

Presentation Material for  
FY2023  
(Ended December 31, 2023)

February 13, 2024



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## FY2023 Business Results

- In FY2023, revenue and profit increased due to factors such as an increase in sales and gross profit of property sales to investors in each segment of Commercial Properties, Residential, and Asset Service, and growth in brokerage and parking business revenue.
- Operating revenue reached a new high for the seventh consecutive year and profit attributable to owners of parent reached a new high for the eighth consecutive year.

## FY2024 Full-Year Earnings Forecast

- In FY2024, revenue and profit are expected to increase due to factors such as an increase in sales and gross profit of for-sale condominiums.

## Dividend

- For FY2023, the plan is to raise the annual dividend from the previous fiscal year's ¥65 per share to ¥73 per share, resulting in a payout ratio of 33.8%. The company expects to increase dividends for the tenth consecutive year.
- For FY2024, annual dividend of ¥79 per share (payout ratio of 34.4%) is estimated in light of the full-year earnings forecast.

## Topics

- Jointly developed a large multi-family residential rental building in the suburbs of Washington D.C., USA (November)
- Sustainable carbon-neutral initiatives leveraging logistics properties and self-consignment system Received the “Minister of the Environment Awards for Climate Action” of the Ministry of the Environment (December)
- Newly acquired 2023 DBJ Green Building Certification in 6 properties Received the highest rating (5 stars) for Brillia ist Shinonome Canal Court (December)

- In FY2023, revenue and profit increased due to factors such as an increase in sales and gross profit of property sales to investors in each segment of Commercial Properties, Residential, and Asset Service, and growth in brokerage and parking business revenue.

(Unit: ¥ billion)	2022/12 Actual	2023/12 Actual	Increase/ Decrease	Main factors for increase/decrease	Announced in November 2023	
					2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	349.9	375.9	26.0		375.0	100%
Commercial properties	145.1	155.2	10.1		156.0	100%
Residential	131.3	134.1	2.7		133.0	101%
Asset service	50.2	63.8	13.5		63.0	101%
Other	23.1	22.7	(0.4)		23.0	99%
<b>Operating profit</b>	64.4	70.5	6.0	· Operating revenue; Business profit See Business Results by Segment	67.5	104%
Share of profit (loss) of entities accounted for using equity method	1.8	3.9	2.0		4.5	87%
<b>Business profit *</b>	66.3	74.4	8.1		72.0	103%
Commercial properties	41.2	40.1	(1.0)		40.0	100%
Residential	23.3	27.1	3.8		25.5	106%
Asset service	7.3	12.9	5.5		12.0	108%
Other	4.0	4.4	0.4		5.0	89%
Elimination/Corporate	(9.6)	(10.2)	(0.5)		(10.5)	98%
<b>Non-operating income</b>	6.3	9.2	2.9	Increase in share of profit of entities accounted for using equity method, etc.	10.0	92%
<b>Non-operating expenses</b>	7.2	10.2	2.9	Recording of exchange loss, increase in interest expenses, etc.	9.0	114%
Interest expense	6.0	7.2	1.1		-	-
<b>Ordinary profit</b>	63.5	69.4	5.9		68.5	101%
<b>Extraordinary income</b>	1.6	3.0	1.3		3.0	100%
<b>Extraordinary loss</b>	2.4	4.0	1.6		4.0	102%
<b>Profit before income taxes</b>	62.7	68.4	5.6		67.5	101%
<b>Profit attributable to owners of parent</b>	43.0	45.0	2.0		45.0	100%

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

- Total assets increased by ¥185.1 billion due to factors such as an increase in real estate for sale as a result of investing in properties for sale to investors, for-sale condominiums, etc.

(Unit: ¥ billion)	2022/12-end	2023/12-end	Increase/ Decrease	Main factors for increase/decrease
<b>Total assets</b>	1,720.1	1,905.3	185.1	
Current assets	552.5	692.4	139.9	• Real estate for sale Investment in properties for sale to investors and for-sale condominiums
Cash and deposits	82.4	127.3	44.8	
Real estate for sale	414.9	4,98.9	84.0	
Other	55.1	66.1	10.9	
Non-current assets	1,167.6	1,212.8	45.2	• Property, plant and equipment Investment in large-scale redevelopment projects, etc.
Property, plant and equipment	814	843.5	28.6	
Intangible assets	132	131.6	(1.0)	
Investments and other assets	219	237.6	17.6	
<b>Total liabilities</b>	1,263.2	1,397.2	133.9	• Interest-bearing debt Increase in loans payable, etc.
Interest-bearing debt	989	1,089.0	99.2	
Other liabilities	273.4	308.2	34.7	
<b>Total net assets</b>	456.8	508.0	51.1	• Shareholders' equity Profit attributable to owners of parent +¥45.0 billion; Dividends paid -¥15.0 billion
Shareholders' equity	348.0	377.8	29.7	
Accumulated other comprehensive income	97.9	119.0	21.1	
Non-controlling interests	10.8	11.1	0.2	
Capital adequacy ratio	25.9%	26.1%	0.2p	• Net debt equity ratio: 1.9x
Debt equity ratio <sup>*1</sup>	2.2	2.2	-	
Interest-bearing debt / EBITDA multiple <sup>*2</sup>	11.1	10.9	(0.2)	

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

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

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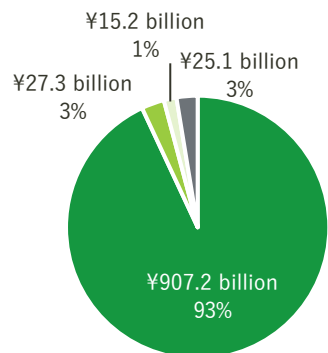
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## Breakdown of Property, Plant and Equipment and Intangible Assets

- Commercial Properties business
- Residential business
- Asset Service business
- Other

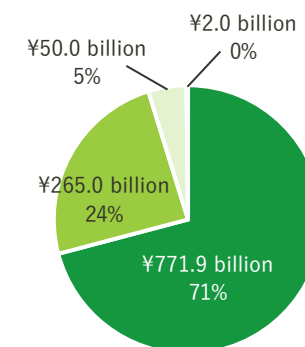


## Total assets : ¥1,905.3 billion

Current assets		692.4	Liabilities		1,397.2
Cash and deposits	127.3		Interest-bearing debt	1,089.0	
Real estate for sale	498.9		Loans payable	771.9	
Real estate for sale	232.4		Bonds payable	265.0	
Real estate for sale in progress	166.1		Commercial papers	50.0	
Real estate for development	100.3		Other	2.0	
Other	66.1		Other liabilities	308.2	
Non-current assets		1,212.8			
Property, plant and equipment	843.5				
Intangible assets	131.6				
Investments and other assets	237.6				
Net assets		508.0			
			Shareholders' equity	377.8	
			Accumulated other comprehensive income	119.0	
			Non-controlling interests	11.1	

## Breakdown of Interest-Bearing Debt

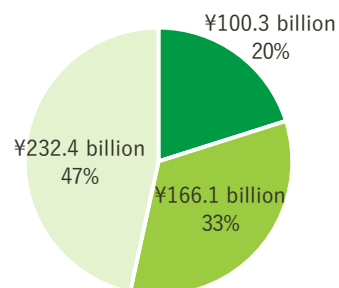
- Loans payable
- Bonds payable
- Commercial papers
- Other



## Breakdown of Real Estate for Sale

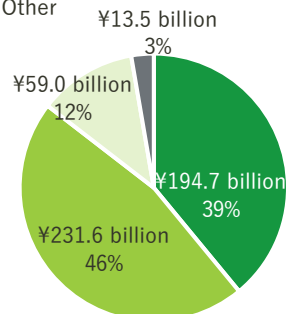
### —By Status of Development—

- Real estate for development (land)
- Real estate for sale in progress
- Real estate for sale (completed)



### By Segment

- Commercial Properties business
- Residential business
- Asset Service business
- Other



## Status of Debt Equity Ratio

	2023/12-end	
		Taking into account hybrid loans/bonds*3
Debt equity ratio*1	2.2x	1.8x
Net debt equity ratio*2	1.9x	1.6x

\*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

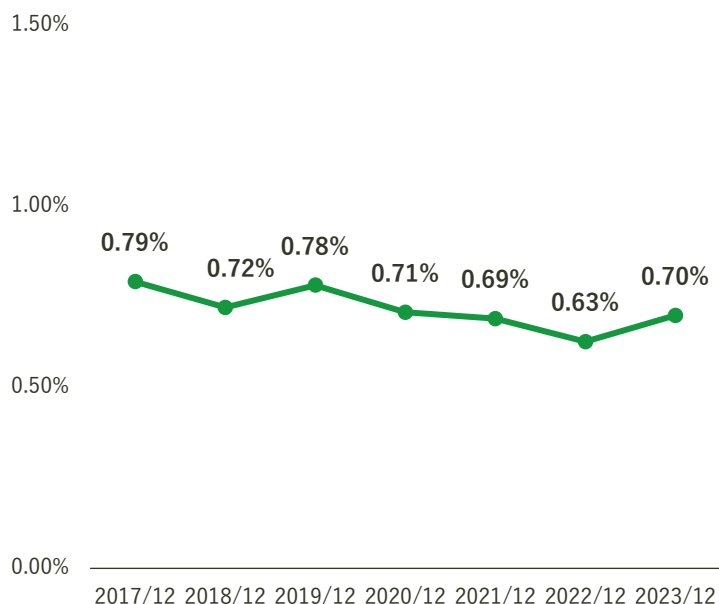
## External Ratings

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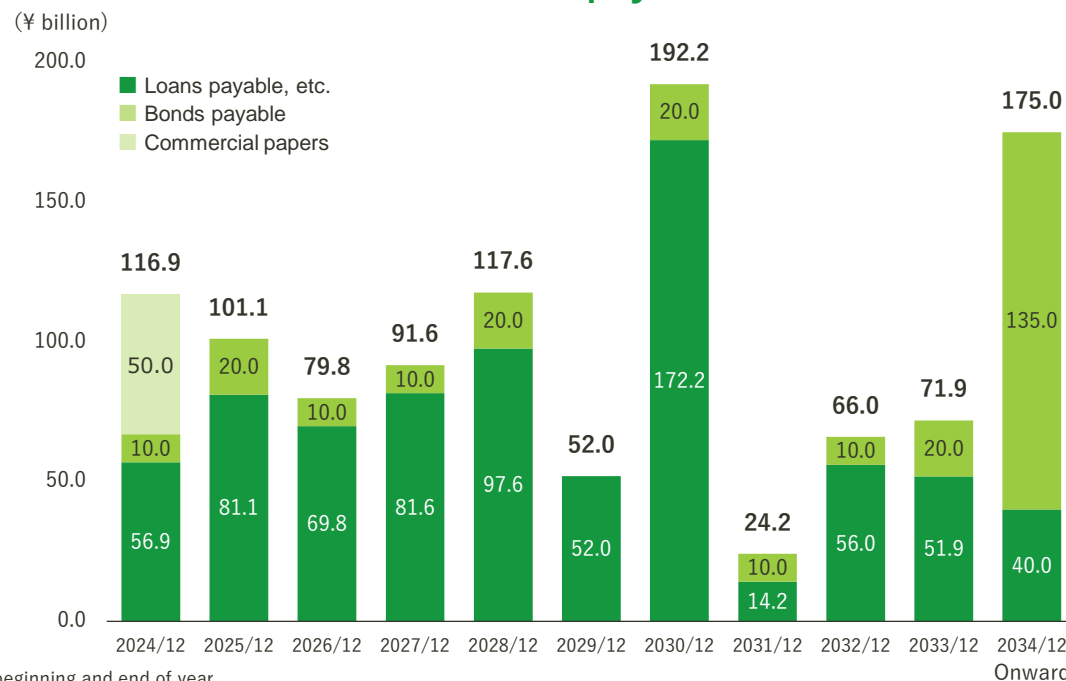
## Interest-Bearing Debt

Average interest rate* <sup>1</sup>	0.70 %
Average remaining years* <sup>2</sup>	6.4 years
Ratio of long-term debt	95.4 %
Ratio of fixed-interest rate	98.3 %

## Average Interest Rates



## Diversification of Repayment Dates



\*1 Average interest rate = Interest expenses ÷ Average balance of interest-bearing debt at beginning and end of year

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



- In FY2023, as a result of progress in acquisition of land for development of for-sale condominiums and properties for sale to investors, balance of real estate for sale increased to ¥498.9 billion. (An increase of ¥84.0 billion from the end of the previous fiscal year.)
- Total investment amount (based on decisions made) in properties for sale to investors increased by ¥60.0 billion to approximately ¥560.0 billion.  
Condominiums for sale of approximately 7,600 units were secured with steady increase in land bank.

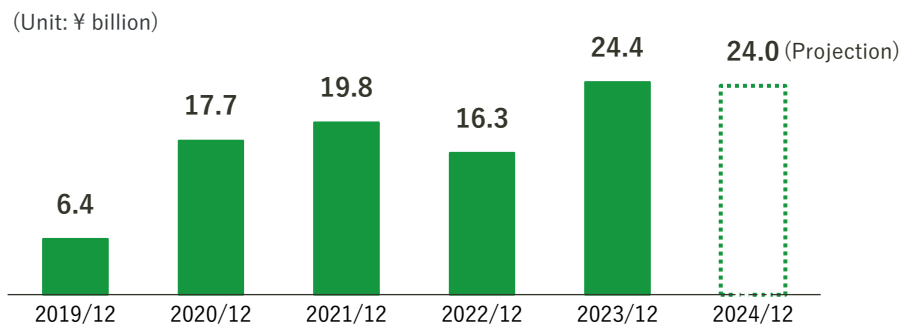
## Balance of Real Estate for Sale

(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	194.7	Approx. 420.0	▶ p.20
For-rent condominiums	Residential	42.6	Approx. 75.0	▶ p.31
Asset solution	Asset Service	59.0	59.0	▶ p.33
<b>Properties for sale to investors</b>		<b>296.3</b>	<b>Approx. 560.0</b>	
<b>For-sale condominiums, etc.</b>		<b>202.6</b>	—	
<b>Total</b>		<b>498.9</b>	—	

Property sales to investors (Commercial properties, for-rent condominiums, asset solution)	
<b>Total investment amount*<sup>1</sup></b> (based on decisions made)	<b>Approx. ¥560.0 billion</b> (up ¥60.0 billion from the end of 2022)
	→ Estimated gain on sale* <sup>2</sup> <b>Approx. ¥98.0 billion</b>
<b>Projects to be acquired in 2023</b>	<ul style="list-style-type: none"> <li>• 6 logistics properties, 4 hotels, 1 retail facility, 3 offices</li> <li>• 8 for-rent condominiums</li> <li>• 32 asset solutions</li> </ul>
<b>Projects already sold in 2023</b>	<ul style="list-style-type: none"> <li>• 5 logistics properties, 1 retail facility, 3 offices</li> <li>• 9 for-rent condominiums</li> <li>• 22 asset solutions</li> </ul>
For-sale condominiums	
<b>Land bank</b> (including 1,740 units scheduled to be posted in 2024)	<b>Approx. 7,600 units</b> Acquired 800 units in 2023

## Gross Profit on Property Sales to Investors



\*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.

- Cash and cash equivalents at end of the period increased due to recovering investments through sales of condominiums for sale and properties for investors and fundraising such as borrowing, although there were expenditures related to investments in real estate for sale and acquisition of non-current assets.

(Unit: ¥ billion)	Announced in November 2023		Main breakdown
	2023/12 Full-year forecasts	2023/12 Actual	
Cash flows from operating activities	0.0	20.5	Profit before income taxes +¥68.4 billion; Depreciation +¥20.4 billion; Increase in inventories -¥73.7 billion; Income taxes paid -¥13.6 billion
Cash flows from investing activities	(55.0)	(54.0)	Sale and redemption of investment securities +¥7.6 billion; Purchase of non-current assets -¥44.7 billion; Payment due to leasing -¥17.6 billion
Cash flows from financing activities	75.0	77.9	Long-term loans payable +¥85.2 billion; Bonds payable +¥10.0 billion; Dividends paid -¥15.0 billion
Effect of exchange rate change on cash and cash equivalents	-	0.4	
Cash and cash equivalents at end of period	102.4	127.3	

- It is necessary to monitor events that have an impact on profitability such as construction 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 and Residential businesses.

## 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.</li> </ul>
	<p><b>Projects that started in or before FY2022</b></p> <p>Almost no impact.</p>
	<p><b>Projects that were acquired or yet to start in FY2022</b></p> <p>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.</p>
	<p><b>New projects that started in or after FY2023</b></p> <p>Decisions on investment value will be made based on trends in construction expenses.</p>
Interest rates	<ul style="list-style-type: none"> <li>Interest rates are rising, but the impact has been suppressed 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 moderately high level 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.</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>Brokerage: The brokerage business is expected to continue to perform well backed by a steady real estate transaction market.</li> <li>Parking business: Focus will be on acquiring new projects, and an increase in the number of parking spaces and growth are expected</li> </ul>
Other	<ul style="list-style-type: none"> <li>Leisure business: Dog-friendly hotels and golf courses performed well. Bathing facilities also recovered to pre-COVID levels. Aim for further improvement of profitability.</li> </ul>

- In FY2024, revenue and profit are expected to increase due to factors such as an increase in sales and gross profit of for-sale condominiums.

(Unit: ¥ billion)	2023/12 Full-year actual	2024/12 Full-year forecast	Increase/ Decrease	Main factors for increase/decrease
<b>Operating revenue</b>	375.9	495.0	119.0	<ul style="list-style-type: none"> <li>• Operating revenue Revenue increased due to factors such as an increase in sales of for-sale condominiums and property sales to investors</li> <li>• Breakdown of share of profit (loss) of entities accounted for using equity method: ¥0 billion for commercial properties (-¥1.6 billion), + ¥2.0 billion for other business (-¥0.2 billion).</li> <li>• Business profit Profit increased due to factors such as an increase in gross profit of for-sale condominiums.</li> <li>• Decrease in share of profit of entities accounted for using equity method, etc.</li> <li>• Dividends paid on real estate specified joint enterprise law, increase in interest expenses, etc.</li> </ul>
Commercial properties	155.2	201.0	45.7	
Residential	134.1	212.0	77.8	
Asset service	63.8	60.0	(3.8)	
Other	22.7	22.0	(0.7)	
<b>Operating profit</b>	70.5	75.0	4.4	
Share of profit (loss) of entities accounted for using equity method	3.9	2.0	(1.9)	
<b>Business profit*</b>	74.4	77.0	2.5	
Commercial properties	40.1	42.5	2.3	
Residential	27.1	33.5	6.3	
Asset service	12.9	9.0	(3.9)	
Other	4.4	4.0	(0.4)	
Elimination/Corporate	(10.2)	(12.0)	(1.7)	
Non-operating income	9.2	7.0	(2.2)	
Non-operating expenses	10.2	15.0	4.7	
<b>Ordinary profit</b>	69.4	67.0	(2.4)	
Extraordinary income	3.0	5.0	1.9	
Extraordinary loss	4.0	3.0	(1.0)	
Profit before income taxes	68.4	69.0	0.5	
<b>Profit attributable to owners of parent</b>	45.0	48.0	2.9	
Cash flows from operating activities	20.5	20.0		
Cash flows from investing activities	(54.0)	(170.0)		
Cash flows from financing activities	77.9	100.0		

\* 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 Actual	2023/12 Actual	2024/12 Forecasts	Overview
<b>All segments (excluding property sales to investors) total</b>		<b>59.6</b>	<b>60.2</b>	<b>65.0</b>	
<b>Commercial Properties:</b>	Building leasing, etc.	32.7	29.7	23.5	FY2023: Income decreased due to an increase in costs FY2024: Income is expected to decrease due to factors such as an increase in taxes and public dues and depreciation resulting from the acquisition of new assets and increase of assets owned
<b>Residential:</b>	For-sale condominiums, etc.	19.4	20.2	31.5	FY2023: Maintained strong performance, and profits remained generally flat FY2024: Income is expected to increase significantly due to factors such as an increase in the number of condominium sales posted
<b>Asset Service:</b>	Parking lots, brokerage, etc.	3.3	5.7	6.0	FY2023: Income increased due to factors such as an increase in the number of parking spaces in parking business and strong performance in brokerage FY2024: Expected to maintain strong performance
<b>Other:</b>	Leisure & childcare, fund, overseas	4.0	4.4	4.0	FY2023: Income increased due to an increase in income from overseas businesses FY2024: Income is expected to decrease due to a decrease in income from overseas businesses
<b>Property sales to investors Total*1</b>		<b>16.3</b>	<b>24.4</b>	<b>24.0</b>	
<b>Commercial Properties</b>	Logistics, Hotel, Retail facilities, Offices	8.4	10.3	19.0	FY2023: Sold a total of nine logistics properties, etc. FY2024: Income is expected to increase significantly due to an increase in the number of properties sold
<b>Residential</b>	For-rent condominiums	3.8	6.8	2.0	FY2023: Sold a total of nine for-rent condominiums FY2024: Income is expected to decrease due to a decrease in the number of properties sold
<b>Asset Service</b>	Asset solutions	4.0	7.1	3.0	FY2023: Income increased backed by a strong market FY2024: Income is expected to decrease due to a decrease in gross margin, etc.
<b>Other</b>		—	—	—	—
<b>Elimination / Corporate</b>		<b>(9.6)</b>	<b>(10.2)</b>	<b>(12.0)</b>	
<b>Total business profit*2</b>		<b>66.3</b>	<b>74.4</b>	<b>77.0</b>	

\*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

- In FY2024, the gross amount of investment is expected to be ¥440.0 billion due to investments in large-scale redevelopments, 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

	5-year Plan (Initial)	Results for 2020-2023 and Plan for 2024					Total
		2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Plan	
(Unit: ¥ billion)							
Gross investment	1,400.0	189.1	128.9	191.0	257.0	440.0	1,206.0
Investment in large-scale redevelopment	230.0	13.8	0.0	11.3	19.7	115.0	159.8
Investment in for-sale condominium projects	430.0	64.4	46.1	75.8	85.8	115.0	387.1
Investment in properties for sale to investors	550.0	63.6	57.9	91.1	106.5	130.0	449.1
Investment in the overseas business	70.0	1.6	3.4	0.7	19.4	30.0	55.1
Other*	120.0	45.7	21.5	12.1	25.7	50.0	155.0
Recovered	900.0	120.6	121.3	112.7	136.4		
Net investment	500.0	68.5	7.6	78.3	120.6		

\* 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.

- The trends in business profits and profit attributable to owners of parent for the previous fiscal years are as follows: We aim to achieve business profit of ¥75.0 billion, the target under the medium-term business plan, in FY2024.

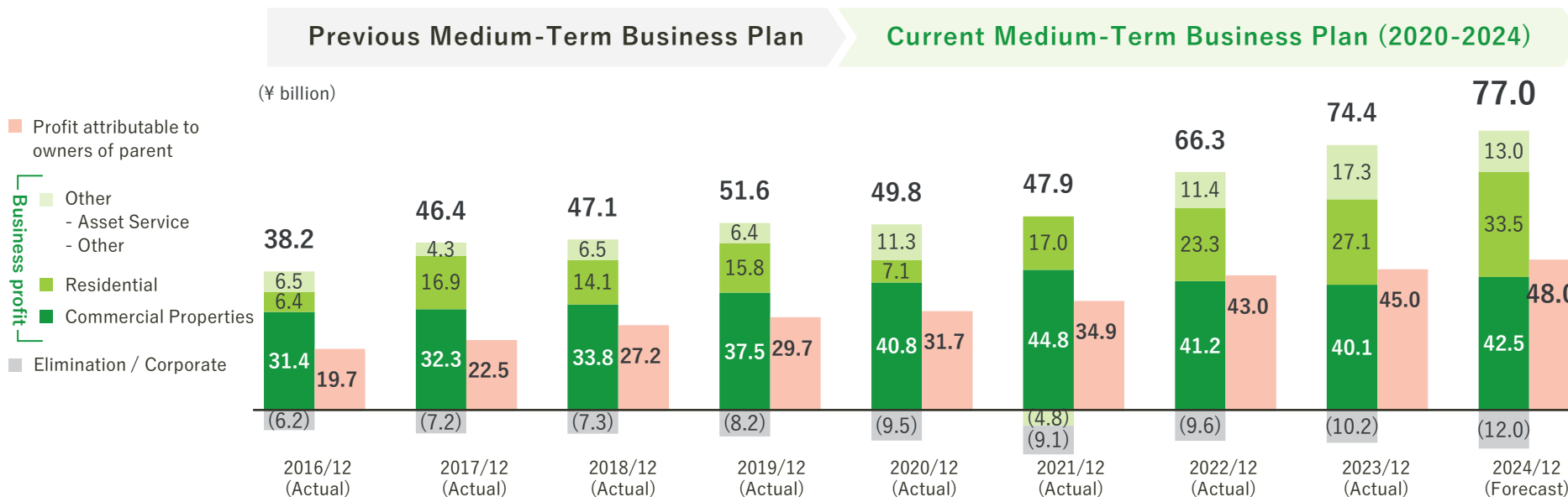
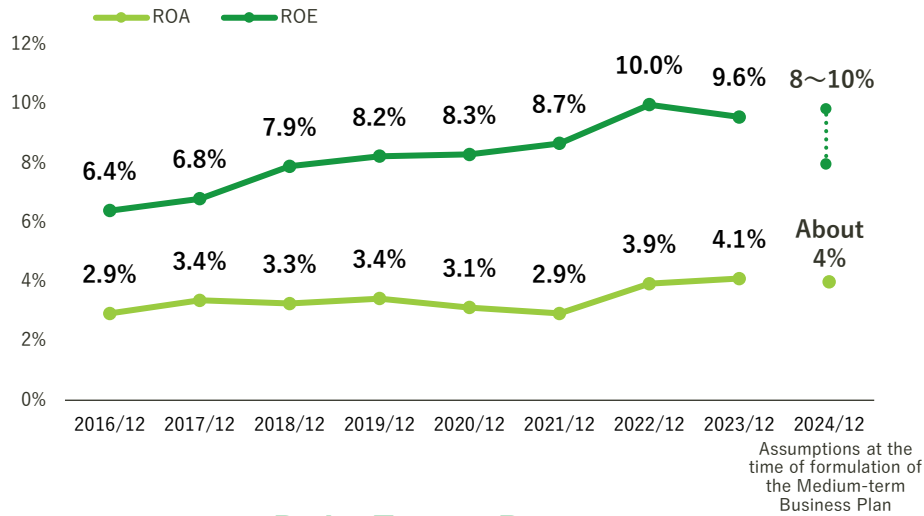
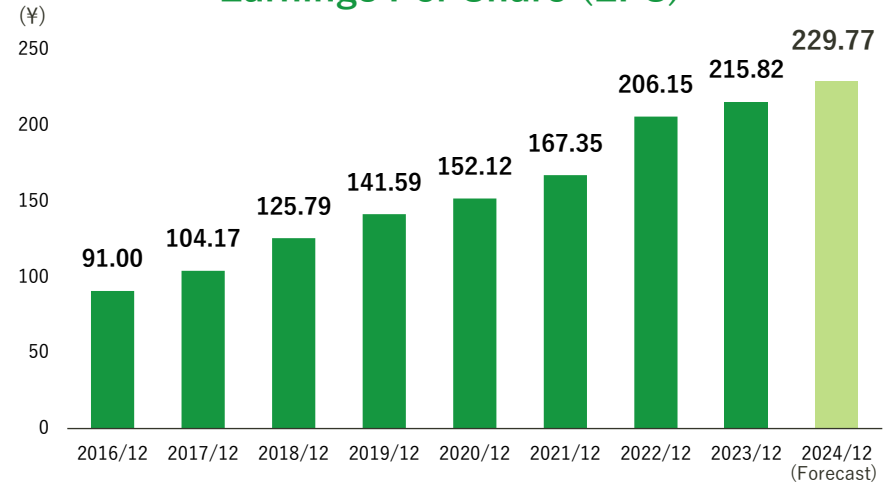


	Image of Profit Growth When Formulating the Medium-Term Business Plan (As of February 2020)	Changes Since Start of Medium-Term Business Plan
<b>Commercial Properties:</b> - Building leasing, etc.	→ Although the number of buildings in operation decreased with the progress of redevelopment projects, rent income is anticipated to be maintained due to expected internal growth through upward rent revision.	↘ 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.
<b>Residential:</b> - For-sale condominiums	→ Stable profit is expected to be recorded through continued acquisition of development opportunities.	↗ Sales prices increased more than initially anticipated, and the gross margin also increased. Sufficient land bank was also secured.
<b>Other</b>	↗ Growth in brokerage, fund business, parking business and overseas businesses is expected.	→ Growth slowed more than anticipated mainly in overseas businesses and the parking business due to the impact of the COVID-19 pandemic, etc.
<b>Property sales to investors</b>	↗ Income growth is expected due to ongoing acquisition of development opportunities and flexible sales.	↗ Recording of higher gains on sales than anticipated continues, backed by a strong real estate transaction market.

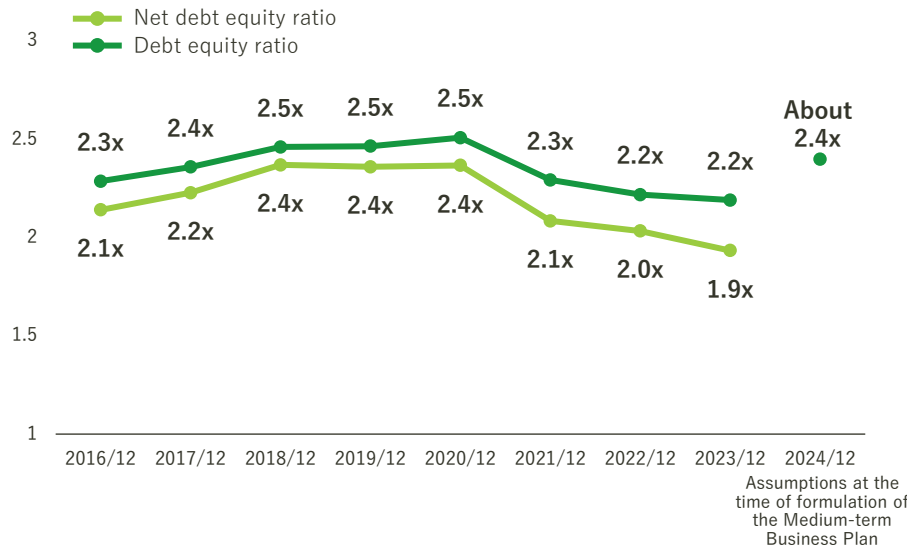
## ROA, ROE\*



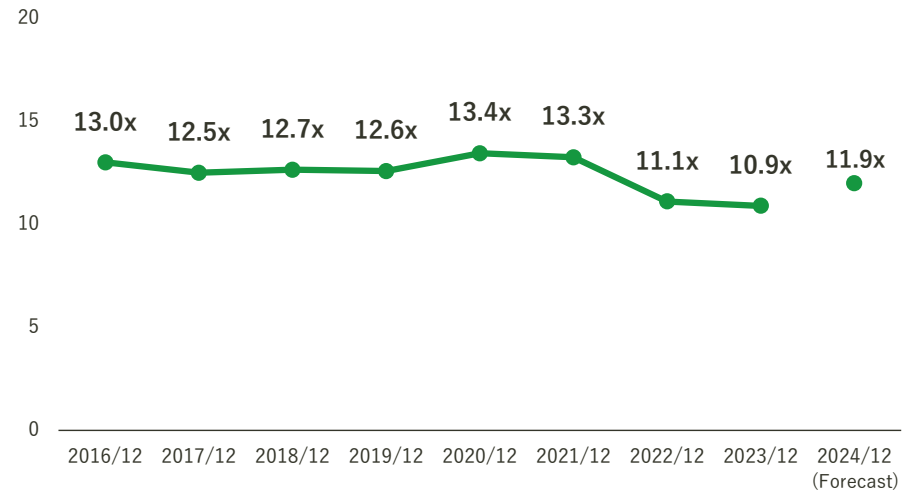
## Earnings Per Share (EPS)



## Debt Equity Ratio



## Interest-Bearing Debt / EBITDA Multiple

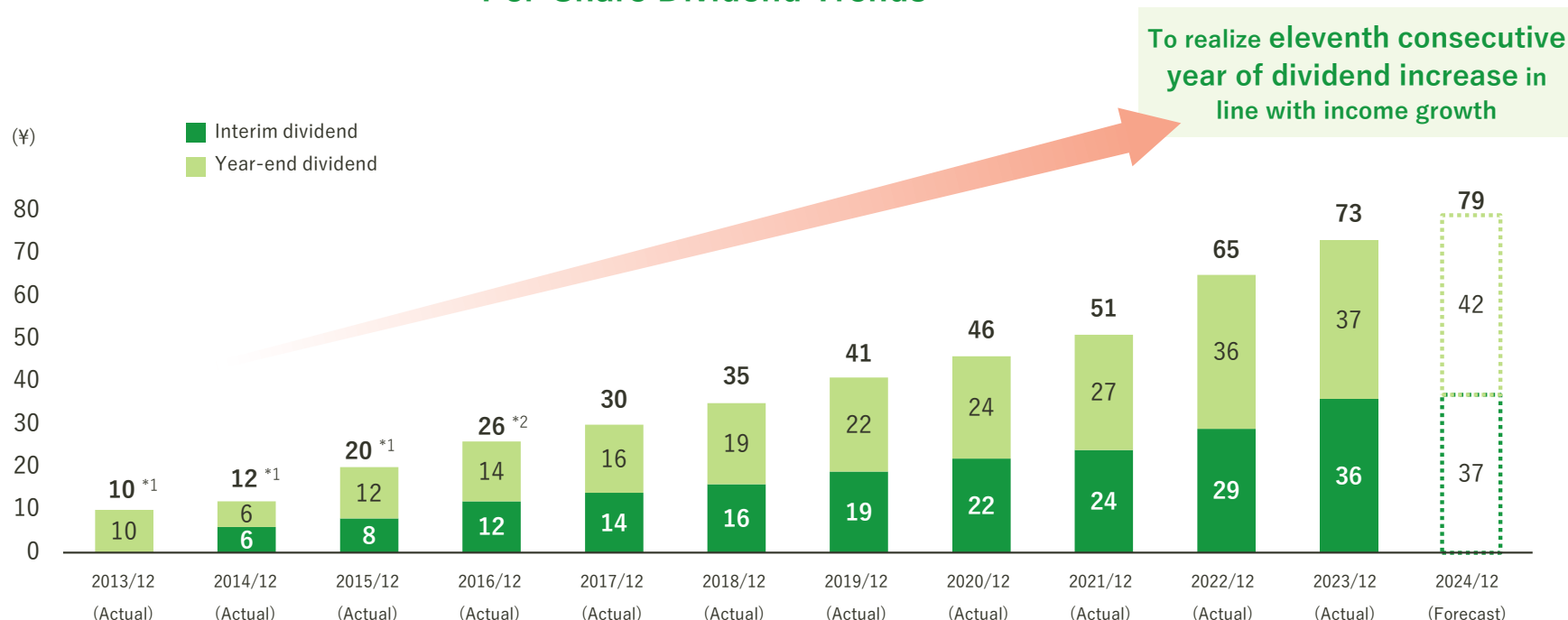


\* ROA = Business profit / Average balance of total assets at beginning of period and total assets at end of period  
 ROE = Profit attributable to owners of parent / Average balance of equity capital at beginning of period and equity capital at end of period



- For FY2023, the plan is to raise the annual dividend from the previous fiscal year's ¥65 per share to ¥73 per share, resulting in a payout ratio of 33.8%.  
The company expects to increase dividends for the tenth consecutive year.
- For FY2024, annual dividend of ¥79.0 per share (payout ratio of 34.4%) is estimated in light of the full-year earnings forecast.

## Per-Share Dividend Trends



	2013/12	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)
Consolidated payout ratio	21.2%	3.1%	26.3%	28.6%	28.8%	27.8%	29.0%	30.2%	30.5%	31.5%	33.8%	34.4%
Consolidated total return ratio	21.2%	3.1%	26.3%	28.6%	28.8%	27.8%	62.5%	30.2%	30.5%	31.5%	33.8%	-
Stock price at end of period <sup>*1</sup>	¥2,336	¥1,762	¥1,323	¥1,563	¥1,522	¥1,140	¥1,709	¥1,415	¥1,680	¥1,599	¥2,112	-
Dividend yield <sup>*3</sup>	0.4%	0.7%	1.5%	1.7%	2.0%	3.1%	2.4%	3.3%	3.0%	4.1%	3.5%	-

### 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 FY2023 and Full-Year Earnings Forecast for FY2024

- In FY2023, revenue increased and profit decreased due to factors such as an increase in expenses of leasing of buildings, although sales and gross profit of property sales to investors increased.
- In FY2024, revenue and profit are expected to increase due to factors such as an increase in property sales to investors, although expenses of leasing of buildings is expected to increase.

(Unit: ¥ billion)				Factors for increase/decrease	Announced in November 2023	
	2022/12 Actual	2023/12 Actual	Increase/ Decrease		2023/12 Full-year forecast	Achievement rate
<b>Operating revenue</b>	145.1	155.2	10.1		156.0	100%
Leasing of buildings	76.7	78.2	1.5	New operations +¥0.3 billion; Full-year operations +¥1.3 billion; Sale, reconstruction, etc. -¥3.1 billion; Existing buildings +¥2.9 billion	78.0	100%
Sales of real estate	29.8	38.6	8.8	Property sales to investors +¥8.8 billion (FY2022 cumulative total: ¥29.3 billion; FY2023 cumulative total: ¥38.2 billion)	39.0	99%
Building management service, etc.	37.9	37.0	(0.8)		37.5	99%
Dividends	0.6	1.2	0.5		1.5	83%
<b>Operating profit</b>	40.9	38.4	(2.4)		38.5	100%
<b>Business profit</b>	41.2	40.1	(1.0)	Property sales to investors +¥1.9 billion (FY2022 cumulative total: ¥8.4 billion; FY2023 cumulative total: ¥10.3 billion)	40.0	100%
(Unit: ¥ billion)	2023/12 Actual	2024/12 Full-year forecasts	Increase/ Decrease	Factors for increase/decrease		
<b>Operating revenue</b>	155.2	201.0	45.7			
Leasing of buildings	78.2	80.0	1.7	New operations +¥0.7 billion; Full-year operations +¥2.6 billion; Sale, reconstruction, etc. -¥2.3 billion; Existing buildings +¥0.7 billion		
Sales of real estate	38.6	81.5	42.8	Property sales to investors +¥41.7 billion (FY2023 cumulative total: ¥38.2 billion; FY2024 cumulative total: ¥80.0 billion)		
Building management service, etc.	37.0	39.3	2.2			
Dividends	1.2	0.2	(1.0)			
<b>Operating profit</b>	38.4	42.5	4.0			
<b>Business profit</b>	40.1	42.5	2.3	Property sales to investors +¥8.6 billion (FY2023 cumulative total: ¥10.3 billion; FY2024 cumulative total: ¥19.0 billion)		

## ■ New and full-year operations

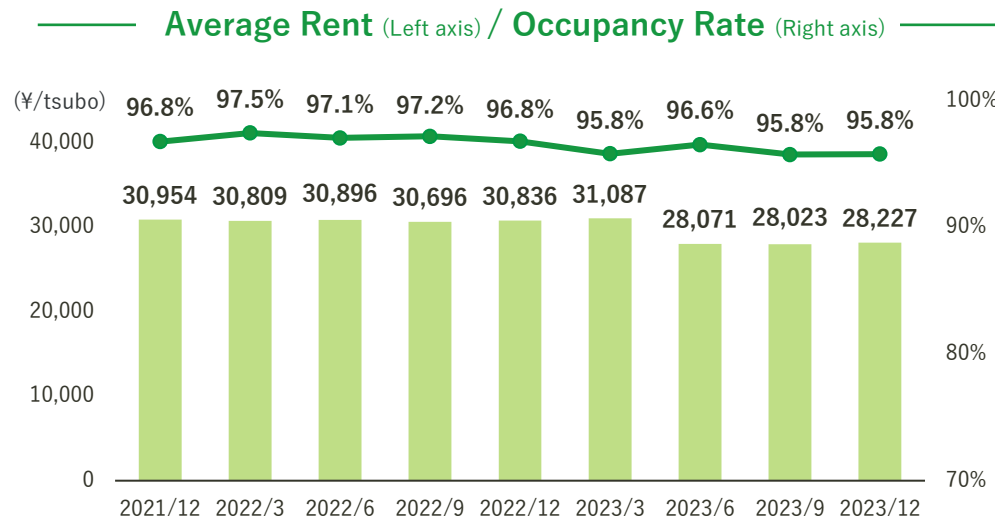
- New operation in 2023: T-LOGI Chiba Kita (completed in February) and three other logistics properties, T-PLUS Sendai Hirose Dori (completed in April), TT Tenjin-Minami Building (acquired in May), Candeo Hotels Osaka Shinsaibashi (completed in September), and others
- 2023 full-year operation: T-LOGI Yokohama Aoba and seven other logistics properties, and T-PLUS Nihonbashi Kodenmacho
- New operation in 2024: T-LOGI Fukuoka Island City and three other logistics properties, one hotel, two retail facilities, and two mid-sized offices

\* 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 covered by new operations, full-year operations and sale, reconstruction, etc.

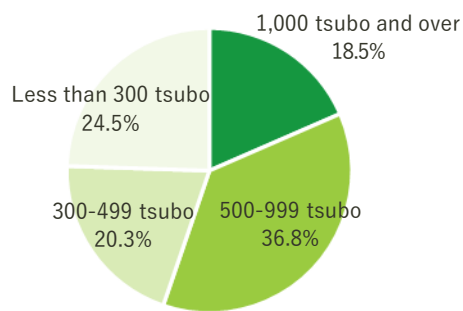
■ At the end of December 2023, average rent was ¥28,227 per tsubo and the occupancy rate remained high at 95.8%.

\* Fluctuation in both average rent and occupancy rate due to addition of properties subject to calculation on June 30, 2023.

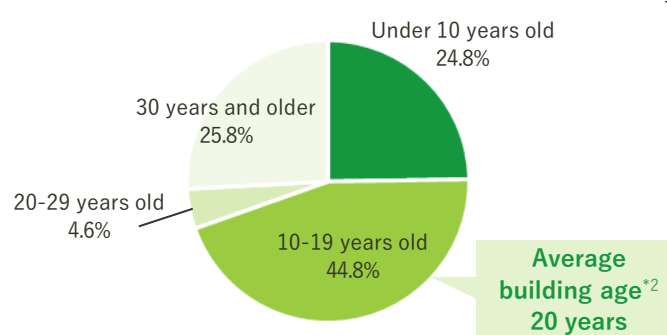
As of the end of December 2023	Number of buildings	Leasable area
Owned office buildings* <sup>1</sup>	41	539,965 m <sup>2</sup>
Subleased buildings	-	67,227 m <sup>2</sup>
Hotels, retail facilities, logistics properties, etc.	-	433,678 m <sup>2</sup>
<b>Total leasable area of Commercial Properties business</b>	<b>-</b>	<b>1,040,870 m<sup>2</sup></b>



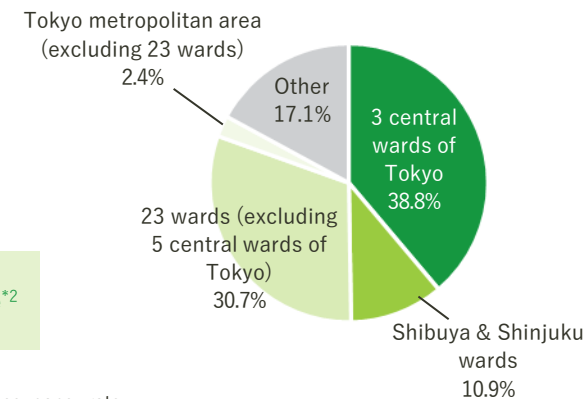
Breakdown of Leasable Area by Standard Floor Space



Breakdown of Leasable Area by Building Age



Breakdown of Leasable Area by Area of Location



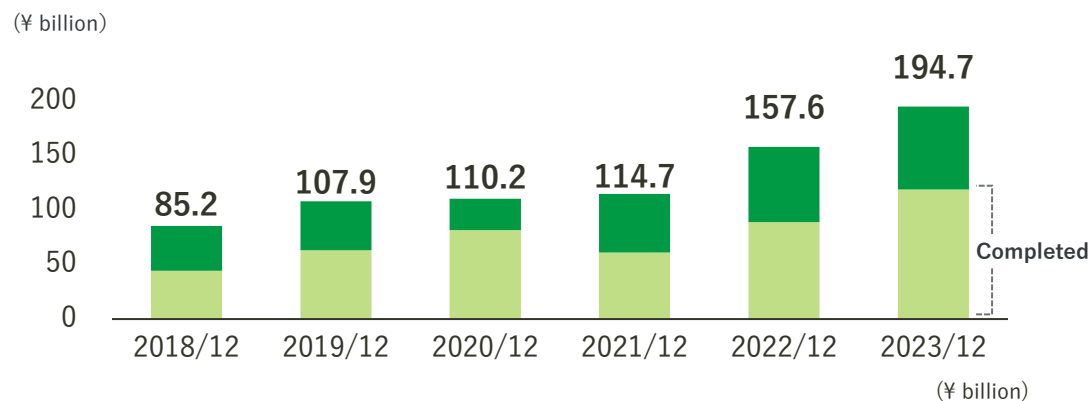
\*1 Please refer to the note on page 55 for the definition for the subject of calculation of the number of owned office buildings, average rent and occupancy rate.

\*2 The weighted average based on leasable area.

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

- In FY2023, the company acquired 11 new projects, and 3 completed profitable properties.
- The balance of real estate for sale increased by ¥37.0 billion from the end of FY2022 to ¥194.7 billion and the value of stock in terms of total investment amount increased by approximately ¥50.0 billion to approximately ¥420.0 billion.

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



▲ T-LOGI Ichinomiya (Completed in September 2023)



▲ Candeo Hotels Osaka Shinsaibashi (Completed in September 2023)

Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
Logistics properties	98.9	Approx. 270.0
Hotels, retail facilities, mid-sized offices, etc.	95.7	Approx. 150.0
<b>Total</b>	<b>194.7</b>	<b>Approx. 420.0</b>

Asset type	Number of properties		
	Sold during the period	In operation	Under development
Logistics properties	5	7	15
Hotels, retail facilities, mid-sized offices, etc.	4	18	16

\* 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.



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

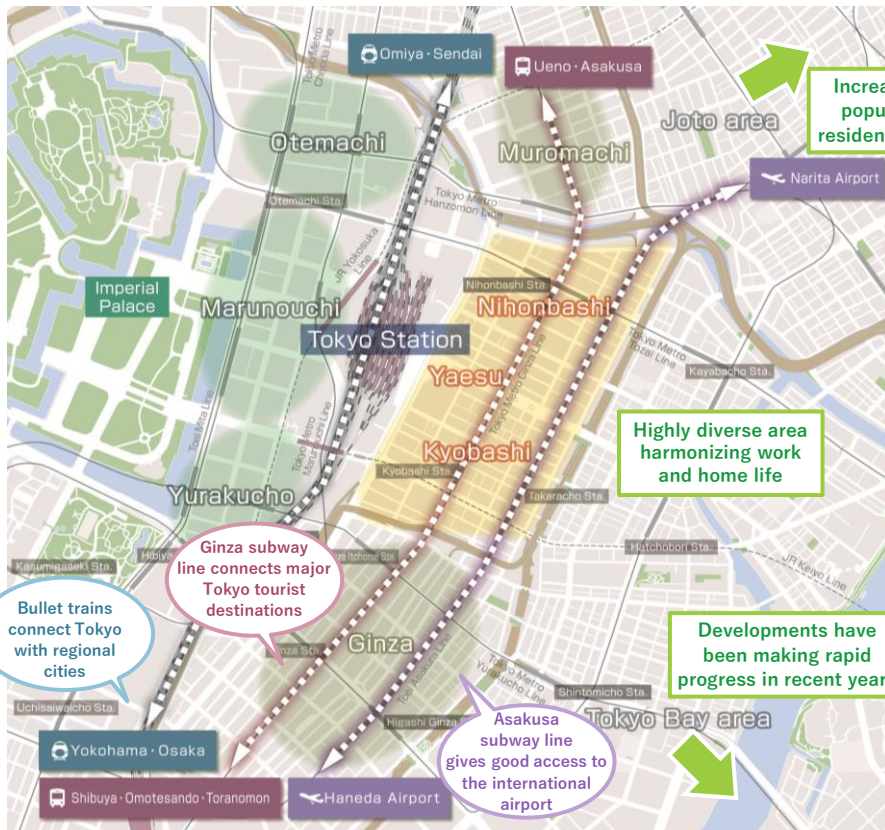


▲ T-PLUS Sendai (Completed in January 2024)



▲ FUNDES Kamata (Scheduled for completion in February 2024)

- 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 **overwhelming 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 concentration 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 YNK Area\*1

Overwhelming transportation convenience	Concentration of leading firms	Excellent halls and meeting room facilities
Highly diverse small and medium-size properties	Rich cultural resources carrying on culinary and craftsmanship traditions	

## 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)*2	¥36,574 per tsubo	¥40,175 per tsubo
Land price*3	¥18,800 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)

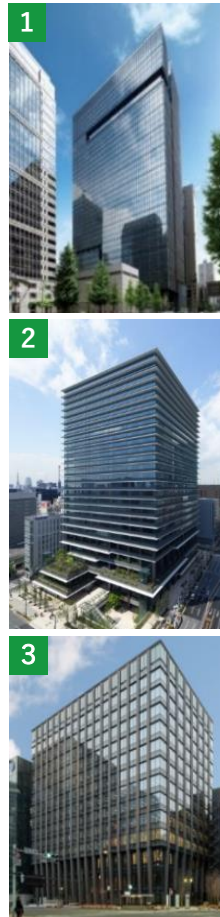
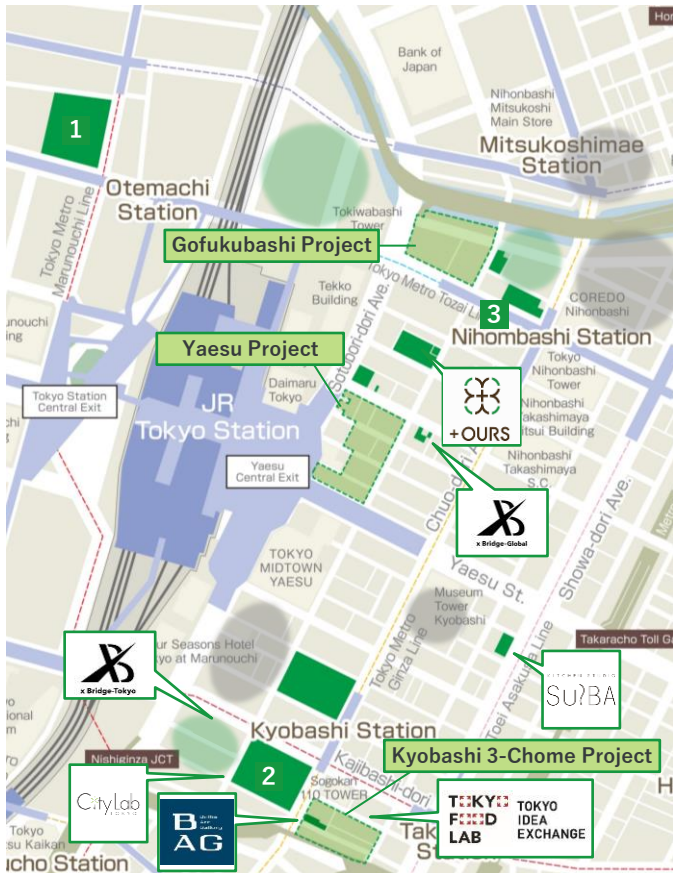
\*1 Appellative for the Yaesu, Nihonbashi and Kyobashi areas

\*2 Source: Office Market Report by Sanko Estate (as of the end of December 2023)

\*3 Land price of inheritance tax (fiscal 2023)



- 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 YNK 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.



### Selected as a Partner Entity for the Tokyo Metropolitan Government's "Startup Support Development Project by Diverse Entities" (TOKYO SUTEAM)

Launched Project SYNK aimed at further strengthening the innovation ecosystem through collaboration and cooperation with multiple startup supporters and innovation sites established within the YNK (Yaesu, Nihombashi, Kyobashi) area.



- The redevelopment projects in which we are participating or involved are progressing smoothly.

Redevelopment projects with an estimated leasable area\* (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* (owned by Tokyo Tatemono)
Under construction	Yaesu Project	Chuo Ward		◀ Completion planned for FY2025	Approx. 120,000 m <sup>2</sup> in total
Rights conversion plan approved	Gofukubashi Project	Chuo Ward		◀ Completion planned for FY2028 (South Block)	
Establishment of urban redevelopment consortium	Shibuya 2-Chome Project	Shibuya Ward		◀ Completion planned for FY2029	Approx. 200,000 m <sup>2</sup> in total
Urban development plan decided	Kyobashi 3-Chome Project	Chuo Ward		◀ Completion planned for FY2030	
Urban development plan decided	—	Minato Ward			
Urban development plan decided	—	Minato Ward			
Preparation consortium established	—	Minato Ward			

↑  
**Estimated investment amount**  
 About **¥160.0 billion**

↑  
 Currently being examined based on the soaring construction costs and fluctuation of shares

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

\* Estimated leasable area includes leasable area of non-office space, such as conference and retail facilities. Values assumed when formulating the Medium-Term Business Plan.



- 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 gateway of Tokyo, an international city
- Formation of prosperity that passes down Yaesu’s history and tradition to the future

→ October 2021 District B, February 2024 District A Start of construction

– <b>Total floor area</b>	District A	about 12,000 m <sup>2</sup>	District B	about 225,000 m <sup>2</sup>
– <b>Main uses</b>	District A	offices, shops, etc.	District B	offices, medical facilities, bus terminal, conference halls, etc.
– <b>No. of floors</b>	District A	10 floors above ground, 2 below	District B	51 floors above ground, 4 below
– <b>Construction start</b>	District A	2024	District B	2021
– <b>Completion date</b>	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 emergency supplies
- 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 in an excellent location directly connected to Nihombashi subway station
- Formation of cityscape suitable as a gate of the area alongside Nihonbashi River
- Accumulation of city functions forming a sophisticated financial hub

→ September 2023 Approval of rights conversion plan

– <b>Total floor area</b>	South Block	about 185,500 m <sup>2</sup>	North Block	about 1,000 m <sup>2</sup>
– <b>Main uses</b>	Offices, shops, lodging facility, Facility supporting highly skilled financial professionals, etc.			
– <b>No. of floors</b>	South Block	44 floors above ground, 3 below	North Block	2 floors above ground, 1 below
– <b>Construction start</b>	Scheduled for FY2024			
– <b>Completion date</b>	South Block	Scheduled for FY2028	North Block	Scheduled for FY2031



### 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 will become a symbol of the bustling areas on the Nihonbashi River
- Establishment of above- and below-ground pedestrian network that connects Tokyo Station, Otemachi Station and Nihombashi Station

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

- Establishment of space for those stranded during disasters and storage for emergency supplies
- Promotion of greater energy efficiency in the entire area through establishment of district heating/cooling plant and cooperation with existing plants

- Promoting the “Kyobashi 3-Chome Higashi District Urban Redevelopment Project (Kyobashi 3-Chome Project)” 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

→ January 2023 Decision made on the urban development plan

– 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 FY2026
– Completion date	Scheduled for FY2030



## Value Created by the Project

### Establishment of urban infrastructure that contributes to the greater and wider flow of people in 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
- Construction 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

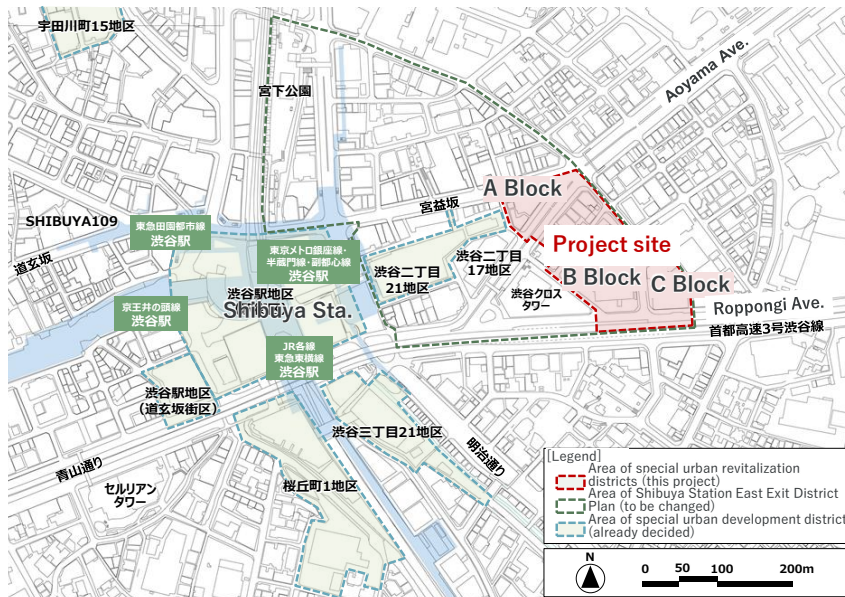
- Efforts to strengthen disaster preparedness of the area
- Efforts to reduce environmental burden





- Promoting the “Shibuya 2-Chome West Area Redevelopment (Shibuya 2-Chome Project)” in the Shibuya Station East Exit area.
- Aiming 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 burden reduction that will create an expanse of the town.

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



➔ January 2023 Approval of establishment of urban redevelopment consortium

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



### 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 resources development base to contribute to next-generation innovation
- Development of residences and accommodations 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

## (2) Residential Business: Business Results for FY2023 and Full-Year Earnings Forecast for FY2024

- In FY2023, revenue and profit increased due to factors such as an increase in sales and gross profit of property sales to investors.
- In FY2024, revenue and profit are expected to increase due to factors such as an increase in sales and gross profit of for-sale condominiums.

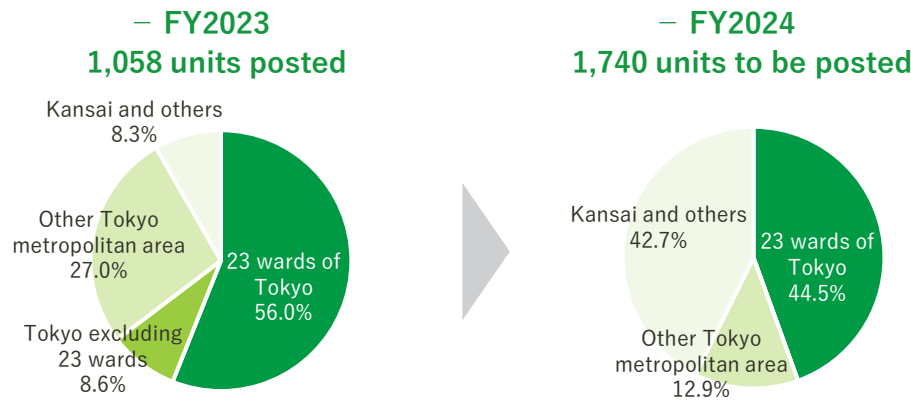
(Unit: ¥ billion)				Main factors for increase/decrease	Announced in November 2023	
	2022/12 Actual	2023/12 Actual	Increase/Decrease		2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	131.3	134.1	2.7		133.0	101%
Sales of condominiums	85.9	84.0	(1.9)	Number of condo sales posted: 1,058 units; Condo unit price: ¥79.42 million; Gross margin: 33.4%	83.5	101%
Sales of residential houses	-	-	-		-	-
Sales of real estate	17.5	20.6	3.1	Property sales to investors +¥4.2 billion (FY2022 cumulative total: ¥15.9 billion; FY2023 cumulative total: ¥20.1 billion)	20.5	101%
Residence leasing	5.3	5.9	0.6		6.0	99%
Fee from sales outsourcing services	1.5	1.5	0.0		1.5	105%
Building management service, etc.	21.0	21.9	0.8		21.5	102%
<b>Operating profit</b>	23.3	27.1	3.8		25.5	106%
<b>Business profit</b>	23.3	27.1	3.8	Property sales to investors +¥3.0 billion (FY2022 cumulative total: ¥3.8 billion; FY2023 cumulative total: ¥6.8 billion)	25.5	106%
(Unit: ¥ billion)	2023/12 Actual	2024/12 Full-year forecasts	Increase/Decrease	Main factors for increase/decrease		
<b>Operating revenue</b>	134.1	212.0	77.8			
Sales of condominiums	84.0	159.0	74.9	Number of condo sales posted: 1,740 units; Condo unit price: ¥91.60 million; Gross margin: 28%		
Sales of residential houses	-	-	-			
Sales of real estate	20.6	23.5	2.8	Property sales to investors -¥7.6 billion (FY2023 cumulative total: ¥20.1 billion; FY2024 cumulative total: ¥12.5 billion)		
Residence leasing	5.9	5.5	(0.4)			
Fee from sales outsourcing services	1.5	1.5	(0.0)			
Building management service, etc.	21.9	22.5	0.5			
<b>Operating profit</b>	27.1	33.5	6.3			
<b>Business profit</b>	27.1	33.5	6.3	Property sales to investors -¥4.8 billion (FY2023 cumulative total: ¥6.8 billion; FY2024 cumulative total: ¥2.0 billion)		

# (2) Residential Business: For-Sale Condominiums

## – Major Operating Indicators

- In FY2023, gross margin maintained a favorable level at 33.4%.
- The inventory of completed condominiums remained at a low level of 181 units as of the end of December due to steady progress of sales.
- The achievement rate at the start of the fiscal year against the number of units planned to be posted for FY2024 stood at 85% and contracts progressed smoothly.

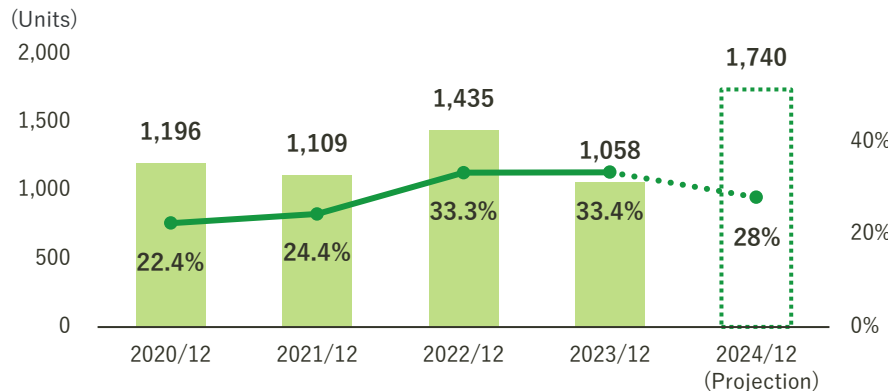
### Breakdown of Number of Condominium Sales Posted by Area



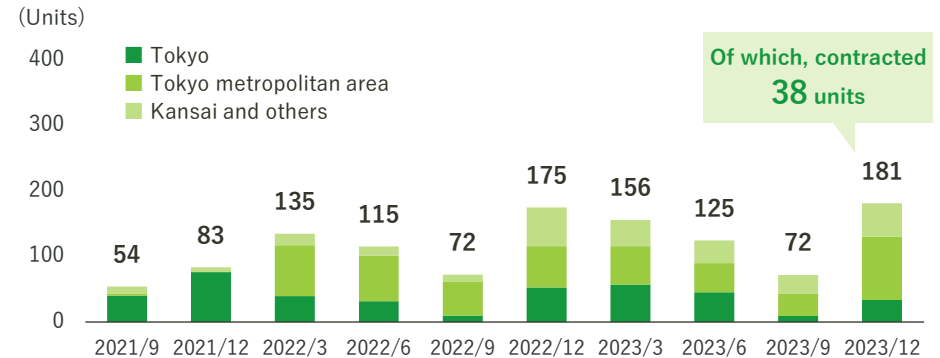
### Achievement Rate Against Number of Condominium Sales Posted

	2021/12	2022/12	2023/12	2024/12
At beginning	67%	75%	72%	85%
At end of 1Q	78%	84%	80%	–
At end of 2Q	92%	92%	89%	–
At end of 3Q	97%	98%	96%	–
Number of condo sales posted	1,109 units	1,435 units	1,058 units	1,740 units (Scheduled)

### Number of Condominium Sales Posted and Gross Margin



### Inventory of Completed Condominiums



# (2) Residential Business: For-Sale Condominiums – Main Posting Results/Schedule

- Acquired land for approximately 800 units in FY2023, securing a land bank for approximately 7,600 units (including the number of units scheduled to be posted in 2024).
- In FY2024, profitable properties such as Brillia Tower Dojima are planned to be posted.

	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 Shakujikoen ATLAS	845	204
FY 2024	Brillia Tower Hamarikyu	421	144
	HARUMI FLAG	4,151	490
	Brillia Tower Ikebukuro West	231	92
	Brillia Tower Dojima	457	457
	Brillia Jiyugaoka	62	62
	Brillia Tower Maebashi	203	162
FY 2025	Premist Okurayama	241	72
	Brillia Tower Minoh Semba TOP OF THE HILL	397	202
	Brillia Seiseki Sakuragaoka BLOOMING TERRACE	254	203
	Brillia Meguro Ohashi	114	97
FY 2026	Brillia Tower Chiba	497	199
	Grand City Tower Tsukishima	1,310	189

\*1 Total number of units in total, including landowners' units and shops (excluding some properties)

\*2 Fiscal year of start of delivery (including scheduled)

## Main Properties Posted in FY2023



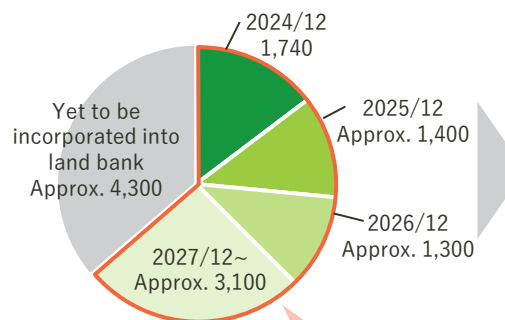
▲ SHIROKANE The SKY



▲ Brillia City Shakujikoen ATLAS

## Projects Promoted Under Tokyo Tatemono's Business

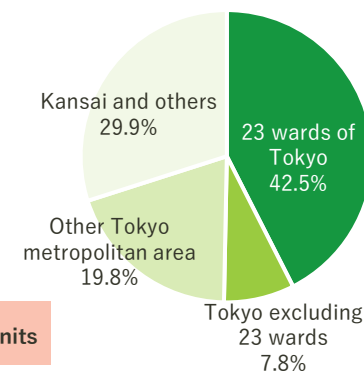
Total: approx. 11,900 units



Incorporated into land bank 7,600 units

## Land Bank

Total: approx. 7,600 units



Tokyo excluding 23 wards 7.8%



## (2) Residential Business: For-Sale Condominiums – Main Posting Results/Schedule

- The plan is to continue posting 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.



▲ 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: 254; Units to be posted: 203)



▲ Brillia Tower Chiba  
(Total units: 497; Units to be posted: 199)



▲ Brillia Tower Hamarikyu  
(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)

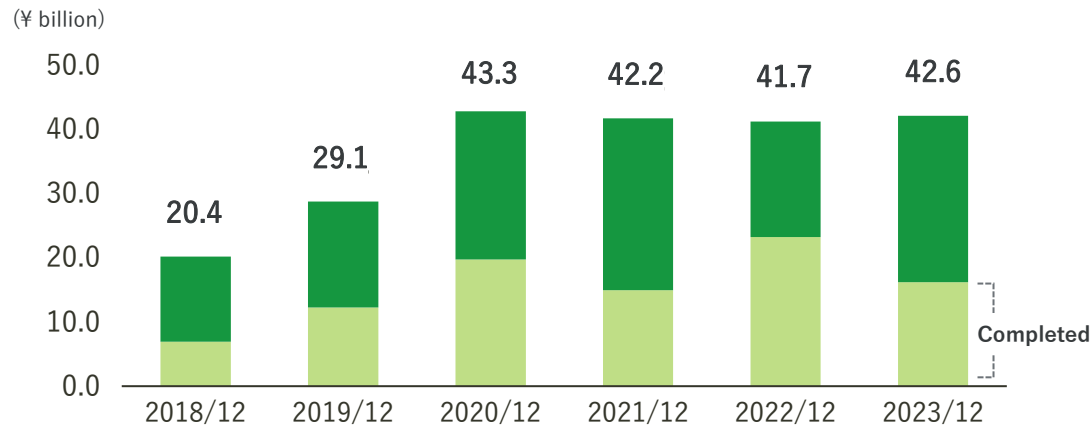


▲ Grand City Tower Tsukishima  
(Total units: 1,310; Units to be posted: 189)

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

- In FY2023, 8 new for-rent condominium projects were acquired.
- The balance of real estate for sale increased by ¥0.8 billion from the end of FY2022 to ¥42.6 billion, maintaining sufficient stock of approximately ¥75.0 billion on a total investment basis, which is the same as that at the end of 2022.

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



(Unit: ¥ billion)

Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
For-rent condominiums	42.6	Approx. 75.0

Asset type	Number of properties		
	Sold during the period	In operation	Under development
For-rent condominiums	9	8	25

\* 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.



▲ Brillia ist Machiya (Completed in 2022)



▲ Brillia ist Shibuya Honmachi (Completed in 2022)



▲ Brillia ist Bunkyo Rikugien (Completed in 2023)



▲ Brillia ist Oimachi (Completed in 2024)



### (3) Asset Service Business: Business Results for FY2023 and Full-Year Earnings Forecast for FY2024

- In FY2023, revenue and profit increased due to factors such as an increase in property sales to investors in the asset solution business and growth in brokerage and parking business revenue.
- In FY2024, revenue and profit are expected to decrease due to factors such as a decrease in property sales to investors in the asset solution business, although a growth in brokerage and parking business revenue is expected.

(Unit: ¥ billion)	2022/12 Actual	2023/12 Actual	Increase/Decrease	Main factors for increase/decrease	Announced in November 2023	
					2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	50.2	63.8	13.5		63.0	101%
Brokerage	4.6	5.4	0.8		5.0	110%
Asset solution	19.0	29.9	10.9	Property sales to investors +¥10.3 billion (FY2022 cumulative total: ¥15.1billion; FY2023 cumulative total: ¥25.4 billion)	30.0	100%
Management service, etc.	4.5	4.5	0.0		4.5	102%
Parking business	21.9	23.7	1.7	Increase in number of parking spaces, recovery of occupancy	23.5	101%
<b>Operating profit</b>	7.3	12.9	5.5		12.0	108%
<b>Business profit</b>	7.3	12.9	5.5	Property sales to investors +¥3.0 billion (FY2022 cumulative total: ¥4.0 billion; FY2023 cumulative total: ¥7.1 billion) Parking business +¥1.3 billion	12.0	108%

(Unit: ¥ billion)	2023/12 Full-year actual	2024/12 Full-year forecast	Increase/Decrease	Main factors for increase/decrease
Brokerage	5.4	6.0	0.5	
Asset solution	29.9	25.0	(4.9)	Property sales to investors -¥4.4 billion (FY2023 cumulative total: ¥25.4 billion; FY2024 cumulative total: ¥21.0 billion)
Management service, etc.	4.5	4.5	(0.0)	
Parking business	23.7	24.5	0.7	Increase in number of parking spaces
<b>Operating profit</b>	12.9	9.0	(3.9)	
<b>Business profit</b>	12.9	9.0	(3.9)	Property sales to investors -¥4.1 billion (FY2023 cumulative total: ¥7.1 billion; FY2024 cumulative total: ¥3.0 billion)

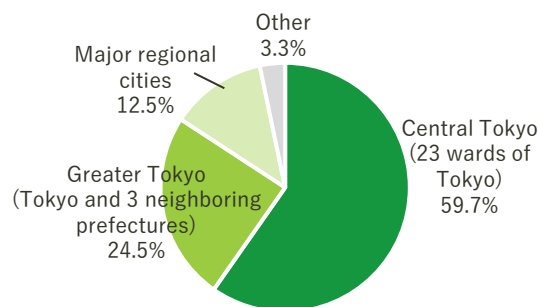
- Asset solution business: Securing stock mainly in central Tokyo through selective investment that utilizes sharp real estate assessment abilities.
- Parking business: The number of parking spaces increased by 2,485 from the end of 2022 to 82,542.

## Asset Solution Business: Balance of Assets Owned

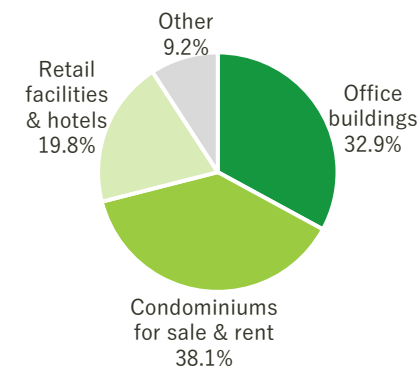


## Asset Solution Business: Breakdown of Balance of Assets Owned

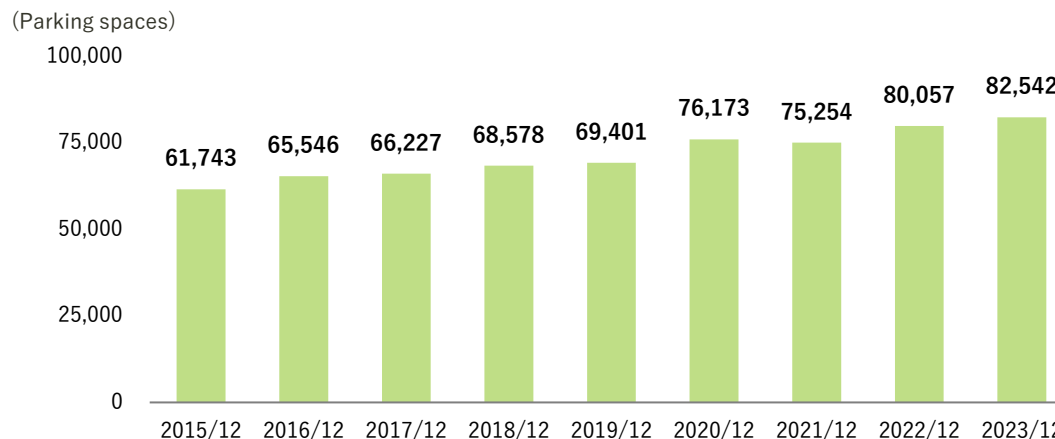
### – Breakdown by Area of Location



### – Breakdown by Asset Type



## Parking Business: Number of Parking Spaces



# (4) Other: Business Results for FY2023 and Full-Year Earnings Forecast for FY2024

- In FY2023, in the leisure and child care business, revenue decreased and profit increased due to factors such as the growth in revenue of resort facilities, although revenue decreased due to the impact of the transfer of shares of subsidiaries operating childcare business and temporary staffing business.
  - Executed share transfer of Tokyo Tatemono Kids Co., Ltd. in June 2023 and share transfer of Tokyo Tatemono Staffing Co., Ltd. in October 2023.
- In FY2024, revenue and profit are expected to decrease due to factors such as the impact of the transfer of shares of the above two companies in the leisure and child care business and an increase in expenses for overseas businesses, although revenue is expected to increase for the fund business.

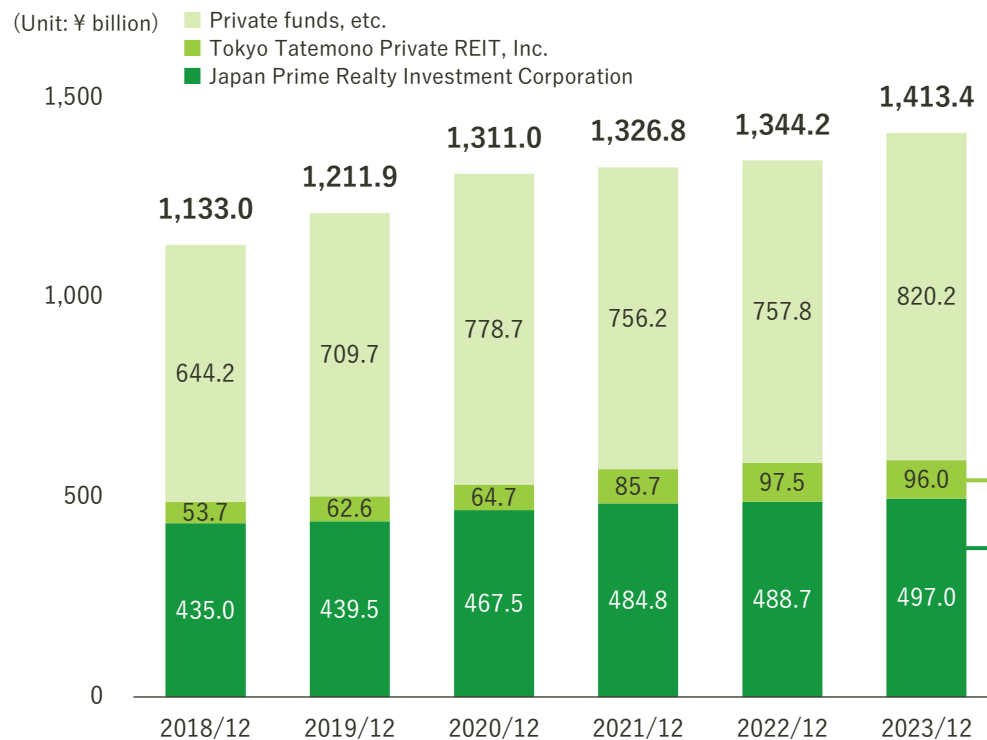
(Unit: ¥ billion)	2022/12 Actual	2023/12 Actual	Increase/Decrease	Main factors for increase/decrease	Announced in November 2023	
					2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	23.1	22.7	(0.4)		23.0	99%
Leisure & child care business	18.5	18.5	0.0	Increase in revenue in the leisure business +¥1.5 billion; Impact of share transfer of subsidiaries, etc. -¥1.5 billion	18.8	99%
Fund business	4.4	4.0	(0.4)		4.0	101%
Other	0.1	0.1	0.0		0.2	73%
<b>Operating profit</b>	2.5	2.2	(0.3)		2.0	110%
<b>Business profit</b>	4.0	4.4	0.4	Overseas businesses +¥0.5 billion (FY2022 cumulative total: ¥0.5 billion; FY2023 cumulative total: ¥1.1 billion)	5.0	89%
Share of profit (loss) of entities accounted for using equity method	1.5	2.2	0.7		3.0	75%

(Unit: ¥ billion)	2023/12 Full-year actual	2024/12 Full-year forecast	Increase/Decrease	Main factors for increase/decrease
<b>Operating revenue</b>	22.7	22.0	(0.7)	
Leisure & child care business	18.5	15.5	(3.0)	Impact of share transfer of two consolidated subsidiaries in previous fiscal year -¥3.4 billion
Fund business	4.0	5.5	1.4	
Other	0.1	1.0	0.8	
<b>Operating profit</b>	2.2	2.0	(0.2)	
<b>Business profit</b>	4.4	4.0	(0.4)	Overseas businesses -¥1.1 billion (FY2023 cumulative total: ¥1.1 billion; FY2024 cumulative total: 0)
Share of profit (loss) of entities accounted for using equity method	2.2	2.0	(0.2)	

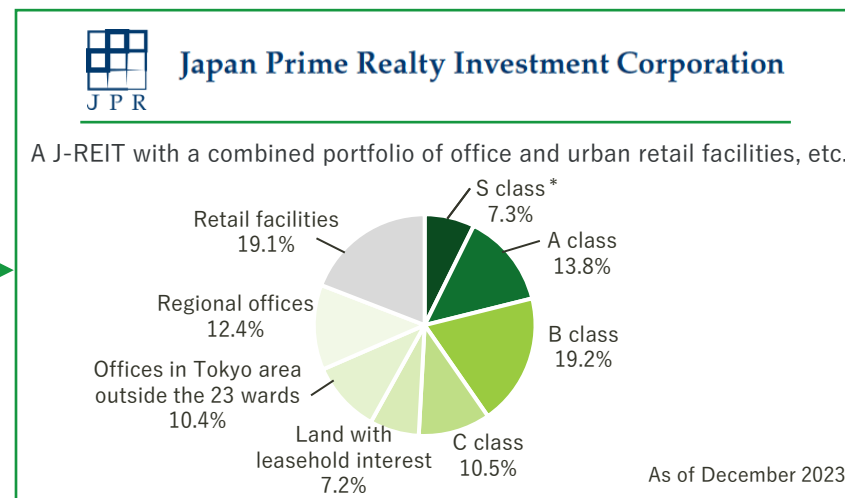
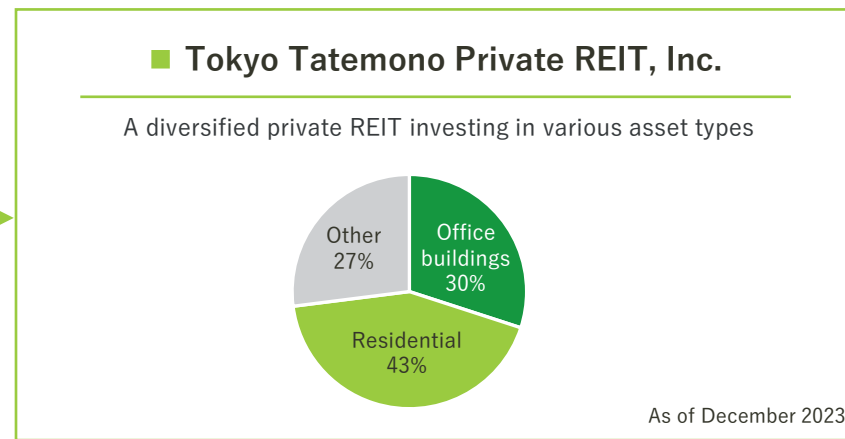
\* Operating revenue in overseas businesses is disclosed under "Other."

- 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



\* Source: Japan Prime Realty Investment Corporation website  
<https://www.jpr-reit.co.jp/ja/portfolio/index.html>



- To gain business opportunities in markets of emerging countries, invested in China and Asia.
- In the markets of advanced countries, the Company invested in the U.S. residential business in 2023 4Q, and is currently conducting investigation and analysis for further acquisition of business opportunities.
- Balance on the balance sheet for the overseas business was approximately ¥43.0 billion at the end of December 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, countries in Asia and the U.S. 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
	Xuzhou Chengbei Project	Xuzhou City	Residential	Approximately 1,500 units	2023	On sale
	Yangzhou-East Project	Yangzhou City	Residential, retail facilities	Approximately 1,000 units	2024	On sale
	Wenzhou Ouhai Project	Wenzhou City	Residential, retail facilities	Approximately 400 units	2024	On sale
Asia	Sukhumvit 26 Project		Residential	Approximately 150 units	2022	On sale
	Sathorn 12 Project		Residential	Approximately 250 units	2023	On sale
	Sukhumvit 25 Project	Bangkok, Thailand	Office, retail facilities	Approximately 9,500 m <sup>2</sup>	2023	In operation
	Onnut Project		Residential	Approximately 1,100 units	2023	On sale
	Reference Project		Residential	Approximately 800 units	2024	On sale
	Kave Coco Project	Chonburi, Thailand	Residential	Approximately 1,000 units	2025	On sale
	Dharmawangsa Project	Jakarta, Indonesia	Office, residential	Office building : Approximately 47,000 m <sup>2</sup> Residence: Approximately 90 units	TBD	Business under review
	Old Museum Site Redevelopment Project	Yangon, Myanmar	Office, retail facilities, hotel	Approximately 92,000 m <sup>2</sup>	Business suspended	
U.S.	Herndon Project	Herndon, Virginia	Residential	Approximately 400 units	2027	Under development



## Sathorn 12 Project (Thailand)

For-sale condominium development project in Sathorn, an area in central Bangkok.



Total project cost	Approx. <b>¥12.6 billion</b>
Tokyo Tatemono's stake	Approx. <b>50%</b>

▲ Sathorn 12 Project (completion in 2023)

## Reference Project (Thailand)

For-sale condominium development project in Khlong San, an area with excellent access to central Bangkok.



Total project cost	Approx. <b>¥14.9 billion</b>
Tokyo Tatemono's stake	Approx. <b>45%</b>

▲ Reference Project (To be completed in 2024)

## 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. <b>¥14.0 billion</b>
Tokyo Tatemono's stake	Approx. <b>40%</b>

▲ Wenzhou Ouhai Project (To be completed in 2024)

## Herndon Project (U.S.)

A large multi-family residential rental building development project in the suburbs of Washington D.C. achieving both economic efficiency and environmental friendliness by adopting a hybrid structure of wood and reinforced concrete.



Total project cost	Approx. <b>¥21.3 billion</b>
Tokyo Tatemono's stake	Undisclosed

▲ Herndon Project (To be completed in 2027)

# ESG-related Initiatives



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

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

Scope 1 · 2

**46.2% reduction by FY2030** <sup>\*1</sup>

Scope 3

**40% reduction** (compared with FY2019) <sup>\*2</sup>

Scope 1 · 2 · 3

**Net zero by FY2050**

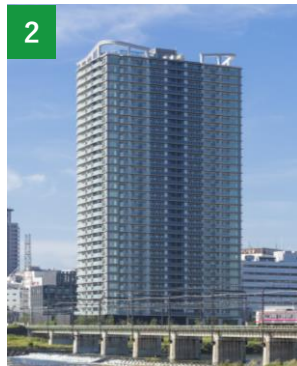
\*1 In October 2023, we raised the Scope 1 · 2 emissions reduction target to within 1.5°C above pre-industrial levels.

\*2 Category 11 and 13 are targeted.

## Development of ZEB and ZEH



▲ ZEB Ready



▲ ZEH-M Oriented



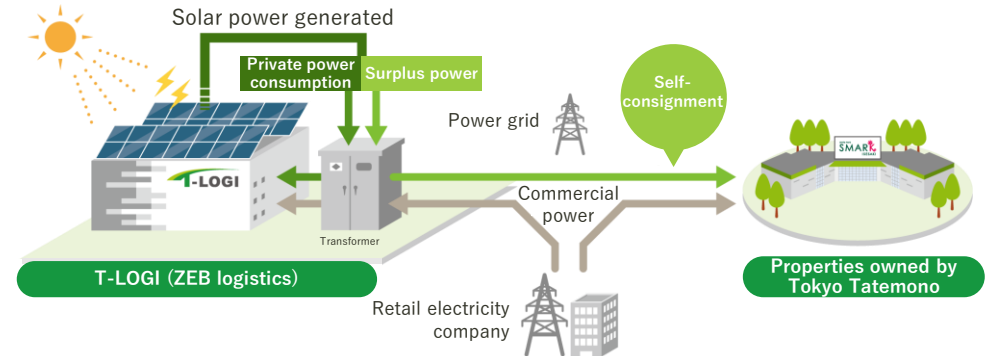
▲ ZEH-M Oriented

1 Hareza Tower

2 Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE

3 Brillia ist Oimachi

## 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:  
**11 properties**  
 (As of December 31, 2023)  
 Including those sales completed

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

## Awards received for “carbon-neutral initiatives leveraging self-consignment system”



**FY2022 (29th)**  
**Japan Association for Real Estate Sciences’ Minister of Land, Infrastructure, Transport and Tourism Award**



**“Minister of the Environment Awards for Climate Action 2023” of the Ministry of the Environment**

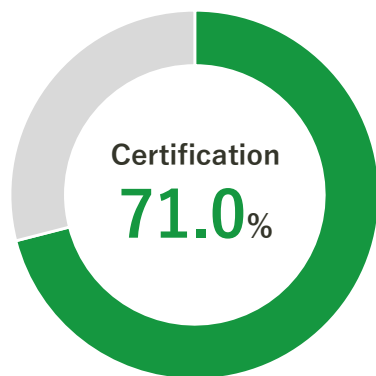
\* See our sustainability (ESG management, KPIs) website for details on medium- to long-term targets and definitions of ZEB and ZEH. <https://tatemono.com/csr/english/promotion.html>



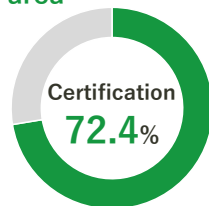
## External evaluation and certification on green buildings

### ■ Percentage of certification (as of December 31, 2023)

– All properties owned and managed by the Company



– Leasable office area



– Leasable residential area



### ■ Properties newly obtaining certification in 2023



▲ Brillia ist Shinonome Canal Court



DBJ Green Building  
2023

Also acquired for  
**13** other properties\*

\*Mainly refers to DBJ Green Building certification, CASBEE building and BELS certification, but not limited to them.

## Sustainability 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 of 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

July 2023

### ● Issued sustainability bonds

- Issuance period: 10 years  
Amount issued: ¥20 billion

## ESG-related external evaluation, participation in ESG-related initiatives, and status of inclusion in indexes

### ■ “GRESB Real Estate Assessment” 2023

“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 seventh consecutive year



Field	Rating agencies and Initiatives	Rating, etc.	Category	Index inclusion status*
ESG (Real Estate)	GRESB Standing Investment Benchmark	5-star	Indexes used by GPIF	MSCI Japan ESG Select Leaders Index
Climate change	TCFD	Agreed		FTSE Blossom Japan Index
	SBTi	Certified		FTSE Blossom Japan Sector Relative Index
	RE100	Participated		S&P/JPX Carbon Efficient Index
	CDP	A-		Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
Social (Human Resources)	UN Global Compact	Participated		Other
	Certified Health and Productivity Management Organization Recognition Program	White 500	SOMPO Sustainability Index	

\*Green text: items added in 2023



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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

# Appendix

- In February 2020, announced a long-term vision for 2030, “Becoming a Next-Generation Developer,” and the Medium-Term Business Plan for FY2020-FY2024\*1.
- 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.

## Long-Term Vision for 2030

### “Becoming a Next-Generation Developer”

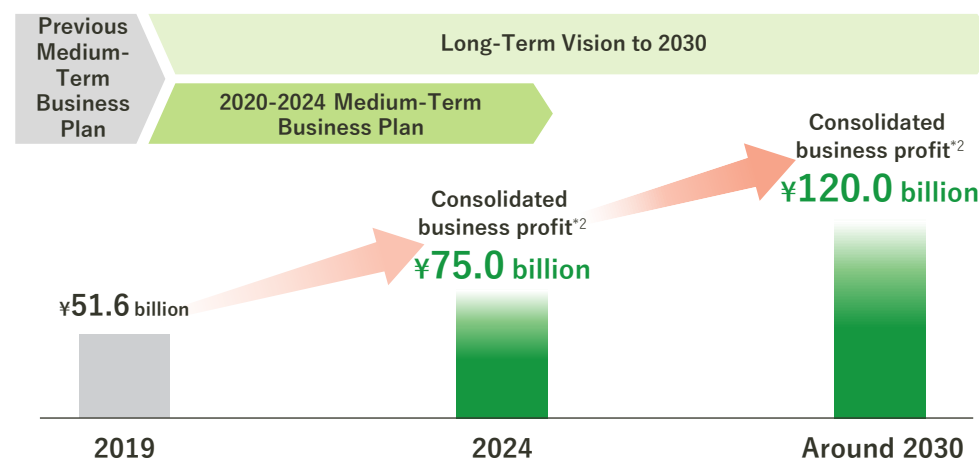
Achieve the dual goals of “solving social issues” and “company growth” at higher levels

Target for 2030:  
Consolidated business profit\*2 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

## 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

\*1 For details, please refer to “Long-Term Vision, Medium-Term Business Plan” announced on February 12, 2020.

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

- 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	Creating value of place and value of experience	
	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		
	Promoting a decarbonized society	Coexistence with the earth and the environment	
	Promoting a recycling-oriented society		
Foundation for value creation	Improve employee growth and job satisfaction	Value-creating talent	
	Diversity & inclusion		
	Advancement of governance	Realizing sustainability management	
	Strengthen risk management framework		

## “Integrated Report 2023”



### ▼ Integrated Report 2023

<https://tatemono.com/ir/library/integrated.html>

## “Sustainability Report 2023”



### ▼ Sustainability Report 2023

[https://www.tatemono.com/csr/english/reports/pdf/2023susrepo\\_e.pdf](https://www.tatemono.com/csr/english/reports/pdf/2023susrepo_e.pdf)

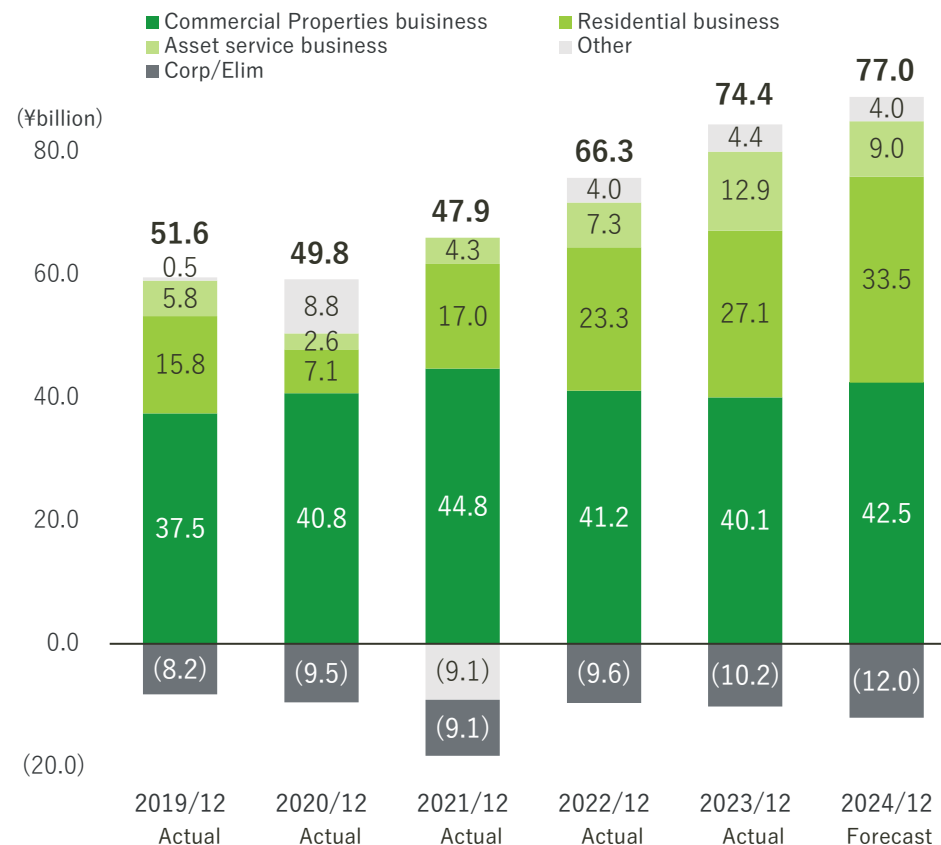
\* See the ESG Management & KPI page of our website for the KPIs and targets based on material issues. <https://tatemono.com/csr/english/promotion.html>

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

## Consolidated Business Profit Trend by Segment



## 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

	Profit Type	Characterized by
Leasing	Profit from leasing offices, condominiums, etc.	<ul style="list-style-type: none"> <li>• Highly stable profit</li> <li>• Requires significant investment</li> </ul>
Property Sales	Development profit, acquired from sale of properties held	<ul style="list-style-type: none"> <li>• Highly volatile profit</li> <li>• High capital efficiency</li> </ul>
Services	Fee revenue from facility management/operation, provision of services	<ul style="list-style-type: none"> <li>• Highly stable profit</li> <li>• Does not involve significant investment</li> </ul>

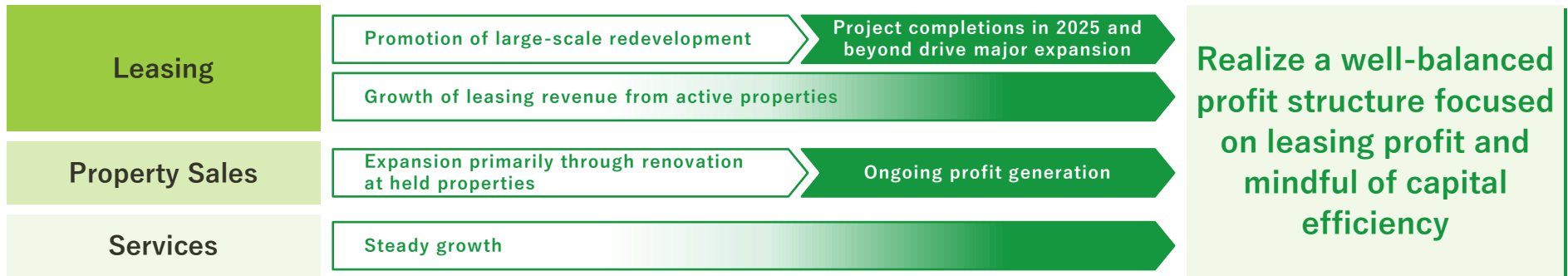
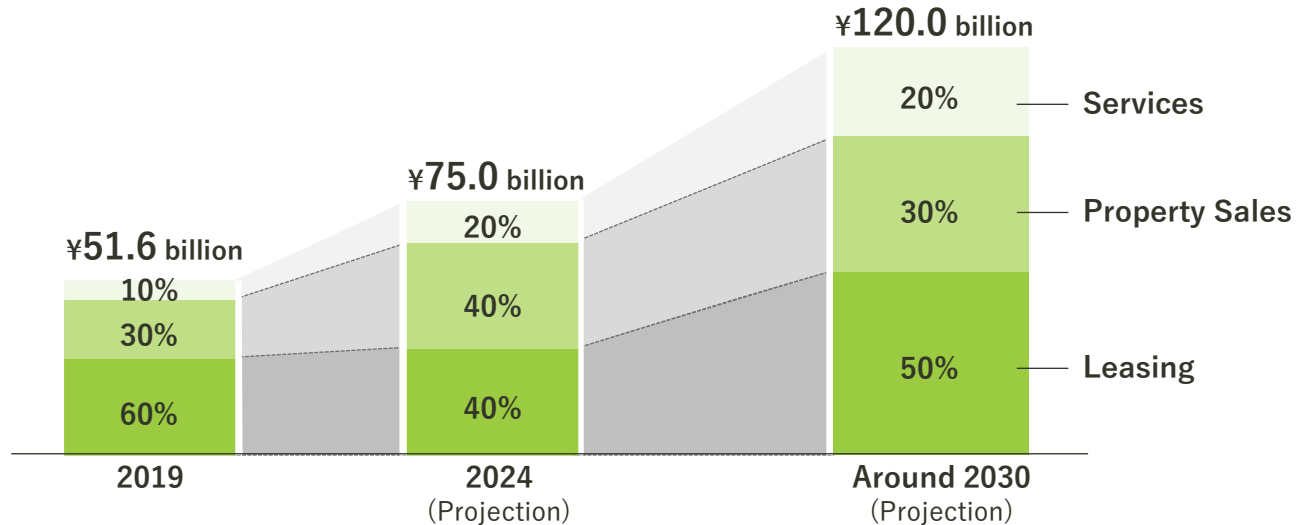
## Key Strategies and Their Profit Sources

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

## 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

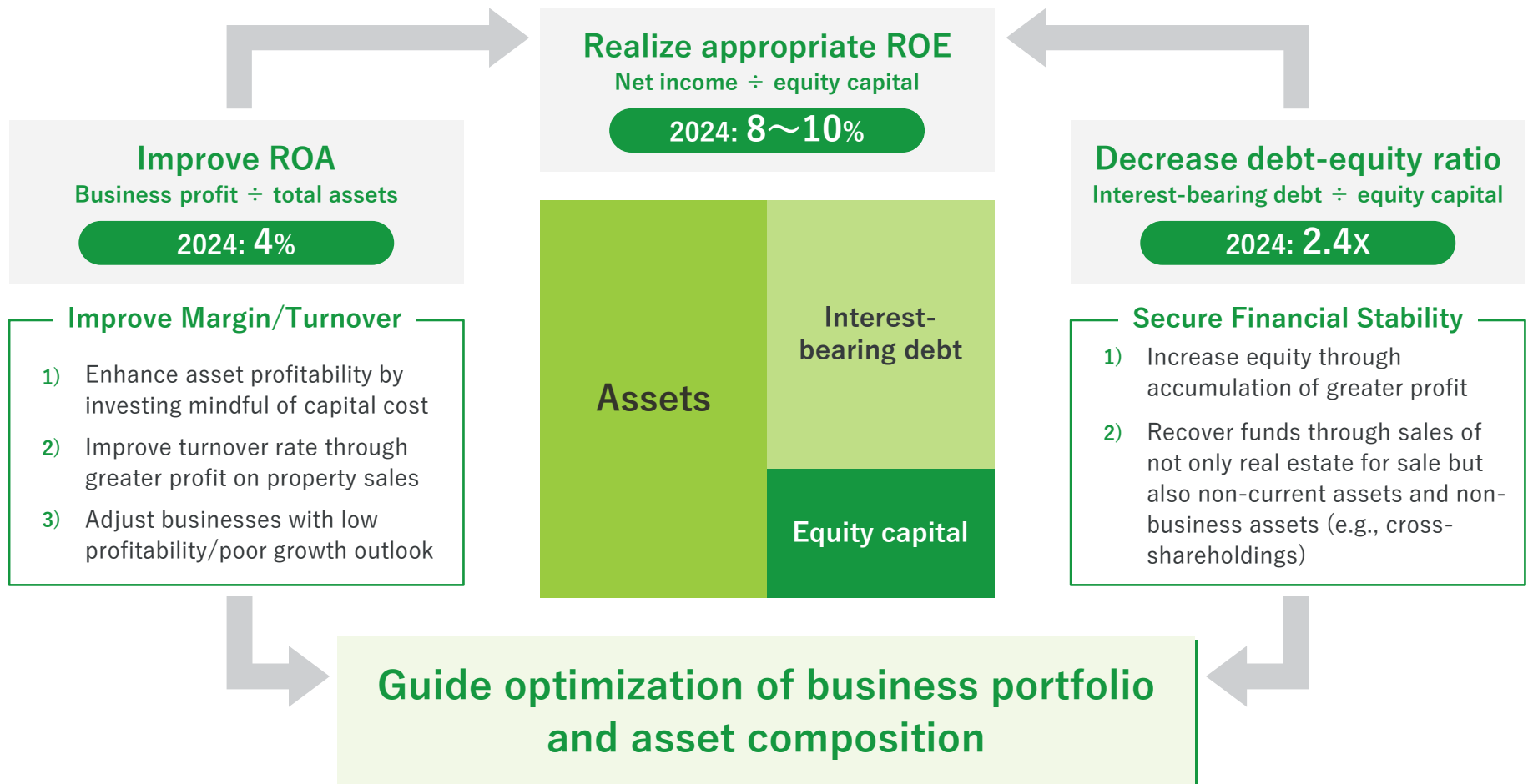


\* The percentages in the graph show the approximate composition ratio



## 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

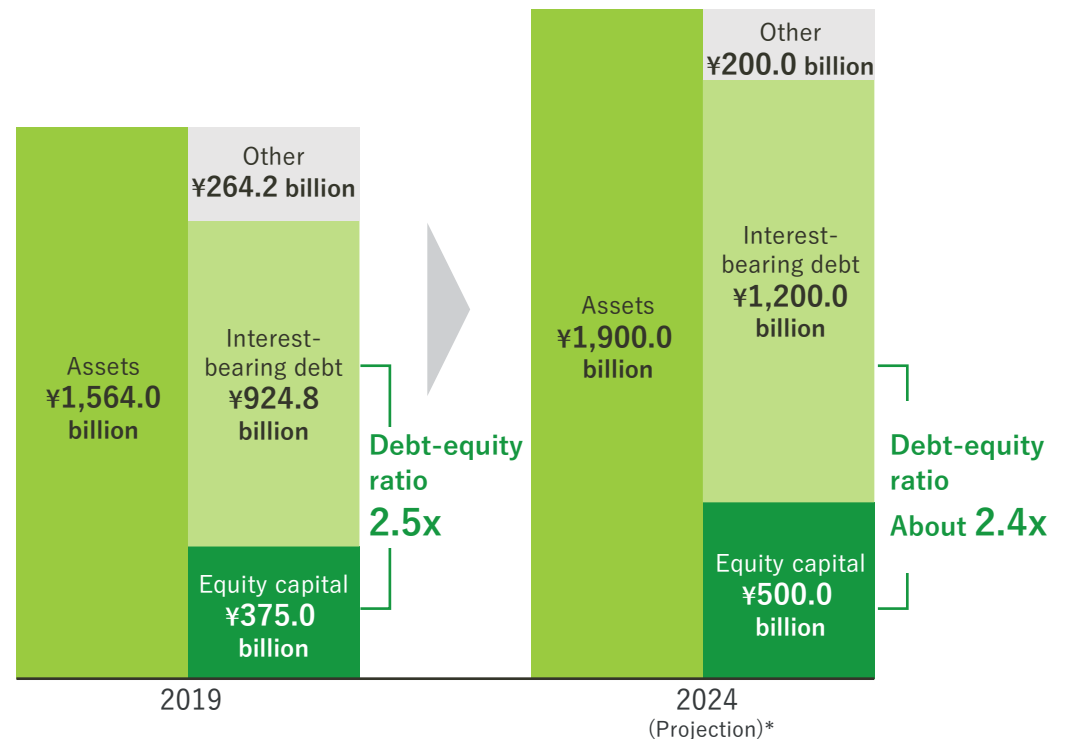
- Estimated net investment of ¥500.0 billion in total over five years.
- In addition to enhancing equity capital through stable profit growth, we aim to optimize our asset composition by selling non-current assets in consideration of profitability and reducing cross-shareholdings in order to either maintain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

### Medium-Term Investment Plan (Cumulative)

Unit: ¥ billion

<b>Gross investment</b>	<b>1,400.0</b>
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
<b>Recovered</b>	<b>900.0</b>
<b>Net investment</b>	<b>500.0</b>

### Balance Sheet Changes



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

## ■ Unrealized gain remained at a high level of ¥529.4 billion.

(Unit: ¥ billion)	2022/12-end	2023/12-end	Increase/ Decrease
Fair value at end of period	1,417.6	1,446.8	29.2
Amount on B/S (carrying value)	891.1	917.4	26.2
Amount of difference	526.4	529.4	3.0

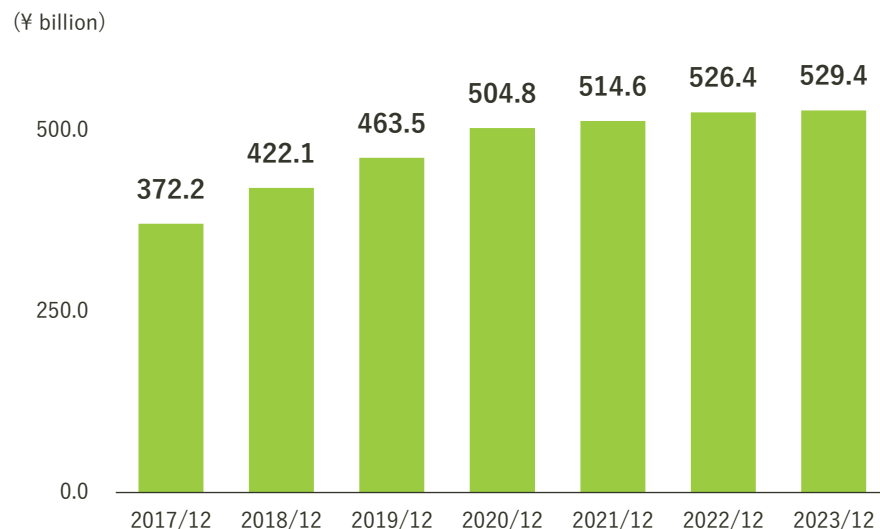
### ■ Subject properties

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

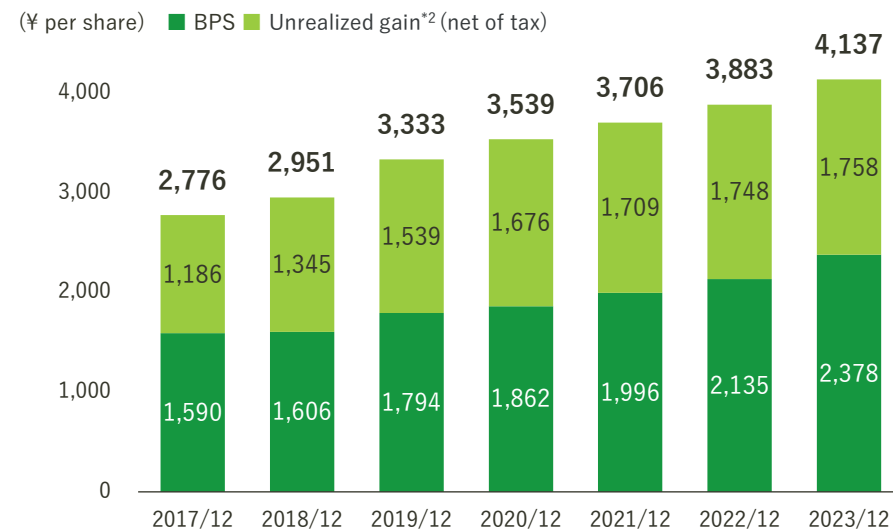
### ■ Method of calculation

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



## BPS and Adjusted BPS\*1 Trend

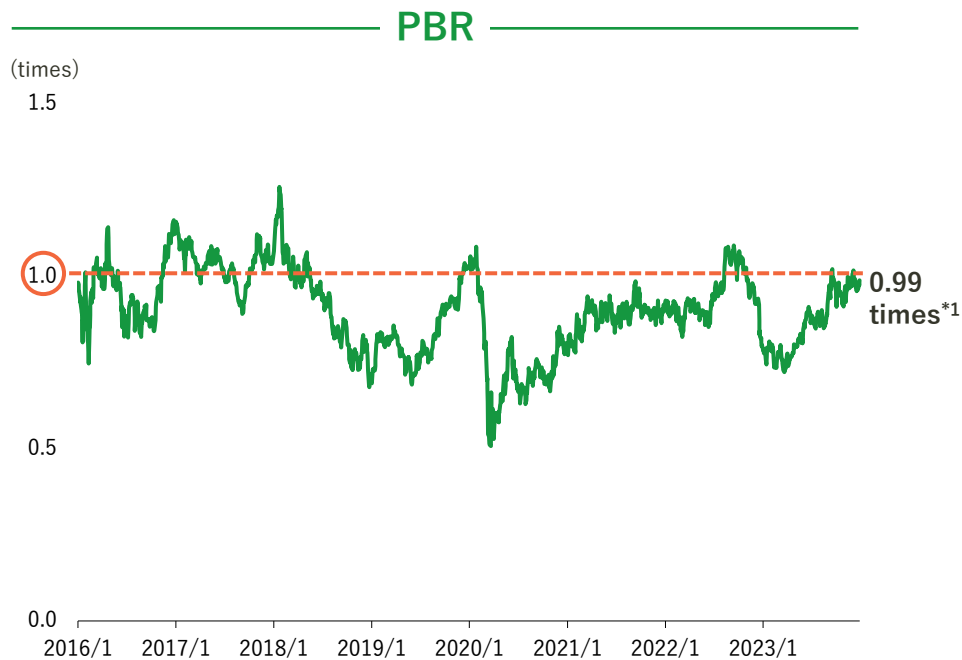


\*1 Adjusted BPS = BPS + (Unrealized gain, net of tax) / Number of shares issued and outstanding at end of period, excluding treasury stock

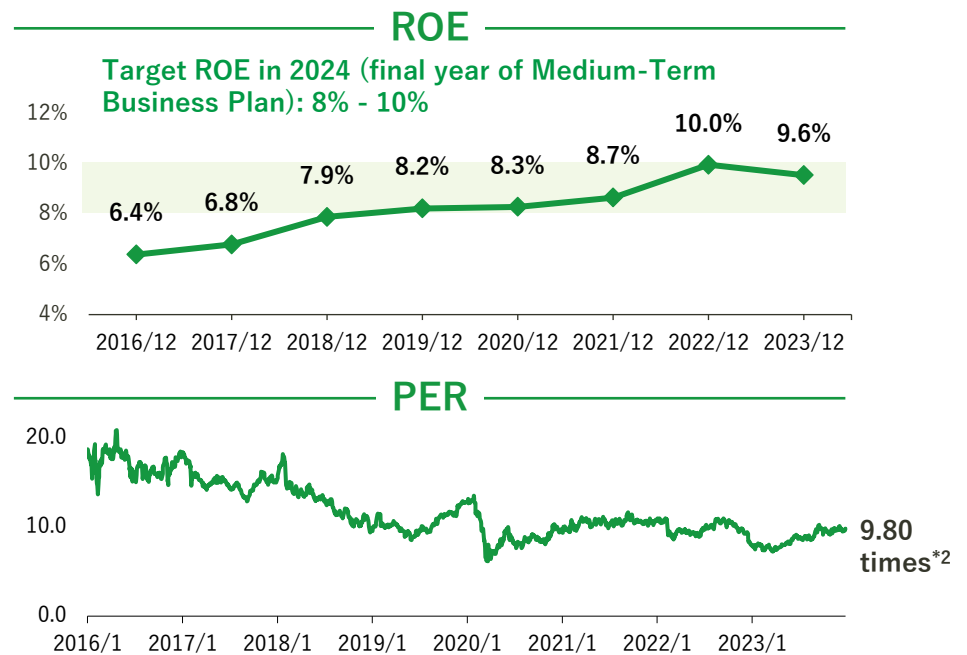
\*2 Unrealized gain, net of tax = Unrealized gain × (1 - Statutory tax rate applicable to each fiscal year)

## Recognition of Current Situation

- ROE is at the target level in the Medium-Term Business Plan (9.6%) and remains at a level exceeding shareholders' equity costs (CAPM estimate: approx. 7% to 8%).
- On the other hand, the current PBR is at a level below 1.0 times, with low PER recognized as the main factor behind this.
- Going forward, in addition to maintaining/increasing ROE, it will be necessary to improve profit stability and foster growth expectations with the aim of improving PER.



\*1: As of December 29, 2023



\*2: As of December 29, 2023

By improving profit stability and fostering growth expectations in addition to maintaining and enhancing ROE, evaluation by the stock market will become more favorable.

## Initiatives to Enhance Corporate Value

### Maintaining/ enhancing ROE

Through optimizing the business portfolio, asset composition, etc. based on “management that is mindful of capital efficiency,” as set forth in the Medium-Term Business Plan, we aim to steadily meet the plan’s target ROE (FY2024: 8% - 10%) and subsequently achieve an ROE exceeding that level in the long term.

#### (Key Initiatives)

- **Enhancing profit margin in each business**
  - Ingenious land acquisition that leverages our strengths
  - Steady promotion and leasing of large-scale redevelopment projects
  - Focusing on cost management
- **Enhancing capital efficiency**
  - Enhancing sales of for-sale condominiums and property sales to investors
  - Expanding fee revenues in tandem with group AUM growth
- **Appropriate control of balance sheet mindful of capital efficiency**
  - Sales of non-current assets, revision of business portfolio
  - Reducing cross-shareholdings
  - Financial leverage control based on fiscal policy

### Enhancing profit stability Fostering growth expectations

### Reducing shareholders' equity costs

In addition to increasing market confidence by deploying our tolerance to environmental changes to steadily generate profit, we will foster a sense of expectation by showing the probability of sustainable profit growth and enhanced shareholder returns in the future in our results and strategies.

#### (Key Initiatives)

- **Enhanced disclosure and proactive and attentive dialogue**
  - Comprehensive disclosure of strategies and initiatives aimed at sustainable growth
  - Enhancing engagement with investors
- **Improved shareholder returns**
  - Increasing dividends based on sustainable profit growth (including raising the payout ratio and considering progressive dividends)
- **Evolved approach to ESG management**
  - Accelerating sustainability initiatives
  - Lowering business risks by enhancing risk management
  - Developing human capital

## ■ Activities in FY2023

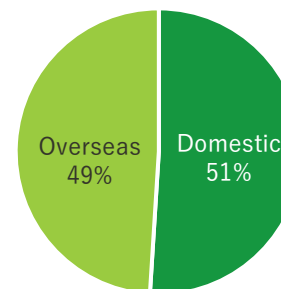
Type	Number of Times/Companies	Main Responders
Results briefings	2 times	President & CEO Senior Managing Executive Officer & CFO General Manager, Corporate Communications Department
Telephone conferences	4 times	General Manager, Corporate Communications Department
Participation in conferences	5 times / 25 companies	President & CEO Senior Managing Executive Officer & CFO
Small-group meetings	3 times / 38 companies	President, & CEO Senior Managing Executive Officer & CFO
Individual meetings (including overseas IR)	249 companies	President & CEO Senior Managing Executive Officer & CFO General Manager and Department Managers, Corporate Communications Department
Project tours	5 times	IR manager, manager of project management office
Briefings for private investors	1 time	Senior Managing Executive Officer & CFO

## ■ Key Topics and Matters of Interest to Investors

- Detailed outline of long-term vision
- Progress on key strategies set forth in Medium-Term Business Plan and changes from assumptions
- Trends in the business environment and the Company's perception of them
  - Trends in the office building and logistics property leasing, for-sale condominium, and real estate transaction markets
  - Competitive environment for land acquisition (Company's strengths)
- Business-related risks and countermeasures
  - Construction costs, interest rates, etc.
- Shareholder returns and capital policy (including treasury stock purchasing policy)
- ESG-related matters
  - Initiatives to reduce environmental footprint, HR strategy, cross-shareholdings policy, etc.

## ■ Ratio of Domestic vs. Overseas Meetings

- Ratio of domestic vs. overseas investors in conferences, small-group meetings, and individual meetings (312 companies in total)





## ■ Feedback to Management

Type	Frequency
Analyst reports	Quarterly
IR activity status	Quarterly / annual review
Stock-related indicators and stock quotes	Quarterly / annual review
Contents of dialogue with investors	Quarterly / annual review

## ■ Key Responses Based on Dialogue with Shareholders/Investors

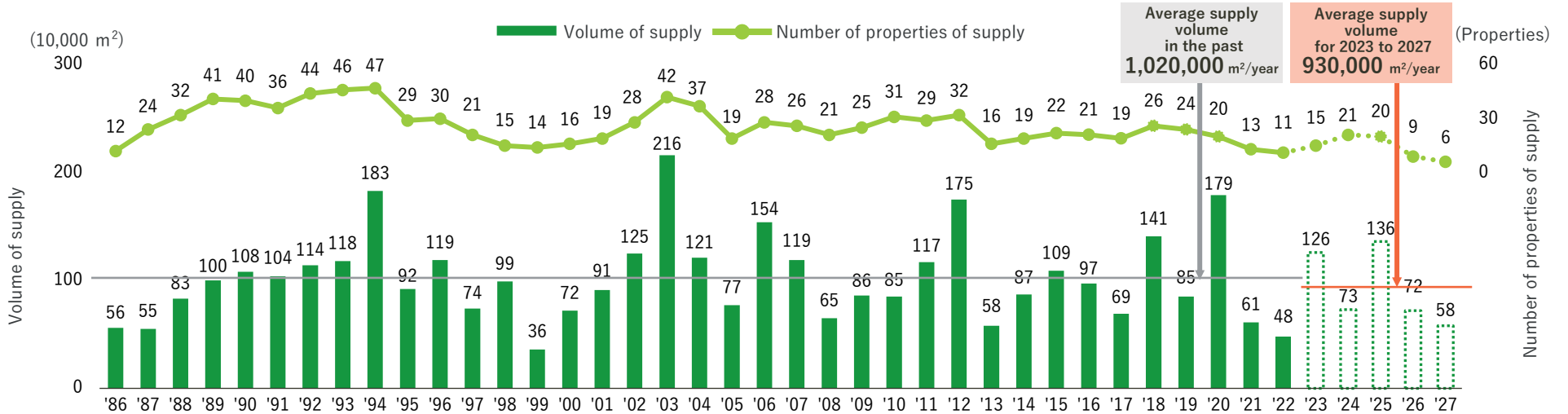
Request	Response
Wanting the recognition of issues on stock price (market valuation of corporate value) and measures for improvement to be shown.	Disclosing the recognition of current corporate value and initiatives to enhance corporate value in the presentation material.
Wanting shareholder returns to be enhanced.	Maintaining the amount of dividends and payout ratio above previous year's performance.
Wanting small-group meetings with the president and property information sessions to be held.	Holding small-group meetings with CEO/CFO and tours of Yaesu Project and for-sale condominiums sales center
Wanting specific measures for the achievement of medium- to long-term targets on GHG emission reduction to be presented.	Formulating a roadmap (action plan). Disclosure through Integrated Report and Sustainability Report.

Commercial Properties business*	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12
Number of office buildings	46	46	46	47	45	45	45	45	41	42	41	41
Leasable area of office buildings (thousand m <sup>2</sup> )	514	514	514	514	496	496	500	511	494	542	540	540
Vacancy rate	3.4%	3.3%	3.3%	3.2%	2.5%	2.9%	2.8%	3.2%	4.2%	3.4%	4.2%	4.2%
Average rent (Unit: ¥/tsubo)	31,061	30,830	31,077	30,954	30,809	30,896	30,696	30,836	31,087	28,071	28,023	28,227
Residential business	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12
Number of sales posted (cumulative)	520	634	689	1,109	390	963	1,034	1,435	548	660	712	1,058
For-sale condominiums	520	634	689	1,109	390	963	1,034	1,435	548	660	712	1,058
Housing and residential land	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin ratio of condo sales (cumulative)	29.9%	28.6%	28.4%	24.4%	28.2%	36.7%	36.1%	33.3%	37.2%	36.0%	35.4%	33.4%
Inventory of completed condos	179	109	54	83	135	115	72	175	156	125	72	181
Of which, contracted	41	36	24	37	29	35	20	43	36	47	21	38
Condo units supplied (cumulative)	297	760	1,036	1,684	277	647	908	1,341	213	590	880	1,243
Condo units contracted (cumulative)	288	794	1,045	1,759	245	639	941	1,313	211	605	933	1,334
Condo units contracted but yet to be posted	1,081	1,474	1,669	1,968	1,837	1,658	1,890	1,861	1,524	1,806	2,082	2,136
Number of condo buildings for rent	13	12	11	12	11	14	14	17	17	17	18	11
Number of managed condo units	97,152	97,738	97,668	98,789	96,761	97,272	97,345	98,006	98,159	98,141	99,522	99,083
Asset Service business	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12
Brokerage: Number of deals (cumulative)	277	540	830	1,152	250	532	793	1,086	248	494	783	1,097
Of which, sales (cumulative)	271	526	810	1,124	243	521	778	1,060	243	480	759	1,062
Of which, rentals (cumulative)	6	14	20	28	7	11	15	26	5	14	24	35
Parking lots: Number of locations	1,859	1,863	1,864	1,861	1,852	1,856	1,845	1,933	1,915	1,930	1,919	1,919
Parking lots: Number of parking spaces	74,366	74,706	74,641	75,254	75,618	76,444	77,083	80,057	79,045	81,620	82,287	82,542
Other	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12
Ofuro no Osama (Spa facility)	9	9	9	10	10	10	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

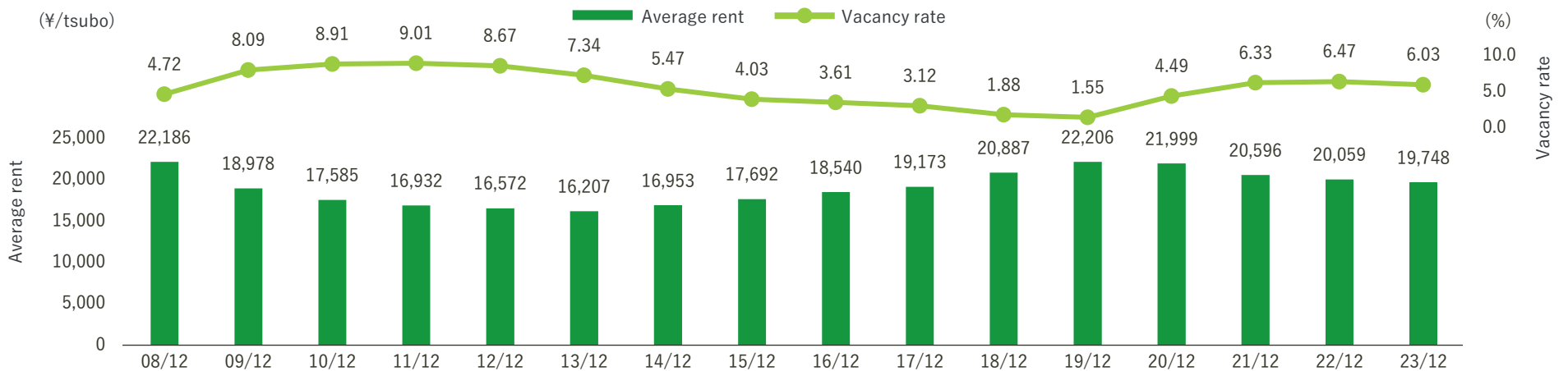
\* Standards for areas subject to calculation are as follows.

- 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.
- Addition of following criteria from the end of March 2022: Properties included in a redevelopment project area shall be excluded from owned office buildings upon the establishment of an urban redevelopment consortium or project approval.
- The DNP Gotanda Building (currently the Panasonic Meguro Building), acquired at the end of September 2019, is included in the areas subject to calculation from the end of June 2023.

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

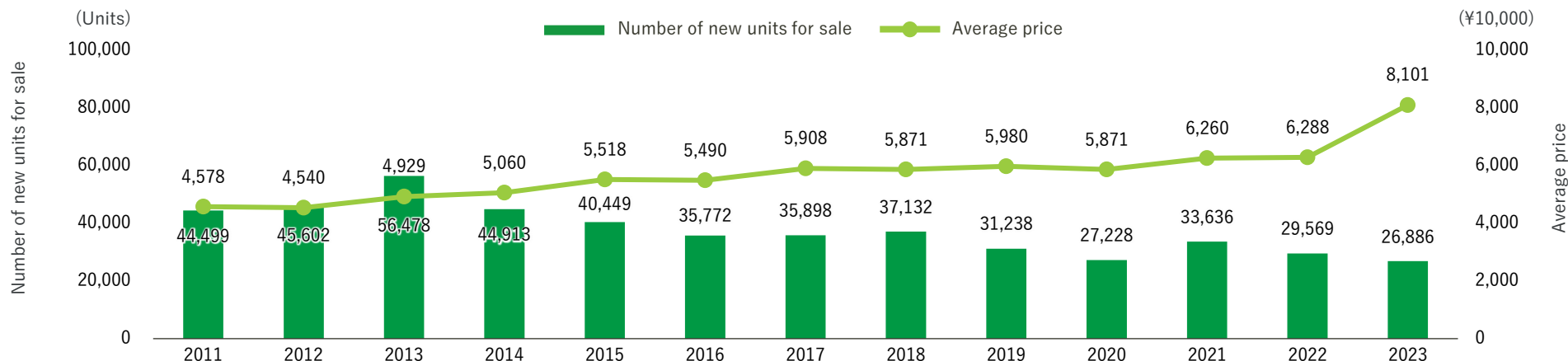


## Average Rent and Vacancy Rate Trends in Tokyo's Central Business District (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya Wards)

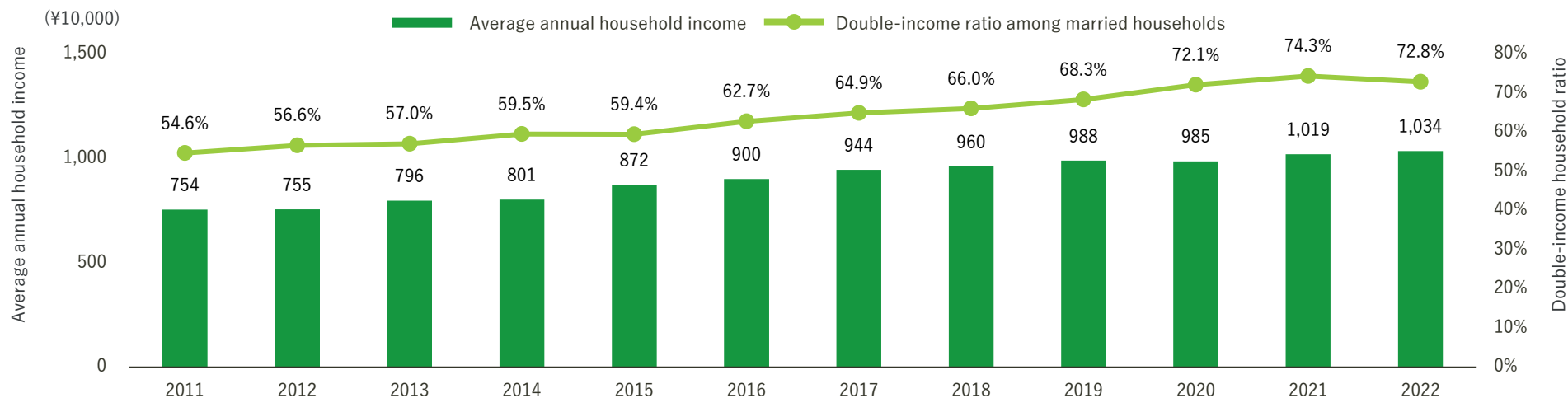


Source: Mori Buildings' "Survey of Large-scale Office Building Market in Tokyo's 23 Wards 2023"; Miki Shoji

## 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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