

Fiscal Year Ended December 2005

Outline of Consolidated Financial Statements

Name of Company Listed: Tokyo Tatemono Co., Ltd.

Stock Exchange Listing: Tokyo (First Section)

Code Number: 8804

URL: <http://www.tatemono.com>

Representative: Keisuke Minami, President, Representative Director

Contact: Kuniyuki Motoyoshi, General Manager, Corporate Communications and Investor Relations Department

E-mail: motoyoshik@tatemono.com

Date on Which the Board of Directors' Meeting Was Held to Approve the Settlement of Accounts: February 15, 2006

Whether U.S. Accounting Standards Are Adopted: No

1. Consolidated Results of Operations for the Accounting Period of Fiscal 2005 (January 1, 2005 to December 31, 2005)

(1) Consolidated Business Results

Year ended December 31 (Amounts indicated are displayed with amounts less than one million yen rounded off.)

	Revenue from operations		Operating income		Recurring income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005	176,468	9.4	29,470	25.2	24,444	36.2
2004	161,296	24.9	23,545	19.9	17,951	26.3

	Net income		Net income per share	Net income per share after adjusting for dilution	Return on equity	Recurring margin on gross capital	Recurring margin on revenue from operations
	Millions of yen	%	Yen	Yen	%	%	%
2005	11,684	17.9	42.31	40.74	7.0	4.3	13.9
2004	9,906	26.0	41.64	41.38	8.6	3.6	11.1

- Notes: 1. Investment income/loss due to equity method: Year ended December 31, 2005 ¥74 million
Year ended December 31, 2004 ¥245 million
2. Average number of shares (consolidated): Year ended December 31, 2005 271,674,843 shares
Year ended December 31, 2004 234,971,969 shares
3. Changes in accounting method: Yes
4. Percentages for revenue from operations, operating income, recurring income, and net income indicate the percentage increase/decrease compared with the accounting period of the previous fiscal year.

(2) Consolidated Financial Status December 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005	614,307	201,638	32.8	637.34
2004	519,520	131,308	25.3	522.88

Note: Number of issued and outstanding shares at the end of the accounting period (consolidated):
December 31, 2005 316,075,701 shares
December 31, 2004 250,892,013 shares

(3) Consolidated Cash Flows
Year ended December 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2005	(941)	(42,141)	44,170	8,241
2004	24,918	(27,613)	2,574	6,619

(4) Matters Relating to the Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 28

Number of consolidated subsidiaries to which the equity method is applied: 0

Number of affiliated companies to which the equity method is applied: 4

(5) Changes in the Scope of Consolidation and Application of the Equity Method

Consolidated (New): 11 (Eliminated): None

Equity method (New): None (Eliminated): 1

2. Projection of Consolidated Results of Operations for Fiscal 2006, Ending December 2006
(January 1, 2006 to December 31, 2006)

	Revenue from operations	Recurring income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim accounting period	154,000	18,000	10,000
Full fiscal year	240,000	28,000	15,000

(Reference) Projected net income per share (full fiscal year): ¥47.46

Forward-Looking Statements

This document contains certain statements based on Tokyo Tatemono's current plans, estimates, and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ significantly from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.

All financial information has been prepared in accordance with accounting principles generally accepted in Japan. This document is an English-language translation of the Japanese-language original.

Consolidated Balance Sheets

December 31

(Millions of Yen)

Item	2005		2004		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%	
I Current assets	152,120	24.8	98,978	19.1	53,141
Cash	8,274		6,692		1,581
Accounts receivable, trade	9,991		5,375		4,616
Marketable securities	1,782		2,971		(1,188)
Inventories	113,680		71,883		41,796
Deferred income taxes	1,143		1,004		138
Other current assets	17,262		11,063		6,198
Allowance for doubtful accounts	(14)		(12)		(1)
II Fixed assets	462,185	75.2	420,540	80.9	41,645
1. Property and equipment	312,689	50.9	307,550	59.2	5,139
Buildings and structures	70,620		59,584		11,035
Land	239,109		247,084		(7,975)
Construction in progress	23		184		(160)
Other fixed assets	2,935		696		2,239
2. Intangible and other assets	7,284	1.2	7,310	1.4	(26)
Lease rights	6,813		6,759		54
Consolidation adjustment account	77		177		(99)
Other intangible assets	393		374		18
3. Investments	142,211	23.1	105,679	20.3	36,532
Investment securities	82,931		54,400		28,531
Investment in consortia	44,206		33,730		10,475
Long-term loans	1,047		1,560		(513)
Guarantee deposits paid	11,441		10,422		1,019
Deferred income taxes	812		835		(22)
Other investments	3,570		6,962		(3,392)
Allowance for doubtful accounts	(875)		(1,290)		414
Investment loss reserve	(922)		(941)		19
III Deferred assets	1	0.0	1	0.0	(0)
Total assets	614,307	100.0	519,520	100.0	94,786

Item	2005		2004		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(LIABILITIES)		%		%	
I Current liabilities	140,578	22.9	145,265	27.9	(4,686)
Short-term borrowings	77,647		104,316		(26,668)
Commercial paper	1,100		700		400
Accounts payable, trade	7,977		10,900		(2,922)
Accrued income taxes	6,613		4,241		2,372
Deferred income taxes	–		2		(2)
Reserve for compensation for completed work	5		6		(0)
Reserve for bonuses	253		214		39
Other current liabilities	46,979		24,883		22,095
II Long-term liabilities	272,008	44.3	242,946	46.8	29,062
Long-term debt	195,235		174,173		21,061
Guarantee deposits received	37,380		37,538		(157)
Deferred income taxes	13,549		7,031		6,517
Deferred income taxes on land revaluation	8,933		8,672		261
Accrued severance indemnities	4,743		4,745		(2)
Allowance for retirement benefits for directors	511		621		(110)
Provision for loss on guarantees	69		82		(13)
Reserve for scrapping of buildings	181		127		54
Consolidation adjustment account	0		–		0
Other long-term liabilities	11,404		9,952		1,451
Total liabilities	412,587	67.2	388,212	74.7	24,375
(MINORITY INTEREST)					
Minority interest	81	0.0	–	–	81
(SHAREHOLDERS' EQUITY)					
I Common stock	77,181	12.5	51,629	9.9	25,552
II Capital surplus	75,522	12.3	49,740	9.6	25,782
III Retained earnings	18,549	3.0	9,562	1.8	8,987
IV Land revaluation excess	13,016	2.1	12,635	2.4	381
V Net unrealized gain on available-for-sale securities	17,690	2.9	8,852	1.7	8,838
VI Foreign currency translation Adjustments	(32)	(0.0)	(258)	(0.0)	226
VII Less: Treasury stock, at cost	(290)	(0.0)	(852)	(0.1)	562
Total shareholders' equity	201,638	32.8	131,308	25.3	70,330
Total liabilities, minority interest and shareholders' equity	614,307	100.0	519,520	100.0	94,786

Consolidated Statements of Income

Year ended December 31

(Millions of Yen)

Item	2005		2004		Increase/Decrease
	Amount	Percentage	Amount	Percentage	Amount
		%		%	
I Revenue from operations	176,468	100.0	161,296	100.0	15,171
II Cost of revenue	124,257	70.4	121,211	75.1	3,046
Gross profit	52,210	29.6	40,085	24.9	12,125
III Selling, general and administrative expenses	22,740	12.9	16,540	10.3	6,199
Operating income	29,470	16.7	23,545	14.6	5,925
IV Non-operating income					
Interest income	126		95		31
Dividend income	461		444		16
Equity in income of affiliated companies	74		245		(170)
Other	299		344		(44)
Total non-operating income	962	0.5	1,129	0.7	(166)
V Non-operating expenses					
Interest expense	5,464		6,481		(1,016)
New share issue expenses	257		72		184
Bond issuance expenses	26		-		26
Other	240		169		70
Total non-operating expenses	5,988	3.3	6,723	4.2	(734)
Recurring income	24,444	13.9	17,951	11.1	6,493
VI Extraordinary income					
Gain on sale of property and equipment	932		12		919
Gain on sale of investment	317		1,447		(1,130)
Reversal of provision for losses on doubtful accounts	28		0		28
Gain on reversal of provision for investment losses	19		-		19
Other	72		7		65
Total extraordinary income	1,371	0.8	1,468	0.9	(97)
VII Extraordinary loss					
Loss on revaluation of real estate for sale	2,296		2,127		169
Loss on sale of fixed assets	102		1,510		(1,408)
Loss on retirement of property and equipment	84		115		(30)
Loss on devaluation of investment securities	-		13		(13)
Loss on sale of investment securities	-		2		(2)
Provision for investment loss	-		74		(74)
Provision for allowance for retirement benefits for directors	-		503		(503)
Provision for loss on guarantees	-		82		(82)
Retirement and bonuses for special services for directors	60		26		33
Impairment loss	2,258		-		2,258
Other	54		7		47
Total extraordinary loss	4,857	2.8	4,464	2.7	392
Income before income taxes and minority interest	20,958	11.9	14,954	9.3	6,003
Current income taxes	8,689	4.9	4,864	3.0	3,824
Deferred income taxes	583	0.4	(107)	(0)	691
Minority interest	-	-	291	0.2	(291)
Net income	11,684	6.6	9,906	6.1	1,778

Consolidated Statements of Shareholders' Equity

Year ended December 31

(Millions of Yen)

Item	2005	2004	Increase/Decrease
	Amount	Amount	Amount
CAPITAL SURPLUS			
I Capital surplus, at beginning of year	49,740	38,229	11,510
II Increase in capital surplus	25,782	11,510	14,272
New stock issue due to capital increase	–	5,964	(5,694)
Surplus from retirement of treasury stock	335	5,545	(5,210)
Increased amount due to exercise of rights of bonds with stock acquisition rights	25,446	–	25,446
III Capital surplus, at end of year	75,522	49,740	25,782
RETAINED EARNINGS			
I Retained earnings, at beginning of year	9,562	4,845	4,716
II Increase in retained earnings	11,684	9,906	1,778
Net income	11,684	9,906	1,778
III Decrease in retained earnings	2,697	5,189	(2,492)
Cash dividends	2,058	1,834	223
Bonuses to directors and corporate auditors	123	103	19
Decrease from addition to consolidated subsidiaries	134	–	134
Transfer to land revaluation excess	381	3,251	(2,870)
IV Retained earnings, at end of year	18,549	9,562	8,987

Consolidated Statements of Cash Flows

Year ended December 31

(Millions of Yen)

Item	2005	2004
	Amount	Amount
I Operating activities		
Income before income taxes and minority interest	20,958	14,954
Depreciation	3,719	3,331
Impairment loss	2,258	-
Amortization	19	(9)
Equity in income of affiliated companies	(74)	(245)
Increase (decrease) in allowance for doubtful accounts	(413)	16
Increase (decrease) in investment loss reserve	(19)	28
(Reversal of) reserve for bonuses to employees	39	54
Reversal of severance indemnities, less payments	(2)	265
Increase (decrease) in allowance for retirement benefits for directors	(110)	621
Increase (decrease) in provision for loss on guarantees	(13)	82
Interest and dividend income	(587)	(539)
Interest expense	5,464	6,481
Loss on revaluation of real estate for sale	2,296	2,127
Write-down of marketable securities	-	13
Gain on sale of marketable and investment securities	(317)	(1,445)
Gain on sales of fixed assets	(932)	(12)
Loss on sales of fixed assets	187	1,626
(Increase) decrease in accounts receivable, trade	(4,162)	(2,384)
(Increase) decrease in marketable securities	1,188	-
(Increase) decrease in inventories	(34,529)	3,081
Increase (decrease) in guarantee deposits received	(172)	5,320
Increase (decrease) in accounts payable, trade	500	445
(Increase) decrease in guarantee deposits paid	170	(2,301)
Increase (decrease) in deposits	20,477	-
Other	(5,105)	1,329
Subtotal	10,838	32,845
Interest and dividends received	624	573
Interest paid	(5,656)	(6,449)
Income taxes paid	(6,748)	(2,050)
Net cash provided by (used in) operating activities	(941)	24,918
II Investing activities		
Proceeds from sale of marketable and investment securities	1,486	4,950
Payment for purchase of marketable and investment securities	(16,029)	(4,737)
Acquisition of shares in subsidiaries following change in scope of consolidation	(7,479)	-
Investments in consortia	(13,679)	(27,620)
Proceeds from sale of investments in consortia	3,056	2,569
Proceeds from sale of property and equipment	4,948	2,817
Payment for purchase of property and equipment	(14,982)	(2,753)
Increase in loans	(1,042)	-
Collection of loans	283	-
Increase in long-term loans	-	(460)
Collection of long-term loans	-	45
Payments for business transfer	(1,500)	-
Increase (decrease) in receipt from investment in specific joint real estate ventures	4,427	-
Other	(1,632)	(2,424)
Net cash used in investing activities	(42,141)	(27,613)

Item	2005	2004
	Amount	Amount
III Financing activities		
Increase (decrease) in short-term borrowings	(11,030)	(2,150)
Increase (decrease) in commercial paper	400	–
Increase in long-term debt	95,270	64,140
Repayment of long-term debt	(89,847)	(71,059)
Repayment of long-term accounts payable	(265)	–
Repayment of corporate bonds	–	(6,615)
Proceeds from issuance of bonds with stock acquisition rights	52,000	–
Proceeds from new stock issue	–	11,970
Proceeds from treasury stock	6	9,762
Acquisition of treasury stock	(109)	(1,299)
Dividends paid	(2,054)	(1,831)
Payments of dividends to minority shareholders	–	(270)
Proceeds from issue of shares to minority shareholders	55	–
Other	(255)	(72)
Net cash provided by financing activities	44,170	2,574
IV Effect of exchange rate changes on cash and cash equivalents	10	(4)
V Net increase (decrease) in cash and cash equivalents	1,097	(126)
VI Cash and cash equivalents at beginning of year	6,619	6,745
VII Increase in cash and cash equivalents resulting from change in consolidated subsidiaries	524	–
VIII Cash and cash equivalents at end of year	8,241	6,619

Change in Accounting Method

(Accounting standard for impairment of fixed assets)

From the subject interim fiscal period, Tokyo Tatemono has applied its “Accounting Standards for Impairment of Fixed Assets” (“Statement Regarding Setting of Accounting Standards for Impairment of Fixed Assets” (Corporate Accounting Council, August 9, 2002)), and its “Guidelines for the Application of Accounting Standards for Impairment of Fixed Assets” (Corporate Accounting Standards Committee, October 31, 2003, Corporate Accounting Standards Application Guideline No. 6).

As a result of this change, net income before income taxes and minority interests declined by ¥2,258 million.

Additional Information

(Pro forma standard taxation)

In accordance with the announcement on March 31, 2003 of a revision to a portion of the Local Tax Law (Law No. 9, 2003), and the introduction of the pro forma standard taxation system from fiscal years beginning on or after April 1, 2004, from the subject interim consolidated fiscal period, and in accordance with its “Practices for the Recording of the Pro Forma Standard Taxation Portion of Corporate Income Taxes in the Statement of Income” (February 13, 2004, Corporate Accounting Standards Committee, Practices Report No. 12), Tokyo Tatemono will record the added value allocation of corporate income taxes, and the capital allocation, as selling, general and administrative expenses.

As a result of this change, selling, general and administrative expenses increased by ¥429 million, while operating income, recurring income, and net income before income taxes and minority interests decreased by the same amount.

Changes in the Presentation Method

Consolidated Statements of Cash Flows

1. The following changes have been implemented from the subject fiscal year, due to increasing significance.
 - (1) The item “Increase (decrease) in marketable securities” included in the “Other” item in Cash Flows from Operating Activities has been made a separate line item. “Increase (decrease) in marketable securities” included in “Other” amounted to ¥462 million in the previous fiscal year.
 - (2) The item “Increase (decrease) in deposits” included in the “Other” item in Cash Flows from Operating Activities has been made a separate item. “Increase (decrease) in deposits” included in “Other” amounted to ¥50 million in the previous fiscal year.
 - (3) The item “Increase (decrease) in receipt from investment in specific joint real estate ventures” included in the “Other” item in Cash Flows from Investing Activities has been made a separate item. “Increase (decrease) in receipt from investment in specific joint real estate ventures” included in “Other” amounted to a decrease of ¥970 million in the previous fiscal year.
2. The following changes have been implemented from the subject fiscal year, for the purpose of greater clarity in presentation.
 - (1) The items “Increase in long-term loans” and “Collection of long-term loans,” along with “Increase (decrease) in short-term loans” included in the “Other” item in Cash Flows from Investing Activities have been combined into the two line items “Increase in loans” and “Collection of loans.” “Increase in short-term loans,” and “Collection of short-term loans” included in the “Other” item amounted to a decrease of ¥350 million and an increase of ¥20 million, respectively, in the previous fiscal year.
 - (2) The item “Increase (decrease) in commercial paper” included in the “Increase (decrease) in short-term borrowings” item in Cash Flows from Financing Activities has been made a separate item. “Increase (decrease) in commercial paper” included in “Increase (decrease) in short-term borrowings” amounted to ¥300 million in the previous fiscal year.
 - (3) The item “Repayment of long-term accounts payable” included in the “Repayment of long-term debt” item in Cash Flows from Financing Activities has been made a separate item. “Repayment of long-term accounts payable” included in the “Repayment of long-term debt” amounted to a decrease of ¥265 million in the previous fiscal year.

(Segment Information)

1. Industry Segments

Year ended December 31, 2005

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations and operating income						
Revenue from operations						
(1) Customers	42,162	100,142	34,162	176,468	–	176,468
(2) Intersegment	593	142	2,971	3,707	(3,707)	–
Total	42,756	100,285	37,134	180,175	(3,707)	176,468
Costs and operating expenses	24,586	91,935	28,801	145,323	1,673	146,997
Operating income	18,170	8,349	8,332	34,852	(5,381)	29,470
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	368,220	126,140	77,161	571,523	42,784	614,307
Depreciation	3,113	14	535	3,663	56	3,719
Impairment loss	2,115	–	35	2,151	107	2,258
Capital expenditures	15,834	24	10,959	26,818	(24)	26,793

Year ended December 31, 2004

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations and operating income						
Revenue from operations						
(1) Customers	41,580	95,306	24,410	161,296	–	161,296
(2) Intersegment	562	102	2,242	2,907	(2,907)	–
Total	42,142	95,409	26,652	164,204	(2,907)	161,296
Costs and operating expenses	25,049	87,512	22,580	135,142	2,609	137,751
Operating income	17,093	7,897	4,071	29,061	(5,516)	23,545
II. Assets, depreciation and capital expenditures						
Assets	356,925	82,867	41,773	481,566	37,954	519,520
Depreciation	2,951	12	303	3,268	63	3,331
Capital expenditures	1,543	50	1,063	2,657	109	2,766

(Notes)

1. Method of determination of industry segments

Business segments have been determined in consideration of the business activities of the corporate Group.

2. Principal content of each industry segment

Leasing: Leasing and management of land, buildings and housing

Real estate sales: Sales of residential land, houses and high-rise condominiums

Other: Real estate agency and evaluation, consulting, resort, leisure facilities and hotel business

3. Operating expenses for the year ended December 31, 2005 include ¥5,372 million in operating expenses that cannot be included in “portion not classified to segments, less elimination,” consisting primarily of expenses related to the general administration of the Company. Operating expenses for the year ended December 31, 2004 include ¥4,888 million in operating expenses that cannot be included in “portion not classified to segments, less elimination,” consisting primarily of expenses related to the general administration of the Company.

4. Assets for the year ended December 31, 2005 include ¥85,104 million in company-wide assets included in “portion not classified to segments, less elimination,” consisting primarily of cash and cash equivalents, investment securities and assets related to general administration. Assets for the year ended December 31, 2004 include ¥61,349 million in company-wide assets included in “portion not classified to segments, less elimination,” consisting primarily of cash and cash equivalents, investment securities and assets related to general administration.

2. Geographical Segments

Fiscal 2005 (January 1, 2005 through December 31, 2005)

This information is not presented, as more than 90% of total operating revenues and assets from all segments is from Japan.

Fiscal 2004 (January 1, 2004 through December 31, 2004)

This information is not presented, as more than 90% of total operating revenues and assets from all segments is from Japan.

3. Overseas Operating Revenues

Fiscal 2005 (January 1, 2005 through December 31, 2005)

This information is not presented, as less than 10% of consolidated operating revenues is from overseas.

Fiscal 2004 (January 1, 2004 through December 31, 2004)

This information is not presented, as less than 10% of consolidated operating revenues is from overseas.

Fiscal Year Ended December 2005

Outline of Non-Consolidated Financial Statements

Name of Company Listed: Tokyo Tatemono Co., Ltd.

Code Number: 8804

Stock Exchange Listing: Tokyo (First Section)

URL: <http://www.tatemono.com>

Representative: Keisuke Minami, President, Representative Director

Contact: Kuniyuki Motoyoshi, General Manager, Corporate Communications and Investor Relations Department

E-mail: motoyoshik@tatemono.com

Date on Which the Board of Directors' Meeting Was Held to Approve the Settlement of Accounts: February 15, 2006

Payment Date for Dividend: March 31, 2006

Interim Dividend Scheme: Yes

Application of Unit Stock Scheme: Yes (1 unit: 1,000 shares)

Date of Annual Shareholders' Meeting: March 30, 2006

1. Non-Consolidated Results of Operations for the Accounting Period of Fiscal 2005

(January 1, 2005 to December 31, 2005)

(1) Non-Consolidated Business Results

Year ended December 31 (Amounts indicated are displayed with amounts less than one million yen rounded off.)

	Revenue from operations		Operating income		Recurring income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005	140,989	6.2	25,040	22.8	20,407	29.6
2004	132,716	27.0	20,391	25.8	15,746	40.4

	Net income		Net income per share	Net income per share after adjusting for dilution	Return on equity	Recurring margin on gross capital	Recurring margin on revenue from operations
	Millions of yen	%	Yen	Yen	%	%	%
2005	11,189	32.5	40.35	38.85	7.0	3.8	14.5
2004	8,447	54.3	35.30	35.10	7.6	3.4	11.9

Notes: 1. Average number of shares: Year ended December 31, 2005 273,627,708 shares

Year ended December 31, 2004 236,454,120 shares

2. Changes in accounting method: Yes

3. Percentages for revenue from operations, operating income, recurring income, and net income indicate the percentage increase/decrease compared with the accounting period of the previous fiscal year.

(2) Non-Consolidated Dividends

December 31

	Annual dividends per share			Total dividend amount (full year)	Payout ratio	Ratio of dividends to shareholders' equity
	Yen	Interim	Year-end			
2005	9.00	4.00	5.00	2,637	22.3	1.4
2004	8.00	4.00	4.00	2,022	22.7	1.6

(3) Non-Consolidated Financial Status
December 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005	584,353	194,870	33.3	612.27
2004	477,564	126,616	26.5	500.37

Notes: 1. Number of issued and outstanding shares at the end of the accounting period:

December 31, 2005 318,028,566 shares

December 31, 2004 252,844,878 shares

2: Treasury stock at term-end:

December 31, 2005 30,602 shares

December 31, 2004 1,296,756 shares

2. Projection of Non-Consolidated Results of Operations for Fiscal 2006, Ending December 2006
(January 1, 2006 to December 31, 2006)

	Revenue from operations	Recurring income	Net income	Annual dividends per share		
				Interim	Year-end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Interim accounting period	130,000	16,000	9,000	6.00	—	—
Full fiscal year	200,000	25,000	14,000	—	6.00	12.00

Note: Fiscal 2006 Interim dividend: Ordinary dividend ¥5.00 110th anniversary commemorative dividend ¥1.00
Year-end dividend: Ordinary dividend ¥5.00 110th anniversary commemorative dividend ¥1.00

(Reference) Projected net income per share (full fiscal year): ¥44.02

Non-Consolidated Balance Sheets

December 31

(Millions of Yen)

Item	2005		2004		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%	
I Current assets	156,479	26.8	92,714	19.4	63,765
Cash	4,744		5,082		(338)
Accounts receivable, trade	7,163		4,124		3,039
Marketable securities	1,782		2,971		(1,188)
Real estate for sale	103,808		58,586		45,221
Beneficial interests in real estate for sale in trust	152		2,606		(2,454)
Advances	298		809		(511)
Advance expenses	1,577		1,662		(84)
Deferred income taxes	549		407		142
Short-term loans receivable	23,732		16,438		7,294
Other current assets	12,782		7,462		5,320
Allowance for doubtful accounts	(112)		(7,437)		7,324
II Fixed assets	427,873	73.2	384,849	80.6	43,024
1. Property and equipment	262,955	45.0	268,283	56.2	(5,328)
Buildings	54,367		48,480		5,886
Structures	667		548		118
Machinery and equipment	342		246		96
Vehicles	2		2		(0)
Tools and equipment	291		147		144
Land	207,284		218,857		(11,573)
2. Intangible and other assets	6,798	1.2	6,868	1.4	(70)
Lease rights	6,656		6,656		-
Other intangible assets	142		212		(70)
3. Investments	158,119	27.0	109,696	23.0	48,422
Investment securities	73,782		46,812		26,969
Shares in affiliated companies	15,995		15,811		183
Investment in consortia	42,840		33,456		9,384
Investment in affiliated companies	477		3		474
Long-term loans	156		142		14
Long-term loans to affiliated companies	20,150		548		19,601
Guarantee deposits paid	11,583		11,327		255
Other investments	2,428		3,824		(1,395)
Allowance for doubtful accounts	(8,020)		(1,092)		(6,927)
Investment loss reserve	(1,275)		(1,136)		(139)
Total assets	584,353	100.0	477,564	100.0	106,789

Item	2005		2004		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(LIABILITIES)		%		%	
I Current liabilities	127,309	21.8	123,095	25.8	4,214
Short-term borrowings	25,013		18,291		6,722
Current portion of long-term debt	69,294		71,672		(2,377)
Commercial paper	1,100		700		400
Accounts payable, trade	4,692		8,981		(4,289)
Accrued expenses	3,927		3,638		288
Accrued income taxes	5,697		3,808		1,889
Advances received	14,348		13,276		1,072
Deposits received	2,311		1,788		523
Reserve for bonuses	128		124		3
Employees' deposits	724		747		(22)
Other current liabilities	70		66		3
II Long-term liabilities	262,173	44.9	227,852	47.7	34,321
Long-term debt	188,434		165,323		23,110
Guarantee deposits received	35,153		36,263		(1,109)
Accounts payable	3,379		3,644		(265)
Long-term deposits payable	12,848		5,911		6,937
Deferred income taxes	8,788		3,249		5,538
Deferred income taxes on land revaluation	8,933		8,672		261
Accrued severance indemnities	3,665		3,750		(85)
Allowance for retirement benefits for directors	458		565		(106)
Provision for loss on guarantees	69		82		(13)
Other long-term liabilities	441		389		52
Total liabilities	389,483	66.7	350,947	73.5	38,535
(SHAREHOLDERS' EQUITY)					
I Common stock	77,181	13.2	51,629	10.8	25,552
II Capital surplus	75,211	12.9	49,429	10.4	25,782
Additional paid-in capital	61,839		36,392		25,446
Other capital surplus	13,372		13,036		335
Decline in capital surplus	8,000		8,000		–
Surplus from retirement of treasury stock	5,372		5,036		335
III Retained earnings	13,976	2.4	5,326	1.1	8,650
Unappropriated retained earnings	13,976		5,326		8,650
[of which, net income]	[11,189]		[8,447]		[2,742]
IV Land revaluation excess	13,016	2.2	12,635	2.6	381
V Net unrealized gain on available-for-sale securities	15,512	2.6	8,186	1.7	7,325
VI Less: Treasury stock at cost	(28)	(0.0)	(590)	(0.1)	562
Total shareholders' equity	194,870	33.3	126,616	26.5	68,253
Total liabilities and shareholders' equity	584,353	100.0	477,564	100.0	106,789

Non-Consolidated Statements of Income

Year ended December 31

(Millions of Yen)

Item	2005		2004		Increase/Decrease
	Amount	Percentage	Amount	Percentage	Amount
I Revenue from operations		%		%	
Leasing	36,896	26.2	36,973	27.9	(77)
Real estate sales	94,998	67.4	91,175	68.7	3,823
Other	9,094	6.4	4,568	3.4	4,525
Total revenue from operations	140,989	100.0	132,716	100.0	8,272
II Cost of revenue					
Leasing	21,784		22,540		(756)
Real estate sales	77,100		76,315		785
Other	2,508		1,767		741
Total cost of revenue	101,393	71.9	100,623	75.8	769
Gross profit	39,595	28.1	32,093	24.2	7,502
III Selling, general and administrative expenses	14,555	10.3	11,702	8.8	2,852
Operating income	25,040	17.8	20,391	15.4	4,649
IV Non-operating income					
Interest income	28		60		(32)
Dividend income	541		1,005		(464)
Other	259		285		(26)
Total non-operating income	829	0.6	1,352	1.0	(522)
V Non-operating expenses					
Interest expense	5,006		5,826		(820)
New share issue expenses	257		72		184
Bond issuance expenses	26		-		26
Others	172		97		75
Total non-operating expenses	5,462	3.9	5,996	4.5	(533)
Recurring income	20,407	14.5	15,746	11.9	4,660
VI Extraordinary income					
Gain on sale of property and equipment	53		-		53
Gain on sale of investment securities	313		1,403		(1,089)
Reversal of provision for losses on doubtful accounts	-		1		(1)
Total extraordinary income	366	0.2	1,404	1.0	(1,037)
VII Extraordinary loss					
Loss on revaluation of real estate for sale	345		2,127		(1,781)
Loss on sale of fixed assets	121		1,511		(1,389)
Loss on retirement of property and equipment	44		80		(35)
Loss on devaluation of investment securities	-		13		(13)
Loss on sale of investment securities	-		0		(0)
Provision for investment loss reserve	139		134		5
Provision for allowance for retirement benefits for directors	-		463		(463)
Provision for loss on guarantees	-		82		(82)
Retirement and bonuses for special services for directors	-		12		(12)
Impairment loss	876		-		876
Other	6		7		(1)
Total extraordinary loss	1,533	1.1	4,433	3.3	(2,900)
Income before income taxes	19,240	13.6	12,717	9.6	6,522
Current income taxes	7,420		4,183		3,237
Deferred income taxes	630		87		542
Net income	11,189	7.9	8,447	6.4	2,742
Retained earnings carried forward	4,215		1,142		3,072
Interim cash dividends	1,047		1,011		35
Transfer to land revaluation excess	(381)		(3,251)		2,870
Unappropriated retained earnings for the period	13,976		5,326		8,650

Proposed Appropriation of Non-Consolidated Earnings

Year ended December 31

(Millions of yen)

2005		2004	
Item	Amount	Item	Amount
Unappropriated retained earnings	13,976	Unappropriated retained earnings	5,326
To be distributed as follows:		To be distributed as follows:	
Cash dividends	1,590 (¥5 per share)	Cash dividends	1,011 (¥4 per share)
Bonuses to directors (of which, bonuses to auditors)	150 (9)	Bonuses to directors (of which, bonuses to auditors)	100 (6)
Reserve for property replacement	669		
Retained earnings carried forward	11,567	Retained earnings carried forward	4,215
Total	13,976	Total	5,326