

Presentation Material  
for the First Two Quarters  
of FY2023  
(Ending December 31, 2023)

August 10, 2023



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## Business Results for the First Two Quarters of FY2023

Revenue and profit decreased due to a decrease in sales and gross profit from for-sale condominiums and property sales to investors, etc., but performance is progressing more or less as anticipated relative to the full-year earnings forecast.

### Topics

- Executed share transfer of consolidated subsidiary (Tokyo Tatemono Kids Co., Ltd.) (June 2023)
- A carbon-neutral system that can be implemented by the company by leveraging its logistics real estate and self-consignment system received the Japan Association for Real Estate Sciences' Minister of Land, Infrastructure, Transport and Tourism Award (June 2023)
- Selected for the first time as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index; selected as a constituent of all ESG indexes for Japanese equities used by GPIF (July 2023)

# Consolidated Statement of Income for the First Two Quarters of FY2023

- Revenue and profit decreased due to a decrease in sales and gross profit from for-sale condominiums and property sales to investors, but performance is progressing more or less as anticipated relative to the full-year earnings forecast.

(Unit: ¥ billion)

	2022/12 2Q actual	2023/12 2Q actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	215.0	179.6	(35.3)	• Operating revenue; Business profit See Business Results by Segment	413.0	44%
Commercial properties	86.8	62.3	(24.5)		198.0	31%
Residential	89.6	78.1	(11.5)		135.0	58%
Asset service	27.6	27.5	(0.0)		56.0	49%
Other	10.9	11.7	0.7		24.0	49%
<b>Operating profit</b>	48.2	36.0	(12.1)		66.0	55%
<b>Share of profit (loss) of entities accounted for using equity method</b>	2.9	1.9	(1.0)		5.0	39%
<b>Business profit *</b>	51.1	37.9	(13.2)		71.0	53%
Commercial properties	26.3	17.6	(8.6)		44.5	40%
Residential	21.2	17.7	(3.5)		23.0	77%
Asset service	4.4	5.1	0.7	Decrease in share of profit of entities accounted for using equity method	8.0	64%
Other	4.0	2.6	(1.3)		6.0	45%
Elimination/Corporate	(4.8)	(5.2)	(0.3)		(10.5)	50%
<b>Non-operating income</b>	5.6	4.2	(1.3)		9.0	48%
<b>Non-operating expenses</b>	3.6	4.0	0.4		8.0	51%
Interest expense	3.0	3.4	0.3		-	-
<b>Ordinary profit</b>	50.1	36.2	(13.9)		67.0	54%
<b>Extraordinary income</b>	0.4	0.2	(0.2)		2.0	11%
<b>Extraordinary loss</b>	0.1	0.1	0.0		3.0	5%
<b>Profit before income taxes</b>	50.4	36.3	(14.1)		66.0	55%
<b>Profit attributable to owners of parent</b>	35.3	23.8	(11.5)		44.5	54%

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

# Breakdown of Business Profit by Segment

(Unit: ¥ billion)

Segment: Item		2022/12 2Q actual	2023/12 2Q actual	2023/12 Full-year forecasts
All segments (excluding property sales to investors) total		41.2	37.7	52.0
Commercial Properties:	Building leasing, etc.	17.8	15.4	25.0
Residential:	For-sale condominiums, etc.	17.7	17.3	17.0
Asset Service:	Parking lots, brokerage, etc.	1.5	2.2	4.0
Other:	Leisure & childcare, fund, overseas	4.0	2.6	6.0
Property sales to investors	Total*1	14.8	5.5	29.5
Commercial Properties	Logistics, Hotel, Retail facilities, Offices	8.4	2.2	19.5
Residential	For-rent condominiums	3.4	0.4	6.0
Asset Service	Asset solutions	2.9	2.8	4.0
Other		—	—	—
Elimination / Corporate		(4.8)	(5.2)	(10.5)
Total business profit*2		51.1	37.9	71.0

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

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

# Consolidated Balance Sheet for the First Two Quarters of FY2023

- Total assets increased by ¥64.8 billion due to factors such as an increase in real estate for sale as a result of investing in properties for sale to investors, for-sale condominiums, etc.

(Unit: ¥ billion)	2022/12-end	2023/6-end	Increase/ Decrease	Main factors for increase/decrease
<b>Total assets</b>	1,720.1	1,785.0	64.8	
Current assets	552.5	591.3	38.8	<ul style="list-style-type: none"> <li>• Real estate for sale Increased as a result of further investment in logistics properties, medium-size offices, for-sale condominiums, etc. despite progress in sales of for-sale condominiums and property sales to investors</li> </ul>
Cash and deposits	82.4	81.1	(1.2)	
Real estate for sale	414.9	460.7	45.8	
Other	55.1	49.4	(5.7)	
Non-current assets	1,167.6	1,193.6	26.0	<ul style="list-style-type: none"> <li>• Property, plant and equipment Investment in large-scale redevelopment projects, etc.</li> </ul>
Property, plant and equipment	814.9	828.2	13.2	
Intangible assets	132.6	130.4	(2.2)	
Investments and other assets	219.9	235.0	15.0	
<b>Total liabilities</b>	1,263.2	1,299.4	36.2	
Interest-bearing debt	989.7	1,017.6	27.8	<ul style="list-style-type: none"> <li>• Interest-bearing debt Increase in loans payable, etc.</li> </ul>
Other liabilities	273.4	281.8	8.3	
<b>Total net assets</b>	456.8	485.5	28.6	
Shareholders' equity	348.0	364.0	16.0	<ul style="list-style-type: none"> <li>• Shareholders' equity Profit attributable to owners of parent +¥23.8 billion; Dividends paid -¥7.5 billion</li> </ul>
Accumulated other comprehensive income	97.9	110.7	12.8	
Non-controlling interests	10.8	10.6	(0.1)	
Capital adequacy ratio	25.9%	26.6%	0.7p	
Debt equity ratio <sup>*1</sup>	2.1	2.1	0.0	<ul style="list-style-type: none"> <li>• Net debt equity ratio: 2.0x</li> </ul>
Interest-bearing debt / EBITDA multiple <sup>*2</sup>	11.1	-	-	

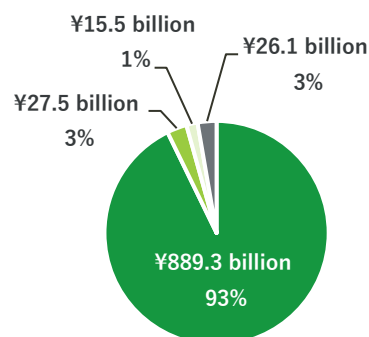
\*1 Debt equity ratio = Interest-bearing debt / Equity capital

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

# Consolidated Balance Sheet for the First Two Quarters of FY2023

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

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

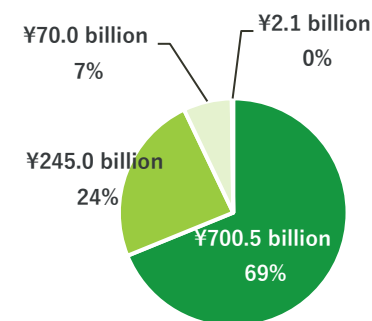


## Total assets: ¥1,785.0 billion

Current assets		Liabilities	
	591.3		1,299.4
Cash and deposits	81.1	Interest-bearing debt	1017.6
Real estate for sale	460.7	Loans payable	700.5
Real estate for sale	203.8	Bonds payable	245.0
Real estate for sale in progress	160.1	Commercial papers	70.0
Real estate for development	96.7	Other	2.1
Other	49.4	Other liabilities	281.8
Non-current assets			
	1,193.6		
Property, plant and equipment	828.2		
Intangible assets	130.4		
Investments and other assets	235.0		
Net assets			
	485.5		
		Shareholders' equity	364.0
		Accumulated other comprehensive income	110.7
		Non-controlling interests	10.6

## Breakdown of Interest-Bearing Debt

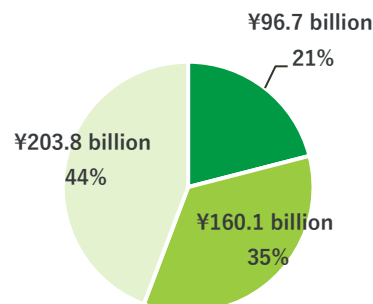
- Loans payable
- Bonds payable
- Commercial papers
- Other



## Breakdown of Real Estate for Sale

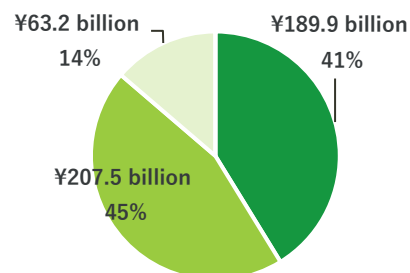
### By Status of Development

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



### By Segment

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



## Status of Debt Equity Ratio

	2023/6-end	
		Taking into account hybrid loans/bonds*3
Debt equity ratio*1	2.1x	1.8x
Net debt equity ratio*2	2.0x	1.6x

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

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

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

- In the first two quarters, the balance of real estate for sale increased to ¥460.7 billion as a result of ongoing acquisition of development land for logistics properties, for-sale condominiums, etc. despite the progress in sales of for-sale condominiums, property sales to investors, etc. (An increase of ¥45.8 billion from the end of the previous fiscal year)
- Total investment amount (based on decisions made) in properties for sale to investors was maintained at approximately ¥540.0 billion.  
Condominiums for sale of approximately 8,300 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*1
Logistics, hotels, retail facilities and offices	Commercial Properties	189.9	Approx. 405.0
For-rent condominiums	Residential	47.0	Approx. 70.0
Asset solution	Asset Service	63.2	63.2
Properties for sale to investors		300.2	Approx. 540.0
For-sale condominiums, etc.		160.5	—
Total		460.7	—

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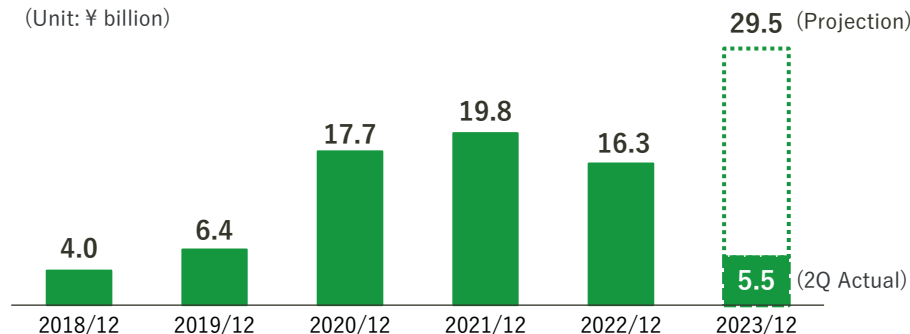
### Property sales to investors

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

Total investment amount*1 (based on decisions made)	Approx. ¥540.0 billion (up ¥40.0 billion from the end of 2022) → Estimated gain on sale*2 Approx. ¥95.0 billion
Projects to be acquired in 2023	<ul style="list-style-type: none"> <li>• 5 logistics properties, 1 hotel</li> <li>• 1 office</li> <li>• 2 for-rent condominiums</li> <li>• 18 asset solutions</li> </ul>
Projects already sold in 2023	<ul style="list-style-type: none"> <li>• 1 retail facility, 1 office</li> <li>• 1 for-rent condominium</li> <li>• 6 asset solutions</li> </ul>

## 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. 8,300 units (400 units acquired in 2023 2Q (cumulative))
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\*1 Calculated by aggregating total investment amount, in which construction costs, etc. that arise after the acquisition are added to the book value of each property at the time of acquisition.

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



# Consolidated Statement of Cash Flows for the First Two Quarters of FY2023

- In the first two quarters, as a result of investment in real estate for sale, large-scale redevelopment projects, etc. progressing, cash and cash equivalents at the end of the period decreased.
- For the full fiscal year, in addition to progressing recovery of investments through sales of for-sale condominiums, property sales to investors, etc., the Company expects construction expenditures for logistics properties and for-sale condominium projects, investment in large-scale redevelopment projects, etc. The Company is continuing to focus on growth investments such as the acquisition of new real estate for sale.

(Unit:¥ billion)	2022/12 Actual	2023/6-End	Main Details	2023/12 (Full-Year Forecast)
Cash flows from operating activities	(3.3)	(5.7)	Income before income tax deductions +¥36.3 billion; Depreciation +¥9.8 billion; Inventory assets -¥51.4 billion; Income taxes paid -¥5.5 billion	10.0
Cash flows from investing activities	(21.2)	(18.2)	Proceeds from sale and redemption of investment securities +¥5.4 billion; Purchase of non-current assets -¥21.0 billion	(55.0)
Cash flows from financing activities	18.4	18.9	Long-term borrowings +¥17.9 billion; Commercial papers +¥20.0 billion; Bonds payable -¥10.0 billion; Dividend payment -¥7.5 billion	45.0
Effect of exchange rate change on cash and cash equivalents	1.5	3.8		-
Cash and cash equivalents at end of period	82.4	81.1		82.4

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

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

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

# Full-Year Earnings Forecast for FY2023

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

- In FY2023, revenue and profit 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	Main factors for increase/decrease
<b>Operating revenue</b>	349.9	413.0	63.0	<ul style="list-style-type: none"> <li>• Operating revenue Revenue increased due to an increase in property sales to investors.</li> </ul>
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	<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>
<b>Operating profit</b>	64.4	66.0	1.5	
Share of profit (loss) of entities accounted for using equity method	1.8	5.0	3.1	
<b>Business profit*</b>	66.3	71.0	4.6	
Commercial properties	41.2	44.5	3.2	<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>
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)	<ul style="list-style-type: none"> <li>• Increase in share of profit of entities accounted for using equity method, etc.</li> </ul>
Non-operating income	6.3	9.0	2.6	
Non-operating expenses	7.2	8.0	0.7	
<b>Ordinary profit</b>	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	
<b>Profit attributable to owners of parent</b>	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		

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

# Changes in Business Profit and Profit

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

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

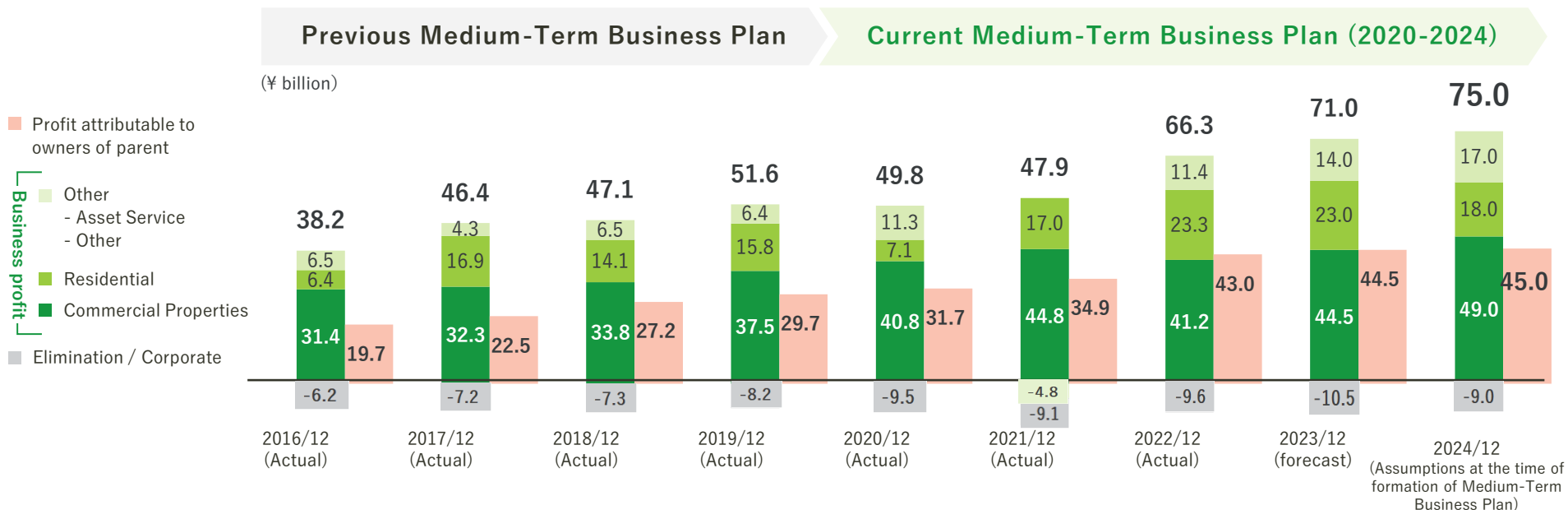


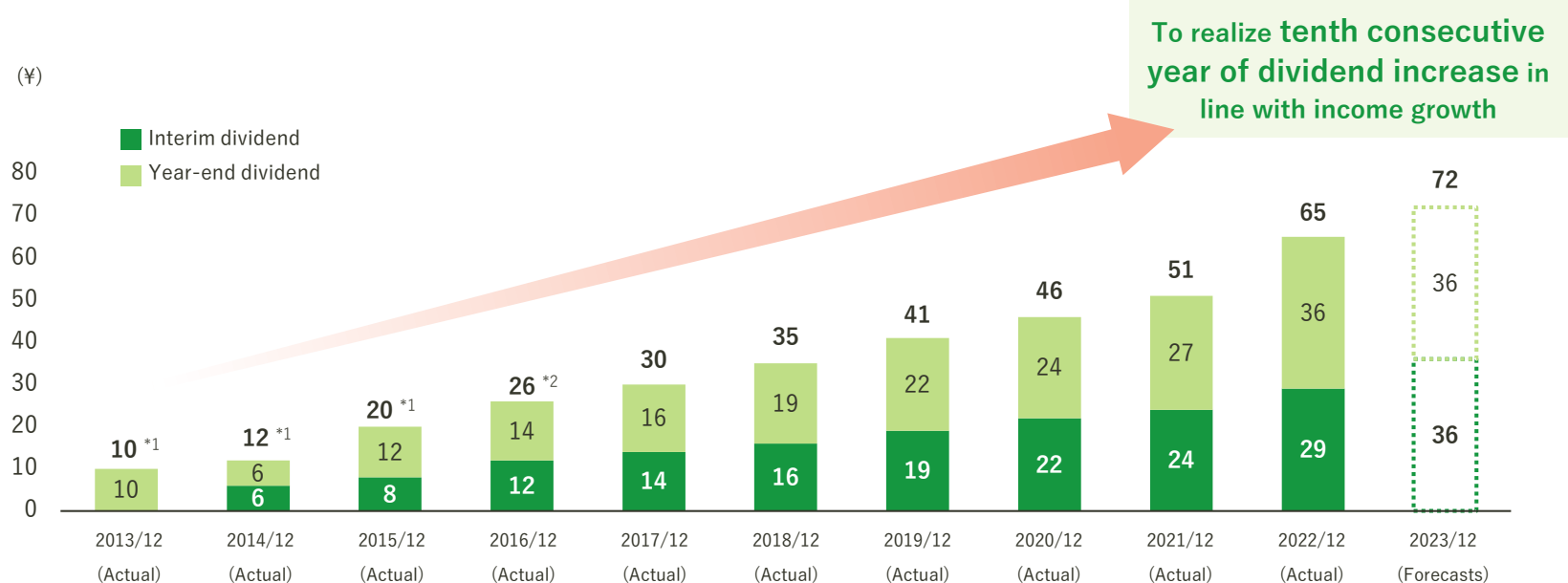
	Image of Profit Growth When Formulating the Medium-Term Business Plan (As of February 2020)	Changes Since Start of Medium-Term Business Plan
<b>Commercial Properties:</b> – Building leasing, etc.	➡ Although the number of buildings in operation decreased with the progress of redevelopment projects, rent income is anticipated to be maintained due to expected internal growth through upward rent revision.	➡ The pace of upward rent revision has slowed due to oversupply of offices as a result of the spread of new work styles. External growth was also lower than anticipated.
<b>Residential:</b> – For-sale condominiums	➡ Stable profit is expected to be recorded through continued acquisition of development opportunities.	➡ Sales prices increased more than initially anticipated, and the gross margin also increased. Sufficient land bank was also secured.
<b>Other</b>	➡ Growth in brokerage, fund business, parking business and overseas businesses is expected.	➡ Growth slowed more than anticipated mainly in overseas businesses and the parking business due to the impact of the COVID-19 pandemic, etc.
<b>Property sales to investors</b>	➡ Income growth is expected due to ongoing acquisition of development opportunities and flexible sales.	➡ 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.

# Shareholder Returns

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

- As for the dividend per share for FY2022, annual dividend 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 was 31.5%.
- For FY2023, annual dividend of ¥72 per share (payout ratio of 33.8%) is estimated in light of the full-year earnings forecast.

## Per-Share Dividend Trends



Profit attributable to owners of parent	¥10.1 billion	¥82.9 billion	¥16.3 billion	¥19.7 billion	¥22.5 billion	¥27.2 billion	¥29.7 billion	¥31.7 billion	¥34.9 billion	¥43.0 billion	¥44.5 billion
Profit per share <sup>*1</sup>	¥47.10	¥386.24	¥75.91	¥91.00	¥104.17	¥125.79	¥141.59	¥152.12	¥167.35	¥206.15	¥213.03
Consolidated payout ratio	21.2%	3.1%	26.3%	28.6%	28.8%	27.8%	29.0%	30.2%	30.5%	31.5%	33.8%
Consolidated total return ratio	21.2%	3.1%	26.3%	28.6%	28.8%	27.8%	62.5%	30.2%	30.5%	31.5%	-
Stock price at end of period <sup>*1</sup>	¥2,336	¥1,762	¥1,323	¥1,563	¥1,522	¥1,140	¥1,709	¥1,415	¥1,680	¥1,599	-
Dividend yield <sup>*3</sup>	0.4%	0.7%	1.5%	1.7%	2.0%	3.1%	2.4%	3.3%	3.0%	4.1%	-

### 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.

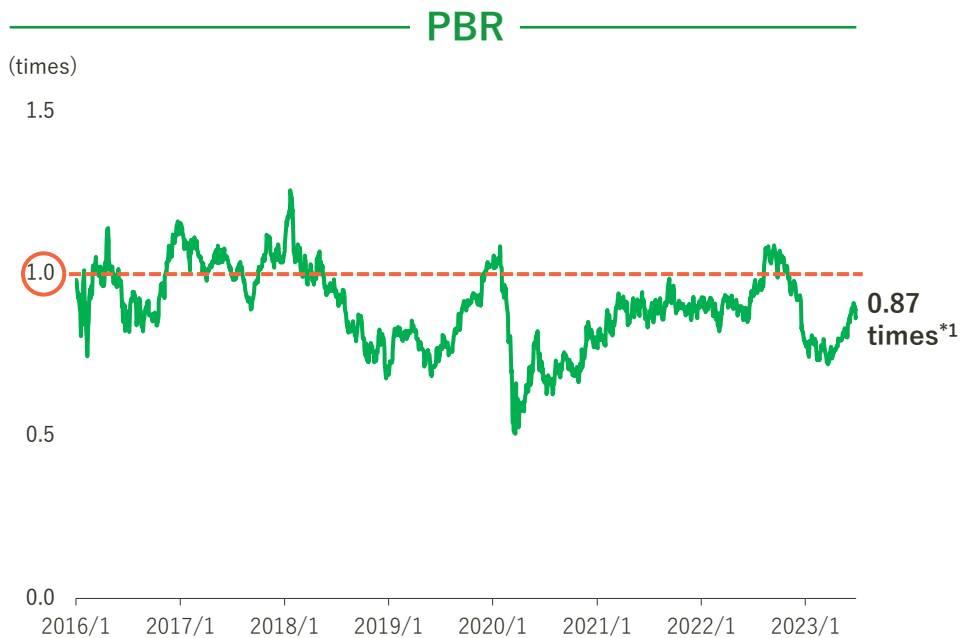
<sup>\*1</sup> A 1-for-2 reverse stock split was implemented on July 1, 2015. The figures for 2013 to 2015 are calculated by factoring in the reverse stock split.

<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.

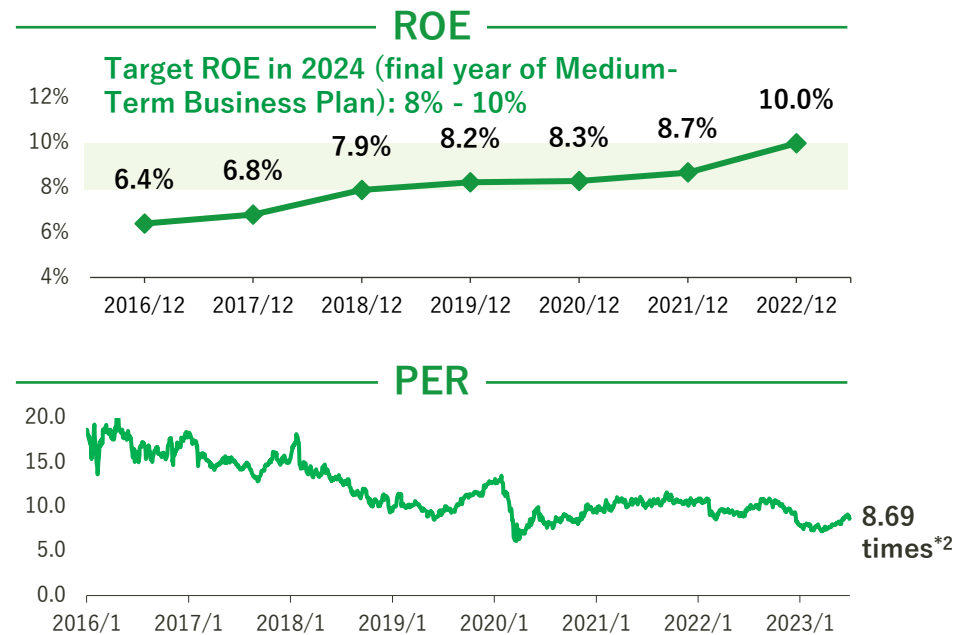
<sup>\*3</sup> Dividend yield is calculated based on the closing price at the end of each fiscal period.

## Recognition of Current Situation

- ROE is at the target level in the Medium-Term Business Plan (10%) and progressing at a level exceeding shareholders' equity costs (CAPM estimate: approx. 7% to 8%).
- On the other hand, the current PBR is at a level below 1.0 times, with low PER recognized as the main factor behind this.
- Going forward, in addition to maintaining/increasing ROE, it will be necessary to improve profit stability and foster growth expectations with the aim of improving PER.



\*<sup>1</sup>: As of June 30, 2023



\*<sup>2</sup>: As of June 30, 2023

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

## Initiatives to Enhance Corporate Value

### Maintaining/ enhancing ROE

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

#### (Key Initiatives)

##### ■ Enhancing profit margin in each business

- Ingenious land acquisition that leverages our strengths
- Steady promotion and leasing of large-scale redevelopment projects
- Focusing on cost management

##### ■ Enhancing capital efficiency

- Enhancing sales of for-sale condominiums and property sales to investors [p. 8](#)
- Expanding fee revenues in tandem with group AUM growth [p. 34](#)

##### ■ Appropriate control of balance sheet mindful of capital efficiency

- Sales of non-current assets, revision of business portfolio
- Reducing cross-shareholdings [p. 48](#)
- Financial leverage control based on fiscal policy

### Enhancing profit stability Fostering growth expectations

### Reducing shareholders’ equity costs

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

#### (Key Initiatives)

##### ■ Enhanced disclosure and proactive, attentive dialogue

- Comprehensive disclosure of strategies and initiatives aimed at sustainable growth
- Enhancing engagement with investors [p. 54](#)

##### ■ Evolved approach to ESG management

- Accelerating sustainability initiatives
- Lowering business risks by enhancing risk management
- Enhancing human capital

##### ■ Improving shareholder returns

- Increasing dividends based on sustainable profit growth (including raising the payout ratio and considering progressive dividends) [p. 13](#)

## Business Results by Segment



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

- In the first two quarters, revenue and profit decreased due to factors such as a decrease in sales and gross profit from property sales to investors.
- For the full year, revenue and profit are expected to increase due to an increase in property sales to investors, etc., even though revenue of leasing of office buildings is expected to decrease.

(Unit: ¥ billion)	2022/12 2Q Actual	2023/12 2Q Actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	86.8	62.3	(24.5)		198.0	31%
Leasing of buildings	38.8	37.9	(0.9)	New operations +¥0.0 billion; Full-year operations +¥0.6 billion; Sale, reconstruction, etc. -¥2.3 billion; Existing buildings +¥0.7 billion	74.5	51%
Sales of real estate	29.3	5.7	(23.6)	Property sales to investors -¥23.6 billion (FY2022 2Q: ¥29.3 billion; FY2023 2Q: ¥5.7 billion)	85.0	7%
Building management service, etc.	18.2	17.5	(0.6)		37.5	47%
Dividends	0.3	1.0	0.6		1.0	105%
<b>Operating profit</b>	26.2	17.5	(8.6)	Property sales to investors -¥6.2 billion (FY2022 2Q: ¥8.4 billion; FY2023 2Q: ¥2.2 billion)	43.5	40%
<b>Business profit</b>	26.3	17.6	(8.6)		44.5	40%

(Unit: ¥ billion)	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease	
<b>Operating revenue</b>	145.1	198.0	52.8		*New operations: Impact of increase in revenue attributable to the buildings that were completed or acquired in the current fiscal year; Full-year operations: Impact of increase in revenue attributable to the buildings that were completed or acquired in the previous fiscal year contributing to full-year operations; Sale, reconstruction, etc.: Impact of decrease in revenue attributable to decrease in buildings in operation due to sale, reconstruction, etc.; Existing buildings: Total amount of the effects of rent revisions, end of rent-free periods, occupancy rate changes, etc. at buildings other than those covered by new operations, full-year operations and sale, reconstruction, etc.
Leasing of buildings	76.7	74.5	(2.2)	New operations +¥0.3 billion; Full-year operations +¥1.4 billion; Sale, reconstruction, etc. -¥3.2 billion; Existing buildings -¥0.7 billion	
Sales of real estate	29.8	85.0	55.1	Property sales to investors +¥55.1 billion (FY2022 cumulative total: ¥29.3 billion; FY2023 cumulative total: ¥84.5 billion)	
Building management service, etc.	37.9	37.5	(0.4)		
Dividends	0.6	1.0	0.3		
<b>Operating profit</b>	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)	
<b>Business profit</b>	41.2	44.5	3.2		

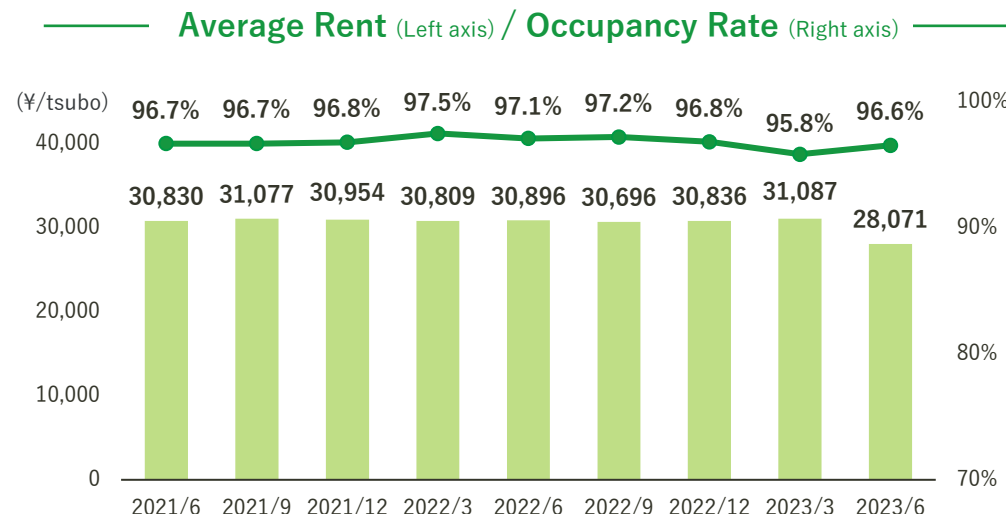
## ■ New and full-year operations

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

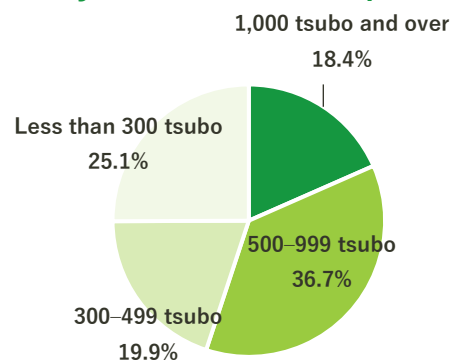
■ At the end of June 2023, average rent was ¥28,071 per tsubo and the occupancy rate remained high at 96.6%.

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

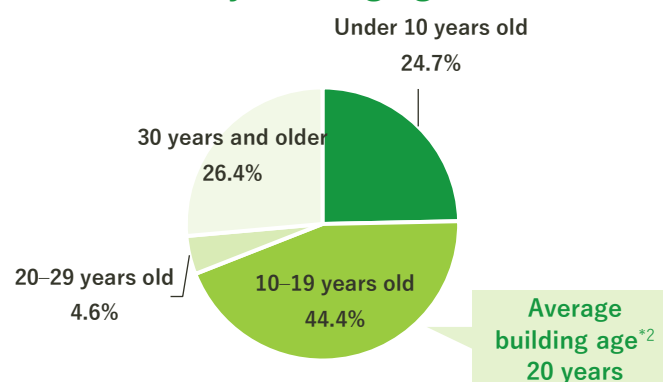
As of the end of June 2023	Number of buildings	Leasable area
Owned office buildings* <sup>1</sup>	42	541,688 m <sup>2</sup>
Subleased buildings	-	64,512 m <sup>2</sup>
Hotels, retail facilities, logistics properties, etc.	-	414,669 m <sup>2</sup>
<b>Total leasable area of Commercial Properties business</b>	<b>-</b>	<b>1,020,869 m<sup>2</sup></b>



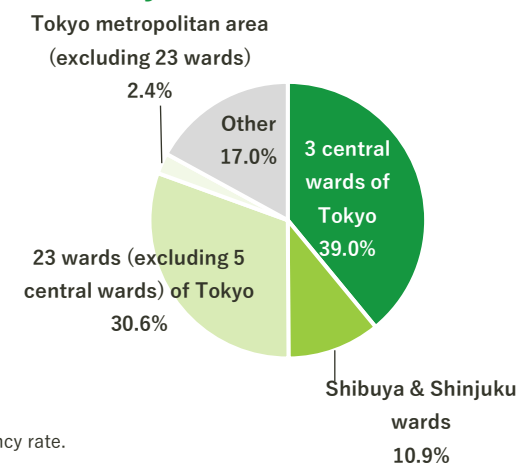
**Breakdown of Leasable Area by Standard Floor Space**



**Breakdown of Leasable Area by Building Age**



**Breakdown of Leasable Area by Area of Location**



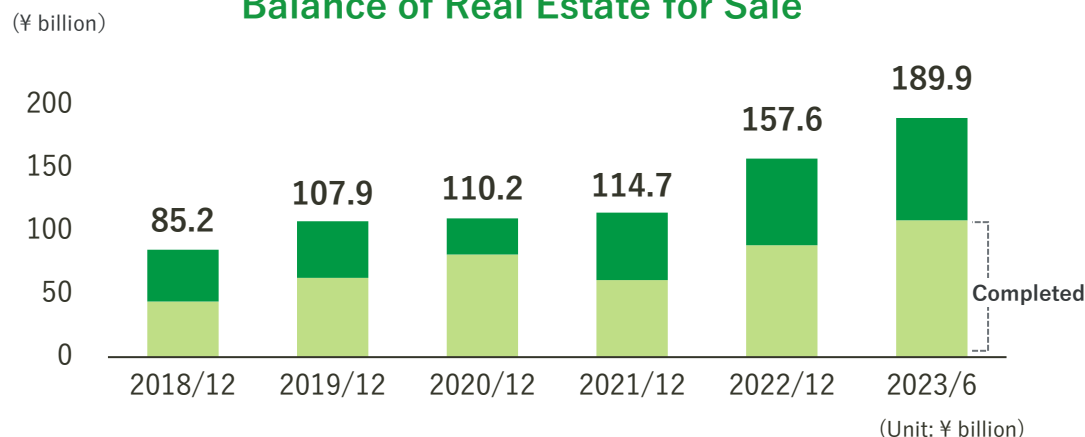
\*1 Please refer to the note on page 56 for the definition for the subject of calculation of the number of owned office buildings, average rent and occupancy rate.

\*2 The weighted average based on leasable area.

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

- In the first two quarters, the Company acquired new projects for 5 logistics properties and one hotel, along with 1 completed office building.
- The balance of real estate for sale increased by ¥32.2 billion from the end of FY2022 to ¥189.9 billion and the value of stock in terms of total investment amount increased by approximately ¥35.0 billion to approximately ¥405.0 billion.

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



Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
Logistics properties	106.5	Approx. 285.0
Hotels, retail facilities, mid-sized offices, etc.	83.3	Approx. 120.0
<b>Total</b>	<b>189.9</b>	<b>Approx. 405.0</b>

Asset type	Number of properties		
	Sold during the period	In operation	Under development
Logistics properties	-	10	19
Hotels, retail facilities, mid-sized offices, etc.	2	16	14

\* 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.

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▲ T-LOGI Chiba Kita  
(completed in February 2023)



▲ Candeo Hotels  
Tokyo Roppongi



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

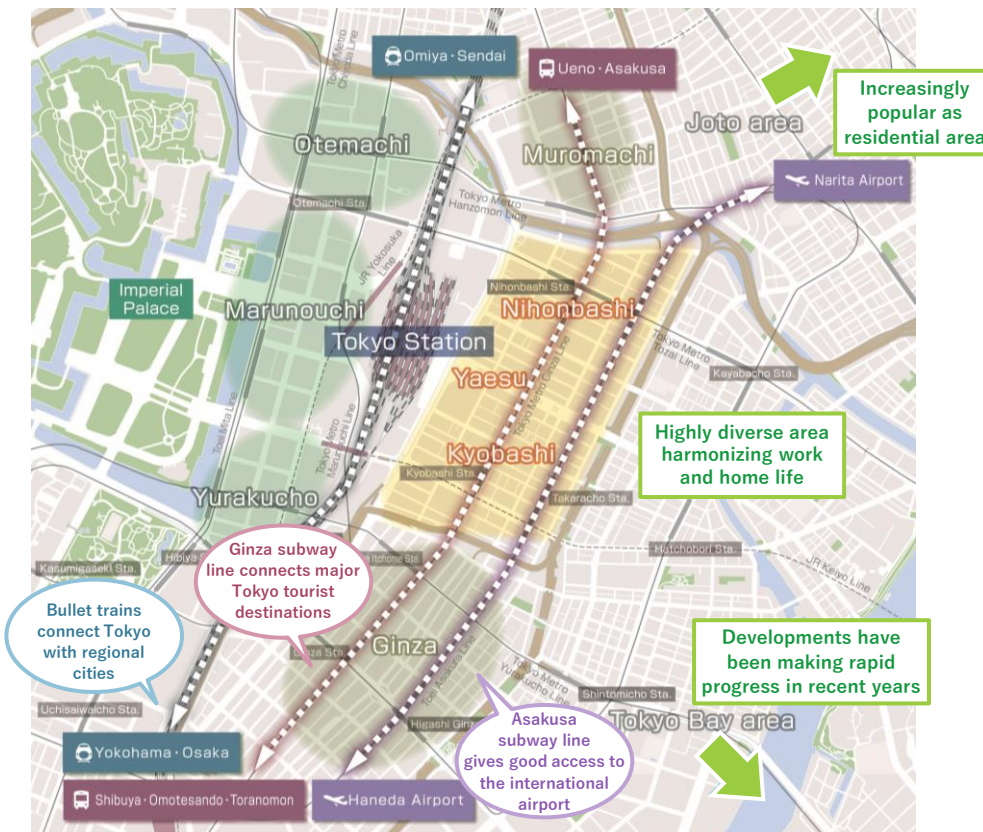


▲ T-PLUS Sendai  
Hirose Dori  
(Completed in April 2023)



▲ FUNDES Kamata  
(Scheduled for completion in February 2024)

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



## Diverse Regional Features and Potential of the YNK Area<sup>\*1</sup>

Overwhelming transportation convenience

Concentration of leading firms

Excellent halls and meeting room facilities

Highly diverse small and medium-size properties

Rich cultural resources carrying on culinary and craftsmanship traditions

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

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

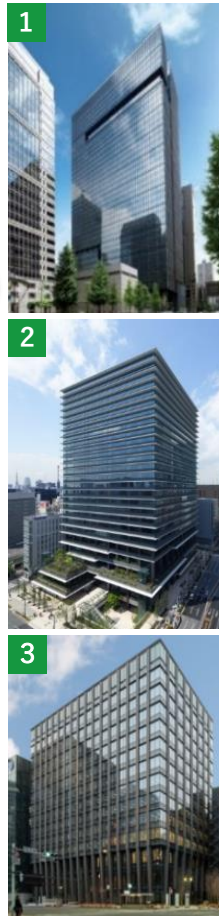
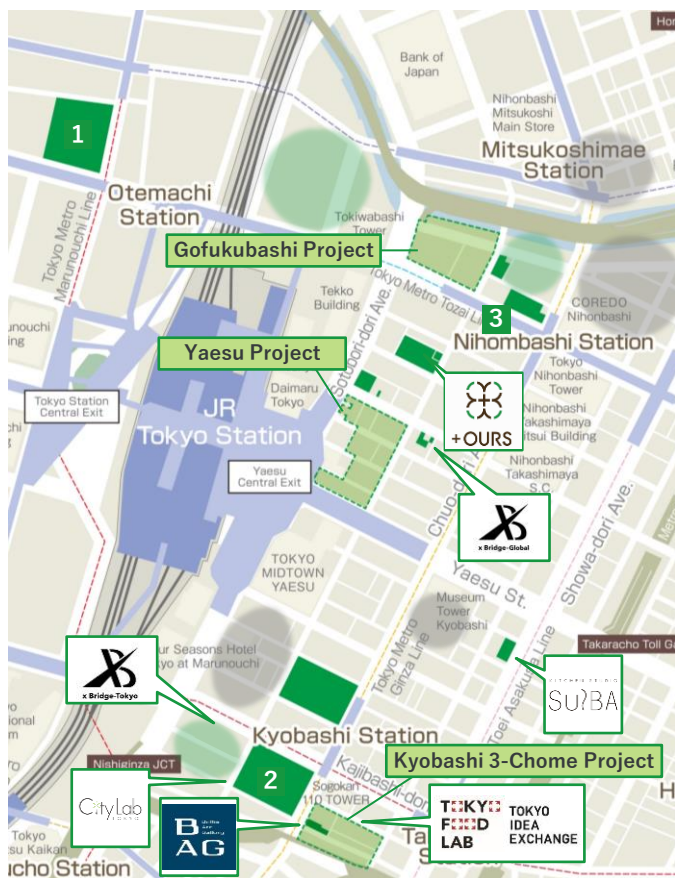
	Yaesu/Nihonbashi/Kyobashi	Marunouchi/Otemachi
Market rent of large-scale office buildings (200 tsubo or more) <sup>*2</sup>	¥35,000 per tsubo	¥39,503 per tsubo
Land price <sup>*3</sup>	¥18,800 thousand per m <sup>2</sup> (Sotobori-dori Avenue / in front of Tokyo Station)	¥25,180 thousand per m <sup>2</sup> (Daimyo-Koji Avenue / in front of Marunouchi Building)

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

<sup>\*3</sup> Land price of inheritance tax (fiscal 2023)



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



## Promotion of an Innovation Ecosystem

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



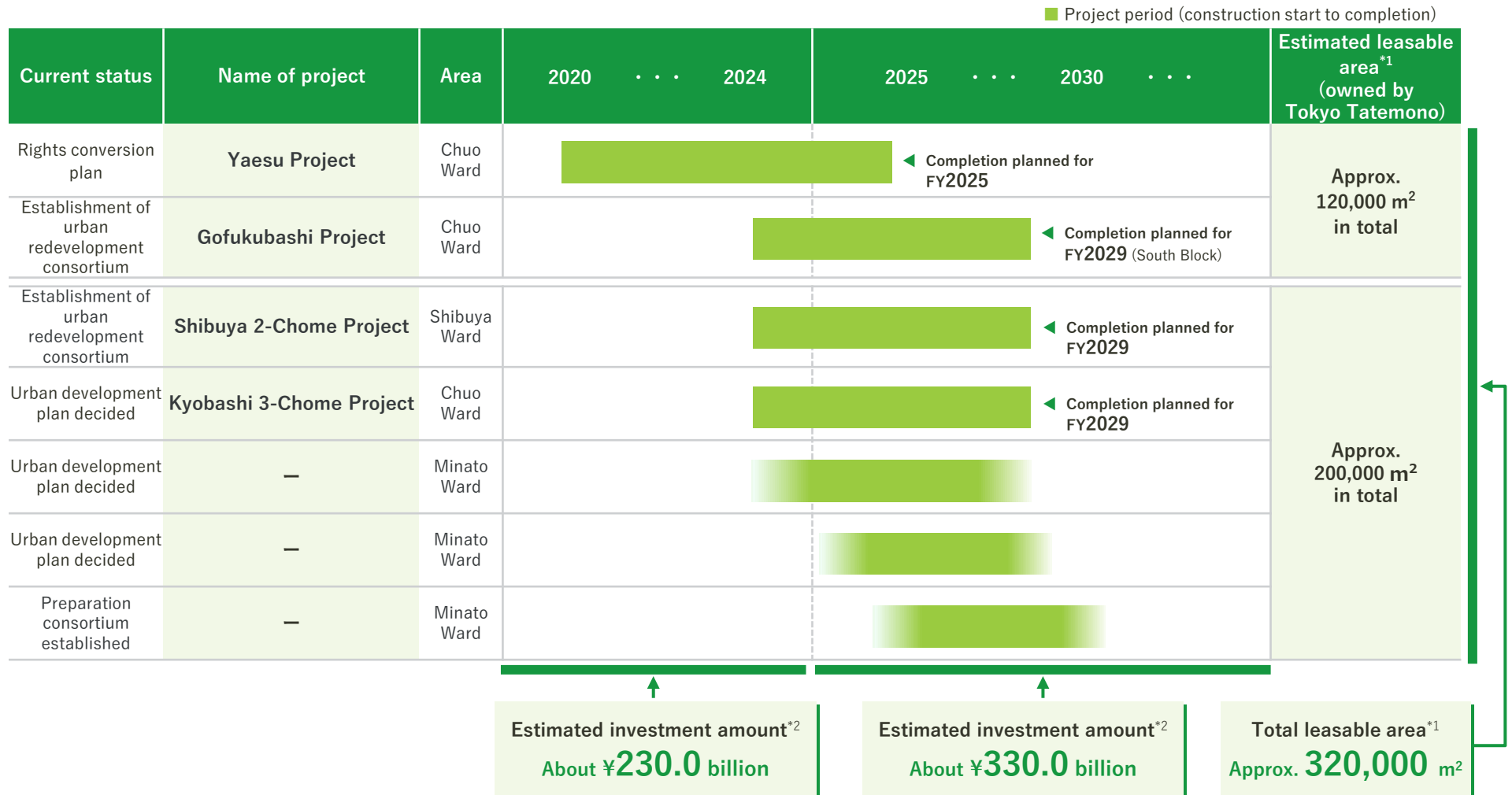
### 2020 Innovation Ecosystem Promotion Support Project YNK Area Certified for the Regional Council by Authorized Regions (August 2020)

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

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

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

Redevelopment projects with an estimated leasable area<sup>\*1</sup> (owned by Tokyo Tatemono) of approximately 320,000 square meters are slated for completion one after another by around 2030.



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

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

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

## Yaesu Project

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

- Large-scale redevelopment project in front of Tokyo Station, including Tokyo Tatemono’s former headquarters building
- Accumulation of sophisticated urban functions worthy for the land gateway of Tokyo, an international city
- Formation of prosperity that passes down Yaesu’s history and tradition to the future

➔ October 2021	District B	Start of construction		
➔ January 2023	District A	Approval of rights conversion plan		
– <b>Total floor area</b>	District A	about 12,000 m <sup>2</sup>	District B	about 225,000 m <sup>2</sup>
– <b>Main uses</b>	District A	offices, shops, etc.	District B	offices, medical facilities, bus terminal, conference halls, etc.
– <b>No. of floors</b>	District A	10 floors above ground, 2 below	District B	51 floors above ground, 4 below
– <b>Construction start</b>	District A	Scheduled for 2024	District B	2021
– <b>Completion date</b>	Scheduled for FY2025			



### Value Created by the Project

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

## Gofukubashi Project

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

- Large-scale redevelopment project directly connected to Nihombashi subway station in an excellent location
- Formation of cityscape suitable as a 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			
– <b>Total floor area</b>	South Block	about 178,000 m <sup>2</sup>	North Block	about 1,100 m <sup>2</sup>
– <b>Main uses</b>	Offices, shops, lodging facility, parking lot, etc.			
– <b>No. of floors</b>	South Block	44 floors above ground, 3 below	North Block	2 floors above ground, 1 below
– <b>Construction start</b>	Scheduled for 2024			
– <b>Completion date</b>	South Block	Scheduled for FY2029	North Block	Scheduled for FY2032



### Value Created by the Project

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



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

## Kyobashi 3-Chome Project

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

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

→ January 2023 Decision made on the urban development plan

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



## Value Created by the Project

### Establishment of urban infrastructure that contributes to the greater and wider flow of people in the Kyobashi area

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

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

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

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

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

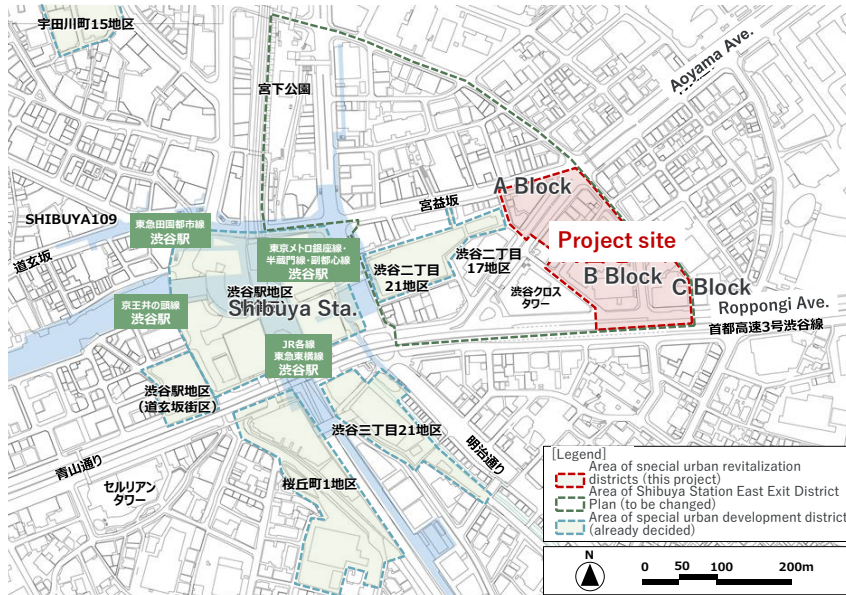




# Shibuya 2-Chome West Area Redevelopment (Shibuya 2-Chome Project)

- Promoting the “Shibuya 2-Chome West Area Redevelopment (Shibuya 2-Chome Project)” in the Shibuya Station East Exit area.
- Aiming for urban development that creates new added value in the area through various initiatives that contribute to urban infrastructure development, international competitiveness improvement, and environmental burden reduction that will create an expanse of the town.

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



➔ January 2023 Approval of establishment of urban redevelopment consortium

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

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



## Value Created by the Project

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

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

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

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

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

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

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

- In the first two quarters, revenue and profit decreased due to factors such as a decrease in sales and gross profit from sales of for-sale condominiums and property sales to investors.
- For the full year, revenue is projected to increase and profit to decrease due to a decrease in gross profit from for-sale condominiums, etc., even though property sales to investors are expected to increase.

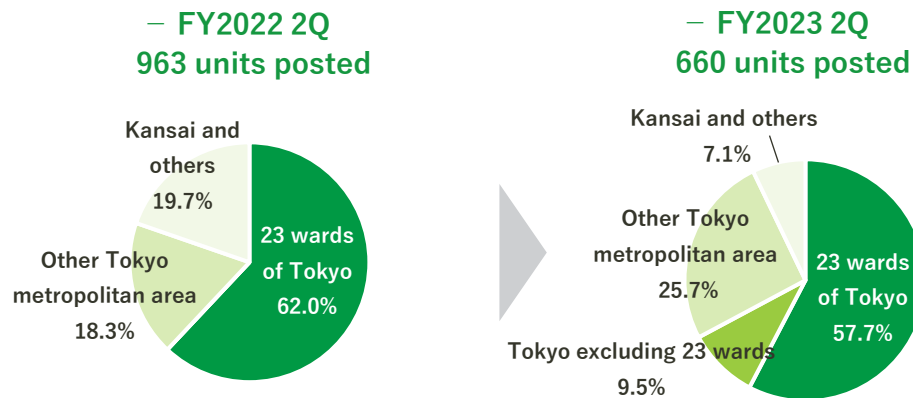
(Unit: ¥ billion)	2022/12 2Q Actual	2023/12 2Q Actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	89.6	78.1	(11.5)		135.0	58%
Sales of condominiums	61.9	60.7	(1.2)	Number of condo sales posted: 660 units; Condo unit price: ¥92.08 million; Gross margin: 36.0%	83.0	73%
Sales of residential houses	-	-	-		-	-
Sales of real estate	14.0	2.3	(11.6)	Property sales to investors -¥10.7 billion (FY2022 2Q: ¥12.6 billion; FY2023 2Q: ¥1.9 billion)	23.5	10%
Residence leasing	2.5	2.9	0.3		5.5	54%
Fee from sales outsourcing services	0.9	0.9	0.0		1.5	64%
Building management service, etc.	10.1	11.0	0.9		21.5	51%
<b>Operating profit</b>	21.2	17.7	(3.5)	Property sales to investors -¥3.0 billion (FY2022 2Q: ¥3.4 billion; FY2023 2Q: ¥0.4 billion)	23.0	77%
<b>Business profit</b>	21.2	17.7	(3.5)		23.0	77%

(Unit: ¥ billion)	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
<b>Operating revenue</b>	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	
<b>Operating profit</b>	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)
<b>Business profit</b>	23.3	23.0	(0.3)	

## (2) Residential Business: For-Sale Condominiums – Major Operating Indicators

- The gross margin for the first two quarters of FY2023 maintained a favorable level at 36.0%.
- The inventory of completed condominiums remained at a low level of 125 units as of the end of the first two quarters due to steady progress of sales.
- The achievement rate at the end of the first two quarters against the number of units planned to be posted for the period stood at 88% and contracts progressed smoothly.

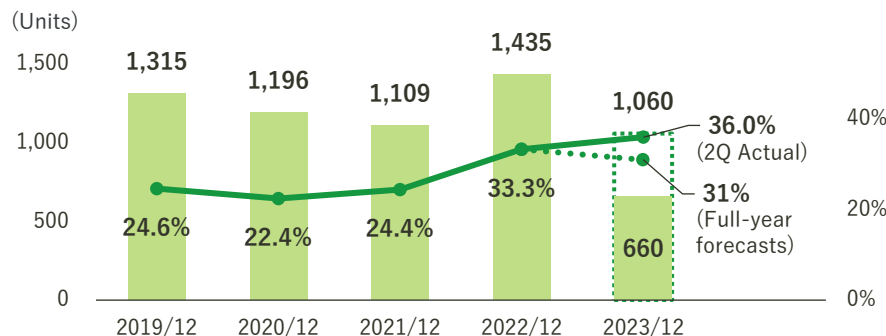
### Breakdown of Number of Condominium Sales Posted by Area



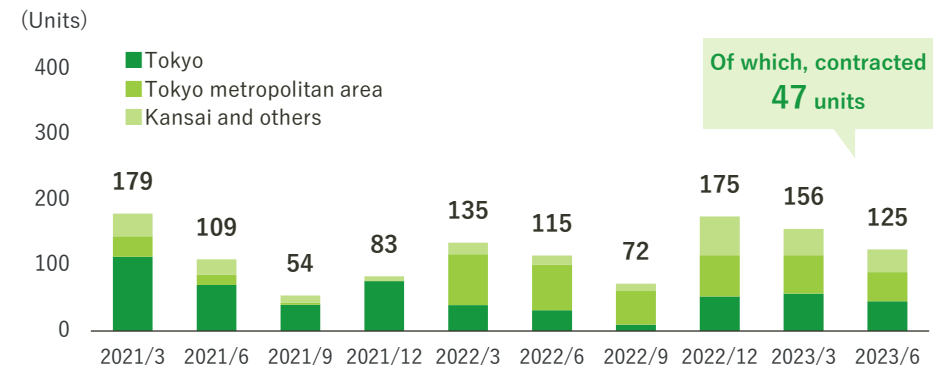
### Achievement Rate Against Number of Condominium Sales Posted

	2020/12	2021/12	2022/12	2023/12
At beginning	73%	67%	75%	72%
At end of 1Q	83%	78%	84%	80%
At end of 2Q	87%	92%	92%	88%
At end of 3Q	95%	97%	98%	–
Number of condo sales posted	1,196 units	1,109 units	1,435 units	1,060 units (Scheduled)

### Number of Condominium Sales Posted and Gross Margin



### Inventory of Completed Condominiums



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

- Properties such as SHIROKANE The SKY were posted. For the full year, profitable properties such as Brillia City Shakujiikoen ATLAS are scheduled to be posted.
- Acquired land for approximately 400 units in the first two quarters, securing a land bank for approximately 8,300 units, including the number of units scheduled to be posted in 2023.

	Main properties to be posted	Total no. of units*1	Tokyo Tatemono's stake
FY 2023*2	Brillia Nerima-Kasugacho	65	65
	SHIROKANE The SKY	1,247	310
	Brillia Shiki Garden	151	151
	Brillia Yotsuya 3-Chome	57	57
	Brillia City Shakujiikoen ATLAS	845	204
FY 2024	Brillia Tower Hamarikyu	421	144
	Brillia Tower Ikebukuro West	231	92
	HARUMI FLAG	4,151	490
	Park Tower Higashi-Nakano Grand Air	165	66
	Brillia Tower Dojima	457	457
	Brillia Jiyugaoka	62	62
FY 2025	Brillia Tower Maebashi	203	162
	Brillia Tower Minoh Semba TOP OF THE HILL	397	202
	Brillia Seiseki Sakuragaoka BLOOMING TERRACE	254	203
	Brillia Meguro Ohashi	114	97

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

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

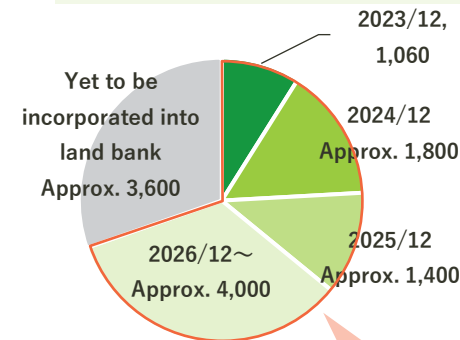
### Main Properties Posted in FY2023



▲ SHIROKANE The SKY

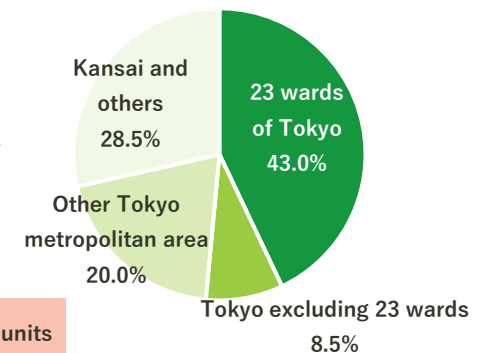
### Projects Promoted Under Tokyo Tatemono's Business

Total: approx. 11,900 units



### Land Bank

Total: approx. 8,300 units





## (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 Semba TOP OF THE HILL  
(Total units: 397; Units to be posted: 202)



▲ Brillia Seiseki Sakuragaoka BLOOMING TERRACE  
(Total units: 254; Units to be posted: 203)



▲ Brillia City Shakujiikoen ATLAS  
(Total units: 845; Units to be posted: 204)



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



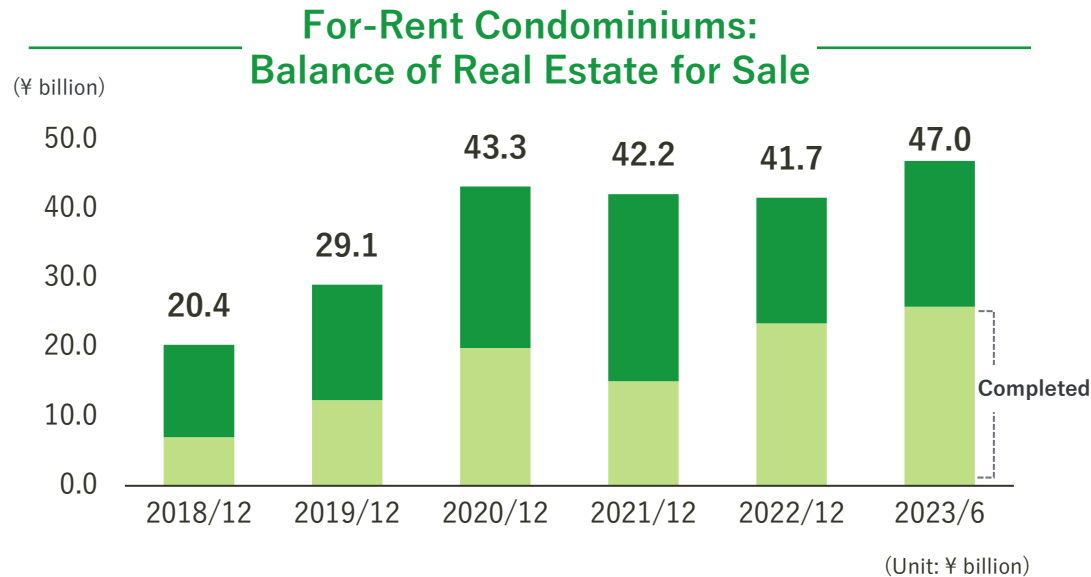
▲ HARUMI FLAG  
(Total units: 4,151; Units to be posted: 490)



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

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

- In the first two quarters, two new for-rent condominium projects were acquired.
- The balance of real estate for sale increased by ¥5.2 billion from the end of FY2022 to ¥47.0 billion, securing stock of approximately ¥70.0 billion on a total investment basis, which is similar to the level at the end of 2022.



Asset type	Asset size	
	Balance of real estate for sale	Total investment amount*
For-rent condominiums	47.0	Approx. 70.0

Asset type	Number of properties		
	Sold during the period	In operation	Under development
For-rent condominiums	1	14	20

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



▲ Brillia ist Machiya  
(Completed in 2022)



▲ Brillia ist Shibuya Honmachi  
(Completed in 2022)



▲ Brillia ist Nishi-Waseda  
(Completed in 2022)



▲ Brillia ist Kuramae Avenue  
(Completed in 2022)

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

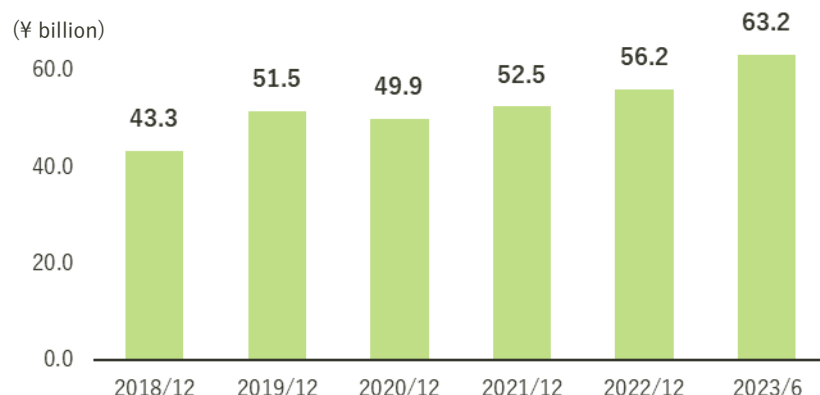
- In the first two quarters, operating revenue was at the same level year-on-year and business profit increased due to factors such as increased revenue from the parking business, even though sales of property to investors decreased in the asset solution business.
- For the full year, it is forecast that there will be an increase in revenue and profit due to growth in parking business revenue and an increase in property sales to investors in the asset solution business.

(Unit: ¥ billion)	2022/12 2Q Actual	2023/12 2Q Actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	27.6	27.5	(0.0)		56.0	49%
Brokerage	2.2	2.2	0.0		5.0	46%
Asset solution	12.5	11.3	(1.1)	Property sales to investors -¥1.3 billion (FY2022 2Q: ¥10.6 billion; FY2023 2Q: ¥9.2 billion)	23.0	49%
Management service, etc.	2.3	2.4	0.0		4.5	54%
Parking business	10.5	11.4	0.9	Increase in number of parking spaces, recovery of occupancy	23.5	49%
<b>Operating profit</b>	4.4	5.1	0.7	Property sales to investors -¥0.0 billion (FY2022 2Q: ¥2.9 billion; FY2023 2Q: ¥2.8 billion), Parking business +¥0.8 billion	8.0	64%
<b>Business profit</b>	4.4	5.1	0.7		8.0	64%

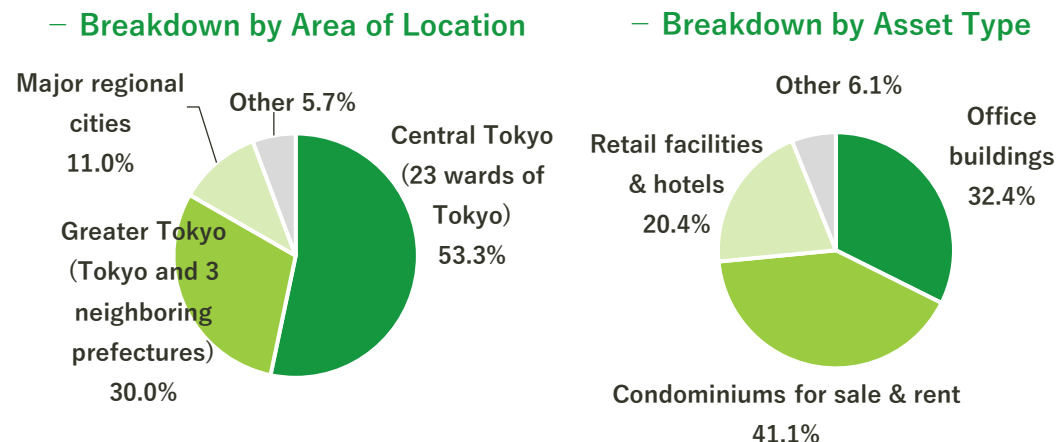
(Unit: ¥ billion)	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
<b>Operating revenue</b>	50.2	56.0	5.7	
Brokerage	4.6	5.0	0.3	
Asset solution	19.0	23.0	3.9	Property sales to investors +¥3.8 billion (FY2022 cumulative total: ¥15.1 billion; FY2023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

- Asset solution business: Securing stock mainly in central Tokyo through selective investment that utilizes sharp real estate assessment abilities.
- Parking business: The number of parking spaces increased by 1,563 from the end of 2022 to 81,620.

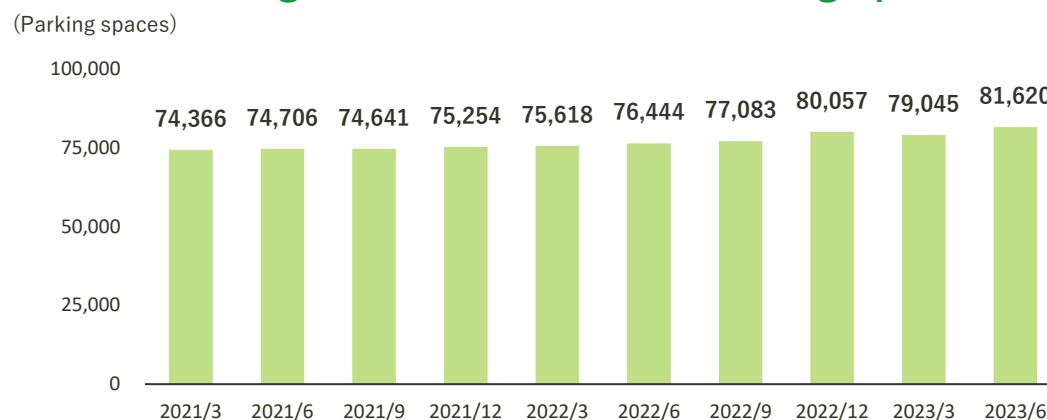
## Asset Solution Business: Balance of Assets Owned



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



## Parking Business: Number of Parking Spaces





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

- In the first two quarters, revenue increased and profit decreased due to factors such as a decrease in the share of profit of entities accounted for using the equity method in overseas businesses, even though revenue from resort facilities increased in the leisure & child care business.
- In line with the policy of aiming to optimize the business portfolio set forth in the Medium-Term Business Plan, shares in Tokyo Tatemono Kids Co., Ltd., a consolidated subsidiary that operates a childcare business, were transferred (June 2023). This is the second share transfer during the period covered by the current Medium-Term Business Plan, following the senior business.
- For the full year, an increase in revenue and profit is forecast due to an increase in revenue from resort facilities, an increase in the share of profit of entities accounted for using the equity method in overseas businesses, etc.

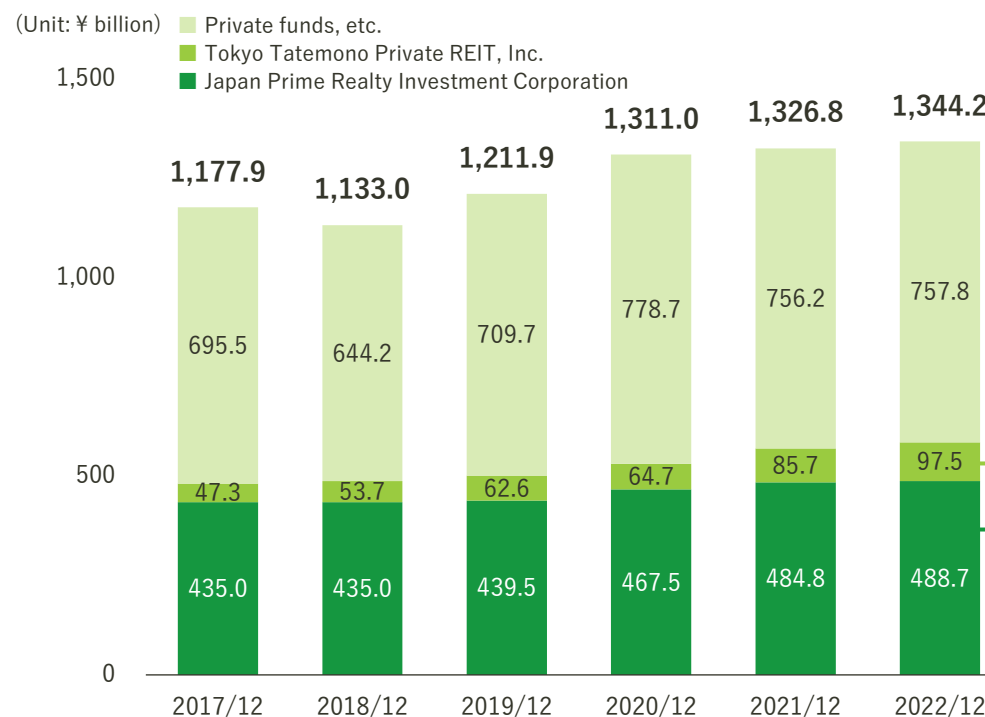
(Unit: ¥ billion)	2022/12 2Q Actual	2023/12 2Q Actual	Increase/ Decrease	Main factors for increase/decrease	2023/12 Full-year forecasts	Achievement rate
<b>Operating revenue</b>	10.9	11.7	0.7		24.0	49%
Leisure & child care business	8.3	9.4	1.1	Increase in revenue in the Leisure business +¥1.0 billion	19.3	49%
Fund business	2.5	2.1	(0.3)		4.5	48%
Other	0.0	0.0	0.0		0.2	37%
<b>Operating profit</b>	1.1	0.9	(0.2)		2.0	46%
<b>Business profit</b>	4.0	2.6	(1.3)		6.0	45%
Share of profit (loss) of entities accounted for using equity method	2.8	1.7	(1.0)	Decrease in share of profit (loss) of entities accounted for using equity method in overseas businesses	4.0	44%

(Unit: ¥ billion)	2022/12 Full-year actual	2023/12 Full-year forecasts	Increase/ Decrease	Main factors for increase/decrease
<b>Operating revenue</b>	23.1	24.0	0.8	
Leisure & child care business	18.5	19.3	0.7	Increase in revenue in the Leisure business
Fund business	4.4	4.5	0.0	
Other	0.1	0.2	0.0	
<b>Operating profit</b>	2.5	2.0	(0.5)	
<b>Business profit</b>	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."

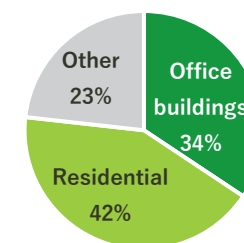
- Under the Medium-Term Business Plan, further expansion of profit opportunities for the Group will be pursued through sales of developed/owned properties to REITs and such sponsored by Tokyo Tatemono.
- Japan Prime Realty Investment Corporation (JPR), which has entrusted asset management to the consolidated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

### Group AUM



### Tokyo Tatemono Private REIT, Inc.

A diversified private REIT investing in various asset types

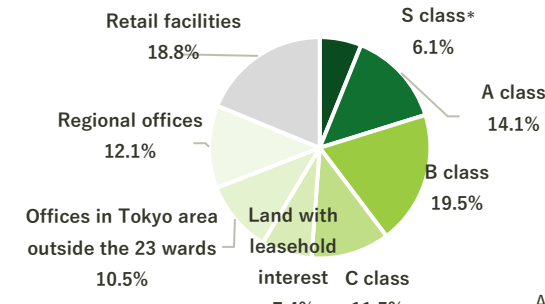


As of December 2022



### Japan Prime Realty Investment Corporation

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



As of December 2022

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

- To gain business opportunities in markets of emerging countries, invested in China and Asia. Also explored business opportunities in developed countries.
- Balance on the balance sheet for the overseas business was approximately ¥39.0 billion at the end of June 2023.

### Basic Strategy

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

### Main Projects Underway

	Name of project	Location	Main uses	Scale (Total number of units/total floor area)	FY of construction completion	Status
China	Yangzhou Chengxi Project	Yangzhou City	Residential, retail facilities	Approximately 1,500 units	2023	Residences sold out
	Xuzhou Chengbei Project	Xuzhou City	Residential	Approximately 1,500 units	2023	On sale
	Yangzhou-East Project	Yangzhou City	Residential, retail facilities	Approximately 1,000 units	2024	On sale
	Wenzhou Ouhai Project	Wenzhou City	Residential, retail facilities	Approximately 400 units	2024	On sale
Asia	Sukhumvit 26 Project	Bangkok, Thailand	Residential	Approximately 150 units	2022	On sale
	Sathorn 12 Project		Residential	Approximately 250 units	2023	On sale
	Sukhumvit 25 Project		Office, retail facilities	Approximately 9,500 m <sup>2</sup>	2023	On sale
	Onnut Project		Residential	Approximately 1,100 units	2024	On sale
	Reference project		Residential	Approximately 800 units	2024	On sale
	Dharmawangsa Project	Jakarta, Indonesia	Office, residential	Office building : Approximately 47,000 m <sup>2</sup> Residence: Approximately 90 units	2026	Time of sale is TBD
	Old museum site Redevelopment project	Yangon, Myanmar	Office, retail facilities, hotel	Approximately 92,000 m <sup>2</sup>	Business suspended	



### Sathorn 12 Project

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



▲ Sathorn 12 Project  
(completion in 2023)

Total project cost	Approx. ¥12.6 billion
Tokyo Tatemono's stake	Approx. 50%

### Yangzhou-East Project (China)

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



▲ Yangzhou-East Project  
(completion in 2024)

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

### Sukhumvit 25 Project

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



▲ Sukhumvit 25 Project  
(completion in 2023)

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

### Wenzhou Ouhai Project (China)

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



▲ Wenzhou Ouhai Project  
(completion in 2024)

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

# ESG-related Initiatives

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

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

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

**Net zero by FY2050**

## Development of ZEB and ZEH\*



▲ ZEB Ready



▲ ZEB Ready



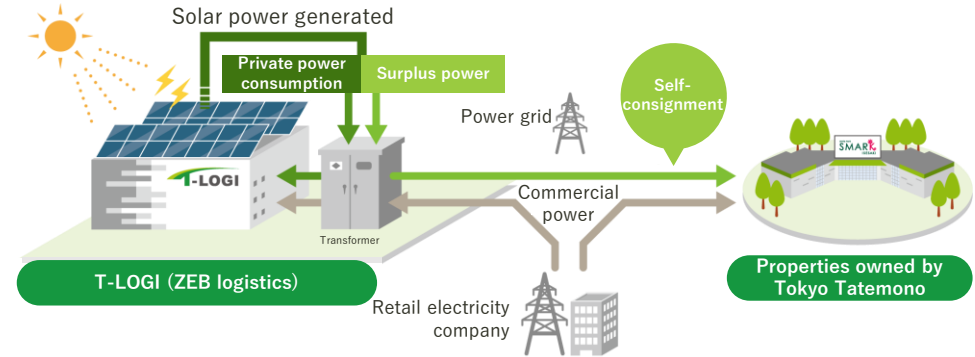
▲ ZEH-M Oriented

1 Hareza Tower

2 Tokyo Tatemono Shijo Karasuma Building EAST

3 Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE

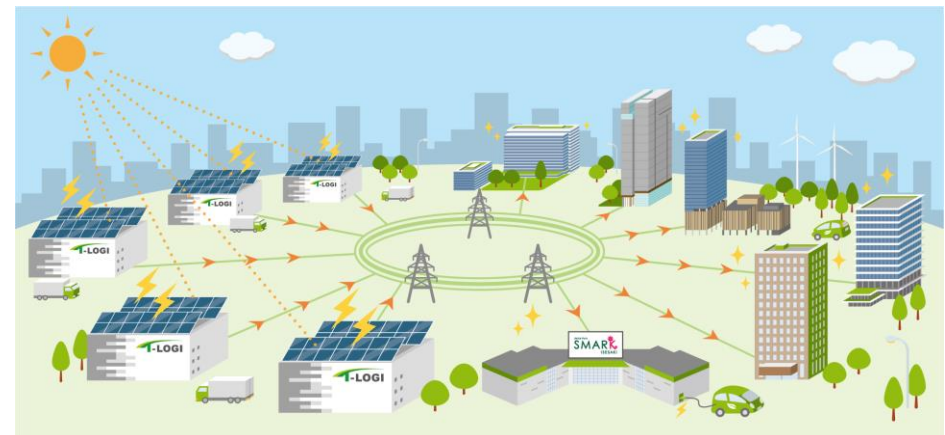
## Development of “ZEB” logistics, creation and utilization of renewable energy



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:  
**9 properties**  
 (As of June 30, 2023  
 Including those sales  
 completed)

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



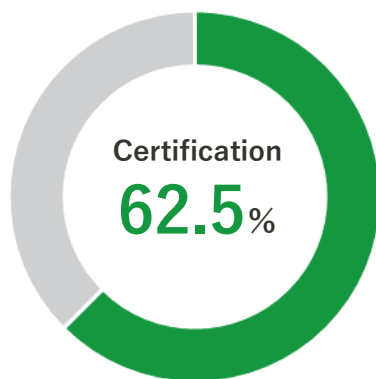
\* ZEB includes “ZEB” (reduction by 100% or more through energy saving + energy creation) as well as Nearly ZEB (reduction by 75% or more through the same), ZEB Ready (energy saving of 50% or more), ZEB Oriented (10,000 m<sup>2</sup> or more of total floor area, 40% or more energy saving for offices,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



## 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.

## Sustainability Finance (Bonds payable issued)

March 2019

### ● Issuance of green hybrid bonds

- First issuance of green hybrid bonds in Japan (world-first in the real estate sector)
- Received the Minister 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

July 2023

### ● Issued sustainability bonds

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

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

### ■ “GRESB Real Estate Assessment” 2022

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

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



Field	Rating agencies and Initiatives	Rating, etc.	Category	Index inclusion status*
ESG (Real Estate)	GRESB Standing Investment Benchmark	5-star	Indexes used by GPIF	MSCI Japan ESG Select Leaders Index
				MSCI Japan Empowering Women Index (WIN)
				<b>FTSE Blossom Japan Index</b>
				FTSE Blossom Japan Sector Relative Index
				S&P/JPX Carbon Efficient Index
				<b>Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)</b>
Climate change	TCFD	Agreed	Other	<b>FTSE4Good Index Series</b>
	SBTi	Certified		SOMPO Sustainability Index
	RE100	Participated		
	CDP	B		
Social (Human Resources)	UN Global Compact	Participated		
	Certified Health and Productivity Management Organization Recognition Program	White 500		

\*Green text: items added in 2023



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



# Appendix

- In February 2020, announced a long-term vision for 2030, “Becoming a Next-Generation Developer,” and the Medium-Term Business Plan for FY2020-FY2024<sup>\*1</sup>.
- Aim to achieve goals of Medium-Term Business Plan and realize the long-term vision through initiatives that contribute to the evolution of ESG management and the promotion of our five key strategies.

## Long-Term Vision for 2030

### “Becoming a Next-Generation Developer”

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

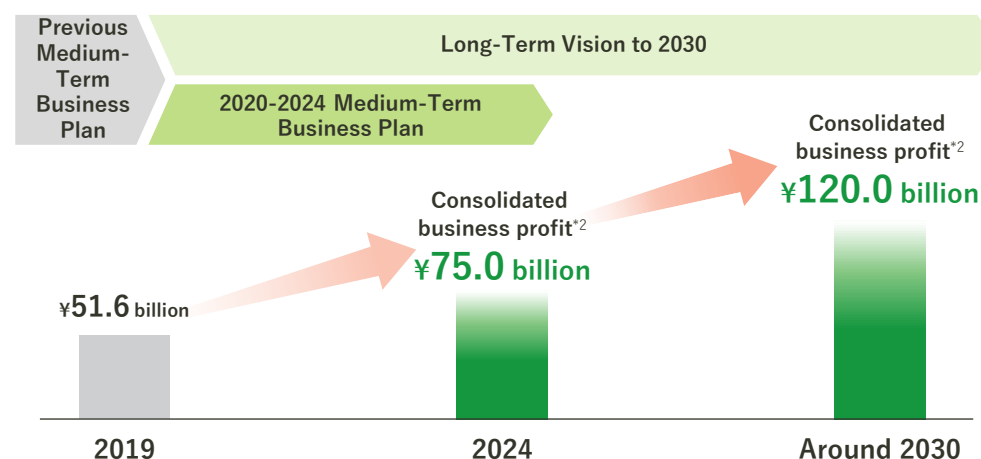
Target for 2030:  
Consolidated business profit<sup>\*2</sup> of  
**¥120.0 billion**

Contributing to the  
achievement of the SDGs

#### ■ Basic Profit Growth Policy

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

## Positioning of the Medium-Term Business Plan



## Key Strategies in the Medium-Term Business Plan

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

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

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

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

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

## “Integrated Report 2023”



### ▼ Integrated Report 2023








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

## “Sustainability Report 2023”



### ▼ Sustainability Report 2023

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

Material issues	Item	Scope	KPIs and Targets
 Promoting a decarbonized society	Reduction in greenhouse gas emissions	All businesses	Net zero CO <sub>2</sub> emissions by FY2050 40% reduction in CO <sub>2</sub> emissions compared with FY2019 by FY2030
	Shift to renewable energy	All businesses	By FY2050, procure 100% of electricity consumed in business activities from renewable energy sources
		Commercial Properties business	By FY2030, procure 100% of electricity consumed at owned real estate from renewable energy sources By FY2024, procure at least 50% of electricity consumed at owned properties from renewable energy sources
	Promotion of development of ZEB and ZEH	Commercial Properties business	Develop ZEB for, in principle, all new office buildings and logistics properties
		Residential business	Develop ZEH for, in principle, all new condominiums for sale or rent
 Promoting a recycling-oriented society	Acquisition of Green Building Certification	Commercial Properties business Residential business	Acquire Green Building Certification for, in principle, all new office buildings, logistics properties, condominiums for rent, etc.
	Reduction of waste emissions	Buildings owned long term	By FY2030, 20% reduction in the rate of waste emissions per unit compared with FY2019
	Waste recycling promotion	Buildings owned long term	By FY2030, achieve a waste recycling rate of 90%
	Reduction of water consumption	Buildings owned long term	Reduction of water consumption per unit compared with previous fiscal year
 Promoting a decarbonized society   Promoting a recycling-oriented society	Promotion of use of recycled water	Office buildings with total floor area exceeding 30,000 m <sup>2</sup>	By FY2030, install gray water treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000 m <sup>2</sup>
		Buildings owned long term, condominiums for sale or rent	By FY2030, use domestic timber and certified timber in the interior and furniture of common areas of all new office buildings, condominiums for sale or rent, etc.
	Promotion of use of wood materials	Condominiums for sale or rent	By FY2023, develop condominiums for sale or rent that use CLT for major structural components
		Buildings owned long term	Communicate with tenants about sustainability at least four times a year
 Promoting a recycling-oriented society	Collaboration and co-creation with customers	Condominiums for sale or rent	Communicate with residents and plan and implement sustainability measures
		Buildings owned long term	Communicate with tenants about sustainability at least four times a year
 Improve employee growth and job satisfaction	Promotion of skills development	Tokyo Tatemono	Average training time per employee Each fiscal year 15 hours or more
		Tokyo Tatemono	Career training participation rate Each fiscal year 100%
	Promotion of health management	Tokyo Tatemono	Health checkup rate and follow-up test rate Each fiscal year 100%
		Tokyo Tatemono	Smoking rate Each fiscal year 12% or less
 Diversity & Inclusion	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy Deployment to and compliance by group companies
	Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate Each fiscal year 70% or more
		Tokyo Tatemono	Ratio of male employees taking parental leave By fiscal 2025 30% or more
	Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions 10% or more by fiscal 2030 Employment rate of persons with disabilities Each year 2.3% or more

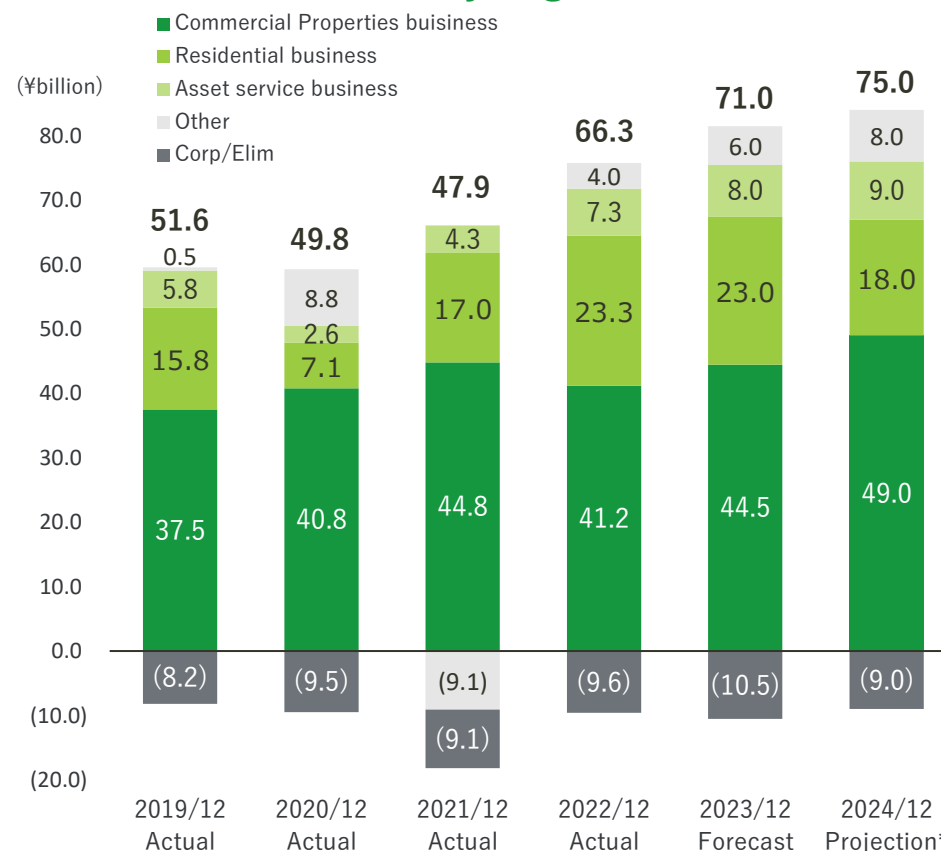
\* See the ESG Management & KPI page of our website for the definitions of terms. <https://tatemono.com/csr/english/promotion.html>

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

## Profit/Financial Plan – Figures for FY2024

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	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

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

## Key Strategies and Their Profit Sources

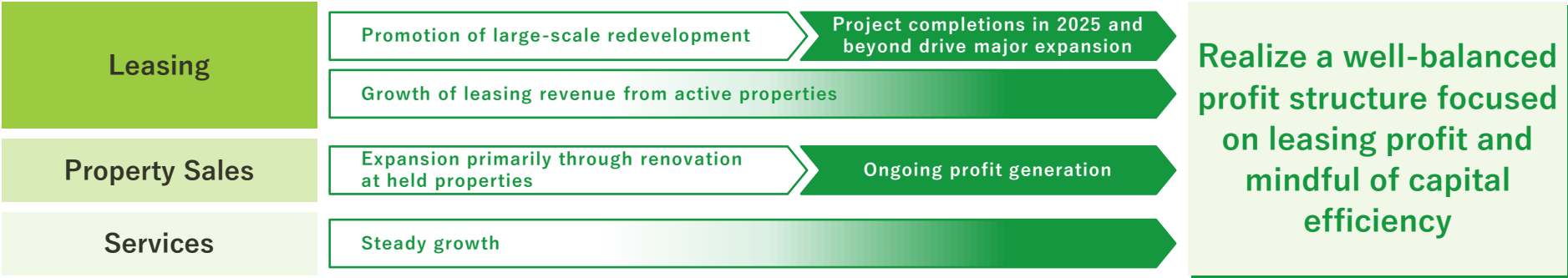
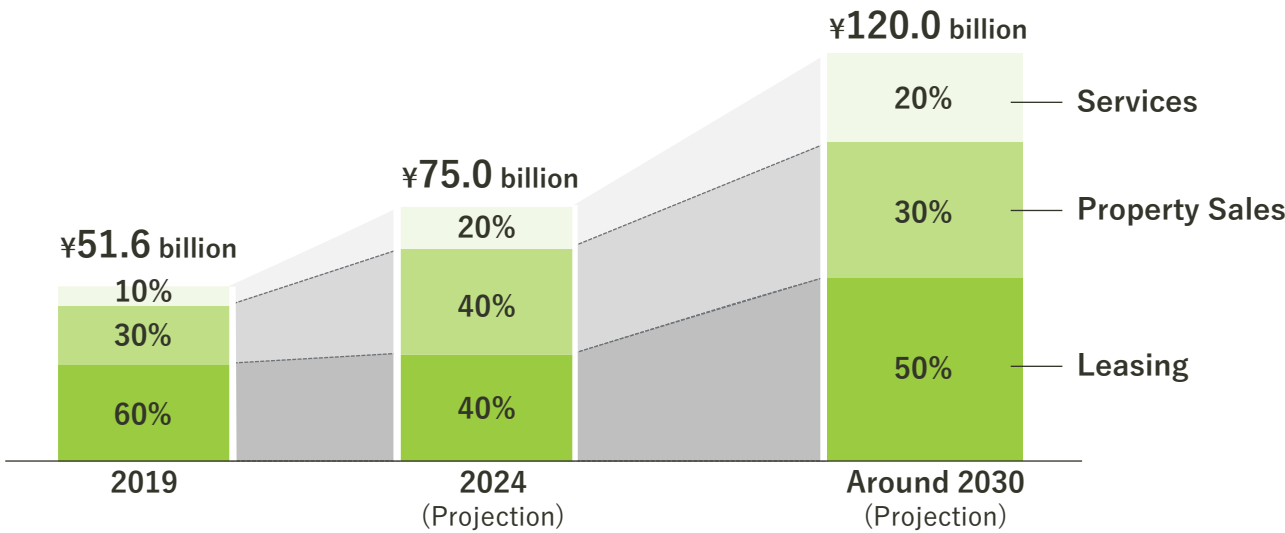
Key Strategy	Profit Source
(1) Promotion of large-scale redevelopment	Leasing
(2) Further strengthening of for-sale condominium business	Property sales
(3) Expansion of property sales to investors	Property sales
(4) Strengthening of brokerage, fund, and parking businesses	Services
(5) Growth in overseas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



Business Portfolio Concepts (2)

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

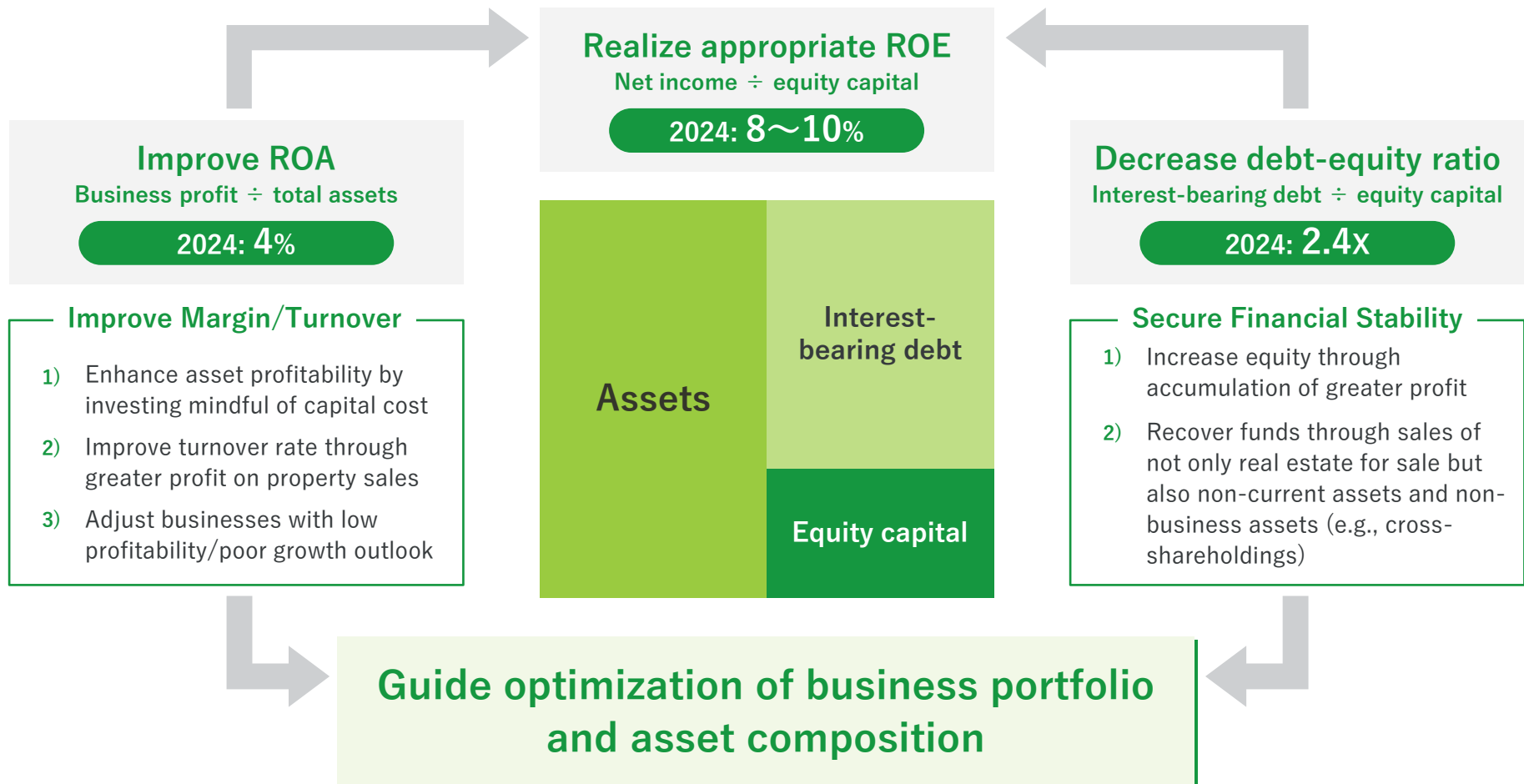
Projected Shift in Per-Area Profit Over Time



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

## Management Mindful of Capital Efficiency

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



## Investment Plan

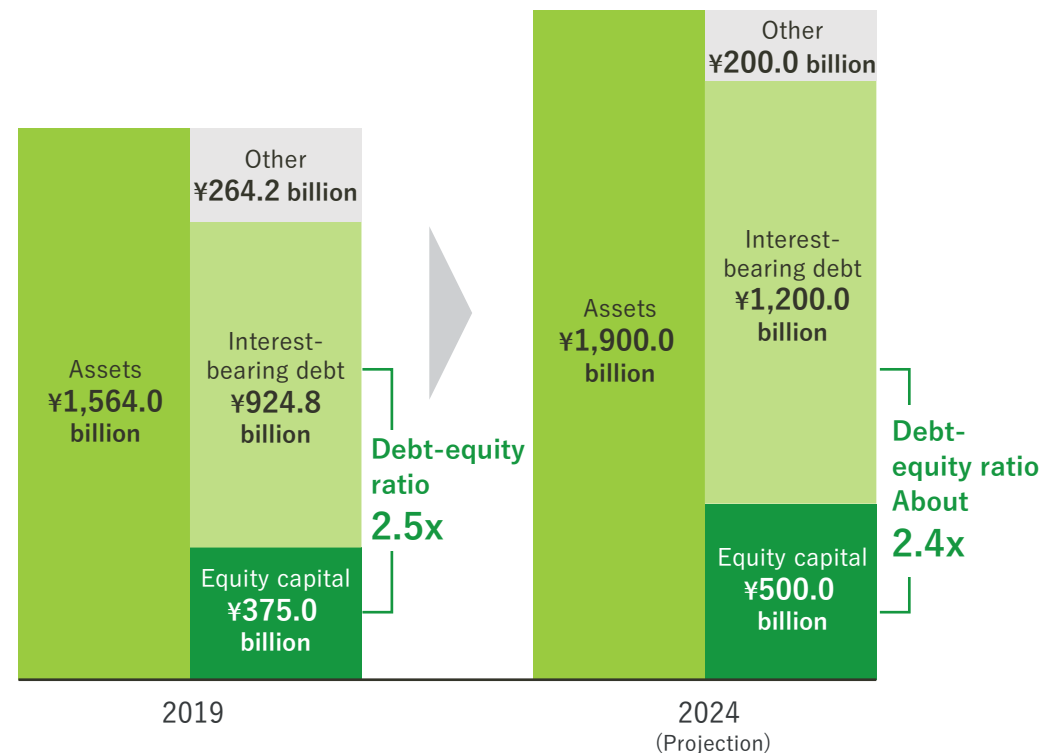
- Estimated net investment of ¥500.0 billion in total over five years.
- In addition to enhancing equity capital through stable profit growth, we aim to optimize our asset composition by selling non-current assets in consideration of profitability and reducing cross-shareholdings in order to either maintain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

### Medium-Term Investment Plan (Cumulative)

Unit: ¥ billion

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
Net investment	500.0

### Balance Sheet Changes



# Investment Plan for FY2023

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

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

## Investment Plan of Medium-Term Business Plan (FY2020–FY2024) and Results

## Investment Plan for FY2023

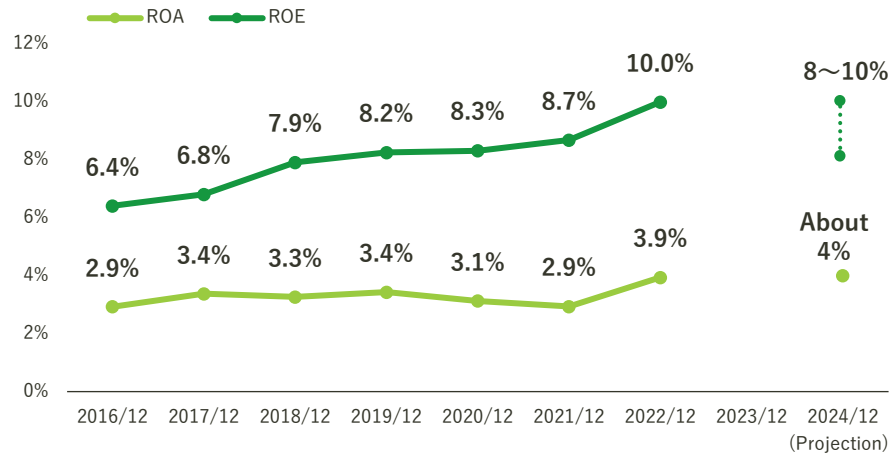
(Unit: ¥ billion)		5-year Plan	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Plan
	Gross investment	1,400.0	189.1	128.9	191.0	290.0
	Investment in large-scale redevelopment	230.0	13.8	0.0	11.3	25.0
	Investment in for-sale condominium projects	430.0	64.4	46.1	75.8	110.0
	Investment in properties for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

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

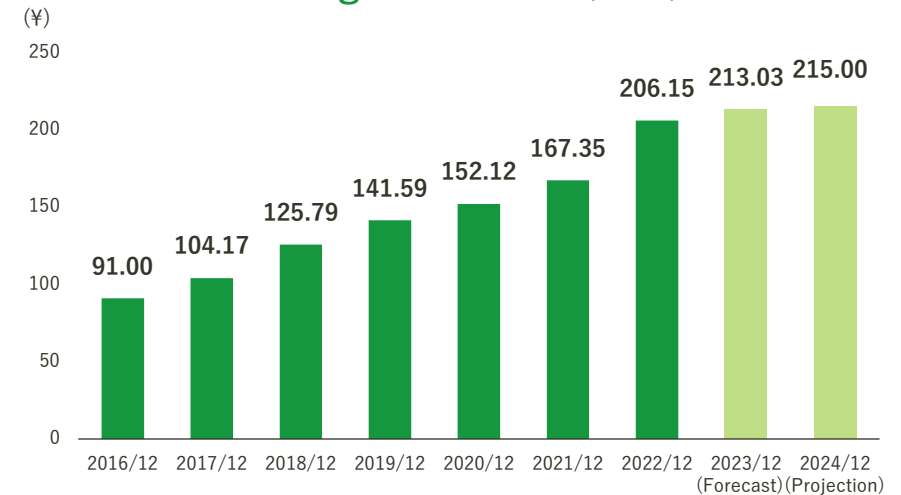
# Changes in Major Indicators

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

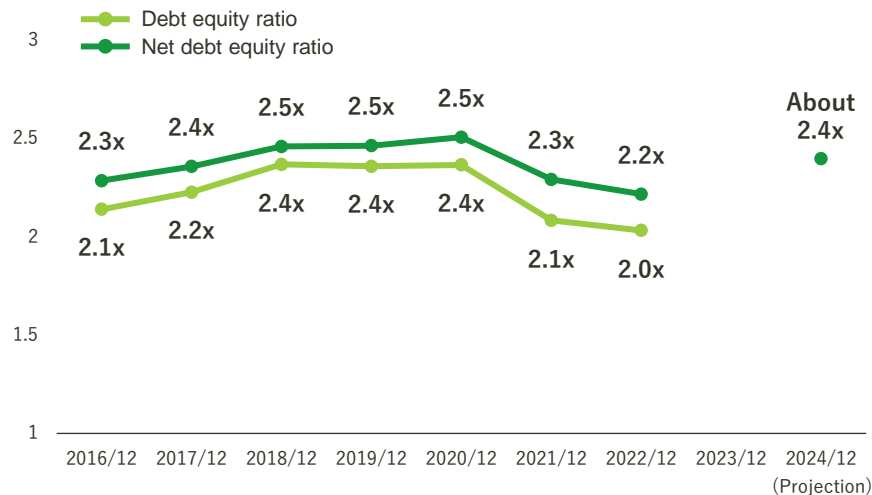
## ROA, ROE\*



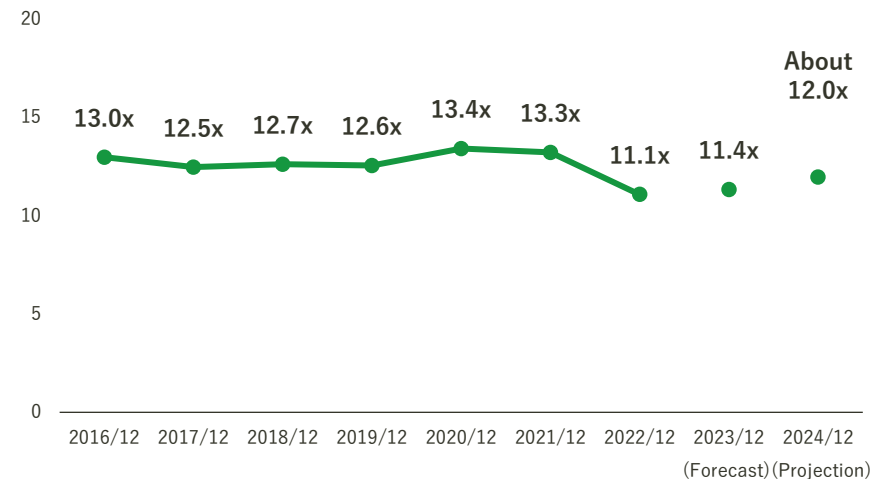
## Earnings Per Share (EPS)



## Debt Equity Ratio



## Interest-Bearing Debt / EBITDA Multiple



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

# Financial Standing

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

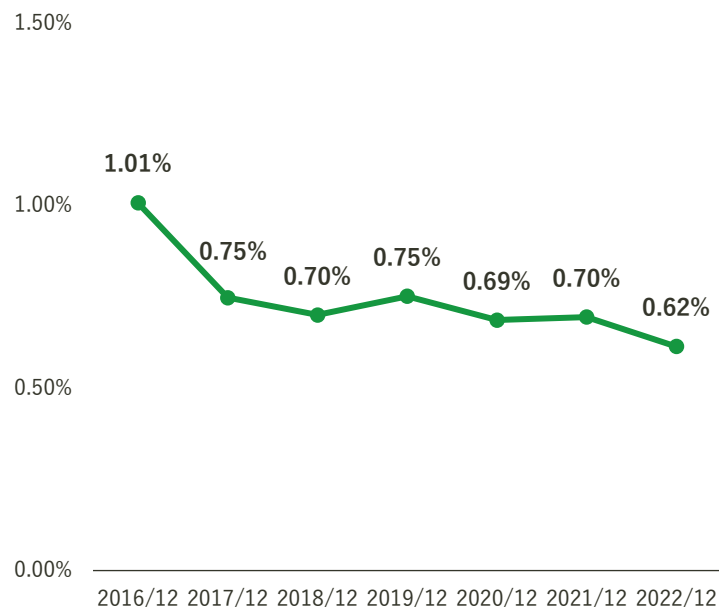
## External Ratings

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

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

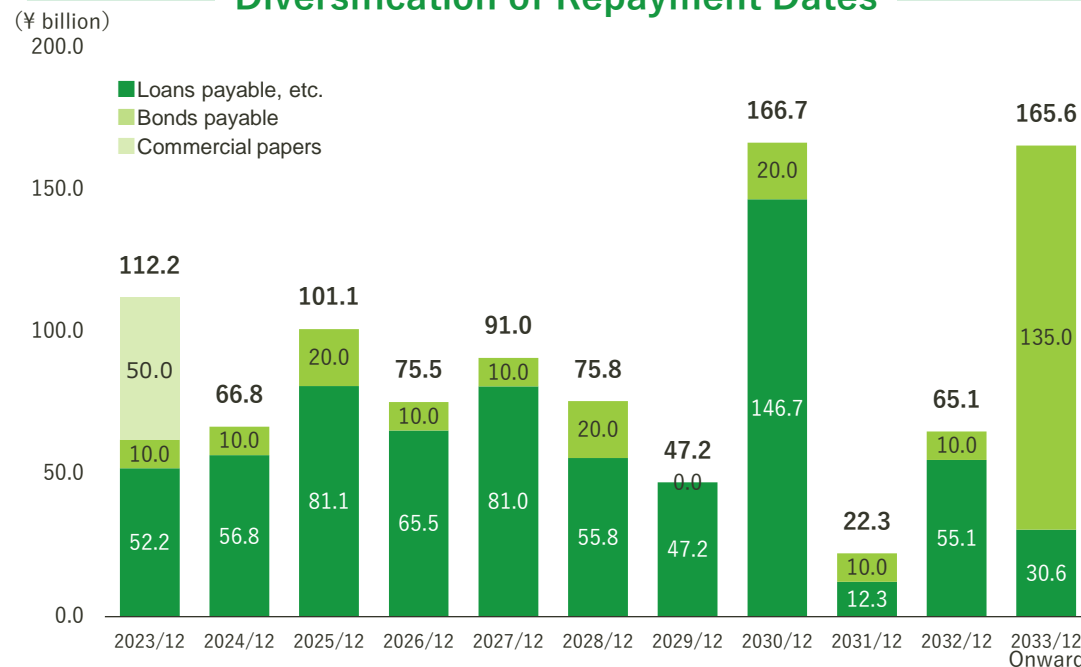
## Average Interest Rates



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

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

## Diversification of Repayment Dates





# Fair Value of Rental Properties

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

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

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

### ■ Subject properties

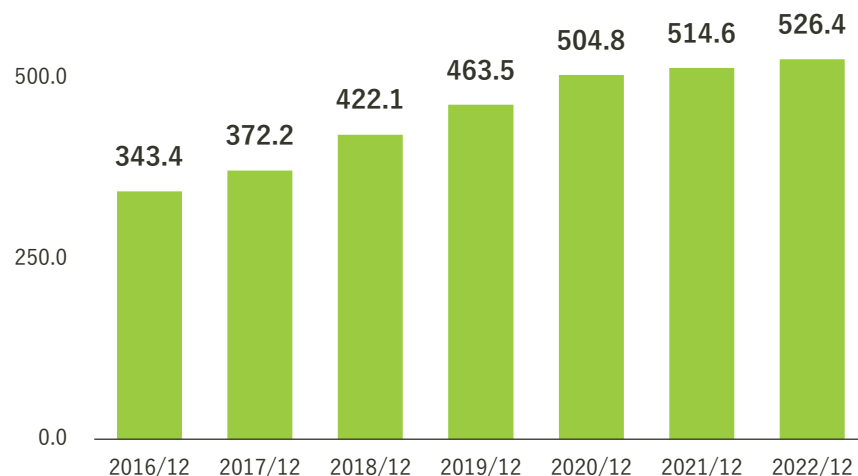
Of non-current assets, properties that are currently leased to third parties or properties under development that are scheduled to be leased after completion by the Company and its subsidiaries (including properties where a portion is used by the Company and its group companies) are subject to calculation

### ■ Method of calculation

For properties newly acquired during the fiscal year or properties under development at the end of the fiscal year, the book value at the end of the fiscal year is taken as the fair value

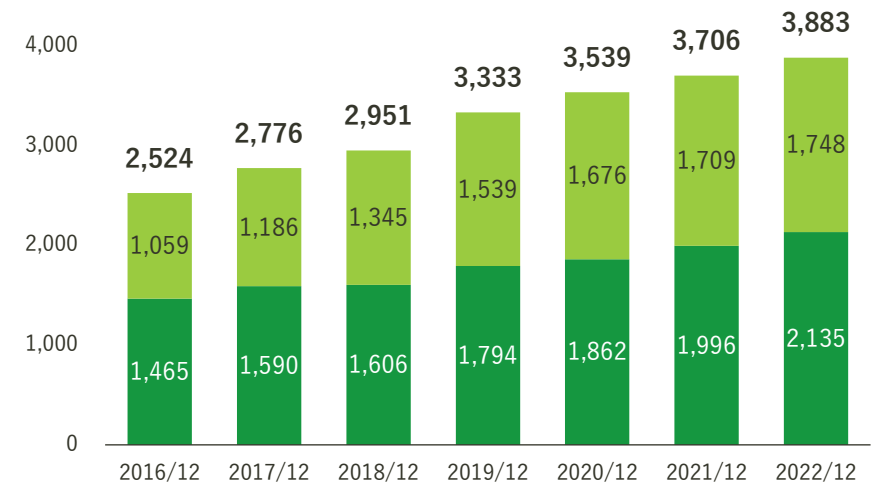
## Unrealized Gain

(¥ billion)



## BPS and Adjusted BPS\*1 Trend

(¥ per share) ■ BPS ■ Unrealized gain\*2 (net of tax)



\*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)

## ■ Activities in FY2022

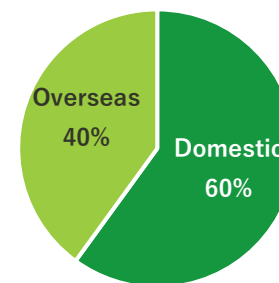
Type	Number of Times/Companies	Main Responders
Results briefings	2 times	President, & CEO Senior Managing Executive Officer & CFO General Manager, Corporate Communications Department
Telephone conferences	4 times	General Manager, Corporate Communications Department
Participation in conferences	6 times / 37 companies	President, & CEO Senior Managing Executive Officer & CFO
Small-group meetings	5 times / 55 companies	President, & CEO Senior Managing Executive Officer & CFO General Manager, Corporate Communications Department
Individual meetings (including overseas IR)	188 companies	President, & CEO Senior Managing Executive Officer & CFO General Manager and Department Managers, Corporate Communications Department
Project tours	1 time	IR manager, manager of project management office
Briefings for private investors	1 time	Senior Managing Executive Officer & CFO

## ■ Key Topics and Matters of Interest to Investors

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

## ■ Proportion of Domestic vs. Overseas Meetings

- Ratio of domestic vs. overseas investors in conferences, small-group meetings, and individual meetings (280 companies in total)



## ■ Feedback to Management

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

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

Desire	Response
Wanting shareholder returns to be enhanced.	Maintaining payout ratio above previous year's performance.
Wanting to check the list of owned properties for rent and properties for sale to investors.	Disclosing a new asset book.
Wanting small-group meetings with the president and property information sessions to be held.	Holding small-group meetings with CEO/CFO and tours of logistics properties.
Wanting to know interest-rate hike risks and the impact of soaring construction costs.	Adding briefing materials related to financial conditions and providing detailed answers.

# Quarterly Segment Data

Commercial Properties business*	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Number of office buildings	45	46	46	46	46	47	45	45	45	45	41	42
Leasable area of office buildings (thousand m <sup>2</sup> )	520	511	514	514	514	514	496	496	500	511	494	542
Vacancy rate	1.3%	2.3%	3.4%	3.3%	3.3%	3.2%	2.5%	2.9%	2.8%	3.2%	4.2%	3.4%
Average rent (Unit: ¥/tsubo)	30,161	30,835	31,061	30,830	31,077	30,954	30,809	30,896	30,696	30,836	31,087	28,071

Residential business	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Number of sales posted (cumulative)	955	1,196	520	634	689	1,109	390	963	1,034	1,435	548	660
For-sale condominiums	955	1,196	520	634	689	1,109	390	963	1,034	1,435	548	660
Housing and residential land	0	0	0	0	0	0	0	0	0	0	0	0
Gross margin ratio of condo sales (cumulative)	22.8%	22.4%	29.9%	28.6%	28.4%	24.4%	28.2%	36.7%	36.1%	33.3%	37.2%	36.0%
Inventory of completed condos	243	177	179	109	54	83	135	115	72	175	156	125
Of which, contracted	43	27	41	36	24	37	29	35	20	43	36	47
Condo units supplied (cumulative)	499	948	297	760	1,036	1,684	277	647	908	1,341	213	590
Condo units contracted (cumulative)	527	962	288	794	1,045	1,759	245	639	941	1,313	211	605
Condo units contracted but yet to be posted	1,118	1,314	1,081	1,474	1,669	1,968	1,837	1,658	1,890	1,861	1,524	1,806

Number of condo buildings for rent	14	14	13	12	11	12	11	14	14	17	17	17
Number of managed condo units	95,581	95,720	97,152	97,738	97,668	98,789	96,761	97,272	97,345	98,006	98,159	98,141

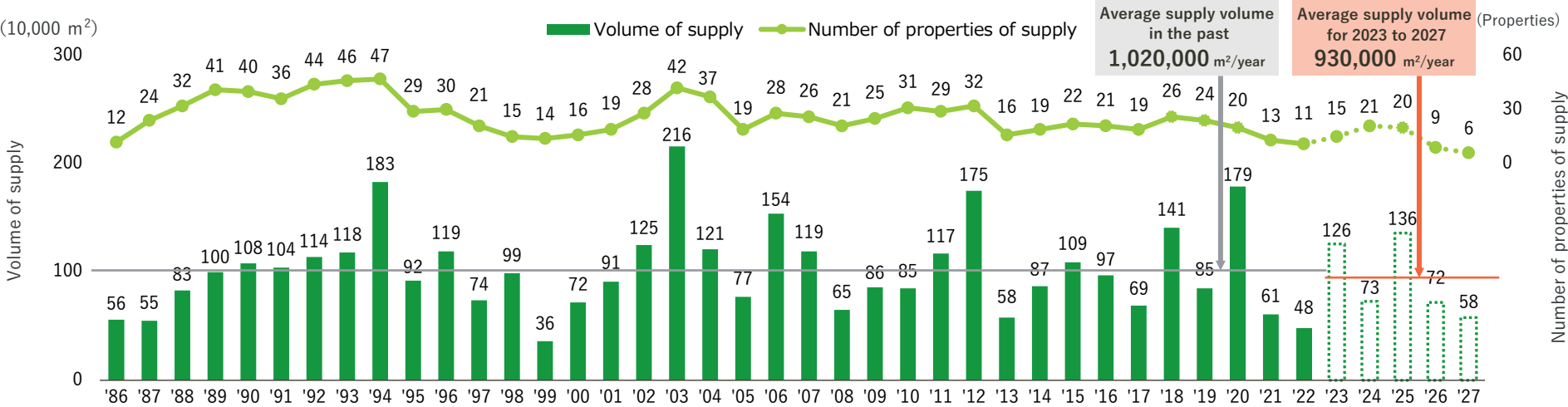
Asset Service business	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Brokerage: Number of deals (cumulative)	687	1,018	277	540	830	1,152	250	532	793	1,086	248	494
Of which, sales (cumulative)	671	991	271	526	810	1,124	243	521	778	1,060	243	480
Of which, rentals (cumulative)	16	27	6	14	20	28	7	11	15	26	5	14
Parking lots: Number of locations	1,837	1,867	1,859	1,863	1,864	1,861	1,852	1,856	1,845	1,933	1,915	1,930
Parking lots: Number of parking spaces	75,267	76,173	74,366	74,706	74,641	75,254	75,618	76,444	77,083	80,057	79,045	81,620

Other	2020/9	2020/12	2021/3	2021/6	2021/9	2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Ofuro no Osama (Spa facility)	9	9	9	9	9	10	10	10	10	10	10	10
Golf Courses	12	12	12	12	12	12	12	12	12	12	12	12
Pet-Friendly Hotels (Regina Resort with DOGS)	8	8	8	8	8	8	8	8	8	8	8	8

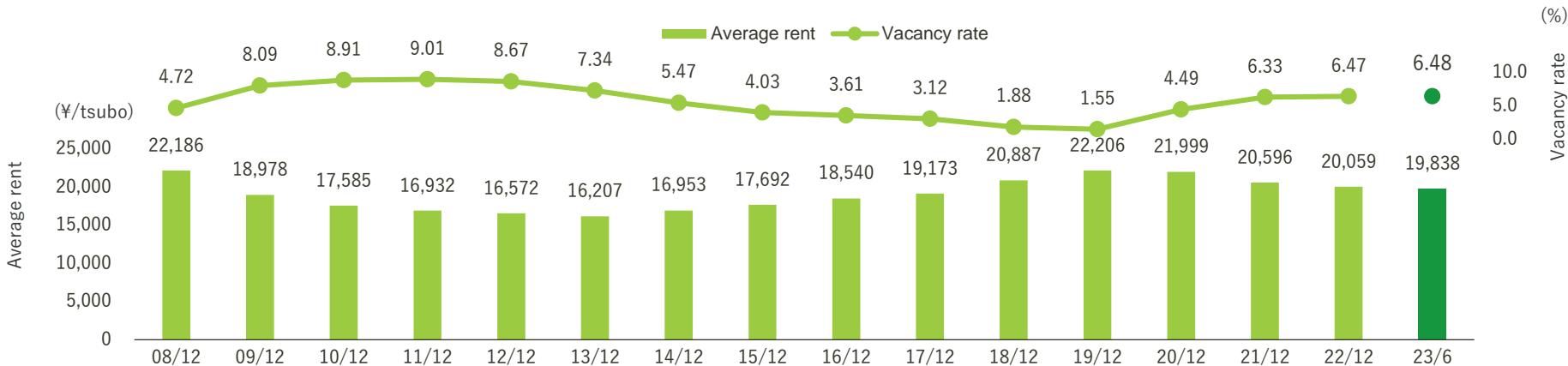
\*Standards for areas subject to calculation are as follows.

- Office buildings owned by group companies are included.
- Since the area of retail facilities accounts for a large proportion under total leased floor area at GRAND FRONT OSAKA, the area of retail facilities is excluded from calculation.
- With regard to buildings owned by consolidated SPCs, the equivalent areas of the SPCs' equity holdings in other companies have been included along with areas subject to recording of leasing revenue.
- Addition of following criteria from the end of March 2022: Properties included in a redevelopment project area shall be excluded from owned office buildings upon the establishment of an urban redevelopment consortium or project approval.
- The DNP Gotanda Building (currently the Panasonic Meguro Building), acquired at the end of September 2019, will be included in the areas subject to calculation from the end of June 2023.

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

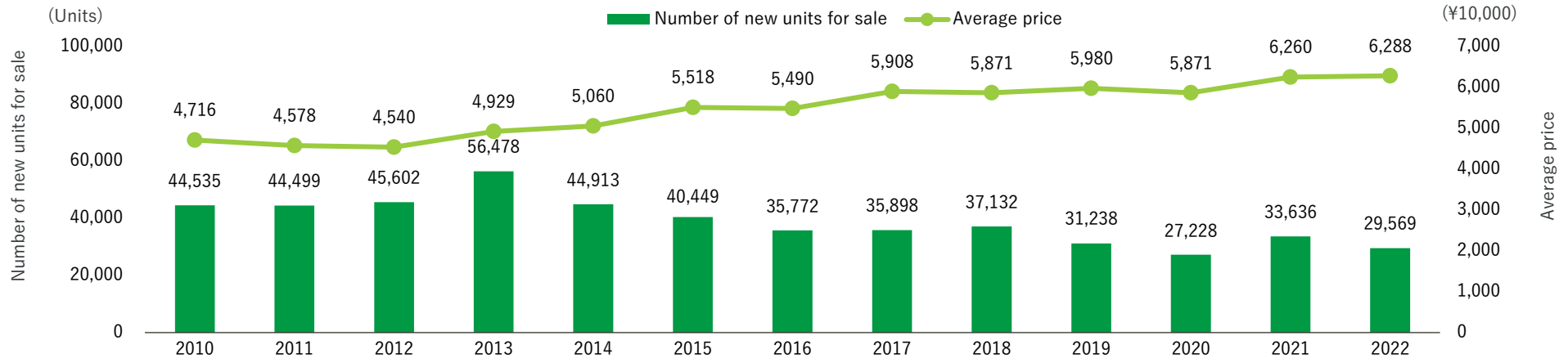


Average Rent and Vacancy Rate Trends in Tokyo's Central Business District  
(Chiyoda, Chuo, Minato, Shinjuku, and Shibuya Wards)

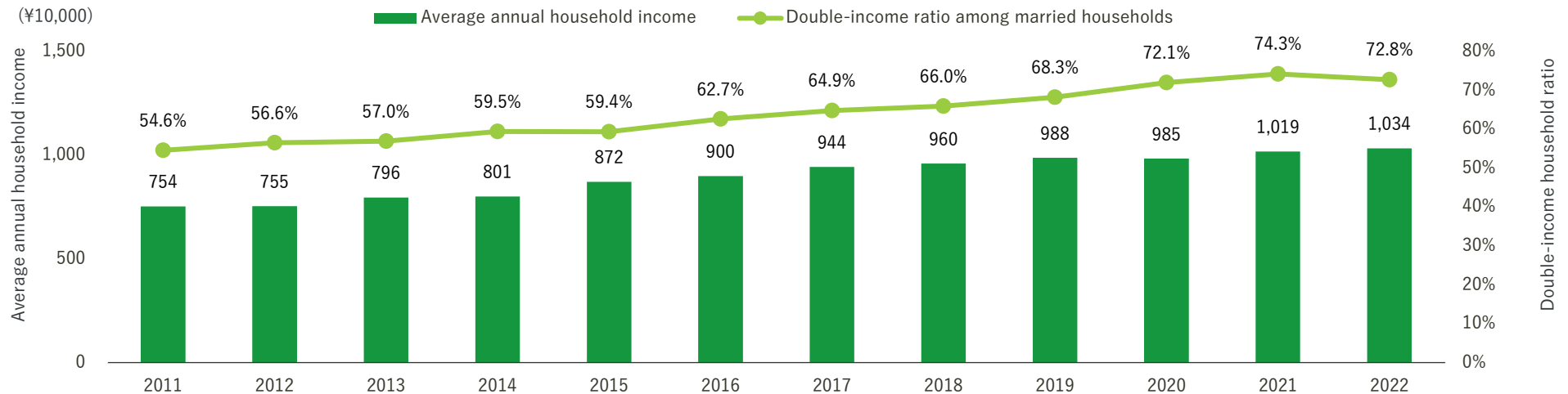


Source: Mori Buildings' "Survey of Large-scale Office Building Market in Tokyo's 23 Wards 2023"; Miki Shoji

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



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



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

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