

# Presentation Material for the First Quarter of FY2023 (Ending December 31, 2023)

May 11, 2023

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## Business Results for the First Quarter of FY2023

- Although sales and gross profit on property sales to investors decreased, revenue decreased, and profit increased due to the increase in sales and gross profit on for-sale condominiums.

## Topics

- Bringing forward the target for the shift of renewable electric power at owned properties in the Commercial Property business by 20 years to 100% renewable energy consumption in FY2030 (February 2023)
- Participation in first office building development project in Bangkok, Thailand (April 2023)
- Concluded a share transfer contract of consolidated subsidiary Tokyo Tatemono Kids Co. Ltd. and concluded a business alliance agreement (April 2023)

# Consolidated Statement of Income for the First Quarter of FY2023

- Although sales and gross profit from property sales to investors decreased, revenue decreased, and profit increased due to the increase in sales and gross profit from for-sale condominiums.

Unit: ¥ billion	2022/12 1Q Actual	2023/12 1Q Actual	Increase/ Decrease
Operating revenue	121.6	118.3	(3.2)
Commercial properties	57.6	34.4	(23.2)
Residential	43.3	63.8	20.4
Asset service	15.8	14.2	(1.5)
Other	4.8	5.8	1.0
Operating profit	25.5	27.2	1.7
Share of profit (loss) of entities accounted for using equity method	(0.1)	0.8	0.9
Business profit *	25.3	28.1	2.7
Commercial properties	17.1	10.1	(6.9)
Residential	7.6	17.8	10.1
Asset service	3.2	1.6	(1.5)
Other	0.0	1.2	1.2
Elimination/Corporate	(2.7)	(2.8)	(0.1)
Non-operating income	1.6	2.2	0.5
Non-operating expenses	2.0	2.0	(0.0)
Interest expense	1.6	1.6	0.0
Ordinary profit	25.1	27.4	2.3
Extraordinary income	0.2	0.0	(0.2)
Extraordinary loss	0.0	0.0	(0.0)
Profit before income taxes	25.3	27.4	2.1
Profit attributable to owners of parent	17.2	17.7	0.5

Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
	413.0	29%
	198.0	17%
	135.0	47%
	56.0	25%
	24.0	24%
• Operating revenue; Business profit See Business Results by Segment	66.0	41%
	5.0	17%
	71.0	40%
	44.5	23%
	23.0	78%
	8.0	21%
	6.0	21%
	(10.5)	27%
Recording of share of profit of entities accounted for using equity method, etc.	9.0	25%
	8.0	25%
	-	-
	67.0	41%
	2.0	0%
	3.0	1%
	66.0	42%
	44.5	40%

\* Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

# Breakdown of Business Profit by Segment

(Unit: ¥ billion)

Segment: Item		2022/12 1Q Actual	2023/12 1Q Actual	2023/12 Forecasts
All segments (excluding sales of properties to investors) total		13.6	27.3	52.0
Commercial properties:	Building leasing, etc.	8.6	7.9	25.0
Residential:	For-sale condominiums, etc.	4.1	17.4	17.0
Asset service:	Parking lots, brokerage, etc.	0.7	0.7	4.0
Other:	Leisure & childcare, fund, overseas	0.0	1.2	6.0
Property sales to investors Total*1		14.4	3.6	29.5
Commercial properties	Logistics, Hotel, Retail facilities, Offices	8.4	2.2	19.5
Residential	For-sale condominiums	3.4	0.4	6.0
Asset service	Asset solutions	2.5	0.9	4.0
Other		—	—	—
Elimination / Corporate		(2.7)	(2.8)	(10.5)
Total business profit*2		25.3	28.1	71.0

\*1 Figures for property sales to investors are the gross profit

\*2 Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

# Consolidated Balance Sheet for the First Quarter of FY2023

- Total assets increased by ¥92.2 billion due to an increase in cash and deposits from sale of for-sale condominiums (including deposits of fee from sales outsourcing services).

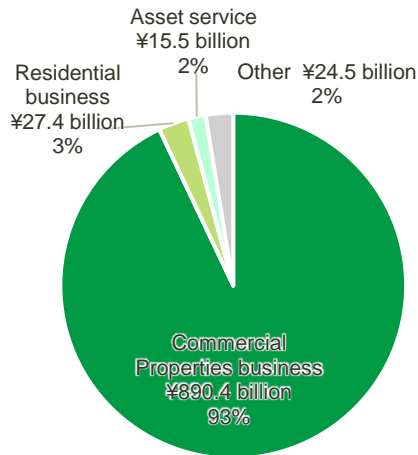
Unit: ¥ billion	2022/12-end	2023/3-end	Increase/ Decrease	Main factors for increase/decrease
<b>Total assets</b>	1,720.1	1,812.3	92.2	
Current assets	552.5	637.4	84.8	<ul style="list-style-type: none"> <li>Real estate for sale Increased as a result of further acquisition of land for development of logistics properties and for-sale condominiums despite the progress in sales of for-sale condominiums and property sales to investors.</li> </ul>
Cash and deposits	82.4	157.1	74.7	
Real estate for sale	414.9	427.9	13.0	
Other	55.1	52.3	(2.8)	
Non-current assets	1,167.6	1,174.9	7.3	
Property, plant and equipment	814.9	827.5	12.5	
Intangible assets	132.6	130.5	(2.1)	
Investments and other assets	219.9	216.8	(3.1)	
<b>Total liabilities</b>	1,263.2	1,342.6	79.3	
Interest-bearing debt	989.7	994.5	4.7	<ul style="list-style-type: none"> <li>Other liabilities Increase in deposits, etc.</li> </ul>
Other liabilities	273.4	348.0	74.5	
<b>Total net assets</b>	456.8	469.7	12.9	
Shareholders' equity	348.0	358.2	10.2	<ul style="list-style-type: none"> <li>Shareholders' equity Profit attributable to owners of parent +¥17.7 billion; Dividends paid -¥7.5 billion</li> </ul>
Accumulated other comprehensive income	97.9	100.4	2.5	
Non-controlling interests	10.8	10.9	0.1	
Capital adequacy ratio	25.9%	25.3%	(0.6p)	
Debt equity ratio <sup>*1</sup>	2.2	2.2	0.0	<ul style="list-style-type: none"> <li>Net debt equity ratio: 1.8x</li> </ul>
Interest-bearing debt / EBITDA multiple <sup>*2</sup>	11.1	-	-	

\*1 Debt equity ratio = Interest-bearing debt / Equity capital

\*2 Interest-bearing debt / EBITDA multiple = Interest-bearing debt / (Operating income + Interest & dividend income + Share of profit (loss) of entities accounted for using equity method + Depreciation expense + Goodwill amortization expense)

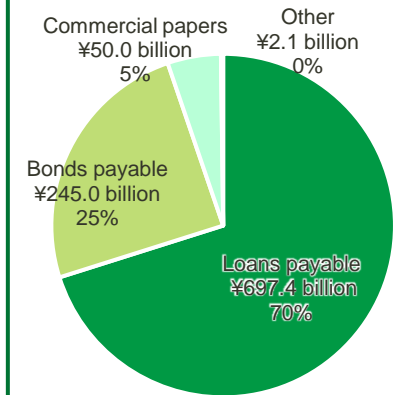
# Consolidated Balance Sheet for the First Quarter of FY2023

Breakdown of Property, Plant and Equipment and Intangible Assets



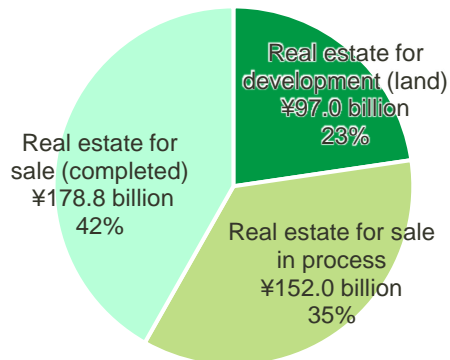
Total assets : ¥1,812.3 billion					
<b>Current assets</b>		637.4	<b>Liabilities</b>	1,342.6	
Cash and deposits	157.1	Real estate for sale	427.9	Interest-bearing debt	994.5
Real estate for sale	178.8	Real estate for sale in process	152.0	Loans payable	697.4
Real estate for development	97.0	Other	52.3	Bonds payable	245.0
Other	52.3			Commercial papers	50.0
				Other	2.1
				Other liabilities	348.0
<b>Non-current assets</b>		1,174.9			
Property, plant and equipment	827.5				
Intangible assets	130.5				
Investments and other assets	216.8				
			<b>Net assets</b>	469.7	
			Shareholders' equity	358.2	
			Accumulated other comprehensive income	100.4	
			Non-controlling interests	10.9	

Breakdown of Interest-Bearing Debt

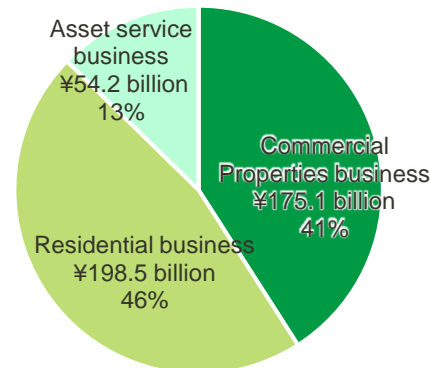


Breakdown of Real Estate for Sale

<By Status of Development>



<By Segment>



Status of Debt Equity Ratio

	2023/3-end	
		Taking into account hybrid loans/bonds <sup>*3</sup>
Debt equity ratio <sup>*1</sup>	2.2x	1.8x
Net debt equity ratio <sup>*2</sup>	1.8x	1.5x

\*1 Debt equity ratio = Interest-bearing debt / Equity capital

\*2 Net debt equity ratio = (Interest-bearing debt - Cash and deposits) / Equity capital

\*3 Calculated by taking into account the total equity credit of ¥60 billion concerning ¥120 billion of the total amount procured from the hybrid bonds payable

# Balance of Real Estate for Sale

- In the first quarter, the balance of real estate for sale increased to ¥427.9 billion as a result of further acquisition of land for development of logistics properties and for-sale condominiums despite the progress in sales of for-sale condominiums and property sales to investors. (An increase of ¥13.0 billion from the end of the previous fiscal year.)
- Total investment amount (based on decisions made) in properties for sale to investors was maintained at approximately ¥500.0 billion. Condominiums for sale of approximately 8,000 units were secured with steady increase in land bank.

## <Balance of Real Estate for Sale>

(Unit: ¥ billion)

Asset type, etc.	Segment	Balance of real estate for sale	Total investment amount* <sup>1</sup>
Logistics, hotels, retail facilities and offices	Commercial properties	175.1	Approx. 380.0
For-rent condominiums	Residential	46.6	Approx. 65.0
Asset solution	Asset service	54.2	54.2
<b>Properties for sale to investors</b>		<b>276.0</b>	<b>Approx. 500.0</b>
<b>For-sale condominiums, etc.</b>		<b>151.8</b>	—
<b>Total</b>		<b>427.9</b>	—

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### Property sales to investors

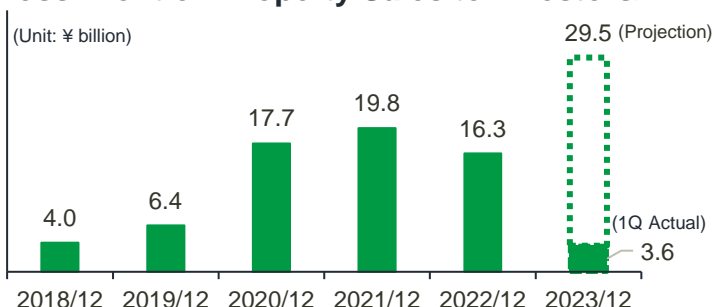
(Commercial properties, for-rent condominiums, asset solution)

- ◆ Total investment amount\*<sup>1</sup> (based on decisions made): **Approx. ¥500.0 billion (up ¥0.0 billion from the end of 2022)**  
⇒ Estimated gain on sale\*<sup>2</sup>: **Approx. ¥91.0 billion**

[Projects to be acquired in 2023]  
3 logistics properties, 5 asset solutions

[Projects already sold in 2023]  
1 retail facility, 1 office,  
1 for-rent condominium, 3 asset solutions

## <Gross Profit on Property Sales to Investors>



### For-sale condominiums

- ◆ Land bank (including 1,060 units scheduled to be posted in 2023): **Approx. 8,000 units (100 units acquired in 2023 1Q)**

\*1 Calculated by aggregating total investment amount, in which construction costs, etc. that arise after the acquisition are added to the book value of each property at the time of acquisition.

\*2 Calculated by subtracting the "total investment amount" from the total estimated sales amount, which is provisionally calculated based on the estimated income and expenditure and the estimated cap rate at the time of sale for the property assumed to be sold.



# Assessment of the Market Environment and Future Policies

- It is necessary to monitor events that have an impact on profitability such as construction costs, energy costs and interest rate trends.
- Profitability is determined by taking into account the trend of rising prices when considering acquisitions of new projects.
- We will promote the planning of new products with a view to diversification of work styles and living styles based on changes in the external environment centered on the Commercial Properties business and Residential business.

## Recognition of the overall business environment and impact on Tokyo Tatemono

Construction expenses	<ul style="list-style-type: none"> <li>• The trend of rising construction expenses continues. Acquired projects Started: Almost no impact. Before starting: Construction expenses are rising compared with the anticipation when the sites were acquired. We will focus on cost management and endeavor to secure the initially anticipated profit.</li> <li>Projects before starting: Decisions on investment value will be made based on trends in construction expenses.</li> </ul>
Energy costs	<ul style="list-style-type: none"> <li>• It is particularly necessary to monitor rising electricity charges. The trend of rising electricity charges is reflected in full-year earnings forecasts.</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• Interest rates are rising, but the impact is minor because steps have been taken in financing (borrowing, etc.) to lengthen loan durations and maturity dates and to use fixed interest rates.</li> <li>• Although the cap rate in real estate transactions has not shown any signs of significant change recently, it is necessary to monitor future trends.</li> </ul>

## Recognition of the environment in each segment and Tokyo Tatemono's initiatives

Commercial properties	<ul style="list-style-type: none"> <li>• The continuing deterioration of the market vacancy rate must be monitored.</li> <li>• <b>The likelihood of vacancy rates and rent levels significantly deteriorating is expected to be low</b> because Tokyo Tatemono has a superior portfolio in terms of size and location and there has been little impact recently, and Tokyo Tatemono will not complete any major projects until 2025.</li> <li>• <b>In addition to excellent locations and high specs, Tokyo Tatemono's policy is to respond to changing and diversifying customer needs such as improvement of productivity, well-being and flexibility.</b></li> </ul>
Residential	<ul style="list-style-type: none"> <li>• <b>Demand for for-sale condominiums remains excellent among real consumers</b> in central Tokyo and suburban areas despite anticipation of a rise in mortgage rates.</li> <li>• <b>Tokyo Tatemono will promote product planning that meets rising demand for balancing a comfortable work environment with relaxing living space.</b></li> </ul>
Asset service	<ul style="list-style-type: none"> <li>• Parking business: The impact of the COVID-19 pandemic has generally dissipated. <b>In the immediate future, focus will be on acquiring new projects with an emphasis on profitability and improving the profitability rate of existing facilities</b>, and growth is expected in the medium to long term due to an increase in the number of parking spaces.</li> <li>• Brokerage: The brokerage business is expected to continue to perform well backed by a steady real estate transaction market.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Leisure business: The impact of the COVID-19 pandemic has generally dissipated. Dog-friendly hotels and golf courses are expected to perform well. Bathing facilities are expected to recover to pre-COVID levels.</li> </ul>

# Full-Year Earnings Forecast for FY2023

(Not updated from the time of announcement of financial results)



- In FY2023, revenue and profits are expected to increase due to an increase in property sales to investors in the Commercial Properties business and an increase in the share of profit of entities accounted for using equity method in overseas businesses, etc.

Unit: ¥ billion	2022/12 Full-year actual	2023/12 Full-year forecast	Increase/ Decrease
Operating revenue	349.9	413.0	63.0
Commercial properties	145.1	198.0	52.8
Residential	131.3	135.0	3.6
Asset service	50.2	56.0	5.7
Other	23.1	24.0	0.8
Operating profit	64.4	66.0	1.5
Share of profit (loss) of entities accounted for using equity method	1.8	5.0	3.1
Business profit*	66.3	71.0	4.6
Commercial properties	41.2	44.5	3.2
Residential	23.3	23.0	(0.3)
Asset service	7.3	8.0	0.6
Other	4.0	6.0	1.9
Elimination/Corporate	(9.6)	(10.5)	(0.8)
Non-operating income	6.3	9.0	2.6
Non-operating expenses	7.2	8.0	0.7
Ordinary profit	63.5	67.0	3.4
Extraordinary income	1.6	2.0	0.3
Extraordinary loss	2.4	3.0	0.5
Profit before income taxes	62.7	66.0	3.2
Profit attributable to owners of parent	43.0	44.5	1.4
Cash flows from operating activities	(3.3)	10.0	
Cash flows from investing activities	(21.2)	(55.0)	
Cash flows from financing activities	18.4	45.0	

## Main factors for increase/decrease

- Operating revenue  
Revenue increased due to an increase in property sales to investors.
- Breakdown of share of profit (loss) of entities accounted for using equity method: ¥1.0 billion for commercial properties (+¥0.7 billion), ¥4.0 billion for other business (+¥2.4 billion).
- Business profit  
Profit increased due to an increase in property sales to investors and recording a share of profit of entities in overseas businesses.
- Increase in share of profit of entities accounted for using equity method, etc.

\* Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

# Changes in Business Profit and Profit

(Not updated from the time of announcement of financial results)

- The trends in business profits and profit attributable to owners of parent for the previous fiscal years are as follows: We aim to grow toward the target of business profit of ¥75.0 billion for FY2024.

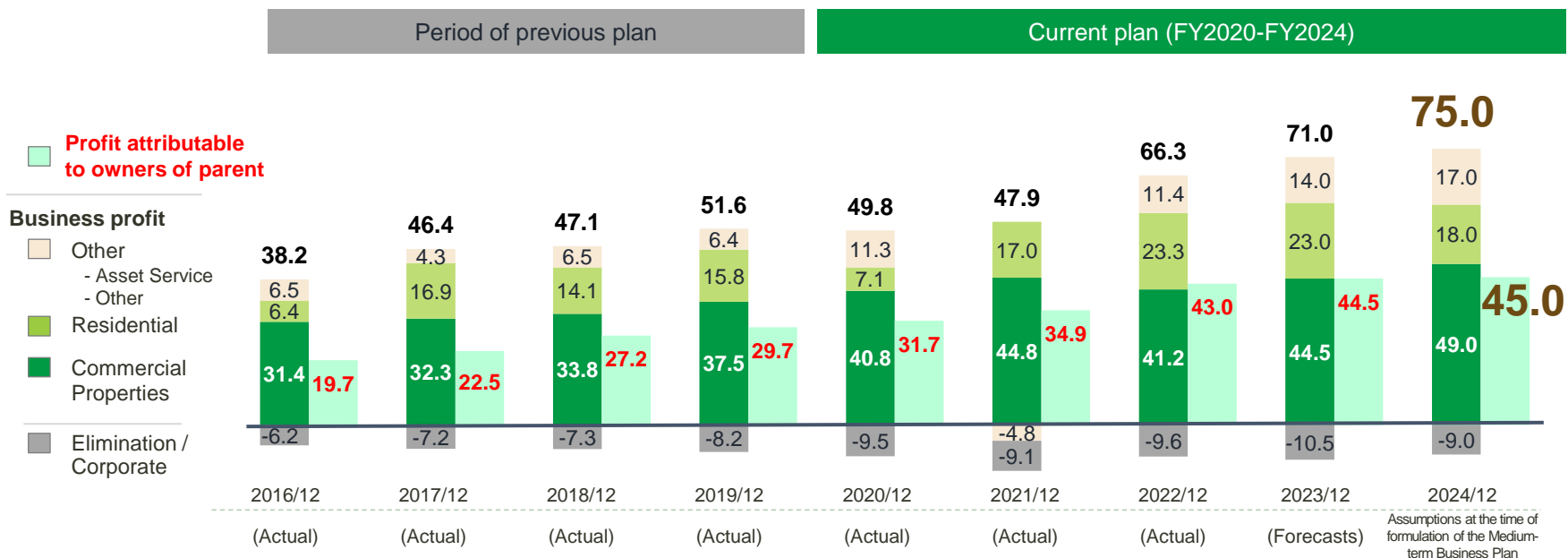


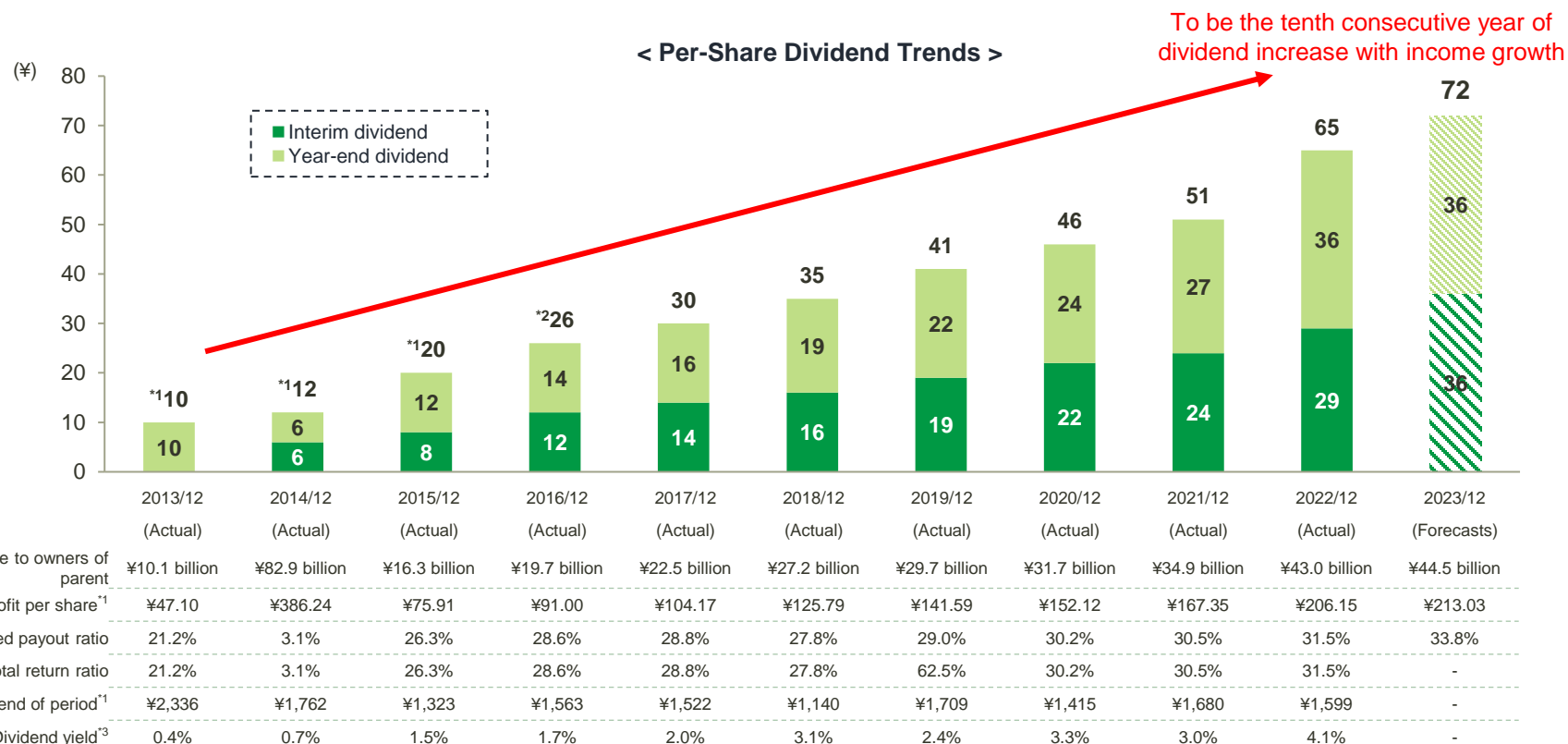
	Image of Profit Growth When Formulating the Medium-Term Business Plan (As of February 2020)	Changes Since Start of Medium-Term Business Plan
Commercial properties: Building leasing, etc.	<ul style="list-style-type: none"> <li>Although the number of buildings in operation decreased with the progress of redevelopment projects, rent income is anticipated to be maintained due to expected internal growth through upward rent revision.</li> </ul>	<ul style="list-style-type: none"> <li>The pace of upward rent revision has slowed due to oversupply of offices as a result of the spread of new work styles. External growth was also lower than anticipated.</li> </ul>
Residential: For-sale condominiums	<ul style="list-style-type: none"> <li>Stable profit is expected to be recorded through continued acquisition of development opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Sales prices also increased more than initially anticipated, and the gross margin increased. Sufficient land bank was also secured.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Growth in brokerage, fund business, parking business and overseas businesses is expected.</li> </ul>	<ul style="list-style-type: none"> <li>Growth slowed more than anticipated mainly in overseas businesses and the parking business due to the impact of the COVID-19 pandemic, etc.</li> </ul>
Property sales to investors	<ul style="list-style-type: none"> <li>Income growth is expected due to ongoing acquisition of development opportunities and flexible sales.</li> </ul>	<ul style="list-style-type: none"> <li>Although progress in investment has been delayed due to intensification of acquisition competition, recording of higher gains on sales than anticipated continues, backed by a strong real estate transaction market.</li> </ul>

# Shareholder Returns

(Not updated from the time of announcement of financial results)



- As for the dividend per share for FY2022, annual dividend will be increased from ¥51 in the previous fiscal year to ¥65 (revised upward by ¥3 from ¥62 in the revised forecast in August), and the payout ratio is scheduled to be 31.5%.
- For FY2023, annual dividend of ¥72.0 per share (payout ratio of 33.8%) is estimated in light of the full-year earnings forecast.



## Shareholder returns policy

During the period of the medium-term business plan (FY2020–FY2024), establish a baseline consolidated payout ratio of 30% or more and aim to increase shareholder returns continuously through sustainable growth.

Consider whether to repurchase company shares based on the business environment and financial situation, among other factors.

\*1 A 1-for-2 reverse stock split was implemented on July 1, 2015. The figures for 2013 to 2015 are calculated by factoring in the reverse stock split.

\*2 The interim and year-end per-share dividend for FY2016 both include a ¥2 commemorative dividend to celebrate the 120th anniversary of Tokyo Tatemono's founding.

\*3 Dividend yield is calculated based on the closing price at the end of each fiscal period.

# Business Results by Segment

# (1) Commercial Properties Business: Business Results for the First Quarter of FY2023 and Full-Year Earnings Forecast for FY2023

- In the first quarter, revenue and profits decreased due to a decrease in sales and gross profit of property sales to investors.

Unit: ¥ billion	2022/12 1Q Actual	2023/12 1Q Actual	Increase/ Decrease
Operating revenue	57.6	34.4	(23.2)
Leasing of buildings	18.8	18.8	(0.0)
Sales of real estate	29.3	5.7	(23.6)
Building management service, etc.	9.2	8.8	(0.3)
Dividends	0.1	0.8	0.7
Operating profit	17.0	10.1	(6.9)
Business profit	17.1	10.1	(6.9)

Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
New operations +¥0 billion; Full-year operations +¥0.2 billion; Sale, reconstruction, etc. -¥0.5 billion; Existing buildings +¥0.3 billion Property sales to investors -¥23.6 billion (FY2022 1Q: ¥29.3 billion; FY2023 1Q: ¥5.7 billion)	198.0	17%
	74.5	25%
	85.0	7%
	37.5	24%
	1.0	88%
Property sales to investors -¥6.2 billion (FY2022 1Q: ¥8.4 billion; FY2023 1Q: ¥2.2 billion)	43.5	23%
	44.5	23%

Unit: ¥ billion	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease
Operating revenue	145.1	198.0	52.8
Leasing of buildings	76.7	74.5	(2.2)
Sales of real estate	29.8	85.0	55.1
Building management service, etc.	37.9	37.5	(0.4)
Dividends	0.6	1.0	0.3
Operating profit	40.9	43.5	2.5
Business profit	41.2	44.5	3.2

Main factors for increase/decrease
New operations +¥0.3 billion; Full-year operations +¥1.4 billion; Sale, reconstruction, etc. -¥3.2 billion; Existing buildings -¥0.7 billion Property sales to investors +¥55.1 billion (FY2022 cumulative total: ¥29.3 billion; FY2023 cumulative total: ¥84.5 billion)
Property sales to investors +¥11.0 billion (FY2022 cumulative total: ¥8.4 billion; FY2023 cumulative total: ¥19.5 billion)

## New and full-year operations

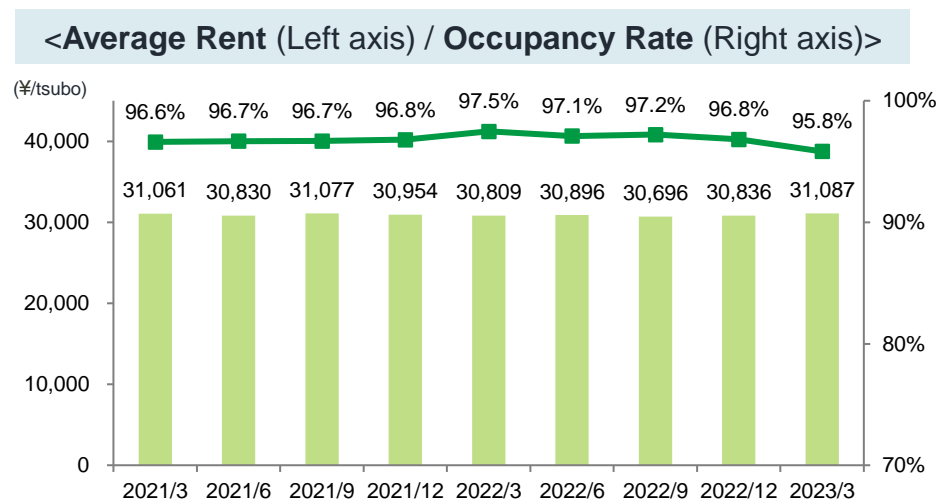
- New operation in 2023: T-LOGI Chiba Kita (completed in February 2023) and three other logistics properties, T-PLUS Sendai Hirose Dori (completed in April 2023), Candeo Hotels Osaka Shinsaibashi (to be completed in September 2023)
- 2023 full-year operation: T-LOGI Yokohama Aoba (completed in January 2022) and seven other logistics properties, and T-PLUS Nihonbashi Kodenmachi (completed in April 2022)

\* New operations: Impact of increase in revenue attributable to the buildings that were completed or acquired in the current fiscal year; Full-year operations: Impact of increase in revenue attributable to the buildings that were completed or acquired in the previous fiscal year contributing to full-year operations;  
Sale, reconstruction, etc.: Impact of decrease in revenue attributable to decrease in buildings in operation due to sale, reconstruction, etc.  
Existing buildings: Total amount of the effects of rent revisions, end of rent-free periods, occupancy rate changes, etc. at buildings other than those of new operations, full-year operations and sale, reconstruction, etc.

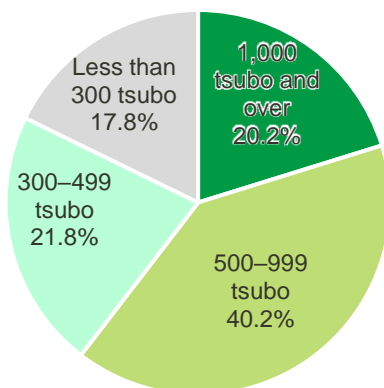
# (1) Commercial Properties Business: Office Building Portfolio

- At the end of March 2023, average rent was ¥31,087 per tsubo and the occupancy rate remained high at 95.8%.

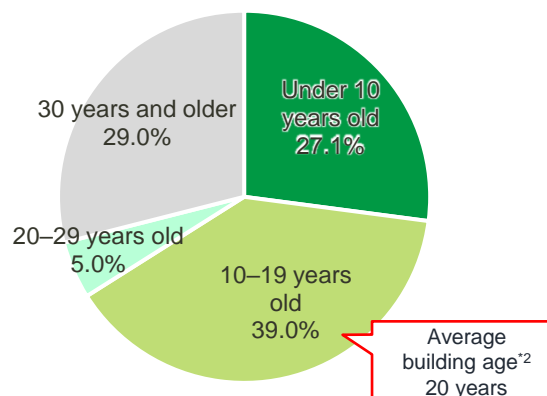
As of the end of March 2023	Number of buildings	Leasable area
Owned office buildings <sup>*1</sup>	41	493,517 m <sup>2</sup>
Subleased buildings	—	81,207 m <sup>2</sup>
Hotels, retail facilities, logistics properties, etc.	—	408,361 m <sup>2</sup>
<b>Total leasable area of commercial properties business</b>	—	<b>983,086 m<sup>2</sup></b>



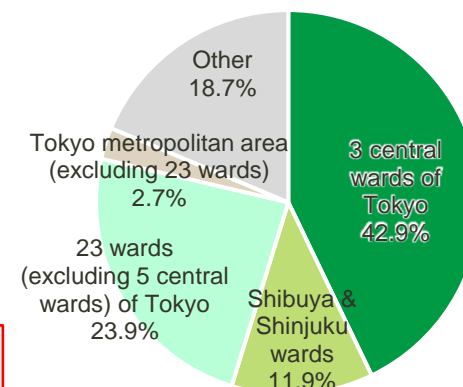
**<Breakdown of Leasable Area by Standard Floor Space>**



**<Breakdown of Leasable Area by Building Age>**



**<Breakdown of Leasable Area by Area of Location >**



\*1 Please refer to the note on page 51 for the definition for the subject of calculation of the number of owned office buildings, average rent and occupancy rate.

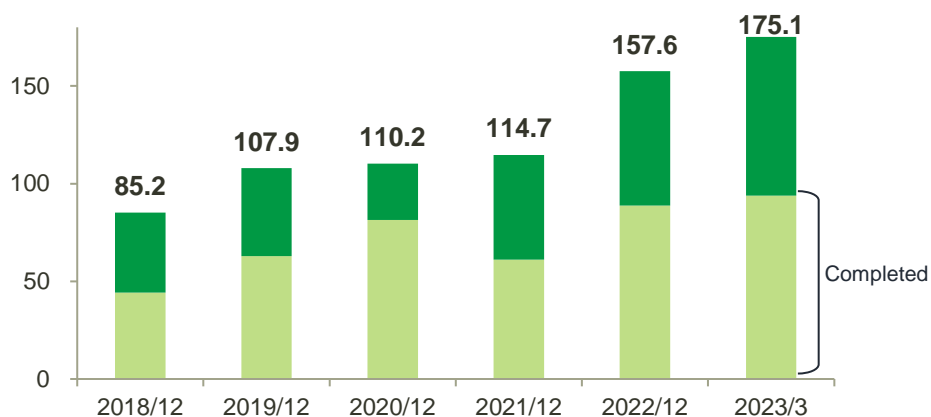
\*2 The weighted average based on leasable area.

# (1) Commercial Properties Business: Initiatives for Property Sales to Investors

- In the first quarter, Tokyo Tatemono sold one retail facility and one office building and acquired three new projects for logistics properties.
- The balance of real estate for sale increased by ¥17.4 billion from the end of FY2022 to ¥175.1 billion and the value of stock in terms of total investment amount increased by approximately ¥10.0 billion to approximately ¥380.0 billion.

## <Commercial Properties Business: Balance of Real Estate for Sale>

(¥ billion)



Asset type	Number of properties		
	Sold during the period	In operation	Under development
Logistics properties	-	9	18
Hotels, retail facilities, mid-sized offices, etc.	2	14	14



**T-LOGI Honjo-Kodama**  
(Completed in October 2022)



**Candeo Hotels Tokyo Roppongi**



**T-PLUS Nihonbashi Kodenmachi**  
(Completed in April 2022)



**T-PLUS Sendai Hirose Dori**  
(Completed in April 2023)



**FUNDES Kamata**  
(Scheduled for completion in February 2024)

Unit: ¥ billion

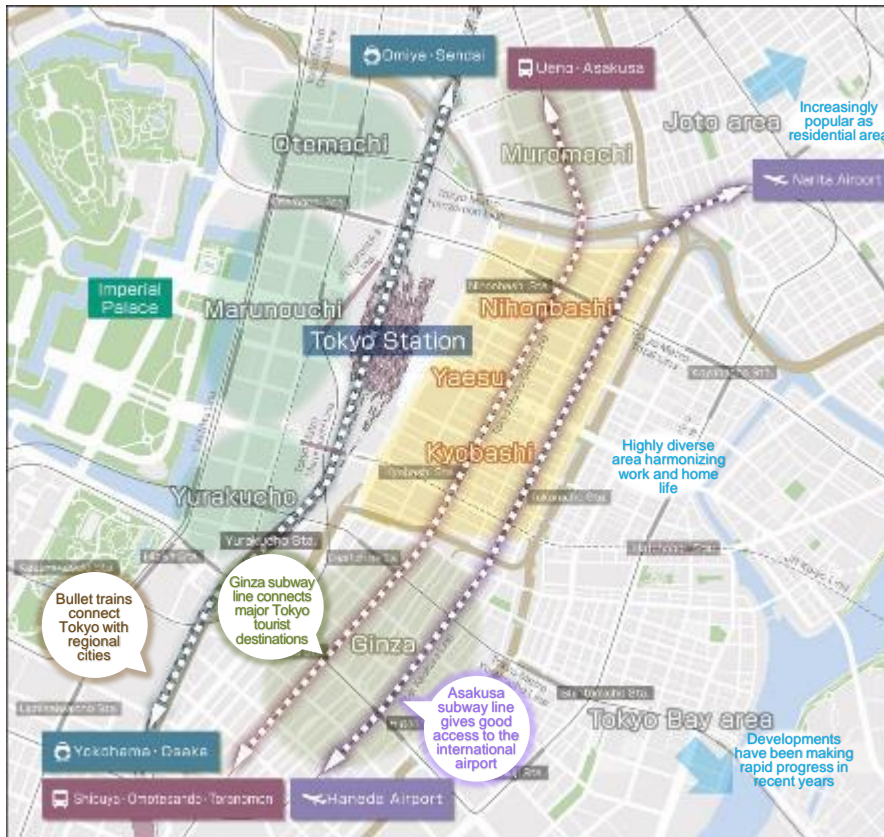
Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
Logistics properties	99.5	Approx.265
Hotels, retail facilities, mid-sized offices, etc.	75.5	Approx.115
<b>Total</b>	<b>175.1</b>	<b>Approx.380</b>

\* Calculated by aggregating the total investment amount, in which construction costs, etc. that arise after the acquisition are added to the book value of each property at the time of acquisition.



# Features of Yaesu, Nihonbashi, and Kyobashi (Yaesu-Nihonbashi-Kyobashi) Areas

- Access to various locations including regional cities, areas in Tokyo and international airports is excellent due to the existence of bullet trains, existing JR lines and multiple subway lines, giving the area **phenomenal transportation convenience**, its main feature.
- Nearby are business areas, commercial/tourist areas and areas popular for residential purposes. Urban development that utilizes **diverse regional features** including the rich cultural resources and gathering of long-established corporations is expected.
- With highly diverse properties suitable for startups and several innovation hubs, the area's **innovativeness** has been accelerating in recent years.
- The land value and suitability for offices lag behind the Otemachi-Marunouchi-Yurakucho area, but the value of the area as a whole is expected to increase significantly going forward with the various redevelopment projects planned.



## Diverse Regional Features and Potential of the Yaesu-Nihonbashi-Kyobashi Area<sup>\*1</sup>

**Phenomenal transportation convenience**

**Gathering of leading firms**

**Excellent halls and meeting room facilities**

**Highly diverse small and medium-size properties**

**Rich cultural resources transmitting culinary and craftsmanship traditions**

<sup>\*1</sup> Nominal designation for the Yaesu, Nihonbashi and Kyobashi areas

### Comparison of Rent and Land Price of Large-Scale Office Buildings (200 tsubo or more)

	Yaesu/Nihonbashi/ Kyobashi	Marunouchi/Otemachi
Market rent of large-scale office buildings (200 tsubo or more) <sup>*2</sup>	¥35,000 per tsubo	¥39,503 per tsubo
Land price <sup>*3</sup>	¥18,640 thousand per m <sup>2</sup> (Sotobori-dori Avenue / in front of Tokyo Station)	¥25,180 thousand per m <sup>2</sup> (Daimyo-Koji Avenue / in front of Marunouchi Building)

<sup>\*2</sup> Source: Office Market Report by Sanko Estate (as of the end of December 2022)

<sup>\*3</sup> Land price of inheritance tax (fiscal 2022)

# Initiatives in the Yaesu-Nihonbashi-Kyobashi Area

- Tokyo Tatemono owns many office buildings in the area around Tokyo Station, a key area, and several large-scale redevelopment projects are scheduled to be completed by around 2030.
- Utilizing the properties it owns in the area, Tokyo Tatemono is promoting the formation of a business environment (innovation ecosystem) where venture firms, leading companies, investors, research institutions and other players from the fields of industry, academics and government come together and collaborate for coexistence and mutual prosperity, thereby nurturing cutting-edge industries and giving rise to positive economic growth cycles.

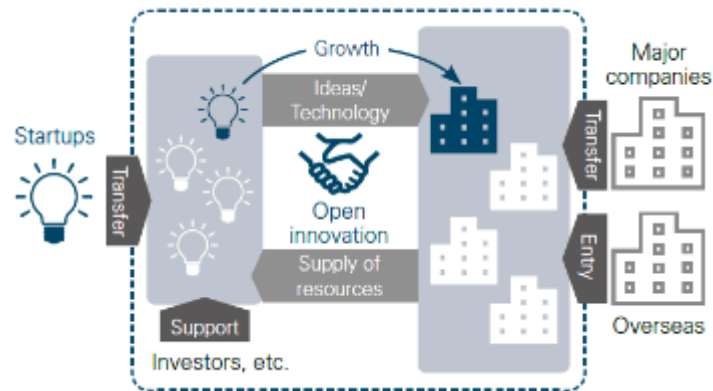


● : Redevelopment with Tokyo Tatemono's participation    
 ● : Redevelopment with Tokyo Tatemono's involvement    
 ■ : Buildings owned by Tokyo Tatemono    
 ● : Redevelopment with other companies' participation

\* Balloons indicate initiatives at properties owned by Tokyo Tatemono.

## Promotion of an Innovation Ecosystem

Promising startups will be attracted to the Yaesu-Nihonbashi-Kyobashi area by utilizing the diverse regional features and properties owned by Tokyo Tatemono. An initiative with focal categories of business topics and growth fields of leading companies such as x-tech, SDGs, food, and craftsmanship is being promoted.



### 2020 Innovation Ecosystem Promotion Support Project Yaesu-Nihonbashi-Kyobashi Area Certified for the Regional Council by Authorized Regions (August 2020)

The Tokyo Metropolitan Government is aiming to form an innovation ecosystem where various players come together and cooperate and is providing support in dispatching personnel and information. As the leading company in the Regional Council by Authorized Regions, Tokyo Tatemono is engaged in various initiatives such as bringing in startups, promotion of open innovation with existing industries and active information dispatch.

# Major Redevelopment Projects in Progress

- The redevelopment projects in which we are participating or involved are progressing smoothly. Redevelopment projects with an estimated leasable area\*1 (owned by Tokyo Tatemono) of approximately 320,000 square meters are slated for completion one after another by around 2030.

■ Project period (construction start to completion)

Current status	Name of project	Area	2020	...	2024	2025	...	2030	...	Estimated leasable area*1 (owned by Tokyo Tatemono)
Rights conversion plan	Yaesu Project	Chuo Ward	[Bar from 2020 to 2024]			Completion planned for FY2025				Approx. 120,000 m <sup>2</sup> in total
Establishment of urban redevelopment consortium	Gofukubashi Project	Chuo Ward				[Bar from 2025 to 2029]		Completion planned for FY2029 South Block		
Establishment of urban redevelopment consortium	Shibuya 2-Chome Project	Shibuya Ward				[Bar from 2025 to 2029]		Completion planned for FY2029		Approx. 200,000 m <sup>2</sup> in total
Urban development plan decided	Kyobashi 3-Chome Project	Chuo Ward				[Bar from 2025 to 2029]		Completion planned for FY2029		
Urban development plan decided	—	Minato Ward				[Bar from 2025 to 2029]				
Urban development plan decided	—	Minato Ward				[Bar from 2025 to 2029]				
Preparation consortium established	—	Minato Ward				[Bar from 2025 to 2029]				
						[Bar from 2025 to 2029]				

**Total leasable area\*1**  
Approx. **320,000 m<sup>2</sup>**

**Estimated investment amount\*2:**  
About **¥230.0 billion**

**Estimated investment amount\*2:**  
About **¥330.0 billion**

\*1 Estimated leasable area includes leasable area of non-office space, such as conference and retail facilities

\*1,2 Values assumed when formulating the Medium-Term Business Plan.



# Development Projects in the Yaesu-Nihonbashi-Kyobashi Area (1)

- Promoting “Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A, District B),” in front of Tokyo Station and “Urban Redevelopment Project for Yaesu 1-Chome North Area” along Nihonbashi River.
- Aiming to realize urban development that generates new added value for the entire area through various efforts that increase global competitiveness, reduce the environmental load, etc. while also securing stable leasing revenue.

## Yaesu Project

### - Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A, District B) -

- Large-scale redevelopment project in front of Tokyo Station, including Tokyo Tatemono’s former headquarters building
- Accumulation of sophisticated urban functions worthy for the land entrance of Tokyo, an international city
- Formation of prosperity that passes down Yaesu’s history and tradition to the future  
 ⇒ **October 2021** District B **Start of construction**  
 ⇒ **January 2023** District A **Approval of rights conversion plan**

[Total floor area]	District A: about 12,000 m <sup>2</sup> District B: about 225,000 m <sup>2</sup>
[Main uses]	District A: offices, shops, etc. District B: offices, medical facilities, bus terminal, conference halls, etc.
[No. of floors]	District A: 10 floors above ground, 2 below District B: 51 floors above ground, 4 below
[Construction start]	District A: Scheduled for FY2024 District B: FY2021
[Completed]	Scheduled for FY2025



### Value Created by the Project

- Enhancement of traffic node function in front of Tokyo Station**
- Establishment of large-scale bus terminal connecting to international airports and regional cities
  - Establishment of above- and below-ground pedestrian network connecting Tokyo Station and nearby urban districts
- Introduction of city functions that increase global competitiveness**
- Establishment of primary care in collaboration with sophisticated medical facilities
  - Increase of urban appeal and vibrancy through implementation of area management
- Strengthening of disaster preparedness and reduction of environmental burden**
- Establishment of space for those stranded during disasters and storage for disaster prevention
  - Enhancement of business continuation functions through establishment of cogeneration systems and emergency power generation facilities

## Gofukubashi Project

### - Urban Redevelopment Project for Yaesu 1-Chome North Area -

- Large-scale redevelopment project directly connected to Nihonbashi subway station in an excellent location
- Formation of cityscape worthy for the gate of the area alongside Nihonbashi River
- Accumulation of city functions forming a sophisticated financial hub  
 ⇒ **November 2021** **Approval of establishment of urban redevelopment consortium**

[Total floor area]	South Block: about 178,000 m <sup>2</sup> North Block: about 1,100 m <sup>2</sup>
[Main uses]	Offices, shops, lodging facility, parking lot, etc.
[No. of floors]	South Block: 44 floors above ground, 3 below North Block: 2 floors above ground, 1 below
[Construction start]	Scheduled for FY2024
[Completed]	South Block: Scheduled for FY2029 North Block: Scheduled for FY2032



### Value Created by the Project

- Formation of financial hub that contributes to enhancement of global competitiveness**
- Establishment of support facility for sophisticated financial personnel that assist international finance and urban MICE
- Establishment of waterfront space and pedestrian network**
- Various types of cooperation for moving the Metropolitan Expressway belowground
  - Establishment of plaza space that represents the bustling space on the Nihonbashi River
  - Establishment of above-and below-ground pedestrian network that connects Tokyo Station, Otemachi Station and Nihonbashi Station
- Strengthening of disaster preparedness and reduction of environmental burden**
- Establishment of space for those stranded during disasters and storage for disaster prevention
  - Promotion of greater energy efficiency in the entire area through establishment of regional heating/cooling plant and cooperation with existing plants

# Development Projects in the Yaesu-Nihonbashi-Kyobashi Area (2)

- The Kyobashi 3-Chome Higashi District Urban Redevelopment Project (Kyobashi 3-Chome Project) is being promoted in the Kyobashi area.

## Kyobashi 3-Chome Project

### - Kyobashi 3-Chome Higashi District Urban Redevelopment Project -

- Urban development linked to the Tokyo Expressway (KK Line) Revitalization Policy
- Directly connected to Kyobashi Station, forming an underground pedestrian network from Tokyo Station
- Creation of continuity of the bustle of Chuo-dori connecting Kyobashi and Ginza

⇒ Urban development plan decided in January 2023

[Total area]	Approximately 6,820 m <sup>2</sup>
[Total floor area]	Approximately 164,000 m <sup>2</sup>
[Main uses]	Offices, hotel, shops, etc.
[No. of floors]	35 floors above ground, 4 below
[Construction start]	Scheduled for FY2025
[Completion date]	Scheduled for FY2029



## Value Created by the Project

### Establishment of urban infrastructure contributing to the strengthening of the ability to widely move throughout the Kyobashi area

- Formation of a multi-level pedestrian network connecting the station, town and Tokyo Sky Corridor
- Creation of extensive pedestrian space generating bustle and movement
- Establishment of Tokyo Sky Corridor, etc.

### Introduction of urban functions supporting the creation of bustle in the Kyobashi area

- Establishment of communication, education and interaction functions contributing to the development of the culture of art and craftsmanship
- Establishment of world-class accommodation facilities

### Strengthening of disaster preparedness and reduction of environmental burden

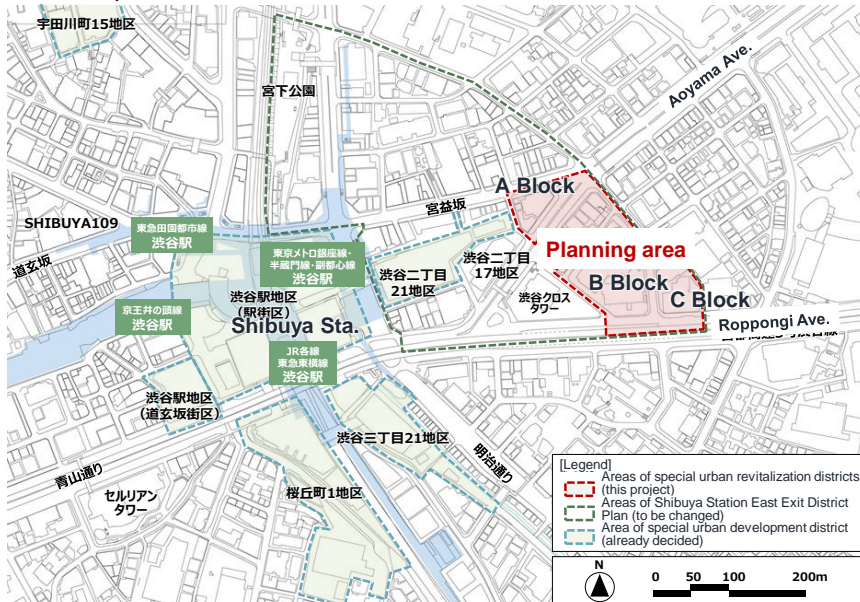
- Efforts to strengthen disaster preparedness of the area
- Efforts to reduce environmental burden





# Shibuya 2-Chome West Area Redevelopment (Shibuya 2-Chome Project)

- In the Shibuya Station East Exit area, the Shibuya 2-Chome West Area Redevelopment (Shibuya 2-Chome Project) is being promoted.
- We aim for urban development that creates new added value in the area through various initiatives that contribute to urban infrastructure development, international competitiveness improvement, and environmental impact reduction that will create an expanse of the town.



## Value Created by the Project

### Strengthening Shibuya's wide-area transportation functions and developing urban infrastructure to create an expanse of the town in the east exit area

- Development of bus terminals to enhance Shibuya's wide-area transportation functions
- Improvement of pedestrian network and road environment spreading from station to town
- Creation of plaza space, a center of the bustling and relaxation

### Introduction of urban functions that contribute to strengthening international competitiveness

- Development of STEAM human resource development base to contribute to next-generation innovation
- Development of residences and accommodation to meet the diverse needs of foreign nationals, etc.

### Strengthening of disaster preparedness and reduction of environmental burden

- Efforts to strengthen disaster preparedness of the area
- Efforts to reduce environmental burden

[Total area]	Total:	Approx. 18,800 m <sup>2</sup>
	A Block:	Approx. 1,700 m <sup>2</sup>
	B Block:	Approx. 12,800 m <sup>2</sup>
	C Block:	Approx. 4,300 m <sup>2</sup>
[Total floor area]	Total:	Approx. 322,200 m <sup>2</sup>
	A Block:	Approx. 4,200 m <sup>2</sup>
	B Block:	Approx. 255,000 m <sup>2</sup>
	C Block:	Approx. 63,000 m <sup>2</sup>
[Main uses]	Offices, shops, hotels, human resource development facilities, bus terminals, housing, life support facilities, etc.	
[No. of floors]	A Block:	5 floors above ground, 1 below
	B Block:	41 floors above ground, 4 below
	C Block:	41 floors above ground, 2 below
[Construction start]	Scheduled for FY2025	
[Completion date]	Scheduled for FY2029	

\* A and B blocks are assumed to be type 1 urban redevelopment projects, and C block is assumed to be voluntary joint rebuilding project.

**January 2023 Approval of establishment of urban redevelopment consortium**

## (2) Residential Business: Business Results for the First Quarter of FY2023 and Full-Year Earnings Forecast for FY2023



- In the first quarter, although sales and gross profit of property sales to investors decreased, revenue and profit increased due to the increase in sales and gross profit of for-sale condominiums.

Unit: ¥ billion	2022/12 1Q Actual	2023/12 1Q Actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
Operating revenue	43.3	63.8	20.4		135.0	47%
Sales of condominiums	23.2	53.6	30.3	Number of condo sales posted: 548 units; Condo unit price: ¥97.77 million; Gross margin: 37.2%	83.0	65%
Sales of residential houses	-	-	-		-	-
Sales of real estate	12.8	1.9	(10.9)	Property sales to investors -¥10.7 billion (FY2022 1Q: ¥12.6 billion; FY2023 1Q: ¥1.9 billion)	23.5	8%
Residence leasing	1.2	1.4	0.2		5.5	26%
Fee from sales outsourcing services	0.7	0.9	0.1		1.5	62%
Building management service, etc.	5.2	5.8	0.6		21.5	27%
Operating profit	7.6	17.8	10.1	Property sales to investors -¥3.0 billion (FY2022 1Q: ¥3.4 billion; FY2023 1Q: ¥0.4 billion)	23.0	78%
Business profit	7.6	17.8	10.1		23.0	78%

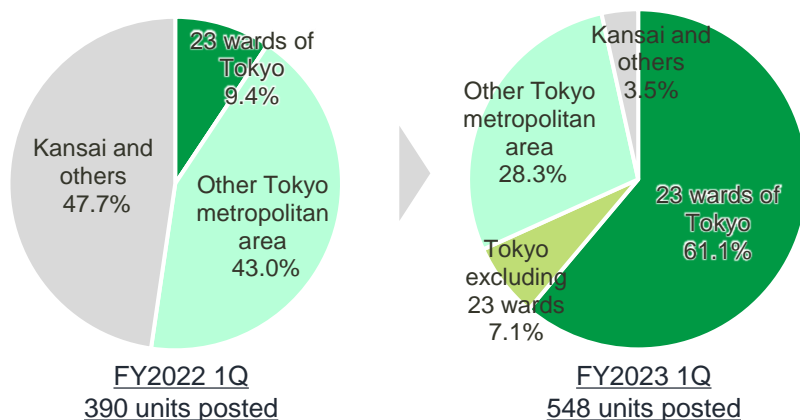
Unit: ¥ billion	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
Operating revenue	131.3	135.0	3.6	
Sales of condominiums	85.9	83.0	(2.9)	Number of condo sales posted: 1,060 units; Condo unit price: ¥78.30 million; Gross margin: 31%
Sales of residential houses	-	-	-	
Sales of real estate	17.5	23.5	5.9	Property sales to investors +¥6.0 billion (FY2022 cumulative total: ¥15.9 billion; FY2023 cumulative total: ¥22.0 billion)
Residence leasing	5.3	5.5	0.1	
Fee from sales outsourcing services	1.5	1.5	(0.0)	
Building management service, etc.	21.0	21.5	0.4	
Operating profit	23.3	23.0	(0.3)	Property sales to investors +¥2.1 billion (FY2022 cumulative total: ¥3.8 billion; FY2023 cumulative total: ¥6.0 billion)
Business profit	23.3	23.0	(0.3)	

## (2) Residential Business: For-Sale Condominiums

### – Major Operating Indicators

- In the first quarter, gross margin maintained a favorable level at 37.2%.
- The inventory of completed condominiums remained at a low level of 156 units as of the end of the first quarter due to steady progress of sales.
- The achievement rate at the end of the first quarter against the number of units planned to be posted for the period stood at 80% and contracts progressed smoothly.

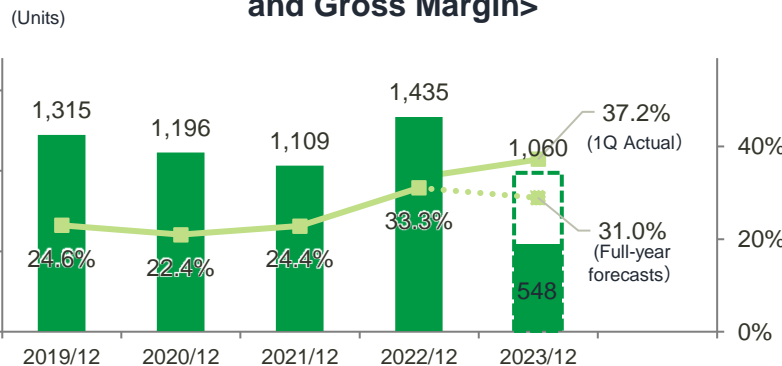
**<Breakdown of Number of Condominium Sales Posted by Area>**



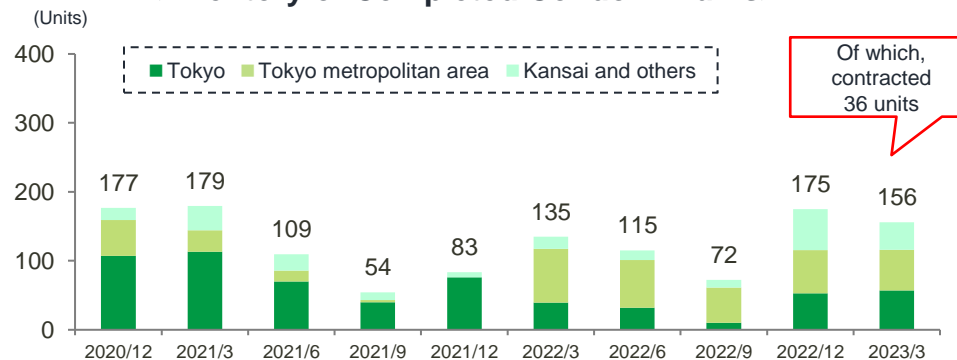
**<Achievement Rate Against Number of Condominium Sales Posted>**

	2020/12	2021/12	2022/12	2023/12
At beginning	73%	67%	75%	72%
At end of 1Q	83%	78%	84%	80%
At end of 2Q	87%	92%	92%	–
At end of 3Q	95%	97%	98%	–
Number of condo sales posted	1,196 units	1,109 units	1,435 units	1,060 units (Scheduled)

**<Number of Condominium Sales Posted and Gross Margin>**



**<Inventory of Completed Condominiums>**





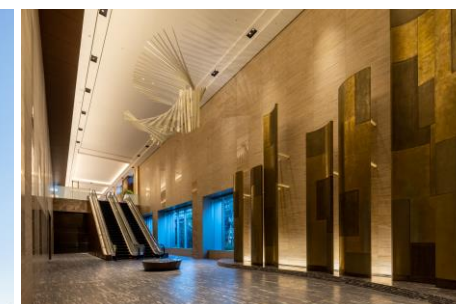
## (2) Residential Business: For-Sale Condominiums

### – Main Posting Results/Schedule

- Properties such as SHIROKANE The SKY were posted in the first quarter. Profitable properties such as Brillia City Shakujiikoen ATLAS are scheduled to be posted for the full year.
- Acquired land for approximately 100 units in the first quarter, securing a land bank for approximately 8,000 units (including the number of units scheduled to be posted in 2023).

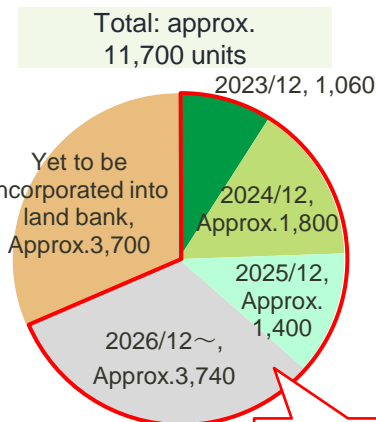
#### <Main Properties Posted in FY2023>

Main properties to be posted		Total no. of units*1	Tokyo Tatemono's stake
FY 2023*2	Brillia Nerima-Kasugacho	65	65
	SHIROKANE The SKY	1,247	310
	Brillia Shiki Garden	151	151
	Brillia Yotsuya 3-Chome	57	57
	Brillia City Shakujiikoen ATLAS	845	204
FY 2024	Brillia Tower Hamarikyū	421	144
	Brillia Tower Ikebukuro West	231	92
	HARUMI FLAG	4,151	490
	Park Tower Higashi-Nakano Grand Air	165	66
	Brillia Tower Dojima	457	457
	Brillia Jiyugaoka	62	62
	Brillia Tower Maebashi	203	162
	Brillia Tower Minoh Semba TOP OF THE HILL	397	202
FY 2025	Brillia Seiseki Sakuragaoka BLOOMING TERRACE	253	202
	Brillia Meguro Ohashi	114	97



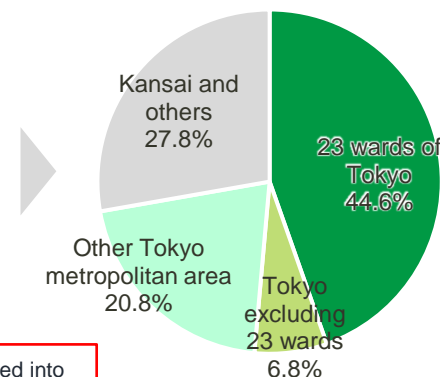
SHIROKANE The SKY

#### <Projects Promoted Under Tokyo Tatemono's Business>



#### <Land Bank>

Total: approx. 8,000 units



\*1 Total number of units in total, including landowners' units and shops  
 \*2 Fiscal year of start of delivery (including scheduled)

## (2) Residential Business: For-Sale Condominiums – Main Property Sales Posting Schedule

- The plan is to continue posting sales of properties that draw great attention every fiscal year, such as large-scale redevelopment projects in central Tokyo and large-scale tower condominiums in central areas of regional cities.



**SHIROKANE The SKY**  
(Total units: 1,247; Units to be posted: 310)



**Brillia Tower Dojima**  
(Total units: 457; Units to be posted: 457)



**Brillia Tower Minoh Sembu**  
**TOP OF THE HILL**  
(Total units: 397; Units to be posted: 202)



**Brillia Seiseki Sakuragaoka**  
**BLOOMING TERRACE**  
(Total units: 253; Units to be posted: 202)



**Brillia City Shakujiko**  
**ATLAS**  
(Total units: 845; Units to be posted: 204)



**Brillia Tower Hamarikyū**  
(Total units: 421; Units to be posted: 144)



**HARUMI FLAG**  
(Total units: 4,151; Units to be posted: 490)

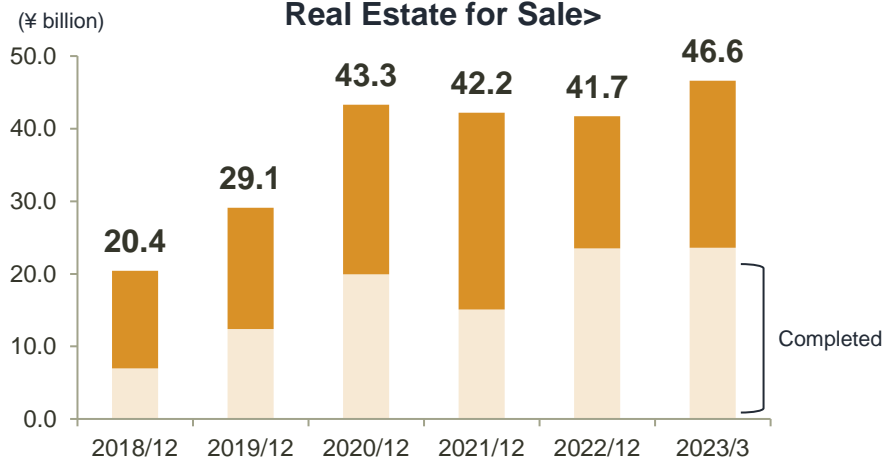


**Brillia Meguro Ohashi**  
(Total units: 114; Units to be posted: 97)

## (2) Residential Business: Initiatives for Property Sales to Investors

- In the first quarter, 1 for-rent condominium project was sold.
- The balance of real estate for sale increased by ¥4.9 billion from the end of FY2022 to ¥46.6 billion due to the progress in sales and, on a total investment basis, stock of approximately ¥65.0 billion (decrease of ¥5.0 billion) was secured.

### <For-Rent Condominiums: Balance of Real Estate for Sale>



**Brillia ist Machiya**  
(Completed in 2022)



**Brillia ist Shibuya Honmachi**  
(Completed in 2022)



**Brillia ist Nishi-Waseda**  
(Completed in 2022)



**Brillia ist Kuramae Avenue**  
(Completed in 2022)

Unit: ¥ billion

Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
For-rent condominiums	46.6	Approx.65.0

Asset type	Number of properties		
	Sold during the period	In operation	Under development
For-rent condominiums	1	14	18

\* Calculated by aggregating the total investment amount, in which construction costs, etc. that arise after the acquisition are added to the book value of each property at the time of acquisition

### (3) Asset Service Business: Business Results for the First Quarter of FY2023 and Full-Year Earnings Forecast for FY2023



- In the first quarter, although revenue of the parking business increased, revenue and profits decreased due to decrease in sales and gross profit of property sales to investors and gross profit in the asset solution business.

Unit: ¥ billion	2022/12 1Q Actual	2023/12 1Q Actual	Increase/ Decrease
Operating revenue	15.8	14.2	(1.5)
Brokerage	1.3	0.8	(0.4)
Asset solution	8.3	6.5	(1.8)
Management service, etc.	1.1	1.1	0.0
Parking business	4.9	5.6	0.6
Operating profit	3.2	1.6	(1.5)
Business profit	3.2	1.6	(1.5)

Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
	56.0	25%
	5.0	17%
Property sales to investors -¥1.9 billion (FY2022 1Q: ¥7.4 billion; FY2023 1Q: ¥5.4 billion)	23.0	28%
	4.5	26%
Recovery of occupancy, increase in number of parking spaces	23.5	24%
Property sales to investors -¥1.5 billion (FY2022 1Q: ¥2.5 billion; FY2023 1Q: ¥0.9 billion), Parking business +¥0.6 billion	8.0	21%
	8.0	21%

Unit: ¥ billion	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease
Operating revenue	50.2	56.0	5.7
Brokerage	4.6	5.0	0.3
Asset solution	19.0	23.0	3.9
Management service, etc.	4.5	4.5	(0.0)
Parking business	21.9	23.5	1.5
Operating profit	7.3	8.0	0.6
Business profit	7.3	8.0	0.6

Main factors for increase/decrease
Property sales to investors +¥3.8 billion (FY2022 cumulative total: ¥15.1 billion; FY2023 cumulative total: ¥19.0 billion)
Increase in number of parking spaces, recovery of occupancy
Property sales to investors -¥0.0 billion (FY2022 cumulative total: ¥4.0 billion; FY2023 cumulative total: ¥4.0 billion)
Parking business +¥0.5 billion

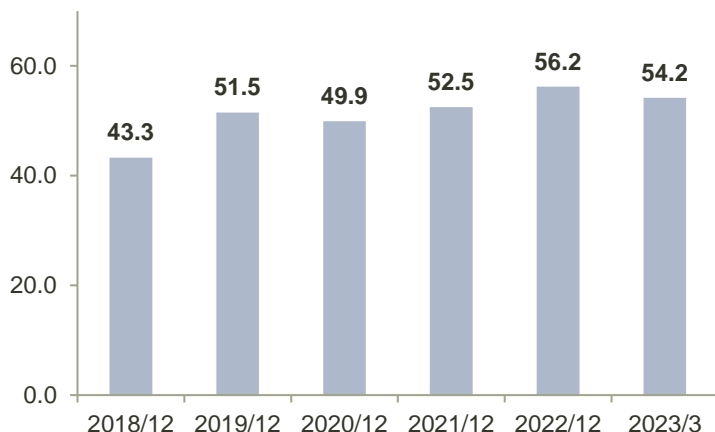


# (3) Asset Service Business: Major Operating Indicators

- Asset solution business: Securing stock mainly in central Tokyo through selective investment that utilizes sharp real estate assessment abilities.
- Parking business: The number of parking spaces decreased by 1,012 from the end of 2022 to 79,045.

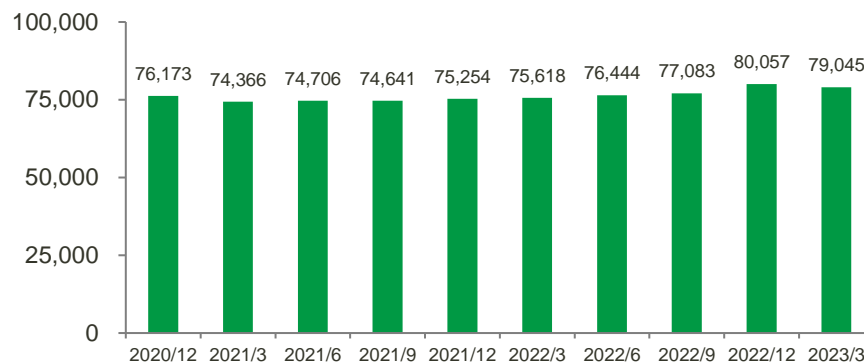
<Asset Solution Business: Balance of Assets Owned>

(¥ billion)

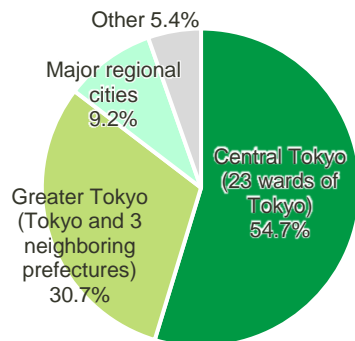


<Parking Business: Number of Parking Spaces>

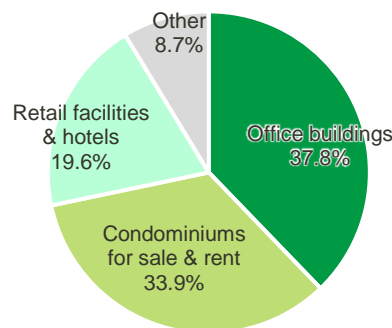
(Parking spaces)



<Asset Solution Business: Breakdown of Balance of Assets Owned>



Breakdown by Area of Location



Breakdown by Asset Type

## (4) Other: Business Results for the First Quarter of FY2023 and Full-Year Earnings Forecast for FY2023

- In the first quarter, revenue and profit increased due to an increase in sales of resort facilities in the Leisure & Child Care business and posting of a share of profit of entities accounted for using equity method in overseas businesses.
- In line with the policy of aiming to optimize the business portfolio set forth in the Medium-Term Business Plan, a share transfer of the Company's equity stake in Tokyo Tatemono Kids Co., Ltd., a consolidated subsidiary that operates a childcare business, is planned (June 2023). This is the second such corporate action during the period of the current Medium-Term Business Plan following the share transfer of the Senior business in December 2020.

Unit: ¥ billion	2022/12 1Q Actual	2023/12 1Q Actual	Increase/ Decrease
Operating revenue	4.8	5.8	1.0
Leisure & child care business	3.7	4.4	0.7
Fund business	1.1	1.3	0.2
Other	0.0	0.0	0.0
Operating profit	0.2	0.5	0.2
Business profit	0.0	1.2	1.2
Share of profit (loss) of entities accounted for using equity method	(0.1)	0.7	0.9

Unit: ¥ billion	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease
Operating revenue	23.1	24.0	0.8
Leisure & child care business	18.5	19.3	0.7
Fund business	4.4	4.5	0.0
Other	0.1	0.2	0.0
Operating profit	2.5	2.0	(0.5)
Business profit	4.0	6.0	1.9
Share of profit (loss) of entities accounted for using equity method	1.5	4.0	2.4

\* Operating revenue in overseas businesses is disclosed under "Other."

Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
	24.0	24%
Increase in revenue in the Leisure business +¥0.6 billion	19.3	23%
	4.5	30%
	0.2	16%
	2.0	25%
	6.0	21%
Profitability of share of profit of entities accounted for using equity method in overseas businesses	4.0	20%

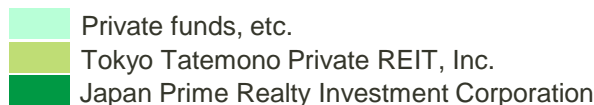
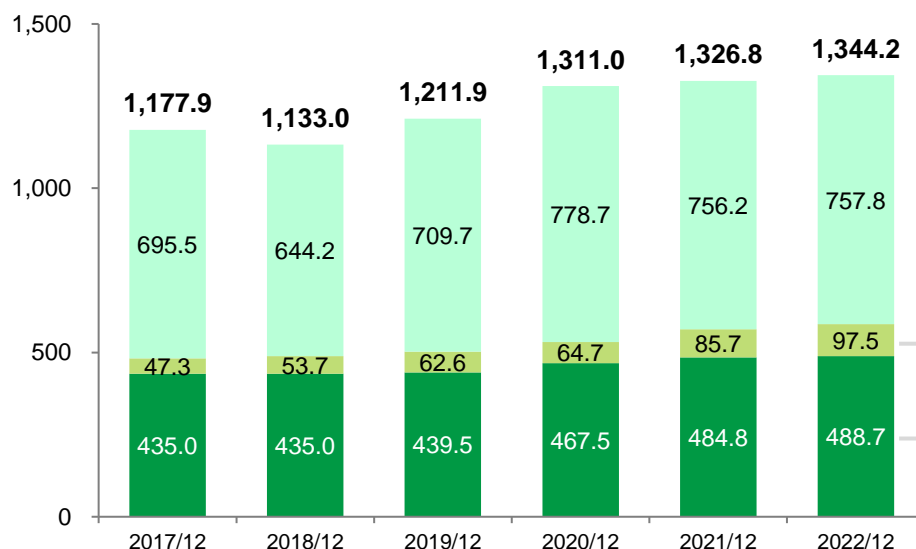
Main factors for increase/decrease
Increase in revenue in the Leisure business
Increase in share of profit of entities accounted for using equity method in overseas businesses

## (4) Other: Initiatives for Fund Business

- Under the Medium-Term Business Plan, further expansion of profit opportunities for the Group will be pursued through sales of developed/owned properties to REITs and such sponsored by Tokyo Tatemono.
- Japan Prime Realty Investment Corporation (JPR), which has entrusted asset management to the consolidated subsidiary Tokyo Realty Investment Management, Inc. (TRIM), as well as private funds and private REITs operated by Tokyo Tatemono Investment Advisors Co., Ltd. have steadily expanded their asset size.
- In April 2023, TRIM became a wholly owned subsidiary, further strengthening the fund business.

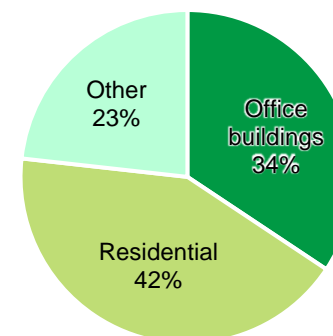
<Group AUM>

(Unit: ¥ billion)



### Tokyo Tatemono Private REIT, Inc.

A diversified private REIT investing in various asset types

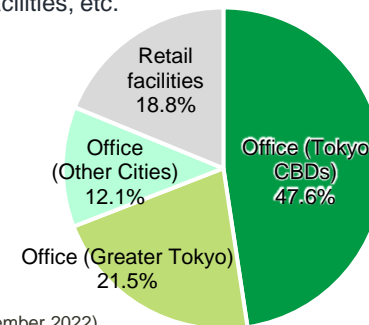


(As of December 2022)



### Japan Prime Realty Investment Corporation

A J-REIT with a combined portfolio of office and urban retail facilities, etc.



(As of December 2022)

## (4) Other: Initiatives for Overseas Business

- To gain business opportunities in markets of emerging countries, invested in China and Asia. Also explored business opportunities in developed countries.
- Balance on the balance sheet for the overseas business was approximately ¥37.0 billion at the end of March 2023.

### Basic Strategy

- Conduct business centering on partnerships with partners who are familiar with the local market and have strong development and sourcing capabilities and high credit worthiness.
- Dispatch resident officers from Tokyo Tatemono to the area and enhance relationship with partners, in addition to managing risks based on our view.
- Invest mainly in quick turnover businesses primarily in China and countries in Asia in which Tokyo Tatemono has invested before.

### <Main Projects Underway>

	Name of project	Location	Main uses	Scale (Total number of units/total floor area)	FY of construction completion	Status
China	Yangzhou Chengxi Project	Yangzhou City	Residential, retail facilities	Approximately 1,500 units	2023	Residences sold out
	Yangzhou-East Project	Yangzhou City	Residential, retail facilities	Approximately 1,000 units	2024	On sale
	Xuzhou Chengbei Project	Xuzhou City	Residential	Approximately 1,500 units	2023	On sale
	Wenzhou Ouhai Project	Wenzhou City	Residential, retail facilities	Approximately 400 units	2024	On sale
Asia	Old museum site Redevelopment project	Yangon, Myanmar	Office, retail facilities, hotel	Approximately 92,000 m <sup>2</sup>		Business suspended
	Sukhumvit 26 Project	Bangkok, Thailand	Residential	Approximately 150 units	2022	On sale
	Sathorn 12 Project		Residential	Approximately 250 units	2023	On sale
	Sukhumvit 25 Project		Office, retail facilities	Approximately 9,500 m <sup>2</sup>	2023	Under construction
	Onnut Project		Residential	Approximately 1,100 units	2024	On sale
	Dharmawangsa Project	Jakarta, Indonesia	Office, residential	Office building : Approximately 47,000 m <sup>2</sup> Residence: Approximately 90 units	2026	On sale
	Loggia Project		Residential	Approximately 500 units	2027	Before sale





### For-sale condominiums development projects in Bangkok, Thailand

Development of several for-sale condominiums such as in the Sukhumvit Area and the Sathorn Area located in the central district of Bangkok.

Total project cost:  
Approx. ¥57.0 billion  
Tokyo Tatemono's stake: Approx. 50%



Sukhumvit 26 Project (completed in 2022)

### Yangzhou-East Project (China)

A residential development project in Yangzhou city, a Tier 3 city of Jiangsu Province, marking the Company's fourth project in the city. There are large retail facilities and educational facilities surrounding the project site, and the location has high living convenience.

Total project cost:  
Approx. ¥32.0 billion  
Tokyo Tatemono's stake: Approx. 25%



### Sukhumvit 25 Project

A medium-sized office building development project in the Sukhumvit district, a central district of Bangkok.

Total project cost: Approx.  
¥3.0 billion  
Tokyo Tatemono's stake:  
Approx. 50%



### Wenzhou Ouhai Project (China)

A residential development project in Wenzhou city, a Tier 3 city of Zhejiang Province, marking the Company's first project in the city. Located near Wenzhou South Station of the high-speed railway in a location with excellent transportation convenience.

Total project cost:  
Approx. ¥14.0 billion  
Tokyo Tatemono's stake: Approx. 40%



# ESG-related Initiatives

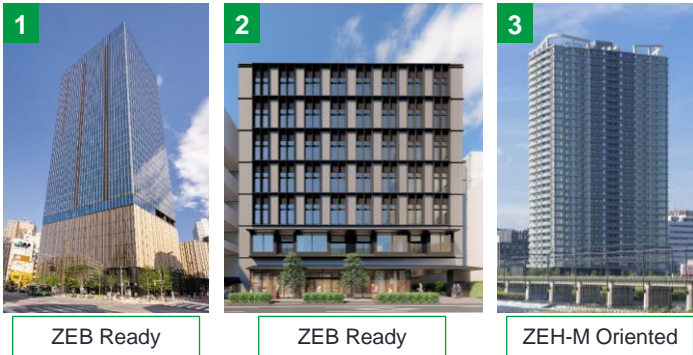
Medium- to long-term targets for reducing greenhouse gas emissions

## CO<sub>2</sub> Emissions

**40% reduction by FY2030 (compared with FY2019)**

**Net zero by FY2050**

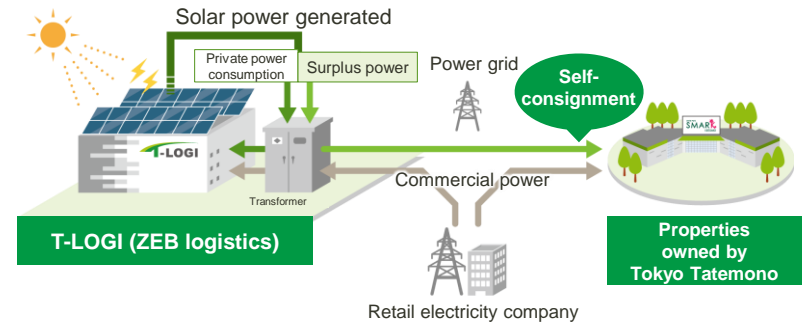
### Development of ZEB and ZEH\*



- 1 Hareza Tower
- 2 Tokyo Tatemono Shijo Karasuma Building EAST
- 3 Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE

\* ZEB includes “ZEB” (reduction by 100% or more through energy saving + energy creation) as well as Nearly ZEB (reduction by 75% or more through the same), ZEB Ready (energy saving of 50% or more), ZEB Oriented (10,000 m<sup>2</sup> or more of total floor area, 40% or more energy saving for offices, 30% or more for hotels, etc.). ZEH includes ZEH-M (reduction by 100% or more through energy saving + energy creation) as well as Nearly ZEH-M (reduction by 75% or more through the same), ZEH-M Ready (reduction by 50% or more through the same), and ZEH-M Oriented (energy saving of 20% or more).

### Development of “ZEB” logistics, creation and utilization of renewable energy



1 The company consumed electricity generated by solar panels installed at the T-LOGI logistics facilities on the premises of the facility and obtained **the highest rating of ZEB** as an environmentally friendly property. The entire T-LOGI series was developed as **“ZEB” logistics**.

► Acquisition of “ZEB” certification: **8** properties (as of March 31, 2023)

2 Surplus power is subject to **self-consignment** to the SMARK Iseaki retail facilities owned by the Company as well as **owned facilities**.

### Condominium development using wooden CLT

#### Senzokuike Project (provisional name)

Selected as the “Fiscal 2021 Leading Project for Sustainable Buildings (Wooden Leading Project)” which was publicly offered by the Ministry of Land, Infrastructure, Transport and Tourism. CLT construction method to be used.

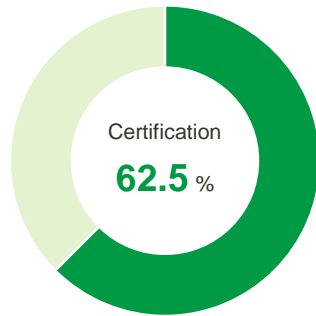


CLT cross section

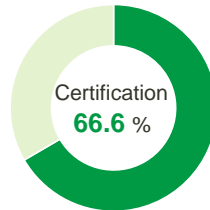
## External evaluation and certification on green buildings

### Percentage of certification (as of December 31, 2022)

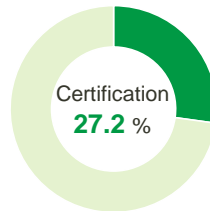
- All properties owned and managed by the Company



- Leasable office area



- Leasable residential area



### Properties newly obtaining certification in 2022



**1** Brillia ist Nakano Central Park (5 stars)



**2** Tokyo Tatemono Umeda Building (3 stars) Also newly acquired for **7** other properties.



## ESG finance (Bonds payable issued)

### March 2019: Issuance of green hybrid bonds

- First issuance of green hybrid bonds in Japan (world-first in the real estate sector)
- Received the Minister for the Environment's Award (Silver Award) in the Bond Section of the "ESG Finance Awards Japan" established by the Ministry of the Environment
- Issuance period: 40 years  
Amount issued: ¥50 billion



### July 2020: Issued sustainability bonds

- Japan's first in the real estate sector
- Received the gold award, the highest award given by the Minister of the Environment in the fundraiser section of the "ESG Finance Awards Japan." Awarded for the second consecutive year, the only company in the section
- Issuance period: 5 years  
Amount issued: ¥20 billion
- Issuance period: 10 years  
Amount issued: ¥20 billion



### February 2021: Issued sustainability hybrid bonds

- Issuance period: 40 years  
Amount issued: ¥40 billion

### July 2021: Issued sustainability bonds for individual investors

- First in Japan for a general operating company in the real estate sector
- Issuance period: 7 years  
Amount issued: ¥10 billion

## ESG-related external evaluation and participation in ESG-related initiatives

### “GRESB Real Estate Assessment” 2022

- “GRESB Standing Investment Benchmark,” an assessment of real estate management portfolios

▶ **The only real estate developer in Japan which received the top-rated “5-star” for the sixth consecutive year**

▶ **Selected for the first time as a “Sector Leader” in Listed, Asia Region, Diversified**



G R E S B  
★ ★ ★ ★ ★ 2022



G R E S B  
REAL ESTATE  
sector leader 2022

RE100

CLIMATE GROUP



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



2023  
健康経営優良法人  
Health and productivity  
ホワイト500

2022 CONSTITUENT MSCIジャパン  
ESGセレクト・リーダーズ指数

Field	Rating agencies and Initiatives	Rating, etc.
ESG (Real Estate)	GRESB Standing Investment Benchmark	5-star
Climate Change	CDP	B
	RE100	Participated
	SBT	Certified
	TCFD	Agreed
Social (Human Resources)	UN Global Compact	Participated
	Health and Productivity Management Organization	White 500
Index	MSCI Japan Empowering Women Index (WIN)	Selected
	S&P/JPX Carbon Efficient Index	
	MSCI Japan ESG Select Leaders Index	
	FTSE Blossom Japan Sector Relative Index	

# Appendix

# Long-Term Vision and Medium-Term Business Plan

- In February 2020, announced a long-term vision for 2030, “Becoming a Next-Generation Developer,” and the Medium-Term Business Plan for FY2020-FY2024.
- Aim to achieve goals of Medium-Term Business Plan and realize the long-term vision through initiatives that contribute to the evolution of ESG management and the promotion of our five key strategies.

\* For details, please refer to “Long-Term Vision, Medium-Term Business Plan” announced on February 12, 2020.

## <Long-Term Vision for 2030>

### “Becoming a Next-Generation Developer”

Achieve the dual goals of “solving social issues” and “company growth” at higher levels

**Target for 2030:  
Consolidated business  
profit\* of ¥120.0 billion**

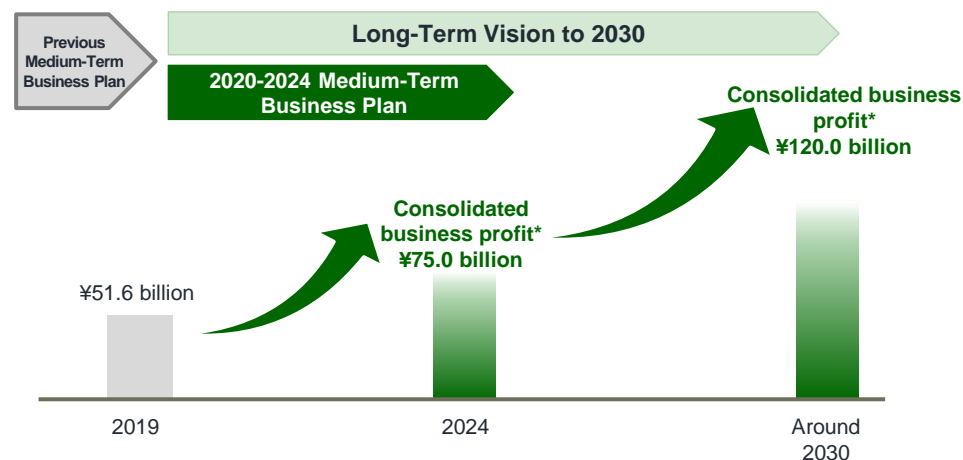
**Contributing to the  
achievement of the SDGs**

### <Basic Profit Growth Policy>

**Steadily expand stable rental profits and aim for a well-balanced profit structure with an awareness of capital efficiency, which is central to profit composition**

\* Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

## <Positioning of the Medium-Term Business Plan>



## <Key Strategies in the Medium-Term Business Plan>

- (1) Promotion of large-scale redevelopment
- (2) Further strengthening of for-sale condominium business
- (3) Expansion of property sales to investors
- (4) Strengthening of brokerage, fund, and parking businesses
- (5) Growth in overseas business



# Materiality of the Tokyo Tatemono Group

- In order to achieve our long-term vision, we reviewed important issues that need to be addressed, mindful of the values to be shared with society through our business. In this process, 14 material issues were identified

	Important issues	Shared value with society	Contribution to SDGs			
Creation of social value	Strengthening Tokyo's competitiveness as an international city Contributing to a safe and secure society Community building and revitalization Wellbeing Addressing diverse needs of customers and society Value co-creation and innovation Social implementation of technology Revitalizing and utilizing real estate stock	<p>■ Creating value of place and value of experience</p>	         			
	Promoting a decarbonized society Promoting a recycling-oriented society			<p>■ Coexistence with the earth and the environment</p>		
	Foundation for value creation			Improve employee growth and job satisfaction Diversity & inclusion	<p>■ Value-creating talent</p>	     
				Advancement of governance Strengthen risk management framework	<p>■ Realizing sustainability management</p>	

“Integrated Report 2022” and “Sustainability Report 2022” were released



“Integrated Report 2022” and “Sustainability Report 2022” can be downloaded from our website.

**Integrated Report 2022**  
<https://tatemono.com/english/ir/library/ar.html>

**Sustainability Report 2022**  
[https://tatemono.com/csr/english/reports/pdf/2022susrepo\\_e.pdf](https://tatemono.com/csr/english/reports/pdf/2022susrepo_e.pdf)



# ESG Management KPIs and Goals Based on Materiality

Material Issues	Item	Range	KPIs and Goals
Promoting a decarbonized society 	Reduction in greenhouse gas emissions	All businesses	Net zero CO <sub>2</sub> emissions by FY2050 Reduce CO <sub>2</sub> emissions by 40% compared with FY2019 by 2030
	Shift to renewable energy	All businesses	Shift 100% of electricity consumed in our business activities to renewable energy by FY2050
		Commercial Properties business	Shift 100% of electricity consumed at owned properties we own to renewable energy by FY2030 Shift 50% or more of electricity consumed at owned properties to renewable energy by FY2024
	Promotion of development of ZEB and ZEH	Commercial Properties business Residential business	As a general rule, ZEB development in all newly constructed office buildings and logistics facilities. As a general rule, ZEH development in all newly constructed condominiums for sale and for rent.
Promoting a recycling-oriented society 	Reduction of waste emissions	Buildings owned long term	Reduce waste emissions intensity by 20% compared with FY2019 by FY2030
	Waste recycling promotion	Buildings owned long term	Achieve 90% waste recycling rate by FY2030
	Reduction of water consumption	Buildings owned long term	Reduce rate of water usage intensity compared with previous fiscal year
	Promotion of use of recycled water	Office buildings with total floor area of more than 30,000 m <sup>2</sup>	As a general rule, introduce gray water treatment facility to all newly constructed office buildings with total floor area exceeding 30,000 m <sup>2</sup> by FY2030
Promoting a decarbonized society / Promoting a recycling-oriented society 	Promotion of use of wood materials	Buildings owned long term and condominiums for sale & rent	Use domestic materials and certified materials in common area interior furnishings in all newly constructed office buildings and condominiums for sale and for rent by FY2030
		Condominiums for sale & rent	Develop condominiums for sale and rent that use CLT in main structural parts by FY2023
	Collaboration and co-creation with customers	Buildings owned long term	Communicate with tenants about sustainability at least 4 times a year
		Condominiums for sale & rent	Communication with residents and plan and implement sustainability measures
Improve employee growth and job satisfaction 	Promotion of skills development	Tokyo Tatemono	Average training time per employee Each year 15 hours or more
		Tokyo Tatemono	Career training participation rate Each year 100%
	Promotion of health management	Tokyo Tatemono	Health checkup rate and reexamination rate Each year 100%
		Tokyo Tatemono	Smoking rate Each year 12% or less
Diversity & Inclusion 	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy Dissemination to Group companies and their compliance
	Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate Each year 70% or more
		Tokyo Tatemono	Ratio of male employees taking parental leave 30% or more by FY2025
	Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions 10% or more by FY2030
Tokyo Tatemono		Employment rate of persons with disabilities Each year 2.3% or more	

\* See the ESG Management & KPI page of our website for the definitions of terms. <https://tatemono.com/csr/english/promotion.html>

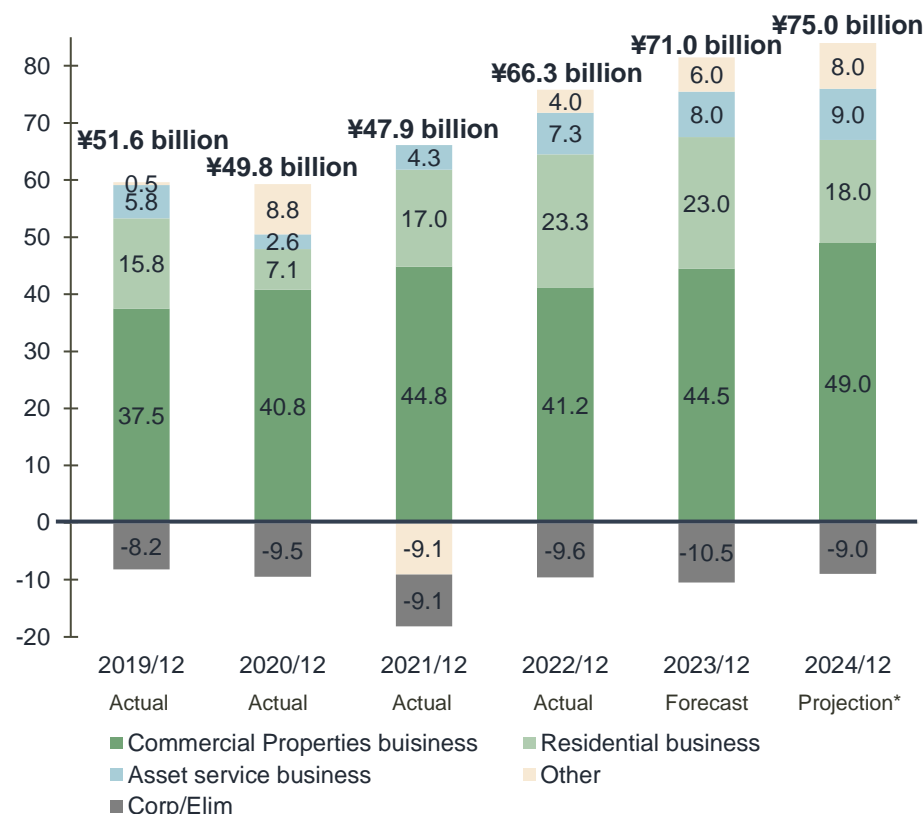
# Quantitative Plan in Medium-Term Business Plan

- In the Medium-Term Business Plan, we have set a business profit target of ¥75 billion in profit for FY2024. In addition, we have set targets for ROE, the debt-equity ratio, and the interest-bearing debt to EBITDA multiple in order to optimize the business portfolio in consideration of capital efficiency and fiscal discipline.
- Looking towards 2024, we plan to increase profit on property sales centering on property sales to investors.

## <Profit/Financial Plan – Figures for FY2024>

<b>Profit Target</b>	Consolidated business profit: ¥75.0 billion
<b>Capital Efficiency</b>	ROE: 8-10%
<b>Financial Indicators</b>	Debt-equity ratio: Appr. 2.4x Interest-bearing debt / EBITDA multiple: Appr. 12x
<b>Reference Figures</b>	Consolidated operating profit: ¥70.0 billion Profit attributable to owners of parent: ¥45.0 billion EPS: ¥215

## <Consolidated Business Profit Trend by Segment>



\* Breakdown assumed at time of announcement of Medium-Term Business Plan in February 2020

## ■ Business Portfolio Concepts (1)

- Our business portfolio can be classified into three categories based on their profit characteristics: leasing, property sales (for-sale condominiums/sales), and services. We manage each segment with a focus on the value chain.
- We promote five key strategies with a focus on the balance between profitability, efficiency, and stability.

**Business classification and management by profit characteristics, with awareness of the balance between profitability, efficiency, and stability**

### — Key Strategies and Their Profit Sources —

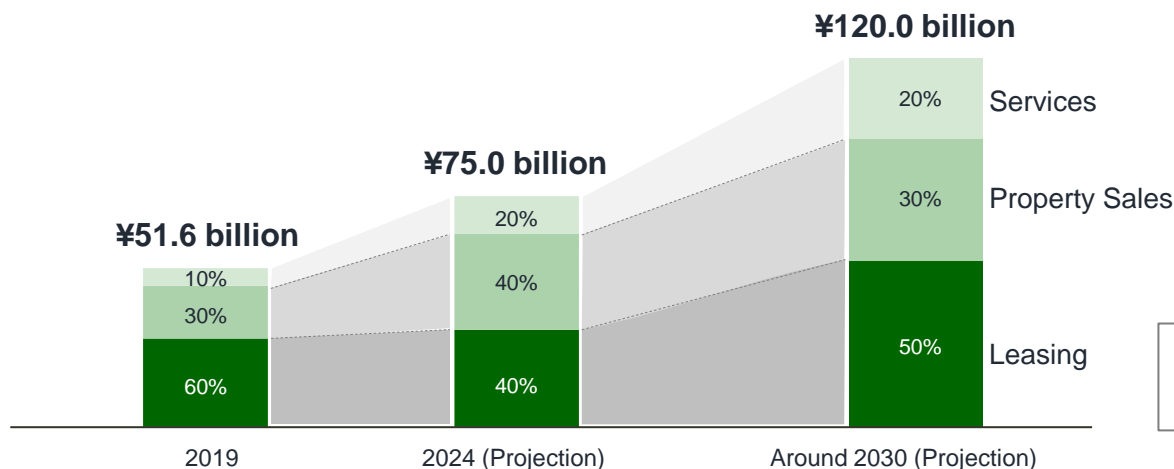
	Profit Type	Characterized by
<b>Leasing</b>	Profit from leasing offices, condominiums, etc.	Highly stable profit Requires significant investment
<b>Property Sales</b>	Development profit, acquired from sale of properties held	Highly volatile profit High capital efficiency
<b>Services</b>	Fee revenue from facility management/operation, provision of services	Highly stable profit Does not involve significant investment

Key Strategy	Profit Source
<b>(1) Promotion of large-scale redevelopment</b>	<b>Leasing</b>
<b>(2) Further strengthening of for-sale condominium business</b>	<b>Property sales</b>
<b>(3) Expansion of property sales to investors</b>	<b>Property sales</b>
<b>(4) Strengthening of brokerage, fund, and parking businesses</b>	<b>Services</b>
<b>(5) Growth in overseas business</b>	<b>Property sales</b>

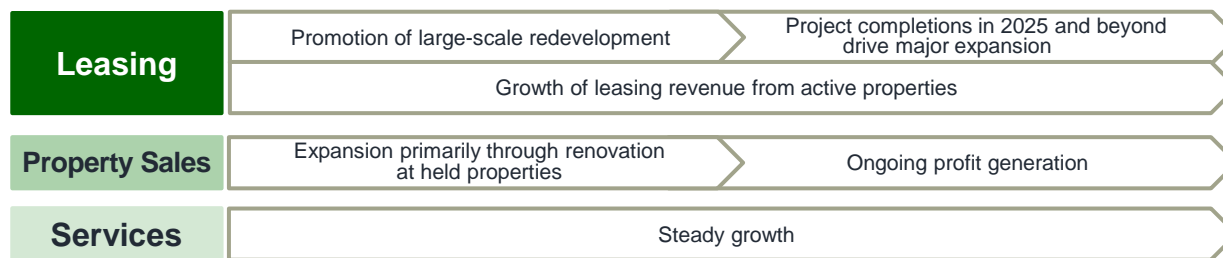
## ■ Business Portfolio Concepts (2)

- Working under our five key strategies, we are steadily growing our Services area, with profit growth driven especially by the Property Sales area through 2024 and expansion of Leasing in 2025 and beyond, achieving a well-balanced profit structure mindful of capital efficiency.

Projected Shift in Per-Area Profit Over Time



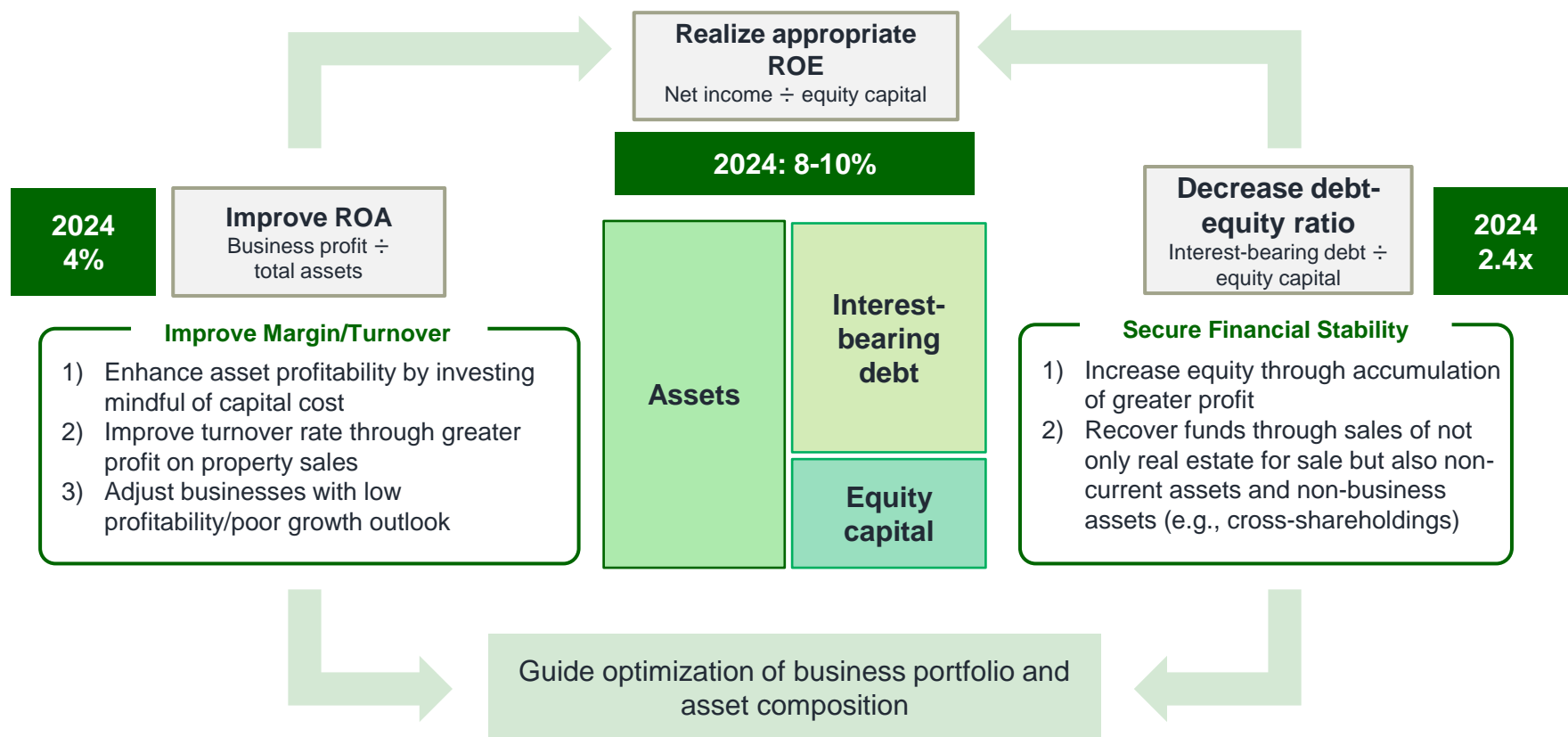
\* The percentages in the graph show the approximate composition ratio



**Realize a well-balanced profit structure focused on leasing profit and mindful of capital efficiency**

## ■ Management Mindful of Capital Efficiency

- We will target enhancement of ROA by improving margin and turnover, appropriate control of the debt-equity ratio through earnings growth and asset sales, realization of ROE of 8% to 10%, and optimization of our business portfolio and asset composition.



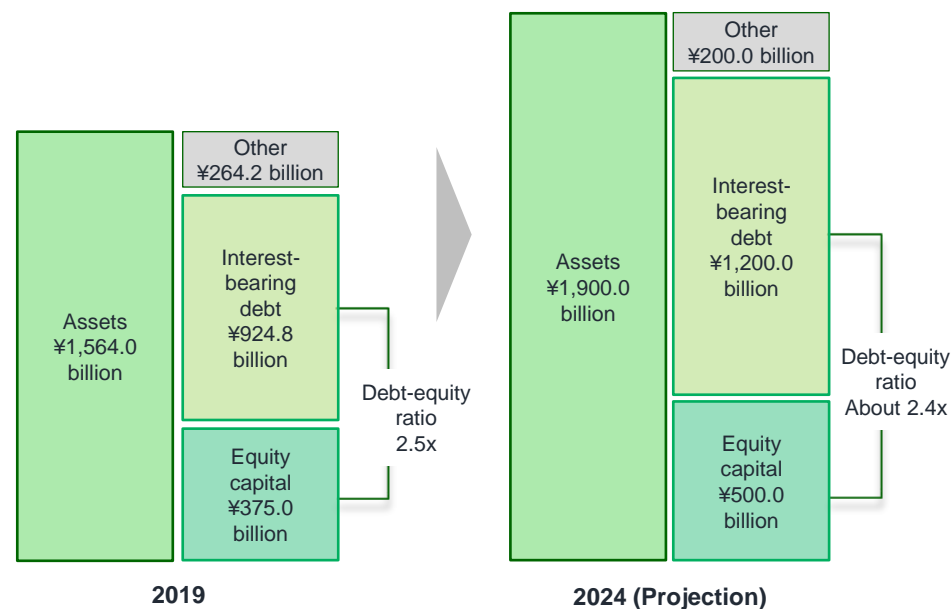
## ■ Investment Plan

- Estimated net investment of ¥500.0 billion in total over five years.
- In addition to enhancing equity capital through stable profit growth, we aim to optimize our asset composition by selling non-current assets in consideration of profitability and reducing cross-shareholdings in order to either maintain or reduce the debt-equity ratio and simultaneously control the balance sheet in an appropriate fashion.

Medium-Term Investment Plan  
(Cumulative)

	Unit: ¥ billion
Gross investment	1,400.0
Investment in large-scale redevelopment	230.0
Investment in for-sale condominium projects	430.0
Investment in properties for sale to investors	550.0
Investment in the overseas business	70.0
Other	120.0
Recovered	900.0
<b>Net investment</b>	<b>500.0</b>

Balance Sheet Changes



# Investment Plan for FY2023

(Not updated from the time of announcement of financial results)

- In FY2023, the gross amount of investment is expected to be ¥290.0 billion due to expenditure on construction costs for progressively developing for-sale condominium and logistics property projects.

## <Investment Plan of Medium-Term Business Plan (FY2020–FY2024) and Results> <Investment Plan for FY2023>

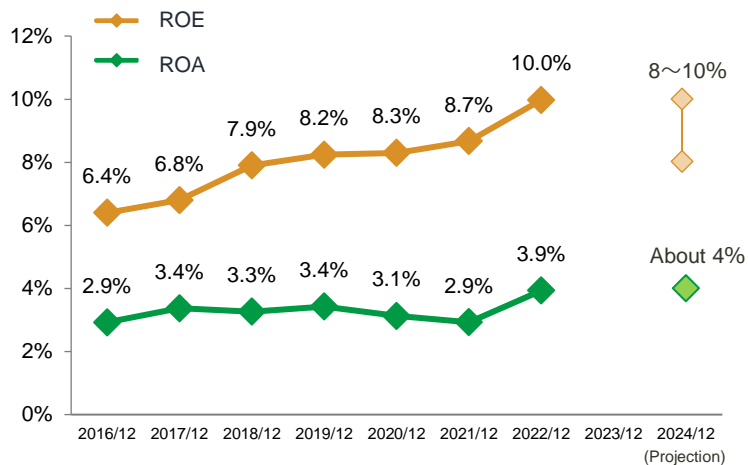
Unit: ¥ billion		5-year Plan	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Plan
Gross investment		1,400.0	189.1	128.9	191.0	290.0
Investment in large-scale redevelopment		230.0	13.8	0.0	11.3	25.0
Investment in for-sale condominium projects		430.0	64.4	46.1	75.8	110.0
Investment in properties for sale to investors		550.0	63.6	57.9	91.1	105.0
Investment in the overseas business		70.0	1.6	3.4	0.7	15.0
Other *		120.0	45.7	21.5	12.1	35.0
Recovered		900.0	120.6	121.3	112.7	
Net investment		500.0	68.5	7.6	78.3	

\* Inclusive of such amounts as expenditures to CAPEX, etc., and reserves for acquisition of seed-lot buildings for large-scale redevelopment and income-producing real estate.

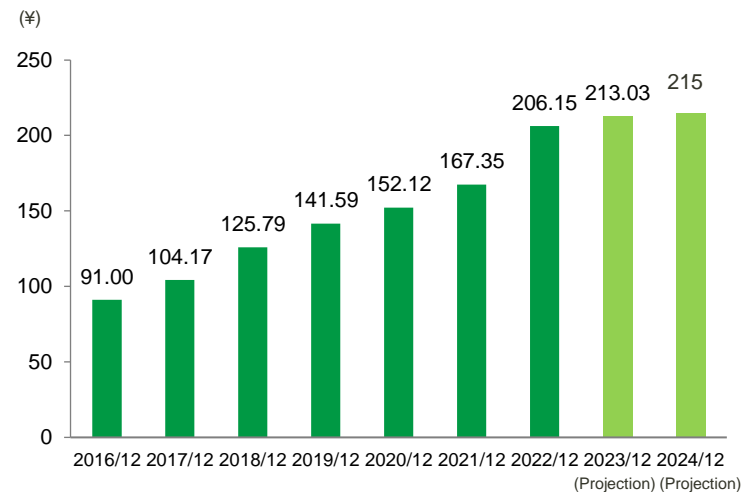
# Changes in Major Indicators

(Not updated from the time of announcement of financial results)

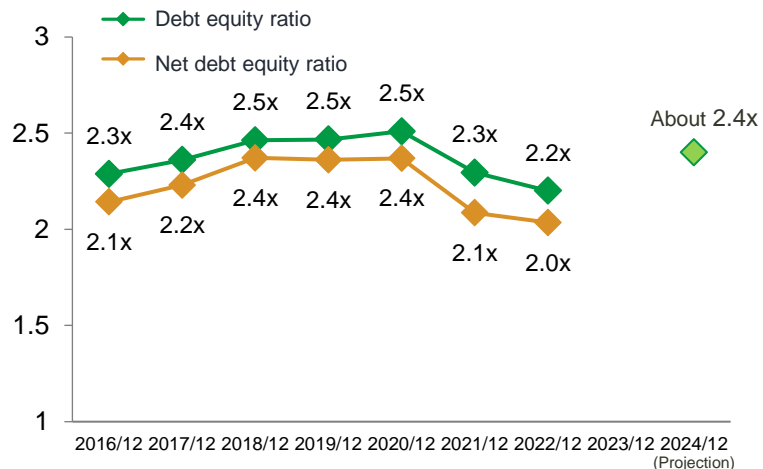
<ROA, ROE\*>



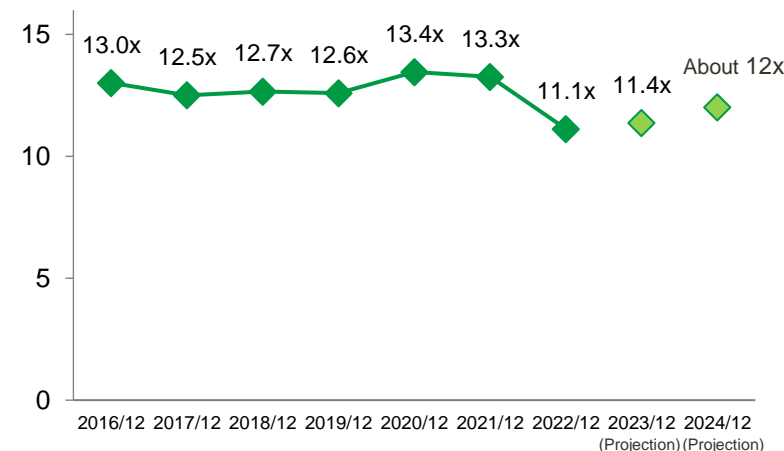
<Earnings Per Share (EPS)>



<Debt Equity Ratio>



<Interest-Bearing Debt / EBITDA Multiple>



\* ROA = Business profit / Average balance of total assets at beginning of period and total assets at end of period  
 ROE = Profit attributable to owners of parent / Average balance of equity capital at beginning of period and equity capital at end of period



# Financial Standing

(Not updated from the time of announcement of financial results)

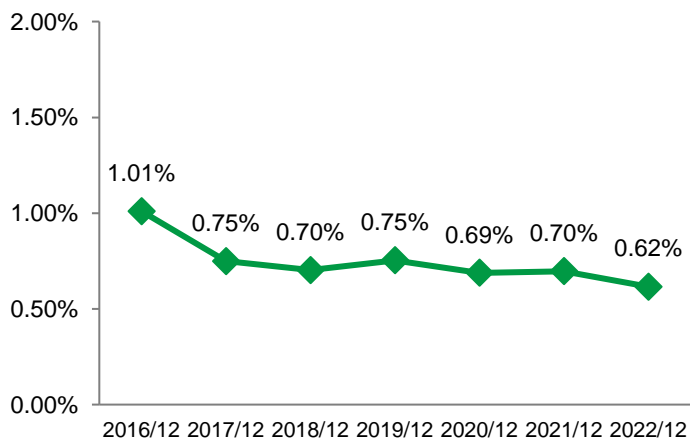
## External Ratings

JCR long-term issuer rating	A
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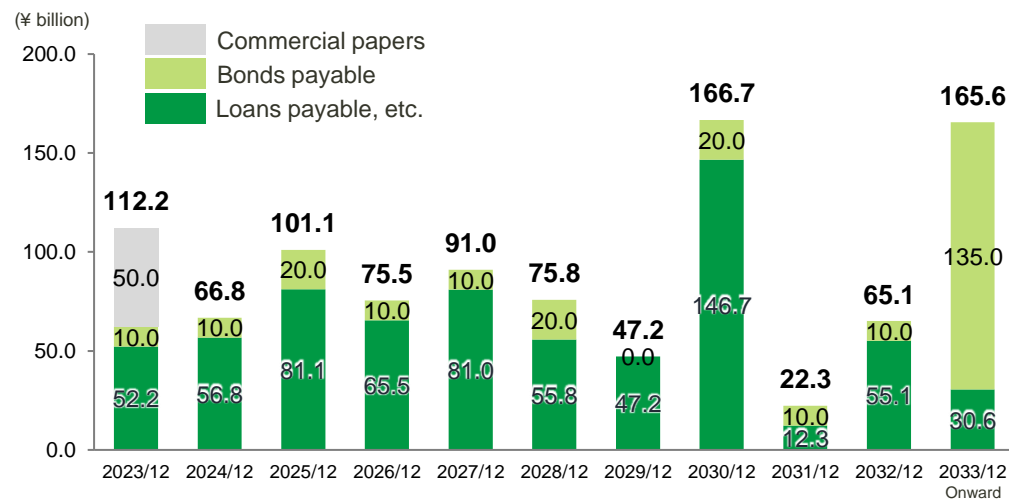
## Interest-Bearing Debt

Average interest rate <sup>*1</sup>	0.62 %
Average remaining years <sup>*2</sup>	6.7 years
Ratio of long-term debt	94.9 %
Ratio of fixed-interest rate	98.6 %

## Average Interest Rates



## Diversification of Repayment Dates



\*1 Average interest rate = Interest expenses ÷ Year-end balance of interest-bearing debt

\*2 Average remaining years are figures excluding hybrid bonds payable and commercial papers

# Fair Value of Rental Properties

(Not updated from the time of announcement of financial results)

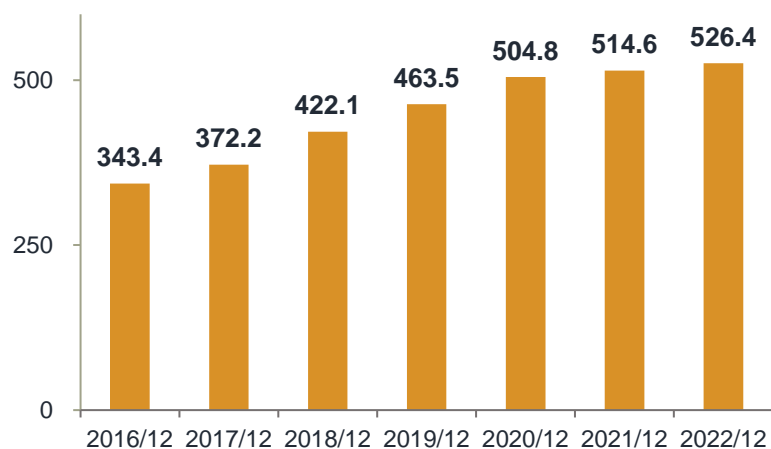
- Unrealized gain remained at a high level of ¥526.4 billion.

Unit: ¥ billion	2021/12-end	2022/12-end	Increase/ Decrease
Fair value at end of period	1,407.2	1,417.6	10.3
Amount on B/S (carrying value)	892.5	891.1	(1.3)
Amount of difference	514.6	526.4	11.7

- ◆ <Subject properties> Of non-current assets, properties that are currently leased to third parties or properties under development that are scheduled to be leased after completion by the Company and its subsidiaries (including properties where a portion is used by the Company and its group companies) are subject to calculation
- ◆ <Method of calculation> For properties newly acquired during the fiscal year or properties under development at the end of the fiscal year, the book value at the end of the fiscal year is taken as the fair value

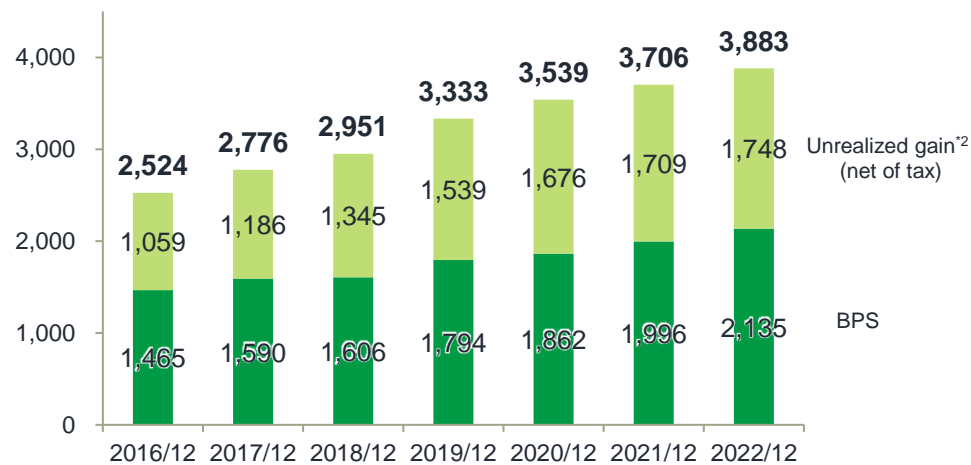
## <Unrealized Gain>

(¥ billion)



## <BPS and Adjusted BPS\*1 Trend>

(¥ per share)



\*1 Adjusted BPS = BPS + (Unrealized gain, net of tax) / Number of shares issued and outstanding at end of period, excluding treasury stock

\*2 Unrealized gain, net of tax = Unrealized gain × (1 - Statutory tax rate applicable to each fiscal year)

# Quarterly Segment Data

Commercial Properties business*1	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3
Number of office buildings	45	45	46	46	46	46	47	45	45	45	45	41
Leasable area of office buildings (thousand m <sup>2</sup> )	520	520	511	514	514	514	514	496	496	500	511	494
Vacancy rate	2.0%	1.3%	2.3%	3.4%	3.3%	3.3%	3.2%	2.5%	2.9%	2.8%	3.2%	4.2%
Average rent (Unit: ¥/tsubo)	30,288	30,161	30,835	31,061	30,830	31,077	30,954	30,809	30,896	30,696	30,836	31,087
Residential business	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3
Number of sales posted (cumulative)	872	955	1,196	520	634	689	1,109	390	963	1,034	1,435	548
For-sale condominiums	872	955	1,196	520	634	689	1,109	390	963	1,034	1,435	548
Housing and residential land	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin ratio of condo sales (cumulative)	22.9%	22.8%	22.4%	29.9%	28.6%	28.4%	24.4%	28.2%	36.7%	36.1%	33.3%	37.2%
Inventory of completed condos	305	243	177	179	109	54	83	135	115	72	175	156
Of which, contracted	31	43	27	41	36	24	37	29	35	20	43	36
Condo units supplied (cumulative)	286	499	948	297	760	1,036	1,684	277	647	908	1,341	213
Condo units contracted (cumulative)	275	527	962	288	794	1,045	1,759	245	639	941	1,313	211
Condo units contracted but yet to be posted	950	1,118	1,314	1,081	1,474	1,669	1,968	1,837	1,658	1,890	1,861	1,524
Number of condo buildings for rent	14	14	14	13	12	11	12	11	14	14	17	17
Number of managed condo units	95,958	95,581	95,720	97,152	97,738	97,668	98,789	96,761	97,272	97,345	98,006	98,159
Asset service business	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3
Brokerage: Number of deals (cumulative)	458	687	1,018	277	540	830	1,152	250	532	793	1,086	248
Of which, sales (cumulative)	448	671	991	271	526	810	1,124	243	521	778	1,060	243
Of which, rentals (cumulative)	10	16	27	6	14	20	28	7	11	15	26	5
Parking lots: Number of locations	1,805	1,837	1,867	1,859	1,863	1,864	1,861	1,852	1,856	1,845	1,933	1,915
Parking lots: Number of parking spaces	74,176	75,267	76,173	74,366	74,706	74,641	75,254	75,618	76,444	77,083	80,057	79,045
Other	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3
Ofuro no Osama (Spa facility)	9	9	9	9	9	9	10	10	10	10	10	10
Golf Courses	12	12	12	12	12	12	12	12	12	12	12	12
Pet-Friendly Hotels (Regina Resort with DOGS)	8	8	8	8	8	8	8	8	8	8	8	8
Ohayo Child Care Centers/after-school childcare facilities	14	15	15	15	16	16	16	16	17	17	17	17

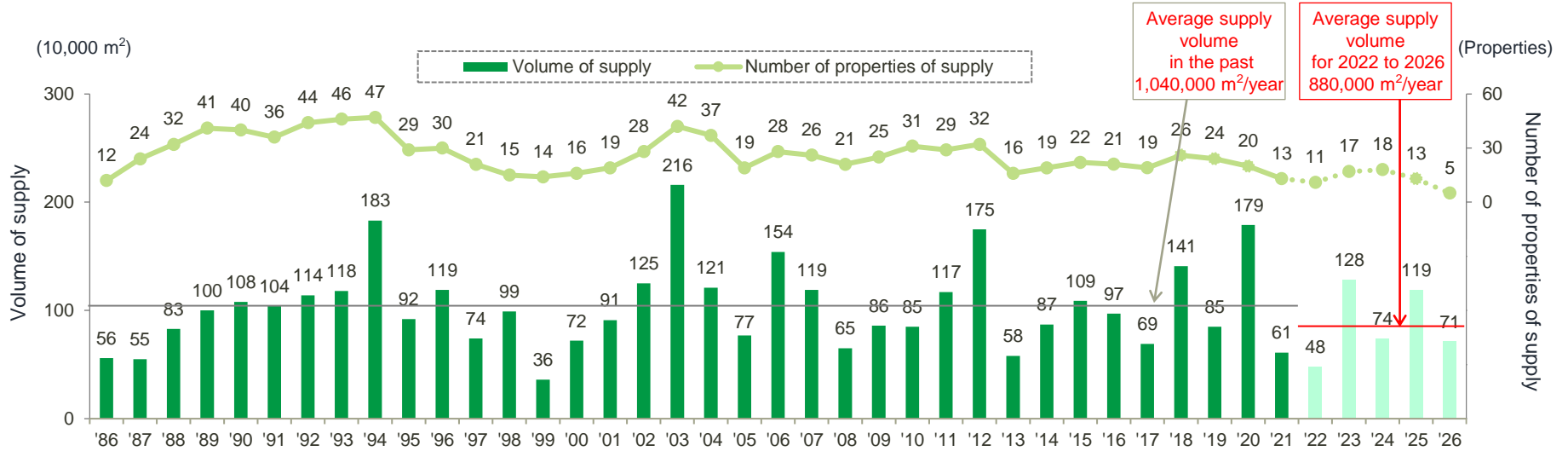
\*1 Standards for areas subject to calculation are as follows.

- Office buildings owned by group companies are included.
- Since the area of retail facilities accounts for a large proportion under total leased floor area at GRAND FRONT OSAKA, the area of retail facilities is excluded from calculation.
- With regard to buildings owned by consolidated SPCs, the equivalent areas of the SPCs' equity holdings in other companies have been included along with areas subject to recording of leasing revenue.
- "DNP Gotanda Building," which was acquired at the end of September 2019, is not included in areas subject to calculation.
- The following criteria is added as of the end of March 2022: Properties included in a redevelopment business area shall be excluded from the owned office buildings with the establishment of an urban redevelopment consortium or the obtaining of project approval.

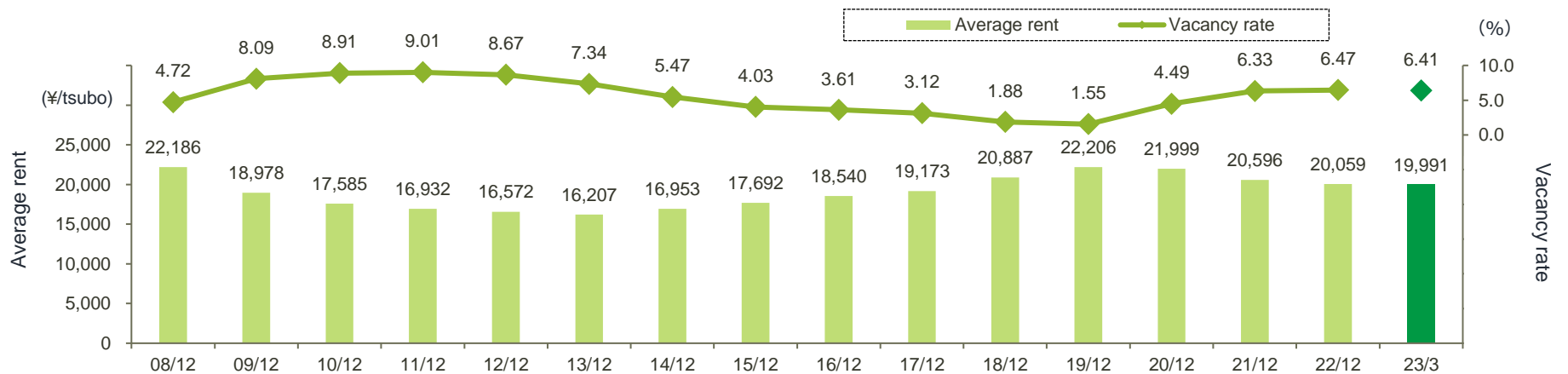
# Market Data

## (1) Office Building Market

### Large-Scale Office Building Supply Volume Trends in Tokyo's 23 Wards



### Average Rent and Vacancy Rate Trends in Tokyo's Central Business District (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya Wards)

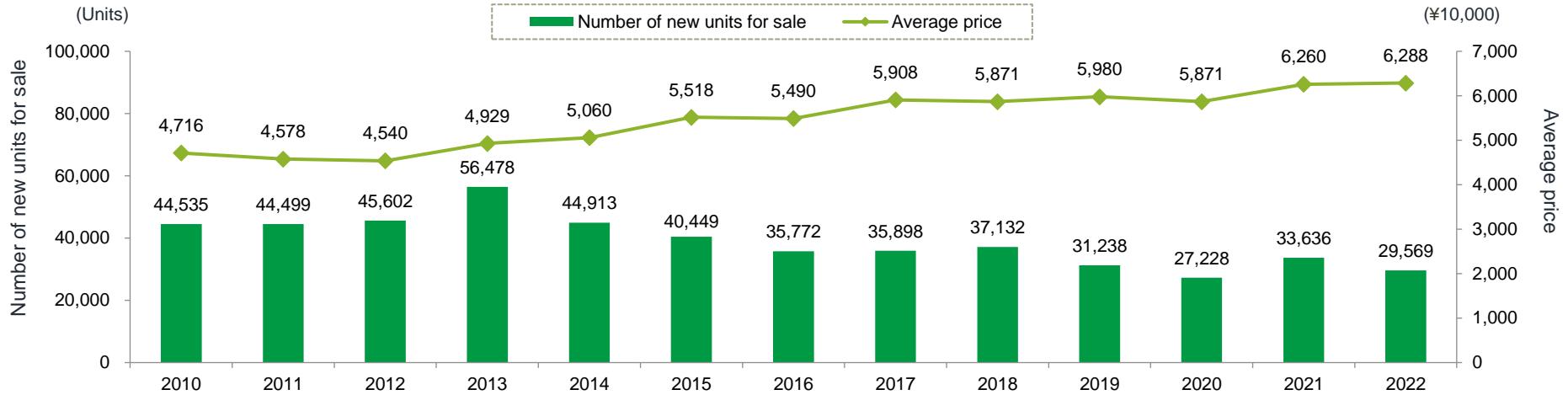


Source: Mori Buildings' "Survey of Large-scale Office Building Market in Tokyo's 23 Wards 2022"; Miki Shoji

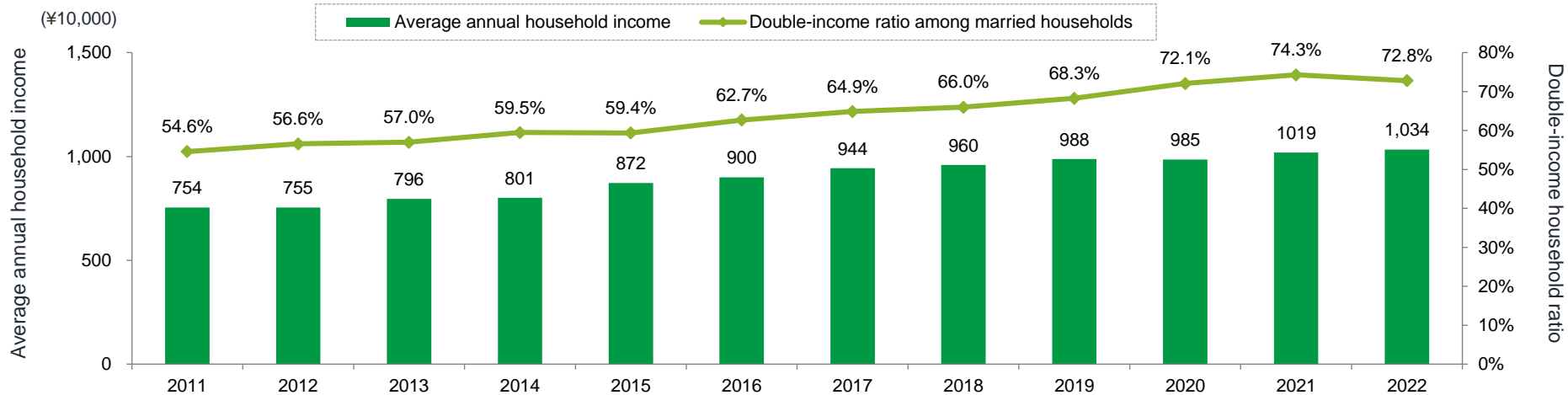
# Market Data

## (2) For-Sale Condominium Market

Number of New Condominium Units for Sale and Average Price Trends in the Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama, and Chiba Prefectures)



Trends in Double-Income Household Ratio and Average Annual Household Income Among Buyers of Condominium Units in the Tokyo Metropolitan Area



Source: Real Estate Economic Institute; Recruit's 2022 survey on contract trend of new condominium units in the Tokyo Metropolitan Area

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