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February 13, 2023

Outline of Consolidated Financial Statements for the Fiscal Year Ended December 2022 <under Japanese GAAP>

Name of Company Listed: Tokyo Tatemono Co., Ltd. Exchange: Prime Market of Tokyo Stock Exchange
Code Number: 8804 URL: <https://www.tatemono.com/english/>
Representative: Hitoshi Nomura, President & Chief Executive Officer
Contact: Munetoshi Harunaga, General Manager, Corporate Communications Department
TEL: +81-(0)3-3274-1984

Scheduled date of ordinary shareholders' meeting: March 29, 2023
Scheduled date for submission of securities report: March 29, 2023
Scheduled date for commencement of dividend payment: March 30, 2023

Supplementary documents for results: Yes
Results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest one million yen.)

1. Consolidated Results of Operations for Fiscal Year Ended December 2022 (January 1, 2022 to December 31, 2022)

(1) Consolidated business results

(The percentage figures indicate the percentage increase/decrease compared with the previous fiscal year.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	349,940	2.8	64,478	9.7	63,531	37.3	43,062	23.2
FY2021	340,477	1.6	58,784	18.4	46,270	(1.7)	34,965	10.0

Note: Comprehensive income FY2022 ¥41,616 million (7.0%)
FY2021 ¥38,898 million (58.8%)

	Profit per share	Profit per share after adjusting for dilution	Return on equity	Ordinary profit margin on total assets	Operating profit margin on operating revenue
	Yen	Yen	%	%	%
FY2022	206.15	—	10.0	3.8	18.4
FY2021	167.35	—	8.7	2.8	17.3

Reference: Share of profit (loss) of entities accounted for using equity method FY2022 ¥1,825 million
FY2021 -¥10,804 million

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the consolidated fiscal year ended December 2022 and the figures for the consolidated fiscal year ended December 2022 represent those after the relevant standard has been applied.

(2) Consolidated financial status

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	1,720,134	456,838	25.9	2,135.08
FY2021	1,650,770	427,661	25.3	1,996.52

Reference: Equity capital FY2022 ¥445,994 million
FY2021 ¥417,055 million

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the consolidated fiscal year ended December 2022 and the figures for the consolidated fiscal year ended December 2022 represent those after the relevant standard has been applied.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2022	(3,332)	(21,204)	18,421	82,439
FY2021	65,889	(1,642)	(32,187)	87,008

2. Dividend Status

	Dividend per share					Total dividend amount (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	—	24.00	—	27.00	51.00	10,665	30.5	2.6
FY2022	—	29.00	—	36.00	65.00	13,593	31.5	3.1
FY2023 (Forecast)	—	36.00	—	36.00	72.00		33.8	

3. Forecast of Consolidated Results of Operations for Fiscal Year Ending December 2023 (January 1, 2023 to December 31, 2023)

(The percentage figures indicate the percentage increase/decrease compared with the previous fiscal year.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	413,000	18.0	66,000	2.4	67,000	5.5	44,500	3.3	213.03

* Notes

(1) Significant changes in subsidiaries accompanied by a change in the scope of consolidation during the period: None

(2) Changes in the accounting principles and changes or restatement of accounting estimates

- (i) Changes in the accounting principles due to amendment of accounting standard, etc.: Yes
- (ii) Changes in the accounting principles other than (i): None
- (iii) Changes in the accounting estimates: None
- (iv) Restatement: None

Note: Refer to page 18, “3. Consolidated Financial Statements and Key Notes; (5) Notes on Consolidated Financial Statements; (Changes in accounting policies)” for details.

(3) Number of shares outstanding (common shares)

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

As of December 31, 2022: 209,167,674 shares As of December 31, 2021: 209,167,674 shares

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

As of December 31, 2022: 278,430 shares As of December 31, 2021: 276,104 shares

(iii) Average number of shares during the period

FY2022: 208,890,403 shares FY2021: 208,936,318 shares

* The Company has introduced a stock compensation plan, “Board Benefit Trust (BBT).” The shares of the Company held by the trust are included in the number of shares of treasury shares at the end of the period and the treasury shares deducted in the calculation of the average number of shares during the period.

* Outline of Financial Statements is not subject to review by a certified public accountant or audit corporation.

* Explanation Regarding the Appropriate Use of Business Performance Forecasts, and Other Items to Note

The performance forecasts and other statements regarding the future in these materials are based on information currently available to the Company and on certain assumptions deemed to be rational. Actual performance may differ materially depending on various factors. Refer to page 9, “1. Outline of Operating Results, Etc.; (4) Outlook for the Next Fiscal Year,” for matters regarding the performance forecasts.

○ Contents of Accompanying Materials

1. Outline of Operating Results, Etc.	4
(1) Outline of Operating Results for the Fiscal Year Under Review	4
(2) Outline of Financial Position for the Fiscal Year Under Review	8
(3) Outline of Cash Flows for the Fiscal Year Under Review	8
(4) Outlook for the Next Fiscal Year	9
(5) Basic Policy Regarding Distribution of Profit for the Fiscal Year Under Review and Next Fiscal Year	9
2. Basic Policy Regarding Selection of Accounting Standards.....	9
3. Consolidated Financial Statements and Key Notes.....	10
(1) Consolidated Balance Sheet	10
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	12
(3) Consolidated Statement of Changes in Equity	14
(4) Consolidated Statement of Cash Flows.....	16
(5) Notes on Consolidated Financial Statements	18
(Notes on Going Assumptions)	18
(Changes in Accounting Policies)	18
(Consolidated Statement of Income)	18
(Relating to Business Combination, etc.)	19
(Segment Information, etc.)	20
(Relating to Rental Properties)	25
(Per Share Information).....	25
(Major Subsequent Events)	26

1. Outline of Operating Results, Etc.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the consolidated fiscal year ended December 2022.

The details are as stated in “3. Consolidated Financial Statements and Key Notes; (5) Notes on Consolidated Financial Statements; (Changes in Accounting Policies).”

(1) Outline of Operating Results for the Fiscal Year Under Review

In the fiscal year under review (fiscal year ended December 31, 2022 (FY2022)), the Japanese economy continued to show a gradual recovery as prevention of the spread of COVID-19 and economic and social activities both progressed. However, amid the prolonged Russia and Ukraine situation, geopolitical risks became apparent, energy and raw material prices rose, and rapid monetary tightening in Europe and the U.S. led to continued and profound uncertainty about the future outlook.

In the real estate industry, the rental office market showed a trend of vacancy rates rising overall, but vacancy rates turned to decline in some areas. There was also a trend for companies that value employee engagement and in-person communication to seek higher value-added office environments. The residential housing market remained strong as interest rates remained low and demand remained strong for housing options that allow for a variety of lifestyles. The real estate investment market was bullish against the backdrop of investors’ strong appetite for investment amid the continued accommodative financial environment in Japan. In addition, hotels and commercial facilities showed a recovery trend in occupancy rates and sales in the second half of the fiscal year due to the easing of restrictions on activities and entry into the country.

Amid this business environment, the Tokyo Tatemono Group has steadily promoted the five “Key Strategies” in the Tokyo Tatemono Group medium-term business plan for the period from FY2020 through FY2024 and the “evolved approach to ESG management,” with the aim of realizing its “Becoming a Next-Generation Developer” long-term vision looking ahead to around the year 2030. With respect to one of our key strategies, promotion of large-scale redevelopment, the Tokyo Tatemono Group made good progress overall, including the acquisition of important permits and approvals for redevelopment projects in the Yaesu area and Shibuya area. With respect to expansion of property sales to investors, we launched the “T-PLUS” series of medium-sized office buildings, and the first property in this series was completed and begun operations. With regard to evolution of ESG management, in condominiums for sale, we completed the first property to be selected for the Ministry of Economy, Trade and Industry’s ZEH-M (Net Zero Energy House for condominiums) demonstration project for super high-rise buildings in the Tokyo metropolitan area. Furthermore, we have made it a policy to convert newly developed properties to ZEH in principle, thereby focusing on the development of ZEH that contributes to the realization of a decarbonized society. In terms of governance, in order to strengthen the risk management system, the previously existing Internal Control Management Committee was reorganized to establish the Risk Management Committee and the Internal Control Committee. The external evaluation of the Tokyo Tatemono Group’s ESG management has been increasing year by year, and the Tokyo Tatemono Group has been newly selected as a constituent of the MSCI Japan ESG Select Leaders Index, a major ESG investment index. In addition, in order to meet the needs of diversifying work styles, we have made Expert Office Co., Ltd. a wholly owned subsidiary to strengthen our flexible office business, and we have promoted various initiatives to achieve our dual goals of “solving social issues” and “company growth” at higher levels under the long-term vision.

In terms of the Tokyo Tatemono Group’s consolidated results for FY2022, leasing in the Commercial Properties business remained strong, while high-income properties were recorded for condominiums for sale and property sales to investors in the Asset Solution business increased. Consequently, operating revenue was ¥349,940 million (up 2.8% from ¥340,477 million for the previous fiscal year), and operating profit was ¥64,478 million (up 9.7% from ¥58,784 million for the previous fiscal year). Also, due to the recording of share of profit of entities accounted for using equity method in overseas business, business profit was ¥66,304 million (up 38.2% from ¥47,979 million for the previous fiscal year), ordinary profit was ¥63,531 million (up 37.3% from ¥46,270 million for the previous fiscal year) and profit attributable to owners of parent was ¥43,062 million (up 23.2% from ¥34,965 million for the previous fiscal year).

The Tokyo Tatemono Group has set “business profit,” which is the sum of operating profit and share of profit (loss) of entities accounted for using equity method, as a profit indicator.

In addition, the Company revised the classification of reportable segments in FY2022. The results for the previous fiscal year have been restated based on the revised classification.

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

<Commercial Properties Business>

In the Commercial Properties business, we steadily advanced large-scale redevelopment projects, including the “Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (Districts A and B)” (Chuo-ku, Tokyo), which received approval to establish an urban redevelopment association for District A, and the “Urban Redevelopment Project for Shibuya 2-Chome West Area” (Shibuya-ku, Tokyo), which received an urban planning decision. In addition, for initiatives in for-sale properties for investors, along with promoting 24 projects nationwide for logistics facilities, we completed eight projects, including “T-LOGI Yokohama Aoba” (Tsuzuki-ku, Yokohama-shi). We also promoted development of a diverse range of assets (“T-PLUS” series of medium-sized office buildings, urban hotels, commercial facilities, etc.).

In FY2022, sales of real estate were recorded through “T-LOGI Kuki” (Kuki-shi, Saitama Prefecture) and “Tokyo Tatemono Higashi Shibuya Building” (Shibuya-ku, Tokyo) as property sales to investors, while revenues decreased due to the rebound from the sale of large-scale properties in the previous fiscal year and other factors.

Consequently, operating revenue was ¥145,155 million (down 6.8% from ¥155,671 million for the previous fiscal year), operating profit was ¥40,910 million (down 8.0% from ¥44,481 million for the previous fiscal year) and business profit was ¥41,204 million (down 8.0% from ¥44,809 million for the previous fiscal year).

Item	FY2021		FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Leasing of buildings, etc.	Leased area of buildings 862,209 m ² (Of which, subleased area 87,516 m ²)	75,701	Leased area of buildings 947,514 m ² (Of which, subleased area 81,095 m ²)	76,735
Sales of real estate	5 properties	43,283	2 properties	29,812
Building management service, etc.	—	36,686	—	38,607
Total operating revenue	—	155,671	—	145,155
Operating profit	—	44,481	—	40,910
Business profit	—	44,809	—	41,204

<Residential Business>

In the Residential business, along with aiming to become No. 1 in customer evaluation and striving to enhance the value of the “Brillia” brand of condominiums for sale, development of “Brillia ist” condominiums for rent was among other initiatives proactively taken. In FY2022, the condominium business recorded revenues from “Brillia City Nishi-Waseda” (Toshima-ku, Tokyo), “Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE” (Tama-shi, Tokyo), “SHINTO CITY (Blocks II and III)” (Omiya-ku, Saitama-shi), etc. Sales also begun for “Brillia Meguro Ohashi” (Meguro-ku, Tokyo) and “Brillia Tower Minoh Semba TOP OF THE HILL” (Minoh-shi, Osaka). In addition, “Brillia ist Ryogoku” (Sumida-ku, Tokyo) and “Brillia ist Shinjuku Akebonobashi” (Shinjuku-ku, Tokyo) were sold to investors and recorded as revenue.

Consequently, operating revenue was ¥131,390 million (up 9.0% from ¥120,585 million for the previous fiscal year), and operating profit and business profit were each ¥23,304 million (up 36.3% from ¥17,096 million for the previous fiscal year).

Item	FY2021		FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Residential sales	1,109 units	71,903	1,435 units	85,958
Sales of real estate	—	20,585	—	17,500
Residence leasing	Leased area of buildings 153,254 m ²	5,896	Leased area of buildings 125,085 m ²	5,309
Condominium management service	Number of managed units 98,789 units	12,906	Number of managed units 98,006 units	13,743
Other	—	9,292	—	8,879
Total operating revenue	—	120,585	—	131,390
Operating profit	—	17,096	—	23,304
Business profit	—	17,096	—	23,304

<Asset Service Business>

In the Asset Service business, in the brokerage business, efforts were made to enhance profitability through developing new information channels and strengthening relationships with corporate customers and investors, among other initiatives. In the Asset Solution business, the Company focused on strengthening its information gathering capabilities and acquiring new buyers by promoting collaboration with the brokerage business, as well as developing new asset types, etc. In the parking lot business, although the impact of the COVID-19 pandemic continued, the Company opened new large-scale facilities and reviewed unprofitable existing facilities, while also striving to improve customer service by upgrading the functionality of parking lot systems and other measures.

In FY2022, revenues increased due to an increase in property sales to investors in the Asset Solution business. Consequently, operating revenue was ¥50,240 million (up 17.8% from ¥42,654 million for the previous fiscal year), and operating profit and business profit were each ¥7,399 million (up 70.8% from ¥4,331 million for the previous fiscal year).

Item	FY2021		FY2022	
	Quantity, etc.	Operating revenue (million yen)	Quantity, etc.	Operating revenue (million yen)
Brokerage	1,152 properties	4,473	1,086 properties	4,626
Asset solution (Note)	—	13,746	—	19,084
Management service, etc.	—	4,446	—	4,554
Parking lot operations	Number of parking spaces 75,254 spaces	19,988	Number of parking spaces 80,057 spaces	21,975
Total operating revenue	—	42,654	—	50,240
Operating profit	—	4,331	—	7,399
Business profit	—	4,331	—	7,399

Note: This business mainly improves the added value of acquired real estate for the purpose of resale.

<Other>

In the leisure & child care business, dog-friendly hotels and golf courses continued to maintain high occupancy rates throughout the fiscal year, and sales at hot-spring facilities, which had been affected by the COVID-19 pandemic, showed signs of recovery. For child care facilities, we opened a new “Ohayo Child Care Ariake” (Koto-ku, Tokyo). With regard to overseas businesses, the Company sold its entire stake in 79 Robinson Road in Singapore, which was held by an equity-method affiliate.

In FY2022, revenues increased in the leisure & child care business, mainly due to an improvement in the operation of resort facilities. In addition, business profit increased mainly due to the recording of share of profit of entities accounted for using equity method in overseas businesses. Consequently, operating revenue was ¥23,154 million (up 7.4% from ¥21,565 million for the previous fiscal year), operating profit was ¥2,518 million (up 24.8% from ¥2,017 million for the previous fiscal year) and business profit was ¥4,050 million (a business loss of ¥9,115 million for the previous fiscal year).

Item	FY2021	FY2022
	Operating revenue (million yen)	Operating revenue (million yen)
Leisure & child care business	17,377	18,541
Other	4,188	4,612
Total operating revenue	21,565	23,154
Operating profit	2,017	2,518
Business profit (loss)	(9,115)	4,050

(2) Outline of Financial Position for the Fiscal Year Under Review

(Assets)

Total assets at the end of FY2022 were ¥1,720,134 million, up ¥69,363 million from the end of the previous fiscal year. This was primarily attributable to increase in real estate for sale (including real estate for sale in process and real estate for development).

(Liabilities)

Total liabilities at the end of FY2022 were ¥1,263,296 million, up ¥40,186 million from the end of the previous fiscal year. This was primarily attributable to an increase in interest-bearing debt. The balance of interest-bearing debt (excluding lease obligations) was ¥989,798 million, up ¥32,962 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of FY2022 were ¥456,838 million, up ¥29,177 million from the end of the previous fiscal year. This was primarily attributable to increase in retained earnings and revaluation reserve for land.

(3) Outline of Cash Flows for the Fiscal Year Under Review

Consolidated cash and cash equivalents (hereinafter “cash”) at the end of FY2022 stood at ¥82,439 million, down ¥4,569 million from the end of the previous fiscal year. This was primarily attributable to ¥3,332 million used in operating activities, ¥21,204 million used in investing activities and ¥18,421 million provided by financing activities.

Cash flows for each category are as follows:

(Cash flows from operating activities)

Cash used in operating activities at the end of FY2022 stood at ¥3,332 million (down ¥69,222 million from the previous fiscal year). This was primarily attributable to cash inflows due to profit before income taxes on the one hand, and cash outflows due to increase of inventories on the other hand.

(Cash flows from investing activities)

Cash used in investing activities at the end of FY2022 stood at ¥21,204 million (down ¥19,562 million from the previous fiscal year). This was primarily attributable to cash outflows due to purchase of non-current assets.

(Cash flows from financing activities)

Cash provided by financing activities at the end of FY2022 stood at ¥18,421 million (up ¥50,609 million from the previous fiscal year). This was primarily attributable to cash inflows due to long-term borrowings.

(4) Outlook for the Next Fiscal Year

The following outlines the consolidated earnings forecasts for the next fiscal year (fiscal year ending December 31, 2023 (FY2023)).

(Million yen)

	Full-year forecast for FY2023	FY2022	Compared with FY2022
Operating revenue	413,000	349,940	+63,059
Operating profit	66,000	64,478	+1,521
Business profit	71,000	66,304	+4,695
Ordinary profit	67,000	63,531	+3,468
Profit attributable to owners of parent	44,500	43,062	+1,437

* Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

The outlook for FY2023 is increase in revenue and profit. Specifically, operating revenue of ¥413,000 million, operating profit of ¥66,000 million and business profit of ¥71,000 million. This is due in part to expecting increase in the number of property sales to investors posted in the Commercial Properties business.

(5) Basic Policy Regarding Distribution of Profit for the Fiscal Year Under Review and Next Fiscal Year

The Company's basic policy for distribution of profit is to make efforts to maintain and enhance stable distribution levels by comprehensively taking into account future management environment, business development, changes in business results, etc. while building internal reserve for reinvestment toward enhancement of corporate value. The Company sets a baseline dividend payout ratio of at least 30% for the period of the Tokyo Tatemono Group's medium-term business plan (FY2020–FY2024).

The year-end dividend payment plan for FY2022 was ¥33 per share. However, the Company plans a ¥36 year-end dividend per share, which is a hike of ¥3, given that consolidated earnings for FY2022 outperformed forecasts. As a result, the dividend payout ratio for FY2022 will be 31.5%.

In FY2023, in light of the earnings forecasts, the Company plans a per-share dividend of ¥72 (interim dividend of ¥36).

2. Basic Policy Regarding Selection of Accounting Standards

For the time being, the Tokyo Tatemono Group will prepare its consolidated financial statements based on Japanese accounting standards to ensure comparability between fiscal periods and with other companies.

That said, the Company will apply international accounting standards should it need to properly adapt to changes in various trends and circumstances in Japan and abroad.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Million yen)

	End of FY2021 (December 31, 2021)	End of FY2022 (December 31, 2022)
Assets		
Current assets		
Cash and deposits	87,010	82,440
Trade notes and accounts receivable	14,041	—
Trade notes, accounts receivable and contract assets	—	14,334
Real estate for sale	133,251	173,836
Real estate for sale in process	139,389	160,009
Real estate for development	71,579	81,069
Other	36,004	40,934
Allowance for doubtful accounts	(58)	(93)
Total current assets	481,217	552,531
Non-current assets		
Property, plant and equipment		
Buildings and structures	383,995	396,529
Accumulated depreciation	(160,377)	(174,775)
Buildings and structures, net	223,618	221,754
Land	539,786	537,397
Construction in progress	38,536	44,903
Other	30,098	31,198
Accumulated depreciation	(18,788)	(20,291)
Other, net	11,309	10,907
Total property, plant and equipment	813,251	814,963
Intangible assets		
Leasehold interests in land	128,730	130,042
Goodwill	1,162	1,716
Other	986	887
Total intangible assets	130,880	132,646
Investments and other assets		
Investment securities	128,586	128,701
Investments in silent partnerships	8,128	3,638
Long-term loans receivable	8	458
Deferred tax assets	2,148	2,001
Leasehold and guarantee deposits	21,261	21,469
Retirement benefit asset	2,215	1,151
Other	63,170	62,673
Allowance for doubtful accounts	(97)	(100)
Total investments and other assets	225,421	219,993
Total non-current assets	1,169,553	1,167,603
Total assets	1,650,770	1,720,134

(Million yen)

	End of FY2021 (December 31, 2021)	End of FY2022 (December 31, 2022)
Liabilities		
Current liabilities		
Short-term borrowings	83,726	52,047
Commercial papers	40,000	50,000
Current portion of bonds payable	—	10,000
Accounts payable - other	13,849	13,781
Income taxes payable	11,094	4,811
Provision for warranties for completed construction	10	11
Provision for bonuses	945	950
Provision for bonuses for directors (and other officers)	2	2
Provision for loss on guarantees	30	—
Provision for environmental measures	26	0
Deposits received under real estate specified joint enterprise law	4,500	—
Other	58,316	67,856
Total current liabilities	212,502	199,461
Non-current liabilities		
Bonds payable	255,000	245,000
Long-term borrowings	575,676	630,520
Deferred tax liabilities	19,861	17,647
Deferred tax liabilities for land revaluation	23,663	27,274
Provision for share awards for directors (and other officers)	190	259
Provision for retirement benefits for directors (and other officers)	94	98
Leasehold and guarantee deposits received	78,381	78,088
Retirement benefit liability	12,955	13,023
Deposits received under real estate specified joint enterprise law	19,076	21,684
Other	25,708	30,236
Total non-current liabilities	1,010,607	1,063,834
Total liabilities	1,223,109	1,263,296
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,587	66,539
Retained earnings	166,356	189,501
Treasury shares	(439)	(443)
Total shareholders' equity	324,955	348,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54,276	50,332
Deferred gains or losses on hedges	(17)	—
Revaluation reserve for land	34,959	43,187
Foreign currency translation adjustment	2,144	4,604
Remeasurements of defined benefit plans	736	(179)
Total accumulated other comprehensive income	92,099	97,945
Non-controlling interests	10,605	10,843
Total net assets	427,661	456,838
Total liabilities and net assets	1,650,770	1,720,134

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated statement of income)

(Million yen)

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Operating revenue	340,477	349,940
Operating costs	247,933	248,452
Operating gross profit	92,543	101,488
Selling, general and administrative expenses	33,759	37,009
Operating profit	58,784	64,478
Non-operating income		
Interest income	21	28
Dividend income	5,336	3,621
Share of profit of entities accounted for using equity method	—	1,825
Other	1,523	830
Total non-operating income	6,881	6,307
Non-operating expenses		
Interest expenses	6,667	6,094
Borrowing fee	1,012	862
Share of loss of entities accounted for using equity method	10,804	—
Bond issuance costs	443	—
Dividends paid on real estate specified joint enterprise law	75	94
Provision for loss on guarantees	30	—
Other	361	202
Total non-operating expenses	19,395	7,254
Ordinary profit	46,270	63,531
Extraordinary income		
Gain on sale of non-current assets	7	726
Gain on sale of investment securities	8,804	50
Gain on sale of investments in capital of subsidiaries and associates	1,538	—
Gain on liquidation of subsidiaries and associates	367	—
Gain on bargain purchase	—	870
Gain on step acquisitions	—	12
Total extraordinary income	10,719	1,659
Extraordinary losses		
Loss on sale of non-current assets	3	9
Loss on retirement of non-current assets	208	139
Impairment losses	273	462
Loss on building reconstruction	—	* 1,772
Loss on sale of investment securities	2	—
Loss on valuation of investment securities	138	50
Loss on liquidation of subsidiaries and associates	—	6
Loss on COVID-19	129	—
Total extraordinary losses	754	2,440
Profit before income taxes	56,234	62,750
Income taxes - current	20,231	15,580
Income taxes - deferred	64	3,086
Total income taxes	20,295	18,666
Profit	35,938	44,084
Profit attributable to non-controlling interests	972	1,021
Profit attributable to owners of parent	34,965	43,062

(Consolidated statement of comprehensive income)

(Million yen)

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Profit	35,938	44,084
Other comprehensive income		
Valuation difference on available-for-sale securities	(676)	(4,021)
Foreign currency translation adjustment	253	118
Remeasurements of defined benefit plans, net of tax	617	(924)
Share of other comprehensive income of entities accounted for using equity method	2,766	2,359
Total other comprehensive income	2,960	(2,467)
Comprehensive income	38,898	41,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	37,949	40,680
Comprehensive income attributable to non-controlling interests	949	935

(3) Consolidated Statement of Changes in Equity
FY2021 (January 1, 2021 to December 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,451	66,587	141,422	(219)	300,242
Changes during period					
Dividends of surplus			(10,038)		(10,038)
Profit attributable to owners of parent			34,965		34,965
Reversal of revaluation reserve for land			6		6
Purchase of treasury shares				(234)	(234)
Disposal of treasury shares		0		15	15
Net changes in items other than shareholders' equity					
Total changes during period	—	0	24,933	(219)	24,713
Balance at end of period	92,451	66,587	166,356	(439)	324,955

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	54,928	(42)	34,965	(850)	120	89,122	9,765	399,129
Changes during period								
Dividends of surplus								(10,038)
Profit attributable to owners of parent								34,965
Reversal of revaluation reserve for land								6
Purchase of treasury shares								(234)
Disposal of treasury shares								15
Net changes in items other than shareholders' equity	(652)	24	(6)	2,994	616	2,977	840	3,818
Total changes during period	(652)	24	(6)	2,994	616	2,977	840	28,531
Balance at end of period	54,276	(17)	34,959	2,144	736	92,099	10,605	427,661

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,451	66,587	166,356	(439)	324,955
Cumulative effect of changes in accounting policies			22		22
Restated balance	92,451	66,587	166,378	(439)	324,978
Changes during period					
Dividends of surplus			(11,711)		(11,711)
Profit attributable to owners of parent			43,062		43,062
Reversal of revaluation reserve for land			(8,228)		(8,228)
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(48)			(48)
Net changes in items other than shareholders' equity					
Total changes during period	—	(47)	23,123	(4)	23,070
Balance at end of period	92,451	66,539	189,501	(443)	348,048

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	54,276	(17)	34,959	2,144	736	92,099	10,605	427,661
Cumulative effect of changes in accounting policies								22
Restated balance	54,276	(17)	34,959	2,144	736	92,099	10,605	427,683
Changes during period								
Dividends of surplus								(11,711)
Profit attributable to owners of parent								43,062
Reversal of revaluation reserve for land								(8,228)
Purchase of treasury shares								(4)
Disposal of treasury shares								0
Change in ownership interest of parent due to transactions with non-controlling interests								(48)
Net changes in items other than shareholders' equity	(3,944)	17	8,228	2,460	(915)	5,846	238	6,084
Total changes during period	(3,944)	17	8,228	2,460	(915)	5,846	238	29,155
Balance at end of period	50,332	—	43,187	4,604	(179)	97,945	10,843	456,838

(4) Consolidated Statement of Cash Flows

(Million yen)

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	56,234	62,750
Depreciation	18,572	18,796
Impairment losses	273	462
Loss on building reconstruction	—	1,772
Amortization of goodwill	290	317
Gain on bargain purchase	—	(870)
Loss (gain) on step acquisitions	—	(12)
Share of loss (profit) of entities accounted for using equity method	10,804	(1,825)
Increase (decrease) in allowance for doubtful accounts	12	36
Increase (decrease) in provision for bonuses	(11)	5
Increase (decrease) in provision for bonuses for directors (and other officers)	(21)	(0)
Increase (decrease) in provision for share awards for directors (and other officers)	50	69
Increase (decrease) in provision for retirement benefits for directors (and other officers)	17	4
Increase (decrease) in provision for loss on guarantees	30	(30)
Increase (decrease) in provision for environmental measures	(1)	(26)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(275)	—
Increase (decrease) in retirement benefit liability	209	(198)
Interest and dividend income	(5,358)	(3,650)
Interest expenses	6,667	6,094
Loss (gain) on valuation of investment securities	138	50
Loss (gain) on sale of investment securities	(8,802)	(50)
Loss (gain) on sale of investments in capital of subsidiaries and associates	(1,538)	—
Loss (gain) on liquidation of subsidiaries and associates	(367)	6
Loss (gain) on sale and retirement of non-current assets	204	(577)
Decrease (increase) in trade receivables	(310)	(292)
Decrease (increase) in inventories	3,467	(65,006)
Increase (decrease) in leasehold and guarantee deposits received	(999)	(1,885)
Increase (decrease) in trade payables	(47)	813
Decrease (increase) in leasehold and guarantee deposits	807	(849)
Increase (decrease) in deposits received	(380)	3,839
Other, net	5,181	(1,094)
Subtotal	84,847	18,648
Interest and dividends received	6,196	6,203
Interest paid	(6,535)	(6,101)
Income taxes refund (paid)	(18,619)	(22,083)
Net cash provided by (used in) operating activities	65,889	(3,332)

(Million yen)

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Cash flows from investing activities		
Proceeds from sale and redemption of investment securities	10,786	2,188
Purchase of investment securities	(1,578)	(5,604)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,105)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	654
Purchase of investments in capital of subsidiaries and associates	(2,871)	—
Proceeds from redemption of investments in capital of subsidiaries and associates	2,204	—
Proceeds from sales of investments in capital of subsidiaries and associates	7,643	—
Payments for investments in silent partnerships	(73)	—
Proceeds from withdrawal of investments in silent partnerships	774	4,460
Proceeds from sale of non-current assets	19	4,244
Purchase of non-current assets	(19,386)	(22,495)
Increase (decrease) in deposits received under real estate specified joint enterprise law	2,693	(1,892)
Other, net	(749)	(2,759)
Net cash provided by (used in) investing activities	(1,642)	(21,204)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(0)	(0)
Increase (decrease) in commercial papers	(15,000)	10,000
Proceeds from long-term borrowings	33,500	135,500
Repayments of long-term borrowings	(68,814)	(112,534)
Repayments of long-term accounts payable - other	(202)	(202)
Proceeds from issuance of bonds	50,000	—
Redemption of bonds	(20,000)	—
Purchase of equity interests in silent partnerships of subsidiaries and associates not resulting in change in scope of consolidation	—	(648)
Proceeds from sale of treasury shares	2	0
Purchase of treasury shares	(234)	(4)
Dividends paid	(10,029)	(11,700)
Dividends paid to non-controlling interests	(596)	(708)
Proceeds from share issuance to non-controlling shareholders	—	34
Other, net	(811)	(1,312)
Net cash provided by (used in) financing activities	(32,187)	18,421
Effect of exchange rate change on cash and cash equivalents	303	1,545
Net increase (decrease) in cash and cash equivalents	32,362	(4,569)
Cash and cash equivalents at beginning of period	54,645	87,008
Cash and cash equivalents at end of period	87,008	82,439

(5) Notes on Consolidated Financial Statements

(Notes on Going Assumptions)

Not applicable

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended December 2022 and has recognized revenue from goods or services which the Company promised to provide at an amount expected to be received in exchange for the goods or services at the time when control over the promised goods or services has been transferred to a customer.

The application of the Accounting Standard for Revenue Recognition, etc. is in accordance with the transitional treatment stipulated in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effects in the case of retroactively applying the new accounting policy to before the beginning of the fiscal year ended December 2022 are adjusted in retained earnings at beginning of the fiscal year ended December 2022, and the new accounting policy is applied from this initial balance. However, in applying the method stipulated in paragraph 86 of the Accounting Standard for Revenue Recognition, the Company does not retroactively apply the new accounting policy to the contracts for almost all of which revenue was recognized in compliance with the conventional method before the beginning of the fiscal year ended December 2022.

The impact of the application of the Accounting Standard for Revenue Recognition on profit (loss), beginning-of-period retained earnings, and per-share information of the fiscal year ended December 2022 will be minor.

As the Accounting Standard for Revenue Recognition, etc. was applied, “trade notes and account receivable” that had been stated in current assets are stated as part of “trade notes, accounts receivable, and contract assets” as of the fiscal year ended December 2022. Based on the transitional treatment set out in Article 89-2 of the Accounting Standard for Revenue Recognition, no reclassification was performed by the new method for the previous fiscal period.

(Application of the accounting standard for fair value measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019), etc. from the beginning of the fiscal year ended December 2022 and in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company decided to apply the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement into the future.

The impact of the application of the Accounting Standard for Fair Value Measurement on the consolidated financial statements for the fiscal year ended December 2022 will be minor.

(Consolidated Statement of Income)

* Loss on building reconstruction

Losses associated with reconstruction plans for leased buildings, for which the breakdown is as follows.

Impairment losses (Note)	¥1,772 million
Total	¥1,772 million

(Note) The Tokyo Tatemono Group groups assets according to the smallest unit that generates cash flows that are generally independent of other assets or asset groups.

In FY2022, the book value of a group of assets scheduled for reconstruction was reduced to the recoverable amount, and the amount of the reduction was recorded as loss on building reconstruction under extraordinary losses.

The recoverable amount is measured by the value in use, and since the value in use based on future cash flows is negative, the recoverable amount is evaluated as zero.

Main use	Type	Location	Loss on building reconstruction (million yen)
Leased building	Buildings and structures, etc.	Shibuya-ku, Tokyo	1,772

(Relating to Business Combination, etc.)

(Additional acquisition of subsidiary shares)

The Company acquired 51% of the shares of Expert Office Co., Ltd. on August 2, 2021, based on the share transfer agreement dated July 8, 2021, as resolved at the meeting of its board of directors held on May 12, 2021, and acquired additional shares of the company on January 17, 2022, making it a wholly owned subsidiary.

1. Overview of the acquisition

(1) Name and business content of the combined company

Name of the combined company Expert Office Co., Ltd. (hereinafter “EO”)

Business content Operation of serviced offices and co-working spaces

(2) Date of the business combination (date of additional acquisition)

January 17, 2022

(3) Legal form of the business combination

Acquisition of shares for cash consideration

(4) Name of the company after the business combination

There is no change to the name of the company.

(5) Other matters concerning the overview of the acquisition

The ratio of voting rights of the shares additionally acquired is 49.0%, making EO a wholly owned subsidiary of the Company as a result of the acquisition.

2. Overview of the accounting

Based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019), the acquisition is accounted for as one transaction with the acquisition of EO shares conducted on August 2, 2021, and calculation of goodwill for the equity interest additionally acquired after obtaining control was made as having posted goodwill at the time of obtaining control.

3. Breakdown of acquisition costs and consideration regarding the acquired company by type

It is not disclosed due to confidentiality between the parties.

4. Breakdown and amount of major acquisition-related expenses

Advisory expenses, etc. ¥41 million

5. Amount of goodwill generated, cause of generation, amortization method and amortization period

(1) Amount of goodwill generated

¥871 million

(2) Cause of generation

It was generated from the expected future excess earning power through future business development.

(3) Amortization method and amortization period

It will be amortized by straight-line method over the period of ten years

(Segment Information, etc.)

Segment Information

1. Overview of Reportable Segments

The reportable segments of the Company are the constituent units of the Company for which separate financial information is available and for which the Board of Directors conducts a regular review to determine the allocation of management resources and assess the business performance.

The Company operates business activities by establishing divisions corresponding to their line of business, with the divisions formulating comprehensive strategies for the businesses they operate.

Therefore, the Company comprises business segments with the divisions as the basis and conducts the three businesses of Commercial Properties, Residential, and Asset Service as its reportable segments.

In the Commercial Properties business, operations include developing, selling, leasing out, operating, and managing office buildings, commercial facilities, logistics properties, etc. In the Residential business, operations include developing, selling, leasing out and managing condominiums. In the Asset Service business, operations include real estate sales, brokerage, consulting and parking lot development and operations.

As the Overseas business, which was a reportable segment in FY2021, has declined in quantitative materiality, the Company has revised the classification of the business to be excluded from reportable segments and included in the Other business. The segment information for FY2021 has been restated based on the revised classification.

2. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment

FY2021 (January 1, 2021 to December 31, 2021)

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Commercial Properties	Residential	Asset Service	Total				
Operating revenue								
External customers	155,671	120,585	42,654	318,911	21,565	340,477	—	340,477
Inter-segment or transfer	1,654	542	5,935	8,131	134	8,265	(8,265)	—
Total	157,325	121,127	48,589	327,042	21,700	348,743	(8,265)	340,477
Segment profit (loss) (Business profit (loss))								
Operating profit (loss)	44,481	17,096	4,331	65,909	2,017	67,926	(9,142)	58,784
Share of profit (loss) of entities accounted for using equity method	328	—	—	328	(11,133)	(10,804)	—	(10,804)
Total	44,809	17,096	4,331	66,237	(9,115)	57,121	(9,142)	47,979
Segment assets	1,095,041	241,173	82,856	1,419,072	100,550	1,519,622	131,148	1,650,770
Other items								
Depreciation	13,725	1,506	2,215	17,447	891	18,339	233	18,572
Investments in entities accounted for using equity method	1,158	—	—	1,158	37,337	38,496	—	38,496
Increase in property, plant and equipment and intangible assets	18,458	965	1,324	20,749	3,349	24,098	97	24,196

Note 1: The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “leisure & child care,” “fund,” and “overseas.”

Note 2: (1) Adjustment of -¥9,142 million for segment profit (loss) includes inter-segment elimination of ¥73 million and corporate expenses of -¥9,216 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥131,148 million includes the company-level assets of ¥207,418 million and inter-segment elimination of -¥76,269 million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets, etc. relating to corporate divisions.

Note 3: Segment profit (loss) is adjusted with the sum of operating profit and share of profit (loss) of entities accounted for using equity method in the consolidated statement of income.

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Commercial Properties	Residential	Asset Service	Total				
Operating revenue								
External customers	145,155	131,390	50,240	326,786	23,154	349,940	—	349,940
Inter-segment or transfer	1,606	330	558	2,495	256	2,752	(2,752)	—
Total	146,761	131,721	50,799	329,282	23,410	352,693	(2,752)	349,940
Segment profit (Business profit)								
Operating profit	40,910	23,304	7,399	71,615	2,518	74,133	(9,655)	64,478
Share of profit (loss) of entities accounted for using equity method	293	—	—	293	1,532	1,825	—	1,825
Total	41,204	23,304	7,399	71,908	4,050	75,959	(9,655)	66,304
Segment assets	1,142,724	269,870	85,999	1,498,594	99,806	1,598,401	121,733	1,720,134
Other items								
Depreciation	13,651	1,514	2,363	17,528	1,042	18,571	225	18,796
Investments in entities accounted for using equity method	1,525	—	—	1,525	41,126	42,652	—	42,652
Increase in property, plant and equipment and intangible assets	23,307	1,357	1,519	26,184	635	26,819	74	26,893

Note 1: The “Other” business segment is not included in reportable segments. “Other” includes businesses such as “leisure & child care,” “fund,” and “overseas.”

Note 2: (1) Adjustment of -¥9,655 million for segment profit includes inter-segment elimination of ¥34 million and corporate expenses of -¥9,689 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥121,733 million includes the company-level assets of ¥205,259 million and inter-segment elimination of -¥83,526 million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets, etc. relating to corporate divisions.

Note 3: Segment profit is adjusted with the sum of operating profit and share of profit of entities accounted for using equity method in the consolidated statement of income.

Related Information

FY2021 (January 1, 2021 to December 31, 2021)

FY2022 (January 1, 2022 to December 31, 2022)

1. Information by Product and Service

Information by product and service is omitted, as similar information is stated in “2. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment” in “Segment Information.”

2. Information by Region

(1) Operating revenue

Operating revenue is omitted because the amount of operating revenue to external customers in Japan exceeded 90% of the amount of operating revenue stated in the consolidated statement of income.

(2) Property, plant and equipment

Property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment stated in the consolidated balance sheet.

3. Information by Major Customer

Information by major customer is omitted because the amount of operating revenue to specified customers, which is included in operating revenue to external customers, is less than 10% of the operating revenue stated in the consolidated statement of income.

Information on Impairment Losses of Non-Current Assets by Reportable Segment

FY2021 (January 1, 2021 to December 31, 2021)

(Million yen)

	Reportable segments				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Commercial Properties	Residential	Asset Service	Total				
Impairment losses	—	—	160	160	112	273	—	273

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable segments				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Commercial Properties (Note)	Residential	Asset Service	Total				
Impairment losses	1,772	—	320	2,093	141	2,234	—	2,234

Note: Includes ¥1,772 million recorded as loss on building reconstruction.

Information on Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment
FY2021 (January 1, 2021 to December 31, 2021)

(Million yen)

	Reportable segments				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Commercial Properties	Residential	Asset Service	Total				
Amortization during period	45	62	171	279	11	290	—	290
Balance at end of period	861	267	33	1,162	—	1,162	—	1,162

FY2022 (January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable segments				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Commercial Properties	Residential	Asset Service	Total				
Amortization during period	221	62	33	317	—	317	—	317
Balance at end of period	1,511	205	—	1,716	—	1,716	—	1,716

Information on Gain on Bargain Purchase by Reportable Segment

FY2021 (January 1, 2021 to December 31, 2021)

Not applicable

FY2022 (January 1, 2022 to December 31, 2022)

Gain on bargain purchase of ¥870 million has been recorded in the Commercial Properties business segment. When business results for Kasumigaseki Building No. 7 PFI Co., Ltd. was recorded on a consolidated basis, the acquisition cost of the shares was less than the market value of net assets at the time of the business combination, and the difference was recognized as a gain on bargain purchase.

(Relating to Rental Properties)

The Company and a certain number of its consolidated subsidiaries own office buildings for rent, condominiums for rent, commercial facilities for rent and such in Tokyo and other regions. As some of the office buildings for rent and such are used by the Company and some of its consolidated subsidiaries, they are posted as real estate including portions used as rental property.

The amount recorded in the consolidated balance sheet, the amount of changes during the period, and the market value of these rental properties and real estate including portions used as rental property are as follows:

(Million yen)

			FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Rental properties	Amount recorded in consolidated balance sheet	Balance at beginning of period	688,957	693,406
		Changes during period	4,448	(775)
		Balance at end of period	693,406	692,631
	Market value at end of period		1,170,425	1,179,703
Real estate including portions used as rental property	Amount recorded in consolidated balance sheet	Balance at beginning of period	195,907	199,175
		Changes during period	3,267	(606)
		Balance at end of period	199,175	198,568
	Market value at end of period		236,815	237,908

Note 1: The amount recorded in the consolidated balance sheet is the amount obtained by subtracting accumulated depreciation from acquisition costs.

Note 2: The market value at the end of the period is the value based on the valuation of properties by an outside licensed real-estate appraiser for principal properties and the value calculated by the Company based on the Real Estate Appraisal Standards (including values adjusted using indicators) for other properties.

(Per Share Information)

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Net assets per share	¥1,996.52	¥2,135.08
Profit per share	¥167.35	¥206.15

Note 1: Diluted profit per share is not written as there is no potential share.

Note 2: In the calculation of net assets per share and profit per share, the shares of the Company held by the Board Benefit Trust (BBT) are included in the treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period and the average number of shares during the period. The number of shares outstanding at the end of the period of the concerned treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period was 241,000 shares for FY2021 and 241,000 shares for FY2022, and the average number of shares during the period of the concerned treasury shares deducted in the calculation of the average number of shares during the period was 197,000 shares for FY2021 and 241,000 shares for FY2022.

Note 3: The calculation basis for profit per share is as shown below.

	FY2021 (Jan. 1, 2021 to Dec. 31, 2021)	FY2022 (Jan. 1, 2022 to Dec. 31, 2022)
Profit per share		
Profit attributable to owners of parent (million yen)	34,965	43,062
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent that pertain to common shares (million yen)	34,965	43,062
Average number of common shares during the period (thousand shares)	208,936	208,890

Note 4: The calculation basis for net assets per share is as shown below.

Item	End of FY2021 (Dec. 31, 2021)	End of FY2022 (Dec. 31, 2022)
Total net assets (million yen)	427,661	456,838
Amount of deduction from total net assets (million yen)	10,605	10,843
[Non-controlling interests included in the above (million yen)]	10,605	10,843
Net assets at the end of the period that pertain to common shares (million yen)	417,055	445,994
Number of common shares at the end of the period, which was used for the calculation of net assets per share (thousand shares)	208,891	208,889

(Major Subsequent Events)

Not applicable