

Financial Summary
FY2014 First Quarter (First Three Months)
Ended June 30, 2014

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on July 31, 2014 at 16:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2014 First Quarter (First Three Months) Ended June 30, 2014

*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 statements of income

(% indicates year-on-year change.)

	Operating revenue		Operating income		Ordinary income		Net income	
First three months	(Millions of yen)	(%)						
FY2014	162,085	–	9,161	–	6,466	–	3,637	–
FY2013	–	–	–	–	–	–	–	–

Note: Comprehensive income: First three months of FY2014 ¥6,815 million [–%]

First three months of FY2013 ¥– million [–%]

	Net income per share	Fully diluted net income per share
First three months	(Yen)	(Yen)
FY2014	5.97	–
FY2013	–	–

Note: The Company does not have financial data for the first three months of FY2013 as it was established on October 1, 2013 through joint share transfers.

(2) Summary of consolidated balance sheets

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2014	1,813,783	373,129	20.3	605.01
As of March 31, 2014	1,789,822	369,242	20.4	598.73

Reference: Equity: As of June 30, 2014 ¥368,318 million; As of March 31, 2014 ¥364,491 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2013 ended March 31, 2014	–	–	–	4.50	4.50
FY2014 ending March 31, 2015	–	/	/	/	/
FY2014 ending March 31, 2015 (Forecast)	/	5.00	–	5.00	10.00

Notes: 1. Revisions to the forecasts of dividends most recently announced: None

2. The Company does not have dividends results until the end of the second quarter of the FY2013 ended March 31, 2014 as it was established on October 1, 2013 through joint share transfers.

3. Forecast for Fiscal Year 2014 Ending March 31, 2015

(% indicates year-on-year change.)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Yen)						
Full-year forecast	735,000	2.9	63,000	2.6	51,000	0.8	25,000	5.4	41.07

Note: Revisions to the forecasts most recently announced: None

* Indication regarding execution of quarterly review procedures

This quarterly financial summary report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial summary report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act are in progress.

*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. 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

The Company was established on October 1, 2013 through joint share transfers as the wholly-owning parent company of Tokyu Land Corporation, Tokyu Community Corp. and Tokyu Livable, Inc. Since, before the integration, Tokyu Community Corp. and Tokyu Livable, Inc. were consolidated subsidiaries of Tokyu Land Corporation; and there is no substantial change in the scope of consolidation of the Company from that of Tokyu Land Corporation before the integration, regarding the items for which comparisons are made with the same period of the previous fiscal year, figures are compared with those of Tokyu Land Corporation for the first three months of FY2013 (from April 1, 2013 to June 30, 2013).

(1) Overview

Results for the first three months ended June 30, 2014 showed ¥162.1 billion in operating revenue (up 32.2% from the same period of the previous fiscal year), ¥9.2 billion in operating income (up 13.3%) and ¥6.5 billion in ordinary income (up 16.5%).

Both revenues and profit increased mainly due to increased sales of properties in Urban Development segment and an increase in sales in Residential segment. Net income also increased to ¥3.6 billion (up 66.1%). This was mainly due to an increase in minority interests in income following the shift to a holding company system.

Following the shift to a holding company system, the Group reorganized its structure and reportable segments effective from the first quarter ended June 30, 2014. In the business results for the same period and the full-year period of the previous fiscal year in the below explanation of each segment, the existing figures have been reclassified in accordance with the new segment structure.

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2013	FY2014			
Operating revenue	122.6	162.1	39.5	735.0	22.1%
Operating income	8.1	9.2	1.1	63.0	14.5%
Ordinary income	5.6	6.5	0.9	51.0	12.7%
Net income	2.2	3.6	1.4	25.0	14.5%

Operating revenue and operating income

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2014	162.1	–	–	–
Operating revenue for FY2013	122.6	294.1	459.4	714.1
Operating income for FY2014	9.2	–	–	–
Operating income for FY2013	8.1	25.2	35.2	61.4

By segment, the four segments of Urban Development, Residential, Property Management and Wellness saw an increase in revenues and profit, the two segments of Real-Estate Agents and Business Innovation and Others saw an increase in revenues but a decrease in profit, and the Tokyu Hands segment saw a decrease in revenues and profit (compared with the same period of the previous fiscal year).

Operating revenue

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2013	FY2014			
Total	122.6	162.1	39.5	735.0	22.1%
Urban Development	32.3	59.7	27.4	216.9	27.6%
Residential	12.7	19.6	6.9	107.2	18.3%
Property Management	28.7	31.4	2.6	140.4	22.3%
Real-Estate Agents	10.9	12.3	1.3	59.0	20.8%
Wellness	14.4	15.4	1.0	72.4	21.3%
Tokyu Hands	19.9	19.0	(0.8)	88.1	21.6%
Business Innovation and Others	7.7	8.8	1.1	70.6	12.4%
Adjustment for Inter-Company Transactions	(4.0)	(4.1)	(0.1)	(19.4)	—

Operating income

(Unit:¥ billion)

	First three months		Comparison	Full-year forecast	Progress
	FY2013	FY2014			
Total	8.1	9.2	1.1	63.0	14.5%
Urban Development	8.0	9.1	1.2	36.0	25.4%
Residential	(0.2)	1.2	1.4	7.4	16.2%
Property Management	1.3	1.7	0.4	9.4	18.3%
Real-Estate Agents	0.5	0.3	(0.2)	9.3	3.6%
Wellness	(0.1)	(0.0)	0.0	2.9	—
Tokyu Hands	0.2	(0.2)	(0.4)	0.9	—
Business Innovation and Others	(1.6)	(1.8)	(0.1)	2.5	—
Adjustment for Inter-Company Transactions	(0.0)	(1.2)	(1.2)	(5.3)	—

1) Urban Development

In our Urban Development business, we recorded ¥59.7 billion in operating revenue (up 85.0% from the same period of the previous fiscal year) and ¥9.1 billion in operating income (up 14.8%).

Revenues rose due partly to the increased sales of properties; profit also increased thanks mainly to the start of new facilities operations, although there was a foregone profit following the sales of properties in the previous fiscal year.

“Shiodome Building” (Minato-ku, Tokyo, office building and commercial facility) and “Nikko Shibuya Nanpeidai Building” (Shibuya-ku, Tokyo, office building) were acquired in April 2014. In addition, the vacancy rate (office buildings and commercial facilities) remained at a low level of 1.8%.

(Unit:¥ billion)

	First three months		Comparison	FY2013	FY2014 forecast
	FY2013	FY2014			
Operating revenue	32.3	59.7	27.4	178.1	216.9
Operating income	8.0	9.1	1.2	31.9	36.0

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2013
	FY2013	FY2014		
Leasing (Office buildings)	8.5	9.5	1.0	35.1
Leasing (Commercial facilities)	9.2	8.5	(0.7)	38.3
Asset management etc.	1.9	26.8	24.9	53.6
Leasing (Residence) etc.	12.7	15.0	2.2	51.1

Vacancy rate of office buildings and commercial facilities

As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of June 30, 2014
2.0%	2.1%	1.8%	1.8%

2) Residential

In our Residential business, we recorded ¥19.6 billion in operating revenue (up 54.6% from the same period of the previous fiscal year) and ¥1.2 billion in operating income.

Both revenues and profit increased mainly due to increased sales of condominiums as well as to increased bulk sales of land.

Meanwhile, sales of condominium units in “Branz Shin-Otsuka” (Toshima-ku, Tokyo), “Branz Miyazakidai” (Kawasaki-shi, Kanagawa) and others were recorded. Sales continued to perform firmly and the inventory of completed units decreased compared to the end of the previous fiscal year remaining at a low level. The ratio of contracted amount for sale to the planned sales amount for the full year for condominium became 59% from 44% at the beginning of the fiscal year (up 6 percentage points from the same period of the previous fiscal year).

(Unit:¥ billion)

	First three months		Comparison	FY2013	FY2014 forecast
	FY2013	FY2014			
Operating revenue	12.7	19.6	6.9	141.8	107.2
Operating income	(0.2)	1.2	1.4	11.6	7.4

Breakdown of operating revenue

(Before adjustments in ¥ billion)

	First three months				Comparison	FY2013	
	FY2013		FY2014				
Condominiums	204 units	11.7	298 units	12.1	0.4	2,528 units	133.3
Detached housing	46 units	0.8	17 units	0.6	(0.2)	272 units	7.6
Others	–	0.1	–	6.9	6.8	–	0.9

Number of units supplied and sold

(Units)

	First three months				Inventory of completed units	
	FY2013		FY2014		As of March 31, 2014	As of June 30, 2014
	New supply	Contracted units	New supply	Contracted units		
Condominiums	727	629	481	469	260	138
Detached housing	46	45	31	23	46	25

3) Property Management

In our Property Management business, we recorded ¥31.4 billion in operating revenue (up 9.2% from the same period of the previous fiscal year), and ¥1.7 billion in operating income (up 28.2%).

There was an increase in both revenues and profit due to an increase in constructions of common areas of condominiums, etc. The stock of condominium management service sites continued to expand steadily to 665 thousand units (of which the number of units under comprehensive management was 478 thousand units) as of June 30, 2014.

(Unit:¥ billion)

	First three months		Comparison	FY2013	FY2014 forecast
	FY2013	FY2014			
Operating revenue	28.7	31.4	2.6	139.1	140.4
Operating income	1.3	1.7	0.4	9.2	9.4

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2013
	FY2013	FY2014		
Property management	23.2	23.4	0.2	96.0
Constructions of common areas of condominiums etc.	4.5	7.0	2.4	39.2
Others	1.0	1.0	(0.0)	3.9

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

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of June 30, 2014
Condominiums (units)	405,911	617,687	641,591	665,131
Buildings (no. of contracts)	1,356	1,330	1,305	1,395

4) Real-Estate Agents

In our Real-Estate Agents business, we recorded ¥12.3 billion in operating revenue (up 12.0% from the same period of the previous fiscal year) and ¥0.3 billion in operating income (down 37.4%).

Revenues rose due mainly to increased sales in the real-estate sales business. However, profit decreased due partly to the fact that, in the real-estate sales agent business, contracted prices were lower in wholesale sales, although there was a rise both in the number of transactions and in contracted prices in retail sales.

(Unit:¥ billion)

	First three months		Comparison	FY2013	FY2014 forecast
	FY2013	FY2014			
Operating revenue	10.9	12.3	1.3	58.4	59.0
Operating income	0.5	0.3	(0.2)	9.2	9.3

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2013
	FY2013	FY2014		
Real-estate sales agent	8.9	8.8	(0.1)	40.1
Consignment sales	0.7	0.6	(0.1)	5.8
Real-estate sales	1.4	2.8	1.4	10.1
Others	0.0	0.2	0.2	2.4

5) Wellness

In our Wellness business, we recorded ¥15.4 billion in operating revenue (up 7.2% from the same period of the previous fiscal year) and ¥43 million in operating loss.

Both revenues and profit increased mainly due to a contribution from the start of new facilities operations of the Harvest Club membership resort hotels and senior housing facilities.

	First three months		Comparison	(Unit:¥ billion)	
	FY2013	FY2014		FY2013	FY2014 forecast
Operating revenue	14.4	15.4	1.0	72.9	72.4
Operating income	(0.1)	(0.0)	0.0	1.9	2.9

Breakdown of operating revenue

*The figures in brackets indicate the number of facilities at end of period.

	First three months		Comparison	(Unit:¥ billion)	
	FY2013	FY2014		FY2013	
Golf course	2.6 [20]	2.6 [20]	0.0	8.4 [20]	
Harvest Club	2.7 [24]	3.1 [26]	0.4	13.5 [26]	(Membership resort hotel)
Oasis	3.6 [33]	3.8 [33]	0.2	15.0 [33]	(Fitness club, etc.)
Ski resort	0.9 [8]	1.3 [8]	0.3	10.5 [8]	
Senior housing	1.3 [10]	1.5 [11]	0.3	6.3 [11]	
Sales of country houses and membership	0.8	0.6	(0.2)	10.0	
Other	2.5	2.5	(0.0)	9.3	

6) Tokyu Hands

In our Tokyu Hands business, we recorded ¥19.0 billion in operating revenue (down 4.2% from the same period of the previous fiscal year) and ¥0.2 billion in operating loss.

At Tokyu Hands, Inc., both revenues and profit decreased due to such factors as a revenue decline at existing stores and the incurrence of new store opening costs.

The new store that opened was “Tokyu Hands Kyoto,” which started operations in June 2014. In September, “Tokyu Hands Jurong East (tentative name)” (Singapore), which will be the second overseas store, and “Tokyu Hands Kagoshima” are scheduled to open, as well as “Tokyu Hands Nagano” and “Tokyu Hands Okayama” in November, which are part of our efforts to achieve steady business expansion.

	First three months		Comparison	(Unit:¥ billion)	
	FY2013	FY2014		FY2013	FY2014 forecast
Operating revenue	19.9	19.0	(0.8)	84.5	88.1
Operating income	0.2	(0.2)	(0.4)	1.1	0.9

7) Business Innovation and Others

In our Business Innovation and Others businesses, we recorded ¥8.8 billion in operating revenue (up 14.0% from the same period of the previous fiscal year) and ¥1.8 billion in operating loss.

Revenues increased mainly due to an increase in the number of custom-built houses delivered, while profit decreased due to an increase in costs related to new businesses, etc.

(Unit:¥ billion)

	First three months		Comparison	FY2013	FY2014 forecast
	FY2013	FY2014			
Operating revenue	7.7	8.8	1.1	59.4	70.6
Operating income	(1.6)	(1.8)	(0.1)	(1.3)	2.5

Breakdown of operating revenue

(Unit:¥ billion)

	First three months		Comparison	FY2013
	FY2013	FY2014		
Renovation / custom-built houses	4.1	5.1	1.0	42.6
Landscape gardening	1.9	2.0	0.1	9.0
Consignment welfare	1.5	1.7	0.2	6.7
Business innovation / overseas operations, etc.	0.2	0.0	(0.2)	1.1

Orders received (sales from orders)

(Before adjustments in ¥ billion)

	First three months		Comparison	FY2013
	FY2013	FY2014		
Custom-built houses	3.9	3.4	(0.5)	18.3
Renovation	5.0	6.1	1.1	22.7
Landscape gardening	1.4	1.6	0.2	7.3

(2) Analysis of Financial Position

As of June 30, 2014, total assets increased by ¥24.0 billion compared to the end of the previous fiscal year mainly due to an increase in real estate for sale. Total liabilities also increased by ¥20.1 billion due mainly to an increase in interest-bearing debt, compared to the end of the previous fiscal year. Of interest-bearing debt, ¥446.3 billion is loans payable of silent partnerships, etc.

(Unit:¥ billion)

	As of June 30, 2014	(Reference) As of March 31, 2014
Total assets	1,813.8	1,789.8
Total liabilities	1,440.7	1,420.6
Net assets	373.1	369.2
Equity	368.3	364.5
Equity ratio	20.3%	20.4%
Interest-bearing debt	1,050.5	991.0

(3) Forecast for Fiscal Year 2014 Ending March 31, 2015

	Operating revenue (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Full-year forecast	735,000	63,000	51,000	25,000

Reference: Projected net income per share (full-year): ¥41.07

There is no change from the forecasts announced on May 12, 2014.

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Actual performance may significantly differ from these forecasts due to various factors in the future.

First Quarter Consolidated Balance Sheets

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

Account title	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	93,070	55,681
Notes and accounts receivable - trade	24,712	15,424
Securities	653	597
Merchandise	8,736	9,093
Real estate for sale	122,899	165,884
Real estate for sale in process	116,974	135,629
Costs on uncompleted construction contracts	5,988	6,834
Supplies	749	766
Other	42,435	43,712
Allowance for doubtful accounts	(194)	(206)
Total current assets	416,024	433,418
Non-current assets		
Property, plant and equipment		
Buildings and structures	387,258	390,016
Accumulated depreciation	(161,378)	(164,492)
Buildings and structures, net	225,880	225,523
Land	858,604	862,528
Construction in progress	19,644	21,514
Other	49,060	49,758
Accumulated depreciation	(33,046)	(33,464)
Other, net	16,014	16,293
Total property, plant and equipment	1,120,143	1,125,860
Intangible assets		
Goodwill	82,866	81,737
Other	32,107	32,201
Total intangible assets	114,974	113,938
Investments and other assets		
Investment securities	56,691	59,673
Lease and guarantee deposits	58,099	58,956
Other	25,105	23,133
Allowance for doubtful accounts	(1,216)	(1,197)
Total investments and other assets	138,680	140,566
Total non-current assets	1,373,797	1,380,365
Total assets	1,789,822	1,813,783

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

Account title	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	62,135	43,359
Short-term loans payable	180,579	140,472
Current portion of bonds	200	200
Commercial papers	–	55,000
Income taxes payable	9,801	3,794
Provision	10,051	5,834
Other	99,082	84,156
Total current liabilities	361,850	332,817
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	740,235	784,794
Long-term lease and guarantee deposited	167,971	171,275
Net defined benefit liability	25,722	25,353
Other provision	469	454
Other	54,329	55,958
Total non-current liabilities	1,058,728	1,107,836
Total liabilities	1,420,579	1,440,654
Net assets		
Shareholders' equity		
Capital stock	60,000	60,000
Capital surplus	118,639	118,639
Retained earnings	173,275	174,015
Treasury shares	(1,781)	(1,781)
Total shareholders' equity	350,134	350,872
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,340	9,163
Deferred gains or losses on hedges	(21)	(30)
Revaluation reserve for land	11,701	11,701
Foreign currency translation adjustment	(1,590)	(487)
Remeasurements of defined benefit plans	(3,072)	(2,900)
Total accumulated other comprehensive income	14,357	17,445
Minority interests	4,751	4,810
Total net assets	369,242	373,129
Total liabilities and net assets	1,789,822	1,813,783

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

First Quarter Consolidated Statement 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 FY2014 (from April 1, 2014 to June 30, 2014)
Operating revenue	162,085
Operating cost	133,040
Operating gross profit	29,045
Selling, general and administrative expenses	19,883
Operating income	9,161
Non-operating income	
Interest income	33
Dividend income	277
Other	177
Total non-operating income	488
Non-operating expenses	
Interest expenses	2,483
Other	700
Total non-operating expenses	3,183
Ordinary income	6,466
Income before income taxes and minority interests	6,466
Income taxes	2,784
Income before minority interests	3,681
Minority interests in income	44
Net income	3,637

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 FY2014 (from April 1, 2014 to June 30, 2014)
Income before minority interests	3,681
Other comprehensive income	
Valuation difference on available-for-sale securities	1,823
Deferred gains or losses on hedges	(9)
Foreign currency translation adjustment	1,080
Share of other comprehensive income of entities accounted for using equity method	68
Remeasurements of defined benefit plans, net of tax	171
Total other comprehensive income	3,134
Comprehensive income	6,815
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	6,725
Comprehensive income attributable to minority interests	89

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