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## **News Release**

February 14, 2007

To Whom It May Concern

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### **New Medium-Term Group Business Plan Established**

Tokyo Tatemono Co., Ltd. (President & Representative Director: Makoto Hatanaka; Head office: Chuo-ku, Tokyo) has established its Medium-Term Business Plan spanning the years from fiscal 2007 to 2009.

The previous Tokyo Tatemono Group medium-term business plan, entitled “Leap to a New Stage,” put forward a basic stance with the keywords “Innovation,” “Challenge,” and “Speed,” and began its first year in fiscal 2004 (and ran through fiscal 2006). The Group took charge of a business model based on real estate securitization, and sought to achieve overall enhancement of enterprise value through expansion of business domains. The resulting business performance in fiscal 2006 surpassed the original numerical targets of ¥25 billion for operating income and 5% for return on assets (ROA), delivering operating income of ¥34.4 billion and ROA of 5.4%. In addition, a secure financial base was formed with an owners’ equity ratio exceeding 30%.

Having achieved the previous plan, Tokyo Tatemono has now set forth a new medium-term business plan for the Group entitled “Challenge for New Growth” (fiscal 2007 to 2009). The medium-term vision for the Group is “Delivering safe, secure, high-quality products and services rated No. 1 by the customer.” The keywords for the basic stance are “Innovation,” “Creation,” and “Refinement.” With this stance, the Group has established its numerical targets for fiscal 2009 at ¥50 billion for operating income and 6.5% for ROA.

The Tokyo Tatemono Group intends to continue delivering the utmost value to its customers through active dialogue, and to grow enduringly through expansion of business domains and enhancement of profitability. This direction will lead to further increases in the enterprise value of the entire Group.

An outline of the Medium-Term Business Plan continues on the following pages.

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## Outline of the Group's Medium-Term Business Plan (Fiscal 2007–2009)

### The Challenge for New Growth—Group Medium-Term Business Plan

#### <Group Medium-Term Vision>

Delivering safe, secure, high-quality products and services rated No. 1 by the customer.

#### <Business Attitudes> Innovation, Creation, and Refinement

#### <Business Policy>

##### 1) Reinforcement of development business operations and increase of revenue-generating assets

Actively drive development business operations by engaging the real estate securitization model to increase superior revenue-generating assets. Reinforce earning capacity by drawing on available expertise in asset management, property management, and construction management.

##### 2) Innovative operations and delivery of incremental value through dialog with our customers

Listen diligently to the voices of our customers, engage in the delivery of products and services considered valuable to them, take on the challenge of creating incremental value, and thus aim for a higher market position and broader customer base.

##### 3) Expansion of business domains through synergies with business partners

Release the capacity for management cultivated through the real estate securitization business to the maximum extent, to expand business domains through synergies with various business partners and investors.

#### Numerical Targets

Operating Income ¥50 billion (+¥15 billion, compared to fiscal 2006)

ROA 6.5% (+1 percentage point, compared fiscal 2006)

##### Key Management Number Guidelines for Fiscal 2009 Unit: billion yen

	Fiscal 2009	Compared to Fiscal 2006
Revenue from operations	300	+66
Operating income	50	+15
Recurring income	40	+9
ROA (Note 1)	6.5%	+1 percentage point

Notes: 1. ROA = (operating income + non-operating income)/average of total assets at the beginning and end of the period.

(more)

### **1. Expansion of Development Business Operations**

- (1) Urban development projects
  - Building development projects  
Active participation in urban renewal projects (large-scale urban development projects), reinforced building development projects utilizing owned assets
  - Development projects of commercial facilities  
Promoting development of commercial facilities compatible with the market
- (2) Residential development projects
  - Residential real estate sales  
Enhancement of market position and early establishment of Brillia brand in major areas (Establishment of steady supply organization for 4,000 units)
  - Rental housing projects  
Expanded supply of quality rental housing predominantly in the Greater Tokyo Metropolitan Area  
(Cumulative supply total for fiscal 2007 to 2009: more than 2,000 units)

### **2. Further Expansion of Revenue-Generating Assets**

- Active acquisition of preferential revenue-generating assets

### **3. Active Development of Funds Business**

- Value enhancement of real estate and attracting institutional investors through the utilization of funds
- Expanded supply of real estate investment products designed for individual investors

### **4. Growth of Fee Revenues in Development, Building Management, Facilities Operations, and Real Estate Brokerage**

Expanding revenue opportunities through contracting for management and operations from outside the group, active development of solutions business (fee revenues scale: ¥70 billion)  
Target: revenues other than leasing revenues, real estate sales, and dividends and distributions from special purpose companies (SPCs)

### **5. Overseas Business Operations**

- Promotion of real estate business operations in China

### **6. Promotion of Leisure Business Operations and Development of New Businesses**

- (1) Promotion of leisure operations business
  - Golf operations, resort operations development
- (2) Entry into new businesses for seniors
  - Supplying housing for senior citizens, and care-giving business development

### **7. Active Participation in Environmental Conservation**

- Promotion of development with concern for the environment
- Promotion of energy conservation

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