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May 8, 2009

Outline of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 2009

Name of Company Listed: Tokyo Tatemono Co., Ltd.
Code Number: 8804

Exchange: First Section of Tokyo Stock Exchange
URL: <http://www.tatemono.com>

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Scheduled date for submission of quarterly report: May 15, 2009

Scheduled day for commencement of dividend payment: —

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

1. Consolidated Results of Operations for the First Quarter of Fiscal 2009 (January 1, 2009 to March 31, 2009)

(1) Consolidated business results (on a cumulative basis)

	Revenue from operations		Operating income		Recurring income		Quarterly net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2009 Q1	78,055	—	3,044	—	1,044	—	(4,807)	—
2008 Q1	37,026	(41.7)	3,968	(66.3)	2,320	(78.7)	1,084	(80.9)

Note 1: The percentage figures indicate the percentage increase/decrease compared with the corresponding for the first quarter of the previous fiscal year.

	Quarterly net income (loss) per share	Quarterly net income (loss) per share after adjusting for dilution
	Yen	Yen
2009 Q1	(15.23)	—
2008 Q1	3.44	—

(2) Consolidated financial status

	Total assets	Total net assets	Owners' equity ratio	Owners' equity per share
	Millions of yen	Millions of yen	%	Yen
2009 Q1	992,383	222,558	21.7	683.50
2008 full year	964,030	231,354	23.2	709.62

(Reference) Owners' equity: As of March 31, 2009: 215,806 million yen

As of December 31, 2008: 224,057 million yen

2. Dividend Status

(Base date)	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
2008 full year	—	8.00	—	8.00	16.00
2009 full year	—	—	—	—	—
2009 full year (Projection)	—	5.00	—	5.00	10.00

Note: Revision of expected dividends in the quarter under review: None

3. Projection of Consolidated Results of Operations for Fiscal 2009, Ending December 2009

(January 1, 2009 to December 31, 2009)

	Revenue from operations		Operating income		Recurring income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	145,000	—	15,000	—	11,000	—	1,500	—	4.75
Full year	270,000	35.1	30,000	8.3	20,000	(2.4)	8,000	(20.8)	25.34

Note1: Revision of projection of consolidated results of operations in the quarter under review: None

Note 2: The percentage figures indicate the percentage increase/decrease compared with the full year and the interim period of the previous fiscal year.

4. Other

(1) Significant changes in subsidiaries during the period

(transfer of specific subsidiaries following a change in the scope of consolidation): None

(2) Application of simplified accounting methods and accounting practices peculiar to the preparation of quarterly financial statements: Yes

Note: See page 6, "Analysis of Operating Results," 4. Others, for details.

(3) Changes in the accounting principles, procedures and presentation related to the preparation of the quarterly consolidated financial statements (those that are described in changes in the basis of the quarterly consolidated financial statements)

(i) Changes due to amendments to accounting standards: Yes

(ii) Changes due to other reasons than item (i): Yes

Note: See page 6, "Analysis of Operating Results," 4. Others, for details.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury stock) at the end of the period

As of March 2009: 318,059,168 shares As of December 2008: 318,059,168 shares

(ii) Number of shares of treasury stock at the end of the period

As of March 2009: 2,320,939 shares As of December 2008: 2,317,410 shares

(iii) Average number of shares during the term (cumulative consolidated quarterly periods)

As of March 2009: 315,738,539 shares As of March 2008: 315,752,646 shares

Note: Explanation Regarding the Appropriate Use of Business Performance Projections, and Other Items Warranting Special Mention

1. The performance projections and other statements regarding the future presented in these materials are based on information presently obtained by the Company and on certain assumptions deemed to be rational, and the actual performance may greatly differ depending on various factors. See page 5, "Analysis of Operating Results," 3. Analysis of Consolidated Business Result Projections, for details about business performance projections.

2. The Accounting Standard for Quarterly Financial Statements (ASB Standard No. 12) and the Guidance on Accounting Standard for Quarterly Financial Statements (ASB Guidance No. 14) are applied from the fiscal year under review. The quarterly consolidated financial statements are prepared in accordance with the Quarterly Consolidated Financial Statements Regulations. The revised Quarterly Consolidated Financial Statements Regulations are applied to the quarterly consolidated financial statements in accordance with the provided clause of Article 7, Paragraph 1, Item 5 in the supplementary provision of the "Cabinet Office Ordinance to Amend a Part of the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements, Etc." (Cabinet Office Ordinance No. 50 on August 7, 2008).

Analysis of Operating Results

1. Analysis of Consolidated Business Results

(Note: Amounts in and changes from the first quarter of the previous fiscal year are written as references.)

The results for 2009 Q1 were as follows. Revenue from operations was ¥78,055 million (up 110.8% from ¥37,026 million for the same quarter of the preceding fiscal year); operating income was ¥3,044 million (down 23.3% from ¥3,968 million); and recurring income was ¥1,044 million (down 55.0% from ¥2,320 million). The net loss for the quarter was ¥4,807 million (down from net income of ¥1,084 million) as a result of posting a loss on revaluation of inventories of ¥5,459 million and loss on devaluation of investment securities of ¥2,043 million as extraordinary losses.

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

(1) Leasing

In 2009 Q1, the Company operated urban rented apartments such as Apartments Sangenjyaya (Setagaya-ku, Tokyo), the construction of which was completed in the previous fiscal year, the commercial facility SMARK (Isesaki, Gunma), and a serviced apartment (Shanghai, China) that was acquired in the previous fiscal year.

As a result, revenue from operations was ¥13,535 million (up from ¥11,680 million for the same quarter of the preceding fiscal year, a gain of 15.9%); and operating income was ¥4,734 million (down from ¥5,106 million, a fall of 7.3%).

Item	2008 Q1		2009 Q1	
	Rentable area (Sublease area)	Amount (Millions of yen)	Rentable area (Sublease area)	Amount (Millions of yen)
Land	39,287 m ² (10,704 m ²)	175	38,350 m ² (10,704 m ²)	251
Buildings	574,648 m ² (164,888 m ²)	9,366	641,269 m ² (168,323 m ²)	11,064
Management services (Note)	—	2,137	—	2,219
Total	—	11,680	—	13,535

(Note) Management services include dividend income pertaining to investments of SPC income buildings, ¥403 million for 2009 Q1 and ¥648 million for 2008 Q1.

(2) Real estate sales

In 2009 Q1, the Company recorded sales of condominiums, including Brillia Mare Ariake TOWER & GARDEN (Koto, Tokyo), THE TOYOSU TOWER (Koto, Tokyo) and Brillia Asahigaoka (Sapporo). The Company also recorded sales of detached homes, including Brillia Terrace Setagaya Kitami (Setagaya, Tokyo).

As a result, revenue from real-estate sales operations was ¥54,593 million (up 247.0% from ¥15,731 million); and the operating loss was ¥494 million (compared with an operating loss in the same quarter of the preceding fiscal year: ¥162 million).

The Company posted an operating loss as a result of registering a loss on revaluation of inventories of ¥2,081 million for condominiums currently on sale as a cost of revenue.

Item	2008 Q1		2009 Q1	
	Quantity sold	Amount (Millions of yen)	Quantity sold	Amount (Millions of yen)
Condominiums	389	13,531	1,129	52,694
Detached houses (Including land zoned for detached houses)	17	1,048	24	769
Housing lots, etc.	5	211	3	51
Management services	29,736	940	31,749	1,078
Total	—	15,731	—	54,593

(3) Other businesses

In 2009 Q1, although revenue increased thanks to the full-year operation of Tojo Golf Club (Kato, Hyogo) and River Fuji Country Club (Fujikawa, Shizuoka) in the Resort/leisure/hotel business, the Other business saw dividend income from SPCs decline.

As a result, revenue from operations was ¥9,926 million (up 3.2% from ¥9,615 million), and operating income was ¥654 million (down 42.4% from ¥1,135 million).

Item	2008 Q1		2009 Q1	
	Quantity	Amount (Millions of yen)	Quantity	Amount (Millions of yen)
Brokerage	1,012	1,195	1,374	1,115
Resort/leisure/hotel	—	1,581	—	2,012
Renovation	—	811	—	1,314
Restaurants	—	300	—	267
Retail of packaged media	—	1,600	—	1,591
Spa	—	720	—	842
Other (Note)	—	3,405	—	2,782
Total	—	9,615	—	9,926

(Note) "Other" includes dividend income pertaining to investments in SPC commercial facilities and in real estate investment funds: ¥801 million for the term and ¥1,949 million for the preceding term.

2. Analysis of Consolidated Finances

Assets

Total assets at the end of 2009 Q1 were ¥992,383 million (up ¥28,353 million from the end of FY 2008). The major factors were an increase of ¥18,276 million in current assets with the acquisition of real estate for sale and an increase of ¥10,076 million in fixed assets attributable to a rise in construction in progress resulting from investment in the “Otemachi 1-Chome Redevelopment Project” (Chiyoda, Tokyo) and an increase in investments in consortia.

Liabilities

Total liabilities at the end of the first quarter under review were ¥769,824 million (up ¥37,149 million from the end of FY 2008). This is mainly the result of an increase in interest-bearing debt by ¥7,678 million from the end of the preceding term to ¥547,284 million, and a rise in accounts payable, trade by ¥31,862 million.

Net assets

Net assets at the end of this first quarter were ¥222,558 million (down ¥8,795 million from the end of FY 2008). The major factors were the net loss, a fall in dividends from surplus, and smaller valuation difference on available-for sale securities.

3. Analysis of Consolidated Business Result Projections

The projected business results for the FY 2009 interim term and full year are shown below. There are no changes to the business outlook published on February 12, 2009 despite the posting of a net loss for the first quarter due to the effect of the application of the Accounting Standard for Measurement of Inventories, as the net loss remained almost within the scope of our projection.

	Interim period outlook (billions of yen)	Full-year outlook (billions of yen)
Revenue from operations	145.0	270.0
Operating profit	15.0	30.0
Recurring income	11.0	20.0
Net income	1.5	8.0

Note that in 2009 2Q, we anticipate the completion of the “Otemachi 1-Chome Redevelopment Project” and the operation of Osaki Center Building (Shinagawa, Tokyo) in the Leasing of Office and Commercial Buildings business and the completion and delivery of Brillia Tower NAGOYA GRAND-SUITE (Nagoya) and the sale of real estate holdings, etc. in the Real estate sales business.

4. Others

(1) Important changes to subsidiaries during the term (changes to specified subsidiaries that involve the change of the scope of consolidation)

There is no applicable item.

(2) Application of simplified accounting methods and accounting practices peculiar to the preparation of quarterly financial statements

(i) Simplified accounting methods

Method of calculating depreciation expenses of fixed assets

For assets for which the declining balance method is used, the Company calculated depreciation expenses by proportionally distributing the amount of depreciation for the fiscal year to the period.

Method of calculating deferred tax assets and deferred tax liabilities

With respect to the judgment of the collectability of deferred tax assets, since it was considered that there were no significant changes in the business environment and the occurrence of temporary differences after the end of the previous fiscal year, the Company used forecasts for the future business performance and the tax planning used in the previous fiscal year.

(ii) Accounting practices peculiar to the preparation of quarterly financial statements

There is no applicable item.

(3) Changes in accounting principles, procedures and presentation methods, etc. for the preparation of quarterly consolidated financial statements

(i) Application of accounting standards for quarterly financial statements

The Accounting Standards for Quarterly Financial Statements (ASBJ Statement No. 12) and the Guidance on Accounting Standards for Quarterly Financial Statements (ASB Guidance No. 14) are applied from the fiscal year under review. The quarterly consolidated financial statements are prepared in accordance with the Quarterly Consolidated Financial Statements Regulations. The revised Quarterly Consolidated Financial Statements Regulations are applied to the quarterly consolidated financial statements in accordance with the provided clause of Article 7, Paragraph 1, Item 5 in the supplementary provision of the “Cabinet Office Ordinance to Amend a Part of the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements, Etc.” (Cabinet Office Ordinance No. 50 on August 7, 2008).

(ii) Application of accounting standards for the valuation of inventories

The Accounting Standard for Measurement of Inventories (ASB Statement No. 9) that was published on July 5, 2006 was applied from the first quarter of the current fiscal year. The valuation method has been changed from the cost method to the cost method (a method of writing down the book value based on a fall in profitability).

As a result, in comparison with the case in which the old method is used, operating income and recurring income in the first quarter under review declined by ¥2,077 million, while income before income taxes and minority interests fell by ¥7,537 million.

The impact on the segment information is described in relevant sections.

(iii) Application of the Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements

The Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements (Practical Issues Task Force No. 18) that was published on May 17, 2006 was applied from the first quarter of the current fiscal year.

This change did not have an impact on income and loss.

(iv) Application of the Accounting Standard on Lease Transactions

The Accounting Standard for Lease Transactions (ASB Statement No. 13) and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16), which were revised on March 30, 2007, were applied early from the first quarter of the current fiscal year. Finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee are recorded as leased assets, reflecting the change of the accounting method from a method similar to that used for ordinary rental transactions to a method similar to that used for ordinary sales transactions.

As a depreciation method for leased assets, the straight-line method is used with the useful life being the lease period and the residual value being zero.

For finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee and whose lease commencement date is before the beginning of the first year in which the new method is applied, a method similar to that used for rental transactions continues to be used.

The impact of this change on total assets is minor, and this change did not have an impact on income.

5. Consolidated Financial Statement for the First Quarter

(1) Consolidated Balance Sheet for the First Quarter

(Millions of yen)

	End 2009 Q1 (March 31, 2009)	End FY 2008 (December 31, 2008)
Assets		
Current assets		
Cash	23,697	16,958
Notes and accounts receivable, trade	10,787	16,218
Marketable securities	1,378	1,160
TK investments	5,342	5,345
Real estate for sale	101,643	73,115
Real estate for sale in progress	44,532	57,591
Real estate for development	48,978	51,497
Deferred income taxes	6,532	5,315
Other current assets	20,785	18,171
Allowance for doubtful accounts	(191)	(161)
Total current assets	263,487	245,211
Fixed assets		
Property and equipment		
Buildings and structures	194,347	193,617
Accumulated depreciation	(85,799)	(84,217)
Buildings and structures (net amount)	108,548	109,400
Land	290,902	289,763
Construction in progress	22,516	17,148
Other fixed assets	20,344	19,979
Accumulated depreciation	(10,099)	(9,623)
Other fixed assets (net amount)	10,245	10,355
Total property and equipment	432,212	426,667
Intangible and other assets		
Lease rights	25,683	25,569
Other	3,076	3,080
Total intangible and other assets	28,760	28,649
Investments		
Investment securities	184,553	184,988
TK investments	51,551	44,796
Deferred income taxes	3,181	1,283
Guarantee deposits paid	10,778	14,231
Other investments	18,919	19,355
Allowance for doubtful accounts	(464)	(556)
Investment loss reserve	(598)	(598)
Total investments	267,922	263,500
Total fixed assets	728,895	718,818
Total assets	992,383	964,030

(Millions of yen)

	End 2009 Q1 (March 31, 2009)	End FY 2008 (December 31, 2008)
Liabilities		
Current liabilities		
Short-term borrowings	196,799	188,445
Commercial paper	29,900	21,300
Accounts payable, trade	45,403	13,540
Accrued income taxes	471	1,953
Reserves	1,368	585
Other current liabilities	29,598	32,601
Total current liabilities	303,540	258,425
Long-term liabilities		
Bonds payable	60,000	60,000
Long-term debt	260,584	269,860
Accrued severance indemnities	5,242	5,257
Other reserves	1,180	1,206
Deferred income taxes	7,699	7,929
Deferred income taxes on land revaluation	18,286	18,286
Guarantee deposits received	43,783	48,940
Investments received for real estate specific joint enterprises	61,929	55,223
Other long-term liabilities	7,575	7,544
Total long-term liabilities	466,284	474,250
Total liabilities	769,824	732,675
Shareholders' equity		
Capital stock		
Capital	77,181	77,181
Capital surplus	75,447	75,453
Retained earnings	38,447	45,797
Owners' equity	(524)	(529)
Total capital stock	190,551	197,902
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,081	7,838
Revaluation difference on land	19,509	19,509
Translation adjustments	(335)	(1,192)
Total valuation and translation adjustments	25,254	26,155
Minority interests	6,751	7,296
Total net assets	222,558	231,354
Total liabilities, minority interests and net assets	992,383	964,030

(2) Consolidated Statements of Income for the First Quarter
Cumulative period of the first quarter

(Millions of yen)

	2009 Q1 (Jan. 1, 2009 to Mar. 31, 2009)
Revenue from operations	78,055
Cost of revenue	63,317
Gross profit	14,737
Selling, general and administrative expenses	11,692
Operating income	3,044
Non-operating income	
Interest income	7
Dividend income	131
Equity in income of affiliated companies	33
Foreign exchange gain	379
Other	208
Total non-operating income	760
Non-operating expenses	
Interest expense	2,130
Distribution from real estate specific joint enterprises	351
Other	279
Total non-operating expenses	2,761
Recurring income	1,044
Extraordinary income	
Gain on sale of investment securities	29
Gain on sale of stock in affiliates	37
Reversal of provision for loss on guarantee	1
Total extraordinary income	68
Extraordinary loss	
Loss on revaluation of inventories	5,459
Loss on sale of fixed assets	17
Loss on retirement of property and equipment	9
Loss on devaluation of investment securities	2,043
Loss on investment in consortia	538
Impairment loss	75
Total extraordinary loss	8,143
Quarterly income (loss) before taxes and minority interests	(7,031)
Current income taxes	403
Deferred income taxes	(2,239)
Total income taxes	(1,835)
Gain (loss) on minority interests	(388)
Quarterly net income (loss)	(4,807)

The Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Statements (ASB Guidance No. 14) are applied from the fiscal year under review. The quarterly consolidated financial statements are prepared in accordance with the Quarterly Consolidated Financial Statements Regulations. The revised Quarterly Consolidated Financial Statements Regulations are applied to the quarterly consolidated financial statements in accordance with the provided clause of Article 7, Paragraph 1, Item 5 in the supplementary provision of the “Cabinet Office Ordinance to Amend a Part of the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements, Etc.” (Cabinet Office Ordinance No. 50 on August 7, 2008).

(3) Note on going concern

There is no applicable item.

(4) Industry Segments

Industry Segments by Business Type

Cumulative period of the first quarter (January 1, 2009 to March 31, 2009)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Eliminations/Corporate	Consolidated
Revenue from operations						
(1) External customers	13,535	54,593	9,926	78,055	—	78,055
(2) Inter-segment or transfer	193	66	488	748	(748)	—
Total	13,728	54,659	10,415	78,803	(748)	78,055
Operating income (loss)	4,734	(494)	654	4,894	(1,849)	3,044

(Notes)

1. Method of classifying industry segments:

Business segments are classified in accordance with the business activities of the corporate group.

2. Principal description of each industry segment:

Leasing: Leasing and management of land, buildings, and housing

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

Other: Real estate brokerage, appraisal and consulting; civil engineering and construction, resort, leisure and hotel businesses, etc.

3. Change of accounting methods

(Accounting standards for measurement of inventories)

As described in 4. Others in the “Analysis of balance sheets” on page 6, the Accounting Standard for Measurement of Inventories (ASB Statement No. 9) that was published on July 5, 2006 was applied from the first quarter of the current fiscal year, and the valuation method has been changed from the cost method to the cost method (a method of writing down the book value based on a fall in profitability).

As a result, in the Real estate sales segment, operating income declined in the first quarter under review in comparison with the case in which the old method is used.

Geographical Segments

Cumulative period of the first quarter (January 1, 2009 to March 31, 2009)

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

Overseas Operating Revenues

Cumulative period of the first quarter (January 1, 2009 to March 31, 2009)

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

(5) Note in the event that there is a significant change in the amount of shareholders' equity

There is no applicable item.

Reference Materials

Financial statements, etc. for the same period of the previous fiscal year

(1) Consolidated Statements of Income for the First Quarter

Item	2008 Q1 (Jan. 1 2008 to Mar. 31 2008)
	Amount (millions of yen)
I Revenue from operations	37,026
II Cost of revenue	25,312
Gross profit	11,714
III Selling, general and administrative expenses	7,745
Operating income	3,968
IV Non-operating income	
Interest income	7
Dividend income	97
Equity in income of affiliated companies	51
Other	219
Total non-operating income	375
V Non-operating expenses	
Interest expense	1,731
Other	291
Total non-operating expenses	2,023
Recurring income	2,320
VI Extraordinary income	
Gain on sale of property and equipment	60
Reversal of provision for losses on doubtful accounts	6
Total extraordinary income	67
VII Extraordinary loss	
Loss on retirement of property and equipment	7
Loss on devaluation of investment securities	78
Provision for investment loss reserve	275
Impairment loss	45
Total extraordinary loss	406
Quarterly income before taxes and minority interests	1,981
Current income taxes	432
Deferred income taxes	573
Gain (loss) on minority interests	(109)
Quarterly net income	1,084

(2) Industry Segments

Industry Segments by Business Type

2008 Q1 (January 1, 2008 to March 31, 2008)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Eliminations/ Corporate	Consolidated
Revenue from operations						
(1) External customers	11,680	15,731	9,615	37,026	—	37,026
(2) Inter-segment or transfer	217	59	487	764	(764)	—
Total	11,897	15,790	10,102	37,790	(764)	37,026
Operating income (loss)	5,106	(162)	1,135	6,079	(2,110)	3,968