

Retail and Wholesale Facilities



The number of buildings constructed under the LOC system reached 22,000, while our Landowners Club now has 4,600 members

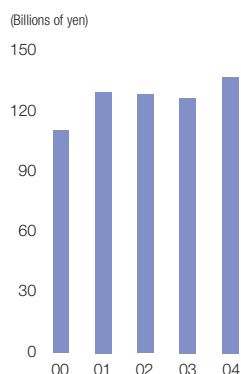
Our retail and wholesale facilities segment operates an asset management business for private and corporate customers and businesses that promote the revitalization of towns. Sales in this segment increased 8.2%, to ¥136,900 million, on a non-consolidated basis.

The chances of a full recovery in consumer spending have increased, given the domestic economic recovery. This in turn has encouraged rising construction of retail outlets in suburban areas, notably in the restaurant and distribution industries. In addition, new demand has been generated in the area of support for store openings in better locations with lower costs. This demand has come from retailers, such as the growing number of home centers and pharmacies, as well as apparel and food supermarkets, which are taking demand from department stores and specialty stores. With our unique Land Owner Company (LOC) system, we provide a link between landowners and companies seeking to open outlets. This system supplies a comprehensive consulting service, which ranges from market research, planning and support for approval and license, to design, construction, and management and administration of facilities. The number of buildings constructed under the LOC system has reached 22,000, and we now have more than 21,000 land-owner customers.

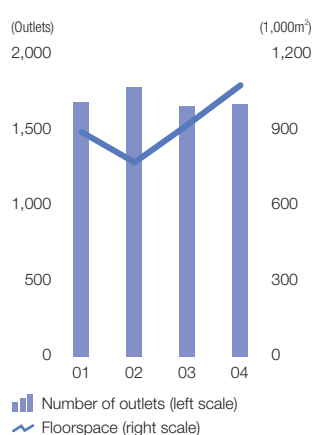
The number of visitors to the Ashibinaa, Okinawa's first outlet mall which opened in fiscal 2002, reached 1,750,000 in its first year, substantially exceeding our projections. The mall contains a large number of outlets for foreign brands making their debut in Japan, and has proved very popular with local residents and tourists.

We will seek to promote new businesses by constructing an innovative model that uses existing retail outlets. We will also improve our consulting capabilities, to increase profitability for landowners and develop expertise in special techniques, such as the securitization of land.

Sales of retail and wholesale facilities segment (non-consolidated)



Retail and wholesale outlets (number of outlets and floorspace) (non-consolidated)



Sublease areas of commercial construction

