

The company announced its mid-term plan as of May 11, 2017, which covers the period from 2017 through 2020. Our major emphases are the Shibuya Station redevelopment projects, which are collectively said to be a once-in-a-century event, and to generate profit through what we call “Recycling Generation Type New Town Creation,” where we aim to address issues facing our rapidly aging society in Japan through a combination of for-sale condominium developments and senior housing; an expansion of our real estate investments in U.S., where further sustained economic growth is expected; and our developments in Indonesia. The company plans to increase its operating profit to 93 billion yen, which is a 30% increase over FY2016.

Does TLC have any plans to establish strategic alliances with foreign companies in Japan?

We are open to negotiating a strategic alliance in order to invest further in Japan, if it’s a good fit for us. In the past, for example, we have worked with various investment banks from the US and Europe on projects here.

How important it is for TLC to expand into the overseas market to attain higher growth?

Overseas expansion is a very important priority for the Tokyu Group real estate companies, and TLC in particular. We would like to grow our existing investment activity in Asia and the US. In Asia, we are already active in Indonesia and China, and we are looking into opportunities in Malaysia and India. We are also researching other Asian emerging markets. If we find good partners with good investment opportunities, we will be more than happy to work with them.

The company started its business in Indonesia back in 1975, when it was a very different place than it is now. At that time, Mr. Noboru Goto, Chairman of the Board of Tokyu Corporation (our parent company), advocated a “Pan-Pacific Expansion Plan,” and TLC followed that plan to make inroads into Guam, Palau and Indonesia. We withdrew from Guam some time ago, but we still run a beautiful resort hotel in Palau.

In Indonesia, we teamed up with P.T. Haka Group to enter that market. Initially, TLC was just a minor home builder there, selling about 100 detached houses per year. Eventually, though, we grew in the Indonesian market, and to date we have sold more than 4,500 detached houses in the country.

In recent years, due to heavy traffic in Jakarta’s CBD, it has become fashionable for local high net worth individuals to own condominiums in the heart of the city to avoid the congestion. Since the area’s infrastructure development projects, including subway lines and freeways, went well, we believed that more demand would come in search of higher quality housing. Therefore, we are promoting the development and sales of condominiums in Jakarta. We currently have two large projects in Indonesia, BSD and Simatupang, and there are more than 3,500 units in our pipeline right now. TLC has built our presence in the local market through Japanese-style condo sales, including showing customers a ‘model-room’ where they can visualize an after-purchase lifestyle. By bringing a new experience to home buying and home ownership in Indonesia, TLC has firmly established our condo brand, BRANZ, in the country. Indonesia is one of the largest and most politically-stable countries in ASEAN, and we remain charmed by its promising future. Our work in Indonesia clearly shows how both sides can benefit from cross-border business activity.

90% of Japanese real estate investment remains in the domestic market. Do you have any explanation as to why Japanese real estate companies are losing market share against South Korean or Chinese companies in the US market?

I personally believe that the decision-making process for investment by a Japanese company tends to be slower, compared to that of Chinese or Korean companies. This is one reason why Japanese companies’ growth outside of Japan looks slow or negative. At TLC, we have made a strong effort to streamline that process so that we can more effectively compete in foreign markets, against local players and other global investors. We are equipping ourselves to make quicker investment decisions if an investment seems suitable. Sometimes it can be rather difficult to find a good investment opportunity. However, when we find one, we are now in a position to pursue off-market deals and participate in auctions actively to execute on good investment opportunities.

What is your personal vision and where would you like to see TLC in the future?

In order for us to grow and cope with globalization, and subsequently become a company successfully operating in a variety of global markets, our Overseas Division bears an important role for the company. We selected our markets from two perspectives; whether the subject market belongs to the developed markets, or is an emerging market. I would like to expand our overseas activities as the driver of our future growth. We would like to grow this overseas business, driving value for our company, through investment, development and investment management activities in the US market, where sustained economic growth is expected, and emerging markets in Southeast Asia where further population and GDP growth are expected.