

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation, nor for direct, indirect, or any other form of damages that may arise from use of this translation.
This English version includes some explanatory notes.

May 9, 2024

Outline of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2024 <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 for submission of quarterly report: May 13, 2024
Scheduled date for commencement of dividend payment: —
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 Quarter of Fiscal Year Ending December 2024 (January 1, 2024 to March 31, 2024)

(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	%
FY2024 1Q	116,195	(1.9)	19,167	(29.8)	19,420	(29.3)	11,661	(34.3)
FY2023 1Q	118,393	(2.7)	27,289	7.0	27,472	9.2	17,755	3.1

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

Note 2: Comprehensive income FY2024 1Q ¥20,865 million (1.4%)
FY2023 1Q ¥20,570 million (12.6%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2024 1Q	55.82	—
FY2023 1Q	85.00	—

(2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024 1Q	2,009,384	521,140	25.4	2,439.50
FY2023	1,905,309	508,035	26.1	2,378.61

Reference: Equity capital FY2024 1Q ¥509,646 million
FY2023 ¥496,900 million

2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
FY2023	Yen —	Yen 36.00	Yen —	Yen 37.00	Yen 73.00
FY2024	—				
FY2024 (Forecast)		37.00	—	42.00	79.00

Note: Revisions to dividend forecasts published most recently: None

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

	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	229.76

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: 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 shares) at the end of the period

As of March 31, 2024: 209,167,674 shares As of December 31, 2023: 209,167,674 shares

(ii) Number of shares of treasury shares at the end of the period

As of March 31, 2024: 253,650 shares As of December 31, 2023: 264,481 shares

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

FY2024 1Q: 208,914,084 shares FY2023 1Q: 208,889,077 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
(Major subsequent events)	9

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

(1) Description of Operating Results

In the three months ended March 31, 2024 (first quarter of the fiscal year ending December 31, 2024 (FY2024)), the Japanese economy showed a moderate recovery trend with the progress of improvements in the employment and income environments, coupled with the effects of various policies. However, the economic outlook remained uncertain due to the risk of a global economic slowdown due to unstable international affairs, a review of domestic financial policies, and the impact of currency exchange rate fluctuations and price increases.

Amid this business environment, during the first quarter of FY2024, the condominium unit sales recorded in the Residential business increased, while sales to investors in the Commercial Properties business and the Asset Service business decreased. Consequently, operating revenue was ¥116,195 million (down 1.9% from ¥118,393 million for the same period last year), operating profit was ¥19,167 million (down 29.8% from ¥27,289 million for the same period last year), business profit was ¥19,180 million (down 31.8% from ¥28,136 million for the same period last year), ordinary profit was ¥19,420 million (down 29.3% from ¥27,472 million for the same period last year), and profit attributable to owners of parent was ¥11,661 million (down 34.3% from ¥17,755 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 quarter of FY2024, while building rentals performed well, income decreased in real estate sales due to a decline in sales to investors.

Consequently, operating revenue was ¥30,855 million (down 10.4% from ¥34,420 million for the same period last year), operating profit was ¥8,028 million (down 20.5% from ¥10,102 million for the same period last year), and business profit was ¥7,954 million (down 21.8% from ¥10,167 million for the same period last year).

Item	First quarter of FY2023		First quarter of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Leasing of buildings, etc.	Leased area of buildings 983,086 m ² (Of which, subleased area 81,207 m ²)	18,882	Leased area of buildings 1,131,258 m ² (Of which, subleased area 67,225 m ²)	19,266
Sales of real estate	2 properties	5,770	1 property	1,520
Building management service, etc.	—	9,767	—	10,068
Total operating revenue	—	34,420	—	30,855
Operating profit	—	10,102	—	8,028
Business profit	—	10,167	—	7,954

(ii) Residential Business

In the first quarter of FY2024, residential sales were recorded for “HARUMI FLAG” (Chuo-ku, Tokyo) and “Brillia Tower Hamarikyu” (Minato-ku, Tokyo), and sales of real estate were recorded for “Grapes Asakusa” (Taito-ku, Tokyo) as property sales to investors. However, the profit margin for residential sales fell year on year.

Consequently, operating revenue was ¥69,251 million (up 8.5% from ¥63,842 million for the same period last year), operating profit was ¥11,895 million (down 33.3% from ¥17,840 million for the same period last year), and business profit was ¥11,840 million (down 33.6% from ¥17,840 million for the same period last year).

Item	First quarter of FY2023		First quarter of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Residential sales	548 units	53,611	688 units	57,836
Sales of real estate	—	1,960	—	3,966
Residence leasing	Leased area of buildings 128,337 m ²	1,453	Leased area of buildings 117,933 m ²	1,409
Condominium management service	Number of managed units 98,159 units	3,989	Number of managed units 100,093 units	3,566
Other	—	2,827	—	2,472
Total operating revenue	—	63,842	—	69,251
Operating profit	—	17,840	—	11,895
Business profit	—	17,840	—	11,840

(iii) Asset Service Business

In the first quarter of FY2024, while revenue increased from brokerage, sales decreased due to property sales to investors decreasing in the Asset Solutions business.

Consequently, operating revenue was ¥11,284 million (down 20.8% from ¥14,251 million for the same period last year), and operating profit and business profit were both ¥1,976 million (up 17.1% from ¥1,687 million for the same period last year).

Item	First quarter of FY2023		First quarter of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Brokerage	248 properties	848	277 properties	1,867
Asset solution (Note)	—	6,544	—	2,332
Management service, etc.	—	1,186	—	1,151
Parking lot operations	Number of parking spaces 79,045 spaces	5,671	Number of parking spaces 81,333 spaces	5,933
Total operating revenue	—	14,251	—	11,284
Operating profit	—	1,687	—	1,976
Business profit	—	1,687	—	1,976

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

(iv) Other

In the first quarter of FY2024, revenues decreased in the leisure & child care business mainly due to the transfer of all shares of a subsidiary operating the child care and temporary staffing businesses in the previous fiscal year, despite strong occupancy of resort facilities. In addition, the share of profit of entities accounted for using equity method decreased in overseas businesses under other businesses.

Consequently, operating revenue was ¥4,804 million (down 18.3% from ¥5,879 million for the same period last year), operating profit was ¥618 million (up 22.9% from ¥503 million for the same period last year), and business profit was ¥760 million (down 40.8% from ¥1,285 million for the same period last year).

Item	First quarter of FY2023	First quarter of FY2024
	Operating revenue (million yen)	Operating revenue (million yen)
Leisure & child care business	4,499	3,357
Other	1,379	1,447
Total operating revenue	5,879	4,804
Operating profit	503	618
Business profit	1,285	760

(2) Description of Financial Position

(Assets)

Total assets at the end of the first quarter of FY2024 were ¥2,009,384 million, up ¥104,074 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 the first quarter of FY2024 were ¥1,488,243 million, up ¥90,969 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 ¥1,162,044 million, up ¥73,038 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the first quarter of FY2024 were ¥521,140 million, up ¥13,105 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) Description of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Business results for the first quarter of FY2024 were generally steady and the Company has not revised the earnings forecasts for FY2024 stated in “Outline of Consolidated Financial Statements for the Fiscal Year Ended December 2023” that it released on February 13, 2024.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	End of FY2023 (December 31, 2023)	End of FY2024 1Q (March 31, 2024)
Assets		
Current assets		
Cash and deposits	127,305	158,236
Trade notes, accounts receivable, and contract assets	13,887	12,559
Real estate for sale	232,478	248,650
Real estate for sale in process	166,181	148,120
Real estate for development	100,339	143,452
Other	52,296	58,353
Allowance for doubtful accounts	(23)	(30)
Total current assets	692,464	769,342
Non-current assets		
Property, plant and equipment		
Buildings and structures	397,020	407,636
Accumulated depreciation	(183,025)	(186,349)
Buildings and structures, net	213,994	221,286
Land	529,506	533,348
Construction in progress	89,428	94,358
Other	31,920	32,309
Accumulated depreciation	(21,284)	(21,676)
Other, net	10,635	10,632
Total property, plant and equipment	843,565	859,627
Intangible assets		
Leasehold interests in land	127,628	127,539
Other	3,996	2,806
Total intangible assets	131,624	130,346
Investments and other assets		
Investment securities	153,814	162,865
Investments in silent partnerships	2,598	6,027
Deferred tax assets	2,327	2,265
Leasehold and guarantee deposits	20,671	20,748
Retirement benefit asset	1,561	1,539
Other	56,737	56,678
Allowance for doubtful accounts	(55)	(57)
Total investments and other assets	237,655	250,068
Total non-current assets	1,212,845	1,240,042
Total assets	1,905,309	2,009,384

(Million yen)

	End of FY2023 (December 31, 2023)	End of FY2024 1Q (March 31, 2024)
Liabilities		
Current liabilities		
Short-term borrowings	56,754	74,560
Commercial papers	50,000	53,000
Current portion of bonds payable	10,000	10,000
Accounts payable - other	17,343	29,426
Income taxes payable	17,449	5,613
Provisions	1,012	3,035
Deposits received under real estate specified joint enterprise law	11,300	5,800
Other	76,198	85,821
Total current liabilities	240,057	267,257
Non-current liabilities		
Bonds payable	255,000	255,000
Long-term borrowings	715,223	767,556
Deferred tax liabilities	23,999	26,309
Deferred tax liabilities for land revaluation	27,274	27,274
Provisions	379	2,692
Leasehold and guarantee deposits received	77,764	78,893
Retirement benefit liability	14,104	14,034
Deposits received under real estate specified joint enterprise law	10,447	16,447
Other	33,022	32,777
Total non-current liabilities	1,157,216	1,220,986
Total liabilities	1,397,274	1,488,243
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,262	66,262
Retained earnings	219,528	223,453
Treasury shares	(421)	(403)
Total shareholders' equity	377,821	381,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,526	78,976
Revaluation reserve for land	43,187	43,187
Foreign currency translation adjustment	5,011	6,365
Remeasurements of defined benefit plans	(647)	(646)
Total accumulated other comprehensive income	119,078	127,882
Non-controlling interests	11,135	11,494
Total net assets	508,035	521,140
Total liabilities and net assets	1,905,309	2,009,384

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

(Quarterly consolidated statement of income)

(Consolidated first quarter)

(Million yen)

	FY2023 1Q (January 1, 2023 to March 31, 2023)	FY2024 1Q (January 1, 2024 to March 31, 2024)
Operating revenue	118,393	116,195
Operating costs	79,947	84,377
Operating gross profit	38,446	31,818
Selling, general and administrative expenses	11,156	12,650
Operating profit	27,289	19,167
Non-operating income		
Interest income	11	79
Dividend income	1,147	1,493
Share of profit of entities accounted for using equity method	847	13
Foreign exchange gains	91	984
Other	123	142
Total non-operating income	2,221	2,712
Non-operating expenses		
Interest expenses	1,688	2,094
Borrowing fee	290	236
Dividends paid on real estate specified joint enterprise law	21	18
Other	37	109
Total non-operating expenses	2,038	2,459
Ordinary profit	27,472	19,420
Extraordinary income		
Gain on sale of non-current assets	2	—
Gain on liquidation and sale of investments in capital of subsidiaries and associates	—	1,103
Total extraordinary income	2	1,103
Extraordinary losses		
Loss on retirement of non-current assets	23	41
Impairment losses	3	12
Loss on valuation of investment securities	—	3
Provision for loss on guarantees	—	2,314
Total extraordinary losses	26	2,371
Profit before income taxes	27,448	18,152
Income taxes - current	10,620	6,923
Income taxes - deferred	(1,165)	(704)
Total income taxes	9,455	6,218
Profit	17,993	11,934
Profit attributable to non-controlling interests	237	272
Profit attributable to owners of parent	17,755	11,661

(Quarterly consolidated statement of comprehensive income)

(Consolidated first quarter)

(Million yen)

	FY2023 1Q (January 1, 2023 to March 31, 2023)	FY2024 1Q (January 1, 2024 to March 31, 2024)
Profit	17,993	11,934
Other comprehensive income		
Valuation difference on available-for-sale securities	1,760	7,576
Foreign currency translation adjustment	1,507	887
Remeasurements of defined benefit plans, net of tax	(25)	0
Share of other comprehensive income of entities accounted for using equity method	(664)	466
Total other comprehensive income	2,577	8,931
Comprehensive income	20,570	20,865
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	20,280	20,465
Comprehensive income attributable to non-controlling interests	289	399

(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

(Major subsequent events)

(Issuance of bonds)

The Company decided to issue unsecured straight bonds (sustainability bonds) on April 19, 2024, issuing them on May 2, 2024, based on the limit and summary of unsecured straight bond issuance approved by the Board of Directors on February 13, 2024.

These unsecured bonds are for retail investors, and the bonds are titled "Tokyo Tatemono Brillia Bond for individual investors."

A summary of these bonds is below.

35th unsecured bonds (sustainability bonds)

1. Issue amount: 10,000 million yen
2. Issue price: 100 yen per 100 yen
3. Interest rate: 1.190% per annum
4. Maturity date: May 2, 2031 (lump-sum repayments at maturity)
5. Payment date (issue date): May 2, 2024
6. Use of funds: To be used for funds for loan repayment