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## **News Release**

February 12, 2009

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 2009 to 2014. An outline of the Medium-Term Business Plan, entitled "The Challenge of a Turbulent Age and Leap to a New Stage," continues on the following pages.

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## **The Group's Medium-Term Business Plan (Fiscal 2009 to 2014)**

### **The Challenge of a Turbulent Age and Leap to a New Stage**

The Tokyo Tatemono Group has striven to increase its enterprise value in the three years starting in fiscal 2007 within its Group medium-term business plan, entitled "Challenge for New Growth."

However, owing to the disorder in financial markets worldwide brought about by the U.S. subprime loan crisis and resulting rapid economic decline, the Group's business environment has changed completely from the time the current plan was established. While fiscal 2009 was originally the final year of the current plan, to respond promptly to the dramatic changes in the external environment that guide the plan's assumptions, we determined that a review of our business operation guidelines was essential. Accordingly, we decided recently to establish a new Group medium-term business plan starting in fiscal 2009.

The newly established Group medium-term business plan, "The Challenge of a Turbulent Age and Leap to a New Stage," in addition to responding to the rapid economic changes currently underway, establishes a longer-term strategy by extending the plan to six years through 2014 and dividing it into two stages, Phase I from 2009 to 2011 and Phase II from 2012 to 2014.

With the economic downturn expected to continue over the long term, we believe that the business environment surrounding our Group will remain unpredictable. With our new Group medium-term business plan as the guideline, we will challenge the current turbulence vigorously and take the next leap forward.

(more)

## Phase I (2009 to 2011): “The Challenge of a Turbulent Age”

Enhancing profitability and financial strength and building a solid base to take the next leap forward.

Amid the current turbulence, in which our Group confronts a business environment of unprecedented difficulty and unpredictability, we have decided to establish a firm base to prepare for the next stage. While securing stable profits, we will work to enhance profitability and financial strength as we move toward the next stage.

### ◆ Numerical Targets

- **Consolidated operating income of ¥30 billion or more** each year from fiscal 2009 to 2011
- **A D/E ratio of 1.8x or lower** by end-2011  
(D/E ratio: consolidated interest-bearing debt/consolidated owners' equity)

### ◆ Specific Strategies to Achieve the Targets

#### 1. Key Strategies to Enhance Profitability

(Urban development business)

- Achieve real tenant leasing in newly built office buildings to realize prompt high occupancy, and secure development profits by implementing an exit strategy
- Ensure steady progress of ongoing projects and thorough cost control

(Residential housing business)

- Reduce thoroughly our inventory through enhanced selling power and secure steady earnings
- Boost the value of our Brillia brand through increased customer satisfaction based on product strength
- Pursue the development of rental housing that meets the needs of a range of lifestyles

(Leasing business)

- Raise profitability and competitiveness through a reallocation of strategic assets focused on strengthening the future profit base
- Secure steady earnings through enhanced management of leasing assets

(Other businesses)

- Enhance profitability of real estate agency business by focusing on retail brokerage business and increasing corporate clients
- Accelerate real estate investment fund management business by enhancing our investment advisory company
- Enhance fee business by increasing orders in property management, construction management and other consulting businesses

#### 2. Key Strategies to Enhance Financial Strength

- Improvement of asset efficiency through a strategic reallocation of revenue-generating assets that leverages ongoing urban development projects
- Increase in the inventory turnover ratio through reduction of inventory in the residential subdivision business
- Selective investment in new projects

#### 3. Enhance the foundation of corporate activities and carry out our corporate social responsibility

- Further implementation of fully compliant business operations
- Enhancement of efforts in every business domain to reduce the environmental burden

## Phase II (2012 to 2014): “Leap to a New Stage”

Pursue active business development on a foundation of enhanced profitability and financial strength to achieve the leap to a new stage.

Amid the current turbulence, we will bring to fruition numerous large-scale projects based on a foundation of enhanced profitability and financial strength, to further enlarge the profit base that has been cultivated since the Group’s founding. Furthermore, we will actively pursue additional business opportunities and further establish our standing as a corporate group that produces added value by continuing to provide new value to society through the progress of our “Tokyo Tatemono Urban Development” project, moving to achieve the leap to a new stage.

### ◆ Progress of “Tokyo Tatemono Urban Development”

#### 1. Goals of “Tokyo Tatemono Urban Development”

By continuing to provide new value to society, we will realize our corporate mottoes “A Rich and Dream-Filled Life,” “A Comfortable Urban Environment” and “A Valuable, Relaxing Space,” while always keeping in mind the customer’s perspective.

#### 2. Implementation Steps

- Bring ongoing large-scale projects to fruition and pursue new projects  
(Main projects scheduled for completion in Phase II)
  - Kyobashi 3-chome Project (Chuo-ku, Tokyo): Scheduled completion in 2012
  - Nakano Project (Former Nakano Police Academy site redevelopment project, Nakano-ku Tokyo): Scheduled completion in 2012
  - Otemachi 1-6 Project: Scheduled completion, 2014 (partial completion in 2013)(Main projects scheduled for completion after Phase II)
  - Yaesu 1-chome Project (Chuo-ku, Tokyo)\*
  - Meguro station redevelopment project (Meguro-ku, Tokyo)\*

\*Both projects are scheduled to be type-1 urban redevelopment projects.
- Develop our Brillia condominium brand by accurately assessing customer needs  
(Main project scheduled for completion in Phase II)
  - Former Yokohama Prince Hotel Site Project (Yokohama): Scheduled completion in 2012, with total units numbering 1,250
- Create new value in every business domain centered on responding to the aging population and the environment
- Position overseas markets, beginning with China, as key fields and actively develop business

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