

Financial Summary
FY2023 Third Quarter (First Nine Months)
Ended December 31, 2023

Tokyu Fudosan Holdings Corporation

This report provides information excerpts from Tokyu Fudosan Holdings' original disclosure in Japanese, "*Kessan Tanshin*," which was released on February 8, 2024 at 15:00 (GMT+9).
The review has not been completed.

1. Overview of the FY2023 Third Quarter (First Nine Months) Ended December 31, 2023

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

(1) Summary of consolidated statement of income

(% indicates year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
First nine months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2023	717,821	11.9	75,353	21.5	68,000	24.7	45,451	47.0
FY2022	641,742	1.2	61,996	16.5	54,515	22.3	30,924	9.4

Note: Comprehensive income: First nine months of FY2023 ¥71,543 million [(1.5)%]
First nine months of FY2022 ¥72,632 million [100.0%]

	Earnings per share	Fully diluted earnings per share
First nine months	(Yen)	(Yen)
FY2023	63.96	–
FY2022	42.99	–

(2) Summary of consolidated balance sheet

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2023	2,976,143	755,193	24.7	1,034.65
As of March 31, 2023	2,738,458	700,702	25.0	964.77

Reference: Equity: As of December 31, 2023 ¥736,337 million; As of March 31, 2023 ¥684,625 million

2. Dividends

	Annual dividends				
	Q1 (Yen)	Q2 (Yen)	Q3 (Yen)	Year-end (Yen)	Total (Yen)
FY2022 ended March 31, 2023	–	9.00	–	14.50	23.50
FY2023 ending March 31, 2024	–	14.00	–		
FY2023 ending March 31, 2024 (Forecast)				14.00	28.00

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

3. Forecast for Fiscal Year 2023 Ending March 31, 2024

(% indicates year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full-year forecast	1,120,000	11.4	115,000	4.2	104,500	5.0	64,000	32.7	90.10

Note: Revisions to the forecasts most recently announced: None

Total number of shares issued (common stock)

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

As of December 31, 2023: 719,830,974 shares

As of March 31, 2023: 719,830,974 shares

(b) Number of treasury shares at end of period

As of December 31, 2023: 8,152,182 shares

As of March 31, 2023: 10,207,732 shares

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

Nine months ended December 31, 2023: 710,669,904 shares

Nine months ended December 31, 2022: 719,326,776 shares

(Note) The Company has a “Director Stock Ownership Plan Trust” for directors, etc. of the Company and its subsidiaries and a “Tokyu Fudosan Holdings Employee Shareholding Incentive Plan Trust.” The shares of the Company held by the trust accounts of the trusts are included in the number of treasury shares as a deduction in calculating the number of treasury shares at end of period and the average number of shares.

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

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

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

Operating Results and Financial Position

1. Analysis of Operating Results

(1) Overview

The Group's business performance during the first nine months ended December 31, 2023, owing to strong performance in sales of assets and the real estate sales agent business against the backdrop of a strong real estate market, strong performance in the hotel business due to the recovery in demand in Japan and overseas, etc., showed increases both in revenues and profit with ¥717.8 billion in operating revenue (up 11.9% from the same period of the previous fiscal year), ¥75.4 billion in operating profit (up 21.5%), ¥68.0 billion in ordinary profit (up 24.7%), and ¥45.5 billion in profit attributable to owners of parent (up 47.0%).

The progress in the first nine months ended December 31, 2023 relative to the full-year forecasts was 64.1% for operating revenue and 65.5% for operating profit. However, the business conditions are favorable and the Group is making steady progress toward achieving the full-year forecasts.

The first nine months for FY2022 in the tables below was from April 1, 2022 to December 31, 2022 and the first nine months for FY2023 was from April 1, 2023 to December 31, 2023.

(Unit:¥ billion)

	First nine months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Operating revenue	641.7	717.8	76.1	1,005.8	1,120.0
Operating profit	62.0	75.4	13.4	110.4	115.0
Ordinary profit	54.5	68.0	13.5	99.6	104.5
Profit attributable to owners of parent	30.9	45.5	14.5	48.2	64.0

Operating revenue and operating profit

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2023	253.1	490.7	717.8	–
Operating revenue for FY2022	220.3	445.0	641.7	1,005.8
Operating revenue for FY2021	187.3	411.8	634.1	989.0
Operating profit for FY2023	34.5	58.0	75.4	–
Operating profit for FY2022	24.9	45.9	62.0	110.4
Operating profit for FY2021	10.7	33.5	53.2	83.8

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

Operating revenue

(Unit:¥ billion)

	First nine months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Total	641.7	717.8	76.1	1,005.8	1,120.0
Urban Development	179.2	206.9	27.7	346.1	380.6
Strategic Investment	47.3	63.1	15.9	78.8	104.4
Property Management & Operation	240.4	261.0	20.6	337.1	369.2
Real Estate Agents	188.5	208.4	19.8	263.0	284.0
Adjustment for Inter-Company Transactions	(13.7)	(21.6)	(8.0)	(19.1)	(18.2)

Operating profit

(Unit:¥ billion)

	First nine months		Comparison	FY2022	FY2023 forecast
	FY2022	FY2023			
Total	62.0	75.4	13.4	110.4	115.0
Urban Development	25.2	29.7	4.5	58.6	52.8
Strategic Investment	12.2	7.7	(4.4)	15.2	13.9
Property Management & Operation	6.1	15.6	9.5	12.3	21.5
Real Estate Agents	24.8	28.9	4.1	33.7	36.3
Adjustment for Inter-Company Transactions	(6.3)	(6.6)	(0.3)	(9.4)	(9.5)

1) Urban Development

In our Urban Development business, we recorded ¥206.9 billion in operating revenue (up 15.5% from the same period of the previous fiscal year) and ¥29.7 billion in operating profit (up 17.7%).

Overall, the segment saw increases in revenues and profit. Despite a decrease in revenues due to a decrease in the number of condominium units sold in Condominiums, and lost lease revenues due to sales of assets in Leasing (Office buildings) in the previous fiscal year, the segment achieved an increase in revenues mainly due to the contribution to full-year results by KUDAN-KAIKAN TERRACE (Chiyoda-ku, Tokyo) that opened in October 2022, and an increase in the sales of assets in Other (excluding lease in office and commercial facility business) and Other (excluding condominiums in residential business), in the breakdown of operating revenue below.

In the office building market, despite concerns about factors such as a shrinking demand for office buildings due to the diversification of working styles such as telework, leasing activity particularly in the Shibuya area, where a large proportion of the Company's owned properties are located, was robust. Although the vacancy rate (office buildings and commercial facilities) as of December 31, 2023 temporarily rose to 5.7%, this was due to tenants who will move in one after the other from now into Shibuya Sakura Stage (Shibuya-ku, Tokyo), which was newly completed in November 2023. Leasing for offices in Shibuya Sakura Stage is progressing steadily and the contract rate has reached approximately 95%. If Shibuya Sakura Stage is excluded, the vacancy rate (office buildings and commercial facilities) was maintained at a low level of 1.2%

Sales of condominium units continued to show an underlying strength of demand and proceeded strongly. Regarding condominiums during the first nine months ended December 31, 2023, in addition to the recording of BRANZ Shin-Sapporo (Sapporo-shi, Hokkaido) as newly completed and delivered property, sales of completed inventories have been progressing. The ratio of contracted amount for sale to the planned sales amount for the full year for condominiums grew from 82% at the beginning of the fiscal year to 102% (up 0 percentage points from the same period of the previous fiscal year).

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	179.2	206.9	27.7	346.1	380.6
Operating profit	25.2	29.7	4.5	58.6	52.8

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Urban Development	78.4	117.5	39.1	199.8	193.5
Leasing (Office buildings)	40.2	41.1	0.9	54.7	60.0
Leasing (Commercial facilities)	30.8	30.4	(0.4)	40.3	41.5
Other *1	7.4	46.0	38.6	104.8	92.0
Residential	100.8	89.4	(11.4)	146.3	187.1
Condominiums	67.4	22.2	(45.1)	95.5	90.2
Other *2	33.4	67.2	33.7	50.8	96.9

*1 Excluding lease in office and commercial facility business

*2 Excluding condominiums in residential business

Vacancy rate of leasing office buildings and leasing commercial facilities

As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of December 31, 2023
1.3%	1.3%	1.1%	5.7%

* Vacancy rate excluding the newly completed Shibuya Sakura Stage as of December 31, 2023: 1.2%

Major openings (facilities opened during FY2023)

Property name	Use	Completion / Opening	Floor space (thousand m ²)
Shibuya Sakura Stage (Shibuya Sakuragaoka Block Redevelopment Plan)	Office, commercial, residential, etc.	Completed on November 30, 2023	255
COCONO SUSUKINO (Sapporo Susukino Ekimae Complex Development Project)	Hotel, commercial, cinema, etc.	Opened on November 30, 2023	53
Forestgate Daikanyama (Daikanyamacho Project)	Rental housing, commercial, office, etc.	Opened on October 19, 2023	21

Condominiums: condominium units sold

(Units)

	First nine months		Comparison
	FY2022	FY2023	
No. of units sold	940	364	(576)
New supply	1,080	761	(319)
Contracted units	1,283	807	(476)
Inventory of completed units	230	130	(100)

FY2022	FY2023 forecast
1,369	1,271
1,310	890
1,562	—
200	—

2) Strategic Investment

In our Strategic Investment business, we recorded ¥63.1 billion in operating revenue (up 33.6% from the same period of the previous fiscal year) and ¥7.7 billion in operating profit (down 36.6%).

The segment saw an increase in revenues but a decrease in profit. Although the segment achieved an increase in sales of assets of logistics facilities in Infrastructure & Industry, there was a fallback in sales of equity in Overseas business, in the breakdown of operating revenue below.

The renewable energy business is expanding steadily as the number of facilities in operation increased as planned. Total rated capacity after all the facilities in Japan are put into operation (before taking our equity into account) is 1,760 MW.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	47.3	63.1	15.9	78.8	104.4
Operating profit	12.2	7.7	(4.4)	15.2	13.9

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Infrastructure & Industry	34.9	51.3	16.4	63.3	83.7
Asset management	6.2	7.3	1.1	8.9	9.0
Overseas operations	6.2	4.5	(1.7)	6.5	11.7

* Infrastructure & Industry: Renewable energy power generation facilities and logistics facilities, etc.

* Asset management: J-REIT and fund management, etc.

Renewable energy power generation facilities in operation

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of December 31, 2023
No. of facilities	38	66	65	72
Rated capacity (MW)	730	882	1,034	1,291

* Rated capacity indicates the capacity of only projects in Japan before taking our equity into account.

* From March 31, 2023, rooftops (rooftop solar power generation facilities) are excluded from facilities in operation and rated capacity (MW).

3) Property Management & Operation

In our Property Management & Operation business, we recorded ¥261.0 billion in operating revenue (up 8.6% from the same period of the previous fiscal year) and ¥15.6 billion in operating profit (up 156.8%).

Overall, the segment saw increases in revenues and profit. The segment achieved an increase in revenues mainly due to an increase in construction of buildings in Property Management and an increase in revenue in Wellness mainly due to strong performances in the hotel business supported by a recovery in demand in Japan and overseas, in the breakdown of operating revenue below.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	240.4	261.0	20.6	337.1	369.2
Operating profit	6.1	15.6	9.5	12.3	21.5

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Property Management	151.5	157.7	6.2	213.1	219.0
Condominiums	93.4	92.1	(1.3)	131.2	128.2
Office buildings	58.1	65.6	7.5	81.9	90.8
Wellness	80.1	95.4	15.3	110.3	136.9
Hotels	31.0	41.1	10.1	42.2	53.8
Leisure facilities	11.3	9.3	(2.0)	19.1	16.4
Healthcare	19.7	21.3	1.5	26.5	27.9
Other	18.1	23.8	5.7	22.5	38.8
Environmental greening, etc.	8.8	7.9	(0.9)	13.7	13.3

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

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

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

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

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of December 31, 2023	FY2023 forecast
Condominiums (units)	839,891	831,603	867,891	863,018	857,936
Buildings (no. of contracts)	1,532	1,626	1,656	1,669	1,674

4) Real Estate Agents

In our Real Estate Agents business, we recorded ¥208.4 billion in operating revenue (up 10.5% from the same period of the previous fiscal year) and ¥28.9 billion in operating profit (up 16.7%).

Overall, the segment saw increases in revenues and profit. The main factors for this increase in revenues were an increase in the transaction amounts along with strong activity in the real estate transaction market in the Real Estate Sales Agents business, and an increase in sales of development projects in Real Estate Sales in the breakdown of operating revenue below.

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Operating revenue	188.5	208.4	19.8	263.0	284.0
Operating profit	24.8	28.9	4.1	33.7	36.3

Breakdown of operating revenue

	First nine months		Comparison	(Unit:¥ billion)	
	FY2022	FY2023		FY2022	FY2023 forecast
Real Estate Agents	119.9	136.9	17.0	164.2	184.8
Real estate sales agent	57.6	61.5	3.9	80.0	84.5
Real estate sales	57.2	70.9	13.7	77.2	92.1
Consignment sales, etc.	5.1	4.5	(0.6)	7.0	8.2
Rental housing service	68.6	71.5	2.8	98.7	99.2

Real estate sales agent

	As of	As of	Comparison	FY2022	FY2023 forecast
	December 31, 2022	December 31, 2023			
Number of transactions	21,704	21,998	294	29,577	30,101
Transaction amounts (Billions of yen)	1,298.8	1,501.1	202.4	1,821.3	1,909.9

*Total of retail and wholesale

(2) Analysis of Financial Position

As of the end of the third quarter ended December 31, 2023, total assets increased by ¥237.7 billion compared to the end of the previous fiscal year and total liabilities increased by ¥183.2 billion compared to the end of the previous fiscal year.

(Unit:¥ billion)

	As of March 31, 2023	As of December 31, 2023	Comparison	
Total assets	2,738.5	2,976.1	237.7	
Total liabilities	2,037.8	2,221.0	183.2	
Net assets	700.7	755.2	54.5	
Equity	684.6	736.3	51.7	
Equity ratio	25.0%	24.7%	(0.3)P	As of March 31, 2024 (Forecast)
ROA	4.1%	–	–	4.1%
ROE	7.3%	–	–	8.9%
Interest-bearing debt	1,482.9	1,645.1	162.2	1,650.0
DER	2.2×	2.2×	0.1	2.2×
Revised DER	2.0×	2.0×	0.0	1.9×

DER: Interest-Bearing Debt/Equity

Revised DER: DER that considers the equity nature of hybrid financing on the rating

(3) Forecast for Fiscal Year 2023 Ending March 31, 2024

	Operating revenue (Billions of yen)	Operating profit (Billions of yen)	Ordinary profit (Billions of yen)	Profit attributable to owners of parent (Billions of yen)
Full-year forecast	1,120.0	115.0	104.5	64.0

Reference: Projected earnings per share (full-year): ¥90.10

There is no change from the forecasts announced on November 7, 2023.

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

Third Quarter Consolidated Balance Sheet

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	170,985	207,509
Notes and accounts receivable - trade, and contract assets	45,771	44,071
Securities	15,023	14,658
Merchandise	846	1,102
Real estate for sale	388,913	473,941
Real estate for sale in process	403,434	439,654
Costs on construction contracts in progress	2,833	7,521
Supplies	750	942
Other	87,133	115,303
Allowance for doubtful accounts	(88)	(89)
Total current assets	1,115,603	1,304,616
Non-current assets		
Property, plant and equipment		
Buildings and structures	554,989	588,029
Accumulated depreciation	(206,937)	(214,303)
Buildings and structures, net	348,052	373,726
Land	580,111	599,455
Construction in progress	81,368	54,239
Other	112,183	119,324
Accumulated depreciation	(55,259)	(58,822)
Other, net	56,923	60,501
Total property, plant and equipment	1,066,456	1,087,923
Intangible assets		
Goodwill	53,412	49,632
Other	52,468	41,725
Total intangible assets	105,880	91,357
Investments and other assets		
Investment securities	295,496	328,611
Leasehold and guarantee deposits	92,580	92,843
Other	62,755	71,110
Allowance for doubtful accounts	(314)	(319)
Total investments and other assets	450,517	492,246
Total non-current assets	1,622,854	1,671,527
Total assets	2,738,458	2,976,143

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

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,847	33,626
Short-term borrowings	156,431	155,581
Current portion of bonds payable	10,000	10,000
Commercial papers	–	99,000
Income taxes payable	11,098	18,485
Provisions	17,436	10,100
Other	169,277	184,881
Total current liabilities	406,090	511,674
Non-current liabilities		
Bonds payable	270,000	280,000
Long-term borrowings	1,046,501	1,100,521
Long-term leasehold and guarantee deposits received	204,371	214,265
Retirement benefit liability	29,917	30,477
Provisions	820	846
Other	80,053	83,166
Total non-current liabilities	1,631,665	1,709,276
Total liabilities	2,037,755	2,220,950
Net assets		
Shareholders' equity		
Share capital	77,562	77,562
Capital surplus	165,707	165,707
Retained earnings	392,461	417,398
Treasury shares	(6,502)	(5,195)
Total shareholders' equity	629,228	655,472
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,485	14,254
Deferred gains or losses on hedges	7,231	6,982
Revaluation reserve for land	8,977	8,977
Foreign currency translation adjustment	26,798	50,675
Remeasurements of defined benefit plans	(96)	(24)
Total accumulated other comprehensive income	55,397	80,865
Share acquisition rights	5	5
Non-controlling interests	16,071	18,850
Total net assets	700,702	755,193
Total liabilities and net assets	2,738,458	2,976,143

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

Third Quarter Consolidated Statements of (Comprehensive) Income

(Third Quarter Consolidated Statement of Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	First nine months FY2022 (from April 1, 2022 to December 31, 2022)	First nine months FY2023 (from April 1, 2023 to December 31, 2023)
Operating revenue	641,742	717,821
Operating costs	519,604	578,038
Operating gross profit	122,138	139,782
Selling, general and administrative expenses	60,141	64,429
Operating profit	61,996	75,353
Non-operating income		
Interest income	140	280
Dividend income	304	384
Foreign exchange gains	173	117
Share of profit of entities accounted for using equity method	-	98
Guarantee commission income	452	463
Debt prescription profit	-	306
Other	572	938
Total non-operating income	1,644	2,590
Non-operating expenses		
Interest expenses	7,979	8,935
Share of loss of entities accounted for using equity method	186	-
Other	959	1,008
Total non-operating expenses	9,125	9,943
Ordinary profit	54,515	68,000
Extraordinary income		
Gain on sale of investment securities	56	-
Gain on sale of non-current assets	295	-
Total extraordinary income	351	-
Extraordinary losses		
Impairment losses	3,256	820
Total extraordinary losses	3,256	820
Profit before income taxes	51,610	67,180
Income taxes	20,341	20,931
Profit	31,268	46,248
Profit attributable to non-controlling interests	344	796
Profit attributable to owners of parent	30,924	45,451

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

(Third Quarter Consolidated Statement of Comprehensive Income)

Tokyu Fudosan Holdings Corporation

(Review has not been completed.)

(Millions of yen)

	First nine months FY2022 (from April 1, 2022 to December 31, 2022)	First nine months FY2023 (from April 1, 2023 to December 31, 2023)
Profit	31,268	46,248
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,433)	1,768
Deferred gains or losses on hedges	4,239	(420)
Foreign currency translation adjustment	6,443	5,474
Remeasurements of defined benefit plans, net of tax	132	71
Share of other comprehensive income of entities accounted for using equity method	31,982	18,400
Total other comprehensive income	41,363	25,294
Comprehensive income	72,632	71,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	72,229	70,920
Comprehensive income attributable to non-controlling interests	403	622

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