

Fiscal Year Ended December 2004

Outline of Consolidated Financial Statements

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: info@tatemono.com

Date on Which the Board of Directors' Meeting Was Held to Approve the Settlement of Accounts: February 15, 2005

Whether U.S. Accounting Standards Are Adopted: No

1. Consolidated Results of Operations for the Accounting Period of Fiscal 2004 (January 1, 2004 to December 31, 2004)

(1) Consolidated Business Results

Year ended December 31

(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	%
2004	161,296	24.9	23,545	19.9	17,951	26.3
2003	129,130	5.5	19,633	11.0	14,208	26.8

	Net income		Net income per share	Net income per share after adjusting for dilution	Return on equity	Recurring margin on gross capital	Recurring margin on revenue from operations
	Millions of yen	%	Yen	Yen	%	%	%
2004	9,906	26.0	41.64	41.38	8.6	3.6	11.1
2003	7,864	22.5	37.31	36.82	8.2	2.9	11.0

Notes: 1. Investment income/loss due to equity method: Year ended December 31, 2004 ¥245 million

Year ended December 31, 2003 ¥235 million

2. Average number of shares (consolidated): Year ended December 31, 2004 234,971,969 shares

Year ended December 31, 2003 208,033,474 shares

3. Changes in accounting method: Yes

4. Percentages for revenue from operations, operating income, recurring income, and net income indicate the percentage increase/decrease compared with the accounting period of the previous fiscal year.

(2) Consolidated Financial Status

December 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2004	519,520	131,308	25.3	522.88
2003	484,237	99,485	20.5	483.86

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

December 31, 2004 250,892,013 shares

December 31, 2003 205,392,731 shares

(3) Consolidated Cash Flows
Year ended December 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
2004	24,918	(27,613)	2,574	6,619
2003	25,663	(11,409)	(17,317)	6,745

(4) Matters Relating to the Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 17

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): 1 (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
	Millions of yen	Millions of yen	Millions of yen
Interim accounting period	69,000	8,000	4,000
Full fiscal year	175,000	19,000	11,200

(Reference) Projected net income per share (full fiscal year): ¥44.64

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.

Consolidated Balance Sheets

December 31

(Millions of Yen)

Item	2004		2003		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%	
I Current assets	98,978	19.1	90,828	18.8	8,150
Cash	6,692		6,819		(126)
Accounts receivable, trade	5,375		2,991		2,384
Marketable securities	2,971		462		2,508
Inventories	71,883		75,800		(3,917)
Deferred income taxes	1,004		556		448
Other current assets	11,063		4,213		6,849
Allowance for doubtful accounts	(12)		(15)		2
II Fixed assets	420,540	80.9	393,409	81.2	27,131
1. Property and equipment	307,550	59.2	312,553	64.5	(5,002)
Buildings and structures	59,584		61,581		(1,996)
Land	247,084		250,185		(3,100)
Construction in progress	184		53		131
Other fixed assets	696		733		(37)
2. Intangible and other assets	7,310	1.4	7,294	1.5	16
Lease rights	6,759		6,864		(105)
Consolidation adjustment account	177		-		177
Other intangible assets	374		429		(54)
3. Investments	105,679	20.3	73,562	15.2	32,117
Investment securities	54,400		51,813		2,586
Investment in consortia	33,730		8,707		25,023
Long-term loans	1,560		1,180		379
Guarantee deposits paid	10,422		8,133		2,289
Deferred income taxes	835		825		9
Other investments	6,962		5,085		1,877
Allowance for doubtful accounts	(1,290)		(1,271)		(19)
Investment loss reserve	(941)		(912)		(28)
III Deferred assets	1	0.0	0	0.0	1
Total assets	519,520	100.0	484,237	100.0	35,282

Item	2004		2003		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(LIABILITIES)					
I Current liabilities	145,265	27.9	122,927	25.4	22,337
Short-term borrowings	104,316		87,536		16,780
Commercial paper	700		400		300
Current portion of convertible bonds	–		6,615		(6,615)
Accounts payable, trade	10,900		7,346		3,553
Accrued income taxes	4,241		1,264		2,977
Deferred income taxes	2		0		2
Reserve for compensation for completed work	6		37		(31)
Reserve for bonuses	214		160		54
Other current liabilities	24,883		19,567		5,316
II Long-term liabilities	242,946	46.8	260,816	53.9	(17,870)
Long-term debt	174,173		200,058		(25,884)
Guarantee deposits received	37,538		32,216		5,321
Deferred income taxes	7,031		7,210		(178)
Deferred income taxes on land revaluation	8,672		6,440		2,231
Accrued severance indemnities	4,745		4,479		265
Allowance for retirement benefits for directors	621		–		621
Provision for loss on guarantees	82		–		82
Reserve for scrapping of buildings	127		90		37
Consolidation adjustment account	–		9		(9)
Other long-term liabilities	9,952		10,310		(358)
Total liabilities	388,212	74.7	383,744	79.3	4,467
(MINORITY INTEREST)					
Minority interest	–	0.0	1,008	0.2	(1,008)
(SHAREHOLDERS' EQUITY)					
I Common stock	51,629	9.9	45,623	9.4	6,006
II Capital surplus	49,740	9.6	38,229	7.9	11,510
III Retained earnings	9,562	1.8	4,845	1.0	4,716
IV Land revaluation excess	12,635	2.4	9,384	1.9	3,251
V Net unrealized gain on available-for-sale securities	8,852	1.7	6,278	1.3	2,574
VI Foreign currency translation adjustments	(258)	(0.0)	(173)	(0.0)	(85)
VII Less: Treasury stock, at cost	(852)	(0.1)	(4,702)	(1.0)	3,850
Total shareholders' equity	131,308	25.3	99,485	20.5	31,823
Total liabilities, minority interest and shareholders' equity	519,520	100.0	484,237	100.0	35,282

Consolidated Statements of Income

Year ended December 31

(Millions of Yen)

Item	2004		2003		Increase/Decrease
	Amount	Percentage	Amount	Percentage	Amount
I Revenue from operations	161,296	100.0	129,130	100.0	32,166
II Cost of revenue	121,211	75.1	92,059	71.3	29,151
Gross profit	40,085	24.9	37,070	28.7	3,014
III Selling, general and administrative expenses	16,540	10.3	17,436	13.5	(896)
Operating income	23,545	14.6	19,633	15.2	3,911
IV Non-operating income					
Interest income	95		25		69
Dividend income	444		441		3
Equity in income of affiliated companies	245		235		10
Other	344		816		(472)
Total non-operating income	1,129	0.7	1,519	1.2	(389)
V Non-operating expenses					
Interest expense	6,481		6,723		(242)
New share issue expenses	72		–		72
Other	169		221		(51)
Total non-operating expenses	6,723	4.2	6,944	5.4	(221)
Recurring income	17,951	11.1	14,208	11.0	3,742
VI Extraordinary income					
Gain on sale of property and equipment	12		111		(98)
Gain on sale of investment securities	1,447		20		1,427
Reversal of provision for losses on doubtful accounts	0		27		(27)
Other	7		11		(4)
Total extraordinary income	1,468	0.9	170	0.1	1,297
VII Extraordinary loss					
Loss on revaluation of real estate for sale	2,127		–		2,127
Loss on sale of fixed assets	1,510		578		932
Loss on retirement of property and equipment	115		148		(32)
Loss on devaluation of investment securities	13		42		(28)
Loss on sale of investment securities	2		31		(29)
Provision for investment loss reserve	74		750		(676)
Provision for allowance for retirement benefits for directors	503		–		503
Provision for loss on guarantees	82		–		82
Retirement and bonuses for special services for directors	26		135		(108)
Other	7		335		(328)
Total extraordinary loss	4,464	2.7	2,022	1.5	2,442
Income before income taxes and minority interest	14,954	9.3	12,356	9.6	2,598
Current income taxes	4,864	3.0	1,773	1.4	3,091
Deferred income taxes	(107)	(0.0)	2,460	1.9	(2,568)
Minority interest	291	0.2	257	0.2	33
Net income	9,906	6.1	7,864	6.1	2,041

Consolidated Statements of Shareholders' Equity

Year ended December 31

(Millions of Yen)

Item	2004	2003	Increase/Decrease
	Amount	Amount	Amount
CAPITAL SURPLUS			
I Capital surplus, at beginning of year	38,229	38,229	-
II Increase in capital surplus	11,510	-	11,510
New stock issue due to capital increase	5,964	-	5,964
Surplus from retirement of treasury stock	5,545	-	5,545
III Capital surplus, at end of year	49,740	38,229	11,510
RETAINED EARNINGS			
I Retained earnings, at beginning of year	4,845	3,253	1,591
II Increase in retained earnings	9,906	7,864	2,041
Net income	9,906	7,864	2,041
III Decrease in retained earnings	5,189	6,273	(1,083)
Cash dividends	1,834	1,921	(86)
Bonuses to directors and corporate auditors	103	60	43
Transfer to land revaluation excess	3,251	4,291	(1,040)
IV Retained earnings, at end of year	9,562	4,845	4,716

Consolidated Statements of Cash Flows

Year Ended December 31

(Millions of Yen)

Item	2004	2003
	Amount	Amount
I Operating activities		
Income before income taxes and minority interest	14,954	12,356
Depreciation	3,331	3,414
Amortization	(9)	(9)
Equity in income of affiliated companies	(245)	(235)
Increase (decrease) in allowance for doubtful accounts	16	(380)
Increase (decrease) in investment loss reserve	28	684
(Reversal of) reserve for bonuses to employees	54	15
Reversal of severance indemnities, less payments	265	129
Increase (decrease) in allowance for retirement benefits for directors	621	-
Increase (decrease) in provision for loss on guarantees	82	-
Interest and dividend income	(539)	(466)
Interest expense	6,481	6,723
Loss on revaluation of real estate for sale	2,127	-
Write-down of marketable securities	13	42
Gain (loss) on sale of marketable and investment securities	(1,445)	11
Gain on sales of fixed assets	(12)	(111)
Loss on sales of fixed assets	1,626	726
(Increase) decrease in accounts receivable, trade	(2,384)	2,927
(Increase) decrease in inventories	3,081	6,211
Increase (decrease) in guarantee deposits received	5,320	(388)
Increase (decrease) in accounts payable, trade	445	288
(Increase) decrease in guarantee deposits paid	(2,301)	1,332
Other	1,329	(410)
Subtotal	32,845	32,859
Interest and dividends received	573	511
Interest paid	(6,449)	(6,689)
Income taxes paid	(2,050)	(1,017)
Net cash provided by operating activities	24,918	25,663
II Investing activities		
Proceeds from sale of marketable and investment securities	4,950	585
Payment for purchase of marketable and investment securities	(4,737)	(9,462)
Investments in consortia	(27,620)	(2,991)
Proceeds from sale of investments in consortia	2,569	1,252
Proceeds from sale of property and equipment	2,817	4,010
Payment for purchase of property and equipment	(2,753)	(3,792)
Increase in long-term loans	(460)	(51)
Collection of long-term loans	45	29
Other	(2,424)	(989)
Net cash used in investing activities	(27,613)	(11,409)
III Financing activities		
Increase (decrease) in short-term borrowings	(2,150)	(19,500)
Increase in long-term debt	64,140	78,350
Repayment of long-term debt	(71,059)	(57,758)
Repayment of corporate bonds	(6,615)	(14,300)
Proceeds from new stock issue	11,970	-
Proceeds from treasury stock	9,762	-
Acquisition of treasury stock	(1,299)	(2,191)
Dividends paid	(1,831)	(1,912)
Payments of dividends to minority shareholders	(270)	(5)
Other	(72)	-
Net cash provided by (used in) financing activities	2,574	(17,317)
IV Effect of exchange rate changes on cash and cash equivalents	(4)	(29)
V Net increase (decrease) in cash and cash equivalents	(126)	(3,092)
VI Cash and cash equivalents at beginning of year	6,745	9,838
VII Cash and cash equivalents at end of year	6,619	6,745

Changes in Accounting Standards

1. Tokyo Tatemono Co., Ltd. and its consolidated subsidiary Tokyo Tatemono Real Estate Sales Co., Ltd. have changed their standard for recording selling expenses related to the sale of real estate (advertising, miscellaneous, sales personnel expenses), from an accrual basis to one in which expenses are recorded as a lump sum at the time earnings are recognized. The Tokyo Tatemono Group anticipates a significant increase in the number of units in the sale of real estate. Also, the period of time from sale of a unit to its transfer (the time earnings are recognized) is lengthening particularly for large-scale projects such as high-rise condominiums. Therefore, from the standpoint of providing for a reasonable period between sale of real estate and selling expenses, and to ensure greater transparency in accounting, this change has been made, following consultations with the accounting auditor, effective from fiscal 2004.

Tokyo Tatemono Real Estate Sales Co., Ltd. has changed the way in which it records expenses for sales representative operations commissioned from outside the Tokyo Tatemono Group (expenses for other business) in the same way. With this change, when compared with the former method cost of revenue declined by ¥437 million, and selling, general and administrative expenses fell by ¥3,491 million, while operating income, recurring income and income before income taxes and minority interest rose by ¥3,929 million.

2. Tokyo Tatemono Co., Ltd. and its consolidated subsidiary Tokyo Tatemono Real Estate Sales Co., Ltd. have changed their standard for recording retirement bonuses to directors. These payments were previously recorded as expenses at the time of disbursement, but from fiscal 2004 the necessary payment is recorded at the end of the consolidated fiscal year as an allowance for retirement benefits for directors, in accordance with internal regulations. The recording of an allowance for retirement benefits for directors is becoming established practice, and the Company has made this change to further improve the balance in periodic income by more reasonably distributing expenses over the term of office for directors. With this change, the accrued amount for fiscal 2004 is recorded under selling, general and administrative expenses, while amounts from previous years are recorded as an extraordinary loss. As a result, when compared with the former method selling, general and administrative expenses increased by ¥118 million, while operating income and recurring income declined by the same amount, and income before income taxes and minority interest fell by ¥621 million. This change was made during the latter half of the fiscal year, so the former method was used during the interim consolidated accounting period. Accordingly, operating income and recurring income recorded during the interim accounting period were ¥62 million higher than they would have been after the change, while interim income before income taxes and minority interest was ¥565 million higher.

(Segment Information)

1. Industry Segments

Year ended December 31, 2004

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations and operating income						
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
II. Assets, depreciation and capital expenditures						
Assets	356,925	82,867	41,773	481,566	37,954	519,520
Depreciation	2,951	12	303	3,268	63	3,331
Capital expenditures	1,543	50	1,063	2,657	109	2,766

Year ended December 31, 2003

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations and operating income						
Revenue from operations						
(1) Customers	38,700	66,387	24,042	129,130	–	129,130
(2) Intersegment	576	97	2,124	2,798	(2,798)	–
Total	39,276	66,485	26,166	131,928	(2,798)	129,130
Costs and operating expenses	25,044	62,849	19,838	107,733	1,763	109,496
Operating income	14,231	3,635	6,327	24,194	(4,561)	19,633
II. Assets, depreciation and capital expenditures						
Assets	330,565	82,225	40,137	452,928	31,309	484,237
Depreciation	3,000	12	304	3,318	95	3,414
Capital expenditures	2,421	5	1,157	3,583	18	3,601

(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, resort development, leisure facilities and hotel business

3. Operating expenses for the year ended December 31, 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. Operating expenses for the year ended December 31, 2003 include ¥4,440 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.

4. Assets for the year ended December 31, 2004 include ¥61,349 million in company-wide assets included in “portion not classified to segments, less elimination,” consisting primarily of cash and cash equivalents, investment securities and assets related to general administration. Assets for the year ended December 31, 2003 include ¥56,539 million in company-wide assets included in “portion not classified to segments, less elimination,” consisting primarily of cash and cash equivalents, investment securities and assets related to general administration.
5. As described in the section on changes in accounting standards, from fiscal 2004 the Company has changed its accounting standard for condominium management, and certain portions of other businesses. Accordingly, when compared to the previous method, operating expenses for “real estate sales” decreased by ¥3,863 million, “other” decreased by ¥437 million, and “portion not classified to segments, less elimination” increased by ¥371 million. Operating income for “real estate sales” increased by ¥3,863 million, “other” increased by ¥437 million, and “portion not classified to segments, less elimination” decreased by ¥371 million.
6. As described in the section on changes in accounting standards, from fiscal 2004 the Company has changed its accounting standard for retirement benefits for directors to record the necessary payment at the end of the consolidated fiscal year as an allowance for retirement benefits for directors, in accordance with internal regulations. As a result of this change, when compared with the former method the portion of operating expenses not classified to segments, less elimination, rose by ¥118 million, while the portion of operating income not classified to segments, less elimination, fell by ¥118 million.

2. Geographical Segments

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

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

Fiscal 2003 (January 1, 2003 through December 31, 2003)

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

3. Overseas Operating Revenues

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.

Fiscal 2003 (January 1, 2003 through December 31, 2003)

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

Fiscal Year Ended December 2004

Outline of Non-Consolidated Financial Statements

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: info@tatemono.com

Date on Which the Board of Directors' Meeting Was Held to Approve the Settlement of Accounts: February 15, 2005

Date of Annual Shareholders' Meeting: March 30, 2005

Interim Dividend Scheme: Yes

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

1. Non-Consolidated Results of Operations for the Accounting Period of Fiscal 2004 (January 1, 2004 to December 31, 2004)

(1) Non-Consolidated Business Results

Year ended December 31

(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	%
2004	132,716	27.0	20,391	25.8	15,746	40.4
2003	104,496	6.8	16,209	19.8	11,219	47.5

	Net income		Net income per share	Net income per share after adjusting for dilution	Return on equity	Recurring margin on gross capital	Recurring margin on revenue from operations
	Millions of yen	%	Yen	Yen	%	%	%
2004	8,447	54.3	35.30	35.10	7.6	3.4	11.9
2003	5,474	36.1	25.66	25.42	5.8	2.5	10.7

Notes: 1. Average number of shares: Year ended December 31, 2004 236,454,120 shares
Year ended December 31, 2003 209,472,832 shares

2. Changes in accounting method: Yes

3. Percentages for revenue from operations, operating income, recurring income, and net income indicate the percentage increase/decrease compared with the accounting period of the previous fiscal year.

(2) Non-Consolidated Dividends

December 31

	Annual dividends per share			Total dividend amount (full year)	Payout ratio	Ratio of dividends to shareholders' equity
	Yen	Interim	Year-end			
2004	8.00	4.00	4.00	2,022	22.7	1.6
2003	7.00	3.00	4.00	1,447	27.3	1.5

(3) Non-Consolidated Financial Status
December 31

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2004	477,564	126,616	26.5	500.37
2003	445,276	96,892	21.8	467.97

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

December 31, 2004 252,844,878 shares

December 31, 2003 206,832,089 shares

2: Treasury stock at term-end:

December 31, 2004 1,296,756 shares

December 31, 2003 21,309,545 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		
				Interim	Year-end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Interim accounting period	54,000	6,000	3,500	4.00	–	–
Full fiscal year	145,000	17,000	11,000	–	5.00	9.00

(Reference) Projected net income per share (full fiscal year): ¥43.50

Non-Consolidated Balance Sheets

December 31

(Millions of Yen)

Item	2004		2003		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%	
I Current assets	92,714	19.4	85,901	19.3	6,813
Cash	5,082		5,331		(248)
Accounts receivable, trade	4,124		2,076		2,048
Marketable securities	2,971		462		2,508
Real estate for sale	58,586		67,005		(8,418)
Beneficial interests in real estate for sale in trust	2,606		362		2,243
Advances	809		216		593
Advance expenses	1,662		736		925
Short-term loans receivable	16,438		7,040		9,398
Deferred income taxes	407		137		269
Other current assets	7,462		2,543		4,919
Allowance for doubtful accounts	(7,437)		(11)		(7,426)
II Fixed assets	384,849	80.6	359,375	80.7	25,474
1. Property and equipment	268,283	56.2	273,338	61.4	(5,055)
Buildings	48,480		50,012		(1,532)
Structures	548		597		(49)
Machinery and equipment	246		278		(32)
Vehicles	2		4		(1)
Tools and equipment	147		157		(9)
Land	218,857		228,238		(3,380)
Construction in progress	-		50		(50)
2. Intangible and other assets	6,868	1.4	6,947	1.5	(78)
Lease rights	6,656		6,656		-
Other intangible assets	212		291		(78)
3. Investments	109,696	23.0	79,088	17.8	30,608
Investment securities	46,812		46,193		619
Shares in affiliated companies	15,811		12,813		2,998
Investment in consortia	33,456		8,707		24,748
Investment in affiliated companies	3		3		-
Long-term loans	142		183		(40)
Long-term loans to affiliated companies	548		8,655		(8,107)
Guarantee deposits paid	11,327		9,035		2,292
Other investments	3,824		3,038		786
Allowance for doubtful accounts	(1,092)		(8,493)		7,400
Investment loss reserve	(1,136)		(1,047)		(88)
Total assets	477,564	100.0	445,276	100.0	32,287

Item	2004		2003		Increase/Decrease
	Amount	Weight	Amount	Weight	Amount
(LIABILITIES)					
I Current liabilities	123,095	25.8	117,820	26.4	5,274
Short-term borrowings	18,291		21,506		(3,215)
Current portion of long-term debt	71,672		67,667		4,004
Commercial paper	700		400		300
Current portion of convertible bonds	–		6,615		(6,615)
Accounts payable, trade	8,981		5,915		3,066
Accrued income taxes	3,808		806		3,001
Accrued expenses	3,638		4,651		(1,013)
Advances received	13,276		7,731		5,545
Deposits received	1,788		1,654		133
Reserve for bonuses	124		79		44
Employees' deposits	747		726		21
Other current liabilities	66		66		(0)
II Long-term liabilities	227,852	47.7	230,563	51.8	(2,711)
Long-term debt	165,323		175,695		(10,372)
Guarantee deposits received	36,263		30,855		5,408
Accounts payable	3,644		3,909		(265)
Long-term deposits payable	5,911		5,975		(64)
Deferred income taxes	3,249		3,631		(382)
Deferred income taxes on land revaluation	8,672		6,440		2,231
Accrued severance indemnities	3,750		3,629		120
Allowance for retirement benefits for directors	565		–		565
Provision for loss on guarantees	82		–		82
Other long-term liabilities	389		425		(36)
Total liabilities	350,947	73.5	348,384	78.2	2,562
(SHAREHOLDERS' EQUITY)					
I Common stock	51,629	10.8	45,623	10.2	6,006
II Capital surplus	49,429	10.4	38,229	8.6	11,199
Additional paid-in capital	36,392		30,229		6,162
Other capital surplus	13,036		8,000		5,036
Decline in capital surplus	8,000		8,000		–
Surplus from retirement of treasury stock	5,036		–		5,036
III Retained earnings	5,326	1.1	2,069	0.5	3,256
Unappropriated retained earnings	5,326		2,069		3,256
[of which, net income]	[8,447]		[5,474]		[2,972]
IV Land revaluation excess	12,635	2.6	9,384	2.1	3,251
V Net unrealized gain on available-for-sale securities	8,186	1.7	6,012	1.4	2,174
VI Less: Treasury stock at cost	(590)	(0.1)	(4,426)	(1.0)	3,836
Total shareholders' equity	126,616	26.5	96,892	21.8	29,724
Total liabilities and shareholders' equity	477,564	100.0	445,276	100.0	32,287

Non-Consolidated Statements of Income

Year ended December 31

(Millions of Yen)

Item	2004		2003		Increase/Decrease
	Amount	Percentage	Amount	Percentage	Amount
I Revenue from operations		%		%	
Leasing	36,973	27.9	34,733	33.3	2,239
Real estate sales	91,175	68.7	62,623	59.9	28,551
Other	4,568	3.4	7,139	6.8	(2,571)
Total revenue from operations	132,716	100.0	104,496	100.0	28,220
II Cost of revenue					
Leasing	22,540		22,934		(393)
Real estate sales	76,315		49,990		26,324
Other	1,767		1,730		36
Total cost of revenue	100,623	75.8	74,655	71.4	25,967
Gross profit	32,093	24.2	29,840	28.6	2,252
III Selling, general and administrative expenses	11,702	8.8	13,631	13.1	(1,929)
Operating income	20,391	15.4	16,209	15.5	4,181
IV Non-operating income					
Interest income	60		19		41
Dividend income	1,005		458		546
Other	285		726		(440)
Total non-operating income	1,352	1.0	1,204	1.1	147
V Non-operating expenses					
Interest expense	5,826		6,060		(233)
New share issue expenses	72		-		72
Others	97		134		(36)
Total non-operating expenses	5,996	4.5	6,194	5.9	(197)
Recurring income	15,746	11.9	11,219	10.7	4,527
VI Extraordinary gain					
Gain on sale of property and equipment	-		44		(44)
Gain on sale of investment securities	1,403		13		1,390
Reversal of provision for losses on doubtful accounts	1		27		(26)
Other	-		0		(0)
Total extraordinary gain	1,404	1.0	85	0.1	1,319
VII Extraordinary loss					
Loss on revaluation of real estate for sale	2,127		-		2,127
Loss on sale of fixed assets	1,511		575		936
Loss on retirement of property and equipment	80		127		(47)
Loss on devaluation of investment securities	13		60		(46)
Loss on sale of investment securities	0		15		(15)
Provision for investment loss reserve	134		710		(576)
Provision for allowance for retirement benefits for directors	463		-		463
Provision for loss on guarantees	82		-		82
Retirement and bonuses for special services for directors	12		112		(99)
Other	7		69		(62)
Total extraordinary loss	4,433	3.3	1,671	1.6	2,761
Income before income taxes	12,717	9.6	9,633	9.2	3,084
Current income taxes	4,183		1,170		3,013
Deferred income taxes	87		2,988		(2,900)
Net income	8,447	6.4	5,474	5.2	2,972
Retained earnings carried forward	1,142		1,507		(365)
Interim cash dividends	1,011		620		390
Transfer to land revaluation excess	(3,251)		(4,291)		1,040
Unappropriated retained earnings for the period	5,326		2,069		3,256

Proposed Appropriation of Non-Consolidated Earnings

Year ended December 31

(Millions of yen)

2004		2003	
Item	Amount	Item	Amount
Unappropriated retained earnings	5,326	Unappropriated retained earnings	2,069
To be distributed as follows:		To be distributed as follows:	
Cash dividends	1,011 (¥4 per share)	Cash dividends	827 (¥4 per share)
Bonuses to directors (of which, bonuses to auditors)	100 (6)	Bonuses to directors (of which, bonuses to auditors)	100 (6)
Retained earnings carried forward	4,215	Retained earnings carried forward	1,142
Total	5,326	Total	2,069