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August 4, 2020

## Outline of Consolidated Financial Statements (Japanese Accounting Standards) for the First Half of the Fiscal Year Ending December 2020

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: August 12, 2020  
Scheduled date for commencement of dividend payment: September 2, 2020  
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 Half of Fiscal 2020 (January 1, 2020 to June 30, 2020)

#### (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	%
FY2020 H1	152,434	(18.2)	18,590	(42.6)	17,044	(41.2)	10,834	(45.9)
FY2019 H1	186,285	30.9	32,380	10.0	28,991	6.8	20,036	3.9

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

Note 2: Comprehensive income FY2020 H1: -¥8,993 million (-%)  
FY2019 H1: ¥16,823 million (20.4%)

	Profit per share	Profit per share after adjusting for dilution
	Yen	Yen
FY2020 H1	51.84	—
FY2019 H1	94.57	—

#### (2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2020 H1	1,623,781	370,539	22.2	1,727.96
FY2019	1,564,049	384,211	24.0	1,794.15

Reference: Equity capital As of June 30, 2020: ¥361,178 million  
As of December 31, 2019: ¥375,008 million

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
FY2019	Yen —	Yen 19.00	Yen —	Yen 22.00	Yen 41.00
FY2020	—	22.00			
FY2020 (Forecast)			—	23.00	45.00

Note: Revisions to dividend forecasts published most recently: None

## 3. Forecast of Consolidated Results of Operations for Fiscal 2020 (January 1, 2020 to December 31, 2020)

	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	350,000	8.3	48,000	(8.4)	44,500	(0.3)	31,000	4.0	148.31

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: Yes

For details of the revisions to forecast of consolidated results of operations, please 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.”

### \*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 June 30, 2020:	209,167,674 shares	As of December 31, 2019:	216,963,374 shares
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- (ii) Number of shares of treasury stock at the end of the period
 

As of June 30, 2020:	147,027 shares	As of December 31, 2019:	7,946,379 shares
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- (iii) Average number of shares during the period (cumulative consolidated quarterly periods)
 

FY2020 H1:	209,020,928 shares	FY2019 H1:	211,878,135 shares
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\* 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 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

In the six months ended June 30, 2020 (first half of the fiscal year ending December 31, 2020 (FY2020)), Japan's economy saw the stay-at-home requests and significant fall in the number of foreign visitors to Japan with the COVID-19 pandemic leading to weakening of consumption and considerable slowdown in economic activity, mainly for hotels and commercial facilities. Although showing signs of recovery in certain aspects with economic activity resuming after the government declaration of a state of emergency was lifted, the COVID-19 outbreak still remains an uncertain situation, casting uncertainty over the future.

Amid this business environment, as to the consolidated results for the first half of FY2020, with factors such as the impact of the COVID-19 outbreak, in addition to posting of sales of large-scale condominiums in central Tokyo in the same period of the previous fiscal year in the Residence business, revenue from operations was ¥152,434 million (down 18.2% from ¥186,285 million for the same period of the previous fiscal year), operating income was ¥18,590 million (down 42.6% from ¥32,380 million for the same period of the previous fiscal year), business income was ¥18,931 million (down 41.1% from ¥32,163 million for the same period of the previous fiscal year), recurring income was ¥17,044 million (down 41.2% from ¥28,991 million for the same period of the previous fiscal year) and profit attributable to owners of the parent was ¥10,834 million (down 45.9% from ¥20,036 million for the same period of the previous fiscal year).

“Business income,” which is the sum of operating income and equity in income (loss) of affiliated companies, has been set as a new profit indicator starting from FY2020 in order to reflect the income of the overseas business, etc. potentially growing under the medium-term business plan with FY2020 as the initial fiscal year and such.

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

### (i) Commercial Properties Business

In the first half of FY2020, revenue and income decreased compared with the same period of the previous fiscal year, due in part to building leasing performing at the same level as the same period of the previous fiscal year on the one hand, and real estate sales from property sales to investors decreasing on the other hand.

Consequently, revenue from operations was ¥58,519 million (down 12.3% from ¥66,690 million for the same period of the previous fiscal year), operating income was ¥16,658 million (down 14.5% from ¥19,484 million for the same period of the previous fiscal year) and business income was ¥16,877 million (down 14.4% from ¥19,708 million for the same period of the previous fiscal year).

Item	First half of FY2019		First half of FY2020	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Building leasing	Leased area of buildings 734,031 m <sup>2</sup> (Of which, subleased area 98,212 m <sup>2</sup> )	36,030	Leased area of buildings 825,899 m <sup>2</sup> (Of which, subleased area 97,737 m <sup>2</sup> )	36,960
Real estate sales	3 properties	12,380	2 properties	4,275
Building management service, etc.	—	18,280	—	17,283
Total revenue from operations	—	66,690	—	58,519
Operating income	—	19,484	—	16,658
Business income	—	19,708	—	16,877

(ii) Residence Business

In the first half of FY2020, 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 Tsurumaki” (Setagaya-ku, Tokyo), “Brillia Tower Takasaki ALPHA RESIDENCIA” (Takasaki-shi, Gunma), “Brillia Urawa Nakacho” (Urawa-ku, Saitama-shi), being offset by the impact of the posting of sales of large-scale condominiums in central Tokyo in the same period of the previous fiscal year.

Consequently, revenue from operations was ¥61,412 million (down 25.3% from ¥82,206 million for the same period of the previous fiscal year), and operating income and business income were each ¥6,386 million (down 48.0% from ¥12,280 million for the same period of the previous fiscal year).

Item	First half of FY2019		First half of FY2020	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Housing sales	937 units	67,417	872 units	46,628
Sales of residential land, etc.	—	2,345	—	2,017
Housing leasing	Leased area of buildings 94,726 m <sup>2</sup>	1,986	Leased area of buildings 155,230 m <sup>2</sup>	2,662
Condominium management services	Number of managed units 93,171 units	5,764	Number of managed units 95,958 units	6,079
Other	—	4,690	—	4,024
Total revenue from operations	—	82,206	—	61,412
Operating income	—	12,280	—	6,386
Business income	—	12,280	—	6,386

(iii) Real Estate Service Business

In the first half of FY2020, revenue and income decreased compared with the same period of the previous fiscal year, due in part to the impact of the COVID-19 outbreak, among other factors, leading to lower occupancy rate in parking lot operations, and real estate sales from property sales to investors decreasing in the asset solution business.

Consequently, revenue from operations was ¥21,705 million (down 13.2% from ¥25,008 million for the same period of the previous fiscal year), and operating income and business income were each ¥466 million (down 88.1% from ¥3,904 million for the same period of the previous fiscal year).

Item	First half of FY2019		First half of FY2020	
	Quantity, etc.	Revenue from operations (million yen)	Quantity, etc.	Revenue from operations (million yen)
Brokerage	504 properties	1,862	458 properties	1,360
Asset solution (Note)	—	10,351	—	9,292
Management service, etc.	—	2,116	—	2,189
Parking lot operations	Number of parking spaces 66,736 spaces	10,677	Number of parking spaces 74,176 spaces	8,862
Total revenue from operations	—	25,008	—	21,705
Operating income	—	3,904	—	466
Business income	—	3,904	—	466

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

(iv) Other

In the first half of FY2020, revenue and income decreased compared with the same period of the previous fiscal year, due in part to strong performance in the fund business under other on the one hand, and the impact of the COVID-19 outbreak, among other factors, leading to lower occupancy of existing facilities in the leisure business on the other hand.

Consequently, revenue from operations was ¥10,796 million (down 12.8% from ¥12,379 million for the same period of the previous fiscal year), operating income was ¥104 million (down 76.2% from ¥436 million for the same period of the previous fiscal year) and business income was ¥226 million (business loss of ¥5 million for the same period of the previous fiscal year).

Item	First half of FY2019	First half of FY2020
	Revenue from operations (million yen)	Revenue from operations (million yen)
Leisure	6,919	4,110
Senior & child care	4,135	4,506
Other	1,324	2,179
Total revenue from operations	12,379	10,796
Operating income	436	104
Business income (loss)	(5)	226

(2) Description of financial position

(Assets)

Total assets at the end of the second quarter of FY2020 were ¥1,623,781 million, up ¥59,732 million from the end of the previous fiscal year. This was primarily attributable to decrease in investment securities on the one hand, and increase in cash and deposits, real estate for sale and property and equipment on the other hand.

(Liabilities)

Total liabilities at the end of the second quarter of FY2020 were ¥1,253,242 million, up ¥73,404 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 ¥1,004,178 million (up ¥79,286 million from the end of the previous fiscal year).

(Net assets)

Net assets at the end of the second quarter of FY2020 were ¥370,539 million, down ¥13,672 million from the end of the previous fiscal year. This was primarily attributable to decrease in valuation difference on available-for-sale securities.

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

For consolidated earnings forecasts, the Company has made the following partial revisions to the earnings forecasts for the full year of FY2020 that it released on February 5, 2020, taking into account the results of the first half of FY2020 and future outlook in light of the impact of the COVID-19 outbreak, among other factors.

	Revised forecasts	Previous forecasts	Amount of change	Rate of change
Revenue from operations	¥350,000 million	¥350,000 million	—	—
Operating income	¥48,000 million	¥53,000 million	-¥5,000 million	-9.4%
Business income	¥47,500 million	¥52,000 million	-¥4,500 million	-8.7%
Recurring income	¥44,500 million	¥46,000 million	-¥1,500 million	-3.3%
Profit attributable to owners of the parent	¥31,000 million	¥31,000 million	—	—

\* Business income = Operating income + Equity in income (loss) of affiliated companies

For details, please refer to “Announcement of Revision of Full-Year Earnings Forecast”.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheet

(Million yen)

	End of FY2019 (December 31, 2019)	End of FY2020 H1 (June 30, 2020)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	39,504	73,564
Notes and operating accounts receivable	13,179	11,894
Real estate for sale	151,004	175,217
Real estate for sale in progress	98,216	86,258
Real estate for development	88,104	97,523
Other current assets	34,635	28,571
Allowance for doubtful accounts	(45)	(124)
Total current assets	424,600	472,905
<b>Fixed assets</b>		
<b>Property and equipment</b>		
Buildings and structures	361,679	388,452
Accumulated depreciation	(147,366)	(150,682)
Buildings and structures (net amount)	214,312	237,770
Land	550,565	544,695
Construction in progress	13,928	22,328
Other	28,042	28,319
Accumulated depreciation	(17,219)	(17,047)
Other, net	10,822	11,271
Total property and equipment	789,628	816,065
<b>Intangible and other assets</b>		
Leasehold rights	110,745	109,786
Other	2,330	1,805
Total intangible and other assets	113,076	111,592
<b>Investments and other assets</b>		
Investment securities	155,858	128,011
Investments in silent partnership	4,469	4,913
Deferred tax assets	1,900	2,420
Lease and guarantee deposits	21,754	21,798
Retirement benefit assets	1,819	1,826
Other	51,040	64,345
Allowance for doubtful accounts	(97)	(97)
Total investments and other assets	236,745	223,218
Total fixed assets	1,139,449	1,150,876
Total assets	1,564,049	1,623,781

(Million yen)

	End of FY2019 (December 31, 2019)	End of FY2020 H1 (June 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	226,119	63,048
Commercial paper	85,000	75,000
Current portion of bonds	15,000	10,000
Accounts payable, trade	11,482	26,127
Accrued income taxes	8,321	7,148
Reserves	1,220	1,233
Investments received for real estate specific joint enterprises	8,991	9,409
Other	53,107	42,136
Total current liabilities	409,242	234,102
Long-term liabilities		
Bonds payable	210,000	200,000
Long-term debt	385,932	653,391
Deferred tax liabilities	26,650	16,899
Deferred tax liabilities for land revaluation	27,187	27,187
Reserves	307	206
Guarantee deposits received	77,062	80,660
Retirement benefit liabilities	12,099	12,251
Investments received for real estate specific joint enterprises	15,091	10,000
Other	16,263	18,541
Total long-term liabilities	770,595	1,019,139
Total liabilities	1,179,837	1,253,242
<b>Net assets</b>		
Shareholders' equity		
Capital	92,451	92,451
Capital surplus	66,744	66,587
Retained earnings	129,170	125,267
Treasury stock	(10,232)	(217)
Total shareholders' equity	278,133	284,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,002	46,553
Revaluation difference on land	31,022	31,150
Foreign currency translation adjustments	248	(1,155)
Remeasurement of retirement benefits	600	541
Total of accumulated other comprehensive income	96,874	77,090
Non-controlling interests	9,203	9,360
Total net assets	384,211	370,539
Total liabilities and net assets	1,564,049	1,623,781



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

(Quarterly consolidated statement of comprehensive income)

(Consolidated first half)

(Million yen)

	FY2019 H1 (Jan. 1, 2019 to June 30, 2019)	FY2020 H1 (Jan. 1, 2020 to June 30, 2020)
Revenue from operations	186,285	152,434
Operating cost	134,888	116,038
Gross profit	51,396	36,396
Selling, general and administrative expenses	19,016	17,805
Operating income	32,380	18,590
Non-operating income		
Interest income	13	13
Dividend income	1,463	1,815
Equity in income of affiliated companies	—	341
Other	485	382
Total non-operating income	1,962	2,552
Non-operating expenses		
Interest expense	3,342	3,375
Borrowing fee	577	528
Equity in loss of affiliated companies	217	—
Bond issuance expenses	728	—
Distribution from real estate specific joint enterprises	127	67
Other	358	127
Total non-operating expenses	5,351	4,098
Recurring income	28,991	17,044
Extraordinary income		
Gain on sale of fixed assets	74	376
Gain on sale of investment securities	463	1,911
Gain on liquidation of subsidiaries and affiliates	710	—
Gain on sales of investments in capital of subsidiaries and affiliates	292	—
Total extraordinary income	1,540	2,288
Extraordinary loss		
Loss on sale of fixed assets	0	23
Loss on retirement of fixed assets	210	164
Loss on valuation of investment securities	17	1,855
Impairment loss	345	27
Loss on COVID-19 outbreak	—	711
Total extraordinary loss	574	2,782
Profit before income taxes and minority interests	29,957	16,550
Current income taxes	9,755	7,188
Deferred income taxes	(372)	(1,982)
Total income taxes	9,382	5,206
Profit	20,574	11,343
Profit attributable to non-controlling interests	537	509
Profit attributable to owners of the parent	20,036	10,834

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

(Million yen)

	FY2019 H1 (Jan. 1, 2019 to June 30, 2019)	FY2020 H1 (Jan. 1, 2020 to June 30, 2020)
Profit	20,574	11,343
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,287)	(18,874)
Foreign currency translation adjustments	(231)	(28)
Remeasurement of retirement benefits	(37)	(58)
Share of other comprehensive income of associates accounted for using equity method	(1,194)	(1,375)
Total of other comprehensive income	(3,751)	(20,337)
Comprehensive income	16,823	(8,993)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	16,412	(9,076)
Comprehensive income attributable to non-controlling interests	410	83

(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)

The Company passed a resolution on cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act at the meeting of its Board of Directors held on January 20, 2020 and cancelled 7,795,700 shares of treasury stock on January 31, 2020. As a result, capital surplus decreased by ¥0 million, retained earnings by ¥10,008 million and treasury stock by ¥10,008 million in the first half of FY2020. There is no change in total shareholders' equity due to the cancellation.

(Significant changes in subsidiaries during the period under review)

Not applicable