

## Outline of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2006

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

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

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

Representative: Makoto Hatanaka, President, Representative Director

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

E-mail: [motoyoshik@tatemono.com](mailto:motoyoshik@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
- (3) Changes in Scope of Consolidation or Application of the Equity Method: Yes
 

Consolidation:	(New) 3 companies	(Eliminated) none
Equity method:	(New) none	(Eliminated) none

### 2. Consolidated Results of Operations for the First Quarter of Fiscal 2006 (January 1, 2006 to March 31, 2006)

#### (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	%
2006 1Q	58,027	26.1	8,070	29.2	7,014	42.6	4,346	50.2
2005 1Q	46,034	33.2	6,247	0.8	4,918	3.4	2,893	(19.3)
2005 full year (ref.)	176,468		29,470		24,444		11,684	

	Quarterly net income per share	Quarterly net income per share after adjusting for dilution
	Yen	Yen
2006 1Q	13.75	–
2005 1Q	11.53	–
2005 full year (ref.)	42.31	40.74

Note: The percentage figures presented for revenue from operations, operating income, recurring income and quarterly net income indicate the percentage increase/decrease compared with the corresponding quarter of the previous fiscal year.

#### (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
2006 1Q	627,321	205,007	32.7	648.90
2005 1Q	564,826	134,538	23.8	536.31
2005 full year (ref.)	614,307	201,638	32.8	637.34

(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
2006 1Q	(13,174)	(7,208)	23,408	12,212
2005 1Q	(16,365)	(11,874)	35,861	14,527
2005 full year (ref.)	(941)	(42,141)	44,170	8,241

3. 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	19,000	11,000
Full fiscal year	240,000	29,000	16,000

(Reference) Projected net income per share (full fiscal year): ¥50.64

**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.*

### Interim Earnings and Forecasts

Interim earnings and full-year forecasts for the fiscal year ending December 31, 2006 are as follows. Forecasts for the interim and full-year period have been revised from the revisions announced on February 15, 2006, based on first-quarter earnings for the subject fiscal year.

(Consolidated)

Interim accounting period

(Millions of yen)

	Earnings forecast	Previously announced forecast (February 15, 2006)	Change
Revenue from operations	154,000	154,000	-
Recurring income	19,000	18,000	+1,000
Interim net income	11,000	10,000	+1,000

Full fiscal year

(Millions of yen)

	Earnings forecast	Previously announced forecast (February 15, 2006)	Change
Revenue from operations	240,000	240,000	-
Recurring income	29,000	28,000	+1,000
Net income	16,000	15,000	+1,000

(Non-Consolidated)

Interim accounting period

(Millions of yen)

	Earnings forecast	Previously announced forecast (February 15, 2006)	Change
Revenue from operations	130,000	130,000	-
Recurring income	17,000	16,000	+1,000
Interim net income	10,000	9,000	+1,000

Full fiscal year

(Millions of yen)

	Earnings forecast	Previously announced forecast (February 15, 2006)	Change
Revenue from operations	200,000	200,000	-
Recurring income	26,000	25,000	+1,000
Net income	15,000	14,000	+1,000

## First-Quarter Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2006 1Q		End of FY 2005		Increase/ Decrease	End of FY 2005 1Q	
	As of March 31, 2006		As of December 31, 2005			As of March 31, 2005	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
<b>I Current assets</b>	152,342	24.3	152,120	24.8	222	128,568	22.8
Cash	12,242		8,274		3,967	14,698	
Accounts receivable, trade	8,243		9,991		(1,747)	9,632	
Marketable securities	1,782		1,782		—	2,971	
Inventories	115,123		113,680		1,443	81,891	
Deferred income taxes	908		1,143		(234)	773	
Other current assets	14,060		17,262		(3,202)	18,607	
Allowance for doubtful accounts	(18)		(14)		(3)	(6)	
<b>II Fixed assets</b>	474,977	75.7	462,185	75.2	12,791	436,256	77.2
<b>1. Property and equipment</b>	313,363	49.9	312,689	50.9	673	315,137	55.8
Buildings and structures	71,484		70,620		863	59,104	
Land	238,655		239,109		(454)	245,407	
Construction in progress	84		23		60	9,925	
Other fixed assets	3,139		2,935		203	699	
<b>2. Intangible and other assets</b>	7,473	1.2	7,284	1.2	189	7,275	1.3
<b>3. Investments</b>	154,140	24.6	142,211	23.1	11,928	113,843	20.1
Investment securities	93,841		82,931		10,909	60,023	
Investment in consortia	45,655		44,206		1,449	37,337	
Long-term loans	1,007		1,047		(39)	1,555	
Deferred income taxes	747		812		(64)	795	
Other investments	14,621		15,011		(390)	16,351	
Allowance for doubtful accounts	(811)		(875)		64	(1,277)	
Investment loss reserve	(922)		(922)		—	(941)	
<b>III Deferred assets</b>	1	0.0	1	0.0	(0)	1	0.0
<b>Total assets</b>	627,321	100.0	614,307	100.0	13,013	564,826	100.0

Item	End of FY 2006 1Q		End of FY 2005		Increase/ Decrease	End of FY 2005 1Q	
	As of March 31, 2006		As of December 31, 2005			As of March 31, 2005	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(LIABILITIES)		%		%			%
<b>I Current liabilities</b>	153,674	24.5	140,578	22.9	13,095	150,178	26.6
Short-term borrowings	108,309		77,647		30,661	101,722	
Commercial paper	1,100		1,100		—	3,700	
Accounts payable, trade	10,109		7,977		2,131	14,184	
Accrued income taxes	2,744		6,613		(3,869)	2,048	
Deferred income taxes	—		—		—	5	
Reserve for bonuses	953		253		699	798	
Other current liabilities	30,456		46,985		(16,528)	27,719	
<b>II Long-term liabilities</b>	268,541	42.8	272,008	44.3	(3,467)	280,108	49.6
Long-term debt	189,617		195,235		(5,617)	210,673	
Deferred income taxes	14,109		13,549		560	8,215	
Deferred income taxes on land revaluation	8,754		8,933		(179)	8,237	
Accrued severance indemnities	4,689		4,743		(53)	4,538	
Allowance for retirement benefits for directors	505		511		(6)	425	
Provision for loss on guarantees	69		69		—	82	
Guarantee deposits received	38,680		37,380		1,300	37,865	
Other long-term liabilities	12,115		11,585		529	10,070	
<b>Total liabilities</b>	422,215	67.3	412,587	67.2	9,628	430,287	76.2
(MINORITY INTEREST)							
<b>Minority interest</b>	98	0.0	81	0.0	17	—	—
(SHAREHOLDERS' EQUITY)							
<b>I Common stock</b>	77,181	12.3	77,181	12.5	—	51,629	9.1
<b>II Capital surplus</b>	75,523	12.0	75,522	12.3	0	49,740	8.8
<b>III Retained earnings</b>	21,377	3.4	18,549	3.0	2,828	11,927	2.1
<b>IV Land revaluation excess</b>	12,754	2.0	13,016	2.1	(261)	12,001	2.1
<b>V Net unrealized gain on available-for-sale securities</b>	18,532	3.0	17,690	2.9	841	10,312	1.8
<b>VI Foreign currency translation adjustments</b>	(32)	(0.0)	(32)	(0.0)	(0)	(198)	(0.0)
<b>VII Less: Treasury stock, at cost</b>	(330)	(0.0)	(290)	(0.0)	(39)	(874)	(0.1)
<b>Total shareholders' equity</b>	205,007	32.7	201,638	32.8	3,368	134,538	23.8
<b>Total liabilities, minority interest and shareholders' equity</b>	627,321	100.0	614,307	100.0	13,013	564,826	100.0

## First-Quarter Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2006 1Q		End of FY 2005 1Q		Increase/ Decrease	End of FY 2005	
	January 1, 2006 through March 31, 2006		January 1, 2005 through March 31, 2005			January 1, 2005 through December 31, 2005	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
		%		%			%
<b>I Revenue from operations</b>	58,027	100.0	46,034	100.0	11,992	176,468	100.0
<b>II Cost of revenue</b>	42,294	72.9	35,261	76.6	7,032	124,257	70.4
Gross profit	15,732	27.1	10,772	23.4	4,960	52,210	29.6
<b>III Selling, general and administrative expenses</b>	7,662	13.2	4,525	9.8	3,137	22,740	12.9
Operating income	8,070	13.9	6,247	13.6	1,822	29,470	16.7
<b>IV Non-operating income</b>							
Interest income	5		12		(7)	126	
Dividend income	59		43		15	461	
Equity in income of affiliated companies	25		76		(51)	74	
Other	90		56		33	299	
Total non-operating income	180	0.3	189	0.4	(9)	962	0.5
<b>V Non-operating expenses</b>							
Interest expense	1,180		1,487		(307)	5,464	
New share issue expenses	–		–		–	257	
Bond issuance expenses	–		–		–	26	
Other	55		30		24	240	
Total non-operating expenses	1,236	2.1	1,518	3.3	(282)	5,988	3.3
Recurring income	7,014	12.1	4,918	10.7	2,095	24,444	13.9
<b>VI Extraordinary income</b>							
Gain on sale of property and equipment	247		53		194	932	
Gain on sale of investment securities	–		28		(28)	317	
Reversal of provision for losses on doubtful accounts	–		19		(19)	28	
Gain on reversal of provision for investment losses	–		–		–	19	
Other	–		–		–	72	
Total extraordinary income	247	0.4	101	0.2	146	1,371	0.8
<b>VII Extraordinary loss</b>							
Loss on revaluation of real estate for sale	–		–		–	2,296	
Loss on sale of fixed assets	0		3		(3)	102	
Loss on retirement of property and equipment	39		15		23	84	
Retirement and bonuses for special services for directors	16		14		1	60	
Impairment loss	–		–		–	2,258	
Other	–		–		–	54	
Total extraordinary loss	55	0.1	33	0.1	21	4,857	2.8
Income before income taxes and minority interest	7,206	12.4	4,986	10.8	2,219	20,958	11.9
Current income taxes	2,701	4.7	2,064	4.5	636	8,689	4.9
Deferred income taxes	141	0.2	28	0.0	112	583	0.4
Minority interest	17	0.0	–	–	17	–	–
Net income	4,346	7.5	2,893	6.3	1,453	11,684	6.6

First-Quarter Consolidated Statements of Shareholders' Equity

(Millions of yen)

Item	End of FY 2006 1Q	End of FY 2005 1Q	End of FY 2005
	January 1, 2006 through March 31, 2006	January 1, 2005 through March 31, 2005	January 1, 2005 through December 31, 2005
	Amount	Amount	Amount
<b>CAPITAL SURPLUS</b>			
<b>I Capital surplus, at beginning of year</b>	75,522	49,740	49,740
<b>II Increase in capital surplus</b>	0	-	25,782
Surplus from retirement of treasury stock	0	-	335
Increased amount due to exercise of rights of bonds with stock acquisition rights	-	-	25,446
<b>III Capital surplus, at end of year</b>	75,523	49,740	75,522
<b>RETAINED EARNINGS</b>			
<b>I Retained earnings, at beginning of year</b>	18,549	9,562	9,562
<b>II Increase in retained earnings</b>	4,608	3,527	11,684
Net income	4,346	2,893	11,684
Transfer to land revaluation excess	261	634	-
<b>III Decrease in retained earnings</b>	1,779	1,161	2,697
Cash dividends	1,590	1,011	2,058
Bonuses to directors and corporate auditors	189	123	123
Decrease from addition to consolidated subsidiaries	-	27	134
Transfer to land revaluation excess	-	-	381
<b>IV Retained earnings, at end of year</b>	21,377	11,927	18,549

## First-Quarter Consolidated Statements of Cash Flows

(Millions of yen)

Item	2006 1Q	2005 1Q	2005 FY
	Amount	Amount	Amount
<b>I Operating activities</b>			
Income before income taxes and minority interest	7,206	4,986	20,958
Depreciation	986	815	3,719
Impairment loss	–	–	2,258
Amortization	7	9	19
Equity in income of affiliated companies	(25)	(76)	(74)
Increase (decrease) in allowance for doubtful accounts	(60)	(19)	(413)
Increase (decrease) in investment loss reserve	–	–	(19)
(Reversal of) reserve for bonuses to employees	699	584	39
Reversal of severance indemnities, less payments	(53)	(206)	(2)
Increase (decrease) in allowance for retirement benefits for directors	(6)	(195)	(110)
Increase (decrease) in provision for loss on guarantees	–	–	(13)
Interest and dividend income	(64)	(56)	(587)
Interest expense	1,180	1,487	5,464
Loss on revaluation of real estate for sale	–	–	2,296
Gain (loss) on sale of marketable and investment securities	–	(28)	(317)
Gain on sales of fixed assets	(247)	(53)	(932)
Loss on sales of fixed assets	39	19	187
(Increase) decrease in accounts receivable, trade	1,872	(4,255)	(4,162)
(Increase) decrease in marketable securities	–	–	1,188
(Increase) decrease in inventories	(2,160)	(13,918)	(34,529)
Increase (decrease) in guarantee deposits received	(147)	283	(172)
Increase (decrease) in accounts payable, trade	(1,478)	(161)	500
(Increase) decrease in guarantee deposits paid	638	(324)	170
Increase (decrease) in deposits	(14,140)	3,767	20,477
Other	207	(2,996)	(5,105)
Subtotal	(5,546)	(10,341)	10,838
Interest and dividends received	64	56	624
Interest paid	(1,433)	(1,823)	(5,656)
Income taxes paid	(6,260)	(4,257)	(6,748)
Net cash used in operating activities	(13,174)	(16,365)	(941)
<b>II Investing activities</b>			
Proceeds from sale of marketable and investment securities	146	606	1,486
Payment for purchase of marketable and investment securities	(9,676)	(3,974)	(16,029)
Acquisition of shares in subsidiaries following change in scope of consolidation	–	–	(7,479)
Proceeds from acquisition of shares in subsidiaries following change in scope of consolidation	182	–	–
Investments in consortia	(1,455)	(3,745)	(13,679)
Proceeds from sale of investments in consortia	8	238	3,056
Proceeds from sale of property and equipment	3,202	2,410	4,948
Payment for purchase of property and equipment	(976)	(1,703)	(14,982)
(Increase) decrease in loans	44	(4,265)	(758)
Payments for business transfer	–	–	(1,500)
Increase (decrease) in receipt from investment in specific joint real estate ventures	552	(684)	4,427
Other	763	(757)	(1,632)
Net cash used in investing activities	(7,208)	(11,874)	(42,141)

Item	2006 1Q	2005 1Q	2005 FY
	Amount	Amount	Amount
<b>III Financing activities</b>			
Increase (decrease) in short-term borrowings	25,500	10,470	(11,030)
Increase (decrease) in commercial paper	–	3,000	400
Increase (decrease) in long-term debt	(455)	23,435	5,422
Repayment of long-term accounts payable	(66)	(66)	(265)
Proceeds from issuance of bonds with stock acquisition rights	–	–	52,000
Proceeds from treasury stock	3	–	6
Acquisition of treasury stock	(26)	(22)	(109)
Dividends paid	(1,498)	(955)	(2,054)
Proceeds from issue of shares to minority shareholders	–	–	55
Other	(48)	–	(255)
Net cash provided by financing activities	23,408	35,861	44,170
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(0)	2	10
<b>V Net increase (decrease) in cash and cash equivalents</b>	3,025	7,624	1,097
<b>VI Cash and cash equivalents at beginning of year</b>	8,241	6,619	6,619
<b>VII Increase in cash and cash equivalents accompanying newly consolidated subsidiary</b>	945	284	524
<b>VIII Cash and cash equivalents at end of year</b>	12,212	14,527	8,241

(Segment Information)

1. Industry Segments

Fiscal 2006 1Q (January 1, 2006 through March 31, 2006)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
<b>I. Revenue from operations</b>						
(1) Customers	10,172	39,271	8,583	58,027	–	58,027
(2) Intersegment	150	42	474	667	(667)	–
Total	10,323	39,313	9,057	58,694	(667)	58,027
Costs and operating expenses	6,306	34,907	7,726	48,939	1,017	49,957
Operating income	4,016	4,406	1,331	9,754	(1,684)	8,070

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
<b>I. Revenue from operations</b>						
(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

(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 quarter of fiscal 2006 include ¥1,560 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 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.

2. Geographical Segments

Fiscal 2006 1Q (January 1, 2006 through March 31, 2006), and Fiscal 2005 1Q (January 1, 2005 through March 31, 2005)

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

3. Overseas Operating Revenues

Fiscal 2006 1Q (January 1, 2006 through March 31, 2006), and Fiscal 2005 1Q (January 1, 2005 through March 31, 2005)

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 2006

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

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

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

Representative: Makoto Hatanaka, President, Representative Director

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

E-mail: [motoyoshik@tatemono.com](mailto:motoyoshik@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 2006 (January 1, 2006 to March 31, 2006)

#### (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	%
2006 1Q	47,358	25.0	6,744	36.9	5,754	53.1	3,540	70.6
2005 1Q	37,872	34.9	4,928	(8.5)	3,757	(13.9)	2,076	(40.9)
2005 full year (ref.)	140,989		25,040		20,407		11,189	

	Quarterly net income per share
	Yen
2006 1Q	11.13
2005 1Q	8.21
2005 full year (ref.)	40.35

Note: The percentage figures presented for revenue from operations, operating income, recurring income and quarterly net income indicate the percentage increase/decrease compared with the corresponding quarter of the previous fiscal year.

#### (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
2006 1Q	600,410	197,529	32.9	621.14
2005 1Q	520,140	128,836	24.8	509.61
2005 full year (ref.)	584,353	194,870	33.3	612.27

**3. 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	17,000	10,000	6.00	–	–
Full fiscal year	200,000	26,000	15,000	–	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):      ¥47.17

## First-Quarter Non-Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2006 1Q		End of FY 2005		Increase/ Decrease	End of FY 2005 1Q	
	As of March 31, 2006		As of December 31, 2005			As of March 31, 2005	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(ASSETS)		%		%			%
<b>I Current assets</b>	158,739	26.4	156,479	26.8	2,259	118,380	22.8
Cash	6,374		4,744		1,629	11,465	
Accounts receivable, trade	6,404		7,163		(759)	7,682	
Marketable securities	1,782		1,782		—	2,971	
Real estate for sale	104,840		103,808		1,032	69,268	
Beneficial interests in real estate for sale in trust	152		152		—	364	
Advances	742		298		443	1,493	
Advance expenses	1,441		1,577		(136)	1,600	
Deferred income taxes	200		549		(349)	164	
Short-term loans receivable	26,184		23,732		2,452	21,564	
Other current assets	10,732		12,782		(2,049)	9,242	
Allowance for doubtful accounts	(116)		(112)		(3)	(7,435)	
<b>II Fixed assets</b>	441,670	73.6	427,873	73.2	13,796	401,759	77.2
<b>1. Property and equipment</b>	265,452	44.2	262,955	45.0	2,496	275,419	52.9
Buildings	55,647		54,367		1,280	48,149	
Structures	689		667		21	540	
Machinery and equipment	359		342		16	249	
Vehicles	2		2		(0)	2	
Tools and equipment	401		291		109	148	
Land	208,353		207,284		1,069	217,179	
Construction in progress	—		—		—	9,148	
<b>2. Intangible and other assets</b>	6,791	1.2	6,798	1.2	(7)	6,849	1.3
Lease rights	6,656		6,656		—	6,656	
Other intangible assets	135		142		(7)	193	
<b>3. Investments</b>	169,426	28.2	158,119	27.0	11,307	119,491	23.0
Investment securities	84,479		73,782		10,697	52,179	
Shares in affiliated companies	16,495		15,995		500	15,811	
Investment in consortia	43,791		42,840		951	36,218	
Investment in affiliated companies	474		477		(3)	3	
Long-term loans	156		156		(0)	141	
Long-term loans to affiliated companies	19,447		20,150		(703)	4,448	
Guarantee deposits paid	10,800		11,583		(782)	11,339	
Other investments	3,076		2,428		647	1,566	
Allowance for doubtful accounts	(8,020)		(8,020)		0	(1,080)	
Investment loss reserve	(1,275)		(1,275)		—	(1,136)	
<b>Total assets</b>	600,410	100.0	584,353	100.0	16,056	520,140	100.0

Item	End of FY 2006 1Q		End of FY 2005		Increase/ Decrease	End of FY 2005 1Q	
	As of March 31, 2006		As of December 31, 2005			As of March 31, 2005	
	Amount	Weight	Amount	Weight	Amount	Amount	Weight
(LIABILITIES)		%		%			%
<b>I Current liabilities</b>	141,801	23.6	127,309	21.8	14,492	128,157	24.6
Short-term borrowings	36,132		25,013		11,118	27,090	
Current portion of long-term debt	74,499		69,294		5,204	63,334	
Commercial paper	1,100		1,100		–	3,700	
Accounts payable, trade	8,389		4,692		3,697	12,415	
Accrued expenses	2,945		3,927		(981)	3,221	
Accrued income taxes	2,182		5,697		(3,514)	1,725	
Advances received	12,539		14,348		(1,808)	12,882	
Deposits received	2,747		2,311		435	2,538	
Reserve for bonuses	513		128		384	497	
Other current liabilities	751		795		(43)	751	
<b>II Long-term liabilities</b>	261,078	43.5	262,173	44.9	(1,094)	263,146	50.6
Long-term debt	182,966		188,434		(5,468)	200,465	
Accounts payable	3,313		3,379		(66)	3,578	
Deferred income taxes	9,392		8,788		604	4,326	
Deferred income taxes on land revaluation	8,754		8,933		(179)	8,237	
Accrued severance indemnities	3,600		3,665		(64)	3,547	
Allowance for retirement benefits for directors	451		458		(7)	390	
Provision for loss on guarantees	69		69		–	82	
Guarantee deposits received	35,044		35,153		(108)	36,163	
Long-term deposits payable	17,017		12,848		4,169	5,879	
Other long-term liabilities	468		441		27	475	
<b>Total liabilities</b>	402,880	67.1	389,483	66.7	13,397	391,304	75.2
(SHAREHOLDERS' EQUITY)							
<b>I Common stock</b>	77,181	12.9	77,181	13.2	–	51,629	9.9
<b>II Capital surplus</b>	75,212	12.5	75,211	12.9	0	49,429	9.5
<b>Additional paid-in capital</b>	61,839		61,839		–	36,392	
<b>Other capital surplus</b>	13,373		13,372		0	13,036	
<b>III Retained earnings</b>	16,039	2.7	13,976	2.4	2,062	6,925	1.4
<b>Voluntary reserve</b>	669		–		669	–	
<b>Unappropriated retained earnings</b>	15,370		13,976		1,393	6,925	
<b>IV Land revaluation excess</b>	12,754	2.1	13,016	2.2	(261)	12,001	2.3
<b>V Net unrealized gain on available-for-sale securities</b>	16,393	2.7	15,512	2.6	880	9,463	1.8
<b>VI Less: Treasury stock at cost</b>	(51)	(0.0)	(28)	(0.0)	(22)	(613)	(0.1)
<b>Total shareholders' equity</b>	197,529	32.9	194,870	33.3	2,659	128,836	24.8
<b>Total liabilities and shareholders' equity</b>	600,410	100.0	584,353	100.0	16,056	520,140	100.0

## First-Quarter Non-Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2006 1Q		End of FY 2005 1Q		Increase/ Decrease	FY 2005	
	January 1, 2006 through March 31, 2006		January 1, 2005 through March 31, 2005			January 1, 2005 through December 31, 2005	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
<b>I Revenue from operations</b>		%		%			%
Leasing	8,555	18.1	7,499	19.8	1,055	36,896	26.2
Real estate sales	37,829	79.9	28,520	75.3	9,308	94,998	67.4
Other	974	2.0	1,852	4.9	(878)	9,094	6.4
Total revenue from operations	47,358	100.0	37,872	100.0	9,486	140,989	100.0
<b>II Cost of revenue</b>							
Leasing	5,204		5,089		114	21,784	
Real estate sales	29,859		23,928		5,931	77,100	
Other	534		596		(61)	2,508	
Total cost of revenue	35,598	75.2	29,614	78.2	5,984	101,393	71.9
Gross profit	11,759	24.8	8,258	21.8	3,501	39,595	28.1
<b>III Selling, general and administrative expenses</b>							
Operating income	5,015	10.6	3,329	8.8	1,685	14,555	10.3
Operating income	6,744	14.2	4,928	13.0	1,816	25,040	17.8
<b>IV Non-operating income</b>							
Interest income	0		9		(9)	28	
Dividend income	126		110		15	541	
Other	42		27		14	259	
Total non-operating income	169	0.4	147	0.4	21	829	0.6
<b>V Non-operating expenses</b>							
Interest expense	1,128		1,299		(171)	5,006	
New share issue expenses	-		-		-	257	
Bond issuance expenses	-		-		-	26	
Others	30		17		12	172	
Total non-operating expenses	1,159	2.4	1,317	3.5	(158)	5,462	3.9
Recurring income	5,754	12.2	3,757	9.9	1,996	20,407	14.5
<b>VI Extraordinary gain</b>							
Gain on sale of property and equipment	119		53		65	53	
Gain on sale of investment securities	-		28		(28)	313	
Reversal of provision for losses on doubtful accounts	-		14		(14)	-	
Total extraordinary gain	119	0.2	96	0.3	23	366	0.2
<b>VII Extraordinary loss</b>							
Loss on revaluation of real estate for sale	-		-		-	345	
Loss on sale of fixed assets	0		9		(8)	121	
Loss on retirement of property and equipment	4		12		(8)	44	
Provision for investment loss reserve	-		-		-	139	
Impairment loss	-		-		-	876	
Other	-		-		-	6	
Total extraordinary loss	4	0.0	21	0.1	(17)	1,533	1.1
Income before income taxes	5,869	12.4	3,832	10.1	2,036	19,240	13.6
Current income taxes	2,158		1,748		410	7,420	
Deferred income taxes	169		7		161	630	
Net income	3,540	7.5	2,076	5.5	1,464	11,189	7.9
Retained earnings carried forward	11,567		4,215		7,352	4,215	
Interim cash dividends	-		-		-	1,047	
Transfer to land revaluation excess	261		634		(372)	(381)	
Unappropriated retained earnings	15,370		6,925		8,444	13,976	