

News Release

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To Whom It May Concern

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Tokyo Tatemono Group Announces New Medium-Term Business Plan

Tokyo Tatemono Co., Ltd. (President: Keisuke Minami; Head office: Chuo-ku, Tokyo) announced today that it has formulated a medium-term business plan for the three-year period from 2004 through 2006, entitled “Leap to a New Stage.”

In its Group Management Declaration announced in 2001, the Group set targets for 2003 that included operating income of ¥18.0 billion, recurring income of ¥10.0 billion, ROE of over 7%, and interest-bearing debt under ¥300.0 billion. These targets were exceeded by considerable margins.

At a time when the business environment continues to change, and conditions are expected to become increasingly harsh, this new medium-term business plan will guide the Company in its leap to a new stage, in which it will be able to realize its earnings and growth potential. Tokyo Tatemono will devote all its effort toward achieving this plan.

The Tokyo Tatemono Group, in the belief that corporate value arises from the trust of stakeholders, and with a basic stance that centers on the three key areas of “Innovation,” “Challenge,” and “Speed,” will accelerate its efforts to become a leader in the real estate business in the 21st century, and strive for substantial growth in its corporate value.

Group Vision

A vibrant corporate group rated first among customers for high-quality products and services

Basic Stance

Innovation • Challenge • Speed

Basic Policies

1. Business development and innovation from the customer’s perspective.
2. Expand and develop business models centered on real estate securitization.
3. Strengthen collective power through best partner initiatives and collaboration.

Targets (2006)

(Billions of yen, or as indicated)

	2006	Compared with 2003
Revenue from operations	200.0	+70.0
Operating income	25.0	+5.0
Recurring income	18.0	+4.0
Interest-bearing debt	270.0	-25.0
ROA (%)	5.0%	+1.0%
EBITDA ratio	Under 10 times	Over -3 points

Notes:

ROA = (operating income + non-operating income) / total assets (end of year average)

EBITDA ratio = Interest-bearing debt / EBITDA (operating income before depreciation)

Growth Strategies

1. Expand earnings opportunities through proactive business development centered on real estate securitization.
2. Strengthen the profit-earning real estate portfolio through asset turnover.
 - Accelerate participation in large-scale, long-term projects.
3. Diversify products in real estate development and increase market position of all products.
 - Expansion and diversification of the housing business
 - Establish a stable supply structure of 3,000 units
 - Sales Leasing; Condominium Detached houses; Tokyo metropolitan area—Regional hub cities
 - Aggressively promote the comprehensive real estate renovation business
4. Increase earnings scale in real estate transactions, building management, and facility operation.
 - 2006 Target: Revenue from operations of ¥40.0 billion (2003 total: ¥30.0 billion)
 - = Revenue excluding leasing revenues, real estate sales, dividends and distributions from SPCs
5. Enter new business fields.
 - Expand and develop business in the leisure and service fields

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