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May 12, 2022

## Outline of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2022 <under Japanese GAAP>

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 13, 2022  
 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 2022

(January 1, 2022 to March 31, 2022)

#### (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	%
FY2022 1Q	121,684	18.5	25,504	21.0	25,156	27.2	17,226	24.4
FY2021 1Q	102,692	5.9	21,076	56.7	19,781	60.0	13,850	73.0

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

Note 2: Comprehensive income FY2022 1Q: ¥18,272 million (-25.4%)  
 FY2021 1Q: ¥24,495 million (-%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2022 1Q	82.47	–
FY2021 1Q	66.27	–

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the consolidated fiscal year ending December 2022 and the figures for the first quarter of the consolidated fiscal year ending December 2022 represent those after the relevant standard has been applied.

#### (2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022 1Q	1,630,893	439,705	26.3	2,055.79
FY2021	1,650,770	427,661	25.3	1,996.52

Reference: Share of profit (loss) of entities accounted for using equity method FY2022 1Q: ¥429,436 million  
 FY2021: ¥417,055 million

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the consolidated fiscal year ending December 2022 and the figures for the first quarter of the consolidated fiscal year ending December 2022 represent those after the relevant standard has been applied.

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
FY2021	Yen —	Yen 24.00	Yen —	Yen 27.00	Yen 51.00
FY2022	—				
FY2022 (forecast)		29.00	—	30.00	59.00

Note: Revisions to dividend forecasts published most recently: None

## 3. Forecast of Consolidated Results of Operations for Fiscal Year Ending December 2022 (January 1, 2022 to December 31, 2022)

	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	360,000	5.7	60,000	2.1	60,000	29.7	40,000	14.4	191.49

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

### \* 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.: 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 March 31, 2022: 209,167,674 shares As of December 31, 2021: 209,167,674 shares

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

As of March 31, 2022: 276,480 shares As of December 31, 2021: 276,104 shares

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

As of March 31, 2022: 208,891,398 shares FY2021 1Q: 209,022,107 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

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

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the consolidated fiscal ending December 2022.

The details are as stated in “2. Quarterly Consolidated Financial Statements and Key Notes; (3) Notes on Quarterly Consolidated Financial Statements; (Changes in accounting policies).”

(1) Description of operating results

In the first quarter of the fiscal year ending December 31, 2022 (FY2022), the Japanese economy remained in a severe situation with the re-spread of COVID-19. Although the Japanese economy is expected to pick up partly due to the results of various policies and improvement in overseas economies, given the need to focus on the impact of the situation in Ukraine, etc. on top of rising prices of raw materials and fluctuations in the financial and capital markets, the outlook is uncertain.

Amid this business environment, as to the consolidated results for the first quarter of FY2022, with factors such as an increase in property sales to investors in the Commercial Properties business and the Asset Service business, operating revenue was ¥121,684 million (up 18.5% from ¥102,692 million for the same period last year), operating profit was ¥25,504 million (up 21.0% from ¥21,076 million for the same period last year), business profit was ¥25,390 million (up 22.1% from ¥20,790 million for the same period last year), ordinary profit was ¥25,156 million (up 27.2% from ¥19,781 million for the same period last year), and profit attributable to owners of parent was ¥17,226 million (up 24.4% from ¥13,850 million for the same period last year).

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

(i) Commercial Properties Business

In the first quarter of FY2022, revenue largely increased from the same period last year with regard to sales of real estate due to sales of “T-LOGI Kuki” (Kuki-shi, Saitama Prefecture) and “Tokyo Tatemono Higashi Shibuya Building” (Shibuya-ku, Tokyo) as property sales to investors.

Consequently, operating revenue was ¥57,673 million (up 100.5% from ¥28,758 million for the same period last year), operating profit was ¥17,079 million (up 83.9% from ¥9,288 million for the same period last year), and business profit was ¥17,146 million (up 83.9% from ¥9,325 million for the same period last year).

Item	First quarter of FY2021		First quarter of FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Leasing of buildings, etc.	Leased area of buildings 871,315 m <sup>2</sup> (Of which, subleased area 81,372 m <sup>2</sup> )	18,487	Leased area of buildings 833,145 m <sup>2</sup> (Of which, subleased area 87,516 m <sup>2</sup> )	18,898
Sales of real estate	1 property	1,850	2 properties	29,387
Building management service, etc.	—	8,421	—	9,387
Total operating revenue	—	28,758	—	57,673
Operating profit	—	9,288	—	17,079
Business profit	—	9,325	—	17,146

(ii) Residential Business

In the first quarter of FY2022, residential sales were posted, including those for “SHINTO CITY (Blocks II and III)” (Omiya-ku, Saitama-shi) and “Brillia Kyoto Matsugasaki” (Sakyo-ku, Kyoto), and sales of real estate were posted, including rental apartments such as “Brillia ist Ryogoku” (Sumida-ku, Tokyo) and “Brillia ist Shinjuku Akebonobashi” (Shinjuku-ku, Tokyo), as property sales to investors.

Consequently, operating revenue was ¥43,350 million (down 25.1% from ¥57,898 million for the same period last year), and operating profit and business profit were both ¥7,641 million (down 42.1% from ¥13,196 million for the same period last year).

Item	First quarter of FY2021		First quarter of FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Residential sales	520 units	34,852	390 units	23,250
Sales of real estate	—	15,336	—	12,889
Residence leasing	Leased area of buildings 159,718 m <sup>2</sup>	1,489	Leased area of buildings 107,443 m <sup>2</sup>	1,235
Condominium management service	Number of managed units 97,152 units	3,501	Number of managed units 96,761 units	3,406
Other	—	2,718	—	2,568
Total operating revenue	—	57,898	—	43,350
Operating profit	—	13,196	—	7,641
Business profit	—	13,196	—	7,641

(iii) Asset Service Business

In the first quarter of FY2022, due to factors including property sales to investors increasing largely in the asset solution business, operating revenue was ¥15,810 million (up 39.3% from ¥11,351 million for the same period last year), and operating profit and business profit were both ¥3,254 million (up 300.3% from ¥813 million for the same period last year).

Item	First quarter of FY2021		First quarter of FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Brokerage	277 properties	1,032	250 properties	1,305
Asset solution (Note)	—	4,480	—	8,370
Management service, etc.	—	1,134	—	1,150
Parking lot operations	Number of parking spaces 74,366 spaces	4,703	Number of parking spaces 75,618 spaces	4,984
Total operating revenue	—	11,351	—	15,810
Operating profit	—	813	—	3,254
Business profit	—	813	—	3,254

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

(iv) Other

In the first quarter of FY2022, all businesses performed at the same level as the same period last year.

Consequently, operating revenue was ¥4,849 million (up 3.5% from ¥ 4,684 million for the same period last year), operating profit was ¥246 million (up 3.6% from ¥238 million for the same period last year), and business profit was ¥66 million (a ¥85 million loss for the same period last year).

Item	First quarter of FY2021	First quarter of FY2022
	Operating revenue (million yen)	Operating revenue (million yen)
Leisure & child care business	3,617	3,707
Other	1,067	1,142
Total operating revenue	4,684	4,849
Operating profit	238	246
Business profit (loss)	(85)	66

(2) Description of financial position

(Assets)

Total assets at the end of the first quarter of FY2022 were ¥1,630,893 million, down ¥19,877 million from the end of the previous fiscal year. This was primarily attributable to decrease in cash and deposits.

(Liabilities)

Total liabilities at the end of the first quarter of FY2022 were ¥1,191,187 million, down ¥31,922 million from the end of the previous fiscal year. This was primarily attributable to decrease in interest-bearing debt. The balance of interest-bearing debt (excluding lease obligations) was ¥927,599 million, down ¥29,237 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the first quarter of FY2022 were ¥439,705 million, up ¥12,044 million from the end of the previous fiscal year. This was primarily attributable to an increase in revaluation reserve for land and retained earnings.

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

Business results for the first quarter of FY2022 were mostly steady and the Company has not revised the earnings forecasts for FY2022 stated in the “Outline of Consolidated Financial Statements for the Fiscal Year Ended December 2021” that it released on February 14, 2022.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	End of FY2021 (December 31, 2021)	End of FY2022 1Q (March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	87,010	66,976
Trade notes and accounts receivable	14,041	—
Trade notes, accounts receivable, and contract assets	—	13,289
Real estate for sale	133,251	138,898
Real estate for sale in process	139,389	119,861
Real estate for development	71,579	89,543
Other	36,004	34,966
Allowance for doubtful accounts	(58)	(85)
Total current assets	481,217	463,449
Non-current assets		
Property, plant and equipment		
Buildings and structures	383,995	384,373
Accumulated depreciation	(160,377)	(163,306)
Buildings and structures, net	223,618	221,067
Land	539,786	539,363
Construction in progress	38,536	42,767
Other	30,098	30,268
Accumulated depreciation	(18,788)	(19,139)
Other, net	11,309	11,128
Total property, plant and equipment	813,251	814,326
Intangible assets		
Leasehold interests in land	128,730	130,332
Other	2,149	2,856
Total intangible assets	130,880	133,189
Investments and other assets		
Investment securities	128,586	126,409
Investments in silent partnerships	8,128	3,821
Deferred tax assets	2,148	2,233
Leasehold and guarantee deposits	21,261	21,302
Retirement benefit asset	2,215	2,208
Other	63,178	64,050
Allowance for doubtful accounts	(97)	(97)
Total investments and other assets	225,421	219,928
Total non-current assets	1,169,553	1,167,443
<b>Total assets</b>	<b>1,650,770</b>	<b>1,630,893</b>

(Million yen)

	End of FY2021 (December 31, 2021)	End of FY2022 1Q (March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	83,726	52,924
Commercial papers	40,000	50,000
Current portion of bonds payable	—	10,000
Accounts payable - other	13,849	14,161
Income taxes payable	11,094	3,276
Provisions	1,015	2,798
Deposits received under real estate specified joint enterprise law	4,500	4,500
Other	58,316	59,224
Total current liabilities	212,502	196,886
Non-current liabilities		
Bonds payable	255,000	245,000
Long-term borrowings	575,676	567,341
Deferred tax liabilities	19,861	19,363
Deferred tax liabilities for land revaluation	23,663	27,274
Provisions	285	287
Leasehold and guarantee deposits received	78,381	76,950
Retirement benefit liability	12,955	12,849
Deposits received under real estate specified joint enterprise law	19,076	19,636
Other	25,708	25,596
Total non-current liabilities	1,010,607	994,301
Total liabilities	1,223,109	1,191,187
<b>Net assets</b>		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,587	66,587
Retained earnings	166,356	169,727
Treasury shares	(439)	(439)
Total shareholders' equity	324,955	328,325
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54,276	52,971
Deferred gains or losses on hedges	(17)	—
Revaluation reserve for land	34,959	43,187
Foreign currency translation adjustment	2,144	4,265
Remeasurements of defined benefit plans	736	686
Total accumulated other comprehensive income	92,099	101,110
Non-controlling interests	10,605	10,269
Total net assets	427,661	439,705
Total liabilities and net assets	1,650,770	1,630,893



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

(Quarterly consolidated statement of income)

(Consolidated first quarter)

(Million yen)

	FY2021 1Q (January 1, 2021 to March 31, 2021)	FY2022 1Q (January 1, 2022 to March 31, 2022)
Operating revenue	102,692	121,684
Operating costs	71,926	86,388
Operating gross profit	30,766	35,295
Selling, general and administrative expenses	9,689	9,790
Operating profit	21,076	25,504
Non-operating income		
Interest income	1	8
Dividend income	975	1,051
Other	466	633
Total non-operating income	1,443	1,693
Non-operating expenses		
Interest expenses	1,648	1,602
Borrowing fee	270	230
Share of loss of entities accounted for using equity method	286	114
Dividends paid on real estate specified joint enterprise law	17	24
Other	514	70
Total non-operating expenses	2,738	2,041
Ordinary profit	19,781	25,156
Extraordinary income		
Gain on sale of non-current assets	1	173
Gain on sales of investment securities	1,312	50
Total extraordinary income	1,314	224
Extraordinary losses		
Loss on retirement of non-current assets	51	38
Impairment losses	16	32
Loss on sale of investment securities	2	—
Loss on COVID-19	19	—
Total extraordinary losses	90	70
Profit before income taxes	21,006	25,310
Income taxes - current	6,669	4,075
Income taxes - deferred	246	3,752
Total income taxes	6,915	7,827
Profit	14,090	17,483
Profit attributable to non-controlling interests	239	256
Profit attributable to owners of parent	13,850	17,226

(Quarterly consolidated statement of comprehensive income)  
(Consolidated first quarter)

(Million yen)

	FY2021 1Q (January 1, 2021 to March 31, 2021)	FY2022 1Q (January 1, 2022 to March 31, 2022)
Profit	14,090	17,483
Other comprehensive income		
Valuation difference on available-for-sale securities	7,948	(1,299)
Foreign currency translation adjustment	36	33
Remeasurements of defined benefit plans, net of tax	(18)	(50)
Share of other comprehensive income of entities accounted for using equity method	2,438	2,105
Total other comprehensive income	10,404	789
Comprehensive income	24,495	18,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,024	18,009
Comprehensive income attributable to non-controlling interests	470	263

(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 accounting standard for revenue recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending December 2022 and has recognized revenue from goods or services which the Company promised to provide at an amount expected to be received in exchange for the goods or services at the time when control over the promised goods or services has been transferred to a customer.

The application of the Accounting Standard for Revenue Recognition, etc. is in accordance with the transitional treatment stipulated in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effects in the case of retroactively applying the new accounting policy to before the beginning of the first quarter of the fiscal year ending December 2022 are adjusted in retained earnings at beginning of the first quarter of the fiscal year ending December 2022, and the new accounting policy is applied from this initial balance. However, in applying the method stipulated in paragraph 86 of the Accounting Standard for Revenue Recognition, the Company does not retroactively apply the new accounting policy to the contracts for almost all of which revenue was recognized in compliance with the conventional method before the beginning of the first quarter of the fiscal year ending December 2022.

The impact of the application of the Accounting Standard for Revenue Recognition on profit or loss and retained earnings of the first quarter of the fiscal year ending December 2022 will be minor.

As the Accounting Standard for Revenue Recognition, etc. was applied, "trade notes and account receivable" that had been stated in current assets are stated as part of "trade notes, accounts receivable, and contract assets" as of the first quarter of the fiscal year ending December 2022. Based on the transitional treatment set out in Article 89-2 of the Accounting Standard for Revenue Recognition, no reclassification was performed by the new method for the previous fiscal period.

(Application of the accounting standard for fair value measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc. from the beginning of the first quarter of the fiscal year ending December 2022 and in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company decided to apply the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement into the future.

The impact of the application of the Accounting Standard for Fair Value Measurement on the financial statements for the first quarter of the fiscal year ending December 2022 will be minor.

(Additional information)

(Accounting estimates with the COVID-19 pandemic)

There is no significant change to the assumptions for accounting estimates regarding the COVID-19 pandemic stated in the securities report for FY2021.

(Relating to business combination, etc.)

(Additional acquisition of subsidiary shares)

The Company acquired 51% of the shares of Expert Office Co., Ltd. on August 2, 2021, based on the share transfer agreement dated July 8, 2021, as resolved at the meeting of its Board of Directors held on May 12, 2021, and acquired additional shares of the company on January 17, 2022, making it a wholly owned subsidiary.

1. Overview of the acquisition

(1) Name and business content of the combined company

Name of the combined company	Expert Office Co., Ltd. (hereinafter called “EO”)
Business content	Operation of serviced offices and co-working spaces

(2) Date of the business combination (date of additional acquisition)

January 17, 2022

(3) Legal form of the business combination

Acquisition of shares for cash consideration

(4) There is no change to the name of the company after the business combination.

(5) Other matters concerning the overview of the acquisition

The ratio of voting rights of the shares additionally acquired is 49.0%, making EO a wholly owned subsidiary of the Company as a result of the acquisition.

2. Overview of the accounting

Based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019), the acquisition is accounted for as one transaction with the acquisition of EO shares conducted on August 2, 2021, and calculation of goodwill for the equity interest additionally acquired after obtaining control was made as having posted goodwill at the time of obtaining control.

3. Breakdown of acquisition costs and consideration regarding the acquired company by type

It is not disclosed due to confidentiality between the parties.

4. Breakdown and amount of major acquisition-related expenses

Advisory expenses, etc.	41 million yen
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5. Amount of goodwill generated, cause of generation, amortization method and amortization period

(1) Amount of goodwill generated

871 million yen

(2) Cause of generation

It was generated from the expected future excess earning power through future business development.

(3) Amortization method and amortization period

It will be amortized by the straight-line method over the period of ten years