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July 31, 2009

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

Name of Company Listed: Tokyo Tatemono Co., Ltd. Exchange: First Section of Tokyo Stock Exchange
Code Number: 8804 URL: <http://www.tatemono.com>
Representative: Makoto Hatanaka, President & Representative Director
Contact: Yoshitoshi Kagami, General Manager, Corporate Communications and Investor Relations Department,
TEL: +81-(0)3-3274-1984
Scheduled date for submission of quarterly report: August 14, 2009
Scheduled day for commencement of dividend payment: August 28, 2009

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

1. Consolidated Results of Operations for the First Half of Fiscal 2009 (January 1, 2009 to June 30, 2009)

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

	Revenue from operations		Operating income		Recurring income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2009 H1	147,740	—	15,721	—	11,111	—	2,160	—
2008 H1	91,654	(10.3)	15,297	(34.9)	11,950	(42.8)	7,044	(33.9)

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

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
2009 H1	6.84	—
2008 H1	22.31	—

(2) Consolidated financial status

	Total assets	Total net assets	Owners' equity ratio	Owners' equity per share
	Millions of yen	Millions of yen	%	Yen
2009 H1	972,841	230,910	23.2	713.40
2008 full year	964,030	231,354	23.2	709.62

(Reference) Owners' equity: As of June 30, 2009: 225,245 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	—	5.00			
2009 full year (Projection)			—	5.00	10.00

Note: Revision of expected dividends in the first half 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
Full year	270,000	35.1	30,000	8.3	20,000	(2.4)	6,000	(40.6)	19.00

(Notes)

1: Revision of projection of consolidated results of operations in the first half under review: None

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 June 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 June 2009: 2,323,640 shares As of December 2008: 2,317,410 shares

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

As of June 2009: 315,737,272 shares As of June 2008: 315,747,973 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 half of the previous fiscal year are provided for reference.)

The results for the first half of FY 2009 were as follows: Revenue from operations was ¥147,740 million (up 61.2% from ¥91,654 million for the same quarter of the preceding fiscal year); operating income was ¥15,721 million (up 2.8% from ¥15,297 million); and recurring income was ¥11,111 million (down 7.0% from ¥11,950 million). Net income for the first half was ¥2,160 million (down 69.3% from ¥7,044 million) as a result of posting a loss on the revaluation of inventories of ¥5,459 million and a loss on the devaluation of investment securities of ¥3,174 million as extraordinary losses.

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

(1) Leasing

In 2009 H1, revenue increased primarily due to the new operation of the JA Building and Keidanren Kaikan (Chiyoda ward, Tokyo) in the Otemachi 1-Chome Redevelopment Project, Osaki Center Building (Shinagawa ward, Tokyo), and the Nagoya Prime Central Tower (Nagoya, Aichi Prefecture), and the full-year operation of urban rented apartments such as Apartments Sangenjaya (Setagaya ward, Tokyo), the commercial facility SMARK (Isesaki, Gunma Prefecture), and the serviced apartment Amenity Garden Shanghai (Shanghai, China). In contrast, dividend income from SPCs declined.

As a result, revenue from operations was ¥30,045 million (up from ¥27,340 million for the same period in the preceding fiscal year, a gain of 9.9%); and operating income was ¥10,874 million (down from ¥12,884 million, a fall of 15.6%).

Item	2008 H1		2009 H1	
	Rentable area (Sublease area)	Amount (Millions of yen)	Rentable area (Sublease area)	Amount (Millions of yen)
Land	39,900 m ² (10,704 m ²)	393	31,723 m ² (10,704 m ²)	457
Buildings	626,807 m ² (163,098 m ²)	19,572	674,545 m ² (194,021 m ²)	22,483
Management services (Note)	—	7,373	—	7,105
Total	—	27,340	—	30,045

(Note) Management services include dividend income pertaining to investments of SPC income buildings, ¥2,492 million for 2009 H1 and ¥3,994 million for 2008 H1.

(2) Real estate sales

In 2009 H1, the Company recorded sales of condominiums, including Brillia Mare Ariake TOWER & GARDEN (Koto ward, Tokyo), THE TOYOSU TOWER (Koto ward, Tokyo), and Brillia Tower NAGOYA GRAND-SUITE (Nagoya, Aichi Prefecture), and sales of detached homes, including Brillia Terrace Setagaya Kitami (Setagaya ward, Tokyo). The Company also posted the sale of the land of the Olinas Tower (Sumida ward, Tokyo), a large complex, in the Housing Lots, etc. business.

As a result, revenue from operations was ¥98,158 million (up 149.3% from ¥39,366 million); and operating income was ¥9,188 million (¥229 million for the same period of the preceding fiscal year).

The Company posted a loss on revaluation of inventories of ¥4,717 million for condominiums currently on sale as a cost of revenue.

Item	2008 H1		2009 H1	
	Quantity sold	Amount (Millions of yen)	Quantity sold	Amount (Millions of yen)
Condominiums	877	34,572	1,697	77,046
Detached houses (Including land zoned for detached houses)	43	2,357	28	972
Housing lots, etc.	10	433	15	17,872
Management services	29,736	2,003	30,452	2,266
Total	—	39,366	—	98,158

(3) Other businesses

In 2009 H1, although revenue increased thanks to the full-year operation of Tojo Golf Club (Kato, Hyogo Prefecture) and River Fuji Country Club (Fuji, Shizuoka Prefecture) in the Resort/Leisure/Hotel business, revenue from brokerage fees declined in the Brokerage business due to sluggish real estate transactions, and the Other business saw dividend income from SPCs decline.

As a result, revenue from operations was ¥19,537 million (down 21.7% from ¥24,948 million); and the operating loss was ¥993 million (compared with operating income in the same period of the preceding fiscal year: ¥6,102 million).

Item	2008 H1		2009 H1	
	Quantity	Amount (Millions of yen)	Quantity	Amount (Millions of yen)
Brokerage	2,386	3,182	2,036	1,897
Resort/leisure/hotel	—	4,719	—	5,044
Renovation	—	2,854	—	2,996
Restaurants	—	598	—	536
Retail of packaged media	—	3,162	—	3,101
Spa	—	1,440	—	1,639
Other (Note)	—	8,990	—	4,320
Total	—	24,948	—	19,537

(Note) "Other" includes dividend income pertaining to investments in SPC commercial facilities and in real estate investment funds: ¥1,073 million for the first half under review and ¥6,260 million for the first half of the preceding fiscal year.

2. Analysis of Consolidated Finances

Assets

Total assets at the end of 2009 Q2 were ¥972,841 million (up ¥8,811 million from the end of FY 2008). The major factors were a decline of ¥26,459 million in current assets from the collection of accounts receivable, the sale of real estate for sale, and other factors, and an increase of ¥35,271 million in fixed assets primarily attributable to a rise in tangible fixed assets following the completion of the JA Building, Keidanren Kaikan, and the Nagoya Prime Central Tower, as well as increases in investment securities and TK investments due to investments in SPCs.

Liabilities

Total liabilities at the end of the second quarter under review were ¥741,930 million (up ¥9,254 million from the end of FY 2008). This is mainly the result of an increase in interest-bearing debt of ¥4,771 million from the end of the preceding term to ¥544,377 million due to debt finance, and a rise in receipts from investment in specific joint real estate ventures of ¥7,466 million.

Net assets

Net assets at the end of the first half under review were ¥230,910 million (down ¥443 million from the end of FY 2008). The major factors were an increase from net income and a decrease from dividends paid out of surplus.

3. Analysis of Consolidated Business Result Projections

The projected business results for the FY 2009 full year are shown below. There are no changes to the forecasts in the Notice Regarding Revised Forecasts announced on July 24, 2009.

	Full-year outlook (billions of yen)
Revenue from operations	270.0
Operating income	30.0
Recurring income	20.0
Net income	6.0

Note that in the third and subsequent quarters, we plan to post revenues from the full-year operation of the JA Building, Keidanren Kaikan, and the Osaki Center Building, and dividend income from an SPC in association with the sale of the Olinas Tower in the Leasing of Office and Commercial Buildings business. We also plan the delivery of Brillia Mare Ariake TOWER & GARDEN, the completion and delivery of Brillia Biwako Otsukyo (Otsu, Shiga Prefecture), and the sale of profit-generating real estate.

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 (ASBJ 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 (ASBJ 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 half under review declined ¥4,711 million, while income before income taxes and minority interests fell ¥10,170 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 (ASBJ 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 Half**(1) Consolidated Balance Sheet for the First Half**

(Millions of yen)

	End 2009 H1 (June 30, 2009)	End FY 2008 (December 31, 2008)
Assets		
Current assets		
Cash	12,870	16,958
Notes and accounts receivable, trade	7,096	16,218
Marketable securities	1,166	1,160
TK investments	5,343	5,345
Real estate for sale	81,127	73,115
Real estate for sale in progress	46,929	57,591
Real estate for development	47,863	51,497
Deferred income taxes	3,199	5,315
Other current assets	13,343	18,171
Allowance for doubtful accounts	(187)	(161)
Total current assets	218,752	245,211
Fixed assets		
Property and equipment		
Buildings and structures	202,114	193,617
Accumulated depreciation	(87,208)	(84,217)
Buildings and structures (net amount)	114,905	109,400
Land	307,707	289,763
Construction in progress	3,788	17,148
Other fixed assets	20,450	19,979
Accumulated depreciation	(10,339)	(9,623)
Other fixed assets (net amount)	10,111	10,355
Total property and equipment	436,513	426,667
Intangible and other assets		
Lease rights	25,612	25,569
Other	3,036	3,080
Total intangible and other assets	28,649	28,649
Investments		
Investment securities	197,505	184,988
TK investments	59,395	44,796
Deferred income taxes	3,614	1,283
Guarantee deposits paid	10,797	14,231
Other investments	18,667	19,355
Allowance for doubtful accounts	(455)	(556)
Investment loss reserve	(598)	(598)
Total investments	288,926	263,500
Total fixed assets	754,089	718,818
Total assets	972,841	964,030

(Millions of yen)

	End 2009 H1 (June 30, 2009)	End FY 2008 (December 31, 2008)
Liabilities		
Current liabilities		
Short-term borrowings	176,336	188,445
Commercial paper	29,900	21,300
Accounts payable, trade	14,723	13,540
Accrued income taxes	777	1,953
Reserves	395	585
Other current liabilities	33,173	32,601
Total current liabilities	255,307	258,425
Long-term liabilities		
Bonds payable	60,000	60,000
Long-term debt	278,140	269,860
Accrued severance indemnities	5,411	5,257
Other reserves	1,247	1,206
Deferred income taxes	7,847	7,929
Deferred income taxes on land revaluation	19,673	18,286
Guarantee deposits received	44,009	48,940
Investments received for real estate specific joint enterprises	62,689	55,223
Other long-term liabilities	7,602	7,544
Total long-term liabilities	486,623	474,250
Total liabilities	741,930	732,675
Shareholders' equity		
Capital stock		
Capital	77,181	77,181
Capital surplus	75,438	75,453
Retained earnings	43,394	45,797
Owners' equity	(516)	(529)
Total capital stock	195,498	197,902
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,850	7,838
Revaluation difference on land	21,529	19,509
Translation adjustments	(632)	(1,192)
Total valuation and translation adjustments	29,747	26,155
Minority interests	5,664	7,296
Total net assets	230,910	231,354
Total liabilities, minority interests and net assets	972,841	964,030

(2) Consolidated Statements of Income for the First Half
Cumulative period of the first half

	(Millions of yen)
	2009 H1 (Jan. 1, 2009 to Jun. 30, 2009)
Revenue from operations	147,740
Cost of revenue	111,656
Gross profit	36,084
Selling, general and administrative expenses	20,362
Operating income	15,721
Non-operating income	
Interest income	12
Dividend income	429
Equity in income of affiliated companies	136
Foreign exchange gain	270
Other	320
Total non-operating income	1,169
Non-operating expenses	
Interest expense	4,272
Distribution from real estate specific joint enterprises	747
Other	759
Total non-operating expenses	5,778
Recurring income	11,111
Extraordinary income	
Gain on sale of property and equipment	33
Gain on sale of investment securities	29
Gain on sale of stock in affiliates	37
Reversal of provision for loss on guarantee	2
Total extraordinary income	102
Extraordinary loss	
Loss on revaluation of inventories	5,459
Loss on sale of fixed assets	18
Loss on retirement of property and equipment	21
Loss on devaluation of investment securities	3,174
Loss on investment in consortia	568
Impairment loss	75
Total extraordinary loss	9,318
First half income before income taxes and minority interests	1,895
Current income taxes	642
Deferred income taxes	576
Total income taxes	1,219
Gain (loss) on minority interests	(1,484)
First half net income	2,160

The Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Statements (ASBJ 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 half (January 1, 2009 to June 30, 2009)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Eliminations/ Corporate	Consolidated
Revenue from operations						
(1) External customers	30,045	98,158	19,537	147,740	—	147,740
(2) Inter-segment or transfer	365	133	1,369	1,868	(1,868)	—
Total	30,410	98,291	20,907	149,609	(1,868)	147,740
Operating income (loss)	10,874	9,188	(993)	19,069	(3,348)	15,721

(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 “Analysis of Operating Results” on page 6, the Accounting Standard for Measurement of Inventories (ASBJ 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 ¥4,711 million in the first half under review in comparison with the case in which the old method is used.

Geographical Segments

Cumulative period of the first half (January 1, 2009 to June 30, 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 half (January 1, 2009 to June 30, 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 Half

Item	2008 H1 (Jan. 1, 2008 to Jun. 30, 2008)
	Amount (millions of yen)
I Revenue from operations	91,654
II Cost of revenue	59,787
Gross profit	31,866
III Selling, general and administrative expenses	16,568
Operating income	15,297
IV Non-operating income	
Interest income	18
Dividend income	447
Equity in income of affiliated companies	102
Other	380
Total non-operating income	948
V Non-operating expenses	
Interest expense	3,624
Distribution from real estate specific joint enterprises	550
Other	121
Total non-operating expenses	4,296
Recurring income	11,950
VI Extraordinary income	
Gain on sale of property and equipment	60
Gain on reversal of provision for investment losses	14
Gain on reversal of provision for loss on guarantees	3
Total extraordinary income	78
VII Extraordinary loss	
Loss on retirement of property and equipment	13
Loss on devaluation of investment securities	4,951
Valuation loss on investments in affiliates	297
Impairment loss	109
Total extraordinary loss	5,371
First half income before taxes and minority interests	6,658
Current income taxes	1,485
Deferred income taxes	(1,871)
Gain (loss) on minority interests	0
Interim net income	7,044

(2) Industry Segments

Industry Segments by Business Type

Interim period of the previous fiscal year (January 1, 2008 to June 30, 2008)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Eliminations/ Corporate	Consolidated
Revenue from operations						
(1) External customers	27,340	39,366	24,948	91,654	—	91,654
(2) Inter-segment or transfer	389	125	1,112	1,628	(1,628)	—
Total	27,730	39,491	26,061	93,282	(1,628)	91,654
Operating income	12,884	229	6,102	19,215	(3,917)	15,297