

## Rental Apartment Buildings



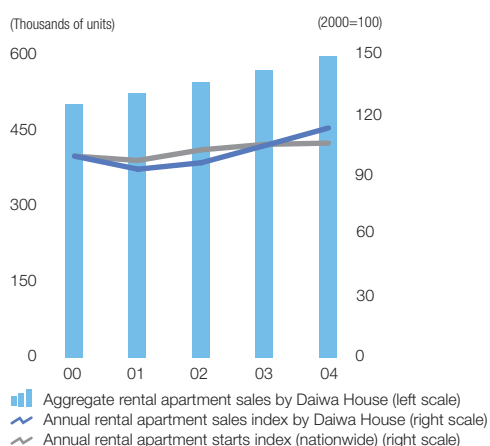
Unit sales rose a healthy 8.3% to 26,411 units, while the number of buildings under management jumped 27.0% to 90,263 units\*

The market for newly constructed apartment buildings remained brisk, thanks to lower interest rates and the upcoming removal of the liquid deposit guarantee. New construction starts rose 0.9% from the previous term, to 458,708 units, the third consecutive year-on-year increase. The trend from ownership to utilization also became more evident: the percentage of survey respondents who believe that ownership is not necessary reached a record high (11.8%), while those who think that real estate is a more advantageous asset than deposits and stock fell to the lowest-ever level (33.2%). In cooperation with our subsidiary Daiwaliving, we have catered to the increasingly diverse lifestyles of residents by providing apartment buildings with a high asset value, which would be the first choice of tenants, while offering comprehensive owner support in every stage from business plan through construction, rental management and the solicitation of tenants.

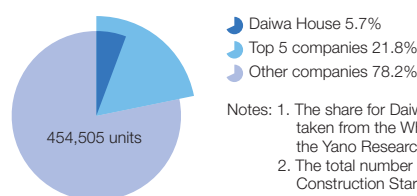
In fiscal 2003, we launched a popular series of new maisonette-style products, which offer the feel of a single-family house. We also vigorously improved our consulting capability in the market for large-scale residential developments offering a pleasant living environment with multiple apartment buildings. The number of such developments showed a substantial rise of 62% from the previous term, to 932 units, as we used fixed-term land leasehold method to reduce the burden on the land owner and sought to deliver high levels of satisfaction to residents. As a part of our unique asset consulting service, we organized a landowners club nationwide, and number of members exceeded 12,000 in fiscal 2003. We advertised rental apartment buildings constructed by the Company on our web site, to attract tenants and thus to enhance our support to landowners. Consequently, sales rose 7.6%, to ¥223,800 million on a non-consolidated basis, and sales of Daiwaliving also demonstrated a significant increase of 22.8% to ¥58,022 million.

\*Total number of units under management by Daiwaliving

Rental apartment sales and construction starts



Share of rental apartment market (FY2002)



Notes: 1. The share for Daiwa House and the top 5 companies were taken from the White Paper on the Housing Industry, by the Yano Research Institute Ltd.  
2. The total number was quoted from Statistics on Building Construction Started, by the Ministry of Land, Infrastructure and Transport.

Orders received, unit sales, and sales of rental apartments (non-consolidated)

	2004	2003	2002	2001	2000
Orders received	26,288	25,140	23,222	19,835	21,366
Unit sales	26,411	24,392	22,416	20,490	22,031
Sales (Billions of yen)	¥223	¥208	¥193	¥176	¥186