

News Release

September 27, 2004

To Whom It May Concern

Company Name: Tokyo Tatemono Co., Ltd.
Representative: Keisuke Minami
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Tokyo Tatemono to Make Five Companies Wholly Owned Subsidiaries through a Share Exchange

Tokyo Tatemono Co., Ltd. (President: Keisuke Minami; Head office: Chuo-ku, Tokyo) announced today that it resolved at the meeting of the Board of Directors held on September 27, 2004, to make Tokyo Tatemono Amenity Support Co., Ltd., Kyodo Building Management Co., Ltd., Tokyo Tatemono Techno-build Co., Ltd., Hotness Co., Ltd. and Informa Co., Ltd. wholly owned subsidiaries on December 1, 2004 by means of a share exchange. This exchange will be a simplified share exchange pursuant to Article 358-1 of the Commercial Code of Japan.

Details

1. Objectives

By making these consolidated subsidiaries wholly owned subsidiaries, Tokyo Tatemono will establish a stronger equity relationship with them, thereby strengthening consolidated management of the Group, providing for flexible responses to changes in the business environment, and accelerating the increase in Group competitiveness.

2. Outline of the Share Exchange

(1) Proposed timetable

September 27, 2004: Approval of Share Exchange Agreements at Board of Directors meetings

September 27, 2004: Conclusion of Share Exchange Agreements

October 15, 2004

(tentative): Share Exchange Agreements to be approved at general shareholders' meetings of Tokyo Tatemono Amenity Support, Kyodo Building Management, Tokyo Tatemono Techno-build, Hotness and Informa (see note).

November 30, 2004

(tentative): Submission of share certificates

December 1, 2004

(tentative): Effective date of share exchange

Note: Pursuant to Article 358-1 of the Commercial Code of Japan (Simplified Share Exchange), Tokyo Tatemono will not hold a meeting of shareholders to approve the share exchange agreement.

(2) Share exchange ratio

	Tokyo Tatemono Co., Ltd. (Parent company)	Tokyo Tatemono Amenity Support Co., Ltd. (Wholly owned subsidiary)	Kyodo Building Management Co., Ltd. (Wholly owned subsidiary)	Tokyo Tatemono Techno-build Co., Ltd. (Wholly owned subsidiary)	Hotness Co., Ltd. (Wholly owned subsidiary)	Informa Co., Ltd. (Wholly owned subsidiary)
Exchange ratio	1	1,564.5	561.9	177.2	446.4	29.4

Notes

1. Share exchange ratio

Tokyo Tatemono will allot 1,564.5 shares of common stock for each share of Tokyo Tatemono Amenity Support common stock, 561.9 shares of common stock for each share of Kyodo Building Management common stock, 177.2 shares of common stock for each share of Tokyo Tatemono Techno-build common stock, 446.4 shares of common stock for each share of Hotness common stock, and 29.4 shares of common stock for each share of Informa common stock. No shares will be allotted to the 960 shares of Tokyo Tatemono Amenity Support's common stock, 520 shares of Kyodo Building Management's common stock, 1,020 shares of Tokyo Tatemono Techno-build's common stock, 500 shares of Hotness' common stock, or 100 shares of Informa's common stock currently held by Tokyo Tatemono.

2. Basis for the share exchange ratio

Tokyo Tatemono retained a third party, Shin Nihon Ernst & Young (SNEY), to calculate the share exchange ratio between the companies. Based on those results, all relevant parties discussed and agreed to these exchange ratios. Should there be a significant change in the terms and conditions on which the calculations are based, the share exchange ratio may be changed through discussion between relevant parties.

3. Results, methods and bases of valuation by third parties

SNEY calculated the share values of Tokyo Tatemono Co., Ltd., and Tokyo Tatemono Amenity Support, Kyodo Building Management, Tokyo Tatemono Techno-build, Hotness and Informa using the adjusted book value method. The share exchange ratio was calculated based on those valuations.

4. Number of shares to be allotted upon share exchange

2,128,018 shares of common stock (all shares allotted will be treasury stock).

(3) Cash distribution upon share exchange

There will be no cash distributions.

3. Summary of Relevant Parties to the Share Exchange (as of June 30, 2004)

(1) Trade name	Tokyo Tatemono Co., Ltd. (Parent company)	Tokyo Tatemono Amenity Support Co., Ltd. (Wholly owned subsidiary)
(2) Principal line of business	Building development and management; Condominium and detached housing development; Real estate securitization and investment trusts; Resort development, sales and management; Real estate brokerage, appraisals and consulting; Other	Building janitorial services; Condominium management; Nonlife and life insurance agency; Housing after-sales service; Other
(3) Established	October 1, 1896	August 10, 1962
(4) Head office	9-9, Yaesu 1-chome Chuo-ku, Tokyo	4-14, Yaesu 1-chome Chuo-ku, Tokyo
(5) Representative	Keisuke Minami President and Chief Executive Officer	Osamu Maeda President and Chief Executive Officer
(6) Capital	¥51,629 million	¥100 million
(7) Number of shares issued	254,141,634 shares	2,000 shares
(8) Shareholders' equity	¥124,285 million	¥1,719 million
(9) Total assets	¥485,957 million	3,293 million
(10) Date of settlement	December 31	December 31
(11) Number of employees	299	96
(12) Principal customers	Individuals, companies, government agencies	Tokyo Tatemono Co., Ltd., condominium management associations
(13) Principal shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account) 6.5% Master Trust Bank of Japan, Ltd. (Trust Account) 4.7% SOMPO JAPAN INSURANCE INC. 4.1% Meiji Yasuda Life Insurance Company 3.9%	Tokyo Tatemono Co., Ltd. 48% Tokyo Real Estate Management Co., Ltd. 26% Tokyo Building Service Co., Ltd. 26%
(14) Principal banks	Mizuho Corporate Bank	Mizuho Corporate Bank
(15) Relationships between the parties	Capital	Tokyo Tatemono holds 48% of the issued shares of Tokyo Tatemono Amenity Support.
	Personnel	Tokyo Tatemono has dispatched seven executives to Tokyo Tatemono Amenity Support.
	Business	Tokyo Tatemono Amenity Support receives contracts from Tokyo Tatemono for janitorial services in the buildings it owns or operates, and acts as an after-sales service agent for housing sold by Tokvo Tatemono.

(1) Trade name	Tokyo Tatemono Co., Ltd. (Parent company)	Kyodo Building Management Co., Ltd. (Wholly owned subsidiary)
(2) Principal line of business	Building development and management; Condominium and detached housing development; Real estate securitization and investment trusts; Resort development, sales and management; Real estate brokerage, appraisals and consulting; Other	Building management and janitorial service; Condominium management; Housing after-sales service; Media complex business; Restaurant business; Other
(3) Established	October 1, 1896	November 6, 1984
(4) Head office	9-9, Yaesu 1-chome Chuo-ku, Tokyo	7-12, Kitahama 3-chome Chuo-ku, Osaka
(5) Representative	Keisuke Minami President and Chief Executive Officer	Nobuaki Tsuji President and Chief Executive Officer
(6) Capital	¥51,629 million	¥40 million
(7) Number of shares issued	254,141,634 shares	700 shares
(8) Shareholders' equity	¥124,285 million	¥232 million
(9) Total assets	¥485,957 million	¥769 million
(10) Date of settlement	December 31	December 31
(11) Number of employees	299	68
(12) Principal customers	Individuals, companies, government agencies	Tokyo Tatemono Co., Ltd., Condominium management associations, Individuals
(13) Principal shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account) 6.5% Master Trust Bank of Japan, Ltd. (Trust Account) 4.7% SOMPO JAPAN INSURANCE INC. 4.1% Meiji Yasuda Life Insurance Company 3.9%	Tokyo Tatemono Co., Ltd. 74.28% Tokyo Real Estate Management Co., Ltd. 11.43% Tokyo Building Service Co., Ltd. 11.43% Tokyo Tatemono Amenity Support Co., Ltd. 2.86%
(14) Principal banks	Mizuho Corporate Bank	Mizuho Bank
(15) Relationships between the parties	Capital	Tokyo Tatemono holds 74.28% of the issued shares of <u>Kyodo Building Management</u> .
	Personnel	Tokyo Tatemono has dispatched four executives to <u>Kyodo Building Management</u> .
	Business	Kyodo Building Management receives contracts from Tokyo Tatemono for management and janitorial services for the buildings it owns or operates, and acts as an after-sales service agent for housing sold by Tokyo Tatemono.

(1) Trade name	Tokyo Tatemono Co., Ltd. (Parent company)		Tokyo Tatemono Techno-build Co., Ltd. (Wholly owned subsidiary)
(2) Principal line of business	Building development and management; Condominium and detached housing development; Real estate securitization and investment trusts; Resort development, sales and management; Real estate brokerage, appraisals and consulting; Other		Housing renovation; Building renewal; Sales of housing equipment and interior design goods; Interior coordination business; Other
(3) Established	October 1, 1896		October 7, 1994
(4) Head office	9-9, Yaesu 1-chome Chuo-ku, Tokyo		9-9, Yaesu 1-chome Chuo-ku, Tokyo
(5) Representative	Keisuke Minami President and Chief Executive Officer		Takanao Hayashi President and Chief Executive Officer
(6) Capital	¥51,629 million		¥100 million
(7) Number of shares issued	254,141,634 shares		2,000 shares
(8) Shareholders' equity	¥124,285 million		¥483 million
(9) Total assets	¥485,957 million		¥2,452 million
(10) Date of settlement	December 31		December 31
(11) Number of employees	299		36
(12) Principal customers	Individuals, companies, government agencies		Tokyo Tatemono Co., Ltd., Condominium management associations
(13) Principal shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account) 6.5% Master Trust Bank of Japan, Ltd. (Trust Account) 4.7% SOMPO JAPAN INSURANCE INC. 4.1% Meiji Yasuda Life Insurance Company 3.9%		Tokyo Tatemono Co., Ltd. 51% Tokyo Tatemono Amenity Support Co., Ltd. 49%
(14) Principal banks	Mizuho Corporate Bank		Mizuho Bank
(15) Relationships between the parties	Capital	Tokyo Tatemono holds 51% of the issued shares of Tokyo Tatemono Techno-build.	
	Personnel	Tokyo Tatemono has dispatched five executives to Tokyo Tatemono Techno-build.	
	Business	Tokyo Tatemono Techno-build receives contracts from Tokyo Tatemono for renovation work for the buildings it owns or operates.	

(1) Trade name	Tokyo Tatemono Co., Ltd. (Parent company)		Hotness Co., Ltd. (Wholly owned subsidiary)	
(2) Principal line of business	Building development and management; Condominium and detached housing development; Real estate securitization and investment trusts; Resort development, sales and management; Real estate brokerage, appraisals and consulting; Other		High-grade public baths and spas business	
(3) Established	October 1, 1896		October 15, 1998	
(4) Head office	9-9, Yaesu 1-chome Chuo-ku, Tokyo		9-9, Yaesu 1-chome Chuo-ku, Tokyo	
(5) Representative	Keisuke Minami President and Chief Executive Officer		Kazumasa Uchida President and Chief Executive Officer	
(6) Capital	¥51,629 million		¥50 million	
(7) Number of shares issued	254,141,634 shares		1,000 shares	
(8) Shareholders' equity	¥124,285 million		¥367 million	
(9) Total assets	¥485,957 million		¥1,947 million	
(10) Date of settlement	December 31		December 31	
(11) Number of employees	299		19	
(12) Principal customers	Individuals, companies, government agencies		Individuals	
(13) Principal shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account) 6.5% Master Trust Bank of Japan, Ltd. (Trust Account) 4.7% SOMPO JAPAN INSURANCE INC. 4.1% Meiji Yasuda Life Insurance Company 3.9%		Tokyo Tatemono Co., Ltd. 50% Tokyo Tatemono Amenity Support Co., Ltd. 50%	
(14) Principal banks	Mizuho Corporate Bank		Mizuho Corporate Bank	
(15) Relationships between the parties	Capital	Tokyo Tatemono holds 50% of the issued shares of Hotness.		
	Personnel	Tokyo Tatemono has dispatched three executives to Hotness.		
	Business	—		

(1) Trade name	Tokyo Tatemono Co., Ltd. (Parent company)		Informa Co., Ltd. (Wholly owned subsidiary)	
(2) Principal line of business	Building development and management; Condominium and detached housing development; Real estate securitization and investment trusts; Resort development, sales and management; Real estate brokerage, appraisals and consulting; Other		Media complex business	
(3) Established	October 1, 1896		January 8, 1996	
(4) Head office	9-9, Yaesu 1-chome Chuo-ku, Tokyo		9-9, Yaesu 1-chome Chuo-ku, Tokyo	
(5) Representative	Keisuke Minami President and Chief Executive Officer		Kazumasa Uchida President and Chief Executive Officer	
(6) Capital	¥51,629 million		¥10 million	
(7) Number of shares issued	254,141,634 shares		200 shares	
(8) Shareholders' equity	¥124,285 million		¥16 million	
(9) Total assets	¥485,957 million		¥1,574 million	
(10) Date of settlement	December 31		December 31	
(11) Number of employees	299		29	
(12) Principal customers	Individuals, companies, government agencies		Individuals	
(13) Principal shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account) 6.5% Master Trust Bank of Japan, Ltd. (Trust Account) 4.7% SOMPO JAPAN INSURANCE INC. 4.1% Meiji Yasuda Life Insurance Company 3.9%		Tokyo Tatemono Co., Ltd. 50% Tokyo Tatemono Amenity Support Co., Ltd. 50%	
(14) Principal banks	Mizuho Corporate Bank		Mizuho Corporate Bank	
(15) Relationships between the parties	Capital	Tokyo Tatemono holds 50% of the issued shares of Informa.		
	Personnel	Tokyo Tatemono has dispatched three executives to Informa.		
	Business	—		

4. Financial Results for the Three Most Recent Fiscal Years

(Millions of yen, except where noted)

	Tokyo Tatemono Co., Ltd. (Parent company)			Tokyo Tatemono Amenity Support Co., Ltd. (Wholly owned subsidiary)		
Fiscal Period	FY01/12	FY02/12	FY03/12	FY01/12	FY02/12	FY03/12
Revenue from operations	84,935	97,818	104,496	4,108	4,344	4,527
Operating income	11,597	13,532	16,209	406	466	597
Recurring income	6,472	7,605	11,219	372	446	577
Net income	1,899	4,022	5,474	177	250	343
Net income per share (yen)	8.33	17.94	25.66	88,727.76	125,182.58	171,627.01
Annual dividend per share (yen)	5.00	6.00	7.00	5,000.00	5,000.00	130,000.00
Shareholders' equity per share (yen)	400.34	421.58	467.97	496,829.30	617,230.65	817,756.94

	Kyodo Building Management Co., Ltd. (Wholly owned subsidiary)			Tokyo Tatemono Techno-build Co., Ltd. (Wholly owned subsidiary)		
Fiscal Period	FY01/12	FY02/12	FY03/12	FY01/12	FY02/12	FY03/12
Revenue from operations	2,439	2,602	2,510	7,307	4,849	6,058
Operating income	68	35	27	355	160	190
Recurring income	71	50	21	365	177	209
Net income	36	32	10	215	105	120
Net income per share (yen)	52,669.04	46,946.79	15,366.66	107,586.45	52,872.49	60,300.92
Annual dividend per share (yen)	—	—	—	—	—	130,000.00
Shareholders' equity per share (yen)	230,257.65	277,252.00	293,447.78	218,147.85	271,020.35	331,321.28

	Hotness Co., Ltd. (Wholly owned subsidiary)			Informa Co., Ltd. (Wholly owned subsidiary)		
Fiscal Period	FY01/12	FY02/12	FY03/12	FY01/12	FY02/12	FY03/12
Revenue from operations	742	1,087	1,669	1,850	2,621	2,859
Operating income (loss)	97	234	345	(68)	65	25
Recurring income (loss)	87	194	298	(60)	78	35
Net income (loss)	43	108	154	(61)	65	21
Net income (loss) per share (yen)	43,733.68	108,030.70	154,457.91	(305,821.30)	326,464.18	105,152.58
Annual dividend per share (yen)	—	—	99,500.00	—	—	—
Shareholders' equity per share (yen)	104,935.85	212,966.56	367,424.47	(249,792.09)	76,672.09	181,824.67

5. Changes after Share Exchange

(1) Trade names, principal lines of business, head offices and representatives

There will be no changes in the trade names, principal lines of business, head offices or representatives of any of the six companies given in “3. Summary of Relevant Parties to the Share Exchange” above.

(2) Capital

There will be no increases in Tokyo Tatemono's capital as a result of this share exchange.

(3) Effect on financial results

The companies to become wholly owned subsidiaries, Tokyo Tatemono Amenity Support, Kyodo Building Management, Tokyo Tatemono Techno-build, Hotness and Informa, are currently consolidated subsidiaries of Tokyo Tatemono, so the impact on consolidated financial results expected as a result of this share exchange is minimal.

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