

FOR IMMEDIATE RELEASE

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Notice Concerning Transfer of Consolidated Subsidiary (Transfer of Shares) and Conclusion of Business Partnership Agreement

Tokyo Tatemono Co., Ltd. (head office: Chuo-ku, Tokyo; Representative Director, President and Chief Executive Officer: Hitoshi Nomura; the “Company”) announces that it has concluded a transfer of shares agreement with Sampo Care Inc. to transfer all shares of the Company’s subsidiary, Tokyo Tatemono Senior Life Support Co., Ltd., and that it has also concluded a business partnership agreement with Sampo Care Inc. concerning the development and operation of facilities for the elderly. Going forward, the Company will position development of facilities for the elderly as one of its initiatives under “expand property sales to investors,” a key strategy of its Medium-Term Business Plan, and proactively pursue it.

1. Purpose of Transfer of Shares

In July 2014, the Company established Tokyo Tatemono Senior Life Support Co., Ltd. (“SLS”), which provided nursing care services and operated residences for the elderly. However, as considerations were made to “optimize the business portfolio” as outlined in the Medium-Term Business Plan, it was determined that transferring SLS to Sampo Care Inc., which has a strong track record in the elderly housing operations business, would be in the best interest of sustainable growth for SLS and improved capital efficiency for the Company.

The Company will continue to improve its corporate value by focusing on the five key strategies outlined in the Medium-Term Business Plan: (1) pursue large-scale redevelopment; (2) strengthen condominium business further; (3) expand property sales to investors; (4) strengthen brokerage, fund, and parking lot business; and (5) grow overseas businesses.

2. Summary of Subsidiary to Be Transferred

(1) Name	Tokyo Tatemono Senior Life Support Co., Ltd.			
(2) Address	4-3-18 Nihonbashi-Muromachi, Chuo-ku, Tokyo			
(3) Name and title of representative	President and Representative Director: Hisatoshi Kato			
(4) Business operations	Home care, home care support (care plan creation), provision of nursing care services such as day care services, operation of serviced homes for the elderly and fee-based nursing homes, etc.			
(5) Capital	100 million yen			
(6) Established	July 31, 2014			
(7) Major shareholders and shareholding ratio	Tokyo Tatemono Co., Ltd. 100%			
(8) Relationship between the Company and the subsidiary	Capital	Wholly owned subsidiary of the Company.		
	Personnel	Three directors and one auditor of the subsidiary are also directors and employees of the Company.		
	Business	Manages and operates the Company's buildings.		
(9) The subsidiary's consolidated business results and consolidated financial status over the last three years				
	Fiscal year ended	December 31, 2017	December 31, 2018	December 31, 2019
	Net assets	-748 million yen	-1,873 million yen	-1,887 million yen
	Total assets	293 million yen	469 million yen	497 million yen
	Net assets per share	-37,389 yen	-93,667 yen	-94,341 yen
	Net sales	2,614 million yen	3,990 million yen	5,028 million yen
	Operating income	-390 million yen	-269 million yen	19 million yen
	Recurring income	-425 million yen	-316 million yen	-11 million yen
	Profit	-427 million yen	-318 million yen	-13 million yen
	Profit per share	-21,365 yen	-15,893 yen	-674 yen
	Dividend per share	— yen	— yen	— yen

3. Summary of Party Receiving Transfer of Shares

(1) Name	Sompo Care Inc.		
(2) Address	Shinagawa Seaside East Tower 4-12-8 Higashishinagawa, Shinagawa-ku, Tokyo		
(3) Name and title of representative	Executive Director and CEO: Satoshi Kasai President and COO: Ken Endo		
(4) Business operations	Operation of fee-based nursing homes, serviced homes for the elderly, group homes, and in-home services business		
(5) Capital	3,925,160 thousand yen		
(6) Established	May 26, 1997		
(7) Relationship between the Company and the party receiving transfer of shares.	Capital	Not applicable	
	Personnel	Not applicable	
	Business	Not applicable	

4. Number of Shares to Be Transferred, Transfer Price, and Status of Shares Owned Before and After Transfer

(1) Number of shares owned before transfer	20,000 shares (number of voting rights: 20,000; percentage of voting rights: 100%)
(2) Number of shares transferred	20,000 shares (number of voting rights: 20,000; percentage of voting rights: 100%)
(3) Transfer price	Undisclosed
(4) Number of shares owned after transfer	0 shares (number of voting rights: 0; percentage of voting rights: 0%)

5. Schedule

(1) Board of Directors approval date	September 25, 2020
(2) Execution date of share transfer agreement	September 30, 2020
(3) Execution date of share transfer	December 1, 2020 (tentative)

6. Impact on Business Results

As a result of the transfer of shares, approximately 2.0 billion million yen is expected to be posted as extraordinary gains in the financial results of the fiscal year ending December 31, 2020.

There is no change in the consolidated earnings forecast for the fiscal year ending December 31, 2020, which was announced on August 4, 2020.

7. Conclusion of Business Partnership Agreement

As of the date of this document, a business partnership agreement has been concluded with the party receiving the transfer of shares, Sampo Care Inc., to either jointly or cooperatively develop and operate facilities for the elderly (mainly condominiums for seniors, serviced homes for the elderly, and fee-based nursing homes).

The Company will continue to pursue development of facilities for the elderly as one of its initiatives under “expand property sales to investors.”