

Outline of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2005

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

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

Code Number: 8804 (First Section of the Tokyo Stock Exchange)

Representative: Keisuke Minami, President and Chief Executive Officer

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1. Items Pertaining to the Preparation of First-Quarter Results

- (1) Use of Simplified Accounting Procedures: No
 (2) Changes in Accounting Principles in the Most Recent Fiscal Year: No
 (3) Changes in Scope of Consolidation or Application of the Equity Method: Yes
- | | | |
|----------------|-----------------|-------------------|
| Consolidation: | (New) 1 company | (Eliminated) none |
| Equity method: | (New) none | (Eliminated) none |

2. Consolidated Results of Operations for the First Quarter of Fiscal 2005 (January 1, 2005 to March 31, 2005)

(1) Consolidated Business Results

Quarter ended March 31

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

	Revenue from operations		Operating income		Recurring income		Quarterly net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005 1Q	46,034	33.2	6,247	0.8	4,918	3.4	2,893	(19.3)
2004 1Q	34,560	–	6,199	–	4,757	–	3,584	–
2004 full year (ref.)	161,296		23,545		17,951		9,906	

	Quarterly net income per share	Quarterly net income per share after adjusting for dilution
	Yen	Yen
2005 1Q	11.53	–
2004 1Q	17.45	17.15
2004 full year (ref.)	41.64	41.38

Note: The percentage figures presented for revenue from operations, operating income, recurring income and quarterly net income indicate changes from the fourth quarter of the previous fiscal year. Because quarterly results have only been disclosed from the third quarter of fiscal 2003, percentage changes from the corresponding quarter of the previous fiscal year are not presented.

(2) Consolidated Financial Status

Quarter ended March 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005 1Q	564,826	134,538	23.8	536.31
2004 1Q	540,442	104,344	19.3	508.09
2004 full year (ref.)	519,520	131,308	25.3	522.88

(3) Consolidated Cash Flows
Quarter ended March 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 1Q	(16,365)	(11,874)	35,861	14,527
2004 1Q	3,566	(24,164)	37,913	24,056
2004 full year (ref.)	24,918	(27,613)	2,574	6,619

3. Projection of Consolidated Results of Operations for Fiscal 2005, Ending December 2005
(January 1, 2005 to December 31, 2005)

	Revenue from operations	Recurring income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim accounting period	69,000	8,000	4,000
Full fiscal year	175,000	19,000	11,200

(Reference) Projected net income per share (full fiscal year): ¥44.65

Note: Performance during the first quarter was in line with the business plan, so there will be no revision of projections.

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.

First-Quarter Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1Q		End of FY 2004		Increase/ Decrease	End of FY 2004 1Q	
	As of March 31, 2005		As of December 31, 2004			As of March 31, 2004	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
I Current assets	128,568	22.8	98,978	19.1	29,589	114,846	21.3
Cash	14,698		6,692		8,005	24,127	
Accounts receivable, trade	9,632		5,375		4,257	4,450	
Marketable securities	2,971		2,971		—	462	
Inventories	81,891		71,883		10,007	77,751	
Deferred income taxes	773		1,004		(231)	584	
Other current assets	18,607		11,063		7,543	7,483	
Allowance for doubtful accounts	(6)		(12)		6	(13)	
II Fixed assets	436,256	77.2	420,540	80.9	15,715	425,594	78.7
1. Property and equipment	315,137	55.8	307,550	59.2	7,586	311,880	57.7
Buildings and structures	59,104		59,584		(480)	61,130	
Land	245,407		247,084		(1,677)	250,001	
Construction in progress	9,925		184		9,741	6	
Other fixed assets	699		696		3	741	
2. Intangible and other assets	7,275	1.3	7,310	1.4	(35)	7,253	1.3
3. Investments	113,843	20.1	105,679	20.3	8,164	106,460	19.7
Investment securities	60,023		54,400		5,623	53,579	
Investment in consortia	37,337		33,730		3,607	35,236	
Long-term loans	1,555		1,560		(4)	1,185	
Deferred income taxes	795		835		(40)	912	
Other investments	16,351		17,385		(1,033)	17,730	
Allowance for doubtful accounts	(1,277)		(1,290)		12	(1,271)	
Investment loss reserve	(941)		(941)		—	(912)	
III Deferred assets	1	0.0	1	0.0	(0)	0	0.0
Total assets	564,826	100.0	519,520	100.0	45,305	540,442	100.0

Item	End of FY 2005 1Q		End of FY 2004		Increase/ Decrease	End of FY 2004 1Q	
	As of March 31, 2005		As of December 31, 2004			As of March 31, 2004	
	Amount	Weight	Amount	Weight		Amount	Amount
(LIABILITIES)		%		%			%
I Current liabilities	150,178	26.6	145,265	27.9	4,913	152,248	28.2
Short-term borrowings	101,722		104,316		(2,594)	114,201	
Commercial paper	3,700		700		3,000	1,500	
Current portion of convertible bonds	–		–		–	6,615	
Accounts payable, trade	14,184		10,900		3,284	5,308	
Accrued income taxes	2,048		4,241		(2,192)	228	
Deferred income taxes	5		2		2	4	
Reserve for bonuses	798		214		584	618	
Other current liabilities	27,719		24,889		2,829	23,772	
II Long-term liabilities	280,108	49.6	242,946	46.8	37,162	282,929	52.3
Long-term debt	210,673		174,173		36,499	211,198	
Guarantee deposits received	37,865		37,538		327	39,919	
Deferred income taxes	8,215		7,031		1,183	7,690	
Deferred income taxes on land revaluation	8,237		8,672		(435)	9,270	
Accrued severance indemnities	4,538		4,745		(206)	4,534	
Allowance for retirement benefits for directors	425		621		(195)	–	
Provision for loss on guarantees	82		82		–	–	
Other long-term liabilities	10,070		10,080		(9)	10,316	
Total liabilities	430,287	76.2	388,212	74.7	42,075	435,178	80.5
(MINORITY INTEREST)							
Minority interest	–	–	–	–	–	919	0.2
(SHAREHOLDERS' EQUITY)							
I Common stock	51,629	9.1	51,629	9.9	–	45,623	8.4
II Capital surplus	49,740	8.8	49,740	9.6	–	38,229	7.1
III Retained earnings	11,927	2.1	9,562	1.8	2,365	3,376	0.6
IV Land revaluation excess	12,001	2.1	12,635	2.4	(634)	13,507	2.5
V Net unrealized gain on available-for-sale securities	10,312	1.8	8,852	1.7	1,460	8,529	1.6
VI Foreign currency translation adjustments	(198)	(0.0)	(258)	(0.0)	60	(207)	(0.0)
VII Less: Treasury stock, at cost	(874)	(0.1)	(852)	(0.1)	(22)	(4,715)	(0.9)
Total shareholders' equity	134,538	23.8	131,308	25.3	3,229	104,344	19.3
Total liabilities, minority interest and shareholders' equity	564,826	100.0	519,520	100.0	45,305	540,442	100.0

First-Quarter Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2005 1Q		End of FY 2004 1Q		Increase/ Decrease	End of FY 2004	
	January 1, 2005 through March 31, 2005		January 1, 2004 through March 31, 2004			January 1, 2004 through December 31, 2004	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
I Revenue from operations	46,034	100.0	34,560	100.0	11,474	161,296	100.0
II Cost of revenue	35,261	76.6	24,987	72.3	10,274	121,211	75.1
Gross profit	10,772	23.4	9,572	27.7	1,200	40,085	24.9
III Selling, general and administrative	4,525	9.8	3,373	9.8	1,152	16,540	10.3
Operating income	6,247	13.6	6,199	17.9	47	23,545	14.6
IV Non-operating income							
Interest income	12		28		(15)	95	
Dividend income	43		43		(0)	444	
Equity in income of affiliated companies	76		29		47	245	
Other	56		133		(76)	344	
Total non-operating income	189	0.4	233	0.7	(44)	1,129	0.7
V Non-operating expenses							
Interest expense	1,487		1,663		(175)	6,481	
New share issue expenses	-		-		-	72	
Other	30		13		17	169	
Total non-operating expenses	1,518	3.3	1,676	4.8	(158)	6,723	4.2
Recurring income	4,918	10.7	4,757	13.8	161	17,951	11.1
VI Extraordinary income							
Gain on sale of property and equipment	53		11		41	12	
Gain on sale of investment securities	28		1,353		(1,324)	1,447	
Reversal of provision for losses on doubtful accounts	19		2		16	0	
Other	-		-		-	7	
Total extraordinary income	101	0.2	1,367	3.9	(1,266)	1,468	0.9
VII Extraordinary loss							
Loss on revaluation of real estate for sale	-		-		-	2,127	
Loss on sale of fixed assets	3		456		(452)	1,510	
Loss on retirement of property and equipment	15		11		3	115	
Loss on devaluation of investment securities	-		-		-	13	
Loss on sale of investment securities	-		2		(2)	2	
Provision for investment loss reserve	-		-		-	74	
Provision for allowance for retirement benefits for directors	-		-		-	503	
Provision for loss on guarantees	-		-		-	82	
Retirement and bonuses for special services for directors	14		26		(11)	26	
Other	-		-		-	7	
Total extraordinary loss	33	0.1	496	1.4	(463)	4,464	2.7
Income before income taxes and minority interest	4,986	10.8	5,628	16.3	(641)	14,954	9.3
Current income taxes	2,064	4.5	289	0.8	1,774	4,864	3.0
Deferred income taxes	28	0.0	1,703	4.9	(1,674)	(107)	(0.0)
Minority interest	-		50	0.2	(50)	291	0.2
Net income	2,893	6.3	3,584	10.4	(690)	9,906	6.1

First-Quarter Consolidated Statements of Shareholders' Equity

(Millions of yen)

Item	End of FY 2005 1Q	End of FY 2004 1Q	End of FY 2004
	January 1, 2005 through March 31, 2005	January 1, 2004 through March 31, 2004	January 1, 2004 through December 31, 2004
	Amount	Amount	Amount
CAPITAL SURPLUS			
I Capital surplus, at beginning of year	49,740	38,229	38,229
II Increase in capital surplus	-	-	11,510
New stock issue due to capital increase	-	-	5,964
Surplus from retirement of treasury stock	-	-	5,545
III Capital surplus, at end of year	49,740	38,229	49,740
RETAINED EARNINGS			
I Retained earnings, at beginning of year	9,562	4,845	4,845
II Increase in retained earnings	3,527	3,584	9,906
Net income	2,893	3,584	9,906
Transfer to land revaluation excess	634	-	-
III Decrease in retained earnings	1,161	5,052	5,189
Cash dividends	1,011	825	1,834
Bonuses to directors and corporate auditors	123	103	103
Decrease from addition to consolidated subsidiaries	27	-	-
Transfer to land revaluation excess	-	4,123	3,251
IV Retained earnings, at end of year	11,927	3,376	9,562

First-Quarter Consolidated Statements of Cash Flows

(Millions of yen)

Item	2004 1Q	2003 1Q	2003 FY
	Amount	Amount	Amount
I Operating activities			
Income before income taxes and minority interest	4,986	5,628	14,954
Depreciation	815	826	3,331
Amortization	9	(2)	(9)
Equity in income of affiliated companies	(76)	(29)	(245)
Increase (decrease) in allowance for doubtful accounts	(19)	(2)	16
Increase (decrease) in investment loss reserve	-	-	28
(Reversal of) reserve for bonuses to employees	584	458	54
Reversal of severance indemnities, less payments	(206)	55	265
Increase (decrease) in allowance for retirement benefits for directors	(195)	-	621
Increase (decrease) in provision for loss on guarantees	-	-	82
Interest and dividend income	(56)	(71)	(539)
Interest expense	1,487	1,663	6,481
Loss on revaluation of real estate for sale	-	-	2,127
Write-down of marketable securities	-	-	13
Gain (loss) on sale of marketable and investment securities	(28)	(1,350)	(1,445)
Gain on sales of fixed assets	(53)	(11)	(12)
Loss on sales of fixed assets	19	468	1,626
(Increase) decrease in accounts receivable, trade	(4,255)	(1,459)	(2,384)
(Increase) decrease in inventories	(13,918)	(4,945)	3,081
Increase (decrease) in guarantee deposits received	283	7,658	5,320
Increase (decrease) in accounts payable, trade	(161)	261	445
(Increase) decrease in guarantee deposits paid	(324)	(3,935)	(2,301)
Other	771	1,388	1,329
Subtotal	(10,341)	6,598	32,845
Interest and dividends received	56	71	573
Interest paid	(1,823)	(1,777)	(6,449)
Income taxes paid	(4,257)	(1,326)	(2,050)
Net cash provided by operating activities	(16,365)	3,566	24,918
II Investing activities			
Proceeds from sale of marketable and investment securities	606	4,676	4,950
Payment for purchase of marketable and investment securities	(3,974)	(1,443)	(4,737)
Investments in consortia	(3,745)	(26,630)	(27,620)
Proceeds from sale of investments in consortia	238	101	2,569
Proceeds from sale of property and equipment	2,410	364	2,817
Payment for purchase of property and equipment	(1,703)	(664)	(2,753)
Decrease (increase) in long-term loans	4	(5)	(414)
Other	(5,711)	(562)	(2,424)
Net cash used in investing activities	(11,874)	(24,164)	(27,613)
III Financing activities			
Increase (decrease) in short-term borrowings	13,470	14,952	(2,150)
Increase (decrease) in long-term debt	23,369	23,885	(6,919)
Repayment of corporate bonds	-	-	(6,615)
Proceeds from new stock issue	-	-	11,970
Proceeds from treasury stock	-	-	9,762
Acquisition of treasury stock	(22)	(13)	(1,299)
Dividends paid	(955)	(775)	(1,831)
Payments of dividends to minority shareholders	-	(135)	(270)
Other	-	-	(72)
Net cash provided by (used in) financing activities	35,861	37,913	2,574
IV Effect of exchange rate changes on cash and cash equivalents	2	(4)	(4)
V Net increase (decrease) in cash and cash equivalents	7,624	17,310	(126)
VI Cash and cash equivalents at beginning of year	6,619	6,745	6,745
VII Increase in cash and cash equivalents accompanying newly consolidated subsidiary	284	-	-
VIII Cash and cash equivalents at end of year	14,527	24,056	6,619

(Segment Information)

1. Industry Segments

Fiscal 2005 1Q (January 1, 2005 through March 31, 2005)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	8,713	29,414	7,907	46,034	–	46,034
(2) Intersegment	137	23	499	659	(659)	–
Total	8,850	29,437	8,406	46,694	(659)	46,034
Costs and operating expenses	5,718	26,981	6,502	39,201	585	39,787
Operating income	3,131	2,456	1,904	7,492	(1,245)	6,247

Fiscal 2004 1Q (January 1, 2004 through March 31, 2004)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	10,127	18,840	5,592	34,560	–	34,560
(2) Intersegment	173	23	487	684	(684)	–
Total	10,301	18,864	6,079	35,244	(684)	34,560
Costs and operating expenses	5,933	16,667	5,161	27,762	597	28,360
Operating income	4,367	2,196	917	7,481	(1,282)	6,199

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

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. 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

(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, civil engineering and construction contracting, resort development, leisure facilities and hotel business

3. Operating expenses for the first quarter of fiscal 2005 include ¥1,262 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 first quarter of fiscal 2004 include ¥1,084 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 fiscal 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.

2. Geographical Segments

Fiscal 2005 1Q (January 1, 2005 through March 31, 2005), Fiscal 2004 1Q (January 1, 2004 through March 31, 2004), and Fiscal 2004 (January 1, 2004 through December 31, 2004)

This information is not presented, as more than 90% of total operating revenues and assets originates in Japan.

3. Overseas Operating Revenues

Fiscal 2005 1Q (January 1, 2005 through March 31, 2005), Fiscal 2004 1Q (January 1, 2004 through March 31, 2004), and 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.

Outline of Non-Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2005

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

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

Code Number: 8804 (First Section of the Tokyo Stock Exchange)

Representative: Keisuke Minami, President and Chief Executive Officer

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

E-mail: info@tatemono.com

1. Items Pertaining to the Preparation of First-Quarter Results:

- (1) Use of Simplified Accounting Procedures: No
- (2) Changes in Accounting Principles in the Most Recent Fiscal Year: No

2. Non-Consolidated Results of Operations for the First Quarter of Fiscal 2005 (January 1, 2005 to March 31, 2005)

(1) Non-Consolidated Business Results

Quarter ended March 31

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

	Revenue from operations		Operating income		Recurring income		Quarterly net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005 1Q	37,872	34.9	4,928	(8.5)	3,757	(13.9)	2,076	(40.9)
2004 1Q	28,064	–	5,387	–	4,362	–	3,515	–
2004 full year (ref.)	132,716		20,391		15,746		8,447	

	Quarterly net income per share
	Yen
2005 1Q	8.21
2004 1Q	17.00
2004 full year (ref.)	35.30

Note: The percentage figures presented for revenue from operations, operating income, recurring income and quarterly net income indicate changes from the fourth quarter of the previous fiscal year. Because quarterly results have only been disclosed from the third quarter of fiscal 2003, percentage changes from the corresponding quarter of the previous fiscal year are not presented.

(2) Non-Consolidated Financial Status

Quarter ended March 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005 1Q	520,140	128,836	24.8	509.61
2004 1Q	496,829	101,332	20.4	489.98
2004 full year (ref.)	477,564	126,616	26.5	500.37

**3. Projection of Non-Consolidated Results of Operations for Fiscal 2005, Ending December 2005
(January 1, 2005 to December 31, 2005)**

	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	54,000	6,000	3,500	4.00	–	–
Full fiscal year	145,000	17,000	11,000	–	5.00	9.00

(Reference) Projected net income per share (full fiscal year): ¥43.51

Note: Performance during the first quarter was in line with the business plan, so there will be no revision of projections.

First-Quarter Non-Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1Q		End of FY 2004		Increase/ Decrease	End of FY 2004 1Q	
	As of March 31, 2005		As of December 31, 2004			As of March 31, 2004	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
I Current assets	118,380	22.8	92,714	19.4	25,666	106,705	21.5
Cash	11,465		5,082		6,382	18,713	
Accounts receivable, trade	7,682		4,124		3,558	3,302	
Marketable securities	2,971		2,971		—	462	
Real estate for sale	69,268		58,586		10,681	69,218	
Beneficial interests in real estate for sale in trust	364		2,606		(2,241)	362	
Advances	1,493		809		683	185	
Advance expenses	1,600		1,662		(61)	909	
Short-term loans receivable	21,564		16,438		5,126	7,511	
Deferred income taxes	164		407		(242)	299	
Other current assets	9,242		7,462		1,780	5,750	
Allowance for doubtful accounts	(7,435)		(7,437)		1	(11)	
II Fixed assets	401,759	77.2	384,849	80.6	16,910	390,123	78.5
1. Property and equipment	275,419	52.9	268,283	56.2	7,135	272,640	54.9
Buildings	48,149		48,480		(330)	49,810	
Structures	540		548		(8)	582	
Machinery and equipment	249		246		3	271	
Vehicles	2		2		(0)	3	
Tools and equipment	148		147		0	149	
Land	217,179		218,857		(1,677)	221,774	
Construction in progress	9,148		—		9,148	49	
2. Intangible and other assets	6,849	1.3	6,868	1.4	(19)	6,927	1.4
Lease rights	6,656		6,656		—	6,656	
Other intangible assets	193		212		(19)	271	
3. Investments	119,491	23.0	109,696	23.0	9,794	110,554	22.2
Investment securities	52,179		46,812		5,367	47,131	
Shares in affiliated companies	15,811		15,811		0	13,049	
Investment in consortia	36,218		33,456		2,761	35,067	
Investment in affiliated companies	3		3		—	—	
Long-term loans	141		142		(1)	184	
Long-term loans to affiliated companies	4,448		548		3,900	8,655	
Guarantee deposits paid	11,339		11,327		11	12,910	
Other investments	1,566		3,824		(2,257)	3,095	
Allowance for doubtful accounts	(1,080)		(1,092)		12	(8,493)	
Investment loss reserve	(1,136)		(1,136)		—	(1,047)	
Total assets	520,140	100.0	477,564	100.0	42,576	496,829	100.0

Item	End of FY 2005 1Q		End of FY 2004		Increase/ Decrease	End of FY 2004 1Q	
	As of March 31, 2005		As of December 31, 2004			As of March 31, 2004	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(LIABILITIES)		%		%			%
I Current liabilities	128,157	24.6	123,095	25.8	5,062	138,709	27.9
Short-term borrowings	27,090		18,291		8,799	34,301	
Current portion of long-term debt	63,334		71,672		(8,337)	75,976	
Commercial paper	3,700		700		3,000	1,500	
Current portion of convertible bonds	—		—		—	6,615	
Accounts payable, trade	12,415		8,981		3,433	3,660	
Accrued income taxes	1,725		3,808		(2,082)	2	
Accrued expenses	3,221		3,638		(417)	4,191	
Advances received	12,882		13,276		(393)	9,628	
Deposits received	2,538		1,788		750	1,781	
Reserve for bonuses	497		124		373	318	
Other current liabilities	751		814		(62)	734	
II Long-term liabilities	263,146	50.6	227,852	47.7	35,294	256,786	51.7
Long-term debt	200,465		165,323		35,141	191,199	
Guarantee deposits received	36,163		36,263		(99)	38,548	
Accounts payable	3,578		3,644		(66)	3,843	
Long-term deposits payable	5,879		5,911		(31)	5,942	
Deferred income taxes	4,326		3,249		1,076	3,905	
Deferred income taxes on land revaluation	8,237		8,672		(435)	9,270	
Accrued severance indemnities	3,547		3,750		(203)	3,652	
Allowance for retirement benefits for directors	390		565		(174)	—	
Provision for loss on guarantees	82		82		—	—	
Other long-term liabilities	475		389		86	423	
Total liabilities	391,304	75.2	350,947	73.5	40,357	395,496	79.6
(SHAREHOLDERS' EQUITY)							
I Common stock	51,629	9.9	51,629	10.8	—	45,623	9.2
II Capital surplus	49,429	9.5	49,429	10.4	—	38,229	7.7
Additional paid-in capital	36,392		36,392		—	30,229	
Other capital surplus	13,036		13,036		—	8,000	
III Retained earnings	6,925	1.4	5,326	1.1	1,599	533	0.1
Unappropriated retained earnings	6,925		5,326		1,599	533	
IV Land revaluation excess	12,001	2.3	12,635	2.6	(634)	13,507	2.7
V Net unrealized gain on available-for-sale securities	9,463	1.8	8,186	1.7	1,276	7,877	1.6
VI Less: Treasury stock at cost	(613)	(0.1)	(590)	(0.1)	(22)	(4,440)	(0.9)
Total shareholders' equity	128,836	24.8	126,616	26.5	2,219	101,332	20.4
Total liabilities and shareholders' equity	520,140	100.0	477,564	100.0	42,576	496,829	100.0

First-Quarter Non-Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2005 1Q		End of FY 2004 1Q		Increase/ Decrease	FY 2004	
	January 1, 2005 through March 31, 2005		January 1, 2004 through March 31, 2004			January 1, 2004 through December 31, 2004	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
I Revenue from operations		%		%			%
Leasing	7,499	19.8	9,080	32.4	(1,580)	36,973	27.9
Real estate sales	28,520	75.3	18,019	64.2	10,501	91,175	68.7
Other	1,852	4.9	965	3.4	887	4,568	3.4
Total revenue from operations	37,872	100.0	28,064	100.0	9,808	132,716	100.0
II Cost of revenue							
Leasing	5,089		5,405		(315)	22,540	
Real estate sales	23,928		14,612		9,316	76,315	
Other	596		405		191	1,767	
Total cost of revenue	29,614	78.2	20,423	72.8	9,191	100,623	75.8
Gross profit	8,258	21.8	7,641	27.2	617	32,093	24.2
III Selling, general and administrative expenses							
	3,329	8.8	2,253	8.0	1,076	11,702	8.8
Operating income	4,928	13.0	5,387	19.2	(459)	20,391	15.4
IV Non-operating income							
Interest income	9		19		(10)	60	
Dividend income	110		346		(235)	1,005	
Other	27		109		(82)	285	
Total non-operating income	147	0.4	475	1.6	(328)	1,352	1.0
V Non-operating expenses							
Interest expense	1,299		1,499		(199)	5,826	
New share issue expenses	-		-		-	72	
Others	17		0		17	97	
Total non-operating expenses	1,317	3.5	1,500	5.3	(182)	5,996	4.5
Recurring income	3,757	9.9	4,362	15.5	(605)	15,746	11.9
VI Extraordinary gain							
Gain on sale of property and equipment	53		-		53	-	
Gain on sale of investment securities	28		1,308		(1,279)	1,403	
Reversal of provision for losses on doubtful accounts	14		-		14	1	
Total extraordinary gain	96	0.3	1,308	4.7	(1,212)	1,404	1.0
VII Extraordinary loss							
Loss on revaluation of real estate for sale	-		-		-	2,127	
Loss on sale of fixed assets	9		457		(448)	1,511	
Loss on retirement of property and equipment	12		11		1	80	
Loss on devaluation of investment securities	-		-		-	13	
Loss on sale of investment securities	-		-		-	0	
Provision for investment loss reserve	-		-		-	134	
Provision for allowance for retirement benefits for directors	-		-		-	463	
Provision for loss on guarantees	-		-		-	82	
Retirement and bonuses for special services for directors	-		12		(12)	12	
Other	-		-		-	7	
Total extraordinary loss	21	0.1	481	1.7	(459)	4,433	3.3
Income before income taxes	3,832	10.1	5,190	18.5	(1,358)	12,717	9.6
Current income taxes	1,748		12		1,735	4,183	
Deferred income taxes	7		1,662		(1,654)	87	
Net income	2,076	5.5	3,515	12.5	(1,439)	8,447	6.4
Retained earnings carried forward	4,215		1,142		3,072	1,142	
Interim cash dividends	-		-		-	1,011	
Transfer to land revaluation excess	634		(4,123)		4,758	(3,251)	
Unappropriated retained earnings	6,925		533		6,391	5,326	