

# Presentation Material for FY2022 (Ended December 31, 2022)

February 13, 2023

■ Summary	p.3	■ Appendix	p.42
■ Consolidated Statement of Income for FY2022	p.4	Long-Term Vision and Medium-Term Business Plan	p.43
■ Consolidated Balance Sheet for FY2022	p.5	Materiality of the Tokyo Tatemono Group	p.44
■ Financial Standing	p.7	Quantitative Plan in Medium-Term Business Plan	p.46
■ Balance of Real Estate for Sale	p.8	Long-Term Vision, Medium-Term Business Plan Material	p.47
■ Consolidated Statement of Cash Flows for FY2022	p.9	Fair Value of Rental Properties	p.51
■ Assessment of the Market Environment and Future Policies	p.10	Quarterly Segment Data	p.52
■ Full-Year Earnings Forecast for FY2023	p.11	Market Data	p.53
■ Breakdown of Business Profit by Segment	p.12		
■ Investment Plan for FY2023	p.13		
■ Business Profit and Profit	p.14		
■ Changes in Major Indicators	p.15		
■ Shareholder Returns	p.16		
■ Business Results by Segment	p.17		
(1) Commercial Properties Business	p.18		
(2) Residential business	p.27		
(3) Asset Service Business	p.32		
(4) Other	p.34		
■ ESG-related Initiatives	p.38		

## Business Results for FY2022

- In FY2022, revenue and profits increased due to the increase in sales and gross profit of for-sale condominiums and recording of a share of profit of entities accounted for using equity method in overseas businesses.
- Operating revenue reached a new high for the sixth consecutive year and profit attributable to owners of parent reached a new high for the seventh consecutive year.

## Earnings Forecast for FY2023

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

## Dividends

- For FY2022, the plan is to raise the annual dividend from the previous fiscal year's ¥51 per share to ¥65 per share (up ¥3.0 per share from the ¥62 per share in the forecast revised in August), resulting in a payout ratio of 31.5%. The company expects to increase dividends for the ninth consecutive year.
- For FY2023, annual dividend of ¥72.0 per share (payout ratio of 33.8%) is estimated in light of the full-year earnings forecast.

## Topics

- Acquired 2022 DBJ Green Building Certification: Newly acquired for 7 properties (December 2022)
- Approval of rights exchange procedures for the Urban Redevelopment Project for Yaesu 1-Chome East A Area in Front of Tokyo Station (January 2023)
- Decided urban plan for Kyobashi 3-Chome East Area Redevelopment (January 2023)
- Established urban redevelopment consortium for "Urban Redevelopment Project for Shibuya 2-Chome West Area" (January 2023)

# Consolidated Statement of Income for FY2022

- In FY2022, increases in sales and gross profit from for-sale condominiums, recording of a share of profit of entities accounted for using equity method in overseas businesses, etc. resulted in increased revenue and profits.

Unit: ¥ billion	2021/12 Actual	2022/12 Actual	Increase/ Decrease	Main factors for increase/decrease	2022/8 Announced	
					2022/12 Full-year forecasts	Achievement rate
Operating revenue	340.4	349.9	9.4	Operating revenue; Business profit See Business Results by Segment	355.0	99%
Commercial properties	155.6	145.1	(10.5)		148.0	98%
Residential	120.5	131.3	10.8		131.0	100%
Asset service	42.6	50.2	7.5		53.5	94%
Other	21.5	23.1	1.5		22.5	103%
Operating profit	58.7	64.4	5.6	Operating revenue; Business profit See Business Results by Segment	61.5	105%
Share of profit (loss) of entities accounted for using equity method	(10.8)	1.8	12.6		3.0	61%
Business profit*	47.9	66.3	18.3		64.5	103%
Commercial properties	44.8	41.2	(3.6)		40.5	102%
Residential	17.0	23.3	6.2		23.0	101%
Asset service	4.3	7.3	3.0	Impact of recording a share of loss of entities accounted for using equity method in the previous period, etc.	7.0	106%
Other	(9.1)	4.0	13.1		4.0	101%
Elimination/Corporate	(9.1)	(9.6)	(0.5)		(10.0)	97%
Non-operating income	6.8	6.3	(0.5)		7.5	84%
Non-operating expenses	19.3	7.2	(12.1)		7.5	97%
Interest expense	6.6	6.0	(0.5)	Decrease in gain on sales of investment securities, etc.	-	-
Ordinary profit	46.2	63.5	17.2		61.5	103%
Extraordinary income	10.7	1.6	(9.0)		2.0	83%
Extraordinary loss	0.7	2.4	1.6		2.0	122%
Profit before income taxes	56.2	62.7	6.5		61.5	102%
Profit attributable to owners of parent	34.9	43.0	8.0		41.5	104%

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

# Consolidated Balance Sheet for FY2022

- Total assets increased by ¥69.3 billion due to an increase in real estate for sale as a result of the acquisition of land for development of properties for sale to investors and condominiums.

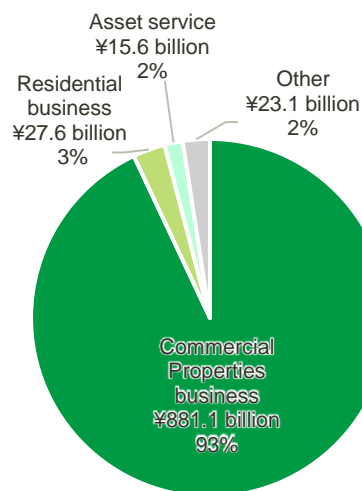
Unit: ¥ billion	2021/12-end	2022/12-end	Increase/ Decrease	Main factors for increase/decrease
Total assets	1,650.7	1,720.1	69.3	
Current assets	481.2	552.5	71.3	<ul style="list-style-type: none"> <li>Real estate for sale Increased as a result of further acquisition of land for development of logistics properties, commercial facilities, and for-sale condominiums despite the progress in sales of for-sale condominiums and property sales to investors.</li> </ul>
Cash and deposits	87.0	82.4	(4.5)	
Real estate for sale	344.2	414.9	70.6	
Other	49.9	55.1	5.1	
Non-current assets	1,169.5	1,167.6	(1.9)	
Property, plant and equipment	813.2	814.9	1.7	
Intangible assets	130.8	132.6	1.7	
Investments and other assets	225.4	219.9	(5.4)	
Total liabilities	1,223.1	1,263.2	40.1	
Interest-bearing debt	956.8	989.7	32.9	<ul style="list-style-type: none"> <li>Interest-bearing debt Increase in loans payable, etc.</li> </ul>
Other liabilities	266.2	273.4	7.2	
Total net assets	427.6	456.8	29.1	
Shareholders' equity	324.9	348.0	23.0	<ul style="list-style-type: none"> <li>Shareholders' equity Profit attributable to owners of parent +¥43.0 billion, dividends paid -¥11.7 billion, land reevaluation reversal -¥8.2 billion</li> <li>Accumulated other comprehensive income Revaluation difference for land +¥8.2 billion, Valuation difference for investment securities, etc. -¥3.9 billion</li> </ul>
Accumulated other comprehensive income	92.0	97.9	5.8	
Non-controlling interests	10.6	10.8	0.2	
Capital adequacy ratio	25.3%	25.9%	0.6p	
Debt equity ratio <sup>*1</sup>	2.3	2.2	(0.1)	<ul style="list-style-type: none"> <li>Net debt equity ratio: 2.0x</li> </ul>
Interest-bearing debt / EBITDA multiple <sup>*2</sup>	13.3	11.1	(2.2)	

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

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

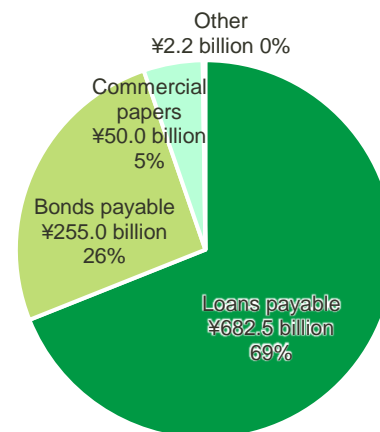
# Consolidated Balance Sheet for FY2022

Breakdown of Property, Plant and Equipment and Intangible Assets



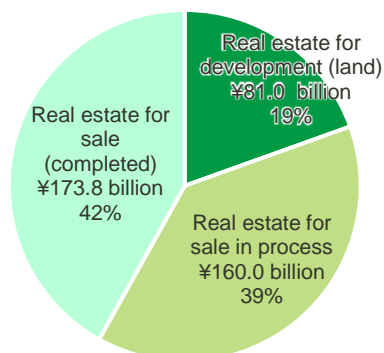
Total assets: ¥1,720.1 billion					
Current assets		552.5	Liabilities		1,263.2
	Cash and deposits	82.4		Interest-bearing debt	989.7
	Real estate for sale	414.9		Loans payable	682.5
	Real estate for sale	173.8		Bonds payable	255.0
	Real estate for sale in process	160.0		Commercial papers	50.0
	Real estate for development	81.0		Other	2.2
	Other	55.1		Other liabilities	273.4
Non-current assets		1,167.6			
	Property, plant and equipment	814.9			
	Intangible assets	132.6			
	Investments and other assets	219.9	Net assets		456.8
				Shareholders' equity	348.0
				Accumulated other comprehensive income	97.9
				Non-controlling interests	10.8

Breakdown of Interest-Bearing Debt

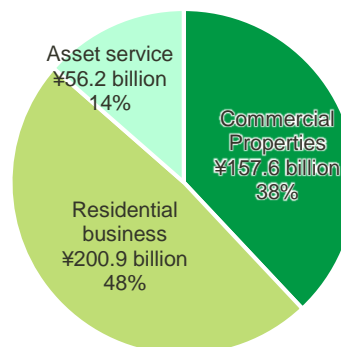


Breakdown of Real Estate for Sale

<By Status of Development>



<By Segment>



Status of Debt Equity Ratio

	2022/12-end	
		Taking into account hybrid loans/bonds <sup>*3</sup>
Debt equity ratio <sup>*1</sup>	2.2x	1.8x
Net debt equity ratio <sup>*2</sup>	2.0x	1.7x

\*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

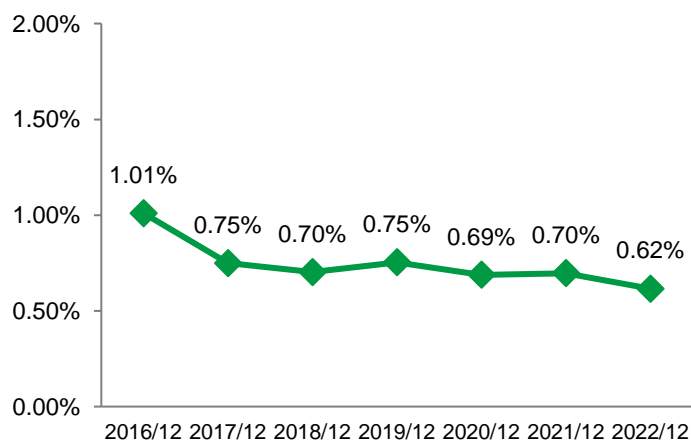
JCR long-term  
issuer rating

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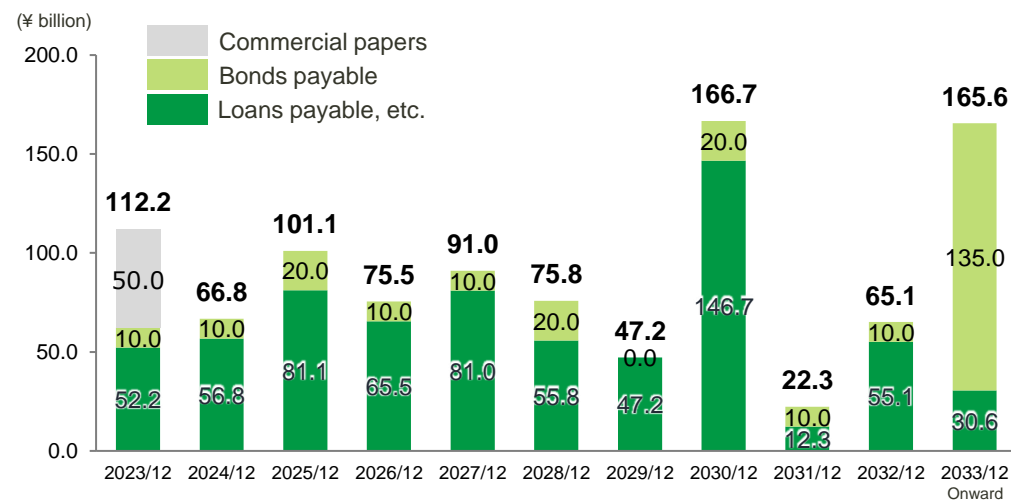
## Interest-Bearing Debt

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

## Average Interest Rates



## Diversification of Repayment Dates



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

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

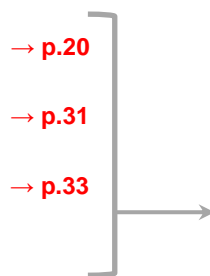
# Balance of Real Estate for Sale

- In FY2022, the balance of real estate for sale increased to ¥414.9 billion as a result of further acquisition of land for development of logistics properties, retail facilities, and for-sale condominiums despite the progress in sales of for-sale condominiums and property sales to investors. (An increase of ¥70.6 billion from the end of the previous fiscal year.)
- Total investment amount (based on decisions made) in properties for sale to investors increased by approximately ¥115.0 billion to approximately ¥500.0 billion.  
Condominiums for sale of approximately 7,900 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	157.6	Approx. 370.0
For-rent condominiums	Residential	41.7	Approx. 70.0
Asset solution	Asset service	56.2	56.2
<b>Properties for sale to investors</b>		<b>255.6</b>	<b>Approx. 500.0</b>
<b>For-sale condominiums, etc.</b>		<b>159.2</b>	—
<b>Total</b>		<b>414.9</b>	—



### Property sales to investors

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

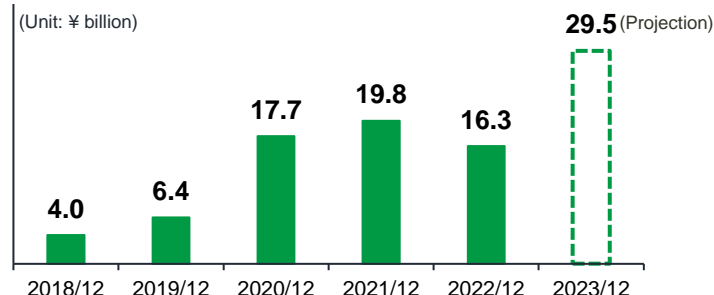
- ◆ Total investment amount<sup>\*1</sup> (based on decisions made): **Approx. ¥500.0 billion (up ¥115.0 billion from the end of 2021)**  
⇒ Estimated gain on sale<sup>\*2</sup>: **Approx. ¥93.0 billion**

[Projects to be acquired in 2022]  
6 logistics properties, 2 retail facilities,  
1 hotel, 1 mid-sized office, 9 for-rent condominiums,  
18 asset solutions

[Projects already sold in 2022]  
1 logistics property, 1 office,  
7 for-rent condominiums, 23 asset solutions

## <Gross Profit on Property Sales to Investors>

(Unit: ¥ billion)



### For-sale condominiums

- ◆ Land bank (including 1,060 units scheduled to be posted in 2023):  
**Approx. 7,900 units (1,500 units acquired in 2022)**

<sup>\*1</sup> 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.

<sup>\*2</sup> 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.



# Consolidated Statement of Cash Flows for FY2022

- 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	2022/12 Full-year forecasts	2022/12 Actual	Main breakdown
Cash flows from operating activities	(70.0)	(3.3)	Profit before income taxes ¥62.7 billion; Depreciation ¥18.7 billion; Increase in inventories -¥65.0 billion; Income taxes paid -¥22.0 billion
Cash flows from investing activities	(50.0)	(21.2)	Investments in silent partnerships ¥4.4 billion; Purchase of non-current assets -¥22.4 billion; Purchase of investment securities -¥5.6 billion
Cash flows from financing activities	70.0	18.4	Long-term loans payable ¥22.9 billion; Commercial papers ¥10.0 billion; Dividends paid -¥11.7 billion
Effect of exchange rate change on cash and cash equivalents	-	1.5	
Cash and cash equivalents at end of period	37.0	82.4	

# Assessment of the Market Environment and Future Policies

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

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

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

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

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

# Full-Year Earnings Forecast for FY2023

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

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

Main factors for increase/decrease
<ul style="list-style-type: none"> <li>Operating revenue Revenue increased due to an increase in property sales to investors.</li> </ul>
<ul style="list-style-type: none"> <li>Breakdown of share of profit (loss) of entities accounted for using equity method: ¥1.0 billion for commercial properties (+¥0.7 billion), ¥4.0 billion for other business (+¥2.4 billion).</li> </ul>
<ul style="list-style-type: none"> <li>Business profit Profit increased due to an increase in property sales to investors and recording a share of profit (loss) of entities in overseas businesses.</li> </ul>
<ul style="list-style-type: none"> <li>Increase in share of profit of entities accounted for using equity method, etc.</li> </ul>

\* 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			2021/12 Actual	2022/12 Actual	2023/12 Forecasts	Overview	
	All segments (excluding sales of properties to investors) total		37.3	59.6	52.0		
	Commercial properties:	Building leasing, etc.	34.2	32.7	25.0	<ul style="list-style-type: none"><li>• FY2022: Income decreased due to an increase in costs. FY2023: Income is expected to decrease due to a decrease in rent income and increase in costs as a result of dismantling buildings owned with progress in redevelopment projects and an increase in costs, etc.</li></ul>	
	Residential:	For-sale condominiums, etc.	10.7	19.4	17.0	<ul style="list-style-type: none"><li>• FY2022: Income increased due to an increase in gross profit on for-sale condominiums. FY2023: Income is expected to decrease due to a decrease in gross profit on for-sale condominiums.</li></ul>	
	Asset service:	Parking lots, brokerage. etc.	1.3	3.3	4.0	<ul style="list-style-type: none"><li>• FY2022: Income increased due to a recovery in occupancy in the Parking business. FY2023: Income is expected to increase due to expansion of revenue of the Parking business.</li></ul>	
	Other:	Leisure & childcare, fund, overseas	(9.1)	4.0	6.0	<ul style="list-style-type: none"><li>• FY2022: Began to make a profit due to recording a share of profit of entities accounted for using equity method in overseas businesses. FY2023: Income is expected to increase due to an increase in income from overseas businesses.</li></ul>	
	Property sales to investors      Total*1		19.8	16.3	29.5		
		Commercial properties		10.5	8.4	19.5	<ul style="list-style-type: none"><li>• FY2022: Sold 1 logistics property, 1 office. FY2023: Income is expected to increase significantly due to an increase in the number of properties sold.</li></ul>
		Residential		6.3	3.8	6.0	<ul style="list-style-type: none"><li>• FY2022: Sold 7 for-rent condominiums. FY2023: Income is expected to increase due to an increase in the number of properties sold.</li></ul>
		Asset service		2.9	4.0	4.0	<ul style="list-style-type: none"><li>• FY2022: Income increased, backed by a strong market. FY2023: Income is expected to be at the same level as the previous fiscal year due to continuation of property sales.</li></ul>
		Other		—	—	—	—
Elimination / Corporate			(9.1)	(9.6)	(10.5)		
Total business profit*2			47.9	66.3	71.0		

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

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

# Investment Plan for FY2023

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

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

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

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

# Changes in Business Profit and Profit

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

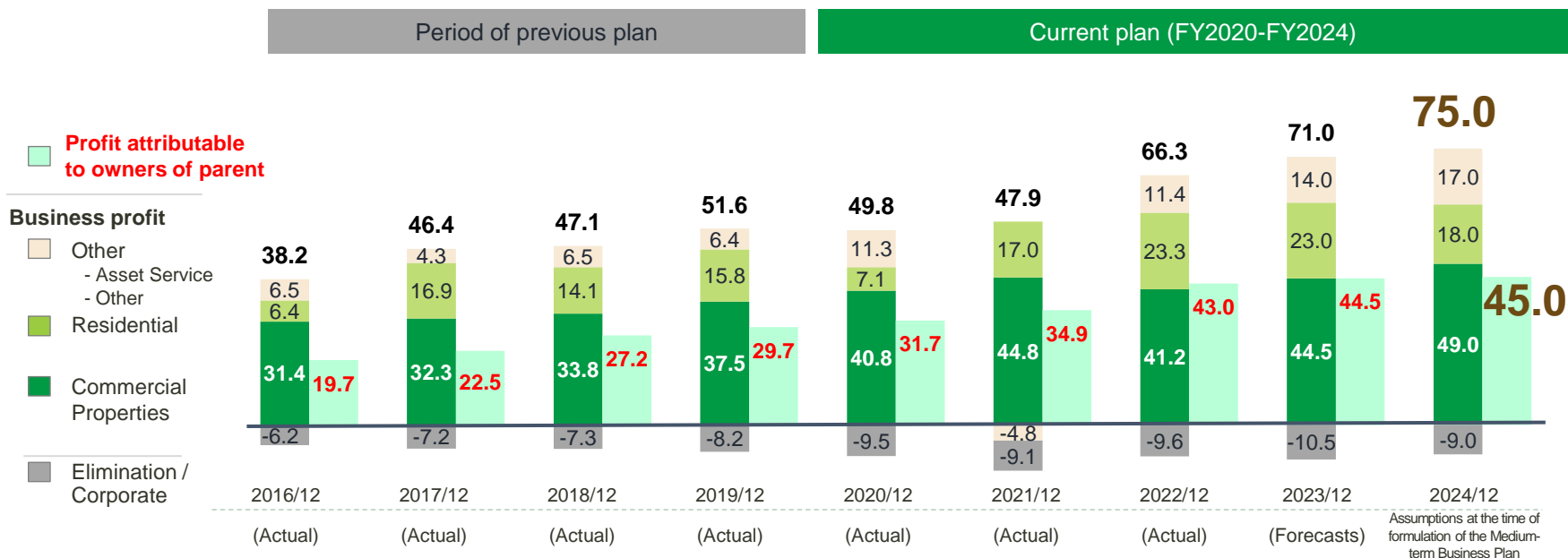
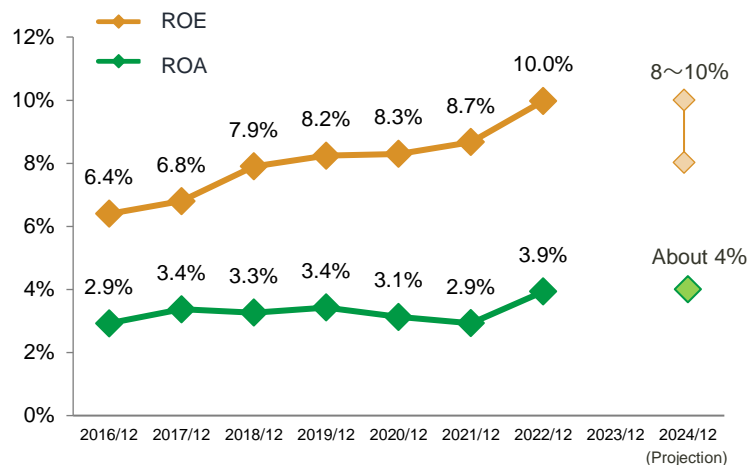


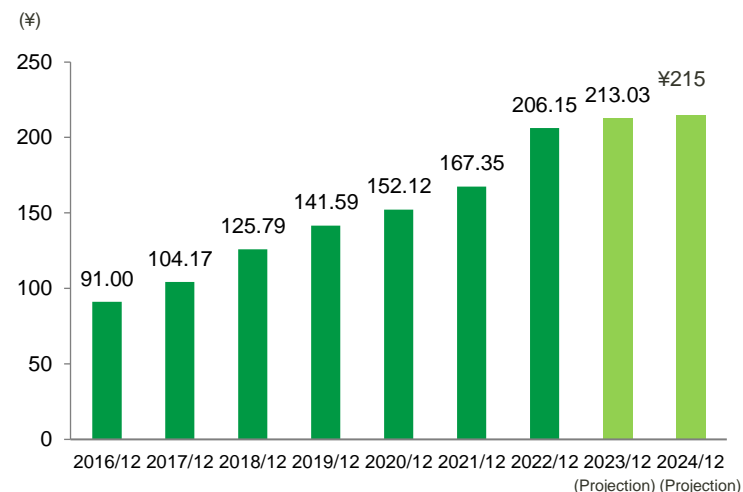
	Image of Profit Growth	Image When Formulating the Medium-Term Business Plan (As of February 2020)	Changes Since Start of Medium-Term Business Plan
Commercial properties: Building leasing, etc.	→	<ul style="list-style-type: none"> <li>Although the number of buildings in operation decreased with the progress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

# Changes in Major Indicators

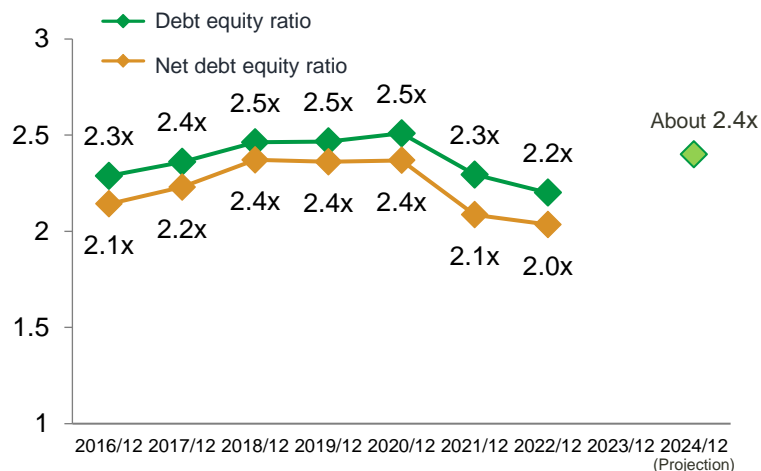
<ROA, ROE\*>



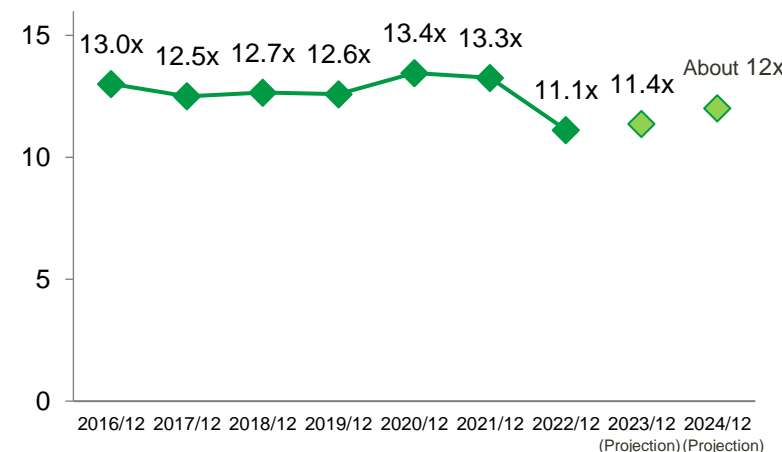
<Earnings Per Share (EPS)>



<Debt Equity Ratio>



<Interest-Bearing Debt / EBITDA Multiple>

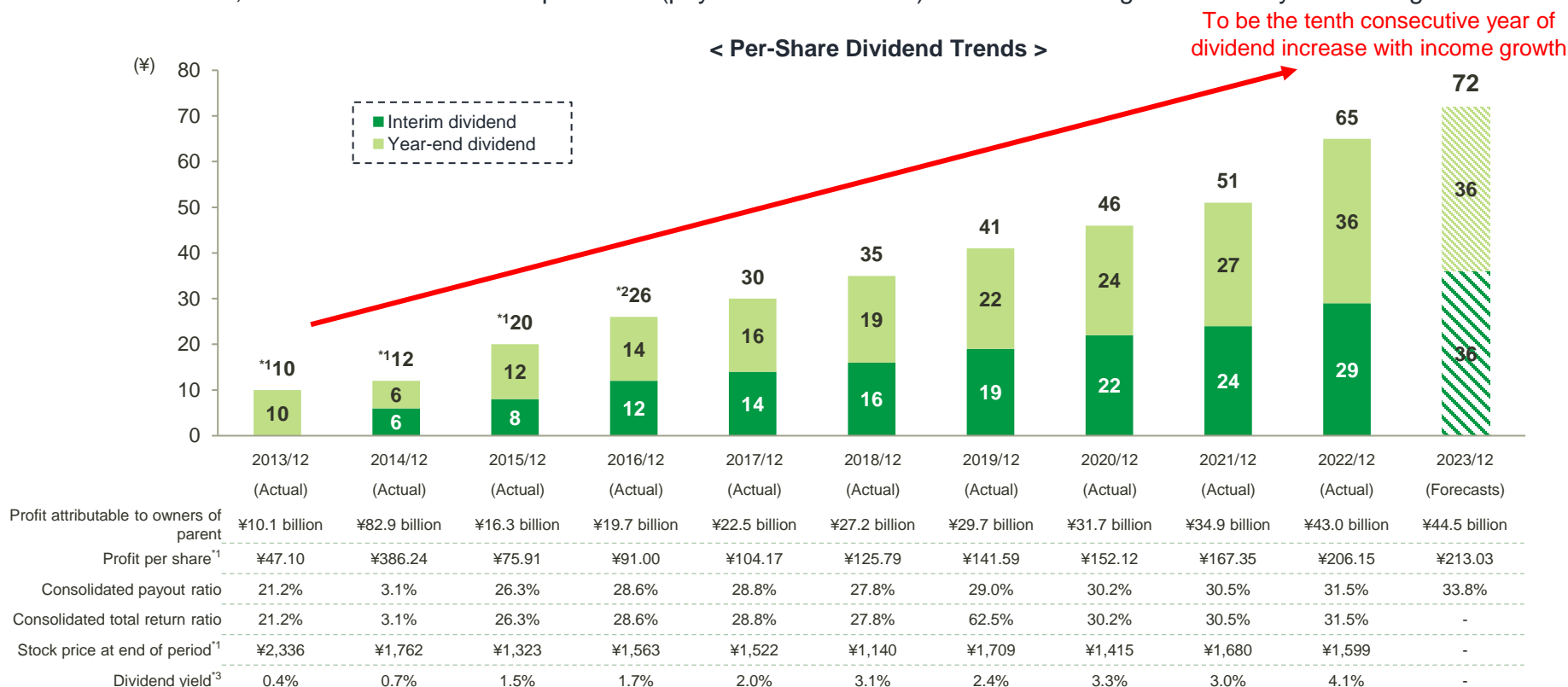


\* ROA = Business profit / Average of total assets at beginning of period and total assets at end of period

ROE = Profit attributable to owners of parent / Average of equity capital at beginning of period and equity capital at end of period

# Shareholder Returns

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



## Shareholder returns policy

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

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

<sup>\*1</sup> 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.

<sup>\*2</sup> 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.

<sup>\*3</sup> 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 FY2022 and Full-Year Earnings Forecast for 2023 TOKYO TATEMONO

- In FY2022, revenue and profits decreased due to limited property sales to investors and an increase in expenses in the leasing of buildings, although leasing of office buildings remained strong.
- In FY2023, revenue and profits are expected to increase due to an increase in property sales to investors, although revenue in leasing of office buildings is expected to decrease.

Unit: ¥ billion	2021/12 Actual	2022/12 Actual	Increase/ Decrease	Main factors for increase/decrease	Announced in August 2022	
					2022/12 Full-year forecasts	Achievement rate
Operating revenue	155.6	145.1	(10.5)	New operations +¥0.2 billion; Full-year operations +¥1.2 billion; Sale, reconstruction, etc. -¥2.4 billion; Existing buildings +¥1.8 billion Property sales to investors -¥13.8 billion (FY2021 cumulative total: ¥43.2 billion; FY2022 cumulative total: ¥29.3 billion)	148.0	98%
Leasing of buildings	75.7	76.7	1.0		76.5	100%
Sales of real estate	43.2	29.8	(13.4)		32.0	93%
Building management service, etc.	35.8	37.9	2.0		39.0	97%
Dividends	0.8	0.6	(0.1)		0.5	131%
Operating profit	44.4	40.9	(3.5)	Property sales to investors -¥2.0 billion (FY2021 cumulative total: ¥10.5 billion; FY2022 cumulative total: ¥8.4 billion)	40.0	102%
Business profit	44.8	41.2	(3.6)		40.5	102%

Unit: ¥ billion	2022/12 Actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
Operating revenue	145.1	198.0	52.8	New operations +¥0.3 billion; Full-year operations +¥1.4 billion; Sale, reconstruction, etc. -¥3.2 billion; Existing buildings -¥0.7 billion Property sales to investors +¥55.1 billion (FY2022 cumulative total: ¥29.3 billion; FY2023 cumulative total: ¥84.5 billion)
Leasing of buildings	76.7	74.5	(2.2)	
Sales of real estate	29.8	85.0	55.1	
Building management service, etc.	37.9	37.5	(0.4)	
Dividends	0.6	1.0	0.3	
Operating profit	40.9	43.5	2.5	Property sales to investors +¥11.0 billion (FY2022 cumulative total: ¥8.4 billion; FY2023 cumulative total: ¥19.5 billion)
Business profit	41.2	44.5	3.2	

## New and full-year operations

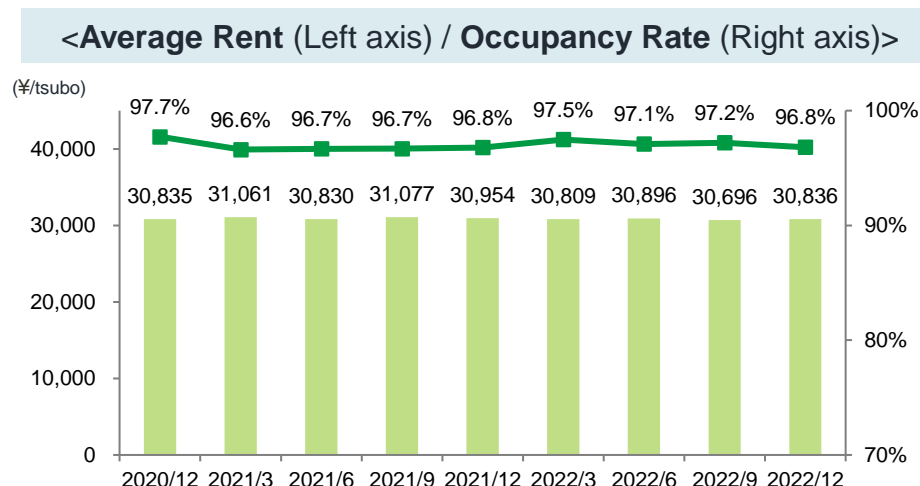
- New operation in 2022: T-LOGI Yokohama Aoba (completed in January 2022) and seven other logistics facilities, FUNDES Tenjin Nishidori (completed in March 2022), and T-PLUS Nihonbashi Kodenmacho (completed in April 2022)
- 2022 full-year operation: Candeo Hotels Kyoto Karasuma Rokkaku (completed in March 2021) and eight Expert Office locations (acquired in August 2021)
- New operation in 2023: T-LOGI Chiba Kita (completed in February 2023) and three other logistics facilities, T-PLUS Sendai Hirose Dori (to be completed in April 2023), Candeo Hotels Osaka Shinsaibashi (to be completed in September 2023)

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

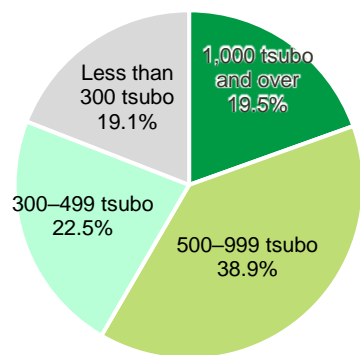
# (1) Commercial Properties Business: Office Building Portfolio

- At the end of December 2022, average rent was ¥30,836 per tsubo and the occupancy rate remained high at 96.8%.

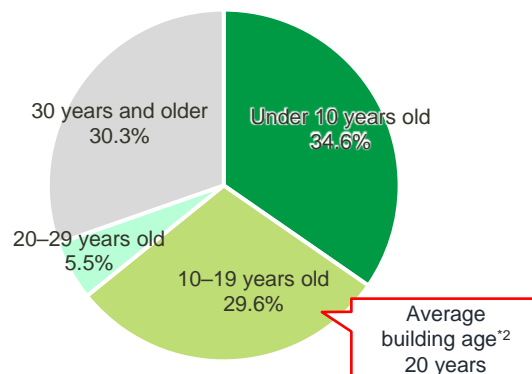
As of the end of December 2022	Number of buildings	Leasable area
Owned office buildings*1	45	510,727 m <sup>2</sup>
Subleased buildings	—	81,095 m <sup>2</sup>
Hotels, retail facilities, logistics properties, etc.	—	355,692 m <sup>2</sup>
Total leasable area of commercial properties business	—	947,514 m <sup>2</sup>



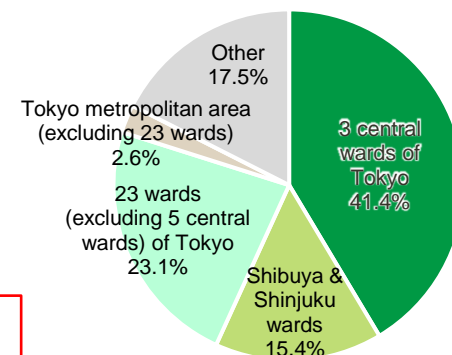
**<Breakdown of Leasable Area by Standard Floor Space>**



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



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



\*1 Please refer to the note on page 52 for the definition for the subject of calculation of the number of owned office buildings, average rent and occupancy.

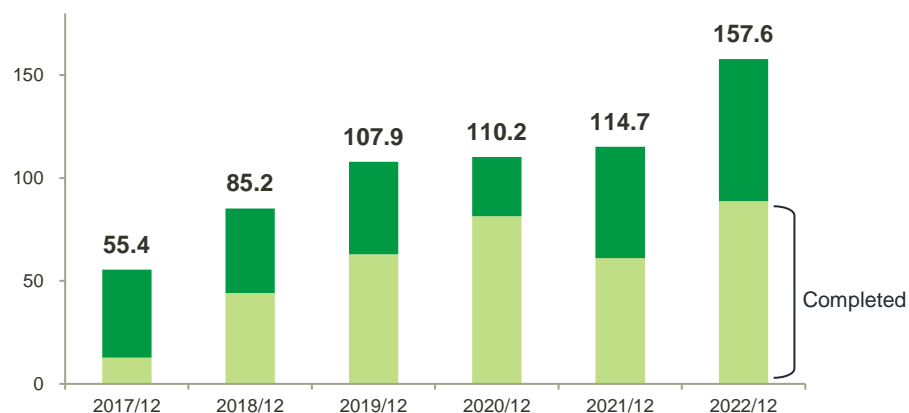
\*2 The weighted average based on leasable area.

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

- As for FY2022, Tokyo Tatemono secured new projects for 6 logistics properties, 2 retail properties, 1 hotel and 1 medium-sized office building.
- The balance of real estate for sale increased by ¥42.9 billion from the end of FY2021 to ¥157.6 billion and the value of stock in terms of total investment amount increased by approximately ¥105.0 billion to approximately ¥370.0 billion.

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

(¥ billion)



Unit: ¥ billion

Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
Logistics properties	78.8	Approx.255
Hotels, retail facilities, mid-sized offices, etc.	78.8	Approx.115
<b>Total</b>	<b>157.6</b>	<b>Approx.370</b>

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

Asset type	Number of properties		
	Sold during the term	In operation	Under development
Logistics properties	1	8	16
Hotels, retail facilities, mid-sized offices, etc.	1	16	14



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



**Candeo Hotels  
Tokyo Roppongi**



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



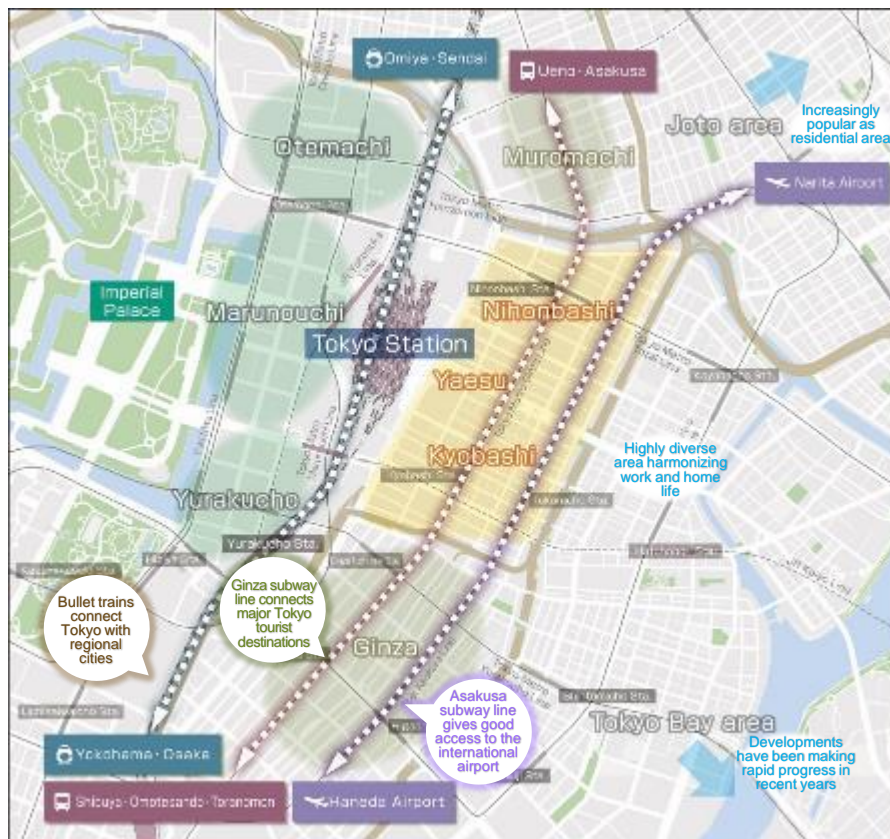
**T-PLUS Sendai Hirose  
Dori**  
(Scheduled for completion in April 2023)



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

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

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



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

Phenomenal transportation convenience

Gathering of leading firms

Excellent halls and meeting room facilities

Highly diverse small and medium-size properties

Rich cultural resources transmitting culinary and craftsmanship traditions

\*1 Nominal designation for the Yaesu, Nihonbashi and Kyobashi areas

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

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

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

\*3 Land price of inheritance tax (fiscal 2022)

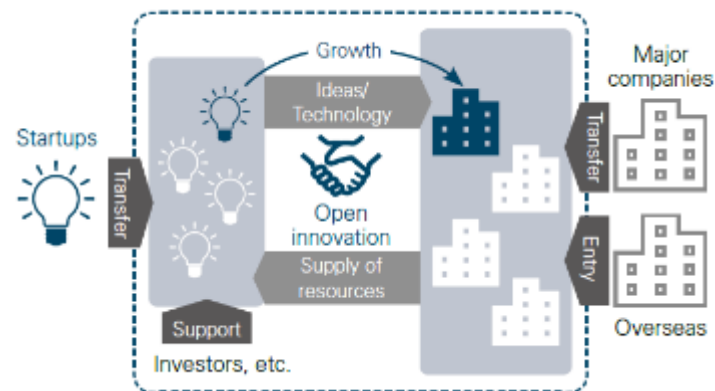


# Initiatives in the Yaesu-Nihonbashi-Kyobashi Area

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

## Promotion of an Innovation Ecosystem

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







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

The Tokyo Metropolitan Government is aiming to form an innovation ecosystem where various players come together and cooperate and is providing support in dispatching personnel and information.

As the leading company in the Regional Council by Authorized Regions, Tokyo Tatemono is engaged in various initiatives such as bringing in startups, promotion of open innovation with existing industries, active information dispatch, etc.



-  : 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.

# Major Redevelopment Projects in Progress

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

■ Project period (construction start to completion)

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

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

**Estimated investment amount\*2:**

About **¥230.0 billion**

**Estimated investment amount\*2:**

About **¥330.0 billion**

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

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

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

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

## Yaesu Project

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

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

[Total floor area]	District A: about 12,000 m <sup>2</sup> District B: about 225,000 m <sup>2</sup>
[Main uses]	District A: offices, shops, etc. District B: offices, medical facilities, bus terminal, conference halls, etc.
[No. of floors]	District A: 10 floors above ground, 2 below District B: 51 floors above ground, 4 below
[Construction start]	District A: Scheduled for FY2024 District B: FY2021
[Completed]	Fiscal year 2025 (planned)



### Value Created by the Project

#### Enhancement of traffic node function in front of Tokyo Station

- Establishment of large-scale bus terminal connecting to international airports and regional cities
- Establishment of above- and below-ground pedestrian network connecting Tokyo Station and nearby urban districts

#### Introduction of city functions that increase global competitiveness

- Establishment of primary care in collaboration with sophisticated medical facilities
- Increase of urban appeal and vibrancy through implementation of area management

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

- Establishment of space for those stranded during disasters and storage for disaster prevention
- Enhancement of business continuation functions through establishment of cogeneration systems and emergency power generation facilities

## Gofukubashi Project

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

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

[Total floor area]	South Block: about 178,000 m <sup>2</sup> North Block: about 1,100 m <sup>2</sup>
[Main uses]	Offices, shops, lodging facility, parking lot, etc.
[No. of floors]	South Block: 44 floors above ground, 3 below North Block: 2 floors above ground, 1 below
[Construction start]	Fiscal year 2024 (planned)
[Completed]	South Block: Fiscal year 2029 (planned) North Block: Fiscal year 2032 (planned)



### Value Created by the Project

#### Formation of financial hub that contributes to enhancement of global competitiveness

- Establishment of support facility for sophisticated financial personnel that assist international finance and urban MICE

#### Establishment of waterfront space and pedestrian network

- Various types of cooperation for moving the Metropolitan Expressway belowground
- Establishment of plaza space that represents the bustling space on the Nihonbashi River
- Establishment of above- and below-ground pedestrian network that connects Tokyo Station, Otemachi Station and Nihonbashi Station

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

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



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

- The Kyobashi 3-Chome Higashi District Urban Redevelopment Project (Kyobashi 3-Chome Project) is being promoted in the Kyobashi area.  
An urban development plan was proposed in May 2022.

## Kyobashi 3-Chome Project

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

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

⇒ Urban development plan decided in January 2023

[Total area]	Approximately 6,820 m <sup>2</sup>
[Total floor area]	Approximately 164,000 m <sup>2</sup>
[Main uses]	Offices, hotel, shops, etc.
[No. of floors]	35 floors above ground, 4 below
[Construction start]	Fiscal year 2025 (planned)
[Completion date]	Fiscal year 2029 (planned)



## Value Created by the Project

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

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

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

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

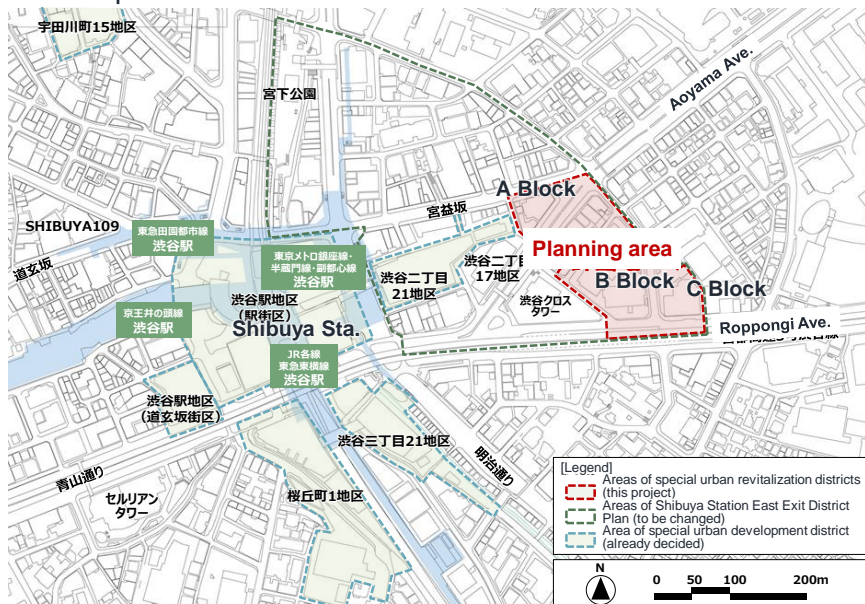
**Strengthening of disaster preparedness and reduction of environmental burden**

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



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

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



[Total area]	Total:	Approx. 18,800 m <sup>2</sup>
	A Block:	Approx. 1,700 m <sup>2</sup>
	B Block:	Approx. 12,800 m <sup>2</sup>
	C Block:	Approx. 4,300 m <sup>2</sup>
[Total floor area]	Total:	Approx. 322,200 m <sup>2</sup>
	A Block:	Approx. 4,200 m <sup>2</sup>
	B Block:	Approx. 255,000 m <sup>2</sup>
	C Block:	Approx. 63,000 m <sup>2</sup>
[Main uses]	Offices, shops, hotels, human resource development facilities, bus terminals, housing, life support facilities, etc.	
[No. of floors]	A Block:	5 floors above ground, 1 below
	B Block:	41 floors above ground, 4 below
	C Block:	41 floors above ground, 2 below
[Construction start]	Fiscal year 2025 (planned)	
[Completion date]	Fiscal year 2029 (planned)	

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

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

## Value Created by the Project

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

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

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

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

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

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

## (2) Residential Business: Business Results for FY2022 and Full-Year Earnings Forecast for FY2023

- In FY2022, revenue and profits increased due to an increase in the number of condominium sales posted and the rise in gross profit margin.
- In FY2023, increase in revenue and decrease in profits are expected due to a decrease in gross profit on for-sale condominiums, although property sales to investors is expected to increase.

Unit: ¥ billion	2021/12 Actual	2022/12 Actual	Increase/Decrease	Main factors for increase/decrease	Announced in August 2022	
					2022/12 Full-year forecasts	Achievement rate
Operating revenue	120.5	131.3	10.8		131.0	100%
Sales of condominiums	71.9	85.9	14.0	Number of condo sales posted: 1,435 units; Condo unit price: ¥59.90 million; Gross margin: 33.3%	86.0	100%
Sales of residential houses	-	-	-		-	-
Sales of real estate	20.5	17.5	(3.0)	Property sales to investors -¥3.4 billion (FY2021 cumulative total: ¥19.4 billion; FY2022 cumulative total: ¥15.9 billion)	17.0	103%
Residence leasing	5.8	5.3	(0.5)		5.0	106%
Fee from sales outsourcing services	1.1	1.5	0.3		1.5	105%
Building management service, etc.	21.0	21.0	0.0		21.5	98%
Operating profit	17.0	23.3	6.2	Property sales to investors -¥2.5 billion (FY2021 cumulative total: ¥6.3 billion; FY2022 cumulative total: ¥3.8 billion)	23.0	101%
Business profit	17.0	23.3	6.2		23.0	101%

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

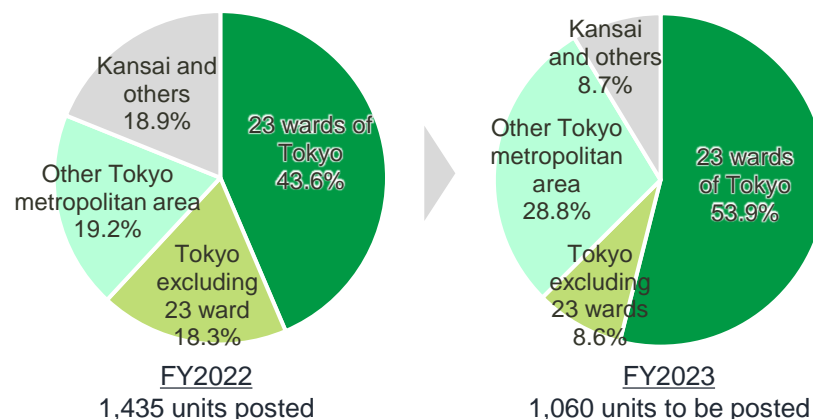


## (2) Residential Business: For-Sale Condominiums

### – Major Operating Indicators

- In FY2022, gross margin maintained a favorable level at 33.3%.
- The inventory of completed condominiums remained at a low level of 175 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 FY2023 stood at 72% and contracts progressed smoothly.

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



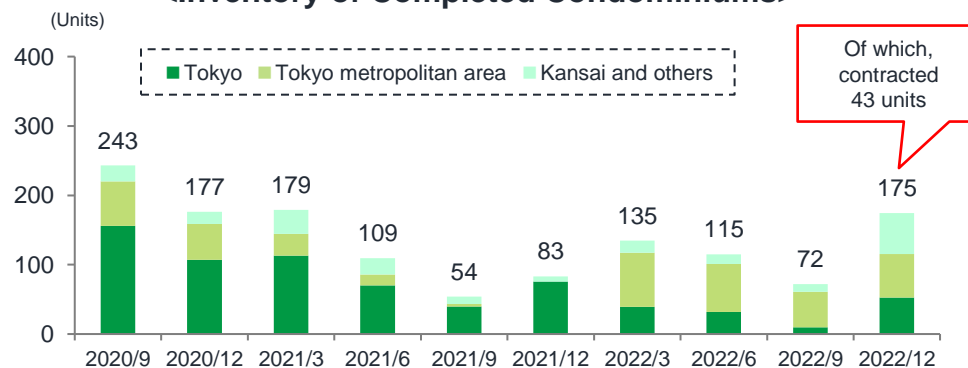
**<Achievement Rate Against Number of Condominium Sales Posted>**

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

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



**<Inventory of Completed Condominiums>**



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

### – Main Posting Results/Schedule

- Acquired land for approximately 1,500 units in FY2022, securing a land bank for approximately 7,900 units (including the number of units scheduled to be posted in 2023).
- Profitable properties, such as SHIROKANE The SKY are scheduled to be posted in FY2023.

	Main properties to be posted	Total no. of units <sup>*1</sup>	Tokyo Tatemono's stake
FY 2022 <sup>*2</sup>	Grand Maison Shin Umeda Tower THE CLUB RESIDENCE	874	87
	Brillia Kyoto Matsugasaki	109	109
	SHINTO CITY (District II)	395	99
	SHINTO CITY (District III)	411	103
	Brillia City Nishi-Waseda	454	454
	Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE	520	312
FY 2023	Brillia Nerima-Kasugacho	65	65
	SHIROKANE The SKY	1,247	310
	Brillia Shiki Garden	151	151
	Brillia Yotsuya 3-Chome	57	57
	Brillia City Shakujiko ATLAS	845	204
FY 2024	Brillia Tower Hamarikyu	421	144
	Brillia Jiyugaoka	62	62
	Brillia Tower Ikebukuro West	231	92
	HARUMI FLAG	4,151	490
	Brillia Tower Dojima	457	457
	Brillia Tower Maebashi	203	162
FY 2025	Brillia Tower Minoh Semba TOP OF THE HILL	397	202
	Brillia Seiseki Sakuragaoka BLOOMING TERRACE	253	202
	Brillia Meguro Ohashi	114	97

#### <Main Properties Posted in 2022>



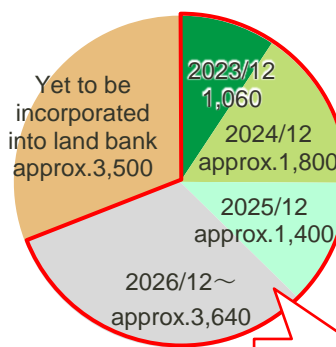
Brillia City Nishi-Waseda



Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE

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

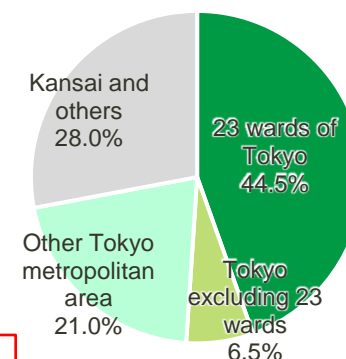
Approx. 11,400 units



Incorporated into land bank  
**7,900 units**

#### <Land Bank>

Approx. 7,900 units

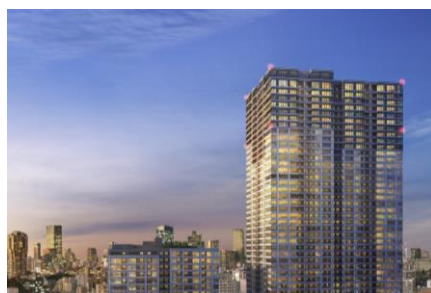


\*1 Total number of units in total, including landowners' units

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

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

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



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



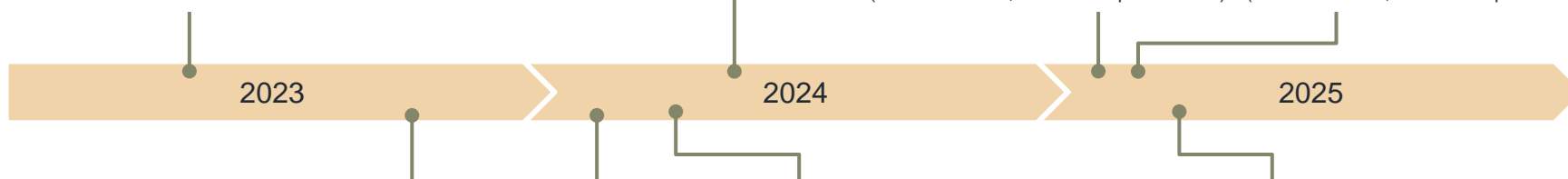
**Brillia Tower Dojima**  
(Total units: 457; Units to be posted: 457)



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



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



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



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



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



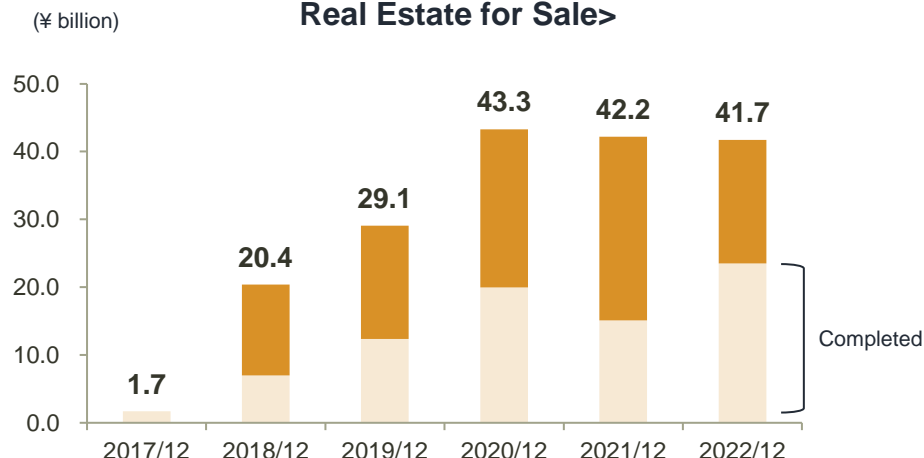
**Brillia Meguro Ohashi**  
(Total units: 114; Units to be posted: 97)



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

- In FY2022, 9 for-rent condominium projects were newly acquired.
- Although the balance of real estate for sale decreased by ¥0.5 billion from the end of FY2021 to ¥41.7 billion due to the progress in sales, on a total investment basis, stock increased by approximately ¥5.0 billion to approximately ¥70.0 billion.

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



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



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

(Unit: ¥ billion)

Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
For-rent condominiums	41.7	Approx.70.0

Asset type	Number of properties		
	Sold during the term	In operation	Under development
For-rent condominiums	7	14	19

\* 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 Nishi-Waseda**  
(Completed in 2022)



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

### (3) Asset Service Business: Business Results for FY2022 and Full-Year Earnings Forecast for 2023

- In FY2022, revenue and profits increased due to the recovery of occupancy of parking lots and an increase in property sales to investors in the asset solution business.
- In FY2023, revenue and profits are anticipated to increase due to increased revenue of parking business and an increase in property sales to investors in the asset solution business, etc.

Unit: ¥ billion				Main factors for increase/decrease	Announced in August 2022	
2021/12 Actual	2022/12 Actual	Increase/Decrease	2022/12 Full-year Forecasts	Achievement rate		
Operating revenue	42.6	50.2	7.5	Property sales to investors +¥4.7 billion (FY2021 cumulative total: ¥10.3 billion; FY2022 cumulative total: ¥15.1 billion)	53.5	94%
Brokerage	4.4	4.6	0.1		5.0	93%
Asset solution	13.7	19.0	5.3		22.0	87%
Management service, etc.	4.4	4.5	0.1		4.5	101%
Parking business	19.9	21.9	1.9		22.0	100%
Operating profit	4.3	7.3	3.0	Recovery of occupancy, increase in number of parking spaces Property sales to investors +¥1.0 billion (FY2021 cumulative total: ¥2.9 billion; FY2022 cumulative total: ¥4.0 billion) Parking business +¥1.9 billion	7.0	106%
Business profit	4.3	7.3	3.0		7.0	106%

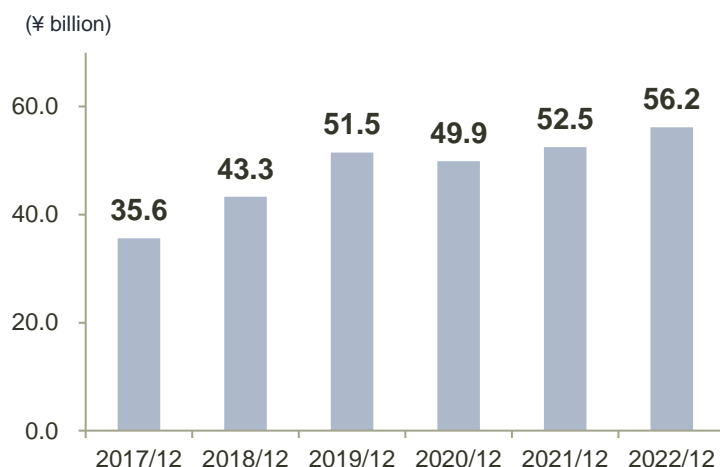
Unit: ¥ billion				Main factors for increase/decrease
2022/12 Actual	2023/12 Full-year Forecasts	Increase/Decrease		
Operating revenue	50.2	56.0	5.7	Property sales to investors +¥3.8 billion (FY2022 cumulative total: ¥15.1 billion; FY2023 cumulative total: ¥19.0 billion)
Brokerage	4.6	5.0	0.3	
Asset solution	19.0	23.0	3.9	
Management service, etc.	4.5	4.5	(0.0)	
Parking business	21.9	23.5	1.5	
Operating profit	7.3	8.0	0.6	Increase in number of parking spaces, recovery of occupancy Property sales to investors -¥0.0 billion (FY2022 cumulative total: ¥4.0 billion; FY2023 cumulative total: ¥4.0 billion) Parking business +¥0.5 billion
Business profit	7.3	8.0	0.6	



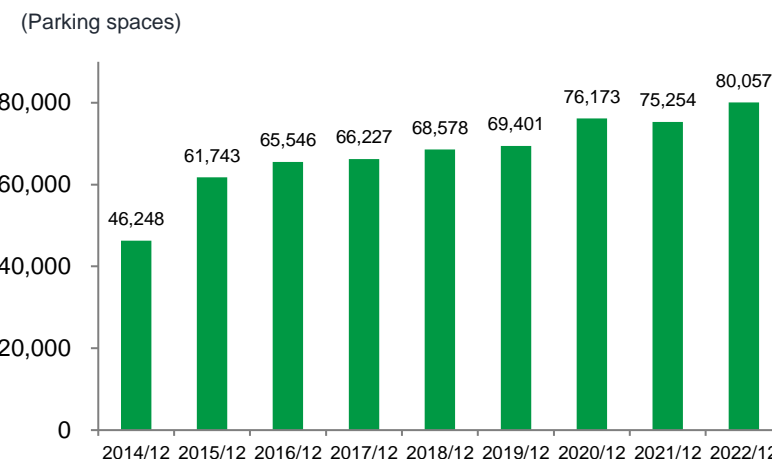
### (3) Asset Service Business: Major Operating Indicators

- Asset solution: 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 4,803 from the end of 2021 to 80,057.

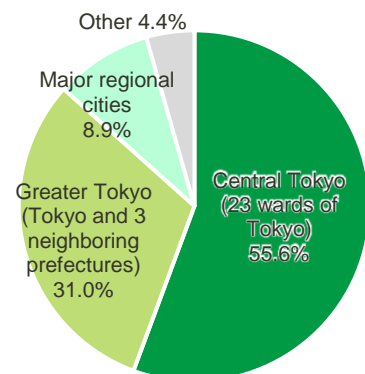
#### <Asset Solution Business: Balance of Assets Owned>



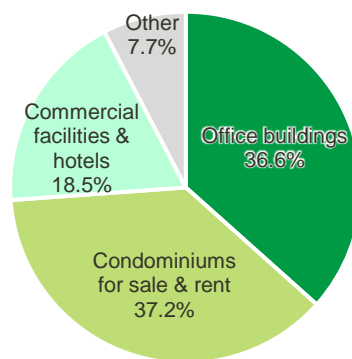
#### <Parking Business: Number of Parking Spaces>



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



Breakdown by Area of Location



Breakdown by Asset Type

## (4) Other: Business Results for FY2022 and Full-Year Earnings Forecast for FY2023

- In FY2022, an increase in revenue and profits are expected due to the recovery of occupancy of leisure facilities in the Leisure & child care business and posting a share of profit of entities accounted for using equity method in overseas businesses.
- In FY2023, an increase in revenue and profits are expected due to the increase in revenue of leisure facilities and increased share of profit of entities accounted for using equity method in overseas businesses.

Unit: ¥ billion	2021/12 Actual	2022/12 Actual	Increase/ Decrease	Main factors for increase/decrease	Announced in August 2022	
					2022/12 Full-year forecasts	Achievement rate
Operating revenue	21.5	23.1	1.5		22.5	103%
Leisure & child care business	17.3	18.5	1.1	Recovery of leisure business occupancy +¥2.9 billion Effect of application of the new revenue recognition standard -¥2.5 billion	17.8	104%
Fund business	4.0	4.4	0.4		4.5	100%
Other	0.1	0.1	(0.0)		0.2	64%
Operating profit	2.0	2.5	0.5	Effect of application of the new revenue recognition standard -¥0.3 billion	1.5	168%
Business profit	(9.1)	4.0	13.1		4.0	101%
Share of profit (loss) of entities accounted for using equity method	(11.1)	1.5	12.6	Profitability of share of profit of entities accounted for using equity method in overseas businesses	2.5	61%

Unit: ¥ billion	2022/12 Full-year Actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
Operating revenue	23.1	24.0	0.8	
Leisure & child care business	18.5	19.3	0.7	Increase in revenue in the leisure business, etc.
Fund business	4.4	4.5	0.0	
Other	0.1	0.2	0.0	
Operating profit	2.5	2.0	(0.5)	
Business profit	4.0	6.0	1.9	
Share of profit (loss) of entities accounted for using equity method	1.5	4.0	2.4	Increase in share of profit of entities accounted for using equity method in overseas businesses

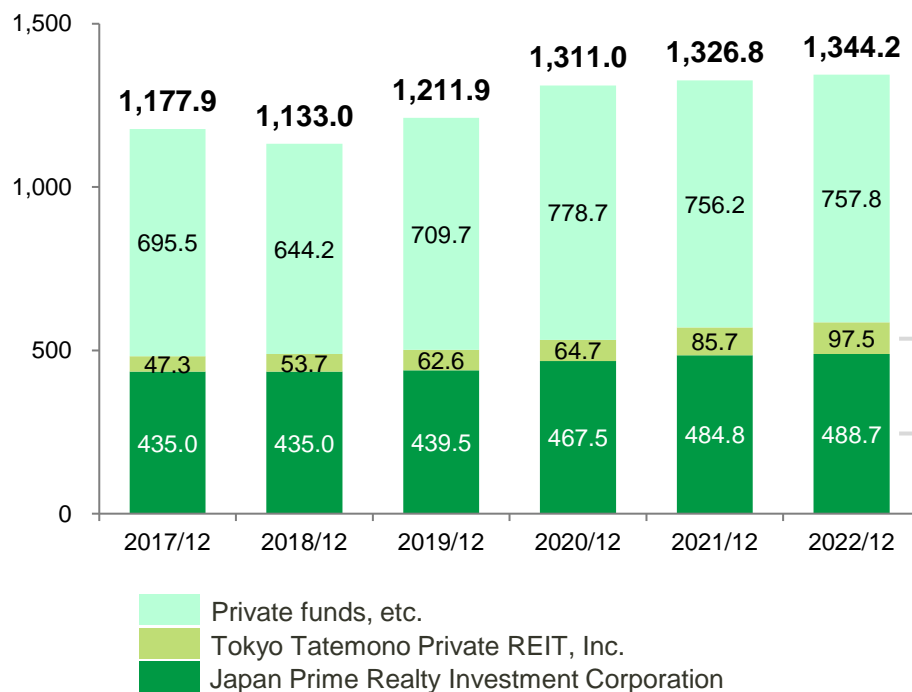
\* Operating revenue in overseas businesses is disclosed under "Other."

## (4) Other: Initiatives for Fund Business

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

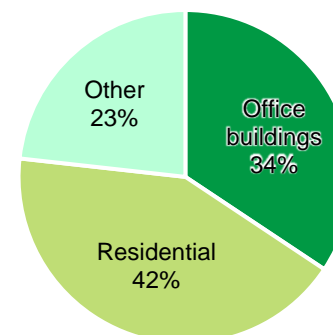
<Group AUM>

(Unit: ¥ billion)



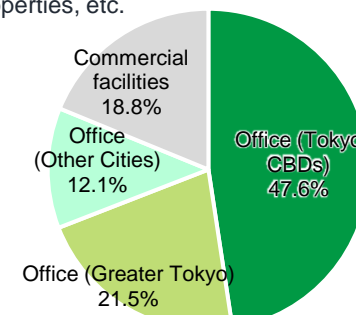
### Tokyo Tatemono Private REIT, Inc.

A diversified private REIT investing in various asset types



### Japan Prime Realty Investment Corporation

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



## (4) Other: Initiatives for Overseas Business

- To gain business opportunities in growth markets, invested in China and Asia.
- Balance on the balance sheet for the overseas business was approximately ¥44.0 billion at the end of December 2022.

### 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 business primarily in China and countries in Asia in which Tokyo Tatemono has invested before.

### <Main Projects Underway>

	Name of project	Location	Main uses	Scale (Total number of units/total floor area)	FY of construction completion	Status
China	Yangzhou Chengxi Project	Yangzhou City	Residential, commercial	Approximately 1,500 units	2022 onward	Residences sold out
	Yangzhou-East Project	Yangzhou City	Residential, commercial	Approximately 1,000 units	2024 onward	On sale
	Xuzhou Chengbei Project	Xuzhou City	Residential	Approximately 1,500 units	2023 onward	On sale
	Wenzhou Ouhai Project	Wenzhou City	Residential, commercial	Approximately 400 units	2023	On sale
Asia	79 Robinson Road	Singapore	Offices	Approximately 57,400 m <sup>2</sup>	2020	Sold
	Old museum site Redevelopment project	Yangon, Myanmar	Office, commercial, hotel	Approximately 92,000 m <sup>2</sup>	Business suspended	
	Sukhumvit 26 Project	Bangkok, Thailand	Residential	Approximately 150 units	2022	On sale
	Sathorn 12 Project		Residential	Approximately 250 units	2023	On sale
	Onnut Project		Residential	Approximately 1,100 units	2024	On sale
	Dharmawangsa Project	Jakarta, Indonesia	Office, residential	Office building : Approximately 47,000 m <sup>2</sup> Residence: Approximately 90 units	2026	Sales to be resumed
	Loggia Project		Residential	Approximately 500 units	2027	Before sale



## (4) Other: Initiatives for Overseas Business

### 79 Robinson Road

A rare, high-grade office was developed in Singapore's central business district, Tanjong Pagar. Sale completed in 2022 2Q.

Total project cost: Approx.  
¥75.0 billion  
Tokyo Tatemono's stake:  
Approx. 15%



### Xuzhou Chengbei Project in China

Tokyo Tatemono's second housing development project in Xuzhou, a Tier-3 city where infrastructure and entry of foreign capital advancement are rapidly progressing. A location that has excellent transportation convenience close to a subway station that has good access to the city center.

Total project cost:  
Approx. ¥35.0 billion  
Tokyo Tatemono's  
stake: Approx. 30%



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

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

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

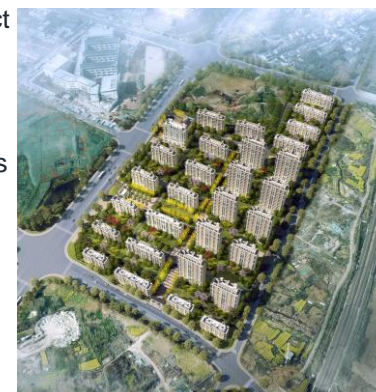


Sukhumvit 26 Project

### Yangzhou Chengxi Project in China

A residential development project in Yangzhou, a Tier 3 city where the needs of actual demand are strong, marking Tokyo Tatemono's fifth project in the city. There are large commercial facilities and educational facilities around the project site, and it is characterized by a location with high convenience of living.

Total project cost: Approx.  
¥37.0 billion  
Tokyo Tatemono's stake:  
Approx. 25%



## ESG-related Initiatives



# ESG-related Initiatives (1)

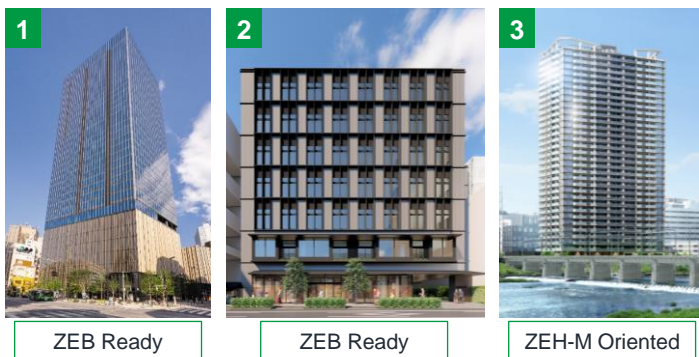
Medium- to long-term targets for reducing greenhouse gas emissions

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

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

**Net zero by FY2050**

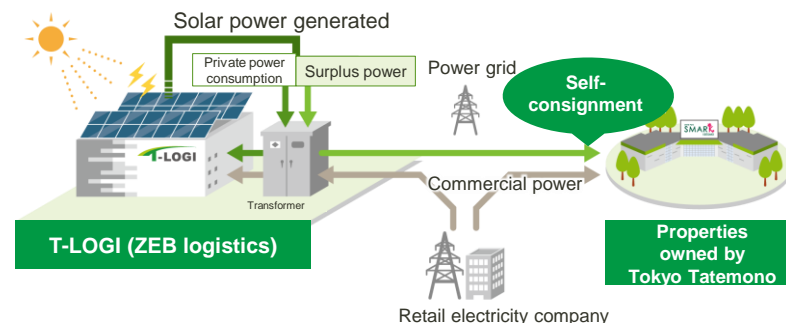
## Development of ZEB and ZEH\*



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

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

## 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: **7** properties (as of December 31, 2022)

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

## Condominium development using wooden CLT



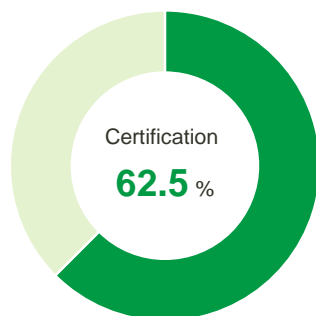
**Senzokuike Project (provisional name)**

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

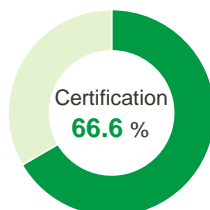
## External evaluation and certification on green buildings

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

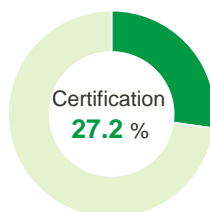
- All properties owned and managed by the Company



- Leasable office area



- Leasable residential area



### ■ Properties newly obtaining certification in 2022



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



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



## ESG finance (Bonds payable issued)

### ■ March 2019: Issuance of green hybrid bonds

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



### ■ July 2020: Issued sustainability bonds

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



### ■ February 2021: Issued sustainability hybrid bonds

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

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

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



# ESG-related Initiatives (3)

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

### “GRESB Real Estate Assessment” 2022

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

- The only real estate developer in Japan who received the top-rated “5-star” for the sixth consecutive year**
- Selected for the first time as a “Sector Leader” in Listed, Asia Region, Diversified**



G R E S B  
★★★★★ 2022



G R E S B  
REAL ESTATE  
sector leader 2022

RE100

CLIMATE  
GROUP



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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

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

\* Red text added in 2022

# Appendix

# Long-Term Vision and Medium-Term Business Plan

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

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

## <Long-Term Vision for 2030>

### “Becoming a Next-Generation Developer”

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

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

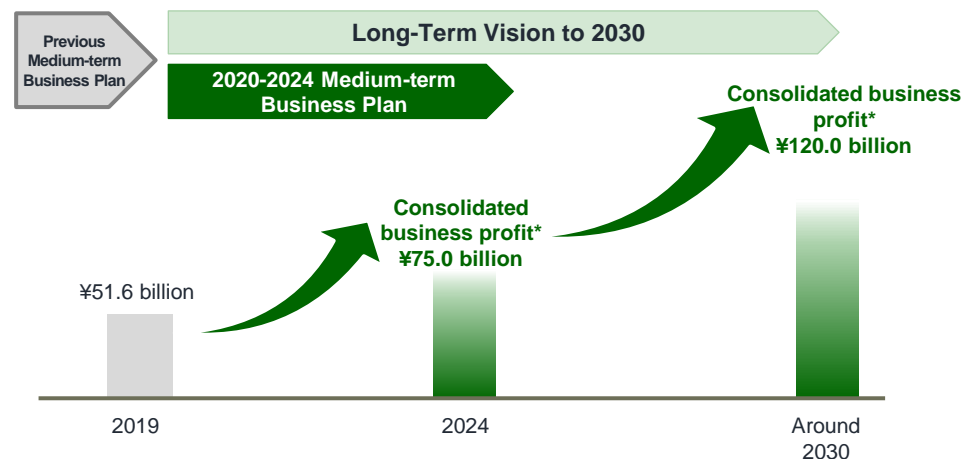
**Contributing to the  
achievement of the SDGs**

### <Basic Profit Growth Policy>

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

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

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



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

(1) Promotion of large-scale redevelopment

(2) Further strengthening of for-sale condominium business

(3) Expansion of property sales to investors

(4) Strengthening of brokerage, fund, and parking businesses

(5) Growth in overseas business

# Materiality of the Tokyo Tatemono Group

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

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

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









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

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

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

# ESG Management KPIs and Goals Based on Materiality

Materiality	Item	KPIs and Goals	Range	Target Fiscal Year	Target
Promoting a decarbonized society 	Reduction of greenhouse gas emissions	Rate of reduction of CO <sub>2</sub> emissions	Scope 1,2,3	2030	40% reduction compared with FY2019
				2050	Net zero
	Introduction of renewable energy	Rate of introduction of renewable energy for electricity consumed in business activities	Real estate held in Commercial Properties business	2030	40%
			All business activities	2050	100%
	Promotion of development of ZEB and ZEH	ZEB development rate in new development projects	Office buildings and logistics properties	2030	100% in principle
		ZEH development rate in new development projects	For-sale condominiums	2030	100% in principle
	Acquisition of green building certification	Rate of acquisition of green building certification in new development projects	Office buildings and logistics properties	2030	100% in principle
Promoting a recycling-oriented society 	Reduction of waste output	Rate of reduction of waste output intensity	Buildings owned long-term	2030	20% reduction compared with FY2019
	Promotion of waste recycling	Rate of reuse of waste	Buildings owned long-term	2030	90%
	Reduction of water usage	Rate of reduction of water usage intensity	Buildings owned long-term	Every year	Reduction from previous year
	Promotion of use of recycled water	Rate of introduction of greywater treatment facilities in new development projects	Office buildings with a total floor area of more than 30,000 m <sup>2</sup>	2030	100%
Promoting a decarbonized society Promoting a recycling-oriented society  	Promotion of use of wood	Rate of use of domestic materials and certified materials in common area interior and furnishings in new development projects	Buildings owned long-term and condominiums for sale & rent	2030	100%
			Condominiums for sale & rent	2030	100%
		Use of CLT in main structural parts in new development projects	Condominiums for sale & rent	2023	—
	Partnership and co-creation with customers	Rate of communication on sustainability with tenants being implemented four or more times per year	Buildings owned long-term	Every year	100%
		Drafting and implementation of sustainability measures through communication with residents	Condominiums for sale & rent	Every year	—
Improve employee growth and job satisfaction 	Promotion of capacity development	Average training hours per employee	Tokyo Tatemono	Every year	15 hours or more
		Career training attendance rate	Tokyo Tatemono	Every year	100%
		Health checkup attendance rate	Tokyo Tatemono	Every year	100%
	Promotion of health management	Reexamination attendance rate	Tokyo Tatemono	Every year	100%
		Smoking rate	Tokyo Tatemono	2022	12% or less
Diversity & Inclusion 	Respect for human rights	Dissemination of Human Rights Policy	Tokyo Tatemono Group	Every year	—
	Work-life balance	Average rate of taking annual paid leave	Tokyo Tatemono	Every year	70% or more
		Percentage of male employees taking childcare leave	Tokyo Tatemono	2025	30% or more
	Promoting the active participation of diverse human resources	Percentage of female managers	Tokyo Tatemono	2030	10% or more
		Employment rate of persons with disabilities	Tokyo Tatemono	Every year	2.3% or more

\* See pages 8 and 9 of the Sustainability Report 2022 for definitions of terms.

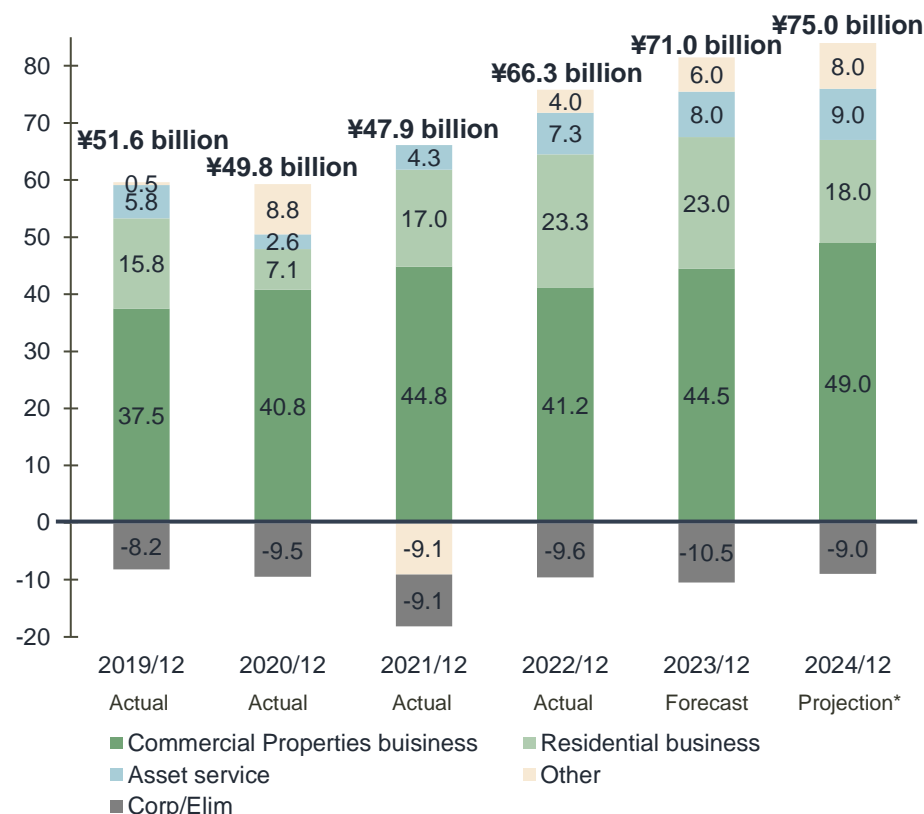
# Quantitative Plan in Medium-Term Business Plan

- In the Medium-Term Business Plan, we have set a profit target of ¥75 billion in business 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>

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

## <Consolidated Business Profit Trend by Segment>



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

## ■ Business Portfolio Concepts (1)

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

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

### — Key Strategies and Their Profit Sources —

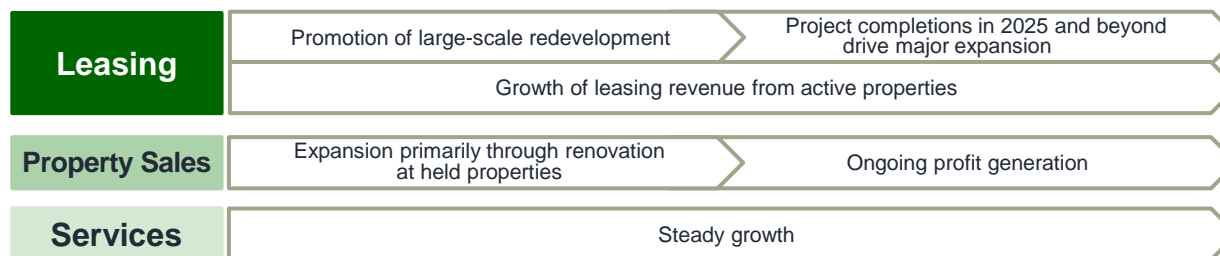
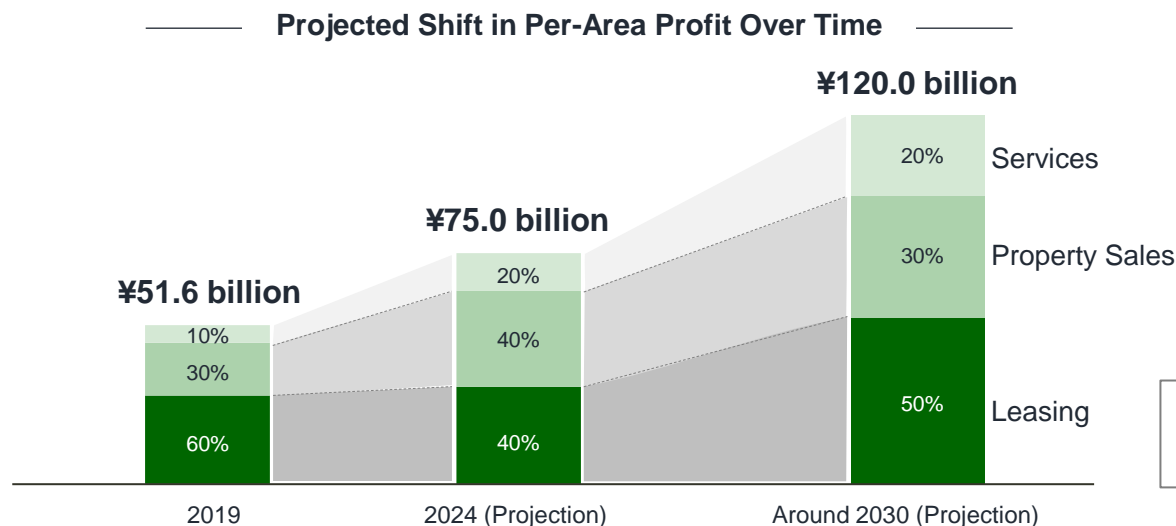
	Profit Type	Characterized by
<b>Leasing</b>	Profit from leasing offices, condominiums, etc.	Highly stable profit Requires significant investment
<b>Property Sales</b>	Development profit, acquired from sale of properties held	Highly volatile profit High capital efficiency
<b>Services</b>	Fee revenue from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

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



## ■ Business Portfolio Concepts (2)

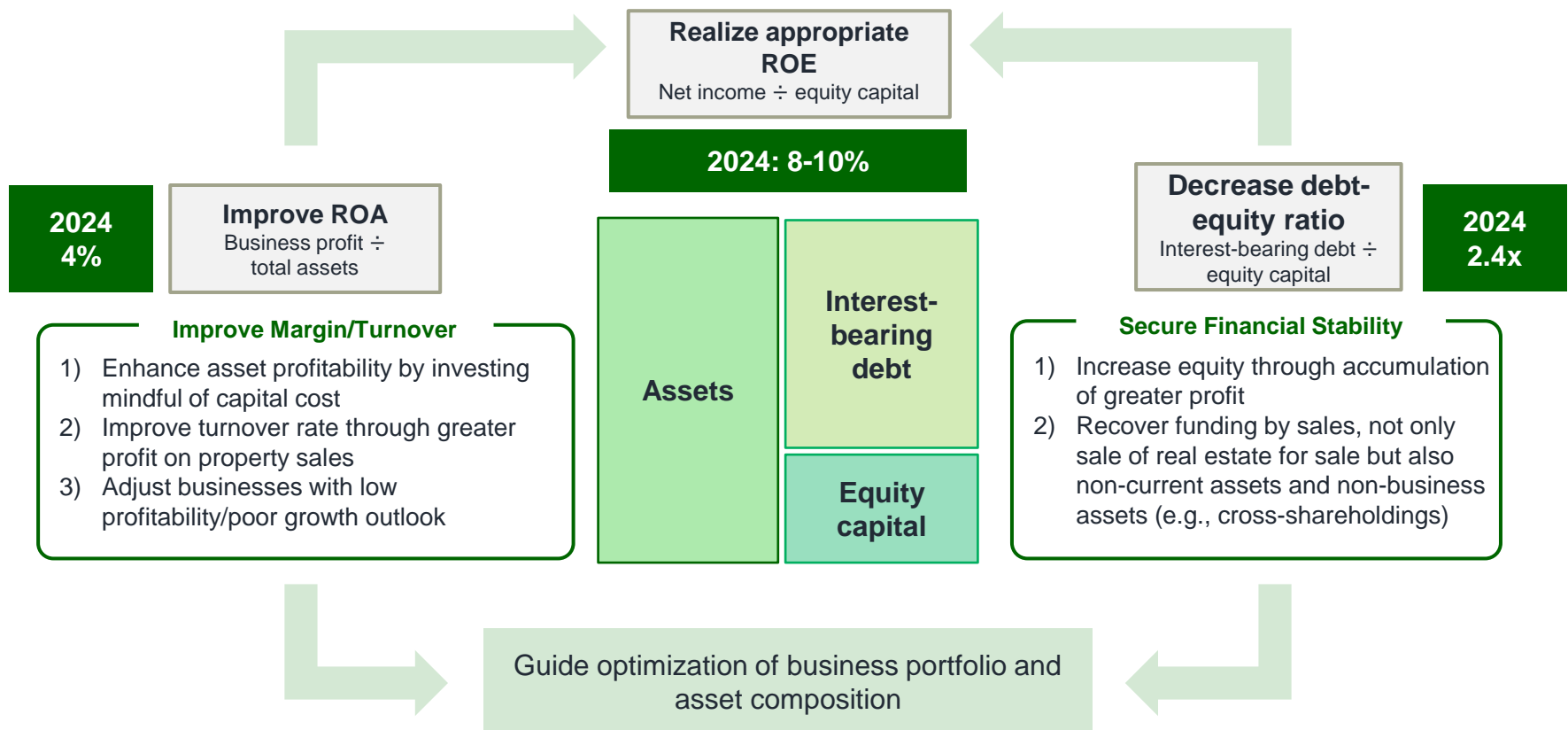
- Working under our five key strategies, we are steadily growing our Services area, with profit growth driven especially by the Property Sales area through 2024 and expansion of Leasing in 2025 and beyond, achieving a well-balanced profit structure mindful of capital efficiency.



**Well-balanced  
profit structure  
focused on  
leasing profit and  
mindful of capital  
efficiency**

## ■ Management Mindful of Capital Efficiency

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



# Long-Term Vision, Medium-Term Business Plan Material

(announced in February 2020) (Excerpt)



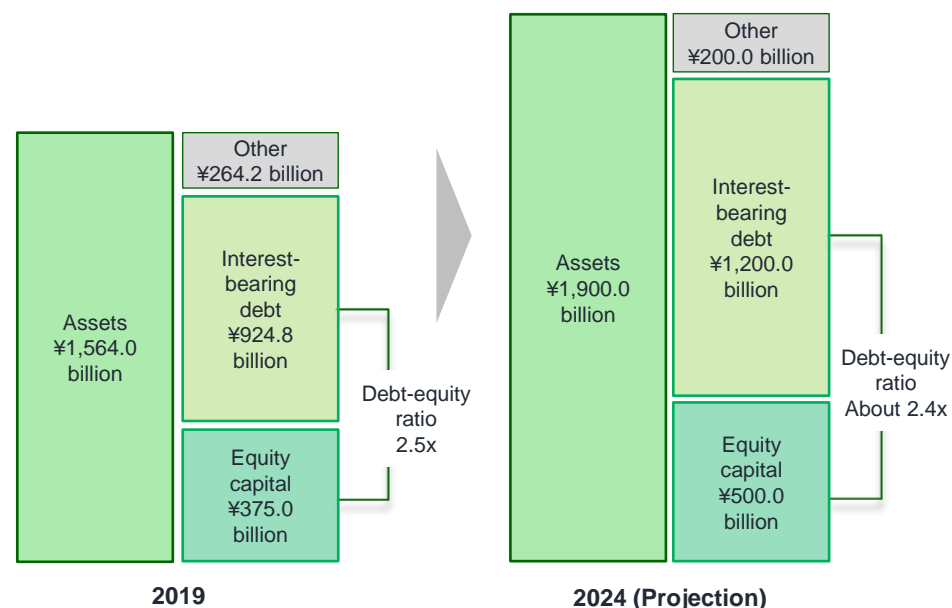
## ■ Investment Plan

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

### Medium-Term Investment Plan (Cumulative)

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

### Balance Sheet Changes



# Fair Value of Rental Properties

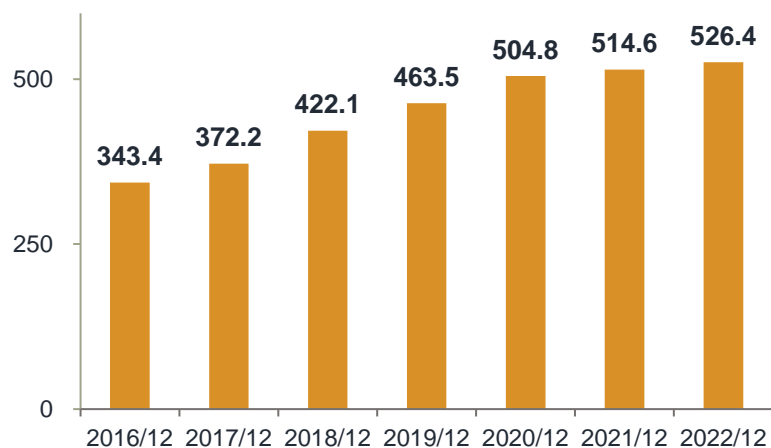
- Unrealized gain remained at a high level of ¥525.8 billion.

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

- ◆ <Subject properties> Of non-current assets, properties that are currently leased or properties under development that are scheduled to be leased after completion to third parties 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 period or properties under development at the end of the fiscal year, the book value at the end of the fiscal year is taken as the fair value

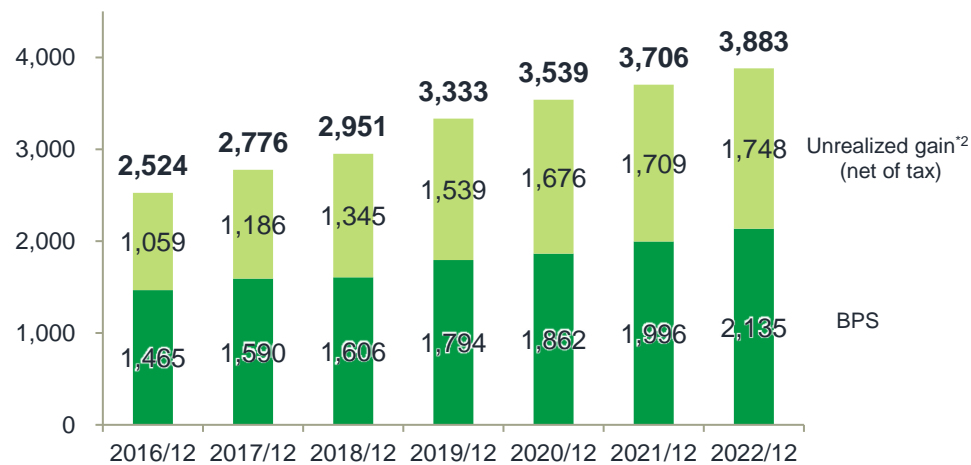
## <Unrealized Gain>

(¥ billion)



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

(¥ per share)



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

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

# Quarterly Segment Data

Commercial Properties business*1	2020/3	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12
Number of office buildings	46	45	45	46	46	46	46	47	45	45	45	45
Leasable area of office buildings (thousand m <sup>2</sup> )	490	520	520	511	514	514	514	514	496	496	500	511
Vacancy rate	1.0%	2.0%	1.3%	2.3%	3.4%	3.3%	3.3%	3.2%	2.5%	2.9%	2.8%	3.2%
Average rent (Unit: ¥/tsubo)	30,846	30,288	30,161	30,835	31,061	30,830	31,077	30,954	30,809	30,896	30,696	30,836
Residential business	2020/3	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12
Number of sales posted (cumulative)	646	872	955	1,196	520	634	689	1,109	390	963	1,034	1,435
For-sale condominiums	646	872	955	1,196	520	634	689	1,109	390	963	1,034	1,435
Housing and residential land	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin ratio of condo sales (cumulative)	21.7%	22.9%	22.8%	22.4%	29.9%	28.6%	28.4%	24.4%	28.2%	36.7%	36.1%	33.3%
Inventory of completed condos	321	305	243	177	179	109	54	83	135	115	72	175
Of which, contracted	40	31	43	27	41	36	24	37	29	35	20	43
Condo units supplied (cumulative)	201	286	499	948	297	760	1,036	1,684	277	647	908	1,341
Condo units contracted (cumulative)	200	275	527	962	288	794	1,045	1,759	245	639	941	1,313
Condo units contracted but yet to be posted	1,101	950	1,118	1,314	1,081	1,474	1,669	1,968	1,837	1,658	1,890	1,861
Number of condo buildings for rent	12	14	14	14	13	12	11	12	11	14	14	17
Number of managed condo units	95,401	95,958	95,581	95,720	97,152	97,738	97,668	98,789	96,761	97,272	97,345	98,006
Asset service	2020/3	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12
Brokerage: Number of deals (cumulative)	259	458	687	1,018	277	540	830	1,152	250	532	793	1,086
Of which, sales (cumulative)	250	448	671	991	271	526	810	1,124	243	521	778	1,060
Of which, rentals (cumulative)	9	10	16	27	6	14	20	28	7	11	15	26
Parking lots: Number of locations	1,751	1,805	1,837	1,867	1,859	1,863	1,864	1,861	1,852	1,856	1,845	1,933
Parking lots: Number of parking spaces	69,683	74,176	75,267	76,173	74,366	74,706	74,641	75,254	75,618	76,444	77,083	80,057
Other	2020/3	2020/6	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12
Ofuro no Osama (Spa facility)	9	9	9	9	9	9	9	10	10	10	10	10
Golf Courses	12	12	12	12	12	12	12	12	12	12	12	12
Pet-Friendly Hotels (Regina Resort with DOGS)	8	8	8	8	8	8	8	8	8	8	8	8
Ohayo Child Care Centers/after-school childcare facilities	11	14	15	15	15	16	16	16	16	17	17	17

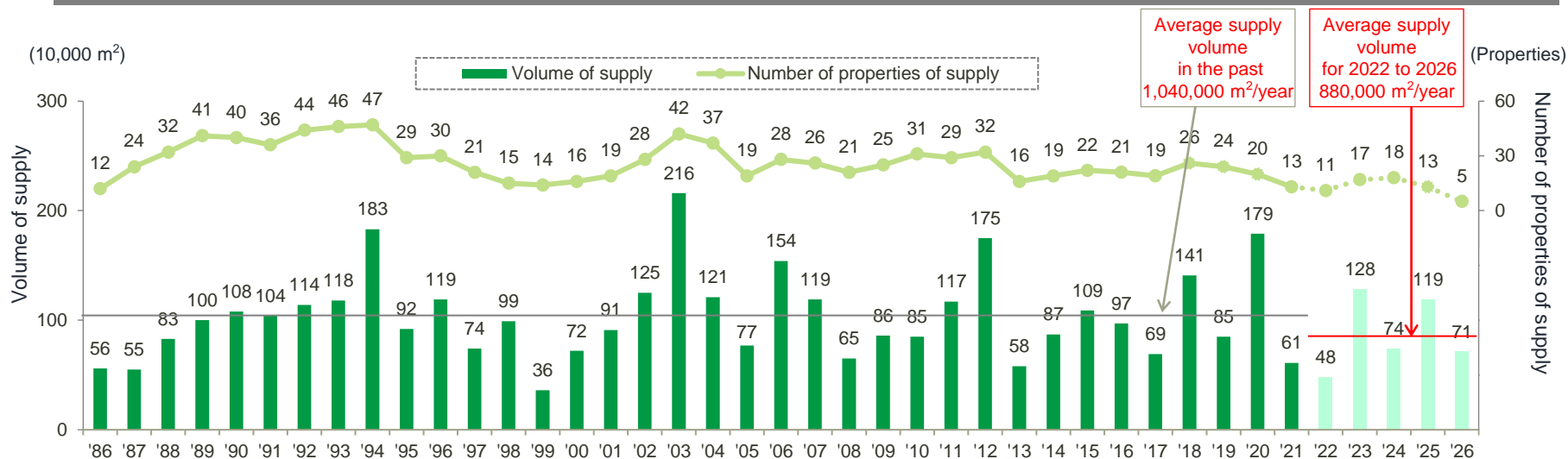
\*1: Standards for areas subject to calculation are as follows.

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

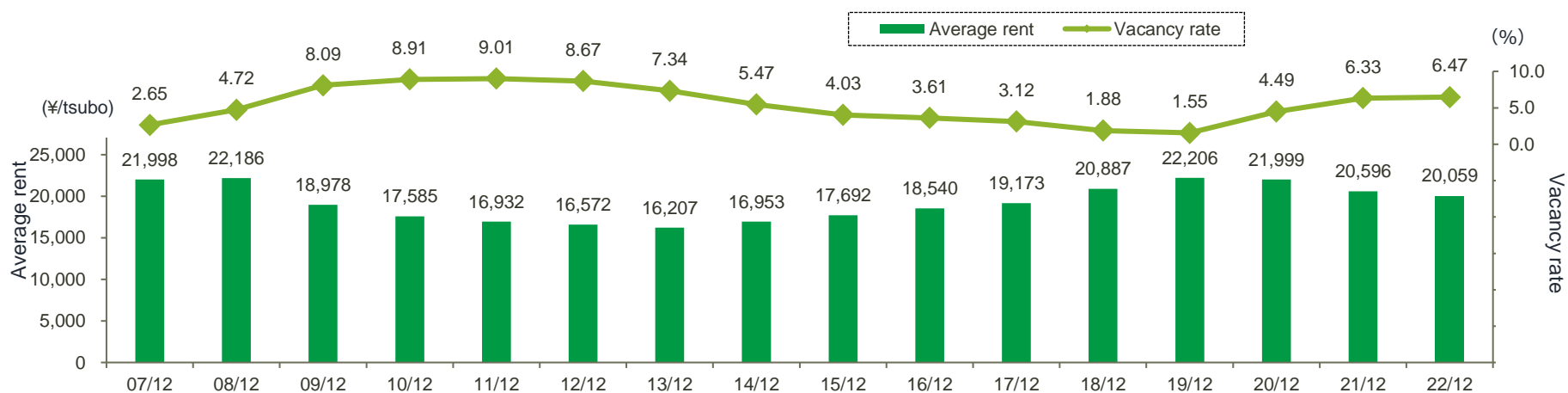
# Market Data

## (1) Office Building Market

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



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



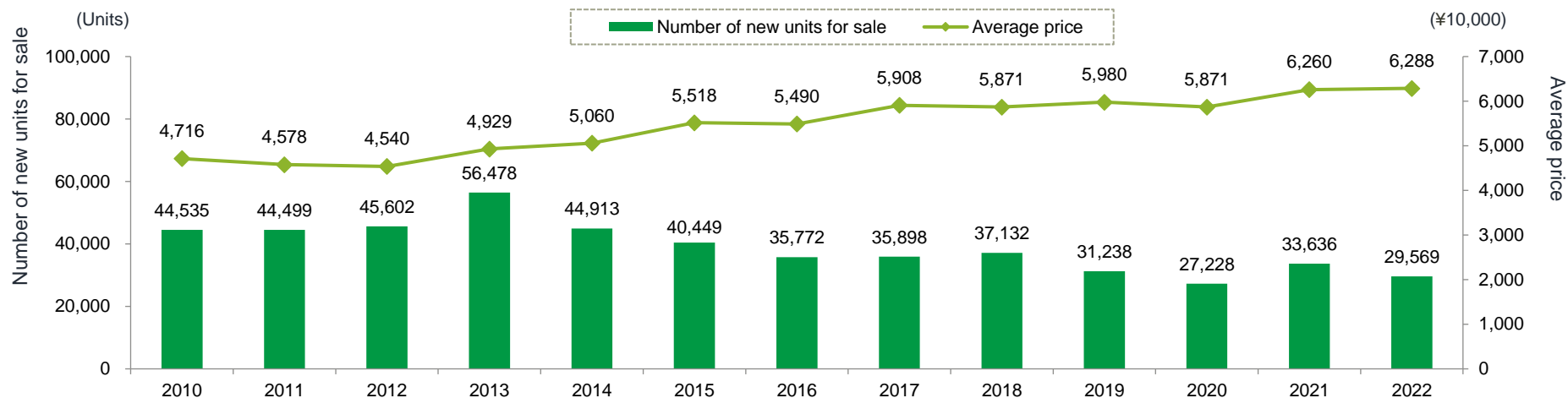
Source: Mori Buildings' "Survey of Large-scale Office Building Market in Tokyo's 23 Wards 2022"; Miki Shoji



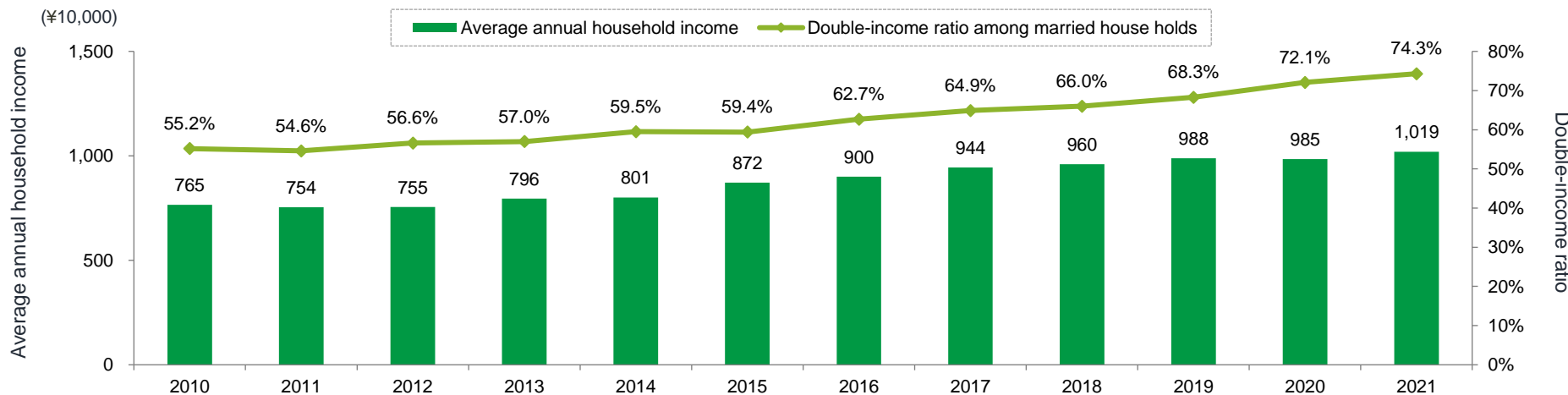
# Market Data

## (2) For-Sale Condominium Market

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



Trends in Double-Income Ratio and Average Annual Household Income Among Buyers of Condominium Units



Source: Real Estate Economic Institute; Recruit's 2021 survey on contract trend of new condominium units in the Tokyo Metropolitan Area

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