



■ G-Clef Mikage

With Hanshin Electric Railway we have begun selling this 78-unit condominium located in Mikage, a well-known exclusive residential area of Kobe. Residents would be highly satisfied with the comfortable lifestyle offering elegance and luxury by these Mikage residences.

In the key real estate business, sales of condominiums peaked out at large-scale developments including O's Town in Akashi City, Hyogo Prefecture, and Maya Seaside Place in Kobe, as a result of which overall sales in this segment fell 24.8% from the previous period to ¥32.5 billion. Operating income also decreased, by ¥0.7 billion to ¥3.1 billion.

■ Real Estate Sales Operations

Condominiums were sold at the Quartier Liberté Gakuentoshi development in Nishinomiya City, Hyogo Prefecture, and at the G-Clef Shukugawa-Kotobukicho development, also in Nishinomiya. We also began selling condominiums at O's Garden East in Akashi City, Hyogo Prefecture, at G-Clef Mikage in Kobe, at G-Clef Mitaka in Tokyo, and at Minami Aoyama Terrace, also in Tokyo.

Real Estate

■ Rental Operations

We began the rental of new commercial sites in line with the redevelopment plans for the Motoyama district of Kobe. In addition, smooth progress was made at the Apolan Fujigaoka Seniors Housing Project in Yokohama.

■ Building Management Operations

We have employed a private finance initiative scheme for the Kakogawa City Integrated Sports Center, and steadily pushed forward with tenant leasing at the Kobe Airport Passenger Terminal.

■ Construction Business

Construction of a store of Hankyu Oasis Co., Ltd. at Motoyama-Minami in Kobe was completed, and construction work progressed at Seflec Rokko Takaha, also in Kobe.

■ Outlook

We aim to assure profits by steady promotion of a real-estate development projects and achievement of sales targets. In addition, in our property management business, we aim to enhance the quality of our assets employed for leasing transactions to create a stable revenue base.

Electronic Materials and Other Businesses

The Electronic Materials and Other Businesses segment is made up of 33 subsidiaries and ten affiliate companies. The subsidiaries engage in materials testing, and the manufacture of materials with sophisticated functions (including target materials used in liquid crystal display production), LP gas containers, and superconductive materials, among other activities. Business results improved greatly, primarily due to increased demand for electronic materials such as target materials used in liquid crystal display production. Sales increased 19.4% over the previous period to ¥54.0 billion, with operating income rising 73.7% to ¥14.1 billion.

From here onward, we expect further increases in the number of flat panel display units shipped. Taking full advantage of this, we will work steadily to exploit the business opportunities for target materials used in liquid crystal display production. We will also push forward with development of products with special features in the field of next-generation optical discs to strengthen our earning capabilities.