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August 8, 2024

Outline of Consolidated Financial Statements for the First Two Quarters of the Fiscal Year Ending December 2024 <under Japanese GAAP>

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Scheduled date for submission of semi-annual report: August 9, 2024
Scheduled date for commencement of dividend payment: September 6, 2024
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Results of Operations for the First Two Quarters of Fiscal Year Ending December 2024 (January 1, 2024 to June 30, 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 2Q	277,616	54.5	51,236	42.1	48,134	32.8	31,692	33.1
FY2023 2Q	179,670	(16.5)	36,050	(25.2)	36,242	(27.8)	23,816	(32.6)

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

Note 2: Comprehensive income FY2024 2Q ¥39,012 million (4.7%)
FY2023 2Q ¥37,267 million (-2.0%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2024 2Q	151.73	—
FY2023 2Q	114.01	—

(2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024 2Q	2,026,347	538,733	26.0	2,526.43
FY2023	1,905,309	508,035	26.1	2,378.61

Reference: Equity capital FY2024 2Q ¥527,459 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	—	37.00			
FY2024 (Forecast)			—	43.00	80.00

Note: Revisions to dividend forecasts published most recently: Yes

For details of the revisions to the dividend forecast, please refer to the “Notice Concerning Revisions to Forecast of Full-year Consolidated Financial Results of Operations and Dividend Forecast” released today (August 8, 2024).

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	465,000	23.7	77,500	9.9	69,500	0.0	48,500	7.6	232.25

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: Yes

For details of the revisions to the consolidated earnings forecast, please refer to “1. Outline of Operating Results, Etc.; (3) Description of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 4 of the attached materials.

*Notes

(1) Significant changes in the scope of consolidation during the first two quarters: Yes

	Tokyo Tatemono (Thailand) Ltd.	
Newly included:	Shirooka Logistics Development Special Purpose Company	Excluded:
4 companies	Village Higashikaruizawa Golf Club Co., Ltd.	0 companies
	Kita-Aoyama 3-Chome Project Special Purpose Company	

(2) Application of particular accounting practices to the preparation of semi-annual 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 June 30, 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 June 30, 2024:	391,098 shares	As of December 31, 2023: 264,481 shares
(iii) Average number of shares during the period (cumulative consolidated semi-annual period)			
	FY2024 2Q:	208,868,205 shares	FY2023 2Q: 208,896,720 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 Semi-annual 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 4, “1. Outline of Operating Results, Etc.; (3) Description of Consolidated Earnings Forecasts and Other Forward-Looking Statements” for matters regarding the performance forecasts.

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1. Outline of Operating Results, Etc.

(1) Outline of Operating Results for the First Two Quarters Under Review

In the six months ended June 30, 2024 (first two quarters 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, as to the consolidated results for the first two quarters of FY2024, with factors such as an increase in the number of condominium units recorded in the Residential business and an increase in property sales to investors in the Commercial Properties business and the Residential business, operating revenue was ¥277,616 million (up 54.5% from ¥179,670 million for the same period last fiscal year), operating profit was ¥51,236 million (up 42.1% from ¥36,050 million for the same period last fiscal year), business profit was ¥52,066 million (up 37.1% from ¥37,984 million for the same period last fiscal year), ordinary profit was ¥48,134 million (up 32.8% from ¥36,242 million for the same period last fiscal year), and profit attributable to owners of parent was ¥31,692 million (up 33.1% from ¥23,816 million for the same period last 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.

(i) Commercial Properties Business

During the first two quarters of FY2024, while building rentals were solid and we recorded sales from the disposal of “T-LOGI Ichinomiya” (Ichinomiya-shi, Aichi) to investors in real estate sales, the purchase of non-current assets temporarily increased costs such as transfer taxes.

Consequently, operating revenue was ¥75,621 million (up 21.3% from ¥62,331 million for the same period last fiscal year), operating profit was ¥15,973 million (down 8.9% from ¥17,527 million for the same period last fiscal year), and business profit was ¥15,998 million (down 9.5% from ¥17,685 million for the same period last fiscal year).

Item	First two quarters of FY2023		First two quarters of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Leasing of buildings, etc.	Leased area of buildings 1,020,869 m ² (Of which, subleased area 64,512m ²)	37,925	Leased area of buildings 1,111,355m ² (Of which, subleased area 66,754m ²)	39,054
Sales of real estate	2 properties	5,770	4 properties	16,744
Building management service, etc.	—	18,635	—	19,822
Total operating revenue	—	62,331	—	75,621
Operating profit	—	17,527	—	15,973
Business profit	—	17,685	—	15,998

(ii) Residential Business

During the first two quarters of FY2024, residential sales were recorded for “Brillia Tower Dojima” (Kita-ku, Osaka-shi), “HARUMI FLAG” (Chuo-ku, Tokyo), and “Brillia Tower Hamarikyu” (Minato-ku, Tokyo). Meanwhile, real estate sales were recorded for “Grapes Asakusa” (Taito-ku, Tokyo) and “THE CROSS SITE Noborito” (Tama-ku, Kawasaki-shi) as property sales to investors.

Consequently, operating revenue was ¥171,495 million (up 119.6% from ¥78,110 million for the same period last fiscal year), operating profit was ¥36,611 million (up 106.1% from ¥17,759 million for the same period last fiscal year), and business profit was ¥36,445 million (up 105.2% from ¥17,759 million for the same period last fiscal year).

Item	First two quarters of FY2023		First two quarters of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Residential sales	660 units	60,730	1,409 units	136,926
Sales of real estate	—	2,389	—	19,014
Residence leasing	Leased area of buildings 128,337 m ²	2,964	Leased area of buildings 115,276 m ²	2,904
Condominium management service	Number of managed units 98,141 units	7,389	Number of managed units 99,896 units	7,506
Other	—	4,636	—	5,143
Total operating revenue	—	78,110	—	171,495
Operating profit	—	17,759	—	36,611
Business profit	—	17,759	—	36,445

(iii) Asset Service Business

In the first two quarters of FY2024, while brokerage and parking lot operations remained strong, real estate sales from sales of properties to investors declined in the asset solution business.

Consequently, operating revenue was ¥20,572 million (down 25.3% from ¥27,521 million for the same period last fiscal year), and operating profit and business profit were both ¥4,401 million (down 14.1% from ¥5,124 million for the same period last fiscal year).

Item	First two quarters of FY2023		First two quarters of FY2024	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Brokerage	494 properties	2,279	567 properties	2,875
Asset solution (Note)	—	11,346	—	3,421
Management service, etc.	—	2,414	—	2,321
Parking lot operations	Number of parking spaces 81,620 spaces	11,481	Number of parking spaces 82,473 spaces	11,954
Total operating revenue	—	27,521	—	20,572
Operating profit	—	5,124	—	4,401
Business profit	—	5,124	—	4,401

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 FY2024, revenues decreased in the leisure 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, share of profit of entities accounted for using the equity method decreased in overseas businesses under other businesses.

Consequently, operating revenue was ¥9,927 million (down 15.2% from ¥11,707 million for the same period last fiscal year), operating profit was ¥909 million (down 0.2% from ¥911 million for the same period last fiscal year), and business profit was ¥1,880 million (down 30.0% from ¥2,687 million for the same period last fiscal year).

Item	First two quarters of FY2023	First two quarters of FY2024
	Operating revenue (million yen)	Operating revenue (million yen)
Leisure & child care business	9,485	7,138
Other	2,221	2,788
Total operating revenue	11,707	9,927
Operating profit	911	909
Business profit	2,687	1,880

(2) Description of Financial Position for the First Two Quarters Under Review

(Assets)

Total assets at the end of the second quarter of FY2024 were ¥2,026,347 million, up ¥121,037 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) and property, plant and equipment.

(Liabilities)

Total liabilities at the end of the second quarter of FY2024 were ¥1,487,613 million, up ¥90,339 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 ¥1,182,722 million, up ¥93,715 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the second quarter of FY2024 were ¥538,733 million, up ¥30,697 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

As for the consolidated earnings forecasts, the full-year earnings forecasts for the fiscal year ending December 31, 2024, released on February 13, 2024, have been revised as follows, in light of the results of the first two quarters of FY2024 and future outlook.

(Million yen)

	Revised forecast	Previous forecast	Change	Change (%)
Operating revenue	465,000	495,000	(30,000)	(6.1)%
Operating profit	77,500	75,000	2,500	3.3%
Business profit	78,000	77,000	1,000	1.3%
Ordinary profit	69,500	67,000	2,500	3.7%
Profit attributable to owners of parent	48,500	48,000	500	1.0%

For details, please refer to the “Notice Concerning Revisions to Forecast of Full-year Consolidated Financial Results of Operations and Dividend Forecast” released today (August 8, 2024).

Although the revision has resulted in a greater rate of progress against the full-year consolidated earnings forecasts, this is due to the concentration of the recording of condominium units sold by the end of the first two quarters of FY2024.

2. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheet

(Million yen)

	End of FY2023 (December 31, 2023)	End of FY2024 2Q (June 30, 2024)
Assets		
Current assets		
Cash and deposits	127,305	111,725
Trade notes, accounts receivable, and contract assets	13,887	11,685
Real estate for sale	232,478	252,145
Real estate for sale in process	166,181	129,409
Real estate for development	100,339	148,069
Other	52,296	36,541
Allowance for doubtful accounts	(23)	(27)
Total current assets	692,464	689,550
Non-current assets		
Property, plant and equipment		
Buildings and structures	397,020	438,777
Accumulated depreciation	(183,025)	(189,774)
Buildings and structures, net	213,994	249,003
Land	529,506	597,307
Construction in progress	89,428	93,822
Other	31,920	33,971
Accumulated depreciation	(21,284)	(22,088)
Other, net	10,635	11,883
Total property, plant and equipment	843,565	952,017
Intangible assets		
Leasehold interests in land	127,628	127,451
Other	3,996	2,892
Total intangible assets	131,624	130,344
Investments and other assets		
Investment securities	153,814	158,245
Investments in silent partnerships	2,598	12,337
Deferred tax assets	2,327	1,907
Leasehold and guarantee deposits	20,671	20,796
Retirement benefit asset	1,561	1,518
Other	56,737	61,981
Allowance for doubtful accounts	(55)	(2,349)
Total investments and other assets	237,655	254,435
Total non-current assets	1,212,845	1,336,797
Total assets	1,905,309	2,026,347

(Million yen)

	End of FY2023 (December 31, 2023)	End of FY2024 2Q (June 30, 2024)
Liabilities		
Current liabilities		
Short-term borrowings	56,754	78,872
Commercial papers	50,000	70,000
Current portion of bonds payable	10,000	—
Accounts payable - other	17,343	20,257
Income taxes payable	17,449	14,235
Provisions	1,012	1,096
Deposits received under real estate specified joint enterprise law	11,300	5,800
Other	76,198	72,384
Total current liabilities	240,057	262,646
Non-current liabilities		
Bonds payable	255,000	265,000
Long-term borrowings	715,223	766,922
Deferred tax liabilities	23,999	25,607
Deferred tax liabilities for land revaluation	27,274	27,274
Provisions	379	472
Leasehold and guarantee deposits received	77,764	79,493
Retirement benefit liability	14,104	14,041
Deposits received under real estate specified joint enterprise law	10,447	17,947
Other	33,022	28,207
Total non-current liabilities	1,157,216	1,224,967
Total liabilities	1,397,274	1,487,613
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,262	66,262
Retained earnings	219,528	243,483
Treasury shares	(421)	(746)
Total shareholders' equity	377,821	401,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,526	75,531
Revaluation reserve for land	43,187	43,187
Foreign currency translation adjustment	5,011	7,931
Remeasurements of defined benefit plans	(647)	(641)
Total accumulated other comprehensive income	119,078	126,008
Non-controlling interests	11,135	11,274
Total net assets	508,035	538,733
Total liabilities and net assets	1,905,309	2,026,347

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income

(Semi-annual consolidated statement of income)

(Consolidated first two quarters)

(Million yen)

	FY2023 2Q (January 1, 2023 to June 30, 2023)	FY2024 2Q (January 1, 2024 to June 30, 2024)
Operating revenue	179,670	277,616
Operating costs	123,674	201,017
Operating gross profit	55,996	76,599
Selling, general and administrative expenses	19,945	25,362
Operating profit	36,050	51,236
Non-operating income		
Interest income	65	197
Dividend income	1,928	2,355
Share of profit of entities accounted for using equity method	1,933	829
Foreign exchange gains	143	2,702
Other	212	258
Total non-operating income	4,282	6,343
Non-operating expenses		
Interest expenses	3,447	4,409
Borrowing fee	515	484
Bond issuance costs	—	61
Dividends paid on real estate specified joint enterprise law	43	4,169
Other	83	320
Total non-operating expenses	4,090	9,444
Ordinary profit	36,242	48,134
Extraordinary income		
Gain on sale of non-current assets	214	1
Gain on sale of investment securities	—	810
Gain on sales of investments in capital of subsidiaries and associates	—	1,103
Total extraordinary income	214	1,915
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	74	79
Impairment losses	17	25
Loss on valuation of investment securities	—	3
Loss on sales of shares of subsidiaries and associates	43	—
Provision of allowance for doubtful accounts	—	2,293
Total extraordinary losses	136	2,401
Profit before income taxes	36,320	47,649
Income taxes - current	13,861	15,631
Income taxes - deferred	(1,750)	(120)
Total income taxes	12,110	15,510
Profit	24,210	32,138
Profit attributable to non-controlling interests	393	446
Profit attributable to owners of parent	23,816	31,692

(Semi-annual consolidated statement of comprehensive income)

(Consolidated first two quarters)

(Million yen)

	FY2023 2Q (January 1, 2023 to June 30, 2023)	FY2024 2Q (January 1, 2024 to June 30, 2024)
Profit	24,210	32,138
Other comprehensive income		
Valuation difference on available-for-sale securities	10,897	3,948
Foreign currency translation adjustment	2,196	1,718
Remeasurements of defined benefit plans, net of tax	(91)	5
Share of other comprehensive income of entities accounted for using equity method	55	1,201
Total other comprehensive income	13,057	6,874
Comprehensive income	37,267	39,012
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	36,639	38,622
Comprehensive income attributable to non-controlling interests	627	390

(3) Notes on Semi-annual 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

(Notes on segment information, etc.)

Segment Information

I. First two quarters of FY2023 (January 1, 2023 to June 30, 2023)

1. Information on Operating Revenue and Profit (Loss) by Reportable Segment

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statement of income (Note 3)
	Commercial Properties	Residential	Asset Service	Total				
Operating revenue								
External customers	62,331	78,110	27,521	167,963	11,707	179,670	—	179,670
Inter-segment or transfer	562	148	361	1,072	74	1,147	(1,147)	—
Total	62,893	78,258	27,883	169,035	11,781	180,817	(1,147)	179,670
Segment profit (loss) (Business profit (loss))								
Operating profit (loss)	17,527	17,759	5,124	40,412	911	41,324	(5,273)	36,050
Share of profit (loss) of entities accounted for using equity method	157	—	—	157	1,775	1,933	—	1,933
Total	17,685	17,759	5,124	40,570	2,687	43,257	(5,273)	37,984

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

Note 2: Adjustment of -¥5,273 million for segment profit (loss) includes inter-segment elimination of -¥6 million and corporate expenses of -¥5,267 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 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 semi-annual consolidated statement of income.

II. First two quarters of FY2024 (January 1, 2024 to June 30, 2024)

1. Information on Operating Revenue and Profit (Loss) by Reportable Segment

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statement of income (Note 3)
	Commercial Properties	Residential	Asset Service	Total				
Operating revenue								
External customers	75,621	171,495	20,572	267,689	9,927	277,616	—	277,616
Inter-segment or transfer	461	325	5,171	5,958	93	6,052	(6,052)	—
Total	76,083	171,820	25,743	273,647	10,021	283,668	(6,052)	277,616
Segment profit (loss) (Business profit (loss))								
Operating profit (loss)	15,973	36,611	4,401	56,986	909	57,896	(6,659)	51,236
Share of profit (loss) of entities accounted for using equity method	25	(166)	—	(140)	970	829	—	829
Total	15,998	36,445	4,401	56,845	1,880	58,725	(6,659)	52,066

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

Note 2: Adjustment of -¥6,659 million for segment profit (loss) includes inter-segment elimination of -¥302 million and corporate expenses of -¥6,356 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 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 semi-annual consolidated statement of income.