Financial Highlights

FY2018 Second Quarter (First Six Months)

Ended September 30, 2018

TOKYU FUDOSAN HOLDINGS CORPORATION

Code : 3289

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.

FY2018 Q2 Financial Highlights

Both revenue and profit decrease in the second quarter of FY2018, although they were in line with the full-year forecast.

Result and Forecast Highlights

・**Results of the FY2018 Second Quarter Ended September 30, 2018**
¥402.6 billion in operating revenue and ¥32.2 billion in operating profit
Steady progress was made in line with the full-year plan as deliveries tend to be concentrated in the second half, although revenue and profit decreased mainly due to a fall in gain on sales of buildings to investors and a fall in the number of condominiums.

・**Forecast for the fiscal year ending March 31, 2019**
¥900.0 billion in operating revenue, ¥80.0 billion in operating profit, ¥37.0 billion in profit attributable to owners of parent
Planned to achieve increases in revenue and profit and record highs in operating revenue and profit attributable to owners of parent.

・**Return to Shareholders: dividends**
The annual dividend for the fiscal year ending March 31, 2019 will be raised to 15.5 yen, **an increase for the sixth consecutive year** is expected due to steady growth of profit and profit attributable to owners of parent.

・**Topics**
(i) In order to continue investing in the Greater Shibuya Area in anticipation of a further improvement in the area's value, a plan was established to invest around ¥350 billion in the area from FY2018 to FY2023, and **a public stock offering was resolved** on October 3.
(ii) Leasing under the Takeshiba District Development Plan (tentative name) commenced in full swing in spring FY2018 and made steady progress on the back of strong demand.

FY2018 Q2 (First Six Months) Operating Results

Respective businesses remained firm, although revenue and profit decreased due to a decrease in profit on sales of buildings for investors.

(¥ billion)	Q2 First Six Months (ended Sep-30)			Full-year (ended March-31)		Progress	Compared to the same period last year
	FY2017 **	FY2018	Comparison	FY2017 **	FY2018 Forecast ***		
Operating revenue	**408.0**	**402.6**	**(5.4)**	**866.1**	**900.0**	**44.7%**	☐**Operating revenue, Operating profit** Both revenue and profit decreased, primarily reflecting a fall in the number of condominiums and a decrease in gains related to the sale of buildings for investors.
Operating profit	**35.0**	**32.2**	**(2.8)**	**77.5**	**80.0**	**40.2%**	
Non-operating income	0.6	**0.9**	0.2	1.4	–	–	
Non-operating expenses	4.9	**5.3**	0.4	10.3	–	–	
Ordinary profit	**30.7**	**27.8**	**(2.9)**	**68.7**	**70.0**	**39.7%**	
Extraordinary income	0.0	–	(0.0)	0.0	–	–	
Extraordinary losses	1.1	0.5	(0.6)	9.3	–	–	
Income before income taxes and minority interests	29.6	**27.3**	(2.4)	59.4	–	–	
Profit attributable to owners of parent	**17.6**	**16.7**	**(0.9)**	**35.2**	**37.0**	**45.0%**	
Total assets	2,124.4	2,277.3	152.9	2,173.2	–	–	
Interest-bearing Debt	1,223.0	1,313.9	90.9	1,210.4	1,320.0	–	
Equity	452.3	479.9	27.7	468.1	–	–	
Equity ratio	21.3%	21.1%	(0.2)P	21.5%	–	–	
D/E ratio	**2.7**	**2.7**	**–**	**2.6**	**2.3**	**–**	
EBITDA	–	–	–	106.1	109.7	–	
EBITDA multiple	**–**	**–**	**–**	**11.4**	**12.0**	**–**	

* Figures in brackets show amounts posted, and figures with the mark + or figures in parentheses show increases or decreases. (The same will apply in the following pages.)
** The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the key management indicators associated with the first quarter of the previous consolidated fiscal year and the previous consolidated fiscal year have been retrospectively adjusted to reflect the application of the aforementioned standard.
*** The figures are the revised forecast that we announced on November 8, 2018.

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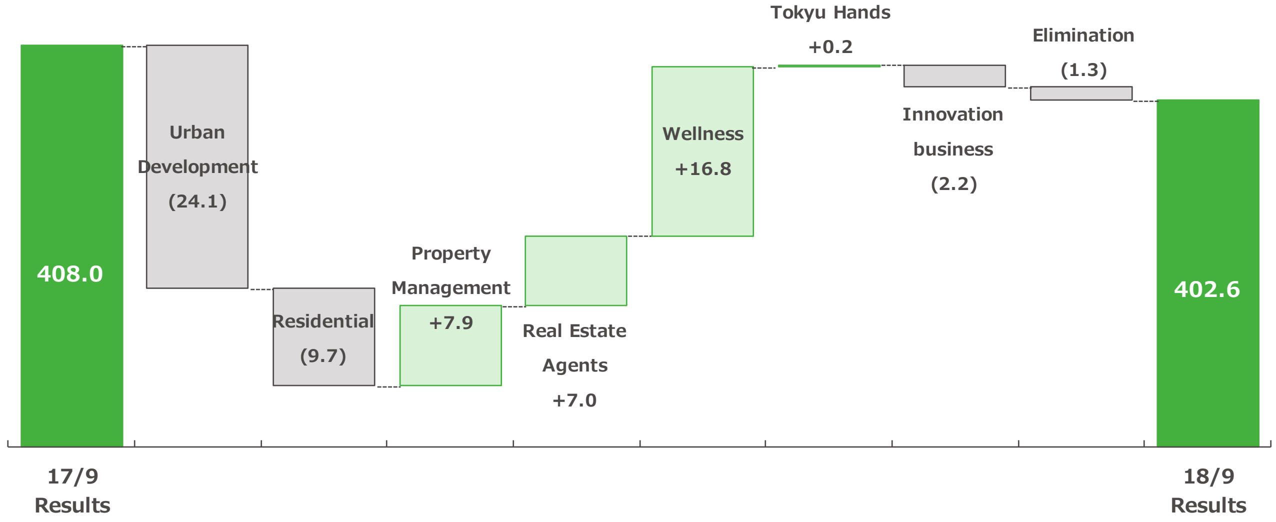
FY2018 Q2 (First Six Months) Segment performance

Both revenue and profit decreased in the urban development and residential segments due to decreases in gains on sales and in sales of condominiums.

〈Changes in revenue〉

(¥billion)

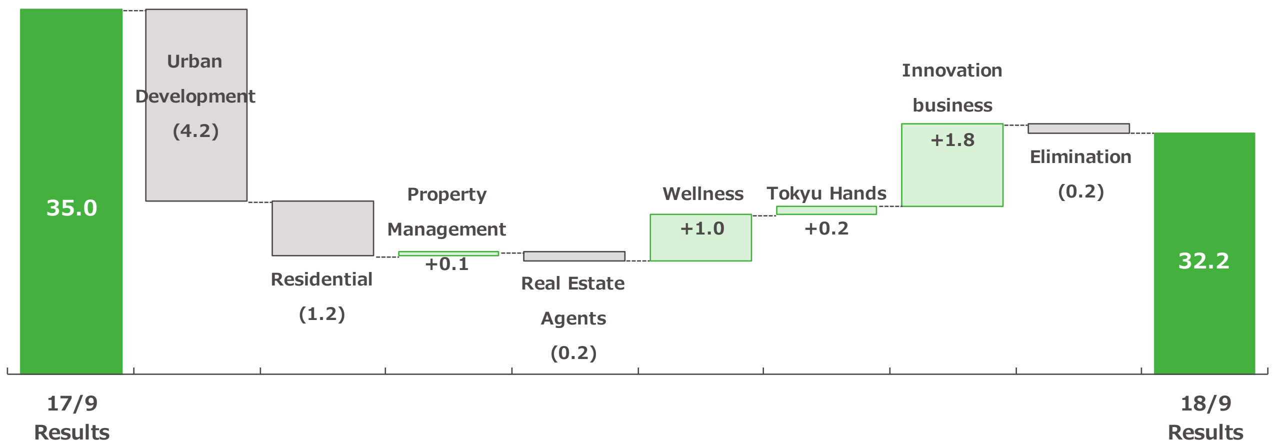
	FY2017 2Q	FY2018 2Q	Comparison
Results	408.0	402.6	(5.4)



〈Changes in profit〉

(¥billion)

	FY2017 2Q	FY2018 2Q	Comparison
Results	35.0	32.2	(2.8)



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Summary of balance sheets

Both assets and liabilities rose chiefly due to an increase in real estate for sale.

(¥ billion)	FY2017 As of Mar-31, 2018	FY2018 As of Sep-30, 2018	Comparison
Cash and deposits	62.8	87.2	24.5
Real estate for sale	**473.7**	**538.2**	**64.5**
Property and equipment, Intangible assets	**1,165.6**	**1,187.4**	**21.8**
Goodwill	82.6	79.8	(2.7)
Other investments	258.1	259.6	1.5
Acconuts receivable etc.	43.9	32.5	(11.4)
Other	86.5	92.5	6.0
Total assets	**2,173.2**	**2,277.3**	**104.1**
Interest-bearing Debt	**1,210.4**	**1,313.9**	**103.5**
Guarantee and lease deposits received	180.0	180.4	0.4
Deposits	70.5	68.8	(1.6)
Trade payables etc.	83.1	69.5	(13.5)
Other	154.0	157.8	3.8
Total liabilities	**1,697.9**	**1,790.5**	**92.6**
Equity	**468.1**	**479.9**	**11.8**
Non-controlling interests	7.2	6.9	(0.3)
Total net assets	**475.3**	**486.8**	**11.4**

Compared to the end of the previous fiscal year

□**Real estate for sale**

Real estate for sale rose, reflecting new investment and payment for construction work of exsisting projects.

□**Property and equipment, Intangible assets**

Property and equipment, Intangible assets rose ¥21.8 billion due to investments.
(Reference) Market value appraisal for leased properties
Year-end book value:¥791.4 billion, Year-end market value:¥937.1 billion, Difference:+¥145.7 billion

□**Interest-bearing debt**

Interest-bearing debt rose ¥103.5 billion mainly due to investments in real estate for sale and property and equipment, and intangible assets.

□**Equity ratio**

21.1% (As of Mar-2018, 21.5%)

* The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the key management indicators associated with the previous consolidated fiscal year have been retrospectively adjusted to reflect the application of the aforementioned standard.

Summary of Cash Flows

Net cash used in operating and investing activities associated with new investments was financed with loans payable and other cash flow from financial activities.

(¥billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Main factors for changes
Net cash provided by (used in) operating activities	(34.3)	(45.7)	Profit before income taxes+27.3, Depreciation+11.9, Increase in inventories(68.6)
Net cash provided by (used in) investment activities	(47.7)	(32.5)	Purchase of non-current assets(32.5)
Net cash provided by (used in) financing activities	94.6	102.8	Net increase in commercial papers+42.0, Long-term loans payable+37.8, Bonds +20.0
cash and cash equivalents at end of period	74.8	86.3	

〈Information: investment actuals records and plans〉

(¥ billion)	FY2016 Mar-2017	FY2017 Mar-2018	FY2018 Q2(Apr-Sep)	FY2018 Mar-2019 Forecast
Land and buildings for sale (buildings, commercial facilities and others)	47.7	88.4	43.4	100.0
Land for sale (condominiums and others)	41.0	36.7	6.7	50.0
Capital investment	60.3	44.6	36.7	120.0

Public stock offering

The public stock offering was resolved on October 3, and its conditions were determined on October 22.

No. of shares for subscription ¥110 million

Capital increase ¥66.8 billion

*Total of new shares issued by public offering and third-party allotment, and disposal of treasury shares.
Based on the assumption of exercising a greenshoe option in full.

〈Background to capital increase through public offering〉

To be a comprehensive, value-creating developer continuously adding to the attractiveness of Tokyo, and in particular the Greater Shibuya Area

Steady progress in Medium-Term Management Plan(1)

- Solid start in the first year of Value Frontier 2020 Stage 2
- Steady progress in redevelopment projects around Shibuya Station

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Tokyo office market

- Diminishing concerns over supply of commercial office space
- Increasing competition among neighborhoods in Tokyo in mid- and long-term

Reinforce financial base through this offering

Strengthen our leasing business and raise our leasing portfolio NAV(2) through proactive investments

Move forward with high value-added projects in major central Tokyo areas

Continuous investments in the Greater Shibuya Area, with strong growth potential
Planning to invest ¥350 billion by FY2023

(1) "Medium-Term Management Plan" is defined as "Value Frontier 2020 Stage 2 of the Medium-Term Management Plan" which we announced on May 11, 2017. The same shall apply hereafter
(2) NAV(Net Asset Value) is defined as net assets plus the difference between the leased property fair value and the leased property book value of our office buildings and retail properties (incl. land) plus an amount that takes into account corporate tax. The same shall apply hereafter

FY2018 Earnings Forecasts

Higher revenue and profit are expected, particularly in the wellness and overseas businesses.

Full-year (¥ billion)	FY2017 Mar-2018	FY2018 Mar-2019 Forecast	Comparison	Initial Forecast	Projected Change
Operating revenue	**866.1**	**900.0**	**33.9**	**880.0**	**20.0**
Operating profit	**77.5**	**80.0**	**2.5**	**80.0**	**–**
Non-operating income	1.4	–	–	–	–
Non-operating expenses	10.3	–	–	–	–
Ordinary profit	**68.7**	**70.0**	**1.3**	**70.0**	**–**
Extraordinary income	0.0	–	–	–	–
Extraordinary losses	9.3	–	–	–	–
Income before income taxes and minority interests	59.4	–	–	–	–
Profit attributable to owners of parent	**35.2**	**37.0**	**1.8**	**37.0**	**–**
Total assets	2,173.2	–	–	–	–
Interest-bearing Debt	1,210.4	1,320.0	109.6	1,355.0	(35.0)
Equity	468.1	–	–	–	–
Equity ratio	21.5%	–	–	–	–
D/E ratio	**2.6**	**2.3**	**(0.3)**	**2.7**	**(0.4)**
EBITDA	106.1	109.7	–	107.1	2.6
EBITDA multiple	**11.4**	**12.0**	**0.6P**	**12.7**	**(0.7)P**
Dividends per share	¥14.5	¥15.5	¥1.0	¥15.5	–
Dividend payout ratio	25.1%	27.6%	2.5P	25.5%	2.1%

Compared to the same period last year

□**Operating revenue, Operating profit**

Both revenue and profit increased, primarily reflecting an increase in sales due to the delivery of the co-ownership of land and buildings prior to the opening of a membership resort hotel in the Wellness segment, as well as an increase in the sales of condominiums in the overseas business of the Innovation business segment.

□**Interest-bearing Debt**

The interest-bearing debt is planned to rise ¥109.6 billion mainly due to new investments.

□**D/E ratio**

Planned to improve 2.3 times by public stock offering

□**Dividends per share**

The annual dividend per share is planned to rise 1.0 yen, 15.5 yen.

* EBITDA Multiple: Interest-Bearing Debt／EBITDA (Operating Profit Before Depreciation)

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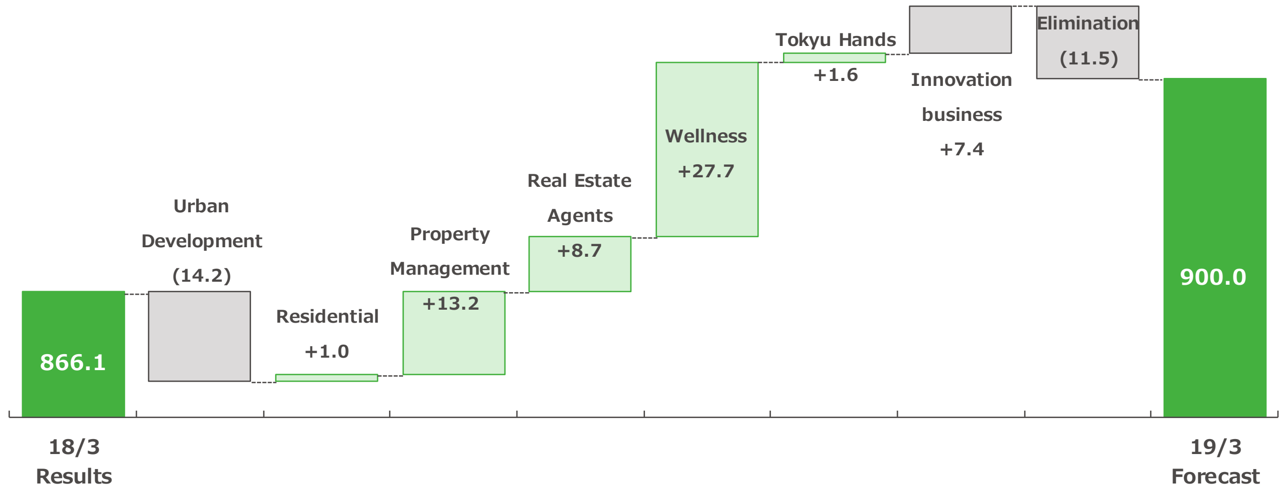
FY2018 Forecast (Segment performance)

Both revenue and profit are forecast to rise, particularly in the Wellness and Innovation Business segments.

〈Changes in revenue〉

(¥billion)

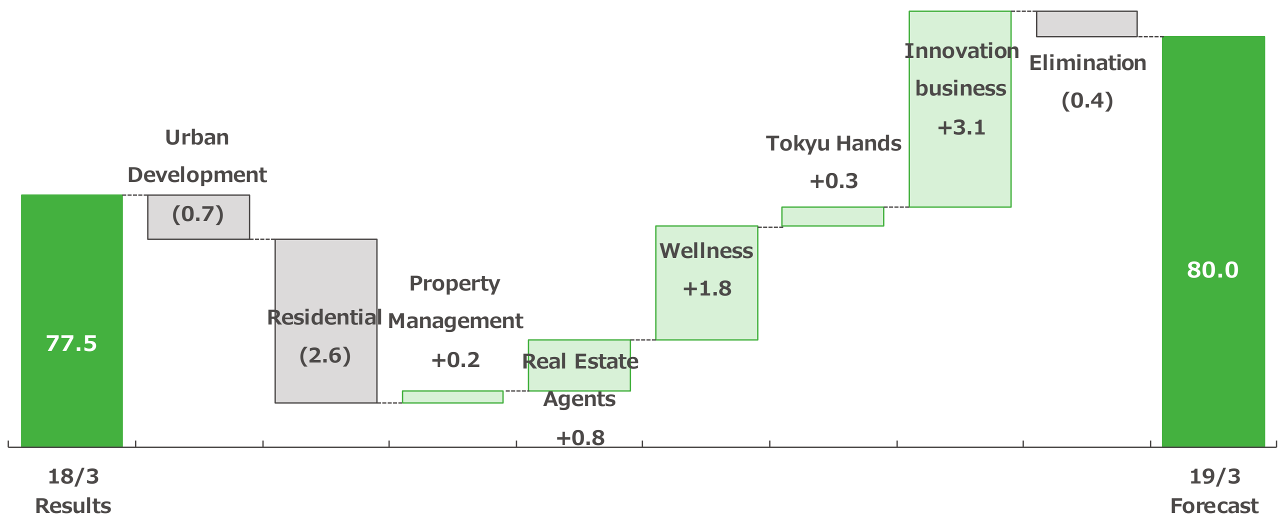
FY2017 Results	FY2018 Forecast	Comparison
866.1	900.0	+33.9



〈Changes in profit〉

(¥billion)

FY2017 Results	FY2018 Forecast	Comparison
77.5	80.0	+2.5



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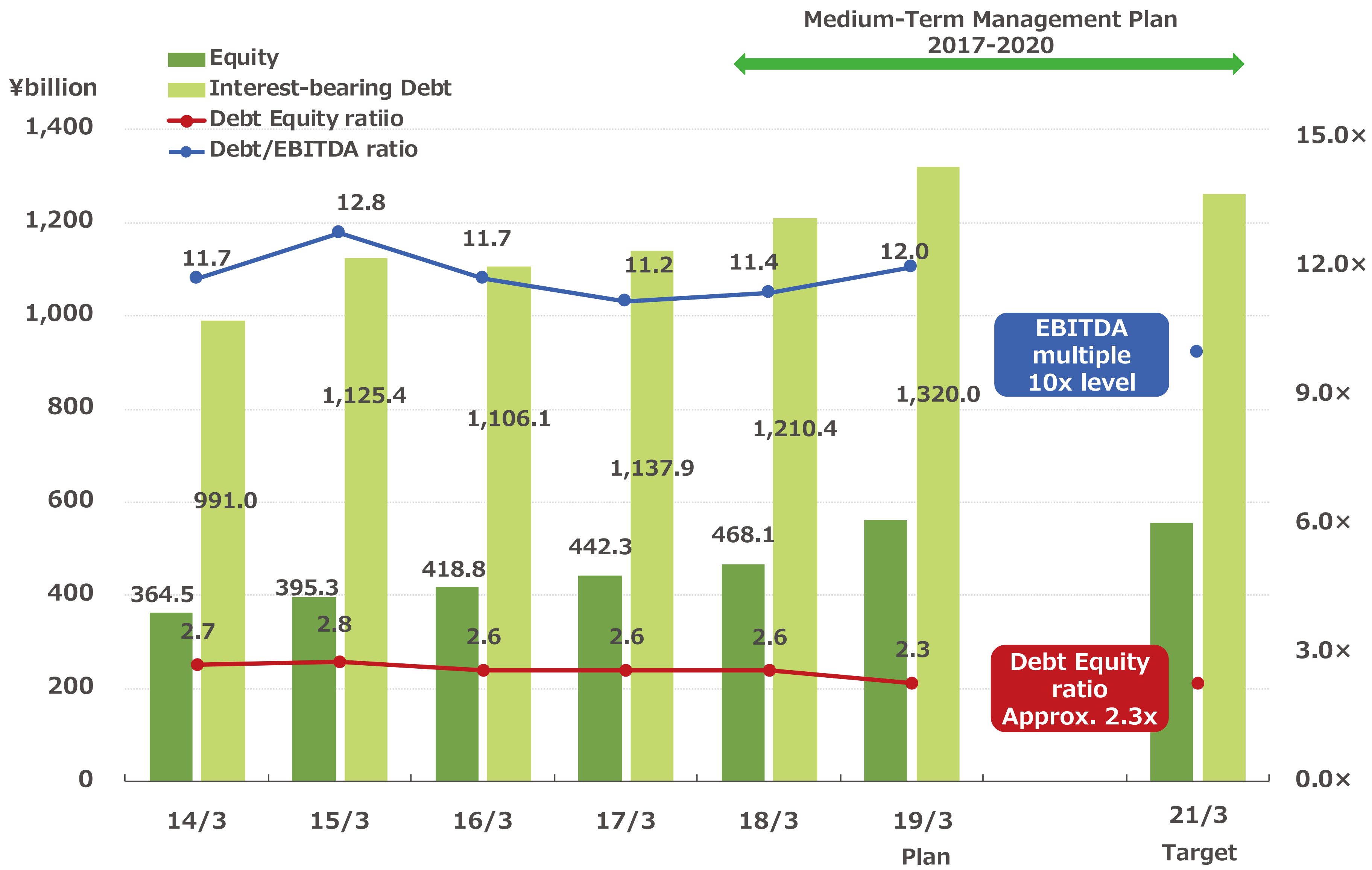
Trends in equity and interest-bearing debt

Rating Institution: Japan Credit Rating Agency, Ltd. Long-term : A- (Positive) Short-term : J-1



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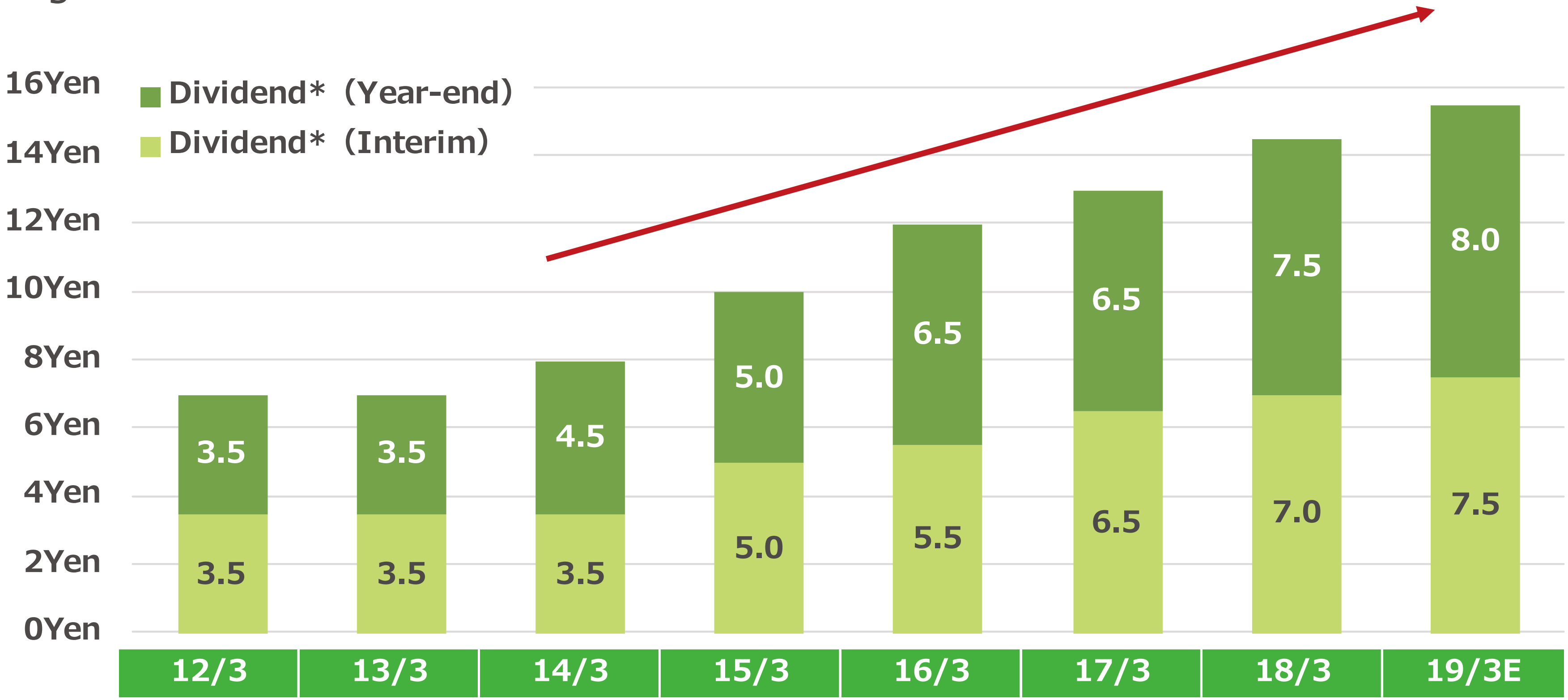
Return to Shareholders

Annual dividend for the fiscal year ending March 31, 2019, will be raised to 15.5 yen, representing the sixth consecutive increase.



	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3E
Net income ** (¥billion)	34.2	22.1	23.7	25.2	28.7	31.5	35.2	37.0
EPS (Yen)	64.40	41.71	41.61	41.45	47.18	51.77	57.80	56.14
Dividend payout ratio (%)	10.9	16.8	19.2	24.1	25.4	25.1	25.1	27.6

* Dividends before interim dividends for the fiscal year ended March 2014 are those paid by Tokyu Land Corporation.
** "Net income" was replaced with "profit attributable to owners of parent" in the fiscal year ended March 31, 2016.

ESG management

ESG management to realize sustainable growth and the enhancement of corporate value

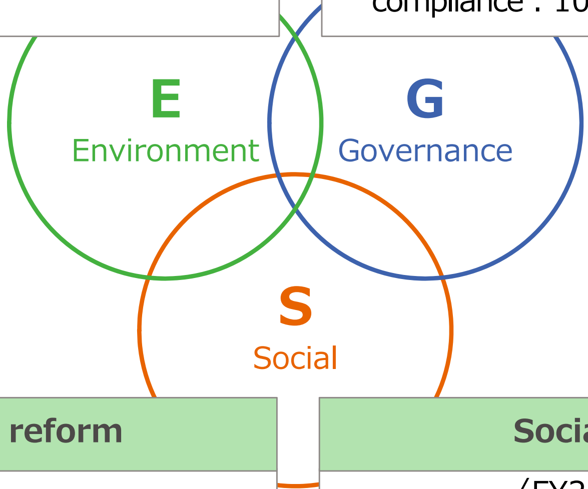
Environment

〈FY2020 KPI〉
CO_2 emissions : ▲25% reduction
CASBEE/DBJ environmental certification obtained* : 100%, among others

* New large properties

Corporate governance

〈FY2020 KPI〉
Rate of attendance at the board of directors' meeting : 100%
Conformity with the code of conduct for compliance : 100%, among others



Work-style reform

〈FY2020 KPI〉
Female employment ratio : 30%
Medical examination taken : 100%, among others

Social needs

〈FY2020 KPI〉
Buildings certified according to the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.* : 100%
Emergency supplies at condominiums : 100%, among others

* New large properties

Sustainable growth and enhancement of corporate value

Selected as global ESG index

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

FTSE4Good

Chosen all the three ESG indexes for GPIF

MSCI
2017 Constituent
MSCI ESG
Leaders Indexes

MSCI
2017 Constituent
MSCI Japan Empowering
Women Index (WIN)

FTSE Blossom Japan

TOKYU FUDOSAN HOLDINGS

Urban Development(1) FY2018 Q2(First Six Months)

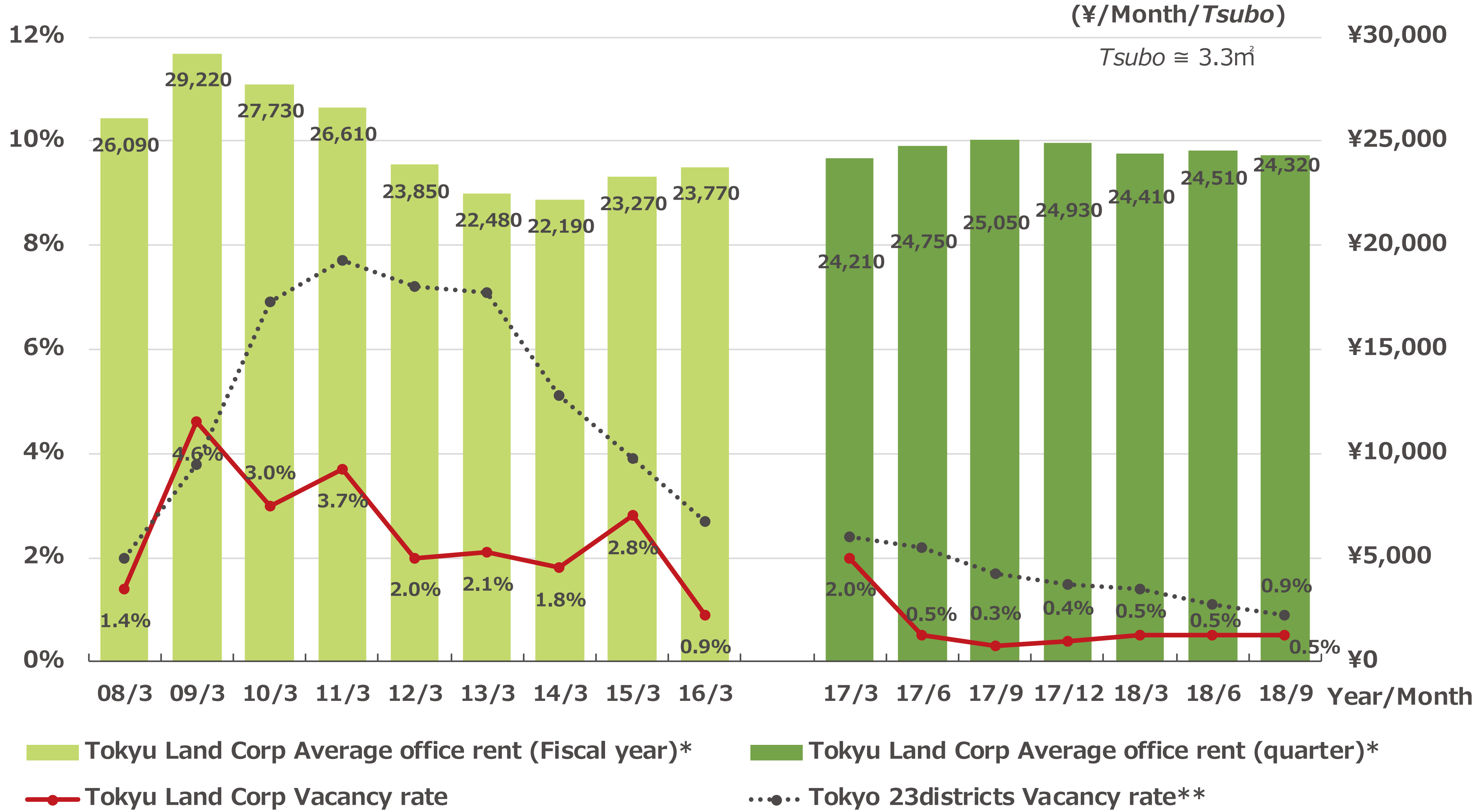
Q2 : Decrease in both revenue and profit　FY2018 : Decrease in both revenue and profit

Second Quarter First Six Months (¥ billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**145.8**	**121.8**	**(24.1)**		**47.7%**
Leasing (Office buildings)	19.4	18.5	(1.0)	Newly operated +0.8, Lost revenue for properties sold(1.7)	
Leasing (Commercial facilities)	21.7	20.8	(0.9)		
Asset management etc.	65.4	40.9	(24.5)	Proceeds from sales [35.2](25.5)	
Leasing (Residence) etc.	39.3	41.7	2.4		
Operating profit	**27.3**	**23.0**	**(4.2)**	Gain on sale [3.9](3.1), Lost profit for properties sold(0.9)	**46.1%**

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Comparison
Operating revenue	**269.8**	**255.5**	**(14.2)**		**233.4**	**22.2**
Leasing (Office buildings)	37.9	36.6	(1.3)	Newly operated +1.6, Lost revenue for properties sold(3.1)	36.7	(0.0)
Leasing (Commercial facilities)	42.9	41.3	(1.6)		40.7	0.6
Asset management etc.	107.3	89.0	(18.3)	Proceeds from sales [76.4](20.2)	68.3	20.8
Leasing (Residence) etc.	81.6	88.5	6.9		87.7	0.8
Operating profit	**50.7**	**50.0**	**(0.7)**	Gain on sale [13.0]+1.2, Lost profit for properties sold(1.5)	**50.0**	**–**

Urban Development(2)Vacancy Rate and Rent

As of September 30, 2018 Vacancy rate 0.5%
(Tenants actually moving in and out, Office buildings and commercial facilities)



* The average office rents of the Company presented include common area service expenses.

** 「Tokyo 23districts」 …Date Source : CBRE K.K.「Japan Office MarketView」

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Urban Development(3)Major projects

Floor space ： thousand ㎡

FY2018 (Open)

Shibuya Nampeidai Project **
Shibuya-ku
Office
Floor space ：47

Ginza 7-chome Project **
Chuo-ku
Commercial
Floor space ：1

FY2019

Osakashi Naniwaku motomachi Hotel Project **
Osaka
Hotel
Floor space ：6

Q Plaza Ikebukuro
Toshima-ku
Commercial/Cinema
Floor space ：17

Jimbocho North Tokyu Building
Chiyoda-ku
Office
Floor space ：11

Shibuya Dogenzaka 1-chome Block Development Project
Shibuya-ku
Office/Commercial
Floor space ：59

FY2020

Takeshiba District Development Plan **
Minato-ku
Office/Commercial/Housing
Floor space ：201

after FY2021

Kudanminami 1-chome Project **
Chiyoda-ku
Office/Commercial
Floor space : 68
Open : July-2022(Plan)

Chayamachi B-2 Block Urban Redevelopment Project
Osaka
Commercial, etc.

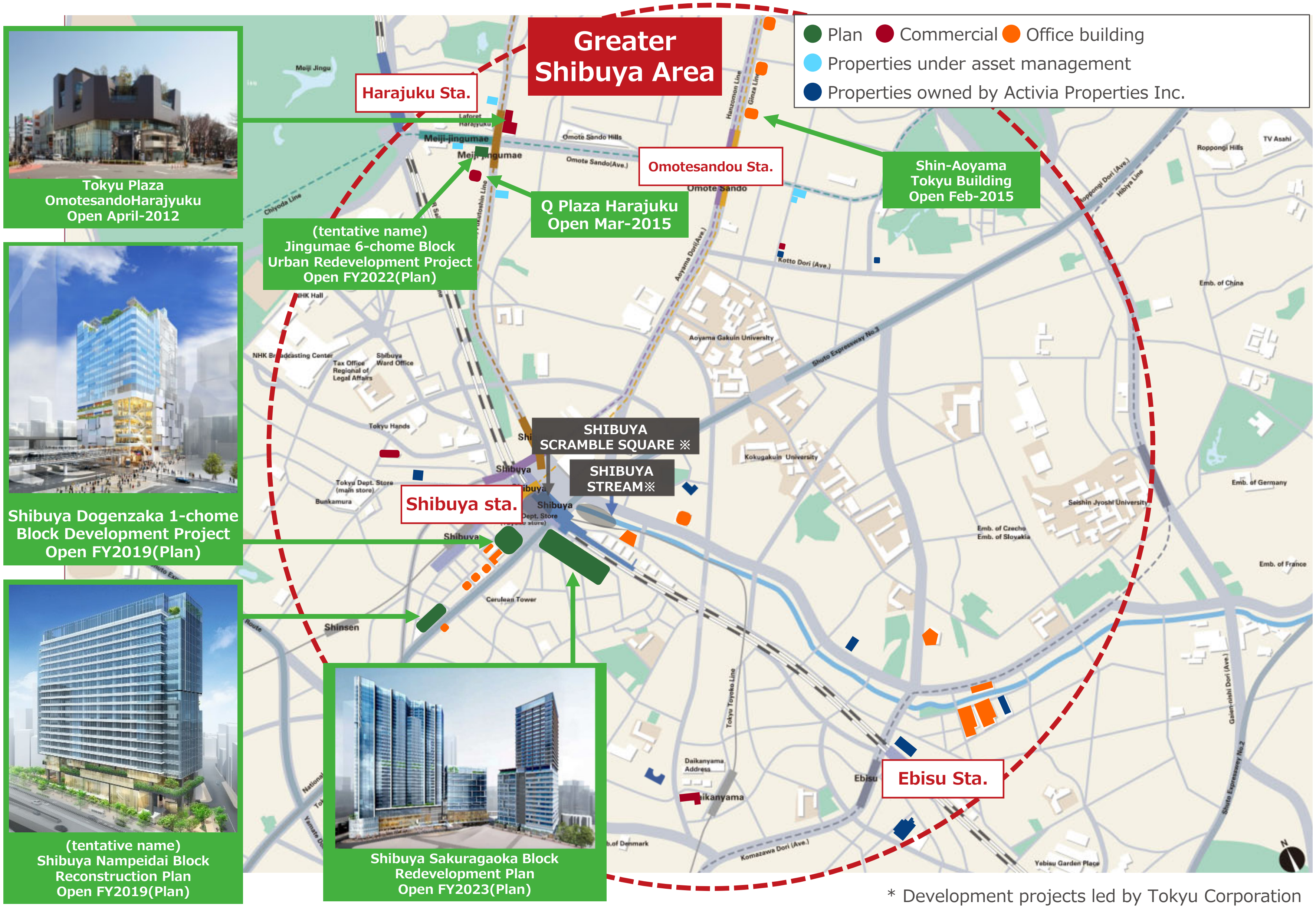
Jingumae 6-chome Block Urban Redevelopment Project**
Shibuya-ku
Commercial/Public facilities
Floor space ：22
Open : FY2022(Plan)

Shibuya Sakuragaoka Block Redevelopment Plan
Shibuya-ku
Office/Commercial/Housing
Floor space ：255
Open : FY2023(Plan)

* Floor space of all the projects before taking our equity into account
** tentative name

Urban Development(4)Major projects Greater Shibuya Area

Under the Shibuya Sakuragaoka Block Redevelopment Plan, demolition will start in January 2019 with the aim of commencing operation in FY2023.



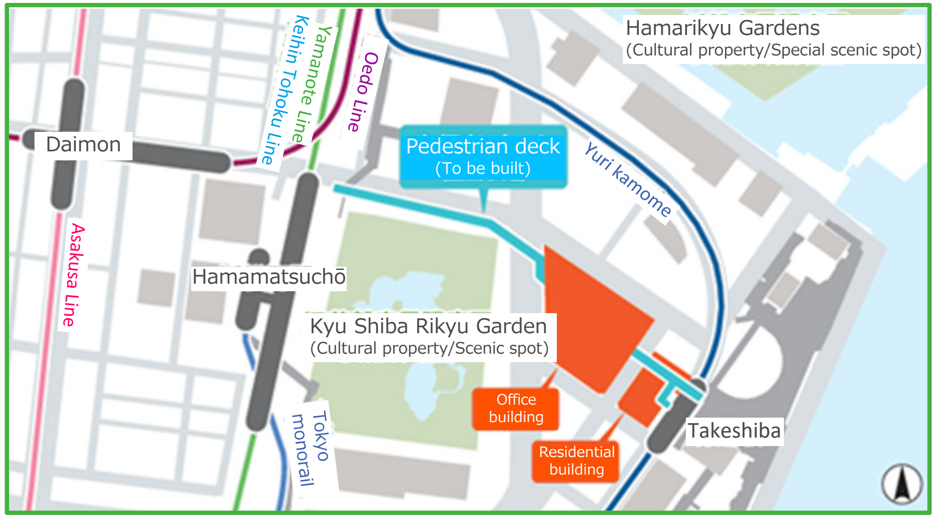
* Development projects led by Tokyu Corporation

TOKYU FUDOSAN HOLDINGS

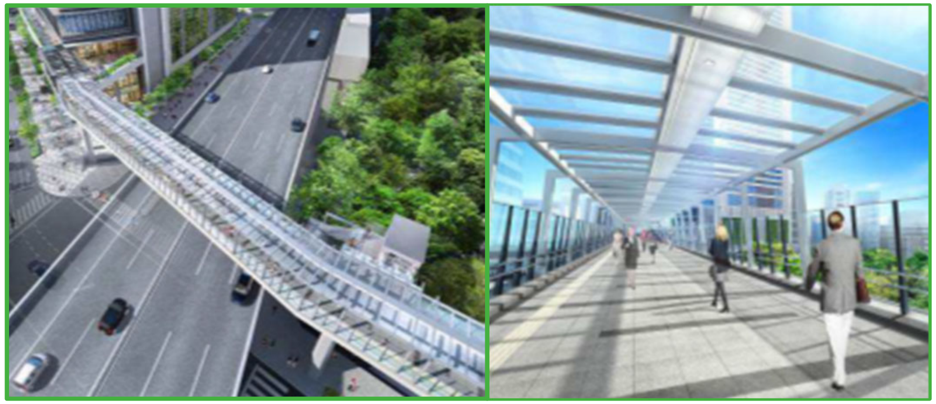
Urban Development(5)Major projects <Takeshiba>

Both construction and leasing made steady progress toward opening in FY2020.

Takeshiba District Development Plan (Tentative name)
Office/Commercial/Housing
Floor space ：201
Open ：FY2020(Plan)



<Area map>



<Pedestrian deck>

TOKYU FUDOSAN HOLDINGS

Urban Development(6)Renewable energy business

Investment in the renewable energy business, including investment in solar power and wind power generation plants, made progress.

Projects acquired

Properties in operation: 10

Projects under development: 22

(solar power generation projects: 18,

wind generation projects: 3,

biomass power generation project: 1)

Investment progress

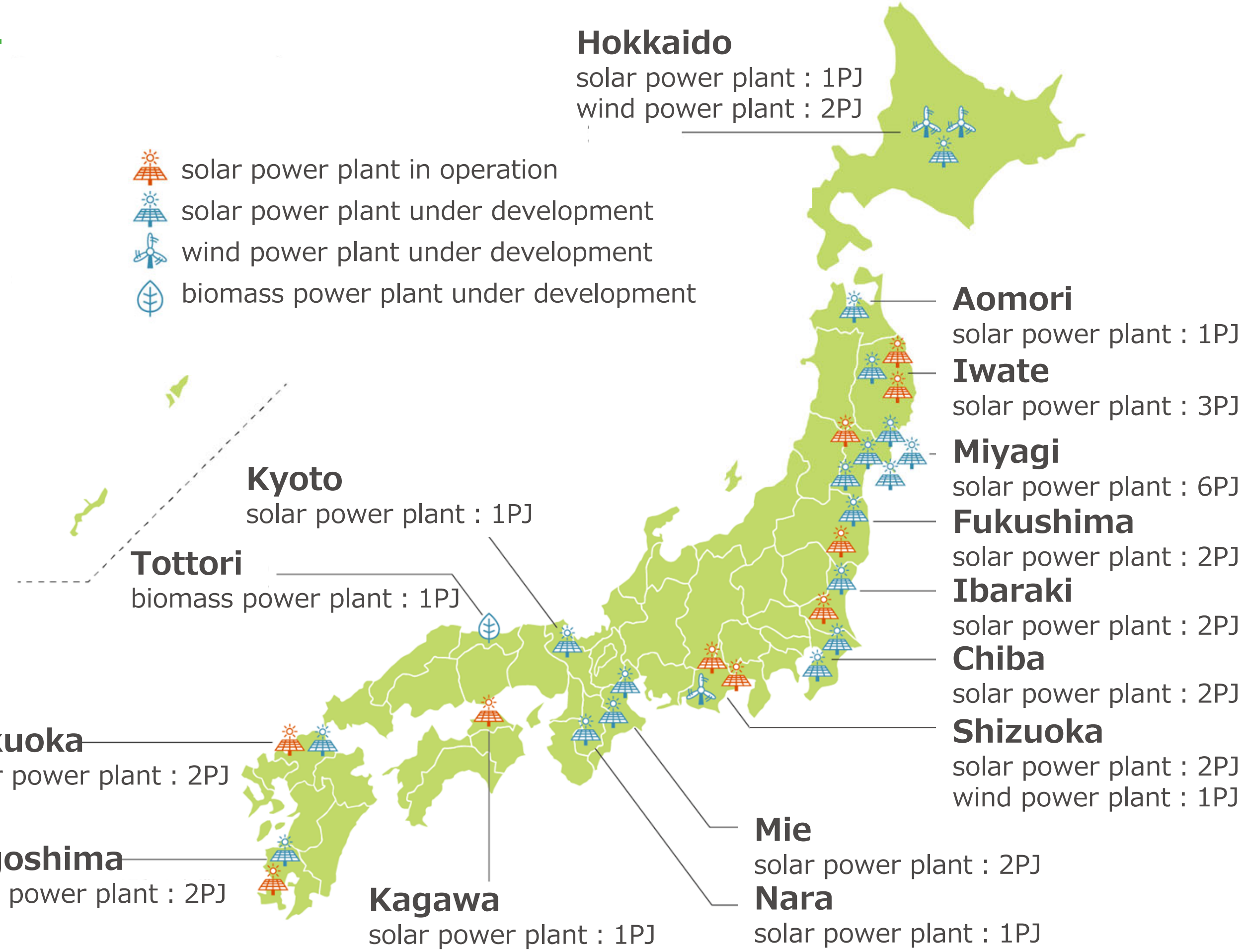
(As of September 30, 2018):

¥55.3 billion

Major projects:

Kushiro（Hokkaido) 92MW

Yoshino（Nara) 32MW



As of Sep-30, 2018

TOKYU FUDOSAN HOLDINGS

Residential(1) FY2018 Q2(First Six Months)

Q2: Decrease in both revenue and profit　FY2018: Increase in revenue and Decrease in profit

Second Quarter First Six Months（¥ billion）	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**41.7**	**32.0**	**(9.7)**		**25.7%**
Condominiums	33.3	18.7	(14.6)	No. of units sold (209) [352]	
Detached housing	1.9	1.4	(0.5)		
Others	6.5	12.0	5.4	Increase in the bulk sale of rental houses and land	
Operating profit	**1.4**	**0.1**	**(1.2)**		**2.3%**

Full-year（¥ billion）	FY2017	FY2018 forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Comparison
Operating revenue	**123.5**	**124.5**	**1.0**		**115.4**	**9.1**
Condominiums	95.5	88.7	(6.8)	No. of units sold (365) [1,262]	89.6	(1.0)
Detached housing	3.1	2.5	(0.6)		2.3	0.2
Others	25.0	33.4	8.4	Increase in the sale of rental houses to investors	23.4	9.9
Operating profit	**7.6**	**5.0**	**(2.6)**		**5.0**	**－**

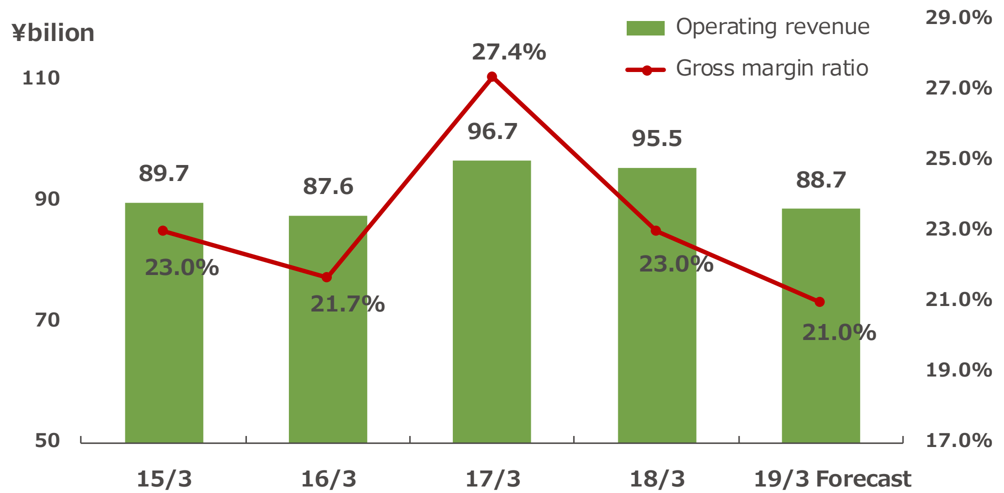
TOKYU FUDOSAN HOLDINGS

Residential(2) Change in the indexes for condominium sales

For the fiscal year ending March 31, 2019, high-end properties will increase, although the number of units estimated will decrease.

FY	FY2016	FY2017	FY2018 Forecast	FY2019 Forecast
No. of units sold	Total 1,560units	Total 1,627units	Total 1,262units	–
Contract ratio (Beginning-of-year→1Q→2Q→3Q)	57%→67%→84%→94%	54%→ 68%→ 80%→ 89%	32%→57%→73% (As of Sep 30, 2018)	–
Year-end inventory of completed units	457	629	422 (As of Sep 30, 2018)	–
Major derevery condo Number of units refers to the number of units of sale () ownership ratio	BRANZ Tower Minatomirai 228units(100%) BRANZ The House Ichibancho 56units(100%) BRANZ City Kugahara 278units(100%) BRANZ Kakogawa ekimae 150units(60%)	BRANZ Yokohama 210units(50%) BRANZ Shibuya Tokiwamatsu 72units(85%) BRANZ Tower Midousujihommachi 276units(50%)	BRANZ Futakotamagawa terrace 79units(100%) BRANZ Rokuban-cho 39units(100%) BRANZ Roppongi Iikurakatamachi 33units(65%) BRANZ Roppongi The Residence 51units(40%)	BRANZ Kawaguchi Honcho 163units(100%) BRANZ Tower Umeda North 653units(33%) BRANZ Tower Hagoromo 145units(80%)
Purchase of land for sales (¥ billion)	40.7 (1,966 units)	36.7 (2,439units)	50.0 (Plan) 2Q : 6.7 (553 units)	– –

<Change in operating revenue and gross margin ratio for condominiums>



<Land bank of properties to be completed>

Acquired land to be delivered on or after 2020: about 9,200units

BRANZ Roppongi The Residence
(To be completed in February 2019)

BRANZ Tower Umeda North
(to be completed in January 2020)

TOKYU FUDOSAN HOLDINGS

Property Management(1) FY2018 Q2(First Six Months)

Q2: Increase in both revenue and profit FY2018: Increase in both revenue and profit

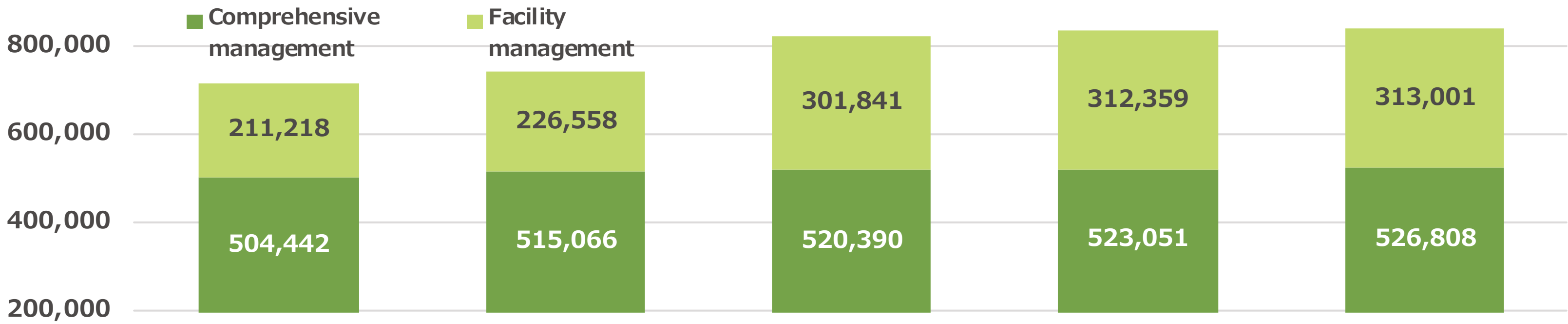
Second Quarter First Six Months (¥ billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**72.8**	**80.7**	**7.9**		**46.3%**
Condominium	52.5	54.0	1.5	Management+0.9, Construction+0.5	
Buildings and Other facilities	20.2	26.7	6.4	Management+1.7, Construction+4.7	
Operating profit	**3.3**	**3.3**	**0.1**		**39.7%**

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	comparison
Operating revenue	**160.9**	**174.2**	**13.2**	Increase in construction sales (due to the transfer of Tokyu Re･design Corporation)	**174.3**	**(1.0)**
Condominium	111.6	118.2	6.6	Management+2.2, Construction+4.4	117.4	0.8
Buildings and Other facilities	49.3	56.0	6.6	Management+3.7, Construction+2.9	56.9	(0.9)
Operating profit	**8.2**	**8.4**	**0.2**		**8.4**	**–**

Property Management(2)Stock of properties

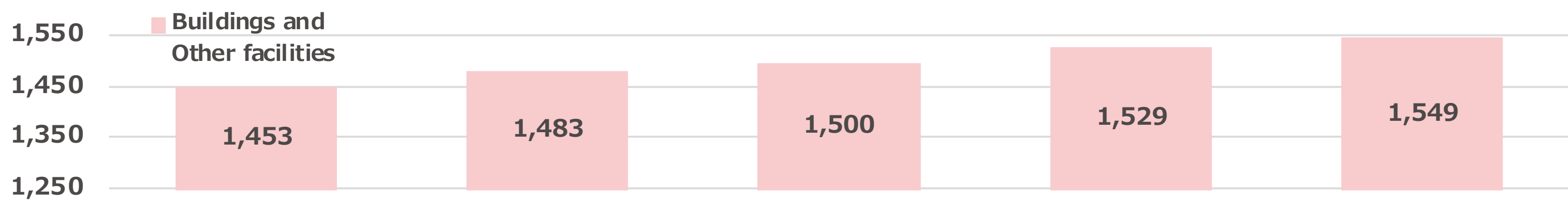
Condominiums and buildings under management steadily increased to expand stock under management.

〈Trend in stock of comprehensive condominium management and facility management in number of units〉



[Units]	End of FY2015	End of FY2016	End of FY2017	End of Sep, 2018	Plan for FY2018
Number of condominium units under management (Change from the end of preceding fiscal year)	715,660 (+37,181)	741,624 (+25,964)	822,231 (+80,607)	835,410 (+13,179)	839,809 (+17,578)
Under comprehensive management	504,442	515,066	520,390	523,051	526,808
Under facility management	211,218	226,558	301,841	312,359	313,001

〈Trend in stock of management of buildings and other facilities in number of projects〉



[Projects]	End of FY2015	End of FY2016	End of FY2017	End of Sep, 2018	Plan for FY2018
Buildings and Other facilities (Change from the end of preceding fiscal year)	1,453 + 93	1,483 + 30	1,500 + 17	1,529 + 29	1,549 + 49

Real Estate Agents(1) FY2018 Q2(First Six Months)

Q2: Increase in revenue and Decrease in profit   FY2018: Increase in both revenue and profit

Second Quarter First Six Months (¥ billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**44.4**	**51.4**	**7.0**		**47.6%**
Real-estate sales agent	26.4	27.7	1.3	Retail+1.2, Wholesale+0.1	
Consignment sales	1.0	1.4	0.3		
Real-estate sales	15.2	21.2	6.1	Increase in the delivery of whole residences for investment	
Other	1.7	1.1	(0.7)	Decrease in the sales of development-oriented asset management business	
Operating profit	**6.6**	**6.4**	**(0.2)**		**45.5%**

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Comparison
Operating revenue	**99.3**	**108.0**	**8.7**		**107.9**	**0.1**
Real-estate sales agent	54.9	58.1	3.1	Retail+2.9, Wholesale+0.3	60.9	(2.8)
Consignment sales	2.7	3.2	0.6		3.4	(0.2)
Real-estate sales	39.0	44.7	5.7	Increase in the delivery of whole residences for investment and the sales of purchase and resale business	41.5	3.2
Other	2.7	2.0	(0.7)	Decrease in the sales of development-oriented asset management business	2.2	(0.2)
Operating profit	**13.2**	**14.0**	**0.8**		**14.0**	**–**

TOKYU FUDOSAN HOLDINGS

Real Estate Agents(2) Performance indicators in sales agency operations

Revenue increased, reflecting increases in the amount of transactions both in the retail business and the wholesale business.

	FY2018 Q2		
	Retail	Wholesale	Total
No. of transactions	11,996	464	12,460
(Rate of change YoY)	+3.1%	(16.4)%	+2.2%
Amount of transactions	452.2 billion yen	148.2 billion yen	600.3 billion yen
(Rate of change YoY)	+5.2%	+1.2%	+4.2%
Average handling price	38 million yen	319 million yen	48 million yen
(Rate of change YoY)	+2.0%	+21.1%	+1.9%
Commission fee ratio	4.7%	3.7%	4.4%

Highlights

□Retail (Result)

・Revenue increased due to growth both in the number of transactions and the average handling price.
・Five new stores opened in the first half (Nakanosakaue, Osone, Kiyosumishirakawa and others).
Five new stores will open in the second half（Oizumi-gakuen, Kachidoki, Senrioka and others).

□Wholesale (Result)

・Revenue rose due to an increase in average handling prices (263 million yen → 319 million yen), despite a decline in the number of transactions.

	FY2017			FY2018 (Plan)		
	Retail	Wholesale	Total	Retail	Wholesale	Total
No. of transactions	23,268	1,142	24,410	25,000	1,000	26,000
(Rate of change YoY)	+4.5%	+12.6%	+4.9%	+7.4%	(12.4) %	+6.5%
Amount of transactions	884.5 billion yen	431.1 billion yen	1,315.6 billion yen	947.7 billion yen	321.5 billion yen	1,269.1 billion yen
(Rate of change YoY)	+7.7%	+54.5%	+19.6%	+7.1%	(25.4) %	(3.5) %
Average handling price	38 million yen	377 million yen	54 million yen	38 million yen	321 million yen	49 million yen
(Rate of change YoY)	+3.0%	+37.2%	+14.0%	(0.3) %	(14.8) %	(9.4) %
Commission fee ratio	4.7%	2.7%	4.0%	4.7%	3.7%	4.4%

TOKYU FUDOSAN HOLDINGS

Wellness(1) FY2018 Q2(First Six Months)

Q2: Increase in both revenue and profit FY2018: Increase in both revenue and profit

Second Quarter First Six Months (¥ billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**45.6**	**62.3**	**16.8**		**50.0%**
Operation of resort facilities*	15.4	15.7	0.3	Newly operated (HVC Karuizawa)	
Oasis (Sports Clubs)	8.5	8.8	0.2	Newly operated (Narashino, Sagamihara)	
Senior housing	3.8	3.9	0.1		
TOKYU STAY (Hotels)	5.2	6.7	1.6	Newly opened, contributed full year (Kyoto, Takanawa, Sapporo, Hakata)	
Consignment welfare	4.6	5.0	0.3		
Sales of country houses and membership	0.9	14.9	14.0	HVC Karuizawa delivered, and assets sold	
Others	7.2	7.4	0.2	Newly operated (Seragaki, Okinawa)	
Operating profit	**1.6**	**2.6**	**1.0**	HVC Karuizawa delivered	**34.0%**

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Comparison
Operating revenue	**97.0**	**124.7**	**27.7**		**126.3**	**(1.6)**
Operation of resort facilities*	36.3	37.9	1.6	Newly operated (HVC Karuizawa), existing facilities improved	38.4	(0.5)
Oasis (Sports Clubs)	17.1	18.0	0.9	Newly operated (Narashino, Sagamihara)	18.4	(0.4)
Senior housing	7.5	7.9	0.4		8.0	(0.0)
TOKYU STAY (Hotels)	10.6	13.2	2.6	Newly opened (6 hotels)	13.4	(0.2)
Consignment welfare	9.2	9.8	0.6		9.4	0.3
Sales of country houses and membership	2.5	21.9	19.4	HVC Karuizawa delivered, and assets sold	22.9	(1.0)
Others	13.8	15.9	2.1	Newly operated (Seragaki, Okinawa)	15.8	0.1
Operating profit	**5.8**	**7.6**	**1.8**	HVC Karuizawa delivered and gain on sales of assets increased	**7.4**	**0.2**

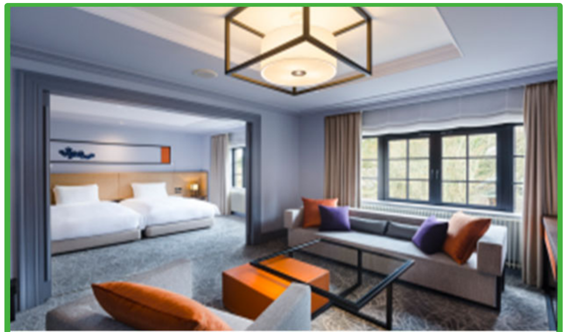
* Sales at golf courses, Tokyu Harvest Club facilities, ski resorts and etc.

Wellness(2)Major projects

Plan new facilities mainly for hotel business such as Tokyu Stay and Harvest club

Type	Major project	Usage	Open
Tokyu Stay	Tokyu Stay Sapporo Tokyu Stay Hakata Tokyu Stay Sapporo Odori Tokyu Stay Kyoto Shin-Kyogoku Dori Tokyu Stay Kyoto Rryogaemachi-Dori Annex Tokyu Stay Fukuoka Tenjin Tokyu Stay Naha * Tokyu Stay Osaka Hommachi * Tokyu Stay Kanazawa* Tokyu Stay Takayama* Tokyu Stay Hakodate*	Urban style hotel	April 2018 June 2018 November 2018 December 2018 December 2018 February 2019 Winter FY2019 Winter FY2019 Winter FY2019 Spring 2020 Summer 2020
Harvestclub	Tokyu Harvestclub Karuizawa&VIALA	Membership Resort Hotel	July 2018
Senior housing	Creer-residence Yokohama Tōkaichiba	Senior housing（mixed use development)	April 2019
Other	KYUKARUIZAWA KIKYO, Curio Collection by Hilton Hyatt Regency Seragaki Island Okinawa	Resort Hotel	April 2018 ** August 2018

* tentative name ** The former Karuizawa Hotel, which was acquired in FY2016, has been renovated and opened.



KYUKARUIZAWA KIKYO, Curio Collection by Hilton
Started operating in April 2018

Tokyu Harvestclub karuizawa&VIALA
Started operating in July 2018

Hyatt Regency Seragaki Island Okinawa
Open August 2018 (Opened)

Tokyu Hands FY2018 Q2(First Six Months)

Q2: Increase in both revenue and profit　FY2018: Increase in both revenue and profit

Second Quarter First Six Months（¥ billion）	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	49.1	49.3	0.2	New stores+0.9, Existing stores(1.6)%	50.0%
Operating profit	(0.1)	0.1	0.2		12.9%

Full-year（¥ billion）	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Comparison
Operating revenue	97.1	98.7	1.6	New stores+1.7, Existing stores(0.4)%	98.6	0.1
Operating profit	0.4	0.7	0.3	Fall in expenses, etc.	0.5	2.0

Innovation Business(1) FY2018 Q2(First Six Months)

Q2 : Decrease in revenue and Increase in profit FY2018: Increase in both revenue and profit

Second Quarter First Six Months (¥ billion)	FY2017 Q2(Apr-Sep)	FY2018 Q2(Apr-Sep)	Comparison	Compared to the same period last year	Progress
Operating revenue	**19.8**	**17.6**	**(2.2)**		**35.7%**
Renovation / custom-built houses	14.8	8.7	(6.1)	Due to the transfer of Tokyu Re・design Corporation	
Landscape gardening	4.7	5.5	0.8		
Overseas operations, etc.	0.2	3.3	3.1		
Operating profit	**(1.9)**	**(0.1)**	**1.8**		**–**

Full-year (¥ billion)	FY2017	FY2018 Forecast	Comparison	Compared to the end of the previous fiscal year	Initial forecast	Compariosn
Operating revenue	**41.7**	**49.1**	**7.4**		**48.6**	**0.5**
Renovation / custom-built houses	26.3	19.5	(6.8)	Due to the transfer of Tokyu Re・design Corporation	19.0	0.5
Landscape gardening	12.0	13.1	1.1		12.7	0.3
Overseas operations, etc.	3.4	16.6	13.2	Condominiums sales increased (Indonesia)	16.8	(0.2)
Operating profit	**(2.2)**	**0.9**	**3.1**		**1.2**	**(0.3)**

TOKYU FUDOSAN HOLDINGS

Innovation Business(2)Overseas operations

Business expansion mainly in Indonesia and America

〈Indonesia〉

BRANZ BSD

Condominiums, Total number of units: about 3,000 units scheduled
To be completed in December 2018 (*)
(*) First project/BRANZ BSD Ai

Puri Botanical project

Condominium, Total number of units: about 600 units scheduled
To be completed at the end of 2021

BRANZ Simatupang

Condominium, Total number of units: 381 units scheduled
To be completed in December 2018

Mega Kuningan project

Condominium, Total number of units: to be decided
To be completed in 2022

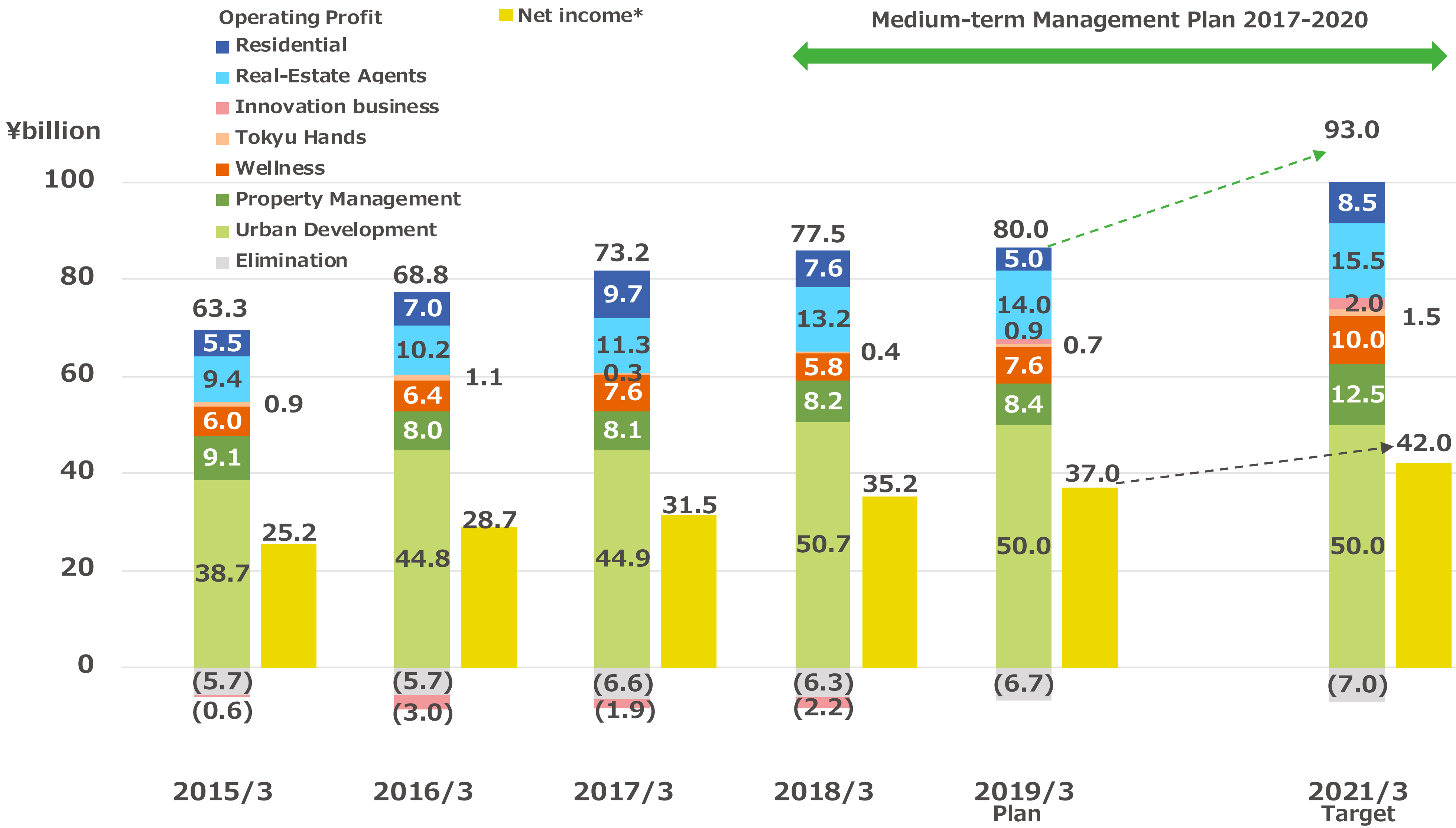
〈America〉

425 Park Avenue

Office building redevelopment project
New York, 47 stories above ground with 2 basements
Scheduled to be completed in 2019

Reference

Reference① Progress in the Medium-term Management Plan (Operating profit/Net profit*)



＊"Net income" was replaced with "profit attributable to owners of parent" in the fiscal year ended March 31, 2016.

TOKYU FUDOSAN HOLDINGS

Reference② Market value appraisal for leased properties ＊As of Mar-31, 2018

On the back of a brisk real estate market, unrealized profit of leased properties increased.

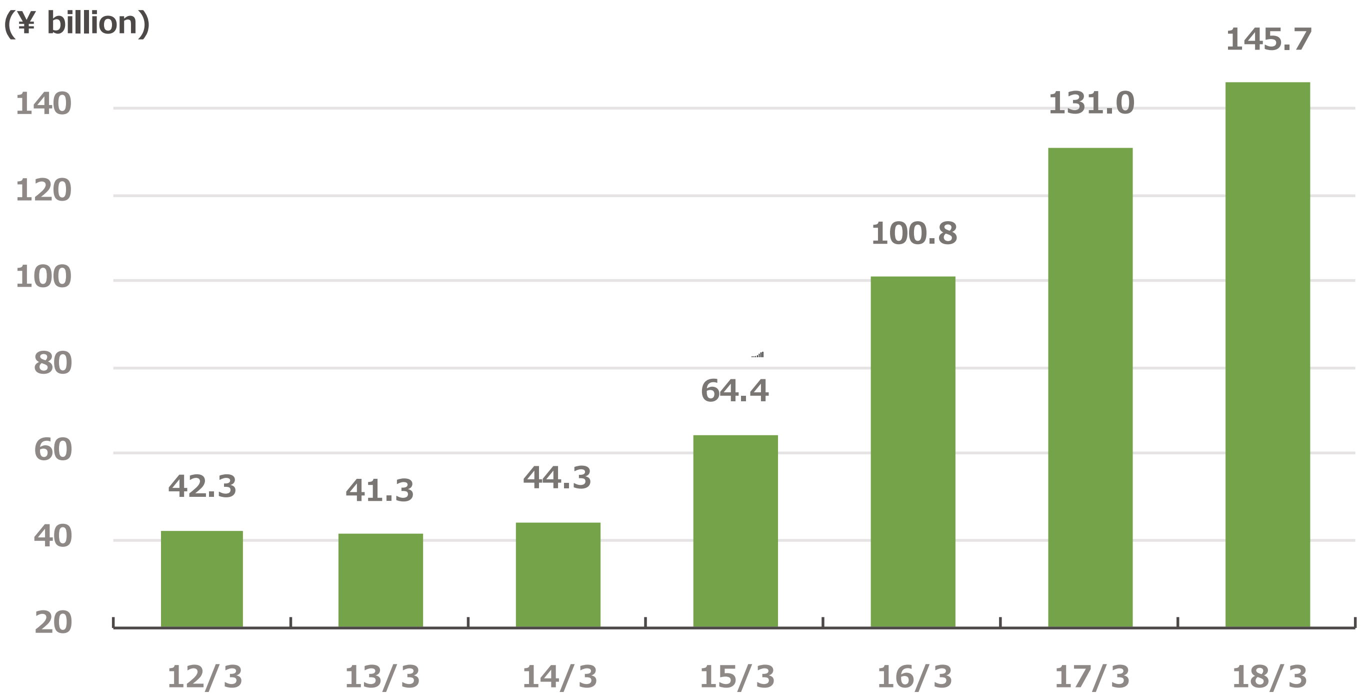
(¥ billion)	FY2016 Mar-2017	FY2017 Mar-2018	Comparison
Carrying Value	797.5	791.4	(6.1)
Market value	928.5	937.1	8.6
Difference	131.0	145.7	14.7

Remarks

■Market value at the end of the fiscal year is calculated by our company mainly according to the "standards for appraisal of real estate".

■The properties to be developed before opening are in the early process of development and therefore their market value cannot be grasped (¥127.4 billion at the end of March 2017 and ¥137.4 billion at the end of March 2018). The table on the left does not include those properties. (Reference: Dogenzaka 1-chome Shibuya-station Front District Urban Redevelopment, Nampeidai project and others)

<Change in unrealized profits>

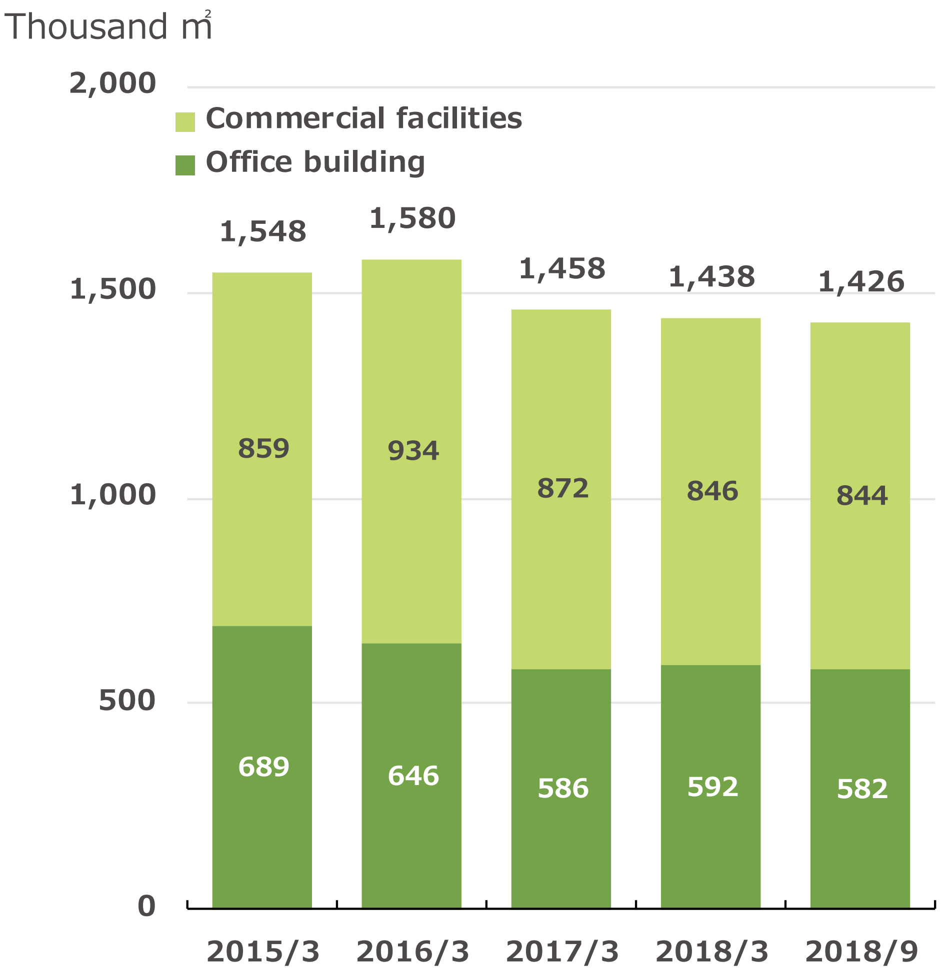


TOKYU FUDOSAN HOLDINGS

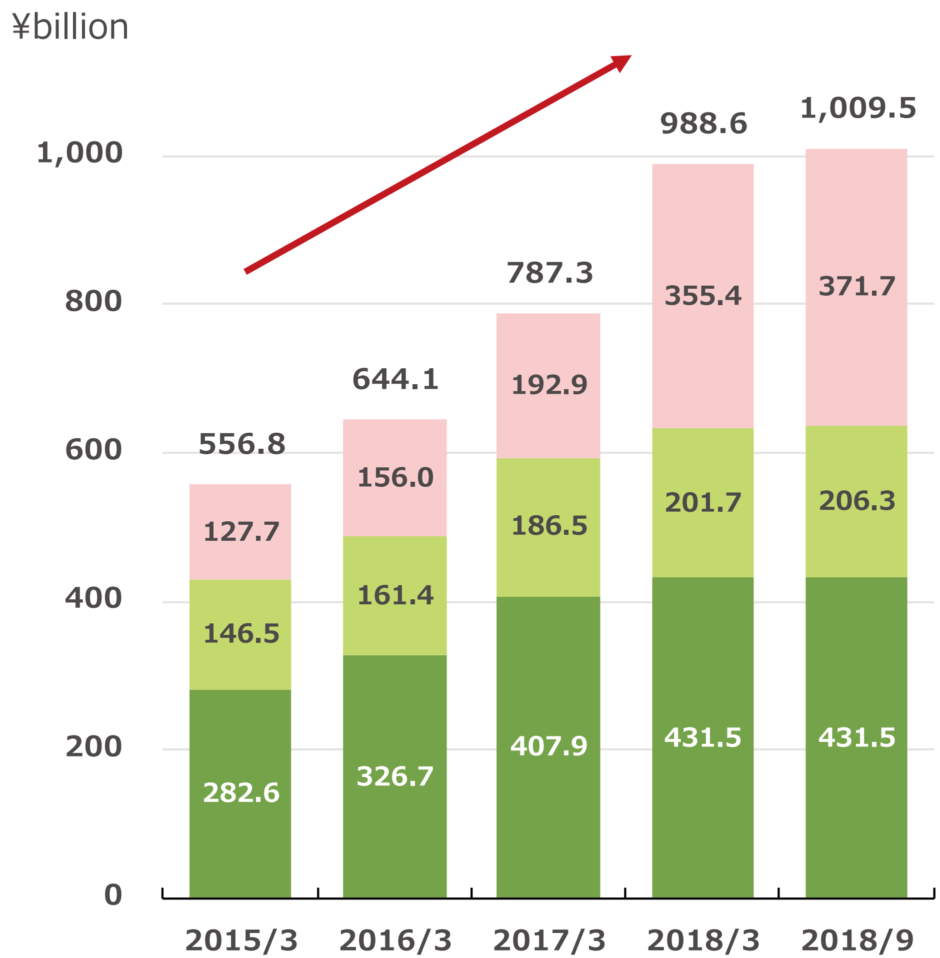
Reference③ Transition in total floor area and AUM transition

(As of Sep-30, 2018)

〈Transition in total floor area〉



〈AUM transition〉



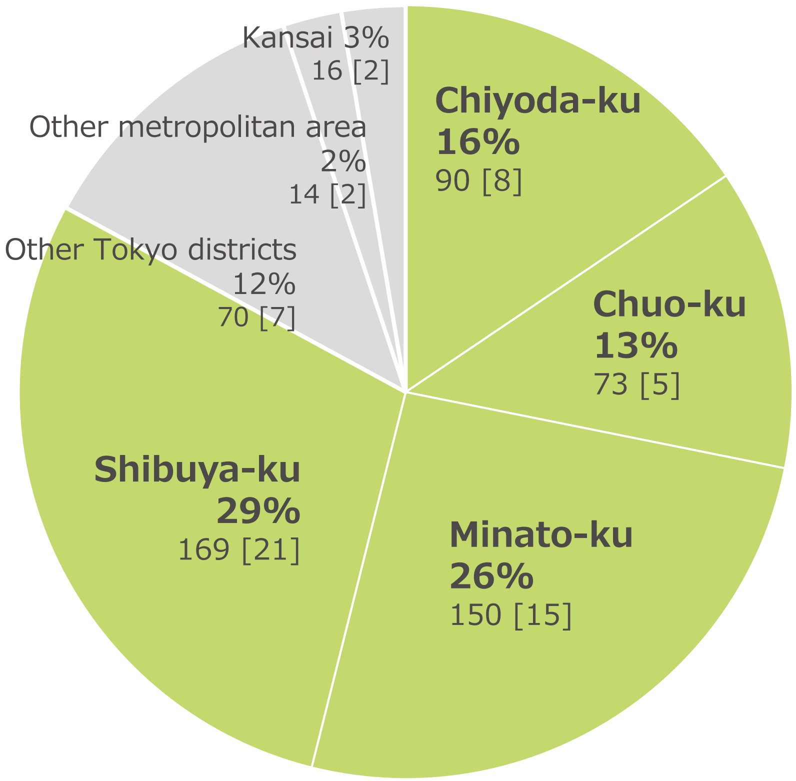
* API: Activia Properties Inc.
** CRR: Comforia Residential REIT, Inc

Reference④ Distribution of Office Buildings (Urban Development segment)

For the portfolios, office buildings are concentrated in four wards in the Tokyo Metropolitan area (As of Sep-30, 2018)

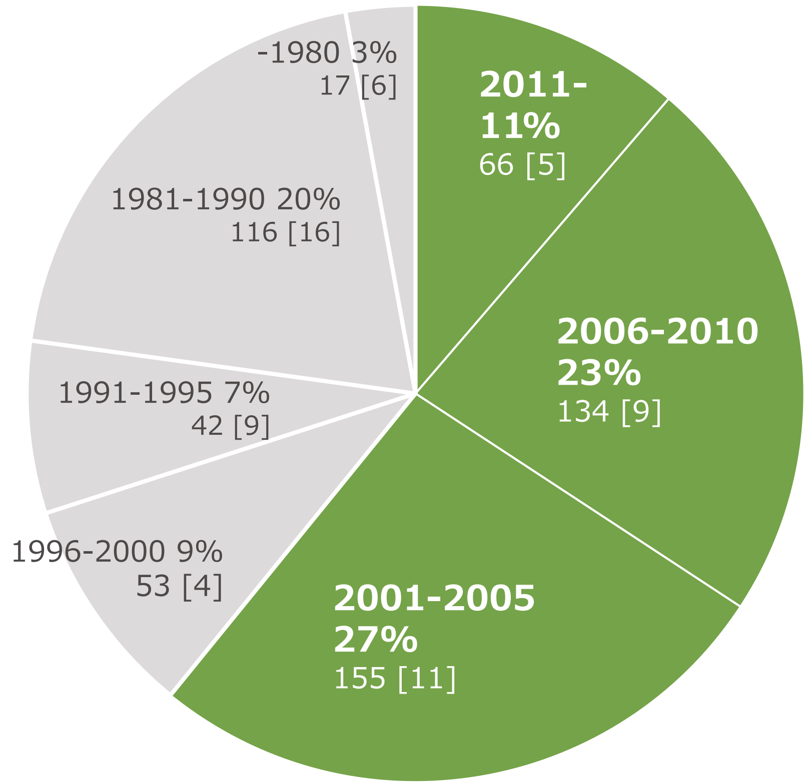
〈Area〉

Metropolitan 4districts
482thousand ㎡（83%） 49buildings



〈Completed year〉

After 2001
354thousand ㎡（61%） 25buildings



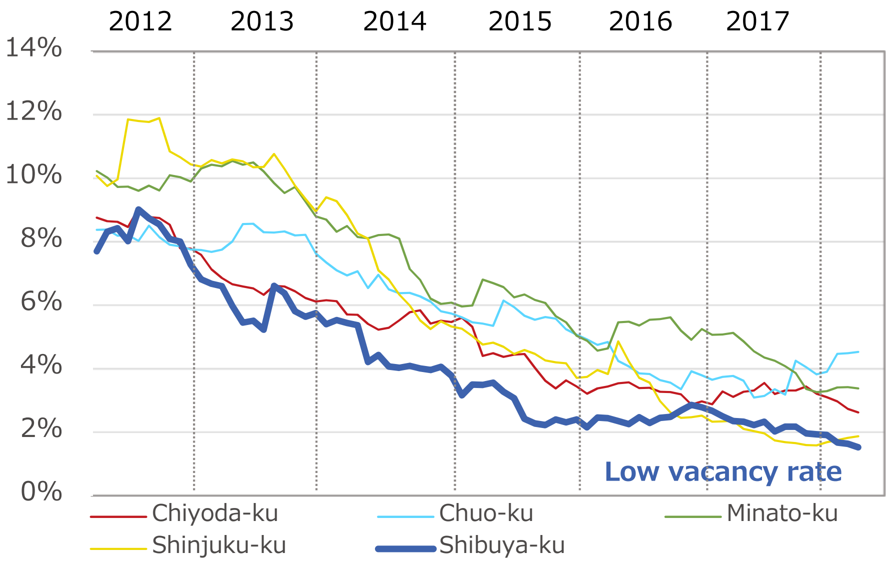
※ Office Buildings Floor space : thousand ㎡, [ ] : Number of buildings

TOKYU FUDOSAN HOLDINGS

Reference⑤ Benefits of portfolios <Shibuya area>

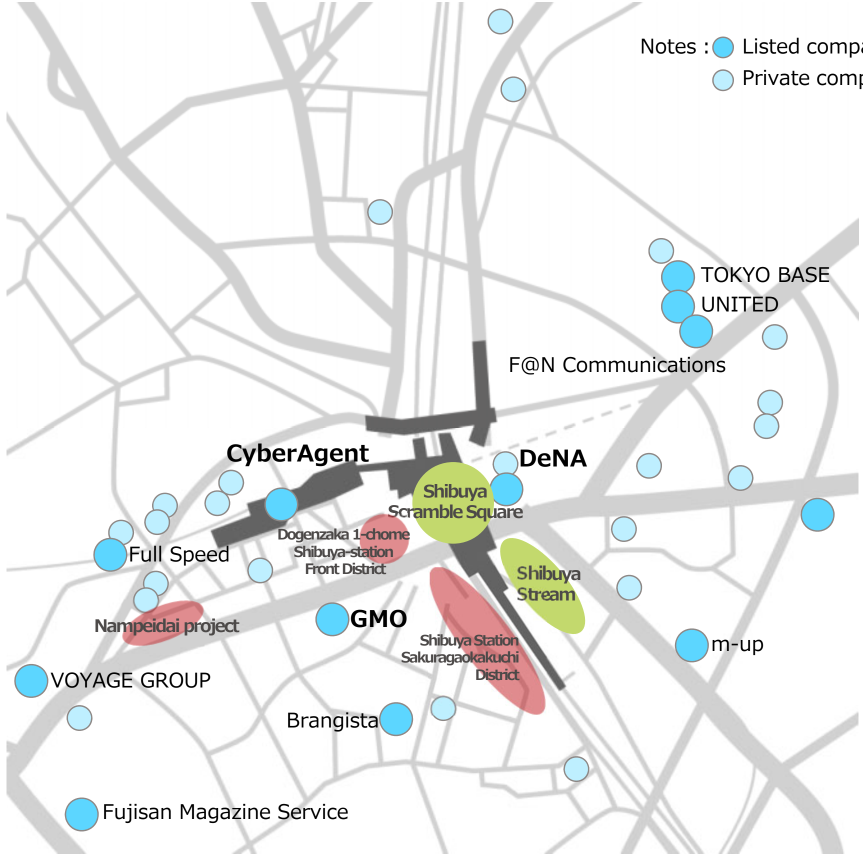
Lower vacancy rate among five wards in the Tokyo Metropolitan area; attractiveness unique to Shibuya stimulates demand among IT companies and others.

〈Change in vacancy rate among five wards in the Tokyo Metropolitan area〉



Source: Prepared based on data announced by Miki Shoji Co., Ltd.

〈Map of many IT companies〉



Source: Internal investigation

Voices of tenants: What is the attractiveness of the Shibuya area?

Company A: We want to work in an environment in Shibuya, which is where new culture and trends start, where we can constantly experience new things.

Company B: We decided to be based in Shibuya to attract talented human resources, secure good access and increase satisfaction among employees.

Company C: Shibuya, which is the location of the most advanced trends, is suitable for the image of our company. Access is also good. We intend to consolidate offices in here.

TOKYU FUDOSAN HOLDINGS

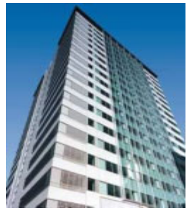
Reference⑥ Major office buildings(Urban Development segment)

As of the end of September 2018, the Company holds 60 buildings, located mainly in four wards in central Tokyo.

Area		No. of buildings	Major properties[Building]	Year built	Total floor space *
Tokyo Metropolitan area	Shibuya-ku	21	Shibuya Center Place	1983	7
			Shibuya Dogenzaka Tokyu	1983	13
			Unosawa Tokyu	1984	15
			Ebisu Prime Square Tower	1997	35
			Shibuya Shin-Minamiguchi	2000	7
			Ebisu Business Tower	2003	23
			Shibuya Square	2004	13
			Shibuya Minami Tokyu	2005	20
			Shibuya Place	2009	4
	Minato-ku	15	Shimbashi Center Place	1986	9
			Hamamatsucho Square	2004	24
			Shinagawa Tokyu	2007	21
			Minamiaoyama Tokyu	2008	12
			Shimbashi Tokyu	2008	15
			Spline Aoyama Tokyu	2012	8
			Shin-Aoyama Tokyu	2015	9
	Chiyoda-ku	8	Sanban-cho Tokyu	2001	12
			Ichiban-cho Tokyu	2002	20
			Ichigaya Tokyu	2004	15
			Uchisaiwaicho Tokyu	2006	14
			Kasumigaseki Tokyu	2010	19
	Cyuo-ku	5	St. Luke's Tower	1994	14
			Nihombashi hon-cho Tokyu	2004	12
			Nihombashi Maruzen Tokyu	2006	17
			Nihombashi Front	2008	29
	Other	9	Meguro Tokyu	2003	10
			Futako Tamagawa Rise・office	2010	19
			Shin-Meguro Tokyu	2012	22
Kansai		2	Shinsaibashi Tokyu	1982	11

notes

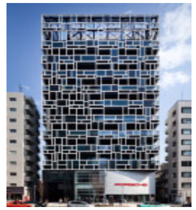

Shibuya Minami Tokyu


Ebisu Business Tower


Hamamatsucho Square


Minamiaoyama Tokyu


Shimbashi Tokyu


Shin-Aoyama Tokyu


Uchisaiwaicho Tokyu


Kasumigaseki Tokyu


Nihombashi Maruzen Tokyu


Nihombashi Front


Shin-Meguro Tokyu


Futako Tamagawa Rise Office

＊ (thousand ㎡) : Floor space is after conversion for ownership share (including the leased area).

TOKYU FUDOSAN HOLDINGS

Reference⑦ Major commercial facilities(Urban Development segment)

As of the end of September 2018, the Company operates 23 locations in the Tokyo area and 8 locations in Kansai and other regions.

Area	No. of facilities	Major properties [Commercial facilities]	Year built	Total floor space *
Tokyo Metropolitan area	23	Tokyu Plaza Kamata	1968	28
		Tokyu Plaza Akasaka	1969	21
		Shibuya B E A M	1992	7
		Daini Musashino Building	1992	6
		DECKS Tokyo Beach	1997	35
		GLASSAREA AOYAMA	2002	2
		Northport Mall	2007	141
		Saclass Totsuka (sublease)	2009	48
		Tokyu Plaza Totsuka	2010	12
		Futakotamagawa rise・SC	2011	20
		Tokyu Plaza Omotesando Harajyuku	2012	3
		Q Plaza Harajyku	2015	8
		Market Square Kawasaki East (sublease)	2016	30
		Tokyu Plaza Ginza	2016	51
		Q Plaza Futakotamagawa	2017	3
Kansai・Others	8	Market Square Nakayamadera	2003	22
		Minoh Q'sMALL	2003	30
		Market Square SASASHIMA	2005	19
		Amagasaki Q'sMALL	2009	164
		Abeno Q'sMALL	2011	123
		Tokyu Plaza Shinnagata (sublease)	2013	10
		Morinomiya Q's MALL BASE	2015	24

notes


Tokyu Plaza Akasaka


Northport Mall


Tokyu Plaza OmotesandoHarajyuku


Abeno Q'sMALL


Tokyu Plaza Ginza


Minoh Q'sMALL


Tokyu Plaza Totsuka


Amagasaki Q'sMALL


DECKS Tokyo Beach


Morinomiya Q's MALL BASE

* (thousand ㎡) : Floor space is after conversion for ownership share (including the leased area).

Reference⑧ Major facilities (Wellness business) ＊As of Sep-30, 2018

Manage diverse resort facilities throughout the country

	Number of facilities	Number of rooms	Name of facilities			
Tokyu Harvest Club	25 facilities	2,750 rooms	Teteshina Katsuura Hamanako Amagi Kougen Shizunami Kaigan Kinugawa Nanki Tanabe Ito	Hakone Myojindai Madarao Tateshina Annex Skijam Katsuyama Yamanakako Mount Fuji Kyu Karuizawa Tateshina Resort Hakone Koshien	Urabandai Grandeco Nasu Kyu Karuizawa Annex VIALA Hakone Hisui Arima Rokusai VIALA annex Arima Rokusai Atami Izusan VIALA annex Atami Izusan	Kyoto Takagamine VIALA annex Kyoto Takagamine Nasu Retreat Karuizawa VIALA annex Karuizawa
Ski resorts	8 facilities	–	Niseko Mountain Resort Grand Hirafu Tateshina Tokyu Ski Resort Tambara Ski Park TANGRAM SKI CIRCUS (MADARAO)		GRANDECO SNOW RESORT SKIJAM KATSUYAMA Hunter Mountain Shiobara Mt. JEANS NASU	
Golf courses	20 facilities	–	OITA Tokyu Golf Club Aso Tokyu Golf Club Katsuura Tokyu Golf Course Tsukuba Tokyu Golf Club TATESHINA TOKYU Golf Course	Amagikogen Golf Course Mochizuki Tokyu Golf Club MADARAO Tokyu Golf Club Omigawa Tokyu Golf Club Kiminomori Golf Club	Arita Tokyu Golf Club NASU KOKUSAI COUNTRY Otakijo Golf Club Tsurumai Country Club Sashima Country Club	Yoshikawa Country Club Shibayama Golf Club Kansai Country Club Miki Yokawa Country Club Asakura Golf Club
Tokyu Sports Oasis	36 facilities	–	Tamagawa Kawaguchi Shinjuku 24Plus Musashi-Kosugi 24Plus Urawa 24Plus Aoyama Hon-Atsugi Musashi-Koganei Seiroka Garden	Kanamachi 24Plus Jujo 24Plus Minami-Osawa 24Plus Yokosuka 24Plus Kohoku Honkomagome Rafeel Ebisu Yukigaya 24Plus Totsuka	Akatsuka 24Plus Minami-Koshigaya Esaka 24Plus Shinsaibashi EAST 24Plus Umeda Ibaraki 24Plus Hiroshima Shinsaibashi WEST 24Plus Abeno 24Plus	Sumiyoshi Sannomiya 24Plus Tsurugaoka 24Plus Sayama 24Plus Katsuragawa 24Plus Morinomiya Q's Mall Suminodo 24Plus Sagamihara 24Plus Narashino 24Plus
Tokyu Stay Hotel	21 facilities	3,136 rooms	Yutenji Monzen-Nakacho Yoga Shibuya Nihombashi Yotsuya	Shibuya Shin-Minamiguchi Tsukiji Gotanda Suidobashi Aoyama Nishi-Shinjuku	Ikebukuro Kamata Shimbashi Shinjuku Ginza Kyoto Ryogaemachi-Dori	Takanawa (in front of Sengakuji Station) Sapporo Hakata
Senior housing facilities	11 facilities	1,332 units	Grancreer Azamino Grancreer Fujigaoka Lifenix Takaido	Grancreer Utsukushigaoka Grancreer Aobadai Creer Residence Sakuradai	Grancreer Center Minami Grancreer Seijo Grancreer Bajikoen	Grancreer Aobadai 2-chome Grancreer Setagaya Nakamachi

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