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May 8, 2019

## Outline of Consolidated Financial Statements (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending December 2019

Name of Company Listed: Tokyo Tatemono Co., Ltd. Exchange: First Section of Tokyo Stock Exchange  
Code Number: 8804 URL: <https://www.tatemono.com/english/>  
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Scheduled date for submission of quarterly report: May 14, 2019

Scheduled date for commencement of dividend payment: –

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

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

### 1. Consolidated Results of Operations for the First Quarter of Fiscal 2019 (January 1, 2019 to March 31, 2019)

#### (1) Consolidated business results (on a cumulative basis)

	Revenue from operations		Operating income		Recurring income		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019 1Q	84,854	(5.1)	14,901	(33.2)	13,214	(37.0)	9,867	(35.7)
FY2018 1Q	89,435	105.3	22,307	250.2	20,974	417.1	15,334	519.3

Note 1: The percentage figures indicate the percentage increase/decrease compared with the same period of the previous fiscal year.

Note 2: Comprehensive income FY2019 1Q: ¥16,034 million (71.4%)

FY2018 1Q: ¥9,354 million (428.1%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2019 1Q	46.03	–
FY2018 1Q	70.69	–

#### (2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2019 1Q	1,532,102	362,988	23.1	1,665.91
FY2018	1,450,091	356,578	24.0	1,605.70

Reference: Equity capital As of March 31, 2019: ¥354,308 million

As of December 31, 2018: ¥348,131 million

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
FY2018	Yen –	Yen 16.00	Yen –	Yen 19.00	Yen 35.00
FY2019	–				
FY2019 (Forecast)		19.00	–	19.00	38.00

Note: Revisions to dividend forecasts published most recently: None

## 3. Forecast of Consolidated Results of Operations for Fiscal 2019 (January 1, 2019 to December 31, 2019)

	Revenue from operations		Operating income		Recurring income		Profit attributable to owners of the parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	330,000	20.7	50,000	6.9	43,000	2.3	28,000	2.7	133.05

Note 1: The percentage figures indicate the percentage increase/decrease compared with the previous fiscal year.

Note 2: Revisions to forecast of consolidated results of operations published most recently: None

\* The Company passed a resolution on acquisition of own shares at the meeting of its Board of Directors held on January 18, 2019. The impact of the concerned acquisition of own shares is factored into “Profit per share” in the forecast of consolidated results of operations.

### \*Notes

- (1) Significant changes in subsidiaries accompanied by a change in the scope of consolidation during the period: None
- (2) Application of particular accounting practices to the preparation of quarterly consolidated financial statements: None
- (3) 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.: None
  - (ii) Changes in the accounting principles other than (i): None
  - (iii) Changes in the accounting estimates: None
  - (iv) Restatement: None
- (4) Number of shares outstanding (common shares)
  - (i) Number of shares outstanding (including treasury stock) at the end of the period
 

As of March 31, 2019:	216,963,374 shares	As of December 31, 2018:	216,963,374 shares
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  - (ii) Number of shares of treasury stock at the end of the period
 

As of March 31, 2019:	4,281,907 shares	As of December 31, 2018:	153,713 shares
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  - (iii) Average number of shares during the period (cumulative consolidated quarterly periods)
 

FY2019 1Q:	214,383,193 shares	FY2018 1Q:	216,940,261 shares
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\* Starting from the fiscal year ended December 31, 2018 (FY2018), the Company introduced a stock compensation plan “Board Benefit Trust (BBT),” and the shares of the Company held by the trust (number of shares of treasury stock at the end of the period: 126,100 shares; average number of shares during the period: 126,100 shares) are included in the number of shares of treasury stock at the end of the period and the treasury stock deducted in the calculation of the average number of shares during the period.

\* Outline of Quarterly Financial Statements is not subject to quarterly 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 4, “1. Qualitative Information on Consolidated Operating Results, etc. for the Period Under Review; (3) Description of consolidated earnings forecasts and other forward-looking statements.”

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# 1. Qualitative Information on Consolidated Operating Results, etc. for the Period Under Review

## (1) Description of operating results

As to the consolidated results for the first quarter of the fiscal year ending December 31, 2019 (FY2019), with the impact of the sales of large-scale condominiums in central Tokyo posted in the same period of the previous fiscal year in the Residential business, among other factors, revenue from operations was ¥84,854 million (down 5.1% from ¥89,435 million for the same period of the previous fiscal year), operating income was ¥14,901 million (down 33.2% from ¥22,307 million for the same period of the previous fiscal year), recurring income was ¥13,214 million (down 37.0% from ¥20,974 million for the same period of the previous fiscal year) and profit attributable to owners of the parent was ¥9,867 million (down 35.7% from ¥15,334 million for the same period of the previous fiscal year).

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

### (i) Commercial Properties Business

In the first quarter of FY2019, revenue and income increased compared with the same period of the previous fiscal year, due in part to strong performance in building leasing and building management service, etc., and increase in property sales to investors leading to increase in real estate sales.

Consequently, revenue from operations was ¥29,564 million (up 6.8% from ¥27,675 million for the same period of the previous fiscal year) and operating income was ¥9,395 million (up 10.0% from ¥8,544 million for the same period of the previous fiscal year).

Item	First quarter of FY2018		First quarter of FY2019	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Building leasing	Leased area of buildings 714,946 m <sup>2</sup> (Of which, subleased area 98,318 m <sup>2</sup> )	17,631	Leased area of buildings 723,804 m <sup>2</sup> (Of which, subleased area 98,212 m <sup>2</sup> )	17,849
Real estate sales	1 property	1,888	1 property	2,830
Building management service, etc.	—	8,155	—	8,884
Total revenue from operations	—	27,675	—	29,564
Operating income	—	8,544	—	9,395

(ii) Residential Business

In the first quarter of FY2019, revenue and income decreased compared with the same period of the previous fiscal year, due in part to posting of housing sales, including sales of “Brillia Tower Yoyogi Park CLASSY” (Shibuya-ku, Tokyo) and “Brillia Tower Hachioji” (Hachioji-shi, Tokyo), being offset by the impact of the sales of large-scale condominiums in central Tokyo posted in the same period of the previous fiscal year.

Consequently, revenue from operations was ¥35,498 million (down 22.1% from ¥45,548 million for the same period of the previous fiscal year) and operating income was ¥4,823 million (down 63.1% from ¥13,058 million for the same period of the previous fiscal year).

Item	First quarter of FY2018		First quarter of FY2019	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Housing sales	409 units	39,232	450 units	28,568
Sales of residential land, etc.	—	921	—	363
Housing leasing	Leased area of buildings 79,362 m <sup>2</sup>	916	Leased area of buildings 84,437 m <sup>2</sup>	970
Condominium management services	Number of managed units 92,658 units	2,885	Number of managed units 93,950 units	2,894
Other	—	1,591	—	2,700
Total revenue from operations	—	45,548	—	35,498
Operating income	—	13,058	—	4,823

(iii) Real Estate Solution Services Business

In the first quarter of FY2019, revenue increased compared with the same period of the previous fiscal year, due in part to increase in sale of real estate in the real estate purchase & resale business.

Consequently, revenue from operations was ¥13,831 million (up 26.7% from ¥10,915 million for the same period of the previous fiscal year) and operating income was ¥2,493 million (down 3.8% from ¥2,591 million for the same period of the previous fiscal year).

Item	First quarter of FY2018		First quarter of FY2019	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Brokerage	250 properties	1,230	214 properties	1,118
Real estate purchase & resale (Note)	—	3,534	—	6,335
Management service, etc.	—	1,052	—	1,057
Parking lot operations	Number of parking spaces 66,131 spaces	5,097	Number of parking spaces 66,938 spaces	5,319
Total revenue from operations	—	10,915	—	13,831
Operating income	—	2,591	—	2,493

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

(iv) Other

In the first quarter of FY2019, revenue and income increased compared with the same period of the previous fiscal year, due in part to higher occupancy of existing facilities in the senior & child care business.

Consequently, revenue from operations was ¥5,960 million (up 12.5% from ¥5,296 million for the same period of the previous fiscal year) and operating income was ¥210 million (up 144.3% from ¥85 million for the same period of the previous fiscal year).

Please note that the child care business, which had been included in “Other,” has been reclassified to “Senior business,” effective the first quarter of FY2019. In conjunction, “Senior business” has been renamed “Senior & child care business.” The actual figures for the same period of the previous fiscal year have been restated under the new classification.

Item	First quarter of FY2018	First quarter of FY2019
	Revenue from operations (million yen)	Revenue from operations (million yen)
Leisure	2,985	3,134
Senior & child care	1,568	1,999
Other	742	826
Total revenue from operations	5,296	5,960
Operating income	85	210

(2) Description of financial position

Effective the beginning of the first quarter of FY2019, the Company has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018), etc. Financial position comparisons with the previous fiscal year are made based on the figures after retrospective application of the concerned accounting standard, etc.

(Assets)

Total assets at the end of the first quarter of FY2019 were ¥1,532,102 million, up ¥82,010 million from the end of the previous fiscal year. This was primarily attributable to increase in cash and deposits and real estate for sale.

(Liabilities)

Total liabilities at the end of the first quarter of FY2019 were ¥1,169,113 million, up ¥75,601 million from the end of the previous fiscal year. This was primarily attributable to increase in interest-bearing debt. The balance of interest-bearing debt (excluding lease obligations) was ¥926,759 million (up ¥69,642 million from the end of the previous fiscal year).

(Net assets)

Net assets at the end of the first quarter of FY2019 were ¥362,988 million, up ¥6,409 million from the end of the previous fiscal year. This was primarily attributable to decrease due to acquisition of treasury stock on the one hand, and increase in retained earnings and valuation difference on available-for-sale securities on the other hand.

(3) Description of consolidated earnings forecasts and other forward-looking statements

The Company has not revised the earnings forecasts for FY2019 that it released on February 5, 2019.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheet

(Million yen)

	End of FY2018 (December 31, 2018)	End of FY2019 1Q (March 31, 2019)
Assets		
Current assets		
Cash and deposits	31,716	86,820
Notes and operating accounts receivable	11,876	10,455
Real estate for sale	104,221	118,636
Real estate for sale in progress	101,059	94,543
Real estate for development	78,157	84,812
Other current assets	26,369	35,102
Allowance for doubtful accounts	(43)	(46)
Total current assets	353,358	430,324
Fixed assets		
Property and equipment		
Buildings and structures	362,482	363,042
Accumulated depreciation	(137,216)	(140,312)
Buildings and structures (net amount)	225,265	222,729
Land	527,272	526,534
Construction in progress	8,479	12,523
Other	28,284	28,446
Accumulated depreciation	(16,501)	(16,857)
Other, net	11,782	11,589
Total property and equipment	772,800	773,376
Intangible and other assets		
Leasehold rights	106,083	106,888
Other	4,332	3,966
Total intangible and other assets	110,416	110,854
Investments and other assets		
Investment securities	127,788	139,186
Investments in silent partnership	4,904	4,476
Deferred tax assets	1,855	1,762
Lease and guarantee deposits	21,232	21,227
Retirement benefit assets	858	858
Other	56,973	50,131
Allowance for doubtful accounts	(98)	(97)
Total investments and other assets	213,515	217,546
Total fixed assets	1,096,732	1,101,777
Total assets	1,450,091	1,532,102

(Million yen)

	End of FY2018 (December 31, 2018)	End of FY2019 1Q (March 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	65,925	68,336
Commercial paper	33,000	55,000
Current portion of bonds	15,000	15,000
Accounts payable, trade	11,193	15,857
Accrued income taxes	5,835	4,076
Reserves	983	2,533
Investments received for real estate specific joint enterprises	8,042	12,712
Other	45,944	45,571
Total current liabilities	185,924	219,087
Long-term liabilities		
Bonds payable	145,000	210,000
Long-term debt	594,449	575,131
Reserves	253	206
Deferred tax liabilities	20,299	22,022
Deferred tax liabilities for land revaluation	27,277	27,277
Guarantee deposits received	75,245	75,229
Retirement benefit liabilities	11,477	11,474
Investments received for real estate specific joint enterprises	18,600	13,925
Other	14,985	14,758
Total long-term liabilities	907,588	950,026
<b>Total liabilities</b>	<b>1,093,512</b>	<b>1,169,113</b>
<b>Net assets</b>		
Shareholders' equity		
Capital	92,451	92,451
Capital surplus	66,722	66,722
Retained earnings	107,468	113,214
Treasury stock	(237)	(5,614)
Total shareholders' equity	266,404	266,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,859	55,555
Revaluation difference on land	30,932	30,932
Foreign currency translation adjustments	872	1,002
Remeasurement of retirement benefits	61	43
Total of accumulated other comprehensive income	81,726	87,534
Non-controlling interests	8,447	8,679
Total net assets	356,578	362,988
<b>Total liabilities and net assets</b>	<b>1,450,091</b>	<b>1,532,102</b>



(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(First quarter of fiscal year)

(Million yen)

	FY2018 1Q (Jan. 1, 2018 to Mar. 31, 2018)	FY2019 1Q (Jan. 1, 2019 to Mar. 31, 2019)
Revenue from operations	89,435	84,854
Operating cost	58,526	60,307
Gross profit	30,909	24,546
Selling, general and administrative expenses	8,602	9,644
Operating income	22,307	14,901
Non-operating income		
Interest income	1	11
Dividend income	639	734
Equity in income of affiliated companies	128	0
Other	212	242
Total non-operating income	982	988
Non-operating expenses		
Interest expense	1,485	1,528
Borrowing fee	290	291
Bond issuance expenses	206	728
Distribution from real estate specific joint enterprises	110	63
Other	222	64
Total non-operating expenses	2,315	2,676
Recurring income	20,974	13,214
Extraordinary income		
Gain on sale of fixed assets	0	74
Gain on sale of investment securities	—	23
Gain on liquidation of subsidiaries and affiliates	—	710
Gain on sales of investments in capital of subsidiaries and affiliates	—	293
Total extraordinary income	0	1,102
Extraordinary loss		
Loss on sale of fixed assets	0	—
Loss on retirement of fixed assets	31	15
Loss on valuation of investment securities	—	16
Impairment loss	9	4
Total extraordinary loss	41	36
Profit before income taxes and minority interests	20,933	14,280
Current income taxes	6,737	4,759
Deferred income taxes	(1,366)	(568)
Total income taxes	5,371	4,191
Profit	15,561	10,088
Profit attributable to non-controlling interests	226	221
Profit attributable to owners of the parent	15,334	9,867

(Quarterly consolidated statement of comprehensive income)

(First quarter of fiscal year)

(Million yen)

	FY2018 1Q (Jan. 1, 2018 to Mar. 31, 2018)	FY2019 1Q (Jan. 1, 2019 to Mar. 31, 2019)
Profit	15,561	10,088
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,011)	5,833
Foreign currency translation adjustments	(362)	(82)
Remeasurement of retirement benefits	(3)	(18)
Share of other comprehensive income of associates accounted for using equity method	(829)	212
Total of other comprehensive income	(6,206)	5,945
Comprehensive income	9,354	16,034
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	9,255	15,675
Comprehensive income attributable to non-controlling interests	99	359

(3) Notes on quarterly consolidated financial statements

(Notes on going assumptions)

Not applicable

(Notes on cases where there was a substantial change in the amount of shareholders' equity)

Not applicable

(Significant changes in subsidiaries during the period under review)

Not applicable

(Additional information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc.)

Effective the beginning of the first quarter of FY2019, the Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 issued on February 16, 2018), etc. Accordingly, "Deferred income taxes" (deferred tax assets, posted in "Current assets" and "Investments and other assets") is presented as "Deferred tax assets" under "Investments and other assets" and "Deferred income taxes" (deferred tax liabilities, posted in "Long-term liabilities") is presented as "Deferred tax liabilities" under "Long-term liabilities."

(Segment information)

[Segment information]

I First quarter of FY2018 (January 1, 2018 to March 31, 2018)

1. Information on Revenue from Operations and Segment Income (Loss)

(Million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Commercial properties	Residence	Real estate solution services	Total				
Revenue from operations								
(1) External customers	27,675	45,548	10,915	84,139	5,296	89,435	—	89,435
(2) Inter-segment or transfer	231	157	98	486	74	561	(561)	—
Total	27,906	45,706	11,013	84,626	5,370	89,996	(561)	89,435
Segment income	8,544	13,058	2,591	24,194	85	24,280	(1,973)	22,307

Note 1. The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “Leisure,” “Senior & child care” and “Asset management.”

Note 2. Adjustment of -¥1,973 million for segment income includes inter-segment elimination of -¥28 million and corporate expenses of -¥1,944 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.

Note 3. Segment income is adjusted with operating income in the quarterly consolidated statement of income.

II First quarter of FY2019 (January 1, 2019 to March 31, 2019)

1. Information on Revenue from Operations and Segment Income (Loss)

(Million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Commercial properties	Residence	Real estate solution services	Total				
Revenue from operations								
(1) External customers	29,564	35,498	13,831	78,893	5,960	84,854	—	84,854
(2) Inter-segment or transfer	168	359	193	720	36	757	(757)	—
Total	29,732	35,857	14,024	79,614	5,997	85,612	(757)	84,854
Segment income	9,395	4,823	2,493	16,712	210	16,922	(2,020)	14,901

Note 1. The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “Leisure,” “Senior & child care” and “Asset management.”

Note 2. Adjustment of -¥2,020 million for segment income includes inter-segment elimination of ¥29 million and corporate expenses of -¥2,049 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.

Note 3. Segment income is adjusted with operating income in the quarterly consolidated statement of income.