

# **News Release**

February 20, 2004

To Whom It May Concern

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## **Notice of Change in Accounting Method**

Tokyo Tatemono Co., Ltd. (President: Keisuke Minami; Head office: Chuo-ku, Tokyo) and its consolidated subsidiary Tokyo Tatemono Real Estate Sales Co., Ltd. announced today that they have changed their standard for recording selling expenses related to the Group's sale of real estate, effective from the fiscal year ending December 31, 2004, as follows.

### **1. Content of Change**

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.

### **2. Reasons for Change**

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.

### **3. Effect on Results**

As a result of this change in accounting standards, selling expenses during fiscal 2004 are expected to be lower compared to the previous fiscal year, by approximately ¥430.0 million on a consolidated basis, and ¥330.0 million on a non-consolidated basis. Further information on result forecasts is included in the consolidated and non-consolidated earnings summaries for the fiscal year ended December 31, 2003 (available only Japanese), released today.

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