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August 10, 2023

## Outline of Consolidated Financial Statements for the First Two Quarters of the Fiscal Year Ending 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/>  
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Scheduled date for submission of quarterly report: August 10, 2023  
Scheduled date for commencement of dividend payment: September 8, 2023  
Supplementary documents for quarterly results: Yes  
Quarterly results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated Results of Operations for the First Two Quarters of Fiscal Year Ending December 2023 (January 1, 2023 to June 30, 2023)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023 2Q	179,670	(16.5)	36,050	(25.2)	36,242	(27.8)	23,816	(32.6)
FY2022 2Q	215,066	32.3	48,227	59.1	50,185	78.2	35,330	75.0

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

Note 2: Comprehensive income FY2023 2Q ¥37,267 million (-2.0%)  
FY2022 2Q ¥38,042 million (30.6%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2023 2Q	114.01	—
FY2022 2Q	169.13	—

#### (2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2023 2Q	1,785,023	485,526	26.6	2,273.07
FY2022	1,720,134	456,838	25.9	2,135.08

Reference: Equity capital FY2023 2Q ¥474,853 million  
FY2022 ¥445,994 million

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
FY2022	Yen —	Yen 29.00	Yen —	Yen 36.00	Yen 65.00
FY2023	—	36.00			
FY2023 (Forecast)			—	36.00	72.00

Note: Revisions to dividend forecasts published most recently: None

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

	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	413,000	18.0	66,000	2.4	67,000	5.5	44,500	3.3	213.03

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

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

### \*Notes

(1) Significant changes in subsidiaries accompanied by a change in the scope of consolidation during the period: No

(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.: | 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 9, “2. Quarterly Consolidated Financial Statements and Key Notes; (3) Notes on Quarterly Consolidated Financial Statements; (Changes in accounting policies)” for details.

(4) Number of shares outstanding (common shares)

(i) Number of shares outstanding (including treasury shares) at the end of the period

As of June 30, 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 June 30, 2023: 263,387 shares As of December 31, 2022: 278,430 shares

(iii) Average number of shares during the period (cumulative consolidated quarterly periods)

FY2023 2Q: 208,896,720 shares FY2022 2Q: 208,891,060 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 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” for matters regarding the performance forecasts.

○Contents of Accompanying Materials

1. Qualitative Information on Consolidated Operating Results, Etc. for the Period Under Review .....	2
(1) Description of Operating Results .....	2
(2) Description of Financial Position .....	4
(3) Description of Consolidated Earnings Forecasts and Other Forward-Looking Statements .....	4
2. Quarterly Consolidated Financial Statements and Key Notes .....	5
(1) Quarterly Consolidated Balance Sheet .....	5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income .....	7
(3) Notes on Quarterly Consolidated Financial Statements .....	9
(Notes on going assumptions) .....	9
(Notes on cases where there was a substantial change in the amount of shareholders' equity) .....	9
(Significant changes in subsidiaries during the period under review) .....	9
(Changes in accounting policies) .....	9

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

### (1) Description of Operating Results

In the six months ended June 30, 2023 (first two quarters of the fiscal year ending December 31, 2023 (FY2023)), the Japanese economy continued to show a moderate recovery trend, with further progress in the normalization of economic and social activities due to the reclassification of COVID-19 as a “Class 5” infectious disease and the easing of immigration restrictions coupled with the effects of various policies. Meanwhile, amid the prolonged impact of the Russia-Ukraine situation, it is necessary to monitor the effects of factors such as the downside risk of the economy resulting from global monetary tightening, the trends in prices and interest rates in Japan, and the impact of exchange rate fluctuation. Accordingly, the economic outlook remains uncertain.

Amid this business environment, as to the consolidated results for the first two quarters of FY2023, with factors such as a decrease in property sales to investors in the Commercial Properties business, the Residential business and the Asset Service business, operating revenue was ¥179,670 million (down 16.5% from ¥215,066 million for the same period last year), operating profit was ¥36,050 million (down 25.2% from ¥48,227 million for the same period last year), business profit was ¥37,984 million (down 25.8% from ¥51,195 million for the same period last year), ordinary profit was ¥36,242 million (down 27.8% from ¥50,185 million for the same period last year), and profit attributable to owners of parent was ¥23,816 million (down 32.6% from ¥35,330 million for the same period last 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 equity method, as a profit indicator.

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

#### (i) Commercial Properties Business

In the first two quarters of FY2023, while sales of real estate were recorded for “FUNDES Tenjin Nishidori” (Chuo-ku, Fukuoka-shi) and “Osaka Dojima Bldg.” (Kita-ku, Osaka-shi) as property sales to investors, revenues decreased primarily due to the rebound from the sale of large-scale properties in the same period last year.

Consequently, operating revenue was ¥62,331 million (down 28.2% from ¥86,836 million for the same period last year), operating profit was ¥17,527 million (down 33.2% from ¥26,221 million for the same period last year), and business profit was ¥17,685 million (down 32.8% from ¥26,336 million for the same period last year).

Item	First two quarters of FY2022		First two quarters of FY2023	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Leasing of buildings, etc.	Leased area of buildings 847,758 m <sup>2</sup> (Of which, subleased area 87,516 m <sup>2</sup> )	38,863	Leased area of buildings 1,020,869 m <sup>2</sup> (Of which, subleased area 64,512 m <sup>2</sup> )	37,925
Sales of real estate	2 properties	29,387	2 properties	5,770
Building management service, etc.	—	18,585	—	18,635
<b>Total operating revenue</b>	—	<b>86,836</b>	—	<b>62,331</b>
<b>Operating profit</b>	—	<b>26,221</b>	—	<b>17,527</b>
<b>Business profit</b>	—	<b>26,336</b>	—	<b>17,685</b>

(ii) Residential Business

In the first two quarters of FY2023, residential sales were recorded for “SHIROKANE The SKY” (Minato-ku, Tokyo) and “Brillia Shiki Garden” (Niiza-shi, Saitama). In addition, sales of real estate were recorded for “Brillia ist Asakusabashi” (Taito-ku, Tokyo) as property sales to investors, but revenues decreased from the same period last year.

Consequently, operating revenue was ¥78,110 million (down 12.9% from ¥89,675 million for the same period last year), and operating profit and business profit were both ¥17,759 million (down 16.5% from ¥21,280 million for the same period last year).

Item	First two quarters of FY2022		First two quarters of FY2023	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Residential sales	963 units	61,957	660 units	60,730
Sales of real estate	—	14,057	—	2,389
Residence leasing	Leased area of buildings 116,644 m <sup>2</sup>	2,580	Leased area of buildings 128,337 m <sup>2</sup>	2,964
Condominium management service	Number of managed units 97,272 units	6,802	Number of managed units 98,141 units	7,389
Other	—	4,277	—	4,636
Total operating revenue	—	89,675	—	78,110
Operating profit	—	21,280	—	17,759
Business profit	—	21,280	—	17,759

(iii) Asset Service Business

In the first two quarters of FY2023, while revenue increased due to heightened occupancy of existing facilities and new opening in parking lot operations, sales of real estate as property sales to investors decreased in the asset solution business.

Consequently, operating revenue was ¥27,521 million (down 0.3% from ¥27,604 million for the same period of the previous fiscal year), and operating profit and business profit were both ¥5,124 million (up 16.0% from ¥4,418 million for the same period of the previous fiscal year).

Item	First two quarters of FY2022		First two quarters of FY2023	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Brokerage	532 properties	2,259	494 properties	2,279
Asset solution (Note)	—	12,523	—	11,346
Management service, etc.	—	2,319	—	2,414
Parking lot operations	Number of parking spaces 76,444 spaces	10,501	Number of parking spaces 81,620 spaces	11,481
Total operating revenue	—	27,604	—	27,521
Operating profit	—	4,418	—	5,124
Business profit	—	4,418	—	5,124

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

(iv) Other

In the first two quarters of FY2023, revenues increased in the leisure & child care business mainly due to heightened occupancy of resort facilities. In addition, share of profit of entities accounted for using equity method decreased in overseas businesses under other businesses.

Consequently, operating revenue was ¥11,707 million (up 6.9% from ¥10,949 million for the same period last year), operating profit was ¥911 million (down 23.3% from ¥1,187 million for the same period last year), and business profit was ¥2,687 million (down 33.5% from ¥4,041 million for the same period last year).

Item	First two quarters of FY2022	First two quarters of FY2023
	Operating revenue (million yen)	Operating revenue (million yen)
Leisure & child care business	8,353	9,485
Other	2,596	2,221
Total operating revenue	10,949	11,707
Operating profit	1,187	911
Business profit	4,041	2,687

(2) Description of Financial Position

(Assets)

Total assets at the end of the second quarter of FY2023 were ¥1,785,023 million, up ¥64,888 million from the end of the previous fiscal year. This was primarily attributable to increase in real estate for sale (including real estate for sale in process and real estate for development) and property, plant and equipment.

(Liabilities)

Total liabilities at the end of the second quarter of FY2023 were ¥1,299,496 million, up ¥36,200 million from the end of the previous fiscal year. This was primarily attributable to an increase in interest-bearing debt. The balance of interest-bearing debt (excluding lease obligations) was ¥1,017,654 million, up ¥27,855 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the second quarter of FY2023 were ¥485,526 million, up ¥28,687 million from the end of the previous fiscal year. This was primarily attributable to increase in retained earnings.

(3) Description of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Business results for the first two quarters of FY2023 were mostly steady and the Company has not revised the earnings forecasts for FY2023 stated in the “Outline of Consolidated Financial Statements for the Fiscal Year Ended December 2022” that it released on February 13, 2023.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	End of FY2022 (December 31, 2022)	End of FY2023 2Q (June 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	82,440	81,151
Trade notes, accounts receivable, and contract assets	14,334	12,207
Real estate for sale	173,836	203,886
Real estate for sale in process	160,009	160,104
Real estate for development	81,069	96,752
Other	40,934	37,316
Allowance for doubtful accounts	(93)	(62)
Total current assets	552,531	591,355
Non-current assets		
Property, plant and equipment		
Buildings and structures	396,529	397,758
Accumulated depreciation	(174,775)	(181,102)
Buildings and structures, net	221,754	216,656
Land	537,397	545,268
Construction in progress	44,903	55,803
Other	31,198	31,234
Accumulated depreciation	(20,291)	(20,757)
Other, net	10,907	10,476
Total property, plant and equipment	814,963	828,204
Intangible assets		
Leasehold interests in land	130,042	127,804
Other	2,604	2,635
Total intangible assets	132,646	130,439
Investments and other assets		
Investment securities	128,701	137,226
Investments in silent partnerships	3,638	2,971
Deferred tax assets	2,001	1,933
Leasehold and guarantee deposits	21,469	21,793
Retirement benefit asset	1,151	1,118
Other	63,131	70,081
Allowance for doubtful accounts	(100)	(100)
Total investments and other assets	219,993	235,023
Total non-current assets	1,167,603	1,193,667
Total assets	1,720,134	1,785,023

(Million yen)

	End of FY2022 (December 31, 2022)	End of FY2023 2Q (June 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	52,047	55,839
Commercial papers	50,000	70,000
Current portion of bonds payable	10,000	10,000
Accounts payable - other	13,781	8,815
Income taxes payable	4,811	12,785
Provisions	964	1,039
Deposits received under real estate specified joint enterprise law	—	5,500
Other	67,856	69,283
Total current liabilities	199,461	233,263
Non-current liabilities		
Bonds payable	245,000	235,000
Long-term borrowings	630,520	644,685
Deferred tax liabilities	17,647	20,739
Deferred tax liabilities for land revaluation	27,274	27,274
Provisions	358	351
Leasehold and guarantee deposits received	78,088	79,451
Retirement benefit liability	13,023	12,980
Deposits received under real estate specified joint enterprise law	21,684	16,235
Other	30,236	29,514
Total non-current liabilities	1,063,834	1,066,233
Total liabilities	1,263,296	1,299,496
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,539	66,262
Retained earnings	189,501	205,789
Treasury shares	(443)	(419)
Total shareholders' equity	348,048	364,084
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,332	60,995
Revaluation reserve for land	43,187	43,187
Foreign currency translation adjustment	4,604	6,856
Remeasurements of defined benefit plans	(179)	(270)
Total accumulated other comprehensive income	97,945	110,769
Non-controlling interests	10,843	10,672
Total net assets	456,838	485,526
Total liabilities and net assets	1,720,134	1,785,023



## (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly consolidated statement of income)

(Consolidated first two quarters)

(Million yen)

	FY2022 2Q (January 1, 2022 to June 30, 2022)	FY2023 2Q (January 1, 2023 to June 30, 2023)
Operating revenue	215,066	179,670
Operating costs	147,693	123,674
Operating gross profit	67,372	55,996
Selling, general and administrative expenses	19,145	19,945
Operating profit	48,227	36,050
Non-operating income		
Interest income	14	65
Dividend income	1,671	1,928
Share of profit of entities accounted for using equity method	2,968	1,933
Other	969	355
Total non-operating income	5,623	4,282
Non-operating expenses		
Interest expenses	3,070	3,447
Borrowing fee	433	515
Dividends paid on real estate specified joint enterprise law	48	43
Other	112	83
Total non-operating expenses	3,664	4,090
Ordinary profit	50,185	36,242
Extraordinary income		
Gain on sale of non-current assets	365	214
Gain on sale of investment securities	50	—
Total extraordinary income	415	214
Extraordinary losses		
Loss on retirement of non-current assets	59	74
Impairment losses	45	17
Loss on sales of shares of subsidiaries and associates	—	43
Total extraordinary losses	105	136
Profit before income taxes	50,495	36,320
Income taxes - current	10,907	13,861
Income taxes - deferred	3,788	(1,750)
Total income taxes	14,695	12,110
Profit	35,800	24,210
Profit attributable to non-controlling interests	470	393
Profit attributable to owners of parent	35,330	23,816

(Quarterly consolidated statement of comprehensive income)

(Consolidated first two quarters)

(Million yen)

	FY2022 2Q (January 1, 2022 to June 30, 2022)	FY2023 2Q (January 1, 2023 to June 30, 2023)
Profit	35,800	24,210
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,912)	10,897
Foreign currency translation adjustment	68	2,196
Remeasurements of defined benefit plans, net of tax	(98)	(91)
Share of other comprehensive income of entities accounted for using equity method	5,184	55
Total other comprehensive income	2,241	13,057
Comprehensive income	38,042	37,267
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	37,631	36,639
Comprehensive income attributable to non-controlling interests	411	627

(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

(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 two quarters of the fiscal year ending December 2023 will be minor.

(Major subsequent events)

(Issuance of bonds)

The Company determined on June 30, 2023, the issuance of unsecured straight bonds (sustainability bond) based on the maximum amount of the issuance of unsecured straight bonds and its overview resolved at a meeting of the Board of Directors held on February 13, 2023, and issued the bonds on July 6, 2023.

The overview is as follows.

34th unsecured bonds (sustainability bond)

1. Total issue amount: 20,000 million yen
2. Issue price: 100 yen per 100 yen
3. Interest rate: 0.880% per annum
4. Maturity date: July 6, 2033 (lump-sum redemption at maturity)
5. Payment date (issue date): July 6, 2023
6. Use of funds: To be allocated to the repayment of borrowings