

## Steel-Pipe and General Construction

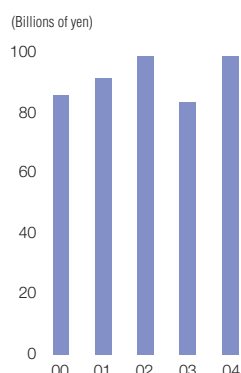


We erect a wide range of buildings, from distribution facilities to medical & nursing care facilities

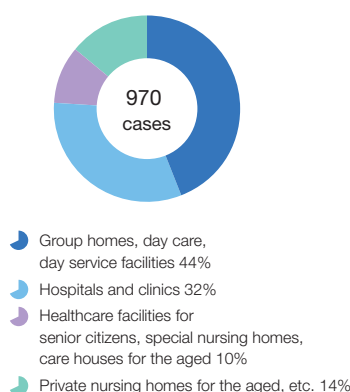
An upturn in capital investment, combined with the consolidation and increasing complexity of distribution facilities, plus the growing trend toward the introduction of Hazard Analysis and Critical Control Point (HACCP) protocols to food plants to enhance health and safety, have generated new demand for the construction of business facilities. In response to the growing need for improved efficiency in goods distribution, Daiwa House put efforts into marketing proposals for distribution center expansion projects and new facility construction as part of the reorganization of distribution networks, and sales increased by the substantial margin of 18.4% (to ¥98,800 million) from the previous term. In particular, we focused on building warehouses in the apparel industry, which demands strict temperature and quality control, and large-scale distribution centers for the foodstuffs wholesaling sector.

Our Silver Age Research Center provides a set of business consulting services, from surveys of medicine, nursing and healthcare for elderly people to the design, planning, construction and management planning of facilities. The Center has been involved in the establishment of 970 hospitals, clinics and healthcare facilities for the elderly, the number rising 35.5% from the previous year, and recorded sales of about ¥35 billion. The number of people aged 65 or higher is expected to account for 22% of the total Japanese population by 2010, while the number of elderly persons suffering from senile dementia will be 1.45 times the figure in 2000. This will translate into greater demand for high quality nursing care services and facilities, especially as the size of the average family unit contracts. In particular, new kinds of nursing care facilities will continue to emerge, such as small, highly functional facilities providing a day service or temporary stays for 24 hours as defined by Ministry of Health, Labor and Welfare policies last year. With our outstanding consultation capabilities and construction technology, we will continue to provide diverse, comfortable facilities for the elderly that will blend with their surrounding environment. These facilities will include our renowned assisted-living private nursing homes for the aged, group homes, day service centers, and new multifunctional homes.

**Sales in steel-pipe and general construction**  
(non-consolidated)



**Projects of the Silver Age Research Center**  
(as of end of March 2004)



**Construction incorporating the HACCP method**  
(as of June 1, 2004)

