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FOR IMMEDIATE RELEASE

Company Name: Tokyo Tatemono Co., Ltd.
Representative: Hajime Sakuma
Representative Director President &
Chief Executive Officer
Code Number: 8804 (Tokyo Stock Exchange First Section)
Contact: Yoshinaga Nomura
General Manager, Investor Relations &
Corporate Communications
Phone: +81-(0)3- 3274-1984

**Tokyo Tatemono and Subsidiary to Conduct Incorporation-type Company Split
& Sale of New Company's Shares (change in subsidiaries)**

At a meeting held today, the Board of Directors of Tokyo Tatemono Co., Ltd. approved a resolution to spin off the hotel operations, resort villa sales, and other peripheral businesses it jointly conducts in the Hatoriko Highland area (hereinafter collectively referred to as "Hatoriko business operations") with wholly-owned subsidiary Tokyo Tatemono Resort Co., Ltd. A new company is to be established through a spin off to take over the two companies' Hatoriko business operations. The Board also approved the transfer of all shares in the newly established company, including those allotted to Tokyo Tatemono Resort via the company split to Angel Co., Ltd. We note that some disclosure matters and details have been omitted given that this company split is a simplified company split jointly conducted with a wholly-owned subsidiary.

1. Purpose of the company split and transfer of shares

As a part of the group's selection and concentration strategy, Tokyo Tatemono has decided to sell its Hatoriko business operations to Angel Co., Ltd. which operates the resort hotel business, resort condominium management business, and resort property brokerage business. Tokyo Tatemono and Tokyo Tatemono Resort plan transfer all of the Hatoriko business operations conducted by the two companies to a new company to be established via a joint company split. In addition, all of the shares in the new company, including those initially allocated to Tokyo Tatemono Resort, are to be transferred to Angel Co., Ltd.

2. Outline of company split

(1) Schedule for company split and share transfer

Board of Directors approval for incorporate-type company split plan (Tokyo Tatemono)	October 6, 2016
Board of Directors approval for incorporate-type company split plan (Tokyo Tatemono Resort)	October 6, 2016
Execution date of share transfer agreement (Tokyo Tatemono)	October 6, 2016
Spin-off date (tentative)	December 1, 2016
Share transfer date (tentative)	December 1, 2016

Note: Pursuant provisions in Article 805 of the Companies Act of Japan, this company split shall be implemented without seeking approval at the General Meeting of Shareholders.

(2) Spin-off method

The incorporation-type company split method (simplified company split) will be adopted for this spin off. Tokyo Tatemono and Tokyo Tatemono Resort will implement a joint company split and jointly establish a new company, Angel Nasu Shirakawa Co., Ltd.

(3) Details of the allotment of shares pertaining to the company split

At the time of the company split, Angel Nasu Shirakawa will issue 1,000 common shares, of which 980 shares are to be allotted to Tokyo Tatemono and the remaining 20 shares are to be allotted to Tokyo Tatemono Resort. Note that, pursuant provisions in the Companies Act of Japan, Article 763 (xii) (b), all the shares in Angel Nasu Shirakawa that were allotted to Tokyo Tatemono Resort are to be transferred to Tokyo Tatemono, the parent company, on the date the spin off takes effect (effective date).

(4) Treatment of equity warrants and bond warrants generated by the company split

Tokyo Tatemono and Tokyo Tatemono Resort have not issued equity warrants or bond warrants.

(5) Change in capital due to the company split

Tokyo Tatemono and Tokyo Tatemono Resort's capital will not change due to the company split.

(6) Rights and obligations to be assumed by the new company

On the date the split takes effect, Angel Nasu Shirakawa will assume the assets, liabilities, and other rights and obligations related to the business operations conducted by Tokyo Tatemono and Tokyo Tatemono Resort in the Hatoriko Highland area. The assets, liabilities, and other rights and obligations related to the business operations conducted by Tokyo Tatemono and Tokyo Tatemono Resort in the Hatoriko Highland area that are to be taken over by Angel Nasu Shirakawa are outlined in the incorporation-type company split plan dated October 6, 2016.

(7) Outlook for the fulfillment of obligations

Tokyo Tatemono has determined that there are no problems with the certainty of Tokyo Tatemono, Tokyo Tatemono Resort, and Angel Nasu Shirakawa meeting its obligations after the company split is executed.

(8) Summary of share transfer

On December 1, 2016, Tokyo Tatemono Resort is scheduled to transfer to Tokyo Tatemono the shares it was allocated in Angel Nasu Shirakawa via the company split. Tokyo Tatemono is then to transfer all of its shares in Angel Nasu Shirakawa, along with those it obtained from Tokyo Tatemono Resort to Angel Co., Ltd. For details about Angel Co., Ltd., please see “6. Summary of Company to Acquire Shares”.

3. Summary of Companies Engaging in Company Split

(1) Corporate name	Tokyo Tatemono Co., Ltd. (company performing split) (current as of Dec. 31, 2015)	Tokyo Tatemono Resort Co., Ltd. (company performing split) (current as of Dec. 31, 2015)	Angel Nasu Shirakawa Co., Ltd. (new company) (as of time of establishment)
(2) Head office address	1-9-9 Yaesu, Chuo-ku, Tokyo	1-9-9 Yaesu, Chuo-ku, Tokyo	39 Oaza-Hatori, Tenei-mura, Iwase-gun, Fukushima
(3) Representative	President & Chief Executive Officer Hajime Sakuma	President & Chief Executive Officer Tatsuo Usui	President & Chief Executive Officer Shinichi Haruta
(4) Business operations	Real estate business	Hotel operations Golf course operations Spa facilities operations	Hotel operations Real estate management Real estate sales
(5) Capital	92,451 million yen	100 million yen	10 million yen
(6) Date of establishment	October 1, 1896	June 18, 1987	December 1, 2016 (tentative)
(7) Total shares outstanding	216,963,374 shares*	2,000 shares	1,000 shares
(8) Fiscal year-end	December 31	December 31	August 31

(9) Major shareholders and shareholder ratio	Master Trust Bank of Japan, Ltd. (Trust Account)	6.62%	Tokyo Tatemono Co., Ltd. 100%	Tokyo Tatemono Co., Ltd.	98%
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.37%		Tokyo Tatemono Resort Co., Ltd.	2%
	Sompo Japan Nipponkoa Insurance Inc.	2.42%			
	Meiji Yasuda Life Insurance Company (Trust & Custody Services Bank, Ltd.) (Investment Trust Collateral Account)	2.18%			
	State Street Bank-West Pension Fund Clients – Exempt 505233 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	1.54%			
	The Bank of New York 133970 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	1.46%			
	State Street Bank West Client – Treaty 505234 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	1.44%			
	Goldman Sachs International (Standing proxy: Goldman Sachs Securities Co., Ltd.)	1.37%			
	CBNY-GOVERNMENT OF NORWAY (Standing proxy: Citibank Japan Ltd.)	1.24%			
	Hulic Co., Ltd.	1.22%			

(10) Relationships between the parties involved

Capital	Tokyo Tatemono Resort Co., Ltd. is a wholly-owned consolidated subsidiary of Tokyo Tatemono.
Private	Of the eight directors at Tokyo Tatemono Resort Co., Ltd., two are also directors at Tokyo Tatemono and three were originally employed by Tokyo Tatemono. Of its two auditors, one is an auditor at Tokyo Tatemono and the other is an employee of Tokyo Tatemono. One of the directors at Angel Nasu Shirakawa will also be an employee of Tokyo Tatemono.
Business	Tokyo Tatemono outsources the management of resort facilities to Tokyo Tatemono Resort Co., Ltd. Tokyo Tatemono Resort Co., Ltd. outsources property management to Tokyo Tatemono.
Status of relationship with related parties	Tokyo Tatemono Resort Co., Ltd. is a wholly-owned consolidated subsidiary of Tokyo Tatemono and is a related party.

(11) Financial trends and business performance for the most recent three years at Tokyo Tatemono and Tokyo Tatemono Resort (Million yen with the exception of items expressly mentioned)						
Fiscal year ended	Tokyo Tatemono Co., Ltd. (company performing split) (consolidated financial data)			Tokyo Tatemono Resort Co., Ltd. (company performing split)		
	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Net assets	262,276	305,808	312,530	1,803	2,341	-4,897
Total assets	938,161	1,319,465	1,297,112	9,859	10,071	23,673
Net assets per share (¥)	583.11	665.51	*1,390.07	901,897	1,170,858	-2,448,910
Net sales	220,026	237,049	260,012	3,123	3,308	10,011
Operating income	29,361	30,559	34,439	621	617	794
Recurring income	21,959	17,317	24,796	604	607	646
Net income	10,121	82,944	16,359	425	410	-4,263
Net income per share (¥)	23.55	193.12	*75.91	212,962	205,112	-2,131,971
Dividend per share (¥)	5.00	6.00	*-	-	-	-

* Tokyo Tatemono conducted a one-for-two reverse stock split of common stock, with the effective date of July 1, 2015.

The dividend per share is ¥10 when the reverse stock split is not factored in. No figure is shown for the dividend per share total due to the reverse stock split.

4. Summary of spin off of business divisions

(1) Business divisions to be spun off

Tokyo Tatemono: Hotel management, resort villa sales, and other peripheral business operations of Hatoriko Kogen Regina-no-Mori

Tokyo Tatemono Resort: Hotel management, resort villa sales, and other peripheral business operations of Hatoriko Kogen Regina-no-Mori

(2) Impact to business performance (fiscal year ended December 31, 2015) (Million yen)

	Tokyo Tatemono Co., Ltd. (company performing split) (consolidated financial data)			Tokyo Tatemono Resort Co., Ltd. (company performing split)		
	Hatoriko business operations (A)	Total (B)	% of total net sales (A)/(B)×100	Hatoriko business operations (C)	Total (D)	% of total net sales (C)/(D)×100
Net sales	69	260,012	0.03%	687	10,011	6.86%

(3) Asset and liabilities to be spun off and their respective value (as of March 31, 2016)

Tokyo Tatemono Co., Ltd. (company performing split)

(Million yen)

Assets		Liabilities	
	Book value		Book value
Current assets	559	Current liabilities	0
Fixed assets	476	Fixed liabilities	0
Total	1,035	Total	0

Tokyo Tatemono Resort Co., Ltd. (company performing split)

(Million yen)

Assets		Liabilities	
	Book value		Book value
Current assets	17	Current liabilities	3
Fixed assets	41	Fixed liabilities	22
Total	58	Total	25

Note: The figures in the tables above are current as of March 31, 2016. The figures differ from the actual value of assets and liabilities to be spun off.

5. Trends after company split (projection as of October 6, 2016)

There will be no change to the corporate name, address, name and title of representatives, business operations, capital and fiscal years of Tokyo Tatemono and Tokyo Tatemono Resort.

Details for the new company after the company split are noted in "3. Summary of Companies Engaging in Company Split".

6. Summary of Company to Acquire Shares (current as of March 31, 2016)

(1) Corporate name	Angel Co., Ltd.
(2) Primary business operations	Resort hotel operations Resort condominium management Resort property brokerage
(3) Head office address	2-10-1 Yurakucho, Chiyoda-ku, Tokyo
(4) Name and title of representative	Toshiyuki Ando
(5) Capital	100 million yen
(6) Date of establishment	October 1, 1986
(7) Financial position for fiscal year ended August 31, 2015	Net assets: 1,176 million yen; Total assets: 1,693 million yen
(8) Major shareholder	Himawari Co., Ltd.: 100%
(9) Relationship with Tokyo Tatemono	Angel has no capital, private or business relationships with Tokyo Tatemono. Tokyo Tatemono is also not a related party.

7. Outlook

Tokyo Tatemono plans to post an extraordinary loss in the fiscal year ending December 31, 2016 to reflect this company split and the share transfer. However, the impact is expected to be minimal. For details on Tokyo Tatemono's earnings forecast for the fiscal year ending in December 31, 2016, refer to the Outline of Consolidated Financial Statements for the First Half of the Fiscal Year Ending December 2016 dated August 4, 2016.