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February 13, 2024

## Outline of Consolidated Financial Statements for the Fiscal Year Ended December 2023 <under Japanese GAAP>

Name of Company Listed: Tokyo Tatemono Co., Ltd. Exchange: Prime Market of Tokyo Stock Exchange  
Code Number: 8804 URL: <https://www.tatemono.com/english/>  
Representative: Hitoshi Nomura, President & Chief Executive Officer  
Contact: Munetoshi Harunaga, General Manager, Corporate Communications Department  
TEL: +81-(0)3-3274-1984

Scheduled date of ordinary shareholders' meeting: March 27, 2024  
Scheduled date for submission of securities report: March 27, 2024  
Scheduled date for commencement of dividend payment: March 28, 2024

Supplementary documents for results: Yes  
Results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest one million yen.)

### 1. Consolidated Results of Operations for Fiscal Year Ended December 2023 (January 1, 2023 to December 31, 2023)

#### (1) Consolidated business results

(The percentage figures indicate the percentage increase/decrease compared with the previous fiscal year.)

|        | Operating revenue |     | Operating profit |     | Ordinary profit |      | Profit attributable to owners of parent |      |
|--------|-------------------|-----|------------------|-----|-----------------|------|---|------|
|        | Million yen       | %   | Million yen      | %   | Million yen     | %    | Million yen                             | %    |
| FY2023 | 375,946           | 7.4 | 70,508           | 9.4 | 69,471          | 9.3  | 45,084                                  | 4.7  |
| FY2022 | 349,940           | 2.8 | 64,478           | 9.7 | 63,531          | 37.3 | 43,062                                  | 23.2 |

Note: Comprehensive income FY2023 ¥67,511 million (62.2%)  
FY2022 ¥41,616 million (7.0%)

|        | Profit per share | Profit per share after adjusting for dilution | Return on equity | Ordinary profit margin on total assets | Operating profit margin on operating revenue |
|--------|------------------|---|------------------|--|--|
|        | Yen              | Yen   | %                | %                                      | %  |
| FY2023 | 215.82           | –   | 9.6              | 3.8                                    | 18.8   |
| FY2022 | 206.15           | –   | 10.0             | 3.8                                    | 18.4   |

Reference: Share of profit (loss) of entities accounted for using equity method FY2023 ¥3,920 million  
FY2022 ¥1,825 million

#### (2) Consolidated financial status

|        | Total assets | Net assets  | Equity capital ratio | Net assets per share |
|--------|--------------|-------------|----------------------|----------------------|
|        | Million yen  | Million yen | %                    | Yen                  |
| FY2023 | 1,905,309    | 508,035     | 26.1                 | 2,378.61             |
| FY2022 | 1,720,134    | 456,838     | 25.9                 | 2,135.08             |

Reference: Equity capital FY2023 ¥496,900 million  
FY2022 ¥445,994 million

## (3) Consolidated cash flows

|        | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|        | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| FY2023 | 20,588                               | (54,069)                             | 77,908                               | 127,303                                    |
| FY2022 | (3,332)                              | (21,204)                             | 18,421                               | 82,439                                     |

## 2. Dividend Status

|                   | Dividend per share   |                       |                      |          |        | Total dividend amount (Annual) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|-------------------|----------------------|-----------------------|----------------------|----------|--------|--------------------------------|-----------------------------|---|
|                   | End of first quarter | End of second quarter | End of third quarter | Year-end | Annual |                                |                             |   |
|                   | Yen                  | Yen                   | Yen                  | Yen      | Yen    | Million yen                    | %                           | %   |
| FY2022            | –                    | 29.00                 | –                    | 36.00    | 65.00  | 13,593                         | 31.5                        | 3.1   |
| FY2023            | –                    | 36.00                 | –                    | 37.00    | 73.00  | 15,266                         | 33.8                        | 3.2   |
| FY2024 (Forecast) | –                    | 37.00                 | –                    | 42.00    | 79.00  |                                | 34.4                        |   |

## 3. Forecast of Consolidated Results of Operations for Fiscal Year Ending December 2024 (January 1, 2024 to December 31, 2024)

(The percentage figures indicate the percentage increase/decrease compared with the previous fiscal year.)

|           | Operating revenue |      | Operating profit |     | Ordinary profit |       | Profit attributable to owners of parent |     | Profit per share |
|-----------|-------------------|------|------------------|-----|-----------------|-------|---|-----|------------------|
|           | Million yen       | %    | Million yen      | %   | Million yen     | %     | Million yen                             | %   | Yen              |
| Full year | 495,000           | 31.7 | 75,000           | 6.4 | 67,000          | (3.6) | 48,000                                  | 6.5 | 229.77           |

## \* Notes

(1) Significant changes in subsidiaries accompanied by a change in the scope of consolidation during the period: Yes

Newly included: 1 (company name) PT Dharma Tatemono Property Excluded: – (company name)

(2) Changes in the accounting principles and changes or restatement of accounting estimates

- (i) Changes in the accounting principles due to amendment of accounting standard, etc.: Yes
- (ii) Changes in the accounting principles other than (i): None
- (iii) Changes in the accounting estimates: None
- (iv) Restatement: None

Note: Refer to page 199, “3. Consolidated Financial Statements and Key Notes; (5) Notes on Consolidated Financial Statements; (Changes in Accounting Policies)” for details.

(3) Number of shares outstanding (common shares)

- (i) Number of shares outstanding (including treasury shares) at the end of the period  
As of December 31, 2023: 209,167,674 shares As of December 31, 2022: 209,167,674 shares
- (ii) Number of shares of treasury shares at the end of the period  
As of December 31, 2023: 264,481 shares As of December 31, 2022: 278,430 shares
- (iii) Average number of shares during the period  
FY2023: 208,900,227 shares FY2022: 208,890,403 shares

\* The Company has introduced a stock compensation plan, “Board Benefit Trust (BBT).” The shares of the Company held by the trust are included in the number of shares of treasury shares at the end of the period and the treasury shares deducted in the calculation of the average number of shares during the period.

\* Outline of Financial Statements is not subject to review by a certified public accountant or audit corporation.

\* Explanation Regarding the Appropriate Use of Business Performance Forecasts, and Other Items to Note

The performance forecasts and other statements regarding the future in these materials are based on information currently available to the Company and on certain assumptions deemed to be rational. Actual performance may differ materially depending on various factors. Refer to page 10, “1. Outline of Operating Results, Etc.; (4) Outlook for the Next Fiscal Year,” for matters regarding the performance forecasts.

○ Contents of Accompanying Materials

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## 1. Outline of Operating Results, Etc.

### (1) Outline of Operating Results for the Fiscal Year Under Review

In the fiscal year under review (ended December 31, 2023 (FY2023)), the Japanese economy showed a moderate recovery trend as economic and social activities returned to normal following the convergence of the COVID-19 pandemic, coupled with improvements in the employment and income environment and the effects of various policies. However, the outlook remained uncertain primarily due to concerns about the prolonged situation in Ukraine, instability in the Middle East, downside risks to the global economy, and the impact of exchange rate fluctuations.

In the real estate industry, the vacancy rates in the rental office market remained relatively high, but there was a growing trend of people returning to work in offices, and in the second half of the fiscal year, vacancy rates turned to decline in some areas. The residential housing market remained strong against a backdrop of factors including continued low interest rates and an increase in dual-income households amid a declining number of new condominiums supplied and rising property sales prices. The real estate investment market was generally vigorous as investment appetite among investors in Japan remained strong while that of overseas investors dropped, in part reflecting deteriorating conditions in overseas real estate markets and the prospect of higher interest rates in Japan.

Amid this business environment, the Tokyo Tatemono Group has promoted the five key strategies in the Tokyo Tatemono Group medium-term business plan for the period from FY2020 through FY2024 under the long-term vision looking ahead to around the year 2030, with an aim of achieving our dual goals of “solving social issues” and “company growth” at higher levels, while also focusing efforts on the “evolved approach to ESG management.” With respect to one of our key strategies, “promotion of large-scale redevelopment,” the Tokyo Tatemono Group has made steady progress including the acquisition of important permits and approvals for redevelopment projects in the Yaesu, Kyobashi, and Shibuya areas. In addition, with respect to “further strengthening of condominium business,” we leveraged our unique know-how and the Brillia brand strengths to provide high-quality housing that appropriately responds to changes in society and customer needs, including the Complete Reconstruction Project “Brillia City Shakujikoen ATLAS” (Nerima-ku, Tokyo), a project to completely reconstruct the largest large-scale housing complex in all 23 wards of Tokyo. We also focused on creating diverse business opportunities such as in a new redevelopment and reconstruction project.

With regard to “evolution of ESG management,” in order to accelerate our efforts to achieve a decarbonized society, the Tokyo Tatemono Group has raised the mid- to long-term target to reduce its greenhouse gas emissions to 1.5°C above pre-industrial levels. We also formulated and published a new guideline for Sustainable Procurement Standards, aimed at achieving procurement throughout the supply chain that respects human rights, environmental conservation and other issues, in an effort to promote suppliers' understanding and implementation of these standards. The Otemachi Tower (Chiyoda-ku, Tokyo), which houses the Otemachi Forest, representing the Group's decade-long effort to regenerate the natural environment in the heart of Tokyo, has been recognized by the Ministry of the Environment of Japan as a “Site for Coexistence with Nature” (see note below), an area that aims to preserve biodiversity. In addition, the Tokyo Tatemono Group continues to pursue initiatives aimed at coexistence with nature, at the MEIJI PARK (Shinjuku-ku, Tokyo), Tokyo's first Park-PFI project, which partially opened in the current fiscal year, we, as a representative of the private sector, are working to create a “legacy” park for the city of Tokyo that combines a rich natural environment and lively functions, e.g. an area for planting trees with the concept of creating a forest that will grow over time together with Tokyo residents. The external evaluation of the Tokyo Tatemono Group's ESG management has been increasing year by year, and in the current fiscal year, the Tokyo Tatemono Group has been newly selected as a constituent of FTSE4Good Index Series and FTSE Blossom Japan Index, which are major ESG investment indices, and has become a constituent of all ESG indices covering stocks in Japan adopted by the Government Pension Fund Investment Fund (GPIF).

(Note) Implemented by the Ministry of the Environment of Japan beginning in fiscal year 2023 as a major measure to achieve the 30by30 target, which aims to effectively conserve at least 30% of the land and oceans as healthy ecosystems by 2030.

In addition, for initiatives to “optimize the business portfolio,” we transferred all shares in two subsidiaries, one in the childcare facility-related business and the other in the temporary staffing business, and also promoted various initiatives, including making Tokyo Realty Investment Management, Inc. a wholly owned subsidiary to strengthen the fund business, thereby achieving the long-term vision and the Tokyo Tatemono Group's Medium-Term Business Plan.

In terms of the Tokyo Tatemono Group's consolidated results for FY2023, the building leasing and parking lot businesses remained strong, and there was a year-on-year increase in sales from property sales to investors in the Commercial Properties business, the Residential business, and the Asset Service business. Consequently, operating revenue was ¥375,946 million (up 7.4% from ¥349,940 million for the previous fiscal year), and operating profit was ¥70,508 million (up 9.4% from

¥64,478 million for the previous fiscal year). Also, due to the recording of share of profit of entities accounted for using the equity method in overseas business, business profit was ¥74,428 million (up 12.3% from ¥66,304 million for the previous fiscal year), ordinary profit was ¥69,471 million (up 9.3% from ¥63,531 million for the previous fiscal year) and profit attributable to owners of parent was ¥45,084 million (up 4.7% from ¥43,062 million for the previous fiscal year).

The Tokyo Tatemono Group has set “business profit,” which is the sum of operating profit and share of profit (loss) of entities accounted for using the equity method, as a profit indicator.

See below for an outline of consolidated results by business segment.

<Commercial Properties Business>

In large-scale redevelopment projects, we made steady progress, including important permit and approval procedures, such as “Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (Districts A and B)” (Chuo-ku, Tokyo), which received approval of rights conversion plan for District A, and “Urban Redevelopment Project for Shibuya 2-Chome West Area” (Shibuya-ku, Tokyo), which received approval to establish an urban redevelopment association. In addition, with respect to for-sale properties for investors, we completed four projects, including “T-LOGI Ichinomiya” (Ichinomiya City, Aichi Prefecture). We also proactively promoted development of a diverse range of assets (“T-PLUS” series of medium-sized office buildings, hotels, commercial facilities, etc.).

In FY2023, sales of real estate were recorded through projects, including “T-LOGI Narashino II” (Narashino City, Chiba Prefecture) and “T-LOGI Honjo Kodama” (Kodama County, Saitama Prefecture), as property sales to investors, while expenses for leasing of buildings increased compared with the previous fiscal year. Consequently, operating revenue was ¥155,256 million (up 7.0% from ¥145,155 million for the previous fiscal year), operating profit was ¥38,483 million (down 5.9% from ¥40,910 million for the previous fiscal year) and business profit was ¥40,153 million (down 2.5% from ¥41,204 million for the previous fiscal year).

| Item                              | FY2022   |                                 | FY2023   |                                 |
|-----------------------------------|--|---------------------------------|--|---------------------------------|
|                                   | Quantity, etc.   | Operating revenue (million yen) | Quantity, etc.   | Operating revenue (million yen) |
| Leasing of buildings, etc.        | Leased area of buildings<br>947,514 m <sup>2</sup><br>(Of which, subleased area<br>81,095 m <sup>2</sup> ) | 76,735                          | Leased area of buildings<br>1,040,870 m <sup>2</sup><br>(Of which, subleased area<br>67,227 m <sup>2</sup> ) | 78,275                          |
| Sales of real estate              | 2 properties   | 29,812                          | 8 properties   | 38,643                          |
| Building management service, etc. | –  | 38,607                          | –  | 38,337                          |
| Total operating revenue           | –  | 145,155                         | –  | 155,256                         |
| Operating profit                  | –  | 40,910                          | –  | 38,483                          |
| Business profit                   | –  | 41,204                          | –  | 40,153                          |

<Residential Business>

In condominiums for sale, revenues were recorded through “Urban Redevelopment Project for SHIROKANE The SKY” (Minato-ku, Tokyo), an urban development project to maintain and upgrade versatile urban functions that accommodate residences, commercial buildings, factories, hospitals, and others, and Complete Reconstruction Project for “Brillia City Shakujikoen ATLAS” (Nerima-ku, Tokyo), a project to completely reconstruct the largest large-scale housing complex in all 23 wards of Tokyo. We also promoted the development of new projects with a diverse range of business approaches, including “Land Sale Project for Minoh Sun Plaza Building No. 1” (Minoh City, Osaka Prefecture), the Kansai region’s first example of utilizing a sale system for condominium land. With regard to for-sale properties for investors, we actively promoted the development of “Brillia ist” condominiums for rent, and completed two projects, including “Brillia ist Kuramae Residence” (Taito-ku, Tokyo).

In FY2023, sales of real estate were recorded through the above profitable projects as condominiums for sale, as well as other projects including “Brillia Nerima-Kasugacho” (Nerima-ku, Tokyo) and “Blan Canvas Rokkomichi” (Nada-ku, Kobe City) as property sales to investors.

Consequently, operating revenue was ¥134,140 million (up 2.1% from ¥131,390 million for the previous fiscal year), operating profit was ¥27,155 million (up 16.5% from ¥23,304 million for the previous fiscal year) and business profit was ¥27,149 million (up 16.5% from ¥23,304 million for the previous fiscal year).

| Item                           | FY2022   |                                 | FY2023   |                                 |
|--------------------------------|--|---------------------------------|--|---------------------------------|
|                                | Quantity, etc.                                     | Operating revenue (million yen) | Quantity, etc.                                     | Operating revenue (million yen) |
| Residential sales              | 1,435 units  | 85,958                          | 1,058 units  | 84,029                          |
| Sales of real estate           | –  | 17,500                          | –  | 20,664                          |
| Residence leasing              | Leased area of buildings<br>125,085 m <sup>2</sup> | 5,309                           | Leased area of buildings<br>117,973 m <sup>2</sup> | 5,948                           |
| Condominium management service | Number of managed units<br>98,006                  | 13,743                          | Number of managed units<br>99,083                  | 14,321                          |
| Other                          | –  | 8,879                           | –  | 9,176                           |
| <b>Total operating revenue</b> | –  | <b>131,390</b>                  | –  | <b>134,140</b>                  |
| <b>Operating profit</b>        | –  | <b>23,304</b>                   | –  | <b>27,155</b>                   |
| <b>Business profit</b>         | –  | <b>23,304</b>                   | –  | <b>27,149</b>                   |

<Asset Service Business>

In the brokerage business operated by Tokyo Tatemono Real Estate Sales Co., Ltd., the company made efforts to further enhance profitability by strengthening relationships with corporate customers and expanding transactions with investors, among other initiatives. In the Asset Solution business operated by the company, the acquisition and sale of for-sale real estate made steady progress, primarily in collaboration with the brokerage business and by strengthening sales to existing clients, and as a new initiative, the company advanced the composition and sale of small-lot real estate products. In the parking lot business operated by Nihon Parking Corporation, efforts were made to acquire new facilities to further increase revenues, while also upgrading the functionality of parking lot systems and other measures to improve customer service.

In FY2023, the parking lot business continued to see a recovery in occupancy rates at existing facilities and an increase in the number of parking spaces following the opening of new parking lots, and there was a significant year-on-year increase in sales from property sales to investors in the Asset Solutions business. Consequently, operating revenue was ¥63,800 million (up 27.0% from ¥50,240 million for the previous fiscal year), and operating profit and business profit were each ¥12,907 million (up 74.4% from ¥7,399 million for the previous fiscal year).

| Item                     | FY2022                             |                                 | FY2023                             |                                 |
|--------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|
|                          | Quantity, etc.                     | Operating revenue (million yen) | Quantity, etc.                     | Operating revenue (million yen) |
| Brokerage                | 1,086 properties                   | 4,626                           | 1,097 properties                   | 5,499                           |
| Asset solution (Note)    | –                                  | 19,084                          | –                                  | 29,999                          |
| Management service, etc. | –                                  | 4,554                           | –                                  | 4,567                           |
| Parking lot operations   | Number of parking spaces<br>80,057 | 21,975                          | Number of parking spaces<br>82,542 | 23,734                          |
| Total operating revenue  | –                                  | 50,240                          | –                                  | 63,800                          |
| Operating profit         | –                                  | 7,399                           | –                                  | 12,907                          |
| Business profit          | –                                  | 7,399                           | –                                  | 12,907                          |

Note: This business mainly improves the added value of acquired real estate for the purpose of resale.

<Other>

In the leisure & child care business, the dog-friendly hotel “Regina Resort” and golf courses operated by Tokyo Tatemono Resort Co., Ltd. continued to maintain high occupancy rates throughout the fiscal year, and both sales and guest numbers at hot-spring facilities, which had long been affected by the COVID-19 pandemic, also recovered. In addition, for initiatives to optimize our business portfolio, we transferred all shares in two subsidiaries, one in the childcare facility-related business and the other in the temporary staffing business. In overseas businesses, we participated in “Sukhumvit 25 Project” (Bangkok Metropolitan Administration), a project to develop medium-sized office buildings in Thailand, and “Herndon Project” (Virginia), a housing leasing development project in the suburbs of Washington, D.C. in the U.S.

In FY2023, revenues decreased from the previous fiscal year due to the impact of the transfer of all shares in two subsidiaries in the leisure & child care business, while the share of profit of entities accounted for using the equity method increased from the previous fiscal year in overseas businesses. Consequently, operating revenue was ¥22,748 million (down 1.8% from ¥23,154 million for the previous fiscal year), operating profit was ¥2,204 million (down 12.5% from ¥2,518 million for the previous fiscal year) and business profit was ¥4,460 million (up 10.1% from ¥4,050 million for the previous fiscal year).

| Item                          | FY2022                             | FY2023                             |
|-------------------------------|------------------------------------|------------------------------------|
|                               | Operating revenue<br>(million yen) | Operating revenue<br>(million yen) |
| Leisure & child care business | 18,541                             | 18,582                             |
| Other                         | 4,612                              | 4,166                              |
| Total operating revenue       | 23,154                             | 22,748                             |
| Operating profit              | 2,518                              | 2,204                              |
| Business profit               | 4,050                              | 4,460                              |

(2) Outline of Financial Position for the Fiscal Year Under Review

(Assets)

Total assets at the end of FY2023 were ¥1,905,309 million, up ¥185,175 million from the end of the previous fiscal year. This was primarily attributable to an increase in real estate for sale (including real estate for sale in process and real estate for development), cash and deposits, property, plant and equipment, and investment securities.

(Liabilities)

Total liabilities at the end of FY2023 were ¥1,397,274 million, up ¥133,977 million from the end of the previous fiscal year. This was primarily attributable to an increase in interest-bearing debt, the balance of which (excluding lease obligations) was ¥1,089,006 million, up ¥99,207 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of FY2023 were ¥508,035 million, up ¥51,197 million from the end of the previous fiscal year. This was primarily attributable to an increase in retained earnings and valuation difference on available-for-sale securities.

(3) Outline of Cash Flows for the Fiscal Year Under Review

Consolidated cash and cash equivalents (hereinafter “cash”) at the end of FY2023 stood at ¥127,303 million, up ¥44,864 million from the end of the previous fiscal year. This was primarily attributable to ¥20,588 million provided by operating activities, ¥54,069 million used in investing activities and ¥77,908 million provided by financing activities.

Cash flows for each category are as follows:

(Cash flows from operating activities)

Cash provided by operating activities at the end of FY2023 stood at ¥20,588 million (up ¥23,921 million from the previous fiscal year). This was primarily attributable to cash outflows due to increased inventories on the one hand, and cash inflows due to profit before income taxes and depreciation expenses on the other.

(Cash flows from investing activities)

Cash used in investing activities at the end of FY2023 stood at ¥54,069 million (down ¥32,864 million from the previous fiscal year), primarily attributable to cash outflows due to purchase of non-current assets and loans.

(Cash flows from financing activities)

Cash provided by investing activities at the end of FY2023 stood at ¥77,908 million (up ¥59,487 million from the previous fiscal year), primarily attributable to cash inflows due to long-term borrowings.

(4) Outlook for the Next Fiscal Year

The following outlines the consolidated earnings forecasts for the next fiscal year (fiscal year ending December 31, 2024 (FY2024)).

(Million yen)

|   | Full-year forecast for FY2024 | FY2023  | Compared with FY2023 |
|---|-------------------------------|---------|----------------------|
| Operating revenue                       | 495,000                       | 375,946 | +119,053             |
| Operating profit                        | 75,000                        | 70,508  | +4,491               |
| Business profit                         | 77,000                        | 74,428  | +2,571               |
| Ordinary profit                         | 67,000                        | 69,471  | (2,471)              |
| Profit attributable to owners of parent | 48,000                        | 45,084  | +2,915               |

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

The outlook for FY2024 is increased revenue and profit compared with the previous fiscal year; specifically, operating revenue of ¥495,000 million, operating profit of ¥75,000 million and business profit of ¥77,000 million. This is due in part to an expected increase in sales from property sales to investors recorded in the Commercial Properties business and increases in the number of condominium units recorded in the Residential business.

(5) Basic Policy Regarding Distribution of Profit for the Fiscal Year Under Review and Next Fiscal Year

The Company's basic policy for distribution of profit is to make efforts to maintain and enhance stable distribution levels by comprehensively taking into account future management environment, business development, changes in business results, etc. while building internal reserve for reinvestment toward enhancement of corporate value. The Company has set a baseline dividend payout ratio of at least 30% for the period of the Tokyo Tatemono Group's medium-term business plan (FY2020–FY2024).

The year-end dividend payment plan for FY2023 will be ¥37 per share, resulting in a dividend payout ratio of 33.8% for FY2023.

For FY2024, in light of the earnings forecasts, the Company plans a per-share dividend of ¥79 (interim dividend of ¥37).

## 2. Basic Policy Regarding Selection of Accounting Standards

For the time being, the Tokyo Tatemono Group will prepare its consolidated financial statements based on Japanese accounting standards to ensure comparability between fiscal periods and with other companies.

That said, the Company will apply international accounting standards should it need to accordingly adapt to changes in various trends and circumstances in Japan and abroad.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheet

(Million yen)

|  | End of FY2022<br>(December 31, 2022) | End of FY2023<br>(December 31, 2023) |
|--|--------------------------------------|--------------------------------------|
| <b>Assets</b>  |                                      |                                      |
| <b>Current assets</b>                                |                                      |                                      |
| Cash and deposits                                    | 82,440                               | 127,305                              |
| Trade notes, accounts receivable and contract assets | 14,334                               | 13,887                               |
| Real estate for sale                                 | 173,836                              | 232,478                              |
| Real estate for sale in process                      | 160,009                              | 166,181                              |
| Real estate for development                          | 81,069                               | 100,339                              |
| Other  | 40,934                               | 52,296                               |
| Allowance for doubtful accounts                      | (93)                                 | (23)                                 |
| <b>Total current assets</b>                          | <b>552,531</b>                       | <b>692,464</b>                       |
| <b>Non-current assets</b>                            |                                      |                                      |
| <b>Property, plant and equipment</b>                 |                                      |                                      |
| Buildings and structures                             | 396,529                              | 397,020                              |
| Accumulated depreciation                             | (174,775)                            | (183,025)                            |
| Buildings and structures, net                        | 221,754                              | 213,994                              |
| Land   | 537,397                              | 529,506                              |
| Construction in progress                             | 44,903                               | 89,428                               |
| Other  | 31,198                               | 31,920                               |
| Accumulated depreciation                             | (20,291)                             | (21,284)                             |
| Other, net   | 10,907                               | 10,635                               |
| <b>Total property, plant and equipment</b>           | <b>814,963</b>                       | <b>843,565</b>                       |
| <b>Intangible assets</b>                             |                                      |                                      |
| Leasehold interests in land                          | 130,042                              | 127,628                              |
| Goodwill   | 1,716                                | 1,486                                |
| Other  | 887                                  | 2,509                                |
| <b>Total intangible assets</b>                       | <b>132,646</b>                       | <b>131,624</b>                       |
| <b>Investments and other assets</b>                  |                                      |                                      |
| Investment securities                                | 128,701                              | 153,814                              |
| Investments in silent partnerships                   | 3,638                                | 2,598                                |
| Long-term loans receivable                           | 458                                  | 4,025                                |
| Deferred tax assets                                  | 2,001                                | 2,327                                |
| Leasehold and guarantee deposits                     | 21,469                               | 20,671                               |
| Retirement benefit asset                             | 1,151                                | 1,561                                |
| Other  | 62,673                               | 52,711                               |
| Allowance for doubtful accounts                      | (100)                                | (55)                                 |
| <b>Total investments and other assets</b>            | <b>219,993</b>                       | <b>237,655</b>                       |
| <b>Total non-current assets</b>                      | <b>1,167,603</b>                     | <b>1,212,845</b>                     |
| <b>Total assets</b>                                  | <b>1,720,134</b>                     | <b>1,905,309</b>                     |

(Million yen)

|  | End of FY2022<br>(December 31, 2022) | End of FY2023<br>(December 31, 2023) |
|--|--------------------------------------|--------------------------------------|
| <b>Liabilities</b>   |                                      |                                      |
| <b>Current liabilities</b>   |                                      |                                      |
| Short-term borrowings  | 52,047                               | 56,754                               |
| Commercial papers  | 50,000                               | 50,000                               |
| Current portion of bonds payable                                     | 10,000                               | 10,000                               |
| Accounts payable - other   | 13,781                               | 17,343                               |
| Income taxes payable   | 4,811                                | 17,449                               |
| Provision for warranties for completed construction                  | 11                                   | 8                                    |
| Provision for bonuses  | 950                                  | 1,001                                |
| Provision for bonuses for directors (and other officers)             | 2                                    | 2                                    |
| Provision for environmental measures                                 | 0                                    | —                                    |
| Deposits received under real estate specified joint enterprise law   | —                                    | 11,300                               |
| Other  | 67,856                               | 76,198                               |
| <b>Total current liabilities</b>                                     | <b>199,461</b>                       | <b>240,057</b>                       |
| <b>Non-current liabilities</b>                                       |                                      |                                      |
| Bonds payable  | 245,000                              | 255,000                              |
| Long-term borrowings   | 630,520                              | 715,223                              |
| Deferred tax liabilities   | 17,647                               | 23,999                               |
| Deferred tax liabilities for land revaluation                        | 27,274                               | 27,274                               |
| Provision for share awards for directors (and other officers)        | 259                                  | 282                                  |
| Provision for retirement benefits for directors (and other officers) | 98                                   | 97                                   |
| Leasehold and guarantee deposits received                            | 78,088                               | 77,764                               |
| Retirement benefit liability   | 13,023                               | 14,104                               |
| Deposits received under real estate specified joint enterprise law   | 21,684                               | 10,447                               |
| Other  | 30,236                               | 33,022                               |
| <b>Total non-current liabilities</b>                                 | <b>1,063,834</b>                     | <b>1,157,216</b>                     |
| <b>Total liabilities</b>   | <b>1,263,296</b>                     | <b>1,397,274</b>                     |
| <b>Net assets</b>  |                                      |                                      |
| <b>Shareholders' equity</b>  |                                      |                                      |
| Share capital  | 92,451                               | 92,451                               |
| Capital surplus  | 66,539                               | 66,262                               |
| Retained earnings  | 189,501                              | 219,528                              |
| Treasury shares  | (443)                                | (421)                                |
| <b>Total shareholders' equity</b>                                    | <b>348,048</b>                       | <b>377,821</b>                       |
| <b>Accumulated other comprehensive income</b>                        |                                      |                                      |
| Valuation difference on available-for-sale securities                | 50,332                               | 71,526                               |
| Revaluation reserve for land   | 43,187                               | 43,187                               |
| Foreign currency translation adjustment                              | 4,604                                | 5,011                                |
| Remeasurements of defined benefit plans                              | (179)                                | (647)                                |
| <b>Total accumulated other comprehensive income</b>                  | <b>97,945</b>                        | <b>119,078</b>                       |
| <b>Non-controlling interests</b>                                     | <b>10,843</b>                        | <b>11,135</b>                        |
| <b>Total net assets</b>  | <b>456,838</b>                       | <b>508,035</b>                       |
| <b>Total liabilities and net assets</b>                              | <b>1,720,134</b>                     | <b>1,905,309</b>                     |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated statement of income)

(Million yen)

|   | FY2022<br>(Jan. 1, 2022 to Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to Dec. 31, 2023) |
|---|---|---|
| Operating revenue   | 349,940                                   | 375,946                                   |
| Operating costs   | 248,452                                   | 266,829                                   |
| Operating gross profit  | 101,488                                   | 109,116                                   |
| Selling, general and administrative expenses  | 37,009                                    | 38,608                                    |
| Operating profit  | 64,478                                    | 70,508                                    |
| Non-operating income  |   |   |
| Interest income   | 28  | 251                                       |
| Dividend income   | 3,621                                     | 4,556                                     |
| Share of profit of entities accounted for using equity method                         | 1,825                                     | 3,920                                     |
| Other   | 830                                       | 481                                       |
| Total non-operating income  | 6,307                                     | 9,209                                     |
| Non-operating expenses  |   |   |
| Interest expenses   | 6,094                                     | 7,262                                     |
| Borrowing fee   | 862                                       | 974                                       |
| Bond issuance costs   | —   | 105                                       |
| Foreign exchange losses   | —   | 1,250                                     |
| Dividends paid on real estate specified joint enterprise law                          | 94  | 87  |
| Other   | 202                                       | 565                                       |
| Total non-operating expenses  | 7,254                                     | 10,246                                    |
| Ordinary profit   | 63,531                                    | 69,471                                    |
| Extraordinary income  |   |   |
| Gain on sale of non-current assets  | 726                                       | 241                                       |
| Gain on sale of investment securities   | 50  | —   |
| Gain on sale of shares of subsidiaries and associates                                 | —   | 498                                       |
| Gain on liquidation and sale of investments in capital of subsidiaries and associates | —   | 2,265                                     |
| Gain on bargain purchase  | 870                                       | —   |
| Gain on step acquisitions   | 12  | —   |
| Total extraordinary income  | 1,659                                     | 3,004                                     |
| Extraordinary losses  |   |   |
| Loss on sale of non-current assets  | 9   | —   |
| Loss on retirement of non-current assets  | 139                                       | 150                                       |
| Impairment losses   | 462                                       | 157                                       |
| Loss on building reconstruction   | 1,772                                     | —   |
| Loss on valuation of investment securities  | 50  | —   |
| Loss on sale of shares of subsidiaries and associates                                 | —   | 43  |
| Loss on liquidation of subsidiaries and associates                                    | 6   | —   |
| Loss on termination of joint venture agreement  | —   | * 3,712                                   |
| Total extraordinary losses  | 2,440                                     | 4,064                                     |
| Profit before income taxes  | 62,750                                    | 68,411                                    |
| Income taxes - current  | 15,580                                    | 26,202                                    |
| Income taxes - deferred   | 3,086                                     | (3,634)                                   |
| Total income taxes  | 18,666                                    | 22,568                                    |
| Profit  | 44,084                                    | 45,843                                    |
| Profit attributable to non-controlling interests                                      | 1,021                                     | 758                                       |
| Profit attributable to owners of parent   | 43,062                                    | 45,084                                    |

## (Consolidated statement of comprehensive income)

(Million yen)

|   | FY2022<br>(Jan. 1, 2022 to Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to Dec. 31, 2023) |
|---|---|---|
| Profit  | 44,084                                    | 45,843                                    |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                             | (4,021)                                   | 21,728                                    |
| Foreign currency translation adjustment   | 118                                       | 2,196                                     |
| Remeasurements of defined benefit plans, net of tax                               | (924)                                     | (465)                                     |
| Share of other comprehensive income of entities accounted for using equity method | 2,359                                     | (1,790)                                   |
| Total other comprehensive income  | (2,467)                                   | 21,668                                    |
| Comprehensive income  | 41,616                                    | 67,511                                    |
| Comprehensive income attributable to  |   |   |
| Comprehensive income attributable to owners of parent                             | 40,680                                    | 66,217                                    |
| Comprehensive income attributable to non-controlling interests                    | 935                                       | 1,294                                     |

(3) Consolidated Statement of Changes in Equity  
FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 92,451               | 66,587          | 166,356           | (439)           | 324,955                    |
| Cumulative effect of changes in accounting policies                                       |                      |                 | 22                |                 | 22                         |
| Restated balance  | 92,451               | 66,587          | 166,378           | (439)           | 324,978                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (11,711)          |                 | (11,711)                   |
| Profit attributable to owners of parent   |                      |                 | 43,062            |                 | 43,062                     |
| Reversal of revaluation reserve for land  |                      |                 | (8,228)           |                 | (8,228)                    |
| Purchase of treasury shares   |                      |                 |                   | (4)             | (4)                        |
| Disposal of treasury shares   |                      | 0               |                   | 0               | 0                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (48)            |                   |                 | (48)                       |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | (47)            | 23,123            | (4)             | 23,070                     |
| Balance at end of period  | 92,451               | 66,539          | 189,501           | (443)           | 348,048                    |

|   | Accumulated other comprehensive income                |                                    |                              |   |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------------|------------------------------|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 54,276  | (17)                               | 34,959                       | 2,144                                   | 736                                     | 92,099                                       | 10,605                    | 427,661          |
| Cumulative effect of changes in accounting policies                                       |   |                                    |                              |   |   |  |                           | 22               |
| Restated balance  | 54,276  | (17)                               | 34,959                       | 2,144                                   | 736                                     | 92,099                                       | 10,605                    | 427,683          |
| Changes during period   |   |                                    |                              |   |   |  |                           |                  |
| Dividends of surplus  |   |                                    |                              |   |   |  |                           | (11,711)         |
| Profit attributable to owners of parent   |   |                                    |                              |   |   |  |                           | 43,062           |
| Reversal of revaluation reserve for land  |   |                                    |                              |   |   |  |                           | (8,228)          |
| Purchase of treasury shares   |   |                                    |                              |   |   |  |                           | (4)              |
| Disposal of treasury shares   |   |                                    |                              |   |   |  |                           | 0                |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |                                    |                              |   |   |  |                           | (48)             |
| Net changes in items other than shareholders' equity                                      | (3,944)   | 17                                 | 8,228                        | 2,460                                   | (915)                                   | 5,846  | 238                       | 6,084            |
| Total changes during period   | (3,944)   | 17                                 | 8,228                        | 2,460                                   | (915)                                   | 5,846  | 238                       | 29,155           |
| Balance at end of period  | 50,332  | —                                  | 43,187                       | 4,604                                   | (179)                                   | 97,945                                       | 10,843                    | 456,838          |

FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 92,451               | 66,539          | 189,501           | (443)           | 348,048                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (15,057)          |                 | (15,057)                   |
| Profit attributable to owners of parent   |                      |                 | 45,084            |                 | 45,084                     |
| Purchase of treasury shares   |                      |                 |                   | (3)             | (3)                        |
| Disposal of treasury shares   |                      | 0               |                   | 26              | 26                         |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (276)           |                   |                 | (276)                      |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | (276)           | 30,026            | 22              | 29,772                     |
| Balance at end of period  | 92,451               | 66,262          | 219,528           | (421)           | 377,821                    |

|   | Accumulated other comprehensive income                |                              |   |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 50,332  | 43,187                       | 4,604                                   | (179)                                   | 97,945                                       | 10,843                    | 456,838          |
| Changes during period   |   |                              |   |   |  |                           |                  |
| Dividends of surplus  |   |                              |   |   |  |                           | (15,057)         |
| Profit attributable to owners of parent   |   |                              |   |   |  |                           | 45,084           |
| Purchase of treasury shares   |   |                              |   |   |  |                           | (3)              |
| Disposal of treasury shares   |   |                              |   |   |  |                           | 26               |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |                              |   |   |  |                           | (276)            |
| Net changes in items other than shareholders' equity                                      | 21,194  | —                            | 406                                     | (467)                                   | 21,133                                       | 291                       | 21,424           |
| Total changes during period   | 21,194  | —                            | 406                                     | (467)                                   | 21,133                                       | 291                       | 51,197           |
| Balance at end of period  | 71,526  | 43,187                       | 5,011                                   | (647)                                   | 119,078                                      | 11,135                    | 508,035          |

## (4) Consolidated Statement of Cash Flows

(Million yen)

|   | FY2022<br>(Jan. 1, 2022 to Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to Dec. 31, 2023) |
|---|---|---|
| <b>Cash flows from operating activities</b>   |   |   |
| Profit before income taxes  | 62,750                                    | 68,411                                    |
| Depreciation  | 18,796                                    | 20,457                                    |
| Impairment losses   | 462                                       | 157                                       |
| Loss on building reconstruction   | 1,772                                     | —   |
| Amortization of goodwill  | 317                                       | 229                                       |
| Gain on bargain purchase  | (870)                                     | —   |
| Loss (gain) on step acquisitions  | (12)                                      | —   |
| Share of loss (profit) of entities accounted for using equity method                        | (1,825)                                   | (3,920)                                   |
| Increase (decrease) in allowance for doubtful accounts                                      | 36  | (107)                                     |
| Increase (decrease) in provision for bonuses  | 5   | 104                                       |
| Increase (decrease) in provision for bonuses for directors (and other officers)             | (0)                                       | —   |
| Increase (decrease) in provision for share awards for directors (and other officers)        | 69  | 22  |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 4   | (1)                                       |
| Increase (decrease) in provision for loss on guarantees                                     | (30)                                      | —   |
| Increase (decrease) in provision for environmental measures                                 | (26)                                      | (0)                                       |
| Increase (decrease) in retirement benefit liability   | (198)                                     | (34)                                      |
| Interest and dividend income  | (3,650)                                   | (4,807)                                   |
| Interest expenses   | 6,094                                     | 7,262                                     |
| Loss (gain) on valuation of investment securities   | 50  | —   |
| Loss (gain) on sale of investment securities  | (50)                                      | —   |
| Loss (gain) on sale of shares of subsidiaries and associates                                | —   | (454)                                     |
| Loss (gain) on sale of investments in capital of subsidiaries and associates                | —   | (2,265)                                   |
| Loss (gain) on liquidation of subsidiaries and associates                                   | 6   | —   |
| Loss on termination of joint venture agreement  | —   | 3,712                                     |
| Loss (gain) on sale and retirement of non-current assets                                    | (577)                                     | (90)                                      |
| Decrease (increase) in trade receivables  | (292)                                     | 9   |
| Decrease (increase) in inventories  | (65,006)                                  | (73,779)                                  |
| Increase (decrease) in leasehold and guarantee deposits received                            | (1,885)                                   | (673)                                     |
| Increase (decrease) in trade payables   | 813                                       | 809                                       |
| Decrease (increase) in leasehold and guarantee deposits                                     | (849)                                     | 589                                       |
| Increase (decrease) in deposits received  | 3,839                                     | (1,593)                                   |
| Compensation income   | —   | 5,079                                     |
| Other, net  | (1,094)                                   | 14,713                                    |
| <b>Subtotal</b>   | <b>18,648</b>                             | <b>33,830</b>                             |
| Interest and dividends received   | 6,203                                     | 7,491                                     |
| Interest paid   | (6,101)                                   | (7,035)                                   |
| Income taxes refund (paid)  | (22,083)                                  | (13,697)                                  |
| <b>Net cash provided by (used in) operating activities</b>                                  | <b>(3,332)</b>                            | <b>20,588</b>                             |

(Million yen)

|  | FY2022<br>(Jan. 1, 2022 to Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to Dec. 31, 2023) |
|--|---|---|
| <b>Cash flows from investing activities</b>  |   |   |
| Proceeds from sale and redemption of investment securities   | 2,188                                     | 7,641                                     |
| Purchase of investment securities  | (5,604)                                   | (3,330)                                   |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation                                       | 654                                       | —   |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation   | —   | 1,229                                     |
| Proceeds from withdrawal of investments in silent partnerships   | 4,460                                     | 1,085                                     |
| Payments for investments in silent partnerships  | —   | (16)                                      |
| Proceeds from sale of non-current assets   | 4,244                                     | 703                                       |
| Purchase of non-current assets   | (22,495)                                  | (44,796)                                  |
| Loan advances  | (433)                                     | (17,669)                                  |
| Increase (decrease) in deposits received under real estate specified joint enterprise law  | (1,892)                                   | 63  |
| Other, net   | (2,326)                                   | 1,019                                     |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(21,204)</b>                           | <b>(54,069)</b>                           |
| <b>Cash flows from financing activities</b>  |   |   |
| Net increase (decrease) in short-term borrowings   | (0)                                       | (0)                                       |
| Increase (decrease) in commercial papers   | 10,000                                    | —   |
| Proceeds from long-term borrowings   | 135,500                                   | 137,400                                   |
| Repayments of long-term borrowings   | (112,534)                                 | (52,127)                                  |
| Repayments of long-term accounts payable - other   | (202)                                     | (202)                                     |
| Proceeds from issuance of bonds  | —   | 20,000                                    |
| Redemption of bonds  | —   | (10,000)                                  |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation   | —   | (722)                                     |
| Purchase of equity interests in silent partnerships of subsidiaries and associates not resulting in change in scope of consolidation | (648)                                     | —   |
| Proceeds from sale of treasury shares  | 0   | 0   |
| Purchase of treasury shares  | (4)                                       | (3)                                       |
| Dividends paid   | (11,700)                                  | (15,047)                                  |
| Dividends paid to non-controlling interests  | (708)                                     | (636)                                     |
| Proceeds from share issuance to non-controlling shareholders   | 34  | 40  |
| Other, net   | (1,312)                                   | (789)                                     |
| <b>Net cash provided by (used in) financing activities</b>   | <b>18,421</b>                             | <b>77,908</b>                             |
| Effect of exchange rate change on cash and cash equivalents  | 1,545                                     | 435                                       |
| Net increase (decrease) in cash and cash equivalents   | (4,569)                                   | 44,864                                    |
| Cash and cash equivalents at beginning of period   | 87,008                                    | 82,439                                    |
| Cash and cash equivalents at end of period   | 82,439                                    | 127,303                                   |

(5) Notes on Consolidated Financial Statements

(Notes on Going Assumptions)

Not applicable

(Changes in Accounting Policies)

(Application of the implementation guidance on accounting standard for fair value measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 31, June 17, 2021) (hereinafter, the “Accounting Standard for Fair Value Measurement Implementation Guidance”) from the beginning of the first quarter of the fiscal year ending December 2023 and, in accordance with the transitional treatment stipulated in paragraph 27-2 of the Accounting Standard for Fair Value Measurement Implementation Guidance, the Company decided to apply the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement Implementation Guidance into the future.

The impact of the application of the implementation guidance on the financial statements for the first three quarters of the fiscal year ending December 2023 will be minor.

(Consolidated Statement of Income)

\* Loss on termination of joint venture agreement

The Tokyo Tatemono Group, through PT Dharma Tatemono Property (“DTP”) and PT Dharma Tatemono Residences (collectively with DTP, the “Project Companies”), which were established with its joint venture, has participated in the “Dharmawangsa Project (tentative name)” (the “Project”), a project to develop condominiums and offices and sell them as individual units in Jakarta, Indonesia. Given that the Project has come to a standstill due to the impact of the spread of COVID-19 and unfavorable conditions in the real estate market, we held a series of consultations with the joint venture. As a result, it was decided to terminate the joint venture agreement and to make the Project Companies subsidiaries, with the aim of optimizing the framework of decision-making involving the Project Companies. In connection with the termination of the joint venture agreement, in addition to the existing equity, the differences between the joint venture equity of Project Companies, which was accepted as payment in substitution for the loan receivable to the joint venture, and the assets and liabilities assumed on the consolidated balance sheet, were recorded as a loss on termination of the joint venture agreement.

(Segment Information, etc.)

Segment Information

1. Overview of Reportable Segments

The reportable segments of the Company are the constituent units of the Company for which separate financial information is available and for which the Board of Directors conducts a regular review to determine the allocation of management resources and assess the business performance.

The Company operates business activities by establishing divisions corresponding to their line of business, with the divisions formulating comprehensive strategies for the businesses they operate.

Therefore, the Company comprises business segments with the divisions as the basis and conducts the three businesses of Commercial Properties, Residential, and Asset Service as its reportable segments.

In the Commercial Properties business, operations include developing, selling, leasing out, operating, and managing office buildings, commercial facilities, logistics properties, etc. In the Residential business, operations include developing, selling, leasing out and managing condominiums. In the Asset Service business, operations include real estate sales, brokerage, consulting and parking lot development and operations.

## 2. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

|  | Reportable segments      |             |                  |           | Other<br>(Note 1) | Total     | Adjustment<br>(Note 2) | Amount recorded<br>in consolidated<br>financial<br>statements<br>(Note 3) |
|--|--------------------------|-------------|------------------|-----------|-------------------|-----------|------------------------|---|
|  | Commercial<br>Properties | Residential | Asset<br>Service | Total     |                   |           |                        |   |
| Operating revenue  |                          |             |                  |           |                   |           |                        |   |
| External customers   | 145,155                  | 131,390     | 50,240           | 326,786   | 23,154            | 349,940   | —                      | 349,940   |
| Inter-segment or transfer  | 1,606                    | 330         | 558              | 2,495     | 256               | 2,752     | (2,752)                | —   |
| Total  | 146,761                  | 131,721     | 50,799           | 329,282   | 23,410            | 352,693   | (2,752)                | 349,940   |
| Segment profit (loss)<br>(Business profit (loss))                          |                          |             |                  |           |                   |           |                        |   |
| Operating profit (loss)  | 40,910                   | 23,304      | 7,399            | 71,615    | 2,518             | 74,133    | (9,655)                | 64,478  |
| Share of profit (loss) of<br>entities accounted for using<br>equity method | 293                      | —           | —                | 293       | 1,532             | 1,825     | —                      | 1,825   |
| Total  | 41,204                   | 23,304      | 7,399            | 71,908    | 4,050             | 75,959    | (9,655)                | 66,304  |
| Segment assets   | 1,142,724                | 269,870     | 85,999           | 1,498,594 | 99,806            | 1,598,401 | 121,733                | 1,720,134   |
| Other items  |                          |             |                  |           |                   |           |                        |   |
| Depreciation   | 13,651                   | 1,514       | 2,363            | 17,528    | 1,042             | 18,571    | 225                    | 18,796  |
| Investments in entities<br>accounted for using equity<br>method            | 1,525                    | —           | —                | 1,525     | 41,126            | 42,652    | —                      | 42,652  |
| Increase in property, plant and<br>equipment and intangible<br>assets      | 23,307                   | 1,357       | 1,519            | 26,184    | 635               | 26,819    | 74                     | 26,893  |

Note 1: The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “leisure & child care,” “fund,” and “overseas.”

Note 2: (1) Adjustment of -¥9,655 million for segment profit (loss) includes inter-segment elimination of ¥34 million and corporate expenses of -¥9,689 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥121,733 million includes the company-level assets of ¥205,259 million and inter-segment elimination of -¥83,526 million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets, etc. relating to the corporate divisions.

Note 3: Segment profit (loss) is adjusted with the sum of operating profit and share of profit (loss) of entities accounted for using the equity method in the consolidated statement of income.

FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

|  | Reportable segments      |             |                  |           | Other<br>(Note 1) | Total     | Adjustment<br>(Note 2) | Amount recorded<br>in consolidated<br>financial statements<br>(Note 3) |
|--|--------------------------|-------------|------------------|-----------|-------------------|-----------|------------------------|--|
|  | Commercial<br>Properties | Residential | Asset<br>Service | Total     |                   |           |                        |  |
| Operating revenue  |                          |             |                  |           |                   |           |                        |  |
| External customers   | 155,256                  | 134,140     | 63,800           | 353,198   | 22,748            | 375,946   | —                      | 375,946  |
| Inter-segment or transfer  | 1,021                    | 383         | 1,791            | 3,197     | 138               | 3,335     | (3,335)                | —  |
| Total  | 156,278                  | 134,524     | 65,592           | 356,395   | 22,886            | 379,282   | (3,335)                | 375,946  |
| Segment profit (Business profit)   |                          |             |                  |           |                   |           |                        |  |
| Operating profit   | 38,483                   | 27,155      | 12,907           | 78,546    | 2,204             | 80,750    | (10,242)               | 70,508   |
| Share of profit (loss) of<br>entities accounted for using<br>equity method | 1,670                    | (6)         | —                | 1,664     | 2,256             | 3,920     | —                      | 3,920  |
| Total  | 40,153                   | 27,149      | 12,907           | 80,210    | 4,460             | 84,670    | (10,242)               | 74,428   |
| Segment assets   | 1,210,526                | 298,805     | 87,764           | 1,597,096 | 126,056           | 1,723,152 | 182,156                | 1,905,309  |
| Other items  |                          |             |                  |           |                   |           |                        |  |
| Depreciation   | 14,933                   | 1,805       | 2,508            | 19,248    | 996               | 20,244    | 213                    | 20,457   |
| Investments in entities<br>accounted for using equity<br>method            | 1,653                    | —           | —                | 1,653     | 26,266            | 27,920    | —                      | 27,920   |
| Increase in property, plant and<br>equipment and intangible<br>assets      | 40,710                   | 884         | 1,307            | 42,902    | 2,522             | 45,425    | 86                     | 45,512   |

Note 1: The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “leisure & child care,” “fund,” and “overseas.”

Note 2: (1) Adjustment of -¥10,242 million for segment profit includes inter-segment elimination of ¥72 million and corporate expenses of -¥10,314 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥182,156 million includes the company-level assets of ¥272,891 million and inter-segment elimination of -¥90,734 million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets, etc. relating to the corporate divisions.

Note 3: Segment profit is adjusted with the sum of operating profit and share of profit of entities accounted for using the equity method in the consolidated statement of income.

## Related Information

FY2022 (January 1, 2022 to December 31, 2022)

FY2023 (January 1, 2023 to December 31, 2023)

### 1. Information by Product and Service

Information by product and service is omitted, as similar information is stated in “2. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment” in “Segment Information.”

### 2. Information by Region

#### (1) Operating revenue

Operating revenue is omitted because the amount of operating revenue to external customers in Japan exceeded 90% of the amount of operating revenue stated in the consolidated statement of income.

#### (2) Property, plant and equipment

Property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment stated in the consolidated balance sheet.

### 3. Information by Major Customer

Information by major customer is omitted because the amount of operating revenue to specified customers, which is included in operating revenue to external customers, is less than 10% of the operating revenue stated in the consolidated statement of income.

## Information on Impairment Losses of Non-Current Assets by Reportable Segment

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

|                   | Reportable segments          |             |               |       | Other | Total | Adjustment | Amount recorded in consolidated financial statements |
|-------------------|------------------------------|-------------|---------------|-------|-------|-------|------------|--|
|                   | Commercial Properties (Note) | Residential | Asset Service | Total |       |       |            |  |
| Impairment losses | 1,772                        | —           | 320           | 2,093 | 141   | 2,234 | —          | 2,234  |

Note: Includes ¥1,772 million recorded as loss on building reconstruction.

FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

|                   | Reportable segments   |             |               |       | Other | Total | Adjustment | Amount recorded in consolidated financial statements |
|-------------------|-----------------------|-------------|---------------|-------|-------|-------|------------|--|
|                   | Commercial Properties | Residential | Asset Service | Total |       |       |            |  |
| Impairment losses | —                     | —           | 157           | 157   | —     | 157   | —          | 157  |

Information on Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment  
FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

|                            | Reportable segments   |             |               |       | Other | Total | Adjustment | Amount recorded in consolidated financial statements |
|----------------------------|-----------------------|-------------|---------------|-------|-------|-------|------------|--|
|                            | Commercial Properties | Residential | Asset Service | Total |       |       |            |  |
| Amortization during period | 221                   | 62          | 33            | 317   | —     | 317   | —          | 317  |
| Balance at end of period   | 1,511                 | 205         | —             | 1,716 | —     | 1,716 | —          | 1,716  |

FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

|                            | Reportable segments   |             |               |       | Other | Total | Adjustment | Amount recorded in consolidated financial statements |
|----------------------------|-----------------------|-------------|---------------|-------|-------|-------|------------|--|
|                            | Commercial Properties | Residential | Asset Service | Total |       |       |            |  |
| Amortization during period | 177                   | 51          | —             | 229   | —     | 229   | —          | 229  |
| Balance at end of period   | 1,333                 | 153         | —             | 1,486 | —     | 1,486 | —          | 1,486  |

Information on Gain on Bargain Purchase by Reportable Segment

FY2022 (January 1, 2022 to December 31, 2022)

Gain on bargain purchase of ¥870 million has been recorded in the Commercial Properties business segment. When business results for Kasumigaseki Building No. 7 PFI Co., Ltd. were recorded on a consolidated basis, the acquisition cost of the shares was less than the market value of net assets at the time of the business combination, and the difference was recognized as a gain on bargain purchase.

FY2023 (January 1, 2023 to December 31, 2023)

Not applicable

(Relating to Rental Properties)

The Company and a certain number of its consolidated subsidiaries own office buildings for rent, condominiums for rent, commercial facilities for rent and such in Tokyo and other regions. As some of the office buildings for rent and such are used by the Company and some of its consolidated subsidiaries, they are posted as real estate including portions used as rental property.

The amounts recorded in the consolidated balance sheet, the amounts of changes during the period, and the market value of these rental properties and real estate including portions used as rental property are as follows:

(Million yen)

|  |   |                                | FY2022<br>(Jan. 1, 2022 to<br>Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to<br>Dec. 31, 2023) |
|--|---|--------------------------------|--|--|
| Rental properties                                      | Amount recorded in consolidated balance sheet | Balance at beginning of period | 693,406                                      | 692,631                                      |
|  |   | Changes during period          | (775)  | 9,324  |
|  |   | Balance at end of period       | 692,631                                      | 701,955                                      |
|  | Market value at end of period                 | 1,179,703                      | 1,196,349                                    |  |
| Real estate including portions used as rental property | Amount recorded in consolidated balance sheet | Balance at beginning of period | 199,175                                      | 198,568                                      |
|  |   | Changes during period          | (606)  | 16,891                                       |
|  |   | Balance at end of period       | 198,568                                      | 215,459                                      |
|  | Market value at end of period                 | 237,908                        | 250,481                                      |  |

Note 1: The amount recorded in the consolidated balance sheet is the amount obtained by subtracting accumulated depreciation from acquisition costs.

Note 2: The market value at the end of the period is the value based on the valuation of properties by an outside licensed real-estate appraiser for principal properties and the value calculated by the Company based on the Real Estate Appraisal Standards (including values adjusted using indicators) for other properties.

(Per Share Information)

|                      | FY2022<br>(Jan. 1, 2022 to Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to Dec. 31, 2023) |
|----------------------|---|---|
| Net assets per share | ¥2,135.08                                 | ¥2,378.61                                 |
| Profit per share     | ¥206.15                                   | ¥215.82                                   |

Note 1: Diluted profit per share is not posted as there is no potential share.

Note 2: In the calculation of net assets per share and profit per share, the shares of the Company held by the Board Benefit Trust (BBT) are included in the treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period and the average number of shares during the period. The number of shares outstanding at the end of the period of the concerned treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period was 241,000 shares for FY2022 and 225,000 shares for FY2023, and the average number of shares during the period of the concerned treasury shares deducted in the calculation of the average number of shares during the period was 241,000 shares for FY2022 and 229,000 shares for FY2023.

Note 3: The calculation basis for profit per share is as shown below.

|   | FY2022<br>(Jan. 1, 2022 to<br>Dec. 31, 2022) | FY2023<br>(Jan. 1, 2023 to<br>Dec. 31, 2023) |
|---|--|--|
| Profit per share  |  |  |
| Profit attributable to owners of parent (million yen)                               | 43,062                                       | 45,084                                       |
| Amount not attributable to common shareholders (million yen)                        | —  | —  |
| Profit attributable to owners of parent that pertain to common shares (million yen) | 43,062                                       | 45,084                                       |
| Average number of common shares during the period (thousand shares)                 | 208,890                                      | 208,900                                      |

Note 4: The calculation basis for net assets per share is as shown below.

| Item   | End of FY2022<br>(Dec. 31, 2022) | End of FY2023<br>(Dec. 31, 2023) |
|--|----------------------------------|----------------------------------|
| Total net assets (million yen)   | 456,838                          | 508,035                          |
| Amount of deduction from total net assets (million yen)  | 10,843                           | 11,135                           |
| [Non-controlling interests included in the above (million yen)]  | 10,843                           | 11,135                           |
| Net assets at the end of the period that pertain to common shares (million yen)  | 445,994                          | 496,900                          |
| Number of common shares at the end of the period, which was used for the calculation of net assets per share (thousand shares) | 208,889                          | 208,903                          |

(Major Subsequent Events)

Not applicable