



December 21, 2005

To Whom It May Concern

Company Name	Nippon Parking Development Co., Ltd.
Address	Tokyo Tatemono Osaka Bldg., 3-7-12 Kitahama, Chuo-ku, Osaka City, Japan
Name and Title of Representative	Kazuhisa Tatsumi, President and Chief Executive Officer (Stock Code : 2353, Listing: TSE 1, JASDAQ )
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## Notice of Establishment of a Subsidiary Company

The Board of Directors of Nippon Parking Development Co., Ltd. at a December 21, 2005 meeting has resolved to establish a new subsidiary, the details of which are given below.

- Notice -

### 1. Background to the Establishment of the New Subsidiary

Since its founding on December 24, 1991, Nippon Parking Development Co., Ltd. (the Company) has grown through specialization in the parking facility business field. Given the evolution of the automobile society during the period of high economic growth, parking facilities were successively introduced based the requirement of local government ordinances. However, many parking spaces within such facilities for buildings in urban areas have remained underutilized, while illegal parking around such buildings is a source of traffic congestion. The foundation of the Company's business is based on the realization that there was a market in filling the gap between parking facility owners who wish to effectively utilize their facilities on the one hand, while on the other there are users who cannot find optimal parking space.

Going forward, the Company's main business axis will remain parking facilities, as while the Company's services are highly appreciated by many building owners in the parking facilities market, there is still a substantial gap of potential demand to be filled. However, in taking a broader view of the world around us, there are other markets where such demand gaps exist. Consequently the Company believes that it can further develop its business by utilizing its strengths to discover and commercialize such business opportunities. It has therefore decided to embark on a new commercial enterprise. In addition, as the effort to develop commercial opportunities beyond parking facilities will also attract capable personnel with interests in various areas, we have established the new subsidiary in order to broaden the Company's business development efforts.

## 2. Purpose of the New Subsidiary

The Company believes that the distortions caused by the material abundance of ski resorts presents a significant business opportunity, and thus the new subsidiary was established with the aim of revitalizing ski resorts as the next business field for the Company after parking facilities. While having invested substantial amounts of capital in the past, some ski resorts are encountering financial difficulties because of a decline in users. On the other hand, users are moving away from nature and skiing because they are dissatisfied with the facilities and services offered by ski resorts. Many ski resorts are seeking to attract snow boarders. On the other hand, while having started snow boarding, more young people are being attracted to other forms of recreation before becoming committed winter sports aficionados. By filling this supply-demand gap, the Company intends to create ski resorts that can improve usage rates and profitability, as well as offer the fun of skiing, snow boarding and other winter sports in addition to offering the opportunity to experience the thrill of nature to as many people as possible. The Company believes that restoring ski resort profitability and the ability to re-invest will contribute to the further development of the ski industry and winter sports, and will also work to revitalize Japan's economy.

## 3 . Outline of the New Subsidiary

( 1 )	Corporate Name	Nippon Ski Resort Development Co., Ltd.
( 2 )	Headquarters	Marunouchi Trust Tower North, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo
( 3 )	Representative	Taro Ujike, President and Chief Executive Officer (The Company's Executive Vice President)
( 4 )	Major Business Activities	Ski resort management, comprehensive consulting for ski resorts, etc.
( 5 )	Date Established	December 22, 2005
( 6 )	Start of Business	January 4, 2006
( 7 )	Paid-In Capital	¥10 Million
( 8 )	Major Shareholders	Nippon Parking Development (100%)
( 9 )	Relationship to the Company	None
( 1 0 )	Relationship with Company Personnel	In addition to the representative director, the Company's directors and employees will also serve as corporate officers of the subsidiary.

## 4 . Impact on the Company's Future Financial Performance

The impact from the establishment of the subsidiary on the Company's consolidated and parent-only financial results for the fiscal year ending July 2006 is minimal.

## 5 . Philosophy Regarding Ski Resort Revitalization

There is no denying that Japan's ski industry has been slower than other businesses to develop new customers and to enhance the satisfaction of existing customers, given that the way these facilities are managed is largely unchanged from a past period of peak investment during the bubble period, when there was a constant increase in the skiing population. While snowboarding is popular with younger skiers, the snow boarding population has actually been in decline for the past several years, making it difficult to generate the kind demand seen in the prior peak. The Company believes that if efforts to better understand user needs, improve the hardware and to create strategies to differentiate snow boarding from skiing had been made 10 years ago when the snow boarding population first began to increase, the structure of the ski resort industry would be different than what currently exists.

In addition, the maintenance conditions of cableways introduced during the bubble period in terms of the renewal needs and operational maintenance for cableways (lifts, gondolas, etc.) is not that different than mechanical multistory parking facilities, which have been unable to adequately respond to growing ownership of high roof cars. We believe the close relationship between facility utilization, optimal maintenance and renewal is not unique to mechanical multistory parking facilities.

Ski resorts, in addition to attracting customers and creating profits for related industries, have played an important role in the revitalization of local economies. The Company believes that the revitalization of a ski resort should be considered as an integral part of efforts to revitalize the local economy. As a result, the Company believes that priority should be given to the effective utilization of local personnel resources in the revitalization of a ski resort in order to leverage the special characteristics of the region. In addition, rather than viewing ski resorts as investments or speculation in real estate, the Company believes it is important to approach the revitalization from a medium-term perspective as a means of revitalizing the local economy.

Based on this philosophy, the Company intends, in vigorously pursuing improvements in both software and hardware, to pursue ski resort revitalization that restores the original justification, motivation and dreams of the local community, and that provides a "win-win" proposition for the ski resort, users and local society as a whole. Specifically, the new subsidiary in the first year of operations will focus on the selection of potential ski resort revitalization candidates. By directly investing and assuming ownership of the first revitalization candidate, the Company intends to establish a ski resort revitalization model methodology that can be used for outsourced management of the second and third revitalization candidates and for developing ski resort management consulting services.

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