

20. Issuance of Stock by Subsidiaries or Associated Companies

CENTURY21 REAL ESTATE OF JAPAN LTD., a consolidated subsidiary, issued 500 shares of common stock in a public offering to third parties on November 21, 2001, the date of its listing on the JASDAQ market. The offering price per share was ¥564,000, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company's ownership of the subsidiary from 69.6% to 61.9%. The issuance of these shares for ¥282 million was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥102 million for the year ended March 31, 2002, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

SPACE SHOWER NETWORKS INC., a consolidated subsidiary, issued 2,000 shares of common stock in a public offering to third parties on April 18, 2001, the date of its listing on the JASDAQ market. The offering price per share was ¥376,000, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company's ownership of the subsidiary from 70.6% to 64.8%. The issuance of these shares for ¥752 million was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥383 million for the year ended March 31, 2002, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

In addition, the company issued 2,466 shares of common stock in connection with the allocation of new shares to third parties and 200 shares of common stock in connection with business acquisition on January 16, 2002. The offering price per share was ¥288,348, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company's ownership of the subsidiary from 59.9% to 53.7%. The issuance of these shares for ¥769 million was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥270 million for the year ended March 31, 2002, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

ITOCHU SHOKUJIN Co., Ltd., a consolidated subsidiary, issued 1,200,000 shares of common stock in a public offering to third parties on March 13, 2001, the date of its listing on the first section of the Tokyo Stock Exchange. The offering price per share was ¥4,324, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company's ownership of the subsidiary from 60.1% to 54.6%. The issuance of these shares for ¥5,189 million was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥1,153 million for the year ended March 31, 2001, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

Japan Foods Co., Ltd., which had been a consolidated subsidiary, issued 600,000 shares of common stock in a public offering to third parties on August 10, 2000, the date of its listing on the JASDAQ market. The offering price per share was ¥752, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company's ownership of the subsidiary from 87.5% to 77.2%. The issuance of these shares for ¥451 million was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥163 million for the year ended March 31, 2001, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

JSAT Corporation, which had been an associated company, issued 45,000 shares of common stock in a public offering to third parties on August 4, 2000, the date of its listing on the first section of the Tokyo Stock Exchange. The offering price per share was ¥665,000, which was in excess of the Company's carrying value per share of the associated company's stock.

This issuance decreased the Company's ownership of the associated company from 23.2% to 20.5%. The issuance of these shares for ¥29,925 million was regarded as a sale of a part of the Company's interest in the associated company and the Company recognized a gain of ¥4,606 million for the year ended March 31, 2001, which is included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account.

21. Reclassification

Certain account classifications were changed in 2003, therefore the 2002 and 2001 financial statements were reclassified to conform to the 2003 presentation.