

FACT SHEETS

the First Quarter of Fiscal Year Ended December 31, 2019



May, 2019

Tokyo Tatemono Co., Ltd.

<https://www.tatemono.com/english/>

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Forward-Looking Statements

This document contains certain statements based on Tokyo Tatemono's current plans, estimates, and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ significantly from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.

Financial results (Consolidated)

【Statements of income】

(Millions of yen)	2015/12	2016/12	2017/12	2018/12				2019/12			
	full year	full year	full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
Revenue from operations	260,012	254,498	266,983	89,435	142,348	193,519	273,302	84,854	-	-	330,000
Gross profit	62,677	64,064	77,887	30,909	45,443	60,361	81,168	24,546	-	-	85,000
(Gross margin)	24.1%	25.2%	29.2%	34.6%	31.9%	31.2%	29.7%	28.9%	-	-	25.8%
SG											
Number of sales posted (cumulative)	28,237	27,701	33,130	8,602	16,014	23,791	34,402	9,644	-	-	35,000
(As a % of revenue)	10.9%	10.9%	12.4%	9.6%	11.3%	12.3%	12.6%	11.4%	-	-	10.6%
Operating income	34,439	36,363	44,757	22,307	29,428	36,569	46,765	14,901	-	-	50,000
Non-operating income	2,624	4,255	4,378	982	2,019	3,513	3,593	988	-	-	3,000
Interest and dividend income	1,430	1,797	2,002	641	1,280	2,016	2,420	745	-	-	-
Other	1,194	2,457	2,375	341	738	1,496	1,172	243	-	-	-
Non-operating expenses	12,266	9,983	9,719	2,315	4,301	6,270	8,321	2,676	-	-	10,000
Interest expenses	8,850	7,348	6,103	1,485	2,988	4,510	6,020	1,528	-	-	-
Other	3,415	2,635	3,615	829	1,313	1,760	2,300	1,147	-	-	-
(Net interest received)	△ 7,420	△ 5,550	△ 4,101	△ 844	△ 1,707	△ 2,493	△ 3,600	△ 782	-	-	-
Recurring income	24,796	30,635	39,416	20,974	27,146	33,812	42,036	13,214	-	-	43,000
Extraordinary income	3,525	4,164	401	0	637	692	720	1,102	-	-	1,000
Gain on sales of fixed assets	1,860	2,883	266	0	0	27	54	74	-	-	-
Other	1,665	1,280	135	-	637	665	665	1,027	-	-	-
Extraordinary loss	6,359	1,708	3,999	41	65	99	2,655	36	-	-	-
Loss on sales of fixed assets	1,163	158	140	32	41	72	160	15	-	-	-
Loss on devaluation of investment securities	-	-	-	-	-	-	-	16	-	-	-
Other	5,196	1,550	3,859	9	24	27	2,495	4	-	-	-
Income before income taxes	21,962	33,091	35,818	20,933	27,718	34,404	40,101	14,280	-	-	44,000
Net income attributable to owners of the parent	16,359	19,742	22,599	15,334	19,281	23,732	27,277	9,867	-	-	28,000

【Financial condition】

(Millions of yen)	2015/12	2016/12	2017/12	2018/12				2019/12			
	full year	full year	full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
Total assets (*1)	1,297,112	1,314,558	1,441,050	1,461,145	1,469,961	1,463,479	1,450,091	1,532,102	-	-	-
Capital	92,451	92,451	92,451	92,451	92,451	92,451	92,451	92,451	-	-	-
Owners' equity	301,571	317,887	344,931	350,715	354,858	354,049	348,131	354,308	-	-	-
Equity ratio	23.2%	24.2%	23.9%	24.0%	24.1%	24.2%	24.0%	23.1%	-	-	-
Int Number of sales posted (cumulative)	707,356	727,302	814,032	858,979	858,972	868,078	857,117	926,759	-	-	920,000
Debt-equity ratio	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.6	-	-	-
Interest-bearing debt/EBITDA multiple	13.4	13.0	12.5	-	-	-	12.7	-	-	-	-

Debt-equity ratio = Interest-bearing debt / Owners' equity.

Interest-bearing debt / EBITDA multiple = interest-bearing debt / (operating income + interest & dividend income + gain on equity-method investments + depreciation expense + goodwill amortization expense)

(*1)From FY2019, the Accounting Standards on Tax Effect Accounting was partially revised. The figures of total assets for FY2018 are presented in accordance with new standards.

【Important financial indices】

	2015/12	2016/12	2017/12	2018/12				2019/12			
	full year	full year	full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
ROE	5.6%	6.4%	6.8%	-	-	-	7.9%	-	-	-	-
ROA	2.8%	3.1%	3.6%	-	-	-	3.5%	-	-	-	-

ROE = Net income / Owners' equity.

ROA = (Operating income + Non-operating income) / Total assets.

【Scope of consolidation】

	2015/12	2016/12	2017/12	2018/12				2019/12			
	full year	full year	full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
Consolidated subsidiaries	46	42	35	35	30	27	27	27	-	-	-
Affiliated companies	9	10	13	13	15	16	19	18	-	-	-

【Cash flows】

(Millions of yen)	2015/12	2016/12	2017/12	2018/12				2019/12			
	full year	full year	full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
Income before income taxes and minority interests	21,962	33,091	35,818	-	27,718	-	40,101	-	-	-	-
Depreciation	14,799	14,572	15,039	-	7,631	-	16,448	-	-	-	-
Gain/Loss on sales of fixed assets	△ 696	△ 2,724	△ 126	-	41	-	105	-	-	-	-
Impairment loss	5,044	1,456	3,808	-	24	-	2,495	-	-	-	-
Number of sales posted (cumulative)	△ 2,413	△ 29	△ 926	-	1,084	-	△ 1,104	-	-	-	-
Increase/Decrease accounts payable, trade	941	△ 427	△ 200	-	222	-	1,381	-	-	-	-
Increase/Decrease in deposits	△ 2,346	1,115	5,892	-	△ 6,249	-	△ 5,936	-	-	-	-
Increase/Decrease in inventories	△ 36,970	6,387	△ 67,501	-	△ 12,109	-	△ 23,273	-	-	-	-
Income taxes paid	7,988	△ 5,087	△ 4,447	-	△ 9,272	-	△ 15,038	-	-	-	-
Other	13,450	△ 9,570	△ 1,553	-	546	-	4,569	-	-	-	-
Cash flows from operating activities	21,762	38,783	△ 14,196	-	9,638	-	19,748	-	-	-	△ 5,000
Proceeds from sale of marketable and investment securities	7,602	459	2,180	-	8,088	-	8,186	-	-	-	-
Payment for purchase of marketable and investment securities	△ 6,746	△ 7,209	△ 3,229	-	△ 4,715	-	△ 11,625	-	-	-	-
Investments in silent partnerships	△ 2,000	△ 671	△ 828	-	△ 524	-	△ 767	-	-	-	-
Proceeds from sale of silent partnerships	139	5,162	2,469	-	272	-	2,112	-	-	-	-
Proceeds from sale of property and equipment	16,244	14,478	956	-	2	-	1,350	-	-	-	-
Payment for purchase of property and equipment	△ 34,330	△ 43,154	△ 42,692	-	△ 29,984	-	△ 40,798	-	-	-	-
Receipts/Payment of contributions to partnerships	6,895	△ 16,021	△ 10,647	-	△ 11,094	-	△ 22,071	-	-	-	-
Other	△ 9,054	△ 6,069	△ 12,717	-	3,334	-	35	-	-	-	-
Cash flows from investing activities	△ 21,250	△ 53,024	△ 64,508	-	△ 34,619	-	△ 63,577	-	-	-	△ 40,000
Increase/Decrease in short-term borrowings	10,092	△ 10	△ 1,280	-	-	-	△ 76	-	-	-	-
Increase/Decrease in commercial paper	-	-	15,000	-	5,000	-	18,000	-	-	-	-
Increase/Decrease in long-term debt	△ 30,673	10,974	64,550	-	25,208	-	10,881	-	-	-	-
Increase/Decrease in bonds	△ 13,660	8,289	9,238	-	15,000	-	15,000	-	-	-	-
Dividends paid	△ 2,991	△ 5,198	△ 6,068	-	△ 3,467	-	△ 6,935	-	-	-	-
Other	△ 2,944	△ 5,049	△ 3,441	-	△ 1,967	-	△ 2,431	-	-	-	-
Cash flows from financing activities	△ 40,177	9,005	77,998	-	39,773	-	34,438	-	-	-	45,000

【Segment information (1)】

(Millions of yen)	2015/12	2016/12	(Millions of yen)	2017/12	2018/12			2019/12			full-year forecast	
	(*1) (*2)			full year	1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative		3Q cumulative
Revenue from operations	260,012	254,498	Revenue from operations	266,983	89,435	142,348	193,519	273,302	84,854	-	-	330,000
Commercial Properties	96,942	103,419	Commercial Properties	103,462	27,675	54,403	80,272	108,620	29,564	-	-	126,000
Leasing of buildings, etc	63,542	64,600	Leasing of buildings, etc	67,795	17,631	35,062	53,122	71,025	17,849	-	-	72,000
Sales of real estate	8,902	13,350	Sales of real estate	-	1,888	1,888	1,888	1,888	2,830	-	-	18,000
Building management service, etc.	24,311	25,151	Building management service, etc.	35,132	8,022	17,163	24,825	35,124	8,737	-	-	35,500
Dividends	186	317	Dividends	534	133	290	435	582	146	-	-	500
Residence	98,076	79,858	Residence	101,140	45,548	53,190	61,882	97,703	35,498	-	-	129,000
Sales of condominiums	77,909	40,557	Sales of condominiums	74,252	39,167	41,054	43,446	72,614	28,568	-	-	97,500
Sales of residential houses	67	389	Sales of residential houses	49	65	134	142	142	-	-	-	-
Sales of others	864	22,477	Sales of others	6,538	921	1,081	2,678	2,925	363	-	-	7,500
House leasing	4,083	3,133	House leasing	3,325	916	1,857	2,843	3,830	970	-	-	4,000
Fee from sales outsourcing services	1,532	1,043	Fee from sales outsourcing services	1,172	358	428	698	805	459	-	-	1,000
Residential management service, etc.	13,465	12,258	Residential management service, etc.	15,801	4,118	8,633	12,074	17,386	5,136	-	-	19,000
Dividends(*3)	153											
Real estate solution services	47,789	52,668	Real estate solution services	40,229	10,915	23,493	33,648	42,885	13,831	-	-	50,000
Brokerage	3,450	3,464	Brokerage	4,000	1,230	2,030	2,751	3,761	1,118	-	-	4,500
Real estate purchase & resale	24,449	26,733	Real estate purchase & resale	12,033	3,534	9,057	11,981	13,619	6,335	-	-	19,500
Management service, etc.	2,945	3,376	Management service, etc.	3,624	1,052	2,060	3,032	3,996	1,057	-	-	4,000
Parking lot business	16,943	19,094	Parking lot business	20,571	5,097	10,344	15,883	21,509	5,319	-	-	22,000
Other	17,202	18,552	Other	22,150	5,296	11,260	17,715	24,092	5,960	-	-	25,000
Leisure and Senior business	15,907	17,186	Leisure business(*4)	14,264	2,985	6,715	10,652	14,611	3,134	-	-	15,000
Other	1,295	1,365	Senior & Child Care Business(*4)(*5)	4,801	1,568	3,106	4,759	6,517	1,999	-	-	8,000
			Other(*5)	3,083	742	1,438	2,304	2,964	826	-	-	2,000
Operating income	34,439	36,363	Operating income	44,757	22,307	29,428	36,569	46,765	14,901	-	-	50,000
Commercial Properties	27,222	31,094	Commercial Properties	31,999	8,544	16,864	24,896	33,390	9,395	-	-	36,500
Residence	10,465	6,271	Residence	16,739	13,058	12,616	11,799	14,146	4,823	-	-	15,000
Real estate solution services	4,417	5,383	Real estate solution services	3,807	2,591	4,063	5,443	6,366	2,493	-	-	5,500
Other	Δ 1,392	Δ 146	Other	Δ 580	85	Δ 373	101	180	210	-	-	500
Eliminations or corporate	Δ 6,273	Δ 6,239	Eliminations or corporate	Δ 7,208	Δ 1,973	Δ 3,742	Δ 5,670	Δ 7,317	Δ 2,020	-	-	Δ 7,500
Operating margin	13.2%	14.3%	Operating margin	16.8%	24.9%	20.7%	18.9%	17.1%	17.6%	-	-	15.2%
Commercial Properties	28.1%	30.1%	Commercial Properties	30.9%	30.9%	31.0%	31.0%	30.7%	31.8%	-	-	29.0%
Residence	10.7%	7.9%	Residence	16.6%	28.7%	23.7%	19.1%	14.5%	13.6%	-	-	11.6%
Real estate solution services	9.2%	10.2%	Real estate solution services	9.5%	23.7%	17.3%	16.2%	14.8%	18.0%	-	-	11.0%
Other	-8.1%	-0.8%	Other	-2.6%	1.6%	-3.3%	0.6%	0.7%	3.5%	-	-	2.0%

(*1) Due to group reorganization, some segment will be changed from fiscal year ended December 31, 2015.

1. Move the Senior business from the Residence segment to the Leisure & Senior business in Other segment.
2. Move the leasing management department at Tokyo Tatemono Real Estate Sales from the Residence segment to the Real estate solution services business in Other segment.
3. Move a part of the Dividends to the Brokerage business in the Other segment.
4. Integrate the Dividends and the Overseas business to the Other in the Other segment.

(*2) From the first quarter of FY2016, the Company's reportable segments for which it discloses financial information are Commercial Properties, Residence, and Real Estate Solution Services. (The real estate solution service business and parking lot business were taken out of the other businesses segment and included in the newly-established real estate solution services business segment. The former real estate solution services business was divided into following three business: brokerage, real estate purchase & resale, and leasing and management.) For purposes of comparison, segment information of FY2015 was revised.

(*3) From the first quarter of FY2016, dividends are included in "Residential management service, etc.".

(*4) Business reorganization was implemented on January 1, 2017. Leisure & Senior business, which was a segment consolidating the leisure business and senior housing business, now specializes in senior business, and the leisure business is now independently operated under a new Leisure business segment. The figures are presented in accordance with the business reorganization.

(*5) The child care business has been reclassified from "Other" to "Senior & Child Care business" starting from FY2019. The actual figures for FY2018 1Q are restated under the new classification.

【Segment information (2)】

(Millions of yen)	2015/12 (*1) (*2)	2016/12
Depreciation	14,799	14,572
Commercial Properties	11,289	11,273
Residence	1,080	892
Real estate solution services	1,060	1,115
Other	1,258	1,203
Eliminations or corporate	110	87
Operating income before depreciation	49,238	50,936
Commercial Properties	38,512	42,368
Residence	11,545	7,163
Real estate solution services	5,477	6,498
Other	△ 133	1,057
Eliminations or corporate	△ 6,163	△ 6,151
Capital expenditures	45,665	44,765
Commercial Properties	27,620	34,080
Residence	3,233	1,910
Real estate solution services	9,499	4,355
Other	5,053	4,420
Eliminations or corporate	259	△ 1
Assets	1,297,112	1,314,558
Commercial Properties	902,079	913,605
Residence	131,446	146,405
Real estate solution services	74,682	79,795
Other	89,080	97,078
Eliminations or corporate	99,824	77,674

(Millions of yen)	2017/12 full year	2018/12			2019/12				
		1Q	2Q cumulative	3Q cumulative	full year	1Q	2Q cumulative	3Q cumulative	full-year forecast
Depreciation	15,039	-	7,631	-	16,448	-	-	-	17,000
Commercial Properties	11,428	-	5,808	-	12,010	-	-	-	-
Residence	925	-	470	-	991	-	-	-	-
Real estate solution services	1,172	-	582	-	1,746	-	-	-	-
Other	1,467	-	746	-	1,651	-	-	-	-
Eliminations or corporate	46	-	23	-	48	-	-	-	-
Operating income before depreciation	59,797	-	37,060	-	63,213	-	-	-	67,000
Commercial Properties	43,427	-	22,673	-	45,401	-	-	-	-
Residence	17,664	-	13,087	-	15,137	-	-	-	-
Real estate solution services	4,979	-	4,645	-	8,112	-	-	-	-
Other	887	-	372	-	1,832	-	-	-	-
Eliminations or corporate	△ 7,162	-	△ 3,718	-	△ 7,268	-	-	-	-
Capital expenditures	(*3) 46,504	-	28,908	-	39,995	-	-	-	25,000
Commercial Properties	(*3) 26,651	-	19,748	-	29,008	-	-	-	-
Residence	6,913	-	5,380	-	5,491	-	-	-	-
Real estate solution services	2,174	-	1,504	-	2,102	-	-	-	-
Other	(*3) 10,684	-	2,244	-	3,338	-	-	-	-
Eliminations or corporate	81	-	30	-	53	-	-	-	-
Assets	1,441,050	-	1,471,050	-	1,451,584	-	-	-	-
Commercial Properties	954,072	-	970,696	-	976,874	-	-	-	-
Residence	186,963	-	194,888	-	201,620	-	-	-	-
Real estate solution services	79,973	-	73,559	-	74,774	-	-	-	-
Other	120,259	-	115,258	-	120,336	-	-	-	-
Eliminations or corporate	99,782	-	116,646	-	77,978	-	-	-	-

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(The real estate solution service business and parking lot business were taken out of the other businesses segment and included in the newly-established real estate solution services business segment.)

The former real estate solution services business was divided into following three business: brokerage, real estate purchase & resale, and leasing and management.)

For purposes of comparison, segment information of FY2015 was revised.

(*3) We correct the error of FACT SHEETS-fiscal year ended December 31, 2017.

Comparison table

(Millions of yen)	Comparison of actual interim results 2019 1Q with those for 2018 1Q						Comparison of estimates for 2019 with results for 2018					
	2018/12		2019/12		Increase/ Decrease	Increase/ Decrease rate	2018/12		2019/12		Increase/ Decrease	Increase/ Decrease rate
	1Q		1Q				full year		full-year forecast			
Revenue from operations	89,435	100.0%	84,854	100.0%	Δ 4,581	-5.1%	273,302	100.0%	330,000	100.0%	56,697	20.7%
Commercial Properties	27,675	30.9%	29,564	34.8%	1,888	6.8%	108,620	39.7%	126,000	38.2%	17,379	16.0%
Residence	45,548	50.9%	35,498	41.8%	Δ 10,049	-22.1%	97,703	35.7%	129,000	39.1%	31,296	32.0%
Real estate solution services	10,915	12.2%	13,831	16.3%	2,915	26.7%	42,885	15.7%	50,000	15.2%	7,114	16.6%
Number of sales posted (cumulative)	5,296	5.9%	5,960	7.0%	663	12.5%	24,092	8.8%	25,000	7.6%	907	3.8%
Operating income(Operating margin)	22,307	24.9%	14,901	17.6%	Δ 7,405	-33.2%	46,765	17.1%	50,000	15.2%	3,234	6.9%
Commercial Properties	8,544	30.9%	9,395	31.8%	850	10.0%	33,390	30.7%	36,500	29.0%	3,109	9.3%
Residence	13,058	28.7%	4,823	13.6%	Δ 8,234	-63.1%	14,146	14.5%	15,000	11.6%	853	6.0%
Real estate solution services	2,591	23.7%	2,493	18.0%	Δ 98	-3.8%	6,366	14.8%	5,500	11.0%	Δ 866	-13.6%
Other	85	1.6%	210	3.5%	124	144.3%	180	0.7%	500	2.0%	319	176.8%
Elimination/Corporate	Δ 1,973		Δ 2,020		Δ 47		Δ 7,317		Δ 7,500		Δ 182	
Non-operating income	982		988		6		3,593		3,000		Δ 593	
Interest and dividend income	641		745		104		2,420					
Other	341		243		Δ 97		1,172					
Non-operating expenses	2,315		2,676		360		8,321		10,000		1,678	
Interest expenses	1,485		1,528		43		6,020					
Other	829		1,147		317		2,300					
(Net interest received)	Δ 844		Δ 782		61		Δ 3,600					
Recurring income	20,974		13,214		Δ 7,760	-37.0%	42,036		43,000		963	2.3%
Extraordinary income	0		1,102		1,101		720		1,000		279	
Extraordinary loss	41		36		Δ 4		2,655		-		Δ 2,655	
Loss on sales of fixed assets	32		15		Δ 16		160					
Loss on devaluation of investment securities	-		16		16		-					
Other	9		4		Δ 4		2,495					
Income before income taxes	20,933		14,280		Δ 6,653		40,101		44,000		3,898	
Net income attributable to owners of the parent	15,334		9,867		Δ 5,467	-35.7%	27,277		28,000		722	2.7%