

News Release

May 7, 2004

To Whom It May Concern

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Notice of New Share Issuance, Disposal of Treasury Stock and Sale of Shares

Tokyo Tatemono Co., Ltd. (President: Keisuke Minami; Head office: Chuo-ku, Tokyo), announced today that the meeting of the Board of Directors held on May 7, 2004, approved a new share issuance, disposal of treasury stock, and sale of shares as follows.

1. Public Offering of New Shares

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| (1) Number of shares to be issued | 20,000,000 shares of common stock |
| (2) Issue price | The issue price shall be determined on a date between May 17 (Monday) and May 19 (Wednesday), 2004, (hereinafter “issue price date”) in accordance with the method stipulated No. 14, Article 7 of the Fair Business Practices Regulations established by the Japan Securities Dealers Association (JSDA). |
| (3) Portion of the issue price that will not be transferred to capital | The amount of a portion of the issue price that is not transferred to capital shall be the amount of the issue price set in (2) above, less the amount to be transferred to capital. The portion of the issue price of new shares transferred to capital shall be 50% of the issue price, with any fraction less than ¥1 arising from such calculation rounded up to the nearest yen. |
| (4) Public offering method | With the aim of making a public offering of shares, all new shares are to be underwritten by Daiwa Securities SMBC Co., Ltd. and Mizuho Securities Co., Ltd. (hereinafter “the underwriters”). In determining the issue price (offering price) of the public offering, consideration shall be given to general demand for the stock and the price shall be based on the closing price of the stock on the Tokyo Stock Exchange on the day the issue price is determined (when there is no closing price that day, the last closing price shall be used) multiplied by 0.90 – 1.00 (omitting fractions of less than ¥1). |
| (5) Fee to underwriters | The underwriters for the public offering shall retain the difference between the issue price to be paid to the Company and the issue (offer) price in this public offering will be retained by the |

- underwriters.
- (6) Subscription period May 20 (Thursday) to May 24 (Monday), 2004.
This period may be moved forward, depending upon demand for the stock, but no earlier than the period from May 18 (Tuesday) to May 20 (Thursday), 2004.
 - (7) Date of remittance A date set between May 25 (Tuesday) and May 27 (Thursday), 2004. In other words, if the subscription period described in (6) above is moved forward owing to demand for the stock, the date of remittance will be also moved forward, at the earliest to May 25 (Tuesday), 2004.
 - (8) Dividend reckoning date January 1, 2004 (Thursday)
 - (9) Advances on subscription The same value per share as the issue (offering) price.
 - (10) Minimum block unit for subscription 1,000 shares
 - (11) The Company authorizes the Company's President and Chief Operating Officer to approve all acts necessary for the issue of new shares, including the issue price, the portion of the issue price that will not be transferred to capital, and other matters of importance concerning this new issue.
 - (12) With regard to the items listed above, all items must be reported as per the requirements of the Securities Exchange Law as a condition for becoming effective.

2. Disposal of Treasury Stock (Sale through Underwriting)

- (1) Number of shares to be sold 20,000,000 shares of common stock
- (2) Price per share Undetermined. (Same as the issue price set forth in "1. Public Offering of New Shares")
- (3) Selling method Daiwa Securities SMBC Co., Ltd. and Mizuho Securities Co., Ltd. will underwrite the sale of all shares. Proceeds to the underwriters to the sale of shares shall be the difference between the selling price and the amount paid to seller by the underwriters.
- (4) Subscription period Same as the subscription period set forth in "1. Public Offering of New Shares"
- (5) Date of remittance Same as the date of remittance set forth in "1. Public Offering of New Shares"
- (6) Transfer date The first business day following the date of remittance set forth in "1. Public Offering of New Shares"
- (7) Advances on subscription Same as the date of advances on subscription set forth in "1. Public Offering of New Shares"
- (8) Minimum block unit for subscription 1,000 shares
- (9) The Company authorizes the Company's President and Chief Operating Officer to approve the selling price and other important matters concerning the disposal of treasury stock.

- (10) With regard to the items listed above, all items must be reported as per the requirements of the Securities Exchange Law as a condition for becoming effective. Furthermore, in the event that the public offering is cancelled, the sale of shares through underwriting will also be cancelled.

3. Sale of Shares (Through Over-Allotment)

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| (1) Number of shares to be sold | 6,000,000 shares of common stock This figure is the maximum number of shares to be sold. On the date of decision of sale price, the decision on number of shares to be sold will be made in consideration of market demand for the Public Offering of New Shares and Disposal of Treasury Stock (Sale through Underwriting) outlined in 1. and 2. above. |
| (2) Seller | Daiwa Securities SMBC Co., Ltd. |
| (3) Price per share | Undetermined. (Same as the issue price set forth in “1. Public Offering of New Shares”) |
| (4) Selling method | Daiwa Securities SMBC will borrow shares of Tokyo Tatemono stock from its shareholders for additional sale after considering demand for the Public Offering of New Shares and Disposal of Treasury Stock (Sale through Underwriting) outlined in 1. and 2. above |
| (5) Subscription period | Same as the subscription period set forth in “1. Public Offering of New Shares” |
| (6) Transfer date | The first business day following the date of remittance set forth in “1. Public Offering of New Shares” |
| (7) Advances on subscription | Same as the date of advances on subscription set forth in “1. Public Offering of New Shares” |
| (8) Minimum block unit for subscription | 1,000 shares |
| (9) | The Company authorizes the Company’s President and Chief Operating Officer to approve the selling price and other important matters concerning the sales of shares. |
- (10) With regard to the items listed above, all items must be reported as per the requirements of the Securities Exchange Law as a condition for becoming effective. Furthermore, in the event that underwriting is cancelled, the sale of shares through over-allotment will also be cancelled.

4. Issuance of New Shares through Third-Party Allocation

(Third-party share allotment related to “3. Disposal of Treasury Stock (Sale through Over-Allotment)” above.)

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| (1) Number of shares to be issued | 6,000,000 shares of common stock |
| (2) Issue price | Same as the issue price set forth in “1. Public Offering of New Shares” |
| (3) Portion of the issue price that will not be transferred to | The amount of a portion of the issue price that is not transferred to capital shall be the amount of the Issue Price set in (2) above, less the amount to be transferred to capital. The portion of the issue price of new shares transferred to capital shall be 50% of the issue price, with |

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|------|---|--|
| | capital | any fraction less than ¥1 arising from such calculation rounded up to the nearest yen. |
| (4) | Subscription date | June 15, 2004 (Tuesday) |
| (5) | Date of remittance | June 16, 2004 (Wednesday) |
| (6) | Allotted party and number of shares | Daiwa Securities SMBC Co., Ltd. 6,000,000 shares |
| (7) | Dividend reckoning date | January 1, 2004 (Thursday) |
| (8) | Minimum block unit for subscription | 1,000 shares |
| (9) | Issuance of shares will be cancelled for shares not subscribed for by the subscription date noted in (4) above. | |
| (10) | The Company authorizes the Company's President and Chief Operating Officer to approve all acts necessary for the issue of new shares, including the issue price, the portion of the issue price that will not be transferred to capital, and other matters of importance concerning the third-party allocation. | |
| (11) | With regard to the items listed above, all items must be reported as per the requirements of the Securities Exchange Law as a condition for becoming effective. Furthermore, in the event that the public offering and sale of shares through underwriting is cancelled, the third-party allocation will also be cancelled. | |

FOR REFERENCE

1. Number of new shares sold through over-allotment and number of shares issued through third-party allocation

In connection with the issuance of 20,000,000 new shares through a public offering (hereinafter “the public offering”) and the sale of 20,000,000 shares through underwriters, an upper limit of 6,000,000 shares of Tokyo Tatemono are slated to be sold (“shares sold through over-allotment”).

Common shares to be sold through over-allotment are the a maximum of 6,000,000 shares that Daiwa Securities SMBC will borrow from shareholders of Tokyo Tatemono (“borrowed shares”) in view of demand for the public offering and shares sold through underwriters. Therefore, the number of shares indicated is the maximum number of shares that could be offered, and this may decrease or the entire over-allotment offering may be cancelled depending on demand.

In this connection, the Board of Directors of Tokyo Tatemono approved on May 7, 2004 (Friday) the allocation of new shares to a third-party, separate from the public offering and sale through underwriting, to Daiwa Securities SMBC of 6,000,000 shares of common stock (“the third-party allocation”) with the remittance date set at June 16, 2004 (Wednesday).

Daiwa Securities SMBC may conduct stabilizing transactions with regard to Tokyo Tatemono’s common stock during the subscription period for the public offering, shares sold through underwriters, and shares sold through over-allotment. Shares purchased through such stabilizing transactions may be used to return borrowed shares.

Daiwa Securities SMBC may purchase common stock of the Company on the Tokyo Stock Exchange up to the number of shares sold through over-allotment (“syndicate cover transactions”). Such purchases would be made between the day immediately following the last day of the subscription period for public offering, shares sold through underwriters, and shares sold through over-allotment and June 11, 2004 (Friday). Shares purchased through syndicate cover transactions will be used to return borrowed shares.

Furthermore, Daiwa Securities SMBC plans to accept the third-party allocation of shares of Tokyo Tatemono common stock of an amount equivalent to the number of shares to be sold through over-allotment less the number of shares purchased through the aforementioned stabilizing and syndicate cover transactions for the purpose of returning borrowed shares.

Therefore, some or all the new shares issued through the third-party allocation may not be subscribed. As a result, there may be a decrease in the upper limit of the number of shares to be issued through the third-party allocation owing to a loss in subscription rights, or the issuance may not take place at all.

2. Changes in total number of issued shares resulting from the public offering and third-party allocation

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|-----|---|-------------|------------------------|
| (1) | Current total number of issued shares | 228,141,634 | (as of March 31, 2004) |
| (2) | Increase in number of shares through public offering | 20,000,000 | |
| (3) | Number of issued shares outstanding following public offering | 248,141,634 | |

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|-----|--|-------------|
| (4) | Increase in number of shares through third-party allocation | 6,000,000 |
| (5) | Number of issued shares outstanding following third-party allocation | 254,141,634 |

Note: Items 4 and 5 above are subject to change depending on the status of subscriptions for the third-party share allocation described in 1. above.

3. Use of funds raised

(1) Use of funds raised in current financing

Funds from the public offering (anticipated to total ¥12,010 million), along with proceeds from the third-party allocation (anticipated to total ¥3,606 million) decided upon the same day will be used to finance real estate development in the Office and Commercial Building Leasing and Real Estate Securitization businesses. The investment funds include investments in a special purpose company (“SPC”) and repayments of debt (¥12,000 million) acquired for this investment.

Real estate develop investment for the Office and Commercial Building Leasing and Real Estate Securitization businesses from January 1 through March 31, 2004, and that planned for after March 31, 2004, is as follows:

(i) Investment from January 1 through March 31, 2004

| Acquired property | Location | Scale | Investment amount (millions of yen) | Financing method |
|---|-------------------------------------|---|--|------------------------------|
| Otemachi Head Office of MHBK, and Otemachi Financial Centre | Otemachi 1-chome, Chiyoda-ku, Tokyo | <ul style="list-style-type: none"> • Site area: 11,034.78 m² • Building floor space: Otemachi Head Office of MHBK: 79,899.02 m² Otemachi Financial Centre: 51,530.34 m² (registered floor space) | ¥24,500 (note 1) (Payment in February 2004) | Borrowings and Company funds |

Note 1: The investment amount is the total invested in the private limited company Tokyo Prime Stage Y.K., a special purpose company (SPC).

(i) Investment planned from after March 31, 2004

| Project | Location | Scale | Investment amount (millions of yen) | | | Financing method |
|---|----------------------------------|---|-------------------------------------|------------------------------------|---------------------------------|--|
| | | | Total investment | Payments made as of March 31, 2004 | Payments due from April 1, 2004 | |
| Tokyo Re-design Project (Tentative name) Taihei 4-chome Kinshicho Development Project | Taihei 4-chome, Sumida-ku, Tokyo | <ul style="list-style-type: none"> • Site area: 27,334 m² • Building floor space: Office Tower: 72,956 m² Entertainment Mall: 60,020 m² Residential Tower: 89,321 m² (note 2) | ¥41,392 (note 3) | ¥26,542 | ¥14,850 | Public offering, borrowings and Company funds (note 4) |

Notes:

2. The residence tower has been excluded from the investment total, as it is planned for the Real Estate Sales business.
3. Of the total investment amount, ¥20,000 million will be invested in an SPC for the Kinshicho Development Project
4. The total investment amount is a portion of the proceeds from the public offering issued at market price, and the allocation of new shares to a third party.

(2) Use of funds raised in previous financing
Not applicable

(3) Impact on Company profitability
The development of real estate assets will benefit the Company's medium to long-term earnings growth

4. Distribution of profits to shareholders

(1) Basic profit distribution policy
The Company's basic policy is to ensure sufficient retained earnings to strengthen the Company's business foundations and financial position, and with collective consideration of the business environment, business development and the Company's performance, to provide for the stable return of profit to all shareholders.

(2) Use of retained earnings
Retained earnings will be increased, from the standpoint of strengthening the Company's financial position

(3) Dividend information over the last three fiscal years

| (Non-consolidated) | Fiscal year ended Dec. 31, 2001 | Fiscal year ended Dec. 31, 2002 | Fiscal year ended Dec. 31, 2003 |
|---|------------------------------------|------------------------------------|------------------------------------|
| Net income per share | ¥8.33 | ¥17.94 | ¥25.66 |
| Annual dividend per share (interim dividend per share) | ¥5.00 (¥0.00) | ¥6.00 (¥0.00) | ¥7.00 (¥3.00) |
| Dividend payout ratio | 60.0% | 33.4% | 27.3% |
| ROE | 2.1% | 4.4% | 5.8% |
| Return on shareholders' equity | 1.2% | 1.4% | 1.5% |

Notes:

1. Net income per share is calculated by dividing net income by the average number of shares outstanding during the term.
2. The dividend payout ratio is calculated by dividing total dividends paid by net income during the term.
3. Return on shareholders' equity (%) is calculated by dividing net income by the average of the sum of shareholders' equity at the beginning of the term and at the end of the term.
4. ROE is calculated by dividing total dividends distributed for the year by the shareholders' equity at the end of the term.

5. Treasury stock has been omitted from capital from the fiscal year ended December 31, 2001, so the Company's holdings in its own shares have been deducted from the number of shares outstanding in the calculation of net income per share.
6. Effective from the fiscal year ended December 31, 2003, the Company adopted the new accounting standard for earnings per share and related guidance (Accounting Standards Board Statement No. 2, "Accounting Standard for Net Income Per Share" and Practical Guidelines for Corporate Accounting Standards No. 4 "Practical Guidelines for Accounting Standards for Net Income per Share").

5. Other

- (1) Existence of designated buyers

Not applicable

- (2) Information of dilutive effect of residual securities

Tokyo Tatemono issued convertible bonds based on the Commercial Code of Japan before its revision. The outstanding balance of these convertible bonds is as follows:

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|-------------------------------|---|
| | As of February 29, 2004 |
| | Fifth issue of unsecured convertible bonds |
| Issue date | July 3, 1989 |
| Outstanding balance | ¥6,615 million |
| Conversion price | ¥1,428.20 |
| Amount transferred to capital | ¥715 |

- (3) Status of previous equity finance

- (i) Equity financing conducted over the past three years

Not applicable

- (ii) Share price trends over the past three fiscal years

| | Fiscal year ended Dec. 31, 2001 | Fiscal year ended Dec. 31, 2002 | Fiscal year ended Dec. 31, 2003 | Fiscal year ended Dec. 31, 2004 |
|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Open | ¥186 | ¥179 | ¥181 | ¥444 |
| High | ¥327 | ¥260 | ¥550 | ¥748 |
| Low | ¥162 | ¥158 | ¥172 | ¥427 |
| Close | ¥177 | ¥180 | ¥429 | ¥675 |

Notes:

1. High and low figures are quotations from the First Section of the Tokyo Stock Exchange.
2. Figures for the fiscal year ending December 31, 2004 are as of April 28, 2004.

- (iii) Price-to-earnings ratio (PER) and return on shareholders' equity over the past three fiscal years

| (Non-consolidated) | Fiscal year ended Dec. 31, 2001 | Fiscal year ended Dec. 31, 2002 | Fiscal year ended Dec. 31, 2003 |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| PER | 21.2 times | 10.0 times | 16.7 times |
| Return on shareholders' equity | 2.1 % | 4.4 % | 5.8 % |

Notes:

1. PER is calculated by dividing the closing share price at the end of the term by net income per share of the previous term.
2. Return on shareholders' equity (%) is calculated by dividing net income by the average of the sum of shareholders' equity at the beginning of the term and at the end of the term.

(4) Other
Not applicable

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Cautionary Statement

These materials were prepared for the public disclosure of information regarding Tokyo Tatemono's planned new share issuance, disposal of treasury stock and sale of shares. This release is not to be construed as an offer to buy or sell securities referred to herein. All prospective investors are advised to read the Company's prospectus for new share issuance and secondary offering of shares (and its amendments, if any) issued separately before making investment decisions.