2.4	122.7	
Property management (Office buildings)	15.6	18.3	2.6	71.0	
Hotel	3.4	5.2	1.7	22.1	
Leisure facilities	1.9	2.6	0.7	14.3	
Healthcare	4.3	5.4	1.1	23.3	
Other (wellness)	3.1	5.1	2.0	22.7	
Tokyu Hands	11.1	13.1	2.1	63.2	
Environmental greening	2.2	2.4	0.2	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 June 30, 2021
Condominiums (units)	831,684	829,533	839,891	850,818
Buildings (no. of contracts)	1,540	1,561	1,532	1,535

4) Real Estate Agents

In our Real Estate Agents business, we recorded ¥65.1 billion in operating revenue (up 66.6% from the same period of the previous fiscal year) and ¥7.5 billion in operating profit (up 340.2%).

Both revenues and profit increased in retail and wholesale sales in the real estate sales agent business of Tokyu Livable Inc. mainly as a result of the rebound from the temporary closing or reduction in operating hours of retail stores because of the spread of COVID-19 in the same period of the previous fiscal year, increased activity in the real estate transaction market and the recording of retail estate sales for large properties.

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	FY2021 forecast
Operating revenue	39.1	65.1	26.0	212.3	225.0
Operating profit	1.7	7.5	5.8	18.9	21.5

Breakdown of operating revenue

	First three months		Comparison	(Unit:¥ billion)	
	FY2020	FY2021		FY2020	
Real estate sales agent	10.3	14.4	4.1	55.6	
Real estate sales	5.9	28.3	22.4	67.0	
Consignment sales, etc.	1.4	1.9	0.5	7.3	
Rental housing service	21.5	20.5	(0.9)	82.4	

Real estate sales agent

	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of June 30, 2021
Number of transactions	25,570	26,437	25,635	6,621
Transaction amounts (Billions of yen)	1,245.5	1,315.9	1,226.5	313.4

*Total of retail and wholesale

(2) Analysis of Financial Position

As of the end of the first quarter ended June 30, 2021, total assets decreased by ¥25.5 billion compared to the end of the previous fiscal year and total liabilities decreased by ¥30.8 billion compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of June 30, 2020	As of June 30, 2021	(Reference) As of March 31, 2021	
Total assets	2,632.0	2,626.8	2,652.3	
Total liabilities	2,058.1	2,012.8	2,043.6	
Net assets	573.9	614.1	608.7	
Equity	563.1	601.6	596.7	As of March 31, 2022 (Forecast)
Equity ratio	21.4%	22.9%	22.5%	1,480.0
Interest-bearing debt	1,572.4	1,508.4	1,478.8	2.4×
DER	2.8×	2.5×	2.5×	

(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	1,040.0	80.0	66.5	30.0

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

There is no change from the forecasts announced on May 11, 2021.

With the spread of COVID-19, it remains impossible to foresee when the pandemic will end. Some local governments have declared a state of emergency and implemented priority measures to prevent the spread of disease and other matters, and 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

(Review has not been completed.)

(Millions of yen)

Account title	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	190,028	114,408
Notes and accounts receivable - trade	41,842	-
Notes and accounts receivable - trade, and contract assets	-	30,965
Securities	20,899	18,451
Merchandise	12,116	11,604
Real estate for sale	343,715	364,414
Real estate for sale in process	332,329	351,604
Costs on construction contracts in progress	4,604	6,899
Supplies	749	838
Other	58,801	66,667
Allowance for doubtful accounts	(105)	(99)
Total current assets	1,004,980	965,754
Non-current assets		
Property, plant and equipment		
Buildings and structures	562,827	564,566
Accumulated depreciation	(208,082)	(213,129)
Buildings and structures, net	354,745	351,436
Land	703,295	703,298
Construction in progress	78,156	80,819
Other	96,873	97,232
Accumulated depreciation	(52,521)	(53,955)
Other, net	44,351	43,277
Total property, plant and equipment	1,180,549	1,178,831
Intangible assets		
Goodwill	66,373	65,025
Other	43,317	43,845
Total intangible assets	109,691	108,871
Investments and other assets		
Investment securities	216,712	233,472
Leasehold and guarantee deposits	91,310	91,598
Other	49,316	48,616
Allowance for doubtful accounts	(335)	(342)
Total investments and other assets	357,004	373,345
Total non-current assets	1,647,245	1,661,048
Deferred assets		
Share issuance costs	71	35
Total deferred assets	71	35
Total assets	2,652,296	2,626,838

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

Account title	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,714	28,420
Short-term borrowings	123,956	139,336
Current portion of bonds payable	20,000	20,100
Income taxes payable	19,779	11,271
Provisions	13,654	8,084
Other	164,920	143,532
Total current liabilities	399,025	350,745
Non-current liabilities		
Bonds payable	270,000	260,000
Long-term borrowings	1,064,814	1,088,989
Long-term leasehold and guarantee deposits received	204,386	204,144
Retirement benefit liability	29,732	29,109
Provisions	114	116
Other	75,500	79,649
Total non-current liabilities	1,644,547	1,662,009
Total liabilities	2,043,573	2,012,754
Net assets		
Shareholders' equity		
Share capital	77,562	77,562
Capital surplus	166,679	166,679
Retained earnings	333,829	326,998
Treasury shares	(174)	(174)
Total shareholders' equity	577,896	571,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,316	21,319
Deferred gains or losses on hedges	(422)	(102)
Revaluation reserve for land	9,903	9,903
Foreign currency translation adjustment	(8,084)	254
Remeasurements of defined benefit plans	(936)	(869)
Total accumulated other comprehensive income	18,776	30,505
Non-controlling interests	12,050	12,513
Total net assets	608,723	614,083
Total liabilities and net assets	2,652,296	2,626,838

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

(Review has not been completed.)

(Millions of yen)

Account title	First three months FY2020 (from April 1, 2020 to June 30, 2020)	First three months FY2021 (from April 1, 2021 to June 30, 2021)
Operating revenue	150,273	187,303
Operating costs	129,375	151,770
Operating gross profit	20,897	35,533
Selling, general and administrative expenses	24,353	24,825
Operating profit (loss)	(3,455)	10,707
Non-operating income		
Interest income	40	43
Dividend income	111	92
Share of profit of entities accounted for using equity method	-	35
Subsidy income	174	349
Other	124	203
Total non-operating income	450	724
Non-operating expenses		
Interest expenses	2,738	2,785
Other	353	351
Total non-operating expenses	3,091	3,136
Ordinary profit (loss)	(6,096)	8,294
Extraordinary income		
Subsidies for employment adjustment	741	-
Other	2	-
Total extraordinary income	744	-
Extraordinary losses		
Loss on COVID-19	6,617	1,513
Other	182	-
Total extraordinary losses	6,799	1,513
Profit (loss) before income taxes	(12,152)	6,781
Income taxes	1,993	6,513
Profit (loss)	(14,145)	267
Profit (loss) attributable to non-controlling interests	(191)	158
Profit (loss) attributable to owners of parent	(13,954)	108

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

(First Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	First three months FY2020 (from April 1, 2020 to June 30, 2020)	First three months FY2021 (from April 1, 2021 to June 30, 2021)
Profit (loss)	(14,145)	267
Other comprehensive income		
Valuation difference on available-for-sale securities	1,679	3,003
Deferred gains or losses on hedges	832	316
Foreign currency translation adjustment	(2,534)	1,653
Remeasurements of defined benefit plans, net of tax	100	66
Share of other comprehensive income of entities accounted for using equity method	(638)	6,695
Total other comprehensive income	(559)	11,735
Comprehensive income	(14,705)	12,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(14,469)	11,837
Comprehensive income attributable to non- controlling interests	(236)	166

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