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JFE Urban Development was formed by consolidating the urban development operations of NKK and Kawasaki Steel. The reason for forming a separate company specializing in urban development as part of the consolidation of the operations of the two companies as the JFE Group is to further enhance the business expertise and technical capability accumulated to date by the two companies in the field of urban development. In addition, another purpose is to expand the business in this field by using large tracts of land held by the two companies. In addition, there are some large-scale urban development projects being undertaken by the two companies.

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of land located in Kanagawa NKK's Asano district by build- commercial facilities.

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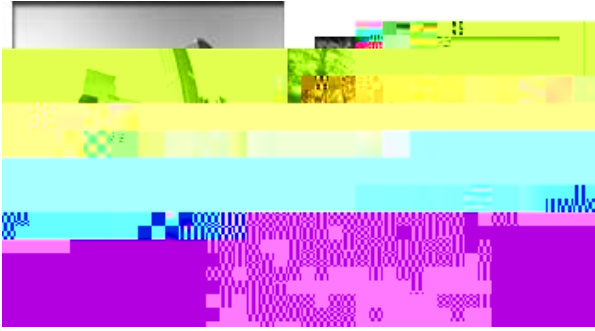


Photo3 Orto Yokohama

clients in every stage from business planning to tenant searching.

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JFE Urban Development is also engaged in real estate agency business, effectively utilizing the business expertise, information and networks built up through supporting the sales of idle land in the Keihin coastal area. In this business, the diverse needs of clients who are dealing with idle land which is generated by asset squeezing by companies in the JFE Group.

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Two high-quality apartment houses are being operated for single persons employed by companies located

in the Tokyo metropolitan area. One in Yokohama has 100 rooms while the other in Shinjuku has 94 rooms. The serviced apartment facilities provide tenants with accommodation, food, gyms and other services that match those of high-grade hotels. JFE Urban Residence, a subsidiary company of JFE Urban Development, manages their operation.

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Major urban development business lines of JFE Urban Development are threefold. The first is large-scale urban development projects using idle land held by the JFE Group. The second is condominium business that has the dual roles of accumulation of expertise in large-scale development and building up of a solid base of earnings. The third is business for effective use of properties centering on the rental business of residential-business-commercial facilities created by large-scale urban development. These three business lines are closely related to each other through the common axis of urban development. As a company in the JFE Group that specializes in urban development, JFE Urban Development intends to steadily expand its activities by fully utilizing its wide-ranging capabilities.