



February 12, 2015

FOR IMMEDIATE RELEASE

Company Name: Tokyo Tatemono Co., Ltd.
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Representative: Representative Director President & Chief
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Code Number: 8804 (Tokyo Stock Exchange First Section)
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Reorganization of the Tokyo Tatemono Group

Tokyo Tatemono Co., Ltd. hereby announces the reorganization of the Tokyo Tatemono Group.

1. Purpose of group reorganization

In the real estate industry's business environment, in which the Tokyo Tatemono Group operates, is undergoing drastic changes. There are an increasing number of business opportunities owing to the expansion of the stock-type real estate business and a rise in demand for services for seniors. Meanwhile, in recent months, land prices have been soaring and construction costs have also been on the rise. In addition, the overall population is expected to decline in the medium/long term. There is also concern that the market for newly-built condominiums is likely to contract due to the low birth rate and aging population. And customer demand for services is becoming more sophisticated and diverse.

Given these conditions, the Tokyo Tatemono Group is launching a new medium-term business plan from FY2015. In addition, to more flexibly deal with changes in the business environment, we reviewed measures for achieving continued growth by leveraging group strengths.

Accordingly, we aim to secure the management flexibility necessary to respond to potential changes in the business environment going forward and to establish a structure that facilitates speedy decision-making. We also plan to convert Tokyo Tatemono Real Estate Sales Co., Ltd. into a wholly-owned subsidiary, as announced on February 12, 2015, and reorganize the Tokyo Tatemono Group (which we will discuss hereafter) to optimize the group's overall value chain and to further develop synergies.

Meanwhile, Tokyo Tatemono will act as the group's holding company. The functions it will carry out as the holding company include the optimization of the value chain of each of our businesses and the establishment of business strategies for the entire group. In addition, Tokyo Tatemono plans to reorganize its business segments, which govern its various business operations, to achieve a structure for enhancing the group's comprehensive strengths.

2. Reorganization of group companies (see Attachment 1)

(1) Residence business: Integrate development, sales, and management

(i) Integration of development and sales in the residence business

The housing sales functions of Tokyo Tatemono Real Estate Sales are to be integrated into Tokyo Tatemono's operations. By integrating the residence business' development and sales operations, we can better reflect market and customer opinions gathered during sales activities into our product development. This in turn will enable us to provide products that suit customer preferences, improve land purchasing capabilities, maximize our cost effectiveness, and improve the speed of our operations. Through these efforts and other measures we aim to improve our brand value and enhance our earnings power.

- Main schedule

February 12, 2015	Signed basic agreement on integration of sales and development operations
October 2015 (tentative)	Integration of sales and development

We plan to carry out further discussion of the details of this integration and immediately disclose necessary information.

(ii) Conversion of Tokyo Tatemono Amenity Support Co., Ltd. into a subsidiary

In conjunction with the integration of residence sales functions into Tokyo Tatemono, we also plan to convert Tokyo Tatemono Amenity Support into its own wholly-owned subsidiary. Tokyo Tatemono Amenity Support is currently a subsidiary of Tokyo Tatemono Real Estate Sales and conducts the condo management business. In the residence business, the management department grasps customer needs. By feeding information on customer needs to the residential development department, we aim to strengthen the competitiveness of the overall residence business segment by developing a system that accurately identifies customer needs which are becoming more sophisticated.

- Main schedule

February 12, 2015	Signed basic agreement on the conversion of Tokyo Tatemono Amenity Support Co., Ltd. into a consolidated subsidiary.
July 2015 (tentative)	Conversion of Tokyo Tatemono Amenity Support Co., Ltd. into a consolidated subsidiary

(2) Transfer of CRE strategy support functions

We plan to transfer the CRE strategy support functions out of Tokyo Tatemono and over to Tokyo Tatemono Real Estate Sales. By integrating our CRE solution menu and establishing a single CRE liaison for the entire Tokyo Tatemono Group, we aim to drive earnings growth with the non-asset business, including brokerage, and contribute to the group's overall earnings expansion by accumulating real estate information in one place.

- Main schedule

February 12, 2015	Signed basic agreement on the transfer of CRE strategy support functions
July 2015 (tentative)	Transfer functions

(3) Integration of the senior housing and services business

The business promotion, nursing care services, and leasing and management functions

that were previously split between Tokyo Tatemono Real Estate Sales and Tokyo Tatemono Senior Life Support Co., Ltd. are to be integrated into Tokyo Tatemono Senior Life Support. By doing so, we aim to expand our overall earnings in the senior business as we will be able to optimally utilize personnel and knowhow, and maximize the allocation of management resources.

- Main schedule

February 12, 2015	Signed a basic agreement on the integration of the senior business
October 2015 (tentative)	Integrate functions

(4) Integration of leisure subsidiaries

Tokyo Tatemono Resort Co., Ltd., J-Golf Inc., Hotness Co., Ltd., and Kokochiyu, Inc. currently carry out the leisure business. These companies will be integrated into Tokyo Tatemono Resort. Through the integration of management, we aim to expand our business operations by maximizing our synergies, including sharing knowhow and training personnel to become diversely-experienced employees.

- Main schedule

December 4, 2014	Signed a merger contract
April 1, 2015	Date the merger took effect

- Profile of new company (tentative)

Company name	Tokyo Tatemono Resort Co., Ltd.
Representative	Tatsuo Usui, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Operation and management of hotels and resort properties Management of golf courses and hotels Management of spa facilities
Paid-in capital	100 million yen

3. Reorganization of business segments (see Attachment 2)

We newly established the Leisure & Senior Business. Consequently, five business segments are under the auspices of Tokyo Tatemono and its four wholly-owned subsidiaries—Leisure & Senior Business, Commercial Properties, Residence, Real Estate Solution Service, and International Business. Owing to this group reorganization, the residence will be placed under residence sales segment and Tokyo Tatemono Amenity Support. The Real Estate Solution Service business will be put under the auspices of Tokyo Tatemono Real Estate Sales, and Tokyo Tatemono Senior Life Support and Tokyo Tatemono Resort will manage the Leisure & Senior Business.

4. Profile of parent, consolidated, and group companies

Company name	Tokyo Tatemono Co., Ltd.
Representative	Hajime Sakuma, Representative Director, President & Chief Executive Officer
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Real estate business
Paid-in capital	92,451million yen

Company name	Tokyo Tatemono Real Estate Sales Co., Ltd.
Representative	Makio Tanehashi, Representative Director, President & CEO
Address	1-25-1 Nishi-shinjuku, Shinjuku-ku, Tokyo
Business description	Real estate transaction business
Paid-in capital	3,108 million yen

Company name	Tokyo Tatemono Amenity Support Co., Ltd.
Representative	Yoshiki Yanai, Representative Director & President
Address	4-1-3 Taihei, Sumida-ku, Tokyo
Business description	Real estate management, janitor services, and insurance agency business
Paid-in capital	100 million yen

Company name	Tokyo Tatemono Senior Life Support Co., Ltd.
Representative	Hisatoshi Kato, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Nursing care services, development and management of senior housing
Paid-in capital	100 million yen

Company name	Tokyo Tatemono Resort Co., Ltd.
Representative	Tatsuo Usui, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Management of hotels and resort properties
Paid-in capital	¥100 million yen

Company name	J-Golf Inc.
Representative	Yuichi Watanabe, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Management of golf courses and hotels
Paid-in capital	100 million yen

Company name	Hotness Co., Ltd.
Representative	Akihiro Nishiyama, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Management of spa facilities
Paid-in capital	100 million yen

Company name	Kokochiyu, Inc.
Representative	Akihiro Nishiyama, Representative Director & President
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Business description	Management of spa facilities
Paid-in capital	10 million yen

5. Financial positions and operating results for the parent, consolidated and group companies for the fiscal year ended December 31, 2014

(Million yen)

	Tokyo Tatemono Co., Ltd. (consolidated)	Tokyo Tatemono Real Estate Sales Co., Ltd. (consolidated)	Tokyo Tatemono Amenity Support Co., Ltd.
Net assets	305,808	14,668	5,631
Total assets	1,319,465	54,949	7,778
Book value per share (BPS) (¥)	665.51	357.01	2,815,788.41
Revenues	237,049	31,631	11,227
Operating income	30,559	2,317	454
Recurring income	17,317	2,242	552
Net income	82,944	2,043	341
Net income per share (EPS) (¥)	193.12	49.72	170,535.65
Dividend per share (¥)	6.00	12.00	51,000.00

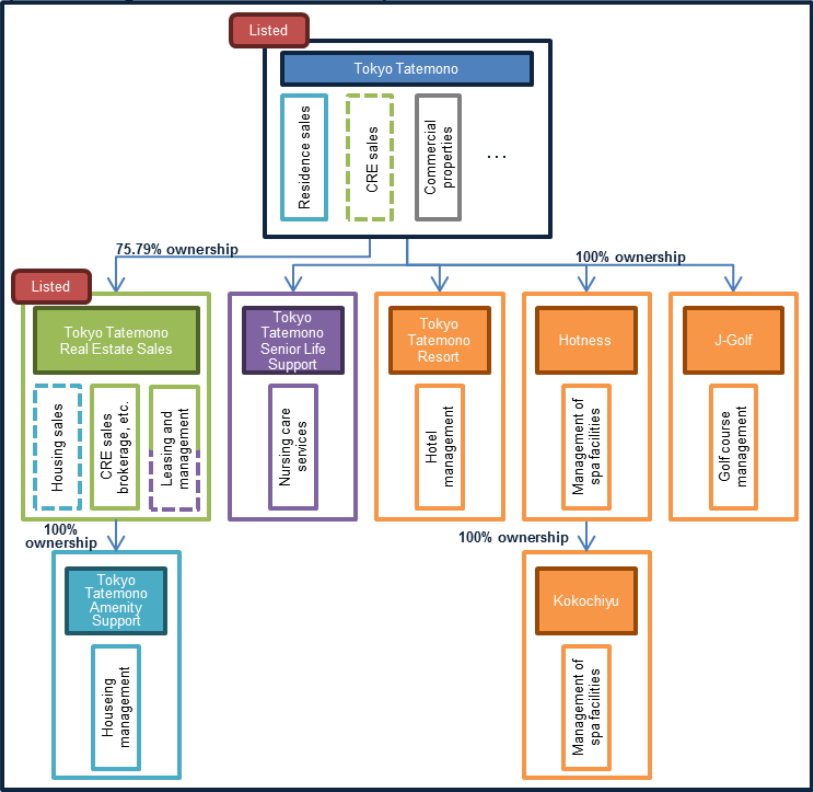
	Tokyo Tatemono Senior Life Support Co., Ltd.	Tokyo Tatemono Resort Co., Ltd.	J-Golf Inc.
Net assets	180	2,342	-4,563
Total assets	190	10,072	14,522
Book value per share (BPS) (¥)	8,986.81	1,170,858.04	-4,563,338.12

Revenues	40	3,308	2,203
Operating income	-19	617	110
Recurring income	-20	608	-54
Net income	-20	410	-182
Net income per share (EPS) (¥)	-1013.19	205,112.85	-181,620.96
Dividend per share (¥)	0	0	0

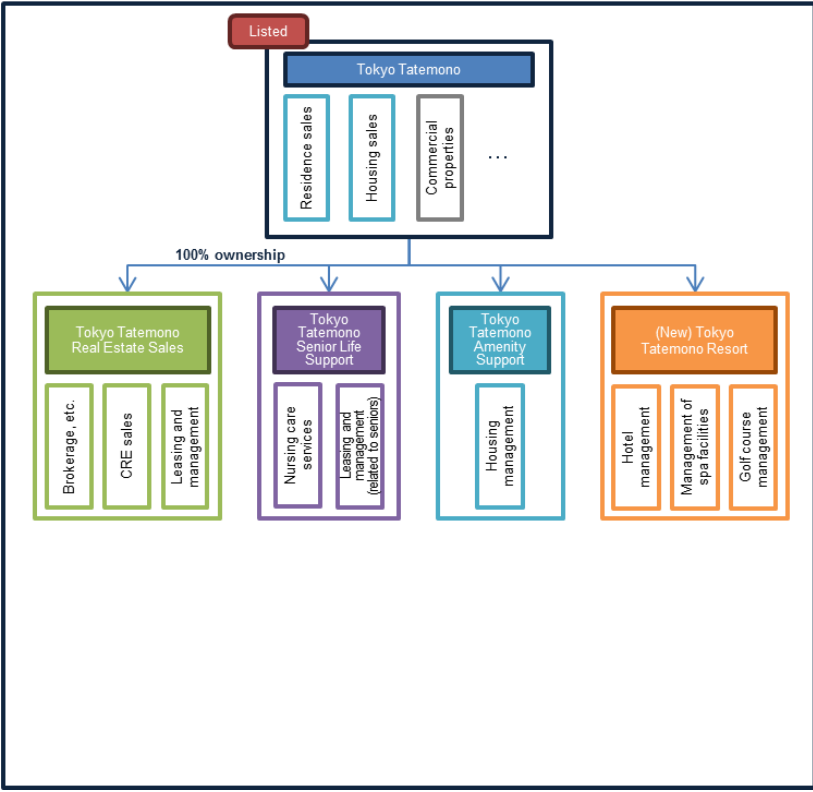
	Hotness Co., Ltd.	Kokochiyu, Inc.
Net assets	1,225	949
Total assets	4,570	1,320
Book value per share (BPS) (¥)	1,020,970.34	4,743,866.08
Revenues	4,338	1,513
Operating income	173	80
Recurring income	134	83
Net income	81	26
Net income per share (EPS) (¥)	67,549.30	129,521.38
Dividend per share (¥)	0	0

Attachment 1: Group reorganization

(Pre-reorganization structure)



(Post-reorganization structure)



Attachment 2: Reorganization of business segments

