

# Becoming a Next-generation Developer

Long-term Vision,  
Medium-term Business Plan (2020-2024)

# Contents

## **I. Review of Previous Medium-term Business Plan**

1. Review of Quantitative Plan
2. Review of Qualitative Plan

## **II. Long-term Vision**

1. Context for our Long-term Vision
2. Strengths of the Tokyo Tatemono Group
3. Long-term Vision for 2030
4. Fundamental Long-term Vision Policy

## **III. Medium-term Business Plan**

1. Positioning of the Medium-term Business Plan
2. Roadmap 2030
3. Business Portfolio Concepts
4. (1) Promotion of Large-scale Redevelopment
5. (2) Further Strengthening of Condominium Business
6. (3) Expansion of Property Sales for Investors
7. (4) Expansion of Brokerage, Fund, and Parking Lot Businesses
8. (5) Growth in Overseas Business
9. Evolution of ESG Management
10. Profit / Financial Plan
11. Management with Awareness of Capital Efficiency
12. Investment Plan
13. Shareholder Return Policy
14. Quantitative Plan Summary



# **I. Review of Previous Medium-term Business Plan**

# 1-1

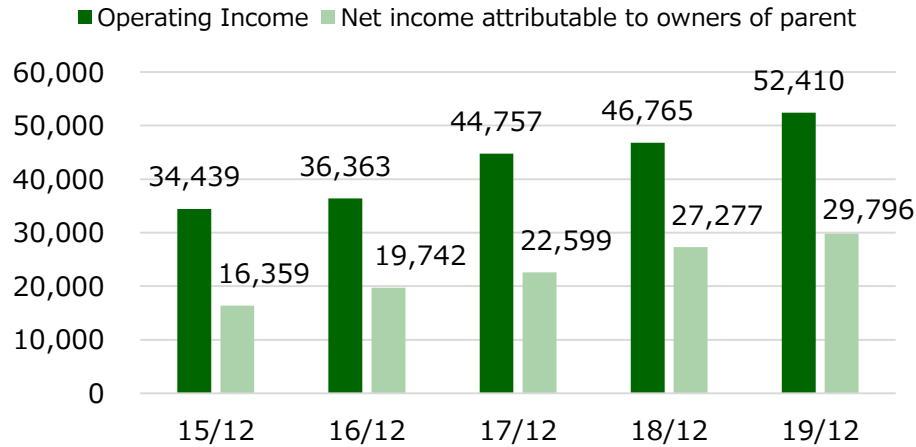
## Review of Quantitative Plan (1)

- Achieved operating income quantitative target (from previous medium-term plan), as well as debt-equity ratio and multiple of interest-bearing debt divided by EBITDA (targets for financial indicators).
- Profit growth led to ROE increasing from 5.6% in 2015 to 8.2% in 2019.

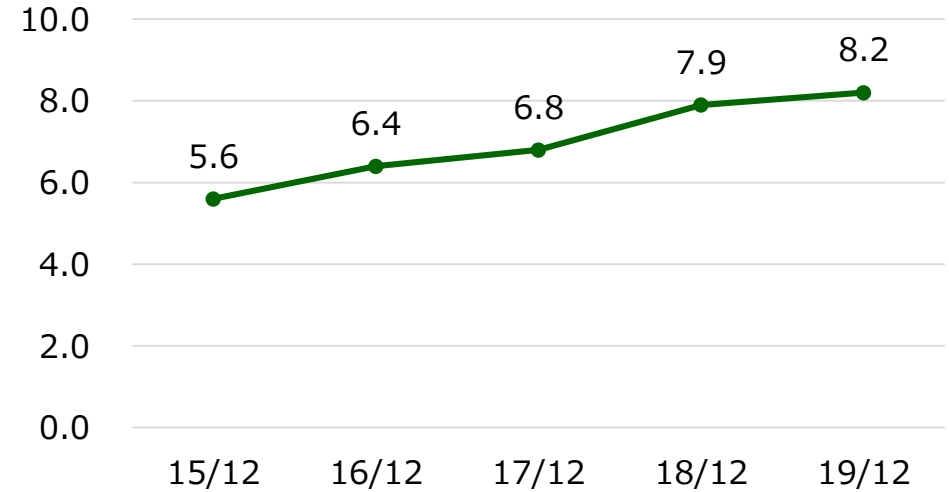
	Results: Fiscal Year Ended 2019/12	Evaluation (Positive Results, Issues to Address)
Profit	<p><b>Operating income: ¥52.4 billion</b> (Medium-term target: ¥50.0 billion)</p>	<ul style="list-style-type: none"> <li>• Operating income up 72% from ¥30.5 billion in 2014, marking the highest profit in two consecutive years since 2018</li> <li>• Achieved profit growth exceeding initial targets</li> </ul>
Financial Indicators	<p><b>Debt-equity ratio: 2.5X</b> <b>Interest-bearing debt / EBITDA multiple: 12.6X</b> (Medium-term targets: 3X and 13X, respectively)</p>	<ul style="list-style-type: none"> <li>• Management maintained awareness of financial discipline, raised funds utilizing favorable financial environment</li> </ul>
Capital Efficiency	<p><b>ROE: 8.2%</b></p>	<ul style="list-style-type: none"> <li>• Profit growth led to year-by-year increase, from 5.6% in 2015</li> <li>• Must continuously improve profitability and turnover rate to maintain and improve current levels in stable fashion</li> </ul>
Shareholder Return	<p><b>Annual dividend per share: ¥41.0</b> <b>Consolidated payout ratio: 29.0%</b></p>	<ul style="list-style-type: none"> <li>• Profit growth led to six consecutive years of increased dividends</li> <li>• Repurchase of ¥10 billion in shares in 2019 (canceled on January 31, 2020)</li> </ul>
Investment	<p><b>Cumulative net investment: ¥350 billion</b> (Medium-term plan: ¥300 billion)</p>	<ul style="list-style-type: none"> <li>• Focus on return on investment and promote highly-selective investment</li> <li>• Secured projects that will contribute to profits in the next medium-term plan onward while realizing profit growth</li> </ul>

# 1. Review of Quantitative Plan (2)

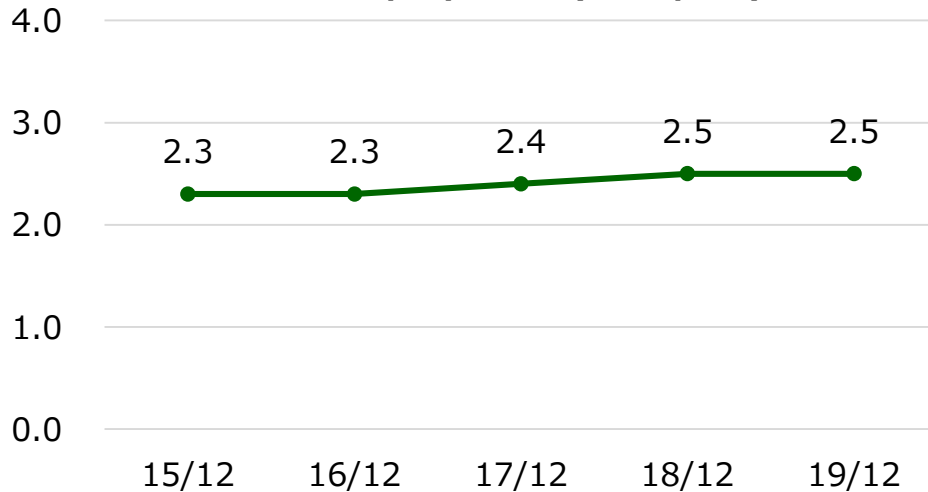
Operating Income / Net Income (millions of yen)



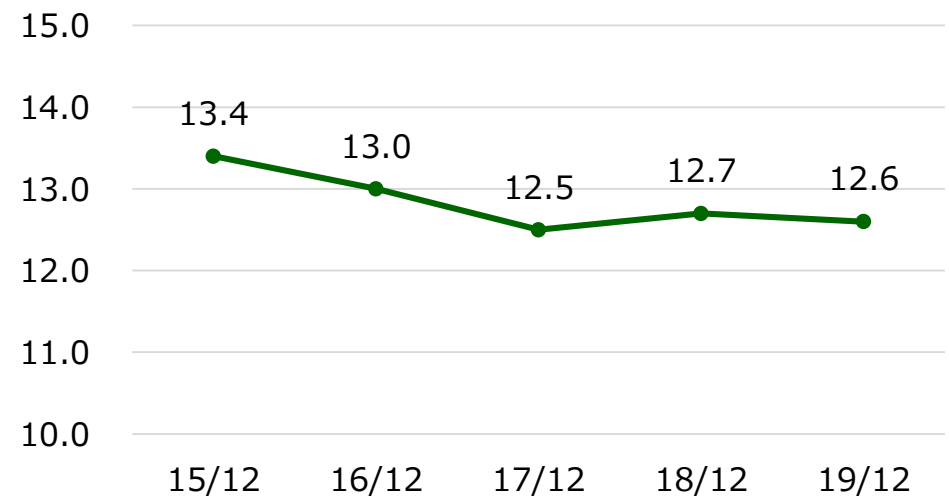
Consolidated ROE (%)



Debt-equity Ratio (multiplier)



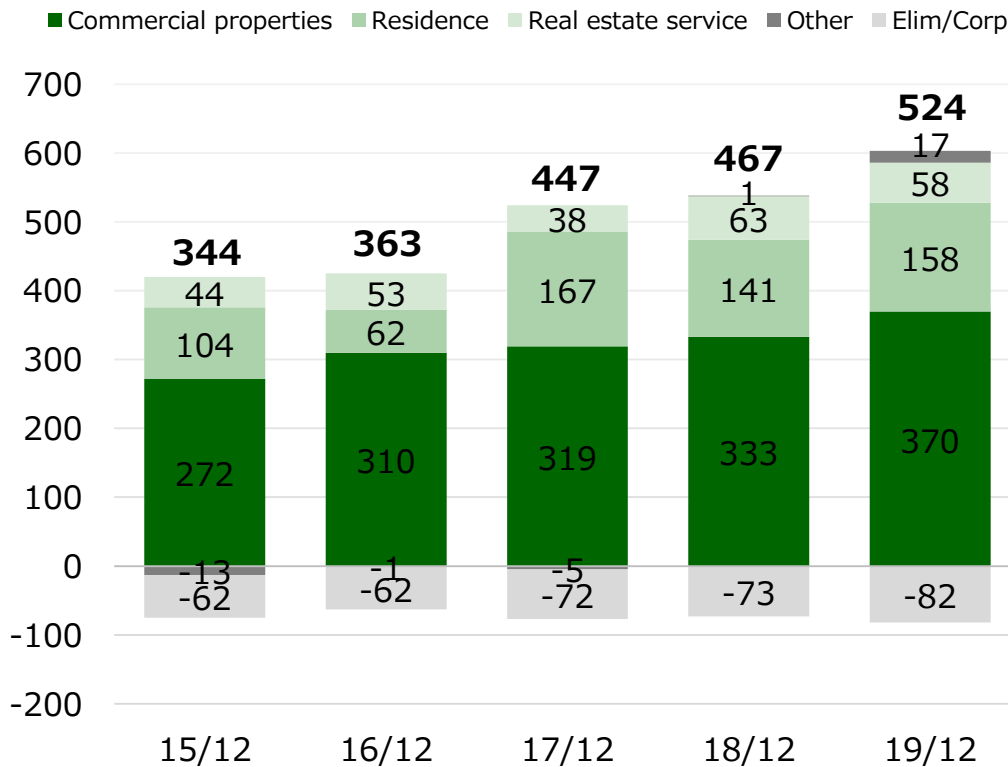
Interest-bearing debt / EBITDA ratio (multiplier)



# 1-1 Review of Quantitative Plan (3)

- Realized profit growth across each business, primarily in the commercial properties and residence businesses.
- Cumulative net investment of ¥350 billion yen, primarily in real estate for sale such as hotels and logistics facilities.

**Operating Income per Segment**  
(hundreds of millions of yen)



**Investment, Cumulative Total over Five Years**  
(hundreds of millions of yen)

Fixed Assets	Plan			Actual		
	Invested	Recovered	Net Invested	Invested	Recovered	Net Invested
Buildings	1,500	–	1,500	1,700	500	1,200
Parking Lots	300	–	300	50	–	50
Leisure / Senior	500	–	500	200	–	200
Other	500	–	500	650	250	400
<b>Total</b>	<b>2,800</b>	<b>–</b>	<b>2,800</b>	<b>2,600</b>	<b>750</b>	<b>1,850</b>

Real Estate for Sale	Plan			Actual		
	Invested	Recovered	Net Invested	Invested	Recovered	Net Invested
Condominiums	3,600	3,500	100	3,350	2,950	400
Other	800	700	100	2,350	1,100	1,250
<b>Total</b>	<b>4,400</b>	<b>4,200</b>	<b>200</b>	<b>5,700</b>	<b>4,050</b>	<b>1,650</b>

**Cumulative Net Investment:**  
(Plan) 300 billion yen vs. (Actual) 350 billion yen

# 1-2 Review of Qualitative Plan

- Careful, selective investments in superior projects despite a severe investment environment led to expanded investment in new asset types.
- Bolstered value chain improves customer service and brand value, and partnerships with local communities promotes community development.
- Cross-departmental and cross-company collaboration within the Group leads to acquisition of business opportunities leveraging a diverse set of business options.

## — Key Strategies and their Major Results —

### Investments backed by uniqueness and strengths

Acquiring high-quality projects using a keen, selective eye for investment

Expanding investment in new asset types capturing changes in investor and customer needs

### Strengthen services to be the continued leading choice

Improved customer service and brand value from a bolstered value chain

Promotion of partnering with and creating new communities and other community development activities

### Exert group synergies to deliver amazing value

Acquiring business opportunities by strengthening intra-Group cooperation

Promoting information-sharing and improving productivity with Group-wide IT systems



T-LOGI Kuki

Entry into logistics facility development business with attention to logistics needs arising from evolution of e-commerce



the b osaka midosuji

Promoting urban hotel development in response to growing inbound tourism demand



Brillia Tower Yokohama  
Higashi Kanagawa

Redevelopment/rebuilding initiative plus development of residence business with integrated production, sales, and management



xBridge-Tokyo

Opened a startup support facility helping generate innovation



Kita-Aoyama 3-Chome development project

Partnering with the residence, senior, and child care businesses to acquire business opportunities

## **II. Long-term Vision**



## Context for our Long-term Vision

### — Key External Environmental Factors —



As changes in our business environment continues to quicken their pace, it is becoming more and more important every year to management with awareness of Environmental, Social, and Governance (ESG).

In such an environment, in order for our unified Group to realize sustainable growth in 2020 and beyond, we have drafted a ten-year long-term vision targeting 2030, which is both when currently ongoing large-scale redevelopment projects are to conclude, and the target year for the Sustainable Development Goals (SDGs).

# 2-2 Strengths of the Tokyo Tatemono Group

- Having inherited its founding mission of *solving social issues*, the Group has developed strengths in its achievements and know-how from taking on pioneering initiatives and cultivating trust over more than 120 years.

## Founded in 1896

Founded for the development of a sound real estate business

Mission to provide high quality housing and contribute to the development of Tokyo



## Strengths, yesterday and today

**Ingenuity and problem-solving supporting customer/social needs**

**A corporate culture capturing change over time and taking on new challenges**

**120 years of trust, track record, know-how**



Nakano Central Park  
New working styles amongst a green environment



Otemachi Tower  
Bringing life to both nature and city



Hareza Ikebukuro  
Partnering with government to develop/beautify the city



Brillia Tower Ueno Ikenohata  
Acquiring business opportunities thanks to deep customer relations

## 2-3 Long-term Vision for 2030

Long-term Vision

# Becoming a Next-Generation Developer

In an era full of uncertainty and rapid change in terms of demographics, diverse values, accelerating technological progress, and more, various issues have emerged on the path to creating a sustainable society.

The Tokyo Tatemono Group recognizes that the role developers play must also change significantly.

The group's aim is to be a good company for stakeholders by leveraging its businesses to solve social issues and achieve higher levels of growth as a company.

## 2-4 Fundamental Long-term Vision Policy

- Aim to achieve the dual goals of solving social issues and sustainable company growth.
- Target a well-balanced profit structure while steadily expanding stable leasing profit and being mindful of capital efficiency.  
In order to reflect the growth of overseas businesses, we have set our target profit indicator as *business income*, which is the sum of operating income and equity gains (or losses) in earnings of affiliated companies.

### Steady Profit Growth

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

\*Consolidated business income = consolidated operating income + equity gains (losses) of affiliated companies

### Helping Solve a Variety of Social Issues

**Contributing  
to the SDGs**



### Basic Profit Growth Policy

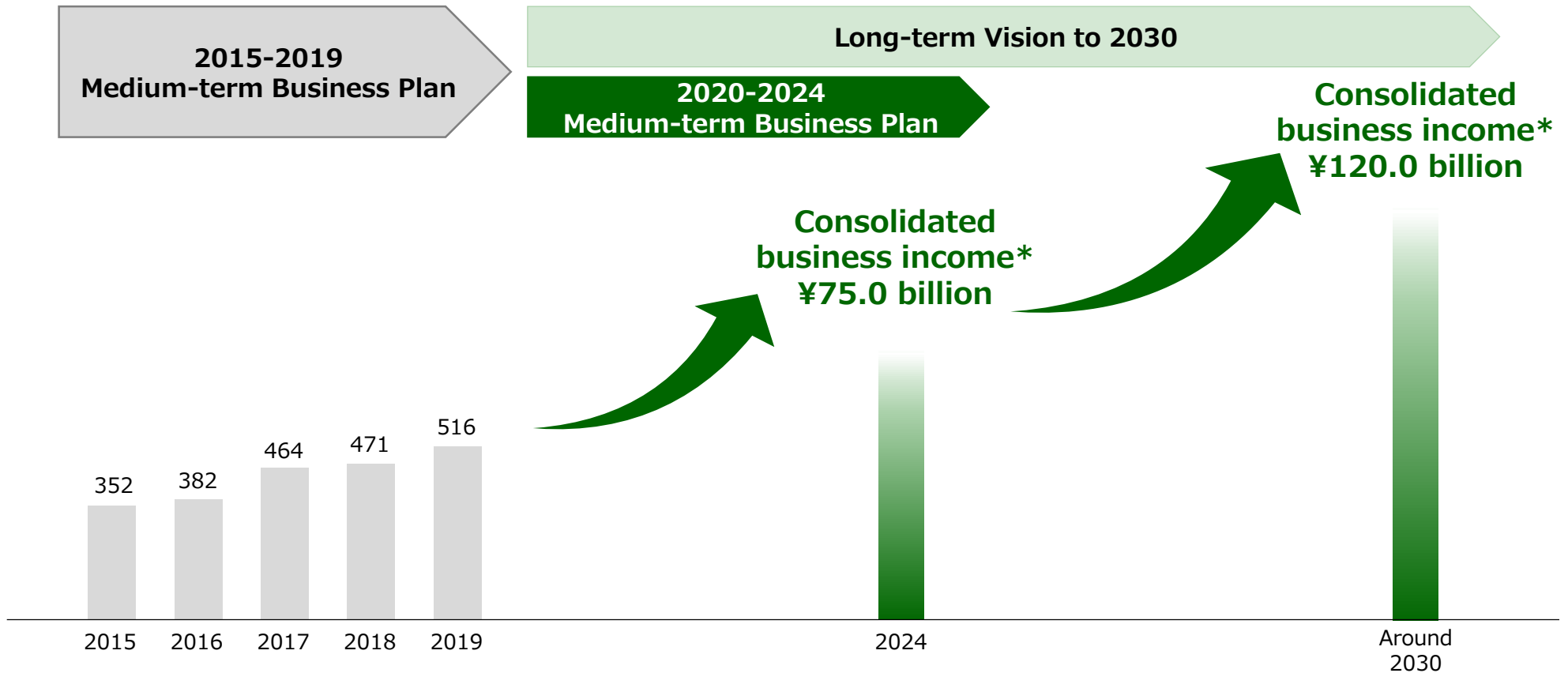
- **Steadily expand stable leasing profit, making it the core of our profit composition**
- **Target a well-balanced profit structure, mindful of capital efficiency**



## **III. Medium-term Business Plan**

# 3-1 Positioning of the Medium-term Business Plan

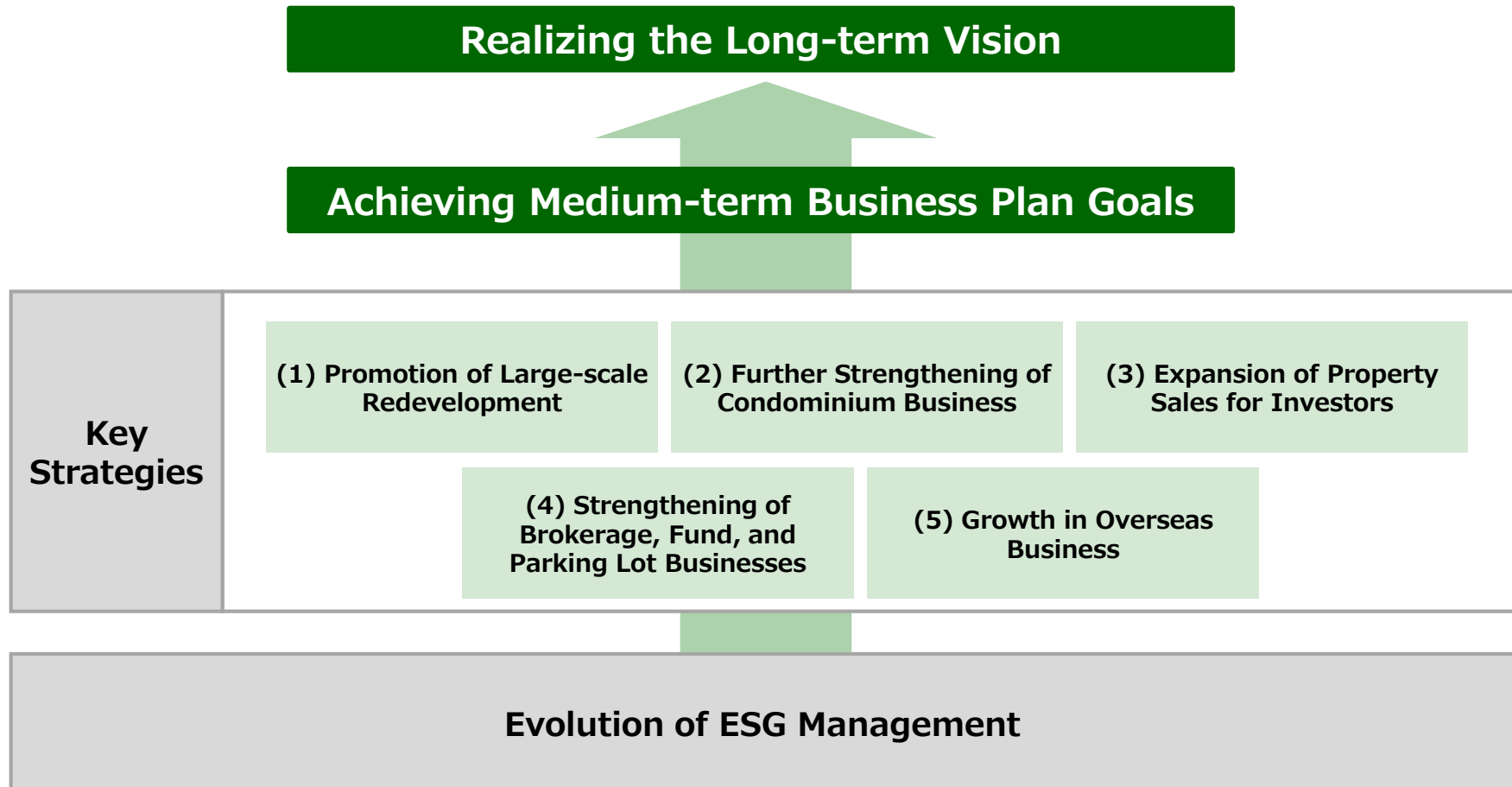
- In the first step toward achieving our 2030 long-term vision, we have established a five-year period from 2020 to 2024 for our Medium-term Business Plan, targeting a milestone of ¥75 billion in consolidated business income.



\*Consolidated business income = consolidated operating income + equity gains (losses) of affiliated companies

# 3-2 Roadmap 2030

- Target achievement of Medium-term Business Plan goals and realization of the long-term vision through initiatives that contribute to the evolution of ESG management and the promotion of our five key strategies.



# 3-3 Business Portfolio Concepts (1)

- Our business portfolio can be classified into three categories based on their profit characteristics: leasing, 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
<b>Leasing</b>	Profit from leasing offices, condominiums, etc.	Highly-stable profit Requires significant investment
<b>Property sales</b>	Development profit, acquired from sale of properties held	Highly-volatile profit High capital efficiency
<b>Services</b>	Fee revenue from facility management/operation, provision of services	Highly-stable profit Does not require significant investment

— **Key Strategies and their Profit Sources** —

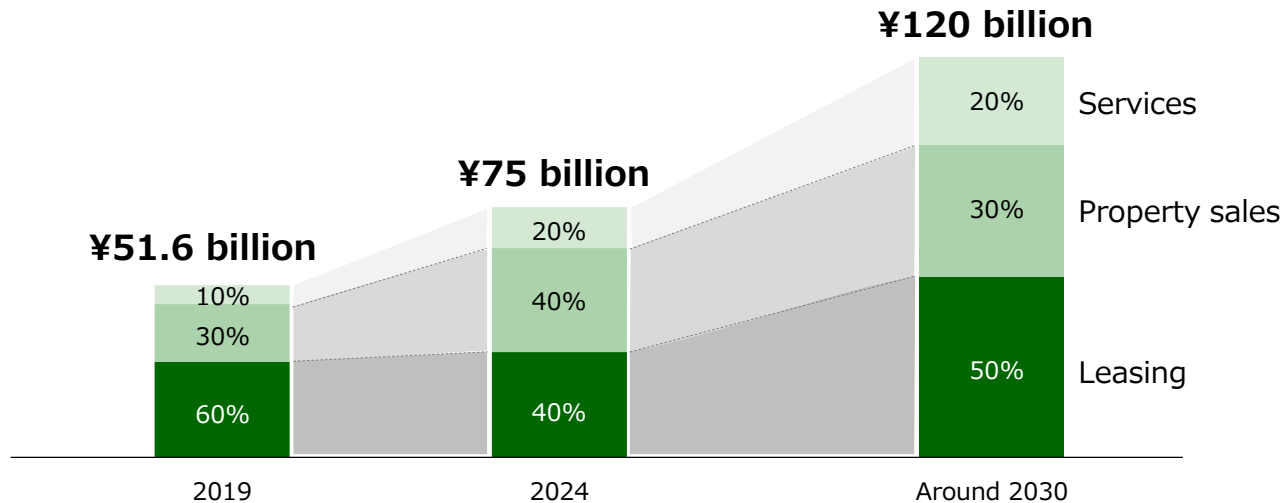
Key Strategy	Profit Source
(1) Promotion of Large-scale Redevelopment	<b>Leasing</b>
(2) Further Strengthening of Condominium Business	<b>Property sales</b>
(3) Expansion of Property Sales for Investors	<b>Property sales</b>
(4) Strengthening of Brokerage, Fund, and Parking Lot Businesses	<b>Services</b>
(5) Growth in Overseas Business	<b>Property sales</b>



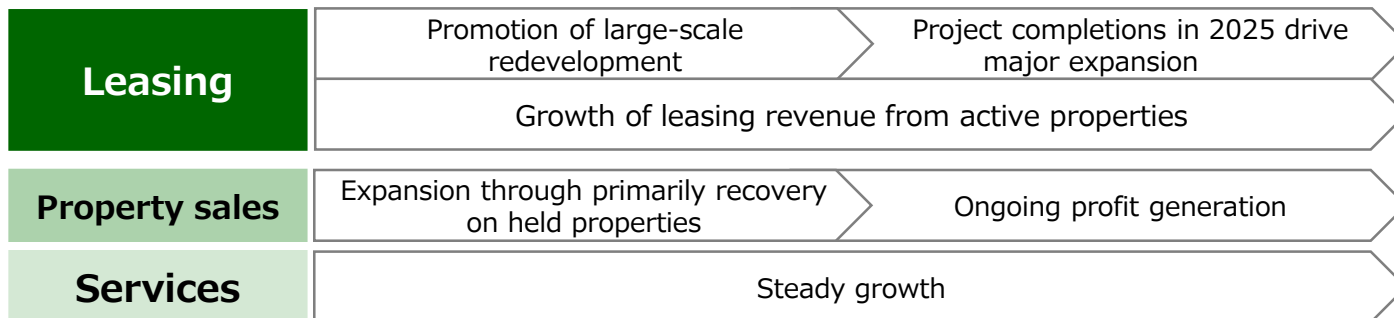
# 3-3 Business Portfolio Concepts (2)

- 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



\*Chart percentages are approximations



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

# (1) Promotion of Large-scale Redevelopment - Community-building in Contribution to Solving Social Issues

- Centered on a core of new developments and active properties, we will contribute to solving social issues and community development in order to improve local appeal, aiming to make our cities and regions more competitive and to increase the value of our company's entire office building portfolio.

## Community-building in Contribution to Solving Social Issues

Contributing to solving issues in larger areas and for future generations while respecting local history and culture

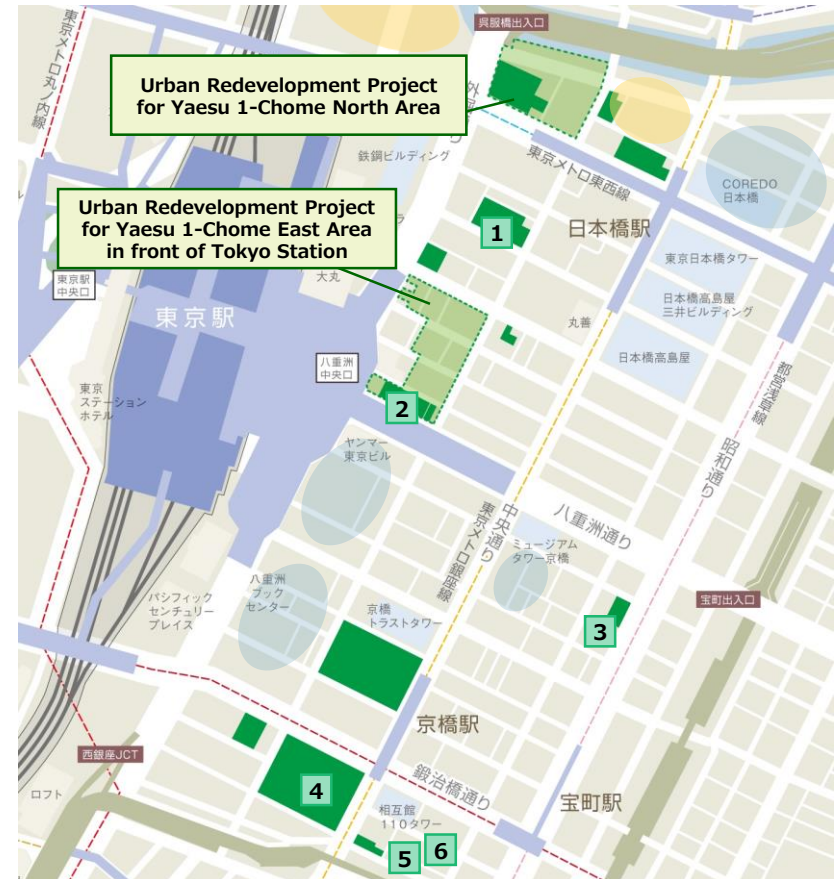
Contributing to a sustainable society through reduction in environmental footprint, stronger measures against natural disasters, and more

Creating bustling hubs to foster rich, diverse, active communities

Creating new value by collaborating with diverse partners and leveraging advanced technologies

**Boosting area appeal through solving social issues,  
in an aim to grow the office building portfolio**




## Initiatives in the Yaesu, Nihonbashi, and Kyobashi Areas



- Redevelopment planned by Tokyo Tatemono
- Redevelopment by other companies
- Redevelopment involving Tokyo Tatemono
- Tokyo Tatemono-owned buildings
- New projects

# (1) Promotion of Large-scale Redevelopment - Initiatives in the Yaesu, Nihonbashi, and Kyobashi Areas

- We are progressing with large-scale redevelopment projects looking ahead to 2030. These projects are focused around Tokyo Station, a key hub of transportation and business center and where our headquarters building is located. We are also rolling out new initiatives to enhance the appeal of the area.

Urban Redevelopment Project for Yaesu 1-Chome East Area in front of Tokyo Station (Yaesu Project)	Urban Redevelopment Project for Yaesu 1-Chome North Area (Gofukubashi Project)	New Initiatives in Yaesu, Nihonbashi, and Kyobashi
<ul style="list-style-type: none"> <li>• Urban redevelopment adjacent to Tokyo Station, including the Company's HQ building</li> <li>• Development of underground bus terminal, connecting international airports and regional cities</li> <li>• Generating bustling environments through holding events, developing pedestrian spaces, and more</li> </ul> <p>[Total Area] Area A: Apr. 12,000 m<sup>2</sup>, Area B: Apr. 229,800 m<sup>2</sup>                      [Main Uses] Area A: Offices, stores, etc. Area B: Offices, medical facilities, bus terminal, conference spaces, etc.                      [Floors] Area A: 11 floors (+ 3 basement floors), Area B: 50 floors (+ 4 basement floors)                      [Construction Begins] Scheduled for FY2021                      [Construction Completed] Scheduled for FY2025</p>	<ul style="list-style-type: none"> <li>• Improving waterfront spaces and generating a bustling environment around the Nihonbashi River</li> <li>• Developing walking paths at the points where Otemachi and Nihonbashi connect</li> <li>• Improving financial facilities, contributing to greater international competitiveness</li> </ul> <p>[Total Area] South Area: Apr. 180,500 m<sup>2</sup>, North Area: Apr. 1,000 m<sup>2</sup>                      [Main Uses] Offices, stores, accommodations, parking lots, etc.                      [Floors] South Area: 45 floors (+ 5 basement floors), North Area: 2 floors (+ 1 basement floor)                      [Construction Begins] Scheduled for FY2025                      [Construction Completed] South Area: FY2030, North Area: FY2035</p>	<ol style="list-style-type: none"> <li><b>+OURS Yaesu</b> Providing a shared office space in support of new work styles</li> <li><b>xBridge-Tokyo</b> A startup support facility helping generate innovation</li> <li><b>SUIBA</b> A kitchen studio using cuisine as catalyst for liveliness</li> <li><b>City Lab Tokyo</b> An open innovation hub centered on sustainability</li> <li><b>TOKYO FOOD LAB</b> A community hub offering food education and hands-on experience in a cutting-edge plant factory</li> <li><b>TOKYO IDEA EXCHANGE</b> A forum for creating innovation business and encouraging ideas to take shape</li> </ol>
		

# (1) Promotion of Large-scale Redevelopment - Ongoing Projects

- In addition to the Yaesu and Gofukubashi Projects, we are moving forward with multiple projects in Tokyo's Chuo, Minato, and Shibuya Wards.
- Several redevelopment projects covering an estimated total of 320,000 m<sup>2</sup> of leased area (\*Company-owned) are scheduled to complete by around 2030.

Realize expansion of stable rental income by increasing leased area.

## Ongoing Redevelopment Projects

■ Project period (construction start to completion)

Current Status	Project Name	Area	2020	-	2024	2025	-	2030	Estimated Leasable Area* (held by company)
Association Established	Yaesu Project	Chuo Ward	[Green bar from 2020 to 2024]						Appr. 120,000m <sup>2</sup>
Prep Assoc. Established City Planning Finalized	Gofukubashi Project	Chuo Ward	[Green bar from 2024 to 2030]						
Prep Assoc. Established	Redevelopment 1	Minato Ward	[Green bar from 2024 to 2030]						Appr. 150,000m <sup>2</sup>
Prep Assoc. Established	Redevelopment 2	Chuo Ward	[Green bar from 2024 to 2030]						
Prep Assoc. Established	Redevelopment 3	Shibuya Ward	[Green bar from 2024 to 2030]						
Under Discussion	Redevelopment 4	Minato Ward	[Green bar from 2024 to 2030]						Appr. 50,000m <sup>2</sup>
Under Discussion	Redevelopment 5	Minato Ward	[Green bar from 2024 to 2030]						

Leasable Area Grand Total Appr. 320,000m<sup>2</sup>

Estimated investment:  
¥230.0 billion

Estimated investment:  
¥330.0 billion

\*Estimated leased area includes non-office leased area such as conference and commercial facilities

Intentionally Blank



## (2) Further Strengthening of Condominium Business - Focus on Redevelopment/Rebuilding, Providing High-Quality Housing

- We will leverage our strong track record and know-how in a constant cycle of acquiring highly-competitive properties, further enhancing our condominium business and providing high-quality housing in response to social changes.

### Acquiring Development Opportunities Leveraging Redevelopment/Rebuilding Techniques

Acquisition of business opportunities in highly-convenient locations

Development of high value-added housing (complexes, etc.)

Redevelopment of real estate stock, developing favorable living environments



Brillia Towers Meguro  
Complex redevelopment project at Meguro Station



Brillia Tower Ikebukuro  
Tower condo development, will house Toshima City Hall

### Providing High-quality Housing

Homes that accommodate diverse values and lifestyles

Safe, secure homes that are environmentally-friendly and natural disaster-resistant

Homes leveraging advanced technology from diverse partner base



Brillia Tsurumaki  
Acquired Tokyo's first High-rise ZEH-M certification

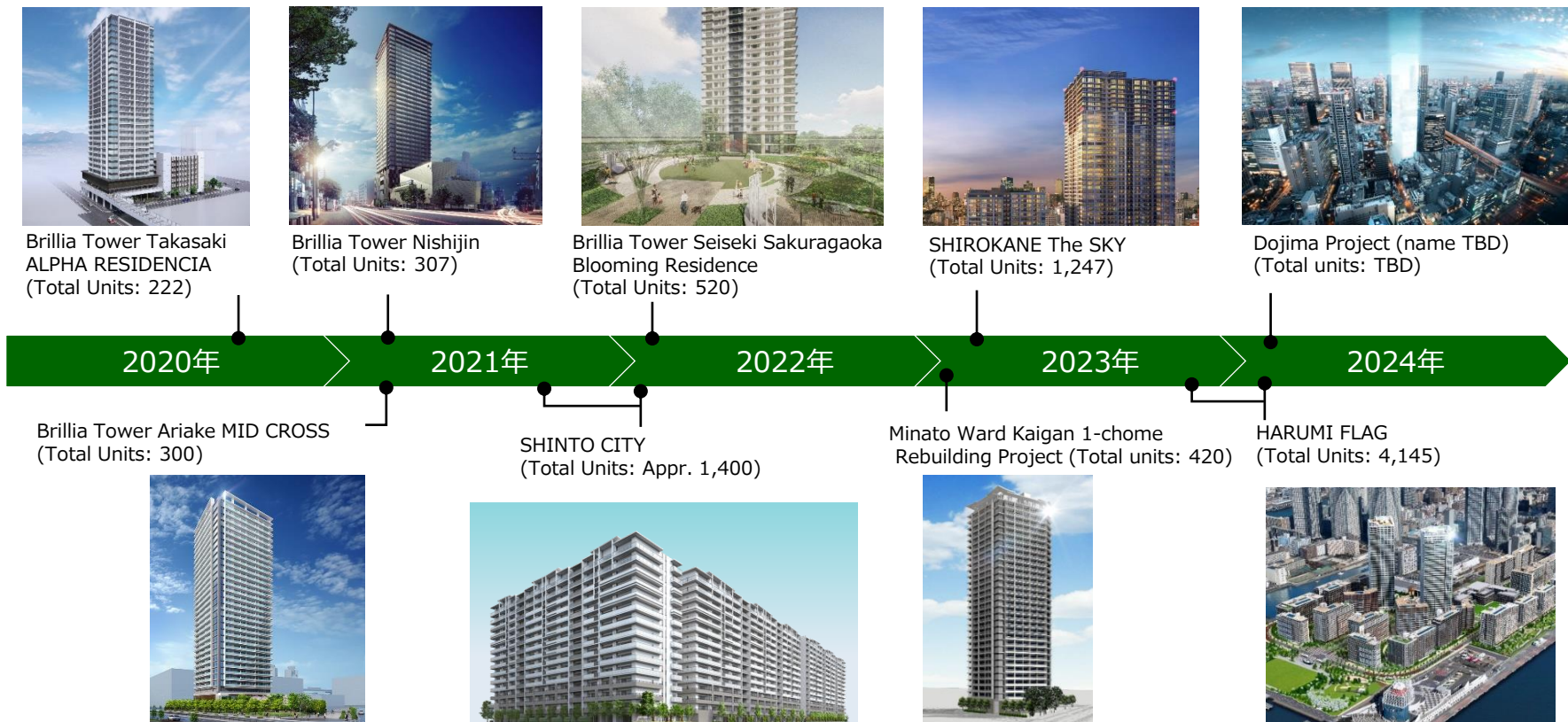


Brillia Shonan Tsujido Seaside Park  
Rooftop tsunami evac space open to local residents

**Leverage deep experience and know-how to provide contemporary housing and further strengthen the condominium business**

# 3-5 (2) Further Strengthening of Condominium Business - Major Projects

- We will continue efforts in our large-scale redevelopment and reconstruction projects, securing stable profits.
- The medium-term plan's management period includes booking of a planned 6,500 units' worth of projects. Approx. 80% of expected total sales have already been secured.



Land bank units to be booked in the medium-term plan period: Appr. 6,500 secured (Around 80% of projected cumulative sales in the medium-term period)

3-6

# (3) Expansion of Property Sales for Investors - Developing Assets Capturing Real Estate Investment Needs

- We will develop a diverse set of asset types in response to real estate investment needs and proactively acquire development opportunities.
- We aim to achieve high capital efficiency through strategic investments and sales.

## Development of Assets for the Real Estate Investment Market

Developing diverse assets in line with changing real estate investment needs

Realizing high profitability through not only the Company's track record and know-how in real estate operation, but also through cooperation with a wide range of external operators

Contributing to healthy development of the real estate investment market by supplying high-quality assets

**Continuous acquisition of development opportunities in response to real estate investment needs**  
**Contribution to stable profit by development of high-quality assets**



Commercial facility  
FUNDES Ginza



Urban hotel  
Candeo Hotels  
Tokyo Roppongi



Rental apartments  
Brillia ist Sendagaya



Mid-sized office  
Sendai Hankyoin Terrace



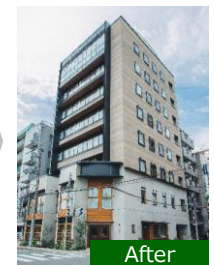
Logistics facility  
T-LOGI Kuki



Social apartments  
NEIGHBORS Musashi Nakahara



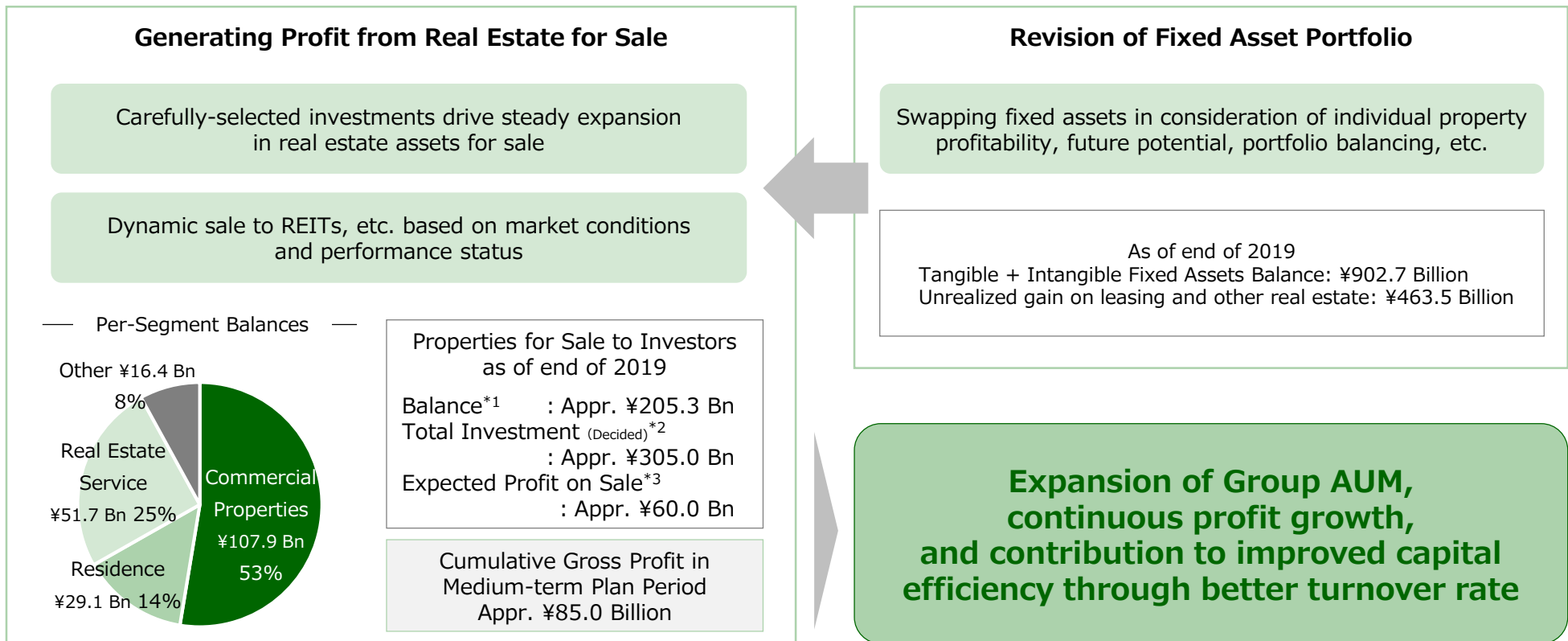
Office spaces converted into a hotel  
Hotel Noum OSAKA





# 3-6 (3) Expansion of Property Sales for Investors – Dynamic Property Sales

- The Company's policy is to increase the stock of real estate for sale through building a portfolio of diverse asset types, as well as to expand the Group's AUM by selling these to REITs sponsored by the company. This will achieve a continuous growth in profits and improvement in capital efficiency.
- We will also adjust our fixed asset portfolio as appropriate with a focus on profitability and future potential.

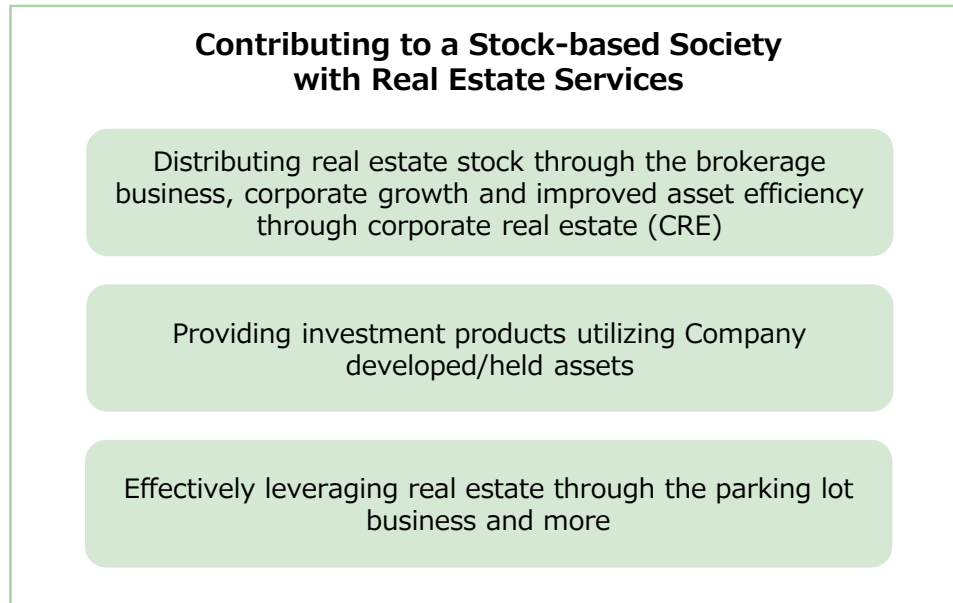


\*1 Of real estate for sale, the total book value of owned/developing non-condominium properties for sale to investors  
 \*2 Total of the book value of above properties for sale to investors, plus total expected investment amount including future expected construction expense, plus total investment amount for properties decided for acquisition in or after January 2020  
 \*3 Expected profit on sale of above properties for sale to investors, as of current date

3-7

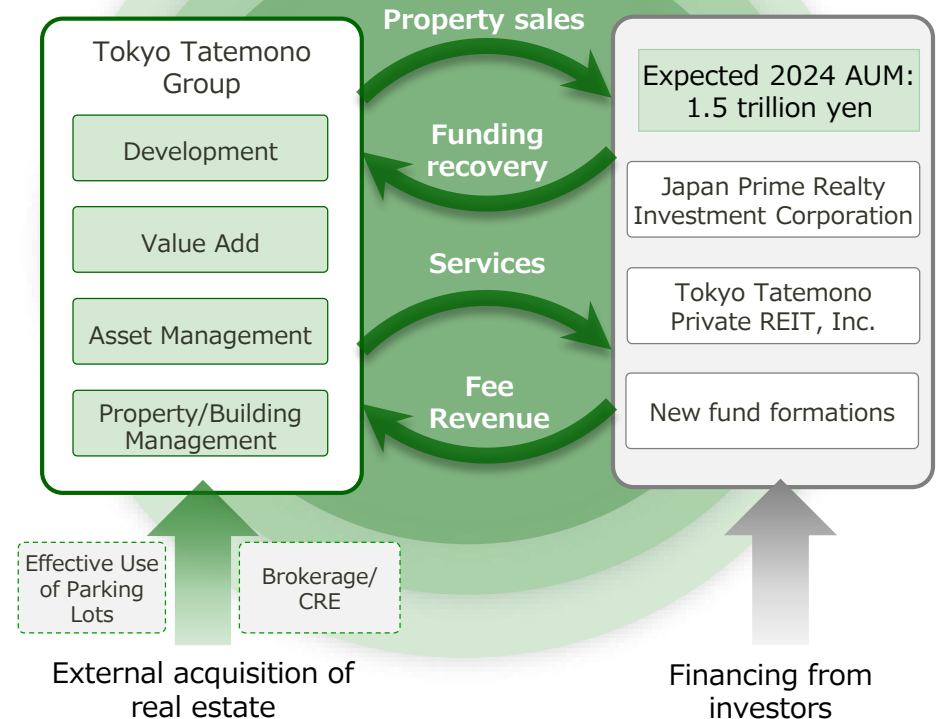
# (4) Strengthening of Brokerage, Fund, and Parking Lot Businesses - Contributing to a Stock-based Society with Real Estate Services

- We will enhance the brokerage business, which focuses on increasing real estate stock, and the parking lot business, which captures the needs for effective use of real estate, and we will expand Group-related assets.
- We will target growth of the fund business by selling developed/owned properties to REITs or funds sponsored by the Company and others.



**Expansion of brokerage, fund, and parking lot businesses capturing real estate effective use and investment needs**

## Expanding Group profit opportunities by strengthening the fund business



# 3-8 (5) Growth in Overseas Business

- We will continue promoting business in China, where we have a 15-year track record, and continue promoting development in other Asian countries entered during the previous medium-term plan.
- We will collaborate with leading local partners to acquire new business opportunities, primarily condominium projects with quick turnover, in aiming to increase business income to around 10% by 2030.

## Overseas Business Policy

<b>Target Areas</b>	<ul style="list-style-type: none"> <li>• China: Primarily develop second &amp; third-tier cities with strong tiers of consumers with actual demand</li> <li>• Other Asian countries: Primarily develop countries where we have an existing footprint</li> </ul>
<b>Investment Policy</b>	<ul style="list-style-type: none"> <li>• Invest in condominium businesses with quick turnover in interest of risk management</li> <li>• Deepen collaborative relationships with leading local partners, leading to new business opportunities</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Further strengthen management systems to aid new and expanded business initiatives in light of diverse risks in doing business overseas</li> </ul>



Xuzhou Qiaohu Project  
(Xuzhou City, China)



Sathorn Project  
(Bangkok, Thailand)

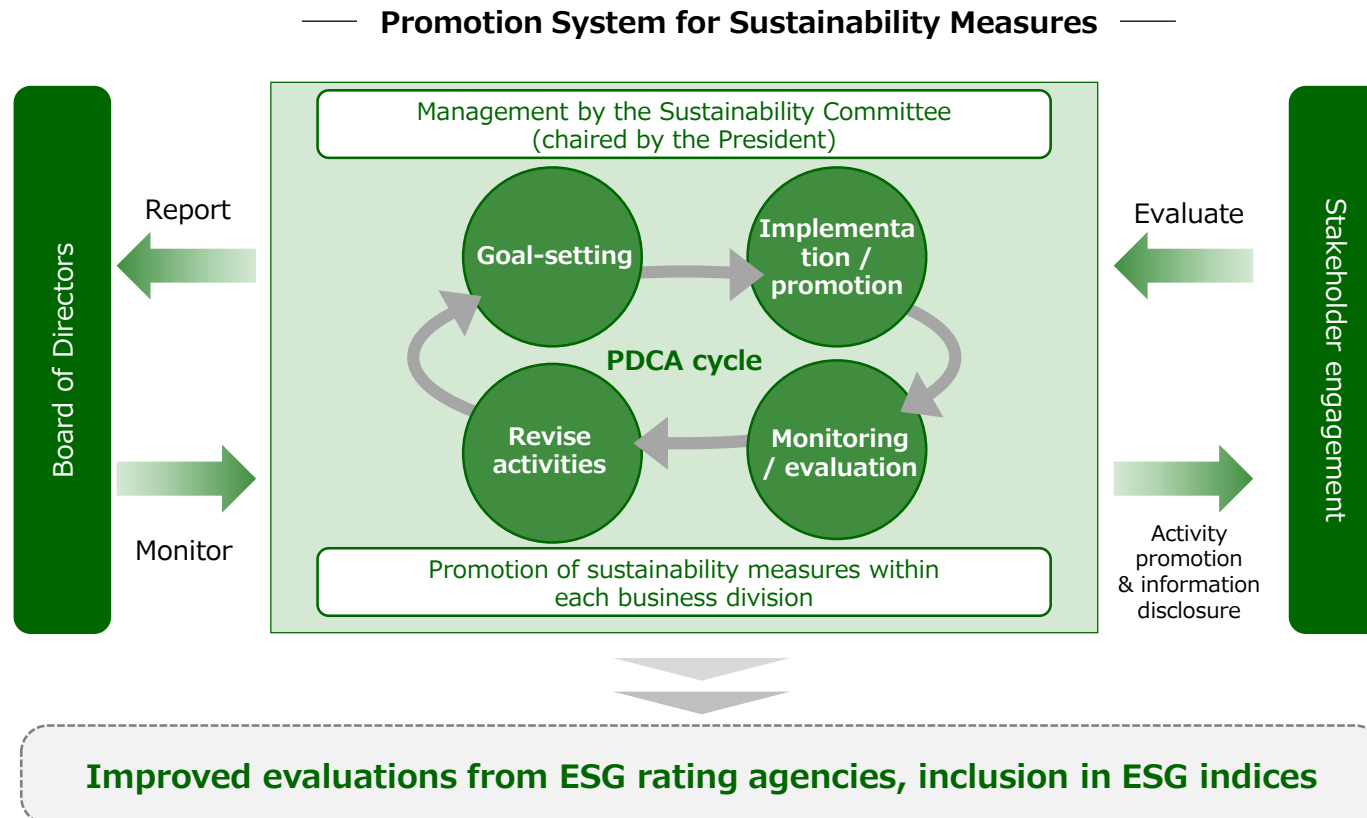


■ Project city    ■ Local subsidiary

# Evolution of ESG Management

## - Development of a Sustainability Promotion System

- In order to promote sustainability initiatives across the entire Group, we have established a Sustainability Committee, working with business divisions to set goals, monitor progress, evaluate performance levels, and continue to implement sustainability measures on an ongoing basis.
- Our goal is to leverage the positive evaluations we have received from ESG rating agencies as benchmarks for our inclusion in ESG indices.



# Evolution of ESG Management

## - Concrete Sustainability-related Initiatives

- In order to achieve greater corporate and social value at a higher level, the Group as a whole will proactively work to carry out sustainability measures and promote advanced ESG management.

### Major Themes in Promoting Sustainability

#### E: Environmental

##### ■ Use businesses to further strengthen environmental measures

- Reducing greenhouse gas emissions
- Strengthening response to climate change
- Promoting development of environmental real estate

Realizing reduction of environmental load and creation of rich and comfortable spaces through improvement of environmental performance and development of real estate in harmony with nature



Hareza Ikebukuro  
Obtained first ZEB Ready certification for high-rise multipurpose buildings



Brillia Tower Seiseki Sakuragaoka Blooming Residence  
Acquired Tokyo's first super-high-rise ZEH-M certification

#### S: Social

##### ■ Securing and cultivating talent supporting sustainable growth

- Productivity boosts from work-style reforms
- Promoting diversity  
Building an environment bringing out the capabilities of a diverse set of employees
- Proactive investment in and cultivation of talent for business expansion  
Strengthening professional, global, and digital human resources in keeping with the modern era

##### ■ Maintaining and strengthening relationships with stakeholders

- Stronger action on human rights
- Providing products and services that meet with a changing society



Brillia Oyama Park Front  
Integrated development: condominiums + childcare facilities

#### G: Governance

##### ■ Improved profitability and management transparency through stronger governance

- Stronger risk management systems  
Further evolution in comprehensive risk management by strengthening both business monitoring and internal control systems
- Strengthening supply chain management  
Formulating basic policies and engaging with partners
- Further strengthening in Group synergies  
Improve Group-wide profitability further through continuous structural reforms and proactively leveraging ICT
- Revisions in strategic shareholdings  
Review significance of and reduce strategic holdings
- Further improvement of management transparency and effectiveness  
Promote stronger governance structures and enhanced information disclosure

# 3-10 Profit / Financial Plan

- In the Medium-term Business Plan, we have set a profit target of ¥75 billion in business income for fiscal 2024.
- 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.

————— FY2024 Figures —————

Profit Target	<b>Consolidated business income:<sup>*1</sup> ¥75.0 billion</b>
Capital Efficiency	<b>ROE: 8-10%</b>
Financial Indicators	<b>Debt-equity ratio<sup>*2</sup>: Appr. 2.4X</b> <b>Interest-bearing debt / EBITDA multiple<sup>*3</sup>: Appr. 12X</b>

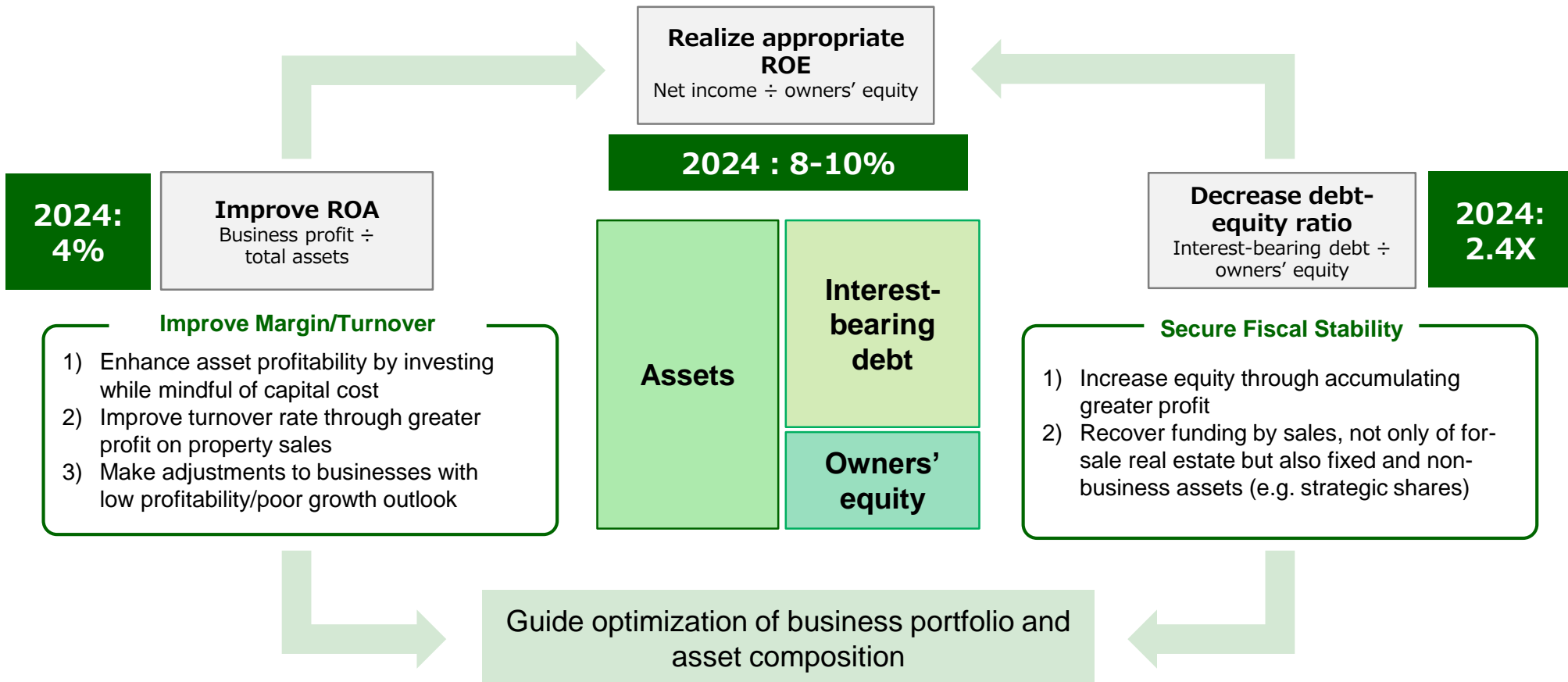
\*1 Consolidated business income = consolidated operating income + equity gains (losses) of affiliated companies

\*2 Debt-equity ratio = consolidated interest-bearing debt / consolidated owners' equity

\*3 Interest-bearing debt / EBITDA multiple = interest-bearing debt / (operating income + interest & dividend income + equity gains (losses) of affiliated companies + depreciation expense + goodwill amortization expense)

# 3-11 Management with Awareness of Capital Efficiency

- We will target the following: enhancing ROA by improving margin and turnover, appropriately controlling the debt-equity ratio through earnings growth and asset sales, realizing an ROE of 8% to 10%, and optimizing our business portfolio and asset composition.



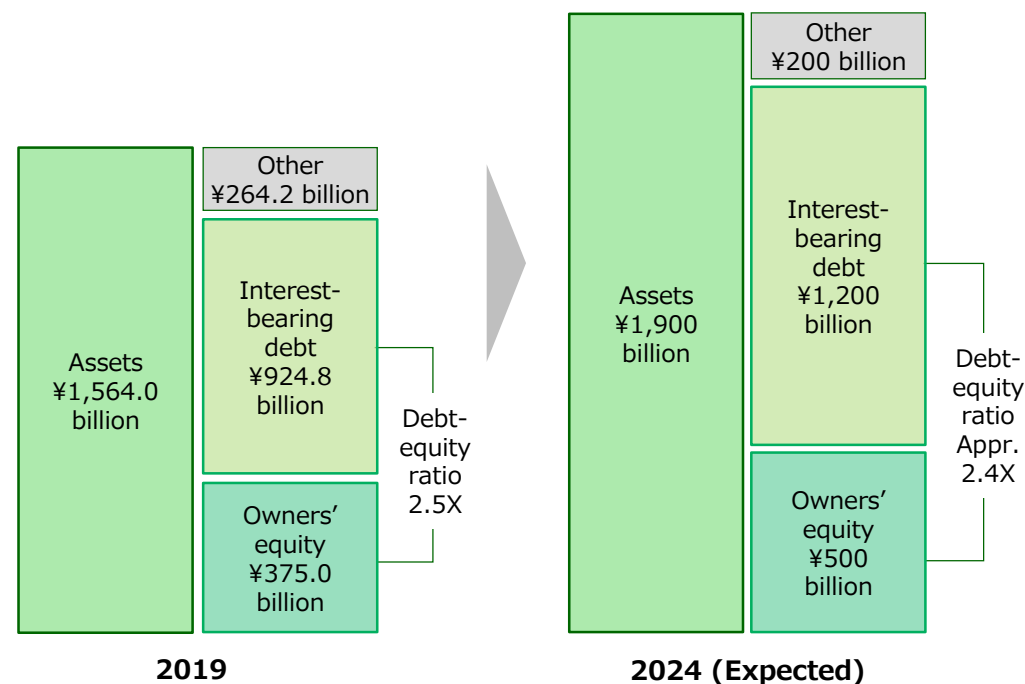
# 3-12 Investment Plan

- Estimated net investment of ¥500.0 billion yen total over five years.
- In addition to enhancing owned capital through stable profit growth, we aim to optimize our asset composition by selling fixed 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: 100m yen
Gross investment total	14,000
Investment in large-scale redevelopment	2,300
Investment in condominium projects	4,300
Investment in properties for sale to investors	5,500
Investment in the overseas business	700
Other	1,200
Recovered	9,000
<b>Net investment</b>	<b>5,000</b>

**Balance Sheet Changes**

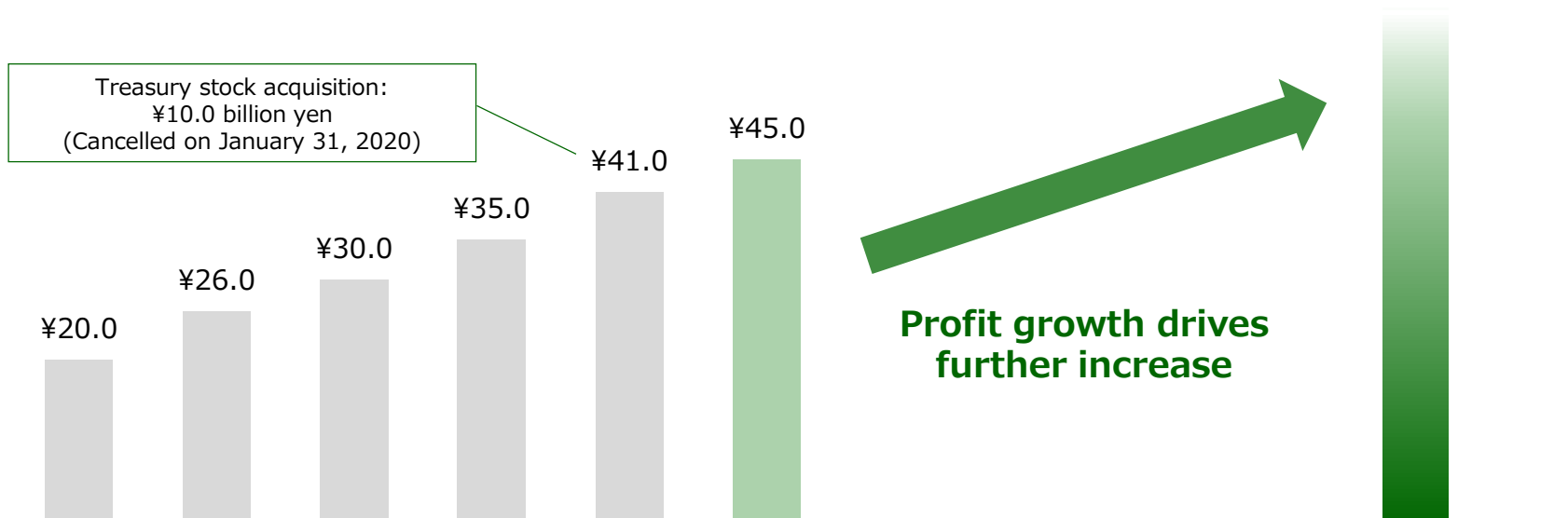




# 3-13 Shareholder Return Policy

- During the medium-term plan period, we will establish a baseline consolidated dividend payout ratio of 30% or more and aim to continuously increase shareholder returns through sustainable growth.
- We will also consider whether or not to repurchase company shares based on the business environment and our financial situation.

Shareholder Return Projection



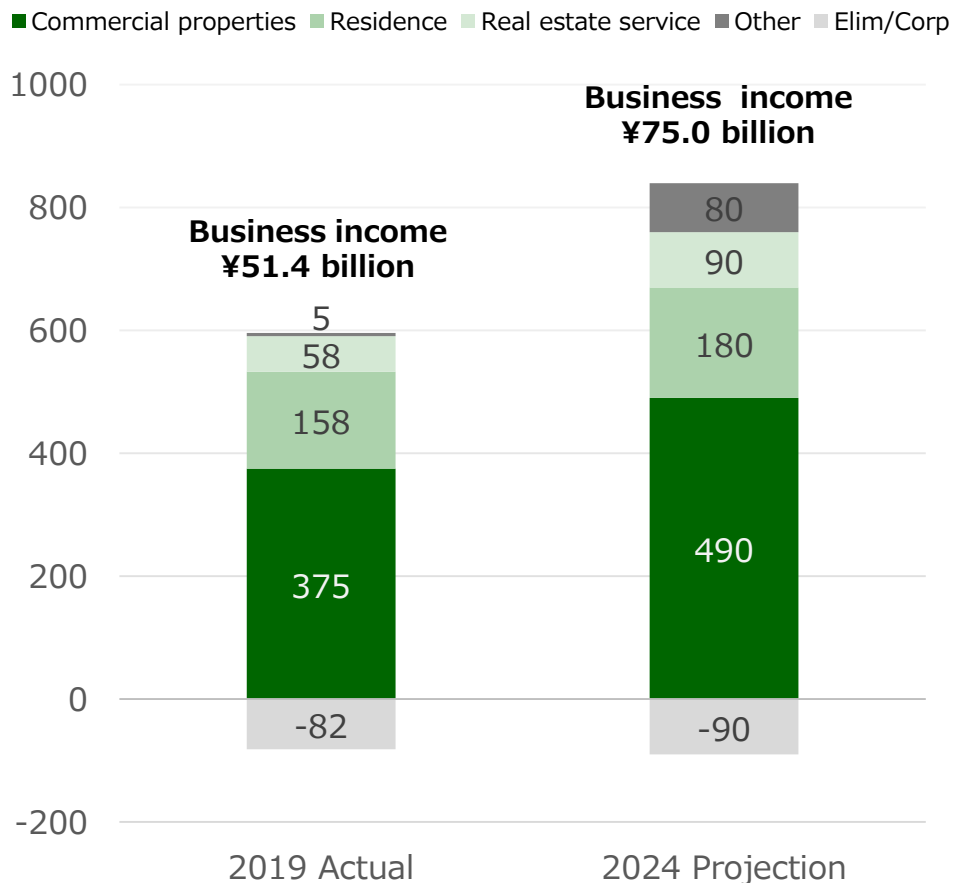
Treasury stock acquisition:  
¥10.0 billion yen  
(Cancelled on January 31, 2020)

Profit growth drives further increase

	2015	2016	2017	2018	2019	2020 (Forecasted)	2024 (Expected)
Consolidated payout ratio	26.3%	28.6%	28.8%	27.8%	29.0%	30.3%	30% or more
Net income attributable to owners of the parent	¥16.3 billion	¥19.7 billion	¥22.5 billion	¥27.2 billion	¥29.7 billion	¥31.0 billion	¥45.0 billion
EPS	¥76	¥91	¥104	¥126	¥142	¥148	¥215

# 3-14 Quantitative Plan Summary

## Medium-term Business Plan: Business Income Trend



## Expected 2024 Figures

		2019 Actual	2024 Expected
Profit Target	Consolidated business income	¥51.6 billion	¥75.0 billion
(Reference)	Consolidated operating income	¥52.4 billion	¥70.0 billion
	Net income attributable to owners of parent	¥29.7 billion	¥45.0 billion
	EPS	¥142	¥215
Capital Efficiency	ROE	8.2%	8-10%
Financial Indicators	Debt-equity ratio	2.5X	Appr. 2.4X
	Interest-bearing debt / EBITDA Multiple	12.6X	Appr. 12X

# Notes

- Although every effort has been made to provide the information provided in this document, we do not guarantee the accuracy or completeness of the information contained herein. In addition, please note that its contents may be revised or removed without notice.
- This material contains the Tokyo Tatemono Group's current plans, beliefs, and outlook regarding its future business performance. These forecasts are not necessarily all-inclusive, and risks and uncertainties may affect future performance. Actual performance may differ from these forecasts due to various factors.



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