

A N N U A L R E V I E W 2 0 0 1

Fiscal Year Ended December 31, 2001

Tokyo Tatemono Co., Ltd.

MANAGEMENT REVIEW

Operating Environment

In fiscal 2001, the Japanese economy continued to slow down due to the decline in the corporate sector's production levels and capital investments with the economic recession in foreign countries and the slump of IT-related companies as well as the slow down in consumer spending resulting from a decline in the corporate sector's revenue and uncertainty about employment and individual income.

In the real estate industry, demand for office space, which is supported mainly by the needs of foreign and IT-related companies, declined and even large-scale offices and commercial buildings in central Tokyo occupancy level showed some signs of dropping off since last autumn. In the residential housing market, although the sale of large-scale skyscrapers for condominiums in central Tokyo improved, customers has become increasingly selective and there appears to be some signs of a downturn in sales reflecting the economic recession and uncertainty about employment. Thus the business environment surrounding our industry is becoming increasingly unpredictable.

Result

Reflecting the above circumstances, we aimed to focus on customer-oriented business to promptly deal with the dramatically changing market and operated aggressively. However, in fiscal 2001, despite total revenue from operations decreased by 14.0% to ¥105,515 million (US\$802,613 thousand), compared with ¥122,681 million in fiscal 2000, operating income rose 4.4% to ¥14,702 million (US\$111,838 thousand), compared with ¥14,078 million in fiscal 2000. Net income was ¥3,753 million (US\$28,553 thousand), compared with ¥11,127 million in fiscal 2000, mainly resulting from losses on sale and write-down of securities due to a decline in securities market.

Outlook

The Japanese economy is expected to be in a severe condition due to the decline in revenue of the corporate sector and a slump in individual consumption caused by the higher unemployment rate. In the real estate industry, the balance between demand and supply in the commercial building market will deteriorate because large-scale office and commercial buildings are expected to be oversupplied. In the residential housing market, the future trends are unpredictable due to the downturn in demand for houses for individuals reflecting the severe conditions of employment and individual income. On the other hand, opening of the market of the real estate investment trust (REIT) is promoting separation of ownership and management of real estate and its liquidity, and thus the real estate business is expected to change. This will create a significant opportunity for improving our profitability.

Foundation

Under these circumstances, we are going to strengthen our mainstay business of office building leasing and sale of real estate to secure a stable base of profitability and furthermore proceed with a full-scale entry into the REIT business. In this time of change, the Tokyo Tatemono Group will endeavor to aim at "improving the corporate value of the entire group".

FINANCIAL REVIEW

Revenue and Income

Office and Commercial Building Leasing

In fiscal 2001, we aimed to strengthen our competitive position by renovation of earthquake-proof buildings or renewal of old buildings in order to improve occupancy rates and profitability of building leasing, and furthermore we endeavored to increase orders for property management. However, revenue from leasing dropped by 5.2% to ¥37,885 million (US\$288,178 thousand), compared with ¥39,968 million in the previous year mainly due to the sale of “Tokyo Tatemono Shinjuku Building” in the previous year. Furthermore, “Tokyo Tatemono Honmachi Building”, “Arca East”, and “Shin-Kohjimachi Building” were sold to Japan Prime Realty Investment Corporation that is preparing to list these buildings to the REIT market in Japan. On the other hand, Gotanda First Building (4,200 m² owned) was acquired through a special purpose company to securitize the building.

Real Estate Sales

In fiscal 2001, condominiums such as “Esta Garden” in Sumida-Ku Tokyo, “D-Tria Islet Square” in Ohta-Ku, Tokyo, “Plein Vert Yokohama-Mitsukyo” in Yokohama and residential properties such as “Vert Court Musashino-Sekimae” in Musashino Tokyo were sold. However, sales of real estate dropped by 26.9% to ¥51,590 million (US\$392,426 thousand), compared with ¥70,568 million in the previous year. In fiscal 2002, condominiums such as “Feelia Ageo” in Ageo Saitama, “Art Vert Ryokuchi-Koen” in Suita Osaka, “Art Vert Nerima-Takanodai” in Nerima Tokyo and residential properties such as “Vert Court Nishichiba” in Chiba are scheduled to be sold.

Related Services

The Related Service Dept. performed positive business activities using know-how regarding property securitization as well as brokerage, appraisal, consultation and property management. These operations resulted in revenue of ¥16,039 million (US\$122,008 thousand) or a 32.1% increase from ¥12,144 million in the previous year.

In addition we have participated in a redevelopment project of the 3rd west area in the north of Kawasaki Station in Kawasaki in order to expand development and management services for commercial facilities.

Analysis of Income

Revenue from operations was down 14.0% from the previous year chiefly owing to a decrease in sales of real estate. However, operating income was up 4.4% due to an increase in sales of the related services.

Although interest expenses decreased, net income in fiscal 2001 amounted to ¥3,753 million (US\$28,553 thousand) or 66.3% down from the previous year due to the losses on sale and the revaluation of securities which resulted from a decline in their market value.

Financial Position

In fiscal 2001, total assets increased ¥5,096 million (US\$38,766 thousand) or 1.1% to ¥477,232 million (US\$3,630,108 thousand), resulted from a decrease in current assets of ¥16,787 million (US\$127,698 thousand) and an increase in assets other than current assets of ¥21,884 million (US\$166,464 thousand).

The decrease in current assets resulted from an increase in inventories of ¥9,142 million (US\$69,539 thousand) including land for condominiums for sale and a transfer of marketable securities of ¥19,862 million (US\$151,086 thousand) to investment securities in conformity with the new accounting standards for financial instruments adopted in fiscal 2001.

The transfer of marketable securities to investment securities resulted in the increase in assets other than current assets in spite of a decrease in property and equipment due to sale of some office buildings.

Debt including short-term borrowings dropped ¥3,190 million (US\$24,266 thousand) or 1.0% to ¥306,540 million (US\$2,331,725 thousand).

Shareholders' equity increased ¥6,229 million (US\$47,382 thousand) or 7.5% to ¥89,605 million (US\$681,594 thousand), resulted from current net income and net unrealized gain on available-for-sale securities.

Tokyo Tatemono Co., Ltd.
CONSOLIDATED BALANCE SHEETS

ASSETS	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Current assets:			
Cash (Note 14)	¥ 5,742	¥ 9,513	\$ 43,679
Marketable securities (Notes 3 and 7)	80	19,942	610
Accounts receivable, trade	3,590	5,973	27,314
Inventories (Notes 4 and 7)	75,556	66,414	574,727
Deferred income taxes (Note 10)	868	1,685	6,605
Other current assets	5,323	4,429	40,495
Allowance for doubtful accounts	(15)	(24)	(118)
Total current assets	91,146	107,934	693,315
Investments:			
Investment securities (Notes 3 and 7)	34,284	3,916	260,791
Investments in unconsolidated subsidiaries and affiliates	3,171	2,629	24,122
Long-term loans (Note 6)	1,153	1,183	8,774
Guarantee deposits paid	8,673	10,530	65,973
Deferred income taxes (Note 10)	309	1,276	2,356
Other investments	5,606	4,526	42,643
Allowance for doubtful accounts	(1,817)	(1,651)	(13,823)
Total investments	51,381	22,412	390,837
Property and equipment (Note 7):			
Land	257,961	262,111	1,962,203
Buildings	115,603	119,541	879,350
Machinery and equipment	803	880	6,114
Furniture and fixtures	1,808	1,810	13,754
Construction in progress	1,841	541	14,010
Total property and equipment	378,018	384,885	2,875,432
Less accumulated depreciation	(50,981)	(50,685)	(387,797)
Net property and equipment	327,037	334,199	2,487,635
Intangible and other assets (Note 5)	7,667	7,589	58,319
Total assets	¥477,232	¥472,135	\$3,630,108

The accompanying notes are an integral part of these statements.

LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Current liabilities:			
Short-term borrowings (Note 7)	¥ 37,218	¥ 45,902	\$ 283,102
Current portion of long-term debt (Note 7)	68,610	51,718	521,891
Accounts payable, trade (Note 8)	6,103	7,990	46,429
Accrued income taxes (Note 10)	479	52	3,650
Accrued expenses	3,915	4,536	29,780
Advances received	8,329	6,259	63,356
Deferred income taxes (Note 10)	8	26	63
Other current liabilities	6,242	4,691	47,481
Total current liabilities	130,906	121,177	995,755
Long-term liabilities:			
Long-term debt (Note 7)	200,711	212,109	1,526,731
Accounts payable, other (Notes 7 and 8)	4,439	4,704	33,770
Guarantee deposits received	32,848	36,303	249,864
Deferred income taxes (Note 10)	5,054	3,591	38,447
Deferred income taxes on land revaluation (Note 2 (f))	1,892	1,744	14,396
Accrued severance indemnities (Note 9)	4,579	4,754	34,835
Other	6,584	3,909	50,085
Total liabilities	387,018	388,297	2,943,886
Minority interest	608	462	4,627
Shareholders' equity (Note 11):			
Common stock, without par value—			
Authorized — 800,000,000 shares			
Issued — 228,141,634 shares	45,623	45,623	347,038
Additional paid-in capital	38,229	38,229	290,797
Land revaluation excess (Note 2 (f))	2,603	2,399	19,800
Net unrealized gain on available-for-sale securities (Note 2 (d))	2,771	—	21,083
Retained earnings (Accumulated deficit)	344	(2,750)	2,620
Foreign currency translation adjustments	121	(39)	921
Less — Treasury stock, at cost	(87)	(86)	(668)
Total shareholders' equity	89,605	83,376	681,594
Commitments and contingent liabilities (Note 12)			
Total liabilities, minority interest and shareholders' equity	¥477,232	¥472,135	\$3,630,108

Tokyo Tatemono Co., Ltd.
CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue from operations:			
Leasing of office and commercial buildings	¥ 37,885	¥ 39,968	\$288,178
Sales of real estate	51,590	70,568	392,426
Related services	16,039	12,144	122,008
	105,515	122,681	802,613
Cost of revenue:			
Leasing of office and commercial buildings	23,798	23,798	181,027
Sales of real estate	41,395	61,217	314,877
Related services	9,153	7,746	69,628
	74,347	92,762	565,533
Gross profit	31,167	29,919	237,079
Selling, general and administrative expenses	16,464	15,840	125,240
Operating income	14,702	14,078	111,838
Other income (expenses):			
Interest and dividend income	1,517	432	11,542
Interest expenses	(7,392)	(9,003)	(56,230)
Gain on sale of property and equipment	569	39,402	4,330
(Loss) gain on sale of marketable and investment securities	(1,338)	883	(10,179)
Write-down of marketable securities	(1,392)	(671)	(10,593)
Write-down of real estate for sale	—	(5,362)	—
Write-down of land and buildings	(739)	(28,609)	(5,627)
Provision for severance indemnities	—	(3,575)	—
Provision for losses on doubtful accounts	—	(1,667)	—
Equity in income of affiliated companies	218	43	1,665
Other, net	(242)	(1,677)	(1,837)
	(8,798)	(9,804)	(66,928)
Income before income taxes and minority interest	5,904	4,273	44,910
Income taxes (Note 10)			
Current	616	81	4,687
Deferred	1,383	(6,953)	10,525
	1,999	(6,871)	15,213
Income before minority interest	3,904	11,145	29,697
Minority interest	(150)	(17)	(1,144)
Net income	¥ 3,753	¥ 11,127	\$ 28,553
		Yen	U.S. dollars
Per share of common stock:			
Net income	¥16.49	¥48.88	\$0.13
Cash dividends applicable to the year	5.00	4.00	0.04

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common stock	Additional paid-in capital	Land revaluation excess	Unrealized gain on available-for-sale securities	Retained earnings (Accumulated deficit)	Foreign currency translation adjustments	Treasury stock	Total shareholders' equity
(Millions of yen)								
Balance at December 31, 1999	¥45,623	¥38,229	¥ —	¥ —	(¥ 386)	¥ —	(¥ 0)	¥83,466
Net income	—	—	—	—	11,127	—	—	11,127
Cash dividends paid	—	—	—	—	(1,111)	—	—	(1,111)
Cumulative effect of adopting tax-effect accounting	—	—	—	—	(7,628)	—	—	(7,628)
Adjustment of deficit for newly consolidated subsidiaries	—	—	—	—	(4,751)	—	—	(4,751)
Land revaluation excess, net of deferred income taxes	—	—	2,399	—	—	—	—	2,399
Net change in foreign currency translation adjustments	—	—	—	—	—	(39)	—	(39)
Increase in treasury stock	—	—	—	—	—	—	(85)	(85)
Balance at December 31, 2000	45,623	38,229	2,399	—	(2,750)	(39)	(86)	83,376
Net income	—	—	—	—	3,753	—	—	3,753
Cash dividends paid	—	—	—	—	(455)	—	—	(455)
Transfer to land revaluation excess	—	—	203	—	(203)	—	—	—
Net increase in unrealized gain on available-for-sale securities, net of deferred income taxes	—	—	—	2,771	—	—	—	2,771
Net change in foreign currency translation adjustments	—	—	—	—	—	160	—	160
Increase in treasury stock	—	—	—	—	—	—	(1)	(1)
Balance at December 31, 2001	¥45,623	¥38,229	¥ 2,603	¥ 2,771	¥ 344	¥ 121	(¥ 87)	¥89,605
(Thousands of U.S. dollars)								
Balance at December 31, 2000	\$347,038	\$290,797	\$18,248	\$ —	(\$20,918)	(\$ 296)	(\$ 657)	\$634,212
Net income	—	—	—	—	28,553	—	—	28,553
Cash dividends paid	—	—	—	—	(3,463)	—	—	(3,463)
Transfer to land revaluation excess	—	—	1,552	—	(1,552)	—	—	—
Net increase in unrealized gain on available-for-sale securities, net of deferred income taxes	—	—	—	21,083	—	—	—	21,083
Net change in foreign currency translation adjustments	—	—	—	—	—	1,217	—	1,217
Increase in treasury stock	—	—	—	—	—	—	(11)	(11)
Balance at December 31, 2001	\$347,038	\$290,797	\$19,800	\$21,083	\$ 2,620	\$ 921	(\$ 668)	\$681,594

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Operating activities:			
Income before income taxes and minority interest	¥ 5,904	¥ 4,273	\$ 44,910
Depreciation and amortization	3,636	3,894	27,658
Equity in income of affiliated companies	(218)	(43)	(1,665)
Provision for losses on doubtful accounts	420	1,614	3,197
(Reversal of) provision for severance indemnities, less payments	(175)	3,667	(1,332)
Provision for (reversal of) reserve for bonuses to employees	40	(26)	305
Write-down of real estate for sale	—	5,362	—
Interest and dividend income	(1,517)	(432)	(11,542)
Interest expenses	7,392	9,003	56,230
Write-down of marketable securities	1,392	671	10,593
Loss (gain) on sale of marketable and investment securities	1,338	(883)	10,179
Gain on sale of property and equipment	(569)	(39,402)	(4,330)
Write-down of land and buildings	739	28,609	5,627
Decrease (increase) in accounts receivable, trade	2,407	(2,846)	18,310
(Increase) decrease in inventories	(12,289)	8,462	(93,481)
Decrease in guarantee deposits paid	1,473	1,234	11,211
Increase in accounts payable, trade	82	801	624
Decrease in guarantee deposits received	(3,538)	(2,858)	(26,916)
Other	2,672	624	20,325
Subtotal	9,190	21,725	69,904
Interest and dividends received	1,225	500	9,320
Interest paid	(7,380)	(9,561)	(56,143)
Income taxes paid	(189)	(71)	(1,442)
Net cash provided by operating activities	2,844	12,592	21,638
Investing activities:			
Proceeds from sale of marketable and investment securities	2,270	3,320	17,268
Purchase of marketable and investment securities	(11,060)	(300)	(84,132)
Proceeds from sale of property and equipment	10,272	51,350	78,142
Payment for purchases of property and equipment	(5,455)	(2,933)	(41,497)
Investments in consortium	(11,653)	—	(88,639)
Refund of investments in consortium	10,226	—	77,784
Increase in long-term loans	(25)	(589)	(192)
Collection of long-term loans	55	628	419
Other	3,249	338	24,715
Net cash (used in) provided by investing activities	(2,120)	51,813	(16,132)
Financing activities:			
Decrease in short-term borrowings	(8,684)	(13,944)	(66,058)
Increase in long-term debt	60,560	41,760	460,654
Repayment of long-term debt	(40,330)	(71,470)	(306,779)
Proceeds from issuance of corporate bonds	—	5,000	—
Repayments of corporate bonds	(15,000)	(25,600)	(114,098)
Other	(5)	(84)	(42)
Dividends paid	(454)	(1,102)	(3,454)
Net cash used in financing activities	(3,915)	(65,442)	(29,779)
Effect of exchange rate changes on cash and cash equivalents	5	1	44
Net decrease in cash and cash equivalents	(3,185)	(1,035)	(24,228)
Cash and cash equivalents at beginning of year	8,854	8,766	67,340
Increase in cash and cash equivalents resulting from change in consolidated subsidiaries ..	—	1,122	—
Cash and cash equivalents at end of year (Note 14)	¥ 5,668	¥ 8,854	\$ 43,121

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Financial Statements

The accompanying consolidated financial statements have been prepared from the consolidated financial statements filed with the Financial Service Agency, as required by the Japanese Securities and Exchange Law in accordance with accounting principles generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Accounting Standards.

In addition, the consolidated statement of shareholders' equity and the notes to the consolidated financial statements include financial information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information, and certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

As permitted by the Securities and Exchange Law of Japan, amounts of less than one million yen have been disregarded. As a result, the totals in yen shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

U.S. dollar amounts presented in the accompanying consolidated financial statements are included solely for convenience and it should not be construed that Japanese yen amounts have been or could in the future be converted into dollar amounts. The rate of ¥131.465 to US\$1, prevailing on December 31, 2001, has been used for translation into U.S. dollar amounts in the accompanying consolidated financial statements.

2. Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of Tokyo Tatemono Co., Ltd. ("the Company") and its thirteen significant domestic subsidiaries and its two foreign subsidiaries.

The Company has adopted the accounting standards for consolidation in Japan, under which consolidated financial statements include the accounts of the Company and its significant companies controlled directly or indirectly by the Company, and companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements.

Significant intercompany transactions and accounts have been eliminated in consolidation.

However, when the market value of inventories traded between the consolidated companies is less than the acquisition cost, the unrealised inter-company loss is not eliminated.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary / associated company at the date of acquisition are reported in the balance sheet as other assets and are amortized using the straight-line method over five years.

The equity basis accounting is applied to four affiliated companies, in consideration of the material impact on the consolidated financial statements.

Investments in three unconsolidated subsidiaries (more than 50% owned) and one affiliate (20% to 50% owned) are carried at cost, rather than on an equity basis, because the aggregate net income and retained earnings of these companies are not material to the consolidated financial statements. Cash dividends from these companies are recorded in the Company's books when they are approved by the shareholders.

(b) Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Thus, time deposits with a maturity of more than three months have been excluded and marketable securities with a maturity of three months or less have been included in cash and cash equivalents. A reconciliation between cash in the balance sheet and cash and cash equivalents at January 1, 2000, and December 31, 2000 and 2001, is presented in Note 14.

(c) Allowance for doubtful accounts

Allowances for doubtful accounts, including a specific allowance, are provided at the amount, which is considered sufficient to cover possible losses on collection.

(d) Marketable and investment securities

Until the year ended December 31, 2000, marketable and investment securities listed on stock exchanges were stated at the lower of cost or market value, cost being determined by the average cost method.

Effective the year ended December 31, 2001, the Company and its consolidated subsidiaries adopted a new accounting standard for financial instruments, including marketable and investment securities.

The standard requires all applicable securities to be classified and accounted for, depending on management's intent, as follows:

i) trading securities, which are held for the purpose of earning capital gains in a near term, are reported at fair value and the related unrealized gains and losses are included in the earnings, ii) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost and iii) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value with unrealized gains and losses, net of applicable taxes, and reported in a separate component of shareholders' equity. The component is not available for dividends.

As a result of the adoption of the new accounting standard, marketable securities classified as current assets decreased by ¥19,932 million (\$151,614 thousand) and investment securities increased by the same amount as of January 1, 2001.

(e) Inventories

Inventories are stated at accumulated acquisition or construction cost for each project. Interest on borrowings relating to acquisition or construction of inventories is excluded from such cost.

The Company and its consolidated subsidiaries have adopted the accounting policy to revalue inventories at fair value, when the fair value is substantially less than cost and the decline in fair value is considered to be permanent.

(f) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation.

Depreciation of property and equipment is provided on the straight-line method, except for furniture and fixtures on which depreciation is provided on the declining-balance method, at rates determined based on the estimated useful lives of the respective assets. However, depreciation of property and equipment held by the foreign consolidated subsidiaries is provided on the straight-line method on the estimated useful lives of the assets.

Interest on borrowings relating to the construction of new buildings is capitalized as part of the cost of the new buildings during their construction period.

Under the "Law of Land Revaluation", promulgated and revised on March 31, 1998 and 1999, respectively, the Company elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of December 31, 2000.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of shareholders' equity. The component is not available for dividends.

There is no effect on the statement of income. The details of the one-time revaluation as of December 31, 2000 were as follows:

Land before revaluation : ¥230,661 million
Land after revaluation : ¥234,805 million
Land revaluation excess : ¥ 4,144 million
(net of income taxes : ¥ 2,399 million)

In 2001 a part of its own-use land was sold and the fair value of the land was less than the amount before revaluation of ¥3,028 million.

(g) Bond and new share issue expenses

Expenses relating to bond and new share issues are charged to income when incurred.

(h) Accrued severance indemnities and pension plan

Until the year ended December 31, 2000, the annual provision for retirement benefits, under the employees' retirement plan, was calculated to state the employee severance indemnities at the present value of the projected benefits allotted to the services provided up to the balance sheet date minus fair value of the pension assets, and at the amount of 100 percent of the employee severance indemnities based on voluntary retirement for the consolidated subsidiaries.

Effective the year ended December 31, 2001, the Company and its consolidated subsidiaries adopted a new accounting standard for the employees' retirement benefits and accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

(i) Derivatives and Hedging Activities

The Company and its consolidated subsidiaries ("the Group") uses derivative financial instruments to manage its exposures to fluctuations in interest rates. Interest rate swaps are utilized by the Group to reduce interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Effective for the year ended December 31, 2001, the Group adopted a new accounting standard for derivative financial instruments and a revised accounting standard for foreign currency transactions. These standards require that: a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

The Group enter into interest rate swap contracts to manage its interest rate exposures on certain liabilities.

It is the Company's policy to use derivatives only for the purpose of reducing market risk.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the accounting department have been made in accordance with internal policies which regulate the authorization.

Each derivative transaction is periodically reported to the Board of Directors.

(j) Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates, excluding those covered by long-term forward exchange contracts, which are translated using the contracted exchange rates.

Assets, liabilities, income and expense items of the consolidated foreign subsidiaries are translated into Japanese yen at related year-end exchange rates. Other components of shareholders' equity are translated into Japanese yen at their historical rates. The resulting exchange differences are presented as foreign currency translation adjustments as a component of shareholders' equity.

(k) Net income per share

Computations of net income per share are based on the weighted average number of shares outstanding during each period.

(l) Income taxes

Up to 1999, income taxes were provided for amounts currently payable each year.

In accordance with a new accounting standard for income taxes, which is effective for the periods beginning on or after April 1, 1999, deferred tax assets and liabilities have been initially recognized in the consolidated financial statements for the year ended December 31, 2000, with respect to the differences between financial reporting and the tax bases of the assets and liabilities, and have been measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

The effect of this change in accounting was to increase total assets by ¥2,961 million, total liabilities by ¥3,618 million, and to increase net income by ¥6,953 million for the year ended December 31, 2000. The cumulative effect of this change as of January 1, 2000, amounted to ¥7,628 million and has been presented as an addition to accumulated deficit at the beginning of the year.

3. Marketable Securities and Investment Securities

Marketable securities and investment securities consist of the following:

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Marketable securities:			
Corporate stocks	¥ —	¥19,544	\$ —
Government bonds and corporate bonds	80	33	610
Mutual funds	—	364	—
	<u>¥ 80</u>	<u>¥19,942</u>	<u>\$ 610</u>
Investment securities:			
Corporate stocks	¥20,285	¥ 659	\$154,301
Government bonds and corporate bonds	1,098	249	8,354
Other equity securities	12,901	3,008	98,136
	<u>¥34,284</u>	<u>¥ 3,916</u>	<u>\$260,791</u>

4. Inventories

Inventories consist of the following:

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Real estate for sale:			
Completed	¥ 7,932	¥ 8,343	\$ 60,338
Undeveloped and in process	67,624	58,070	514,389
	<u>¥75,556</u>	<u>¥66,414</u>	<u>\$574,727</u>

5. Intangible Assets

Intangible assets consist of the following:

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Leasehold land	¥6,992	¥6,970	\$53,190
Other	659	604	5,015
	<u>¥7,652</u>	<u>¥7,574</u>	<u>\$58,205</u>

6. Long-Term Loans

Long-term loans as at December 31, 2001 and 2000 included doubtful debt of ¥2,698 million (\$20,523 thousand) and ¥8,763 million, respectively. The debt consisted of loans and interest thereon. The doubtful debts, which were fully provided by an allowance for doubtful accounts, were offset against the allowance.

7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings as at December 31, 2001 are unsecured.

The average interest rate for short-term borrowings was 1.04% and 1.33% as at December 31, 2001 and 2000, respectively. The average amount of short-term borrowings outstanding was approximately ¥54,195 million (\$412,241 thousand) and ¥69,604 million during the years ended December 31, 2001 and 2000, respectively.

Long-term debt consists of the following:

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Secured:			
Banks and insurance companies, principally at 2.20%–5.95%, maturing serially through 2015	¥ 33,009	¥ 39,879	\$ 251,085
Unsecured:			
Banks, principally at 1.34%–3.24%, maturing serially through 2022	200,398	173,033	1,524,344
1.8% yen convertible debentures, due 2004	6,615	6,615	50,318
2.85% yen bonds, due 2001	—	10,000	—
3.3% yen bonds, due 2003	9,300	9,300	70,741
3.4% yen bonds, due 2002	10,000	10,000	76,066
2.3% yen bonds, due 2001	—	5,000	—
2.5% yen bonds, due 2002	5,000	5,000	38,033
1.96% yen bonds, due 2003	2,000	2,000	15,213
2.32% yen bonds, due 2003	3,000	3,000	22,820
	269,322	263,827	2,048,622
Less-amounts due within one year	68,610	51,718	521,891
	¥200,711	¥212,109	\$1,526,731

The 1.8% yen convertible debentures may be surrendered through June 29, 2004 for conversion into shares of common stock at ¥1,428.20 per share as at December 31, 2001 which is subject to adjustments under the terms of the agreement. The debentures are redeemable, at the option of the Company, in whole or in part, at any time on or after August 1, 1988 and prior to maturity, upon not less than 60 day's notice, at prices commencing at 106% and declining to 100% of the principal amount.

The 3.3% yen bonds due in 2003, the 3.4% yen bonds due in 2002, the 2.5% yen bonds due in 2002, the 1.96% yen bonds due 2003 and 2.32% yen bonds due 2003 can be repurchased at any time and at any price in the open market or otherwise. The Company or any subsidiary may, at its option, retain such bonds for its own account, resell or cancel or otherwise deal with them at its discretion. The bonds so purchased, while held by or on behalf of the Company or any subsidiary, shall not entitle the holder to vote at any meetings of the bond holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the bondholders.

The aggregate annual maturities of long-term debt subsequent to December 31, 2001 are summarized below:

Year ending December 31:	Millions of yen	Thousands of U.S. dollars
2002	¥ 68,610	\$ 521,891
2003	58,647	446,109
2004	44,874	341,343
2005	42,373	322,315
2006 and thereafter	54,815	416,962
Total	¥269,322	\$2,048,622

Net book values of assets pledged or mortgaged as security for short-term borrowings, long-term debt and long-term accounts payable, other described in Note 8 at December 31, 2001 are as follows:

	Millions of yen	Thousands of U.S. dollars
Land	¥45,086	\$342,951
Buildings	16,108	122,527
Marketable securities	80	610
Inventories	3,736	28,418
Investment securities	1,976	15,031
Total.....	<u>¥66,988</u>	<u>\$509,550</u>

8. Long-Term Accounts Payable, Other At December 31, 2001, long-term payables for the purchase of property were included in long-term accounts payable, other and accounts payable, trade in the amount of ¥4,439 million (\$33,770 thousand) and ¥265 million (\$2,016 thousand), respectively. These payables mature from 2002 to 2019 and bear interest at the rate of 3.449%. Property is mortgaged as security for the payables.

9. Accrued Severance Indemnities and Pension Plan Employees whose service with the Company and its consolidated subsidiaries is terminated are, under most circumstances, entitled to a lump-sum severance indemnities determined by reference to current basic rate of pay, length of service and conditions when the termination occurs. The minimum payment is an amount based on voluntary retirement.

In addition to the unfunded retirement plan, the Company has a contributory defined benefit pension plan which provides for an annuity payable subsequent to retirement or lump-sum payments under certain conditions for employees who terminate employment after 17 years of service. The annuity is payable commencing at the age of 60 to those employees who retire at or after age of 50 and the lump-sum payments are payable at the time of retirement.

Projected benefit obligations, net periodic pension cost and assumptions of the accrued severance indemnities are as follows:

	December 31, 2001	
	Millions of yen	Thousands of U.S. dollars
Projected benefit obligation:		
Projected benefit obligation	¥7,888	\$60,001
Fair value of plan assets	(3,039)	(23,124)
	4,848	36,876
Unrecognized actuarial loss	(268)	(2,039)
Accrued severance indemnities	¥4,579	\$34,835
Net periodic pension cost:		
Service cost	¥ 367	\$ 2,792
Interest cost	213	1,620
Expected return on plan assets	(84)	(639)
Net periodic pension costs	¥ 496	\$ 3,773

Assumptions:

Allocation method of projected benefits	years-of-service approach
Discount rate	3%
Rate of expected return on plan assets	3%
Amortization period of actuarial gains or losses	10 years

10. Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax, which in the aggregate, resulted in statutory rates of approximately 42.1%. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation. The effective tax rates reflected in the accompanying consolidated statements of income for the years ended December 31, 2001 and 2000, differ from the statutory rates primarily because of the effect of timing differences in the recognition of certain income and expenses for tax and financial reporting purposes and the effects of permanently non-deductible expenses.

The effective tax rate reflected in the consolidated statements of income for the years ended December 31, 2001 and 2000, differs from the statutory tax rate for the following reasons:

	Year ended December 31	
	2001	2000
Statutory tax rate	42.1%	42.1%
Increase (decrease) in income taxes resulting from:		
Tax rate difference between the Company and subsidiaries	(0.4)	—
Reversal of valuation allowance for deferred tax assets	(8.7)	22.2
Reversal of deferred tax liabilities based on revaluation of assets of subsidiaries	—	(224.9)
Non-deductible expenses	1.9	1.8
Non-taxable income	(1.2)	(2.0)
Par capita of inhabitant's taxes	0.4	—
Other	(0.1)	0.1
Effective tax rate	33.9%	(160.8%)

The significant components of deferred tax assets and liabilities as of December 31, 2001 and 2000, are as follows:

	December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets:			
Write-down of property and equipment	¥ 5,694	¥ 5,909	\$ 43,312
Write-down of stocks of subsidiaries and affiliated companies	2,150	2,152	16,354
Allowance for doubtful accounts, in excess of tax deductible portion	463	678	3,522
Accrued severance indemnities, in excess of tax deductible portion	1,553	1,596	11,813
Net operating loss carryforwards	2,027	3,401	15,419
Write-down of investment securities	935	336	7,112
Other	1,135	1,634	8,633
	13,960	15,709	106,188
Valuation allowance	(12,240)	(12,747)	(93,105)
Total deferred tax assets	¥ 1,719	¥ 2,961	\$ 13,076
Deferred tax liabilities:			
Reversal of deferred tax liabilities based on revaluation of assets of subsidiaries	3,580	3,591	27,231
Net unrealized gain on available-for-sale securities	2,016	—	15,334
Other	8	26	63
Total deferred tax liabilities	5,604	3,618	42,627
Net deferred tax liabilities	¥ 3,884	¥ 656	\$ 29,544

11. Shareholders' Equity

Japanese companies are subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code requires that appropriations to be set aside as a legal reserve shall be made until the total additional paid-in capital and legal reserve equals 25% of stated capital. An additional paid-in capital and / or a legal reserve in excess of 25% of stated capital in total can be reduced by resolution of the shareholders, which may be available for distribution to shareholders. The Company's legal reserve amount, which is included in retained earnings, totals ¥228 million (\$1,736 thousand) and ¥182 million as of December 31, 2001 and 2000, respectively. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥50. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders' meeting and dispose of such treasury stock by resolution of the Board of Directors after December 31, 2001. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the same general shareholders' meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

12. Commitments and Contingent Liabilities

At December 31, 2001, the Company was contingently liable for guarantees on loans to its customers and employees amounting to approximately ¥2,268 million (\$17,252 thousand). The Company has rights to various forms of collateral against the above guarantees for customers and employees.

At December 31, 2001, the Company was also contingently liable for guarantees on loans to its three affiliated companies and a customer amounting to approximately ¥2,702 million (\$20,553 thousand). The Company has no collateral from these affiliated companies and a customer.

As at December 31, 2001 the Company had cancellable and non-cancellable long-term lease agreements, principally for the sub-leasing of office space and buildings.

Rental expenses for the years ended December 31, 2001 and 2000 were ¥8,881 million (\$67,554 thousand) and ¥9,081 million, respectively, which were included in the cost of revenue.

13. Subsequent Events On March 28, 2002, the shareholders approved payment of cash dividends to shareholders, as recorded in the shareholders' register as of December 31, 2001 ¥5 (\$0.04) per share, or a total of ¥1,140 million (\$8,676 thousand).

The shareholders also approved that (a) the Company transfers an amount of ¥8,000 million (\$60,852 thousand) out of additional paid-in capital of ¥38,229 million (\$290,797 thousand) to capital surplus available for appropriations and total amount of legal reserve of ¥228 million (\$1,736 thousand) to retained earnings, and (b) the Company repurchases common stock as Treasury stock up to a maximum of 20 million shares or ¥8,000 million (\$60,852 thousand).

14. Supplemental Cash Flow Information The following table represents a reconciliation of cash and cash equivalents as of January 1, 2000, December 31, 2001 and 2000.

	December 31		January 1	December 31
	2001	2000	2000	2001
	(Millions of yen)			(Thousands of U.S. dollars)
Cash	¥5,742	¥9,513	¥9,216	\$43,679
Time deposits with a maturity of more than three months	(73)	(659)	(449)	(555)
Cash and cash equivalents.....	¥5,668	¥8,854	¥8,766	\$43,121

15. Business Segment Information The Company operates principally within three industry segments: office and commercial building leasing, real estate sale and other. The office and commercial building leasing segment consists of the leasing of land, buildings, houses, etc. as well as office and building management. The real estate sale segment consists of the sales of residential lots, houses, condominiums, etc. The other segment carries out brokerage, appraisal, consulting and selling agent activities relating to real estate, etc.

The following table presents certain information regarding the Company's industry segments for the years ended December 31, 2001 and 2000:

Industry Segments:

I. Revenue from operations and operating income —

	(Millions of yen)					
	Year ended December 31, 2001					
	Leasing	Real estate sale	Other	Total	Elimination	Consolidated
Revenue from operations						
(1) Customers	¥ 37,885	¥ 51,590	¥ 16,039	¥105,515	¥ —	¥105,515
(2) Intersegment	408	61	2,692	3,161	(3,161)	—
Total	38,294	51,651	18,731	108,677	(3,161)	105,515
Costs and operating expenses	24,159	49,300	15,743	89,203	1,609	90,812
Operating income	¥ 14,134	¥ 2,351	¥ 2,988	¥ 19,473	(¥ 4,770)	¥ 14,702

II. Assets, depreciation and capital expenditures—

	Leasing	Real estate sale	Other	Total	Portion not classified to segments, less elimination (Note 1)	Consolidated
	Assets	¥337,317	¥ 80,559	¥ 29,094	¥446,970	¥ 30,261
Depreciation	¥ 3,229	¥ 18	¥ 197	¥ 3,445	¥ 112	¥ 3,557
Capital expenditures	¥ 3,556	¥ 67	¥ 1,194	¥ 4,819	¥ 28	¥ 4,847

I. Revenue from operations and operating income —

	(Millions of yen)					
	Year ended December 31, 2000					
	Leasing	Real estate sale	Other	Total	Elimination	Consolidated
Revenue from operations						
(1) Customers	¥ 39,968	¥ 70,568	¥ 12,144	¥122,681	¥ —	¥122,681
(2) Intersegment	377	67	1,862	2,308	(2,308)	—
Total	40,346	70,635	14,007	124,989	(2,308)	122,681
Costs and operating expenses	24,267	68,912	12,434	105,614	2,988	108,602
Operating income	¥ 16,079	¥ 1,723	¥ 1,572	¥ 19,375	(¥ 5,297)	¥ 14,078

II. Assets, depreciation and capital expenditures—

	Leasing	Real estate sale	Other	Total	Portion not classified to segments, less elimination (Note 1)	Consolidated
Assets	¥348,110	¥ 73,579	¥ 13,150	¥434,840	¥ 37,295	¥472,135
Depreciation	¥ 3,487	¥ 17	¥ 180	¥ 3,685	¥ 130	¥ 3,815
Capital expenditures	¥ 2,013	¥ 59	¥ 738	¥ 2,811	¥ 121	¥ 2,933

I. Revenue from operations and operating income —

	(Thousands of U.S. dollars)					
	Year ended December 31, 2001					
	Leasing	Real estate sale	Other	Total	Elimination	Consolidated
Revenue from operations						
(1) Customers	\$ 288,178	\$ 392,426	\$ 122,008	\$ 802,613	\$ —	\$ 802,613
(2) Intersegment	3,103	464	20,477	24,044	(24,044)	—
Total	291,287	392,888	142,479	826,611	(24,044)	802,613
Costs and operating expenses	183,775	375,005	119,751	678,531	12,239	690,769
Operating income	\$ 107,512	\$ 17,883	\$ 22,728	\$ 148,123	(\$ 36,283)	\$ 111,838

II. Assets, depreciation and capital expenditures—

	Leasing	Real estate sale	Other	Total	Portion not classified to segments, less elimination (Note 1)	Consolidated
Assets	\$2,565,831	\$ 612,779	\$ 221,306	\$3,399,916	\$ 230,183	\$3,630,107
Depreciation	\$ 24,562	\$ 137	\$ 1,499	\$ 26,205	\$ 851	\$ 27,057
Capital expenditures	\$ 27,049	\$ 510	\$ 9,082	\$ 36,656	\$ 213	\$ 36,869

Note: 1. Assets not classified into segments totaled ¥50,285 million (\$382,497 thousand) and ¥38,720 million before elimination, at December 31, 2001 and 2000, respectively. The assets consist mainly of cash, marketable securities, investment securities and other assets for administration departments of the consolidated companies.

2. As discussed in Note 2 (l) to the consolidated financial statements, the Company adopted tax-effect accounting for the first time for the year ended December 31, 2000. The effect of this adoption was to increase total assets by ¥4 million under "Leasing", by ¥246 million under "Other", and ¥2,711 million under "Elimination" for the business segment information.

Information regarding geographic areas and overseas sales is not presented since the sales of the consolidated foreign subsidiaries are less than 10% of the consolidated sales.

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

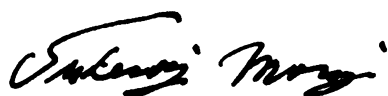
To the Board of Directors
Tokyo Tatemono Co., Ltd.

We have audited the accompanying consolidated balance sheets of Tokyo Tatemono Co., Ltd. and its consolidated subsidiaries as at December 31, 2001 and 2000 and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements, expressed in yen present fairly, in all material respects, the financial position of Tokyo Tatemono Co., Ltd. and its consolidated subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The United States dollar amounts shown in the aforementioned financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the aforementioned financial statements expressed in Japanese yen have been translated into United States dollars on the basis described in Note 1.



Sukenori Mori
Certified Public Accountant



Tsuneo Kobayashi
Certified Public Accountant

Tokyo, Japan
March 28, 2002

Tokyo Tatemono Co.,Ltd.
CONDENSED NON-CONSOLIDATED BALANCE SHEETS

	Year ended December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Assets:			
Current assets	¥ 89,423	¥ 95,180	\$ 680,207
Investments	56,897	32,250	432,793
Property and equipment	288,398	295,886	2,193,730
Intangible and other assets	7,201	7,211	54,782
	<u>¥441,921</u>	<u>¥430,529</u>	<u>\$3,361,512</u>
Liabilities and shareholders' equity:			
Current liabilities	¥124,767	¥107,145	\$ 949,052
Long-term liabilities	225,823	236,040	1,717,742
Shareholders' equity	91,331	87,343	694,718
	<u>¥441,921</u>	<u>¥430,529</u>	<u>\$3,361,512</u>

Tokyo Tatemono Co.,Ltd.
CONDENSED NON-CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue from operations	¥84,935	¥105,950	\$646,070
Operating income	11,597	11,528	88,219
Income (loss) before income taxes	3,435	(1,070)	26,132
Net income (loss)	1,899	(3,861)	14,449
	Yen		U.S. dollars
Net income (loss) per share	¥ 8.33	(¥ 16.92)	\$ 0.06

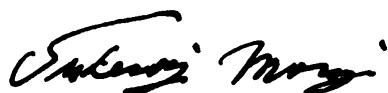
Note: Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥131,465=US\$1.

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE CONDENSED NON-CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
Tokyo Tatemono Co., Ltd.

We have audited, in accordance with auditing standards, procedures and practices generally accepted and applied in Japan, the non-consolidated balance sheets of Tokyo Tatemono Co., Ltd. as at December 31, 2001 and 2000, and the related non-consolidated statements of operations for the years then ended (not presented herein); and in our reports dated March 28, 2002 and March 29, 2001, we expressed unqualified opinions on those financial statements.

In our opinion, the information set forth in the accompanying condensed non-consolidated financial statements, when read in conjunction with the non-consolidated financial statements from which they have been derived, are fairly stated in all material respects in relation thereto.



Sukenori Mori
Certified Public Accountant



Tsuneo Kobayashi
Certified Public Accountant

Tokyo, Japan
March 28, 2002

BOARD OF DIRECTORS

President and Chief Executive Officer

Keisuke Minami

Senior Managing Directors

Yuji Suwa

Katsumasa Inoue

Managing Directors

Makoto Hatanaka

Setsuya Morita

Takahisa Hayashi

Kazushige Tsuboi

Directors

Hiroshi Watanabe

Kazuo Eiki

Shoji Kaneko

Hajime Ogawa

Hisashi Gomyo

Mitsuru Fujii

Norio Watanabe

Standing Auditors

Masatoshi Kanazawa

Toshiaki Fujii

Auditors

Hiroshi Ishikawa

Akihiko Katsura

(as at May 31, 2002)

CORPORATE DATA

Tokyo Tatemono Co., Ltd.

Date of Establishment

October 1, 1896

Capital

¥45,623 million

Number of Employees

284

Number of Shareholders

21,705

(as at December 31, 2001)

Head Office

9-9, Yaesu 1-chome, Chuo-ku,

Tokyo 103-8285 Japan

Tel. (03) 3274-0111

Fax. (03) 3274-0256

Branches

Osaka Branch

7-12, Kitahama 3-chome, Chuo-ku,

Osaka 541-0041 Japan

Tel. (06) 6202-0111

Fax. (06) 6202-0298

Sapporo Branch

2-6, Kitananajyonishi 1-chome, Kita-

ku, Sapporo, Hokkaido 060-0807 Japan

Tel. (011) 717-0111

Fax. (011) 717-5330

Consolidated Subsidiaries

Tokyo Tatemono Real Estate Sales Co., Ltd.

4-14, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3231-0170

Fax. (03) 3231-0218

Totate International Bldg. Co., Ltd.

12-19, Shibuya 2-chome, Shibuya-ku,

Tokyo 150-0002 Japan

Tel. (03) 3400-0373

Fax. (03) 3499-6341

Tokyo Tatemono (U.S.A.), Inc.

333 South Hope St., Suite 2660,

Los Angeles, CA 90071 U.S.A.

Tel. (213) 626-1102

Fax. (213) 626-1713

T.T.500 West Monroe Corporation c/o

Tokyo Tatemono (U.S.A.), Inc,

333 South Hope St., Suite 2660,

Los Angeles, CA 90071 U.S.A.

Tel. (213) 626-1102

Fax. (213) 626-1713

Tokyo Tatemono Resort Co., Ltd.

4-12, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3274-0865

Fax. (03) 3275-1440

Tokyo Tatemono Property Management Co., Ltd.

9-8, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3272-3944

Fax. (03) 3272-4011

Tokyo Tatemono Techno-build Co., Ltd.

9-9, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3274-0134

Fax. (03) 3274-0290

Hatoriko Highland Resina Forest Co., Ltd.

39, Takatoya, Oaza Hatori, Tenei-mura,

Iwase-gun, Fukushima 962-0623 Japan

Tel. (0248) 85-2525

Fax. (0248) 85-2526

Tokyo Tatemono Finance Co., Ltd.

9-9, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3274-2394

Fax. (03) 3274-0257

Tokyo Tatemono Amenity Support Co., Ltd.

4-14, Yaesu 1-chome, Chuo-ku,

Tokyo 103-8280 Japan

Tel. (03) 3273-0111

Fax. (03) 3273-0366

Amenity Staff Co., Ltd.

4-12, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3273-0251

Fax. (03) 3273-0366

Informa Co., Ltd.

3-13, Nihonbashi 1-chome, Chuo-ku,

Tokyo 103-0027 Japan

Tel. (03) 3517-6371

Fax. (03) 3517-5971

Hotness Co., Ltd.

3-13, Nihonbashi 1-chome, Chuo-ku,

Tokyo 103-0027 Japan

Tel. (03) 3281-3636

Fax. (03) 3517-5970

Totate Building Co., Ltd.

9-9, Yaesu 1-chome, Chuo-ku,

Tokyo 103-0028 Japan

Tel. (03) 3274-2305

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