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FOR IMMEDIATE RELEASE

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Announcement of Tokyo Tatemono Group Medium-term Business Plan (FY2015-FY2019)

The Tokyo Tatemono Group hereby announces that it has established a five-year group medium-term business plan for the period from FY2015 to FY2019.

1. Events leading up to the establishment of this plan and objective

In the previous Tokyo Tatemono Group Medium-term Business Plan (2012-2014), dubbed Re-Start - Challenge to Innovation, given the losses we posted in FY2011, we placed priority on strengthening our management base by enhancing our earnings power and financial position.

Through our efforts, we were able to control our interest-bearing debt and expand our equity capital. We consequently attained a debt-equity ratio of 2.6x at the end of FY2014, outperforming our goal of 3.0x, and thereby achieving a healthier financial position than we initially planned. Meanwhile, we posted consolidated operating income of ¥30.5 billion in FY2014, underperforming our goal of ¥35.0 billion. In light of this outcome, we recognize that the strengthening of our earnings power remains a key management issue that we must tackle.

Turning our focus towards the business environment, numerous changes are expected, including enhanced/diversified requirement standards for services, a bleak investment environment due in part to an escalation in competition on the back of low interest rates and a rise in construction costs, a decline in population and expansion of the senior market in Japan, an expansion of the stock-type businesses in the real estate market and diversification of real estate investment assets, and an acceleration of growth in countries and cities in Asia. We will be expected to flexibly and accurately cope with these changes.

In light of the aforementioned factors, to achieve sustainable growth from a longer-term perspective, we aim to strengthen our earnings power by building a business portfolio that is rich with growth potential. We are therefore embarking on the new five-year Tokyo Tatemono Group Medium-term Business Plan from FY2015.

2. Group vision in our new medium-term business plan

**Tokyo Tatemono Group aims to continue
to be the leading choice**

—Providing amazing value through innovative group synergies—

To continue to be the leading choice of customers, we aim to deliver value filled with charm, which customers will find amazing, by carrying out business development that pursues quality products (hard) and excellent services (soft) through organic cooperation between a diverse range of businesses.

3. Quantitative goals

FY2019

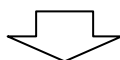
Consolidated operating income

¥50.0 billion

4. Initiatives to be undertaken during FY2015-FY2019

(1) Key strategies

- Strengthen services to be the “continued leading choice”
This strategy place emphasis on the provision of quality services in each business to boost customer satisfaction
- Investments backed by “uniqueness & strengths”
Investment strategy to pour energies into areas and domains where the group can leverage its knowhow and superiority
- Exert group synergies to “deliver amazing value”
Strategy to deliver amazing value by reinforcing the value chain of each business and through organic cooperation between a diverse range of businesses



Strengthen earnings power by building a business portfolio with rich growth potential

(2) Rebuilding our organizational structure

We are aiming to achieve an optimal group business structure by increasing the flexibility of our group organizational management through steps such as the conversion of Tokyo Tatemono Real Estate Sales Co., Ltd. into a wholly-owned subsidiary. We aim to enhance the comprehensive strength of the Tokyo Tatemono Group by having the holding company (Tokyo Tatemono) handle the establishment of strategies and the allocation of management resources for the entire group.

● Reorganization of the group

- Tokyo Tatemono Real Estate Sales to be made a full-fledged subsidiary of Tokyo Tatemono
- Tokyo Tatemono Amenity Support Co., Ltd. to be made a full-fledged subsidiary of Tokyo Tatemono
- J-Golf Inc., Hotness Co. Ltd., and Kokochiyu, Inc. to be integrated into Tokyo Tatemono Resort Co., Ltd.

● Business reorganization

- Residence: Concentrate development and sales functions at Tokyo Tatemono. Strengthen services with integrated development, sales, and management.
- Real estate solution service: Concentrate CRE strategy support functions at Tokyo Tatemono Real Estate Sales.
- Senior housing & services: Concentrate functions related to senior business at Tokyo Tatemono Senior Life Support Co., Ltd.
- Leisure: Integrate leisure companies into Tokyo Tatemono Resort.

*For details see our press release titled “Reorganization of the Tokyo Tatemono Group” released February 12, 2015.

(3) Business initiatives

In each of our businesses, we aim to achieve steady growth of commercial properties and residences, and plan to make other businesses, including real estate solution services, as the third pillar of our business model.

● Commercial properties

- Strengthen measures as a group for improving and expanding our business operations which range from tenant relations to management, construction, and cleaning
- Steadily promote redevelopment projects, including Yaesu area project, and acquire lots for new redevelopment projects
- Utilize the knowhow gained through projects such as Nakano Central Park, in other urban development projects
- Actively develop commercial facilities that focus on sales after the completion of development

● Residence

- Integrate development and sales functions, and provide comprehensive housing services, including management functions
- Pour energies into long-term renovations and redevelopment businesses by leveraging track record and knowhow
- Utilize condominium brand Brillia as a brand communication tool for the overall residence business and provide high-quality Brillia services

[Strengthen the following businesses into a third earnings pillar]

● Real estate solution service

- Concentrate CRE strategy support functions into Tokyo Tatemono Real Estate Sales and strengthen one-stop solutions as the group’s CRE liaison
- Expand real estate consulting & solutions*
*Acquire real estate with underlying potential and boost added-value for resale
- Strengthen retail brokerage business mainly by focusing key service store openings in areas where there is a concentration of our condominiums

● Parking lots

- Expand parking lot business, mainly in front of train stations in core cities nationwide
 - Expand scale via active M&A
 - Create group business opportunities by making effective proposals to parking lots owners
- Senior housing & services
- In addition to supplying products, provide total services, including services through the nursing care business and private nursing homes business
 - Accelerate development of Grapes Series (senior housing that offers services) living facilities
 - Expand scale via active M&A
- Leisure
- Strengthen operations through the integration of leisure business subsidiaries
 - Expand facilities based on proprietary knowhow (hotels that welcome pets and spa facilities)
- Other
- In China, continue to implement business development and establish businesses in emerging economies in Asia by taking advantage of our relationship with the Vanke Group
 - Create private subscription REIT in FY2015
 - Implement M&A focusing on improving services in existing businesses and expansion of business domains with growth potential

(Reference)

Numerical targets for final year of new medium-term plan (FY2019)

Consolidated operating income	¥50.0 billion
Consolidated recurring income	¥37.0 billion
Consolidated net income	¥23.0 billion

Targets for financial indicators

Debt-equity ratio	3.0X
Interest-bearing debt / EBITDA multiple	13.0X

* Debt-equity ratio: consolidated interest-bearing debt / consolidated equity capital

* Interest-bearing debt / EBITDA multiple: consolidated interest-bearing debt / (consolidated operating income + consolidated interest & dividend income + gain on equity-method investments + consolidated depreciation expense + consolidated goodwill amortization expense)