

A Message from the President

I would like to begin by expressing my our gratitude to our shareholders for their ongoing support. I also express my deepest sympathy to all those affected by the Great East Japan Earthquake.

During the fiscal year under review, the Japanese economy showed some signs of recovery, led by export growth and production increases driven by climbing demand in emerging countries, by economic packages, and by other factors. In contrast, consumer spending lacked momentum. In the second half, the value of the yen and the crude oil price began to rise sharply. As a result, the economy failed to achieve a full-scale turnaround. Finally, the Great East Japan Earthquake has dealt a heavy blow to the domestic economy. The outlook is consequently very uncertain.

In the real estate industry, the built-for-sale housing market enjoyed brisk sales of newly built condominium units, aided by low interest rates and policy support, whereas in the office building market, rent levels tended to remain somewhat sluggish due largely to cost cutting in the corporate sector.

In this operating environment, Tokyu Land Corporation and its consolidated subsidiaries (“the Group”) carried out sales activities tailored to customer needs and to the evolving external environment. The Group carefully selected investment activities and took steps to improve its financial position.

Consequently, both operating revenue and net income rose from the respective levels attained in the preceding fiscal year. This result reflected growth in sales of condominium units, including the Futako Tamagawa Rise Tower & Residence, and a decrease in loss disposition, although impairment losses were recorded after the spin-off of the golf course business and the negative impact of the Great East Japan Earthquake on some resort facilities.

On the basis of these business conditions, the year-end dividend for the fiscal year ended March 2011 was set at 3.5 yen per share, unchanged from a year earlier. As a consequence, the Group’s dividend payments total 7.0 yen per share for the full fiscal year.

In the aftermath of the Great East Japan Earthquake, the outlook for the Japanese economy remains highly uncertain. There is reason to hope, however, that a recovery in production activities and new initiatives will lead to early economic restoration. In the built-for-sale housing market, the upward trend in condominium unit sales was becoming clearer, but after the Great East Japan Earthquake, customers have become more cautious when it comes to choosing properties. In the office building market, there is concern about a decline in office demand. Trends in the real estate market will need to be monitored closely.

Although business conditions are expected to remain difficult, the Group will continue to offer products and services of high quality that effectively respond to customer needs, while making exhaustive efforts to increase brand value. The Group will also strive to build an optimum asset portfolio with a forward-looking stance in an attempt to strengthen its financial position.

In an organic linkage with the REIT business, the Group will aim to construct a business cycle designed for sustainable growth and will seek to capitalize on new business opportunities, specifically by stepping up activities in fast-growing China and Southeast Asia and by exploring the potential of promising businesses in view of the evolution of the aging society. Continuously carrying out these business activities, the Group will seek to maximize profits earned from the assets that it deals with. In parallel with that, we will make fresh investments in carefully chosen targets and choose assets carefully, aiming to build a robust business foundation that is resistant to economic changes and market trends.

The Group is also determined to fulfill its corporate social responsibility (CSR). For example, we will endeavor to protect the global environment through our business activities, while making contributions to the local community. The Group will be consistently strengthening its corporate governance and its internal control systems with a view to securing soundness and a high level of transparency in the Group management structure. In doing so, we aim to continue to earn the trust and support of our stakeholders—including customers, members of host communities and investors—in the years to come.