

Outline of Consolidated Financial Statements for the First Half of the Fiscal Year Ended December 2005

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 and Chief Executive Officer

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

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Date of Board of Directors' Meeting to Approve First-Half Results: August 23, 2005

Whether U.S. Accounting Standards Are Adopted: No

1. Consolidated Results of Operations for the First Half of Fiscal 2005 (January 1, 2005 to June 30, 2005)

(1) Consolidated Business Results

(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 1H	69,405	(4.5)	11,248	(2.4)	8,977	3.3
2004 1H	72,656	33.4	11,525	40.5	8,695	51.2
2004 full year	161,296		23,545		17,951	

	Interim net income		Interim net income per share	Interim net income per share after adjusting for dilution
	Millions of yen	%	Yen	Yen
2005 1H	3,558	(41.4)	14.10	13.39
2004 1H	6,072	146.1	27.64	27.22
2004 full year	9,906		41.64	41.38

- Notes: 1. Investment income/loss due to equity method: Six months ended June 30, 2005 ¥73 million
Six months ended June 30, 2004 ¥129 million
Year ended December 31, 2004 ¥245 million
2. Average number of shares (consolidated): Six months ended June 30, 2005 252,356,371 shares
Six months ended June 30, 2004 219,696,603 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 interim net income indicate the percentage increase/decrease compared with the corresponding period of the previous fiscal year.

(2) Consolidated Financial Status

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005 1H	570,512	141,765	24.8	545.60
2004 1H	528,056	127,913	24.2	508.92
2004 full year	519,520	131,308	25.3	522.88

Note: Number of issued and outstanding shares at the end of the accounting period (consolidated):

June 30, 2005	259,831,792 shares
June 30, 2004	251,345,669 shares
December 31, 2004	250,892,013 shares

(3) Consolidated Cash Flows

	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 1H	(26,045)	(25,555)	52,440	7,988
2004 1H	7,226	(23,646)	19,213	9,541
2004 full year	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: 21

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

Number of affiliated companies to which the equity method is applied: 5

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

Consolidated (New): 4 (Eliminated): None

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

2. 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
Full fiscal year	Millions of yen	Millions of yen	Millions of yen
	177,000	22,000	11,500

(Reference) Projected net income per share (full fiscal year): ¥44.26

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-Half Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1H As of June 30, 2005		End of FY 2004 As of December 31, 2004		Increase/ Decrease	End of FY 2004 1H As of June 30, 2004	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
I Current assets	134,121	23.5	98,978	19.1	35,142	102,759	19.5
Cash	8,020		6,692		1,327	9,612	
Accounts receivable, trade	6,154		5,375		778	6,987	
Marketable securities	2,971		2,971		-	462	
Inventories	94,094		71,883		22,211	75,354	
Deferred income taxes	996		1,004		(7)	509	
Other current assets	21,900		11,063		10,836	9,855	
Allowance for doubtful accounts	(16)		(12)		(3)	(22)	
II Fixed assets	436,389	76.5	420,540	80.9	15,849	425,294	80.5
1. Property and equipment	315,948	55.4	307,550	59.2	8,397	311,285	58.9
Buildings and structures	68,292		59,584		8,707	60,500	
Land	246,052		247,084		(1,032)	250,017	
Construction in progress	0		184		(183)	43	
Other fixed assets	1,602		696		906	724	
2. Intangible and other assets	7,371	1.3	7,310	1.4	60	7,214	1.4
3. Investments	113,069	19.8	105,679	20.3	7,390	106,794	20.2
Investment securities	62,587		54,400		8,187	54,302	
Investment in consortia	36,658		33,730		2,927	35,222	
Long-term loans	1,574		1,560		14	1,126	
Deferred income taxes	654		835		(181)	908	
Other investments	13,801		17,385		(3,583)	17,451	
Allowance for doubtful accounts	(1,274)		(1,290)		16	(1,223)	
Investment loss reserve	(932)		(941)		9	(992)	
III Deferred assets	1	0.0	1	0.0	(0)	2	0.0
Total assets	570,512	100.0	519,520	100.0	50,992	528,056	100.0

First-Half Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1H As of June 30, 2005		End of FY 2004 Condensed consolidated balance sheet As of December 31, 2004		Increase/ Decrease	End of FY 2004 1H As of June 30, 2004	
	Amount	Weight	Amount	Weight		Amount	Weight
(LIABILITIES)		%		%			%
I Current liabilities	132,268	23.2	145,265	27.9	(12,996)	137,189	26.0
Short-term borrowings	90,133		104,316		(14,183)	104,178	
Commercial paper	5,800		700		5,100	-	
Accounts payable, trade	4,577		10,900		(6,323)	6,494	
Accrued income taxes	3,877		4,241		(364)	403	
Deferred income taxes	0		2		(2)	3	
Reserve for bonuses	236		214		21	199	
Other current liabilities	27,645		24,889		2,755	25,911	
II Long-term liabilities	296,479	52.0	242,946	46.8	53,532	261,937	49.6
Bonds with stock acquisition rights	15,700		-		15,700	-	
Long-term debt	214,897		174,173		40,724	189,656	
Guarantee deposits received	37,599		37,538		61	39,406	
Deferred income taxes	8,069		7,031		1,037	8,647	
Deferred income taxes on land revaluation	8,377		8,672		(295)	9,270	
Accrued severance indemnities	4,652		4,745		(92)	4,613	
Allowance for retirement benefits for directors	452		621		(168)	-	
Provision for loss on guarantees	77		82		(5)	95	
Other long-term liabilities	6,652		10,080		(3,427)	10,247	
Total liabilities	428,747	75.2	388,212	74.7	40,535	399,127	75.6
(MINORITY INTEREST)							
Minority interest	-	-	-	-	-	1,014	0.2
(SHAREHOLDERS' EQUITY)							
I Common stock	54,430	9.5	51,629	9.9	2,800	51,629	9.8
II Capital surplus	52,775	9.2	49,740	9.6	3,034	49,231	9.3
III Retained earnings	12,280	2.2	9,562	1.8	2,718	5,865	1.1
IV Land revaluation excess	12,205	2.1	12,635	2.4	(430)	13,507	2.5
V Net unrealized gain on available-for-sale securities	10,650	1.9	8,852	1.7	1,798	8,410	1.6
VI Foreign currency translation adjustments	(152)	(0.0)	(258)	(0.0)	106	(171)	(0.0)
VII Less: Treasury stock, at cost	(425)	(0.1)	(852)	(0.1)	427	(559)	(0.1)
Total shareholders' equity	141,765	24.8	131,308	25.3	10,456	127,913	24.2
Total liabilities, minority interest and shareholders'	570,512	100.0	519,520	100.0	50,992	528,056	100.0

First-Half Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2005 1H January 1, 2005 through June 30, 2005		End of FY 2004 1H January 1, 2004 through June 30, 2004		Increase/ Decrease	End of FY 2004 January 1, 2004 through December 31, 2004	
	Amount	Percentage	Amount	Percentage		Amount	Percentage
			%		%		%
I Revenue from operations	69,405	100.0	72,656	100.0	(3,251)	161,296	100.0
II Cost of revenue	49,283	71.0	53,722	73.9	(4,438)	121,211	75.1
Gross profit	20,121	29.0	18,934	26.1	1,187	40,085	24.9
III Selling, general and administrative expenses	8,872	12.8	7,408	10.2	1,464	16,540	10.3
Operating income	11,248	16.2	11,525	15.9	(276)	23,545	14.6
IV Non-operating income							
Interest income	53		48		4	95	
Dividend income	357		314		42	444	
Equity in income of affiliated companies	73		129		(55)	245	
Other	222		185		37	344	
Total non-operating income	707	1.0	678	0.9	29	1,129	0.7
V Non-operating expenses							
Interest expense	2,879		3,349		(469)	6,481	
New share issue expenses	5		72		(67)	72	
Bond issuance expenses	16		–		16	–	
Other	77		87		(9)	169	
Total non-operating expenses	2,978	4.3	3,508	4.8	(529)	6,723	4.2
Recurring income	8,977	12.9	8,695	12.0	282	17,951	11.1
VI Extraordinary income							
Gain on sale of property and	124		11		112	12	
Gain on sale of investment	313		1,355		(1,042)	1,447	
Reversal of provision for losses on doubtful accounts	–		26		(26)	0	
Gain on reversal of provision for investment losses	9		–		9	–	
Other	21		17		4	7	
Total extraordinary income	468	0.7	1,411	1.9	(942)	1,468	0.9
VII Extraordinary loss							
Loss on revaluation of real estate for sale	–		–		–	2,127	
Loss on sale of fixed assets	4		456		(452)	1,510	
Loss on retirement of property and equipment	33		22		10	115	
Loss on devaluation of investment securities	–		–		–	13	
Loss on sale of investment	–		2		(2)	2	
Provision for investment loss	–		79		(79)	74	
Provision for allowance for retirement benefits for directors	–		–		–	503	
Provision for loss on guarantees	–		95		(95)	82	
Retirement and bonuses for special services for directors	60		26		33	26	
Impairment loss	2,239		–		2,239	–	
Other	22		–		22	7	
Total extraordinary loss	2,359	3.4	683	0.9	1,676	4,464	2.7
Interim income before income taxes and	7,086	10.2	9,423	13.0	(2,336)	14,954	9.3
Current income taxes	3,858	5.6	464	0.6	3,394	4,864	3.0
Deferred income taxes	(329)	(0.5)	2,769	3.8	(3,098)	(107)	(0.0)
Minority interest	–	–	116	0.2	(116)	291	0.2
Interim net income	3,558	5.1	6,072	8.4	(2,514)	9,906	6.1

First-Half Consolidated Statements of Shareholders' Equity

(Millions of yen)

Item	End of FY 2005 1H January 1, 2005 through June 30, 2005	End of FY 2004 1H January 1, 2004 through June 30, 2004	End of FY 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	3,034	11,001	11,510
New stock issue due to capital increase	-	5,964	5,964
Surplus from retirement of treasury stock	244	5,036	5,545
Increased amount due to exercise of rights of bonds with stock acquisition rights	2,790	-	-
III Capital surplus, at end of interim period	52,775	49,231	49,740
RETAINED EARNINGS			
I Retained earnings, at beginning of year	9,562	4,845	4,845
II Increase in retained earnings	3,988	6,072	9,906
Interim net income	3,558	6,072	9,906
Transfer to land revaluation excess	430	-	-
III Decrease in retained earnings	1,269	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	134	-	-
Transfer to land revaluation excess	-	4,123	3,251
IV Retained earnings, at end of interim period	12,280	5,865	9,562

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, interim net income before income taxes and minority interests declined by ¥2,239 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 ¥187 million, while operating income, recurring income, and interim net income before corporate income taxes and minority interests decreased by the same amount.

First-Half Consolidated Statements of Cash Flows

(Millions of yen)

Item	2005 1H	2004 1H	FY 2004
	Amount	Amount	Amount
I Cash flows from operating activities			
Interim income before income taxes and minority interest	7,086	9,423	14,954
Depreciation	1,785	1,659	3,331
Impairment loss	2,239	–	–
Amortization	18	(4)	(9)
Equity in income of affiliated companies	(73)	(129)	(245)
Increase (decrease) in allowance for doubtful accounts	(12)	(40)	16
Increase (decrease) in investment loss reserve	(9)	79	28
(Reversal of) reserve for bonuses to employees	21	38	54
Reversal of severance indemnities, less payments	(92)	133	265
Increase (decrease) in allowance for retirement benefits for directors	(168)	–	621
Increase (decrease) in provision for loss on guarantees	(5)	95	82
Interest and dividend income	(411)	(363)	(539)
Interest expense	2,879	3,349	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	(313)	(1,353)	(1,445)
Gain on sales of fixed assets	(124)	(11)	(12)
Loss on sales of fixed assets	37	479	1,626
(Increase) decrease in accounts receivable, trade	(728)	(3,996)	(2,384)
(Increase) decrease in inventories	(28,870)	(537)	3,081
Increase (decrease) in guarantee deposits received	302	7,199	5,320
Increase (decrease) in accounts payable, trade	(315)	(206)	445
(Increase) decrease in guarantee deposits paid	(57)	(3,399)	(2,301)
Other	(2,125)	(716)	1,329
Subtotal	(18,938)	11,698	32,845
Interest and dividends received	448	396	573
Interest paid	(3,144)	(3,541)	(6,449)
Income taxes paid	(4,411)	(1,327)	(2,050)
Net cash provided by used in operating activities	(26,045)	7,226	24,918
II Cash flows from investing activities			
Proceeds from sale of marketable and investment securities	1,103	4,802	4,950
Payment for purchase of marketable and investment securities	(7,242)	(2,220)	(4,737)
Investments in consortia	(4,857)	(26,630)	(27,620)
Proceeds from sale of investments in consortia	2,030	116	2,569
Proceeds from sale of property and equipment	2,481	363	2,817
Payment for purchase of property and equipment	(8,649)	(1,284)	(2,753)
Decrease (increase) in short-term loans	(7,587)	57	(401)
Increase in long-term loans	(43)	(25)	(460)
Collection of long-term loans	29	13	45
Payments for business transfer	(1,500)	–	–
Other	(1,319)	1,161	(2,023)
Net cash used in investing activities	(25,555)	(23,646)	(27,613)
III Cash flows from financing activities			
Increase (decrease) in short-term borrowings	14,070	(3,880)	(2,150)
Increase in long-term debt	76,270	48,000	64,140
Repayment of long-term debt	(58,832)	(38,413)	(71,059)
Repayment of corporate bonds	–	(6,615)	(6,615)
Proceeds from issuance of bonds with stock acquisition rights	22,000	–	–
Proceeds from new stock issue	–	11,970	11,970
Proceeds from treasury stock	4	9,208	9,762
Acquisition of treasury stock	(41)	(28)	(1,299)
Dividends paid	(1,007)	(822)	(1,831)
Payments of dividends to minority shareholders	–	(135)	(270)
Other	(21)	(71)	(72)
Net cash provided by financing activities	52,440	19,213	2,574

(Millions of yen)

Item	2005 1H	2004 1H	FY 2004
	Amount	Amount	Amount
IV Effect of exchange rate changes on cash and cash equivalents	5	2	(4)
V Net increase (decrease) in cash and cash equivalents	845	2,795	(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	524	–	–
VIII Cash and cash equivalents at end of the interim period	7,988	9,541	6,619

Note: The item “Decrease (increase) in short-term loans,” which was included in the “Other” item of cash flows from investing activities in the previous consolidated interim period, has been changed to a separate listing from the subject interim fiscal period as a result of its increased significance. Figures for the first half and full year of fiscal 2004 have been adjusted accordingly.

(Segment Information)

1. Industry Segments

Fiscal 2005 1H (January 1, 2005 through June 30, 2005)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	21,437	34,115	13,852	69,405	–	69,405
(2) Intersegment	280	63	1,399	1,744	(1,744)	–
Total	21,717	34,179	15,252	71,149	(1,744)	69,405
Costs and operating expenses	12,154	32,661	12,590	57,407	749	58,156
Operating income	9,563	1,517	2,661	13,742	(2,493)	11,248

Fiscal 2004 1H (January 1, 2004 through June 30, 2004)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	20,564	40,939	11,152	72,656	–	72,656
(2) Intersegment	267	48	965	1,282	(1,282)	–
Total	20,832	40,987	12,118	73,938	(1,282)	72,656
Costs and operating expenses	12,118	37,281	10,370	59,770	1,360	61,131
Operating income	8,714	3,705	1,747	14,168	(2,642)	11,525

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, leisure facilities and hotel business

3. Operating expenses for the first half of fiscal 2005 include ¥2,492 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 half of fiscal 2004 include ¥2,327 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 1H (January 1, 2005 through June 30, 2005), Fiscal 2004 1H (January 1, 2004 through June 30, 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 1H (January 1, 2005 through June 30, 2005), Fiscal 2004 1H (January 1, 2004 through June 30, 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 Half of the Fiscal Year Ended December 2005

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 and Chief Executive Officer

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

E-mail: motoyoshik@tatemono.com

Date of Board of Directors' Meeting to Approve First-Half Results: August 23, 2005

Payment Date for Interim Dividend: September 9, 2005

Interim Dividend Scheme: Yes

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

1. Non-Consolidated Results of Operations for the First Half of Fiscal 2005 (January 1, 2005 to June 30, 2005)

(1) Non-Consolidated Business Results

(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 1H	54,337	(8.6)	9,347	(4.8)	7,320	(2.4)
2004 1H	59,453	39.2	9,815	43.3	7,501	62.8
2004 full year	132,716		20,391		15,746	

	Interim net income		Interim net income per share
	Millions of yen	%	Yen
2005 1H	3,777	(29.0)	14.85
2004 1H	5,320	224.4	24.06
2004 full year	8,447		35.30

Notes: 1. Average number of shares: Six months ended July 30, 2005 254,309,236 shares
Six months ended June 30, 2004 221,135,961 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 interim net income indicate the percentage increase/decrease compared with the corresponding period of the previous fiscal year.

(2) Non-Consolidated Dividends

	Interim dividends per share	Annual dividends per share
	Yen	Yen
2005 1H	4.00	
2004 1H	4.00	
2004 full year		8.00

(3) Non-Consolidated Financial Status

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2005 1H	536,775	136,680	25.5	522.11
2004 1H	485,957	124,285	25.6	491.66
2004 full year	477,564	126,616	26.5	500.37

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

June 30, 2005	261,784,657 shares
June 30, 2004	252,785,027 shares
December 31, 2004	252,844,878 shares

2. Treasury stock at term-end:

June 30, 2005	348,149 shares
June 30, 2004	1,356,607 shares
December 31, 2004	1,296,756 shares

**2. 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	
				Year-end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Full fiscal year	145,000	18,500	11,500	5.00	9.00

(Reference) Projected net income per share (full fiscal year): ¥43.93

First-Half Non-Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1H As of June 30, 2005		End of FY 2004 As of December 31, 2004		Increase/ Decrease	End of FY 2004 1H As of June 30, 2004	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
I Current assets	125,271	23.3	92,714	19.4	32,557	96,264	19.8
Cash	4,621		5,082		(461)	6,757	
Accounts receivable, trade	4,633		4,124		509	6,329	
Marketable securities	2,971		2,971		–	462	
Real estate for sale	80,625		58,586		22,038	65,394	
Beneficial interests in real estate for sale in trust	364		2,606		(2,241)	669	
Advances	589		809		(220)	56	
Advance expenses	1,800		1,662		138	1,226	
Short-term loans receivable	27,316		16,438		10,878	7,626	
Deferred income taxes	333		407		(74)	123	
Other current assets	9,542		7,462		2,079	7,640	
Allowance for doubtful accounts	(7,526)		(7,437)		(89)	(20)	
II Fixed assets	411,503	76.7	384,849	80.6	26,654	389,692	80.2
1. Property and equipment	274,521	51.1	268,283	56.2	6,237	272,108	56.0
Buildings	55,446		48,480		6,965	49,285	
Structures	691		548		143	567	
Machinery and equipment	358		246		112	264	
Vehicles	2		2		(0)	3	
Tools and equipment	313		147		165	147	
Land	217,649		218,857		(1,207)	221,790	
Construction in progress	58		–		58	49	
2. Intangible and other assets	6,832	1.3	6,868	1.4	(36)	6,908	1.4
Lease rights	6,656		6,656		–	6,656	
Other intangible assets	176		212		(36)	251	
3. Investments	130,150	24.3	109,696	23.0	20,453	110,675	22.8
Investment securities	54,873		46,812		8,060	47,104	
Shares in affiliated companies	15,931		15,811		120	13,826	
Investment in consortia	35,552		33,456		2,096	35,063	
Investment in affiliated companies	6		3		3	–	
Long-term loans	148		142		5	127	
Long-term loans to affiliated companies	12,048		548		11,500	8,648	
Guarantee deposits paid	11,715		11,327		387	12,398	
Other investments	2,079		3,824		(1,744)	3,106	
Allowance for doubtful accounts	(1,076)		(1,092)		16	(8,445)	
Investment loss reserve	(1,127)		(1,136)		9	(1,152)	
Total assets	536,775	100.0	477,564	100.0	59,211	485,957	100.0

First-Half Non-Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2005 1H As of June 30, 2005		End of FY 2004 As of December 31, 2004		Increase/ Decrease	End of FY 2004 1H As of June 30, 2004	
	Amount	Weight	Amount	Weight		Amount	Weight
(LIABILITIES)		%		%			%
I Current liabilities	117,085	21.8	123,095	25.8	(6,010)	118,089	24.3
Short-term borrowings	22,247		18,291		3,956	16,300	
Current portion of long-term debt	60,631		71,672		(11,040)	75,790	
Commercial paper	5,800		700		5,100	-	
Accounts payable, trade	3,221		8,981		(5,760)	5,220	
Accrued income taxes	3,381		3,808		(426)	5	
Accrued expenses	3,059		3,638		(579)	3,379	
Advances received	14,693		13,276		1,416	11,569	
Deposits received	3,124		1,788		1,336	4,914	
Reserve for bonuses	132		124		8	117	
Other current liabilities	793		814		(20)	790	
II Long-term liabilities	283,009	52.7	227,852	47.7	55,157	243,582	50.1
Bonds with stock acquisition rights	15,700		-		15,700	-	
Long-term debt	205,066		165,323		39,742	177,412	
Guarantee deposits received	35,998		36,263		(264)	38,079	
Accounts payable	3,511		3,644		(132)	3,777	
Long-term deposits payable	5,879		5,911		(31)	5,942	
Deferred income taxes	3,881		3,249		631	4,876	
Deferred income taxes on land revaluation	8,377		8,672		(295)	9,270	
Accrued severance indemnities	3,638		3,750		(111)	3,714	
Allowance for retirement benefits for directors	413		565		(151)	-	
Provision for loss on guarantees	77		82		(5)	95	
Other long-term liabilities	465		389		76	413	
Total liabilities	400,095	74.5	350,947	73.5	49,147	361,672	74.4
(SHAREHOLDERS' EQUITY)							
I Common stock	54,430	10.1	51,629	10.8	2,800	51,629	10.6
II Capital surplus	52,464	9.8	49,429	10.4	3,034	49,231	10.1
Additional paid-in capital	39,182		36,392		2,790	36,194	
Other capital surplus	13,281		13,036		244	13,036	
III Retained earnings	8,422	1.6	5,326	1.1	3,095	2,339	0.5
Unappropriated retained earnings for the interim period	8,422		5,326		3,095	2,339	
IV Land revaluation excess	12,205	2.3	12,635	2.6	(430)	13,507	2.8
V Net unrealized gain on available-for-sale securities	9,322	1.7	8,186	1.7	1,135	7,861	1.6
VI Less: Treasury stock at cost	(163)	(0.0)	(590)	(0.1)	427	(283)	(0.0)
Total shareholders' equity	136,680	25.5	126,616	26.5	10,063	124,285	25.6
Total liabilities and shareholders' equity	536,775	100.0	477,564	100.0	59,211	485,957	100.0

First-Half Non-Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2005 1H January 1, 2005 through June 30, 2005		End of FY 2004 1H January 1, 2004 through June 30, 2004		Increase/ Decrease	FY 2004 January 1, 2004 through December 31, 2004	
	Amount	Percentage	Amount	Percentage		Amount	Percentage
			%		%		%
I Revenue from operations							
Leasing	18,796	34.6	18,323	30.8	473	36,973	27.9
Real estate sales	32,448	59.7	39,255	66.0	(6,806)	91,175	68.7
Other	3,091	5.7	1,874	3.2	1,217	4,568	3.4
Total revenue from operations	54,337	100.0	59,453	100.0	(5,115)	132,716	100.0
II Cost of revenue							
Leasing	10,755		10,944		(188)	22,540	
Real estate sales	27,331		32,760		(5,429)	76,315	
Other	1,086		854		231	1,767	
Total cost of revenue	39,173	72.1	44,559	75.0	(5,385)	100,623	75.8
Gross profit	15,163	27.9	14,893	25.0	270	32,093	24.2
III Selling, general and administrative expenses	5,816	10.7	5,077	8.5	738	11,702	8.8
Operating income	9,347	17.2	9,815	16.5	(468)	20,391	15.4
IV Non-operating income							
Interest income	19		35		(16)	60	
Dividend income	434		630		(195)	1,005	
Other	154		149		4	285	
Total non-operating income	608	1.1	815	1.4	(206)	1,352	1.0
V Non-operating expenses							
Interest expense	2,567		3,026		(459)	5,826	
New share issue expenses	5		72		(67)	72	
Bond issuance expenses	16		–		16	–	
Others	46		30		16	97	
Total non-operating expenses	2,635	4.8	3,129	5.3	(494)	5,996	4.5
Recurring income	7,320	13.5	7,501	12.6	(181)	15,746	11.9
VI Extraordinary gain							
Gain on sale of property and equipment	53		–		53	–	
Gain on sale of investment securities	313		1,310		(997)	1,403	
Reversal of provision for losses on doubtful accounts	0		31		(31)	1	
Gain on reversal of provision for investment losses	9		–		9	–	
Total extraordinary gain	376	0.7	1,342	2.3	(966)	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		(447)	1,511	
Loss on retirement of property and equipment	20		16		4	80	
Loss on devaluation of investment securities	–		–		–	13	
Loss on sale of investment securities	–		–		–	0	
Provision for investment loss reserve	–		105		(105)	134	
Provision for allowance for retirement benefits for directors	–		–		–	463	
Provision for loss on guarantees	–		95		(95)	82	
Retirement and bonuses for special services for directors	–		12		(12)	12	
Impairment loss	876		–		876	–	
Other	1		–		1	7	
Total extraordinary loss	908	1.7	686	1.2	221	4,433	3.3
Interim income before income taxes	6,788	12.5	8,157	13.7	(1,368)	12,717	9.6
Current income taxes	3,380		15		3,364	4,183	
Deferred income taxes	(368)		2,820		(3,189)	87	
Interim net income	3,777	7.0	5,320	8.9	(1,543)	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	430		(4,123)		4,553	(3,251)	
Unappropriated retained earnings for the interim period	8,422		2,339		6,082	5,326	

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 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, interim income before income taxes declined by ¥876 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 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 ¥172 million, while operating income, recurring income, and interim income before income taxes decreased by the same amount.

Increase in Number of Shares Issued Due to Exercise of Rights for Bonds with Stock Acquisition Rights

The number of shares issued increased as a result of Tokyo Tatemono exercising its rights with regard to new stock acquisition rights for the First Series of Unsecured Convertible Bonds with Stock Acquisition Rights (total issue value ¥22,000 million) issued on April 25, 2005. Details are provided below.

1. Number of new shares issued (common stock)	7,991,172 shares
2. Total amount of issue price	¥5,591 million
3. Capitalization amount	¥2,800 million

(For Reference)

During the subject interim fiscal period, bonds with stock acquisition rights converted as a result of the exercise of rights totaled ¥6,300 million. In addition to the issue of new stock detailed above, the Company also issued treasury stock.

1. Number of treasury stock issued (common stock)	1,000,000 shares
2. Total amount of issue price	¥708 million
3. Recorded value of additional capital surplus (gain from disposal of treasury stock)	¥242 million

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