

## Extending into personal lifestyles with 15 business categories

Operating income rose 9.7% to ¥2,823 million,  
on sales of ¥97,766 million, up 0.7%



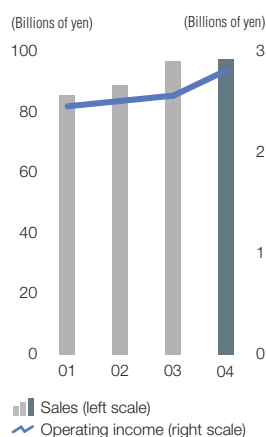
The other businesses segment operates in mainly 15 categories, ranging from the production and distribution of materials and equipment that support the group's core business to lifestyle-related services such as home-removals, insurance, travel agency and business hotels. These categories have the potential for new growth as the business environment and lifestyles change.

In our subsidiary Daiwa Rakuda Industry, sales increased 0.6% from the previous term, to ¥38,470 million, although operating income was down 19% at ¥713 million. The company introduced new original curtain products and strengthened its contract interior design service for model condominiums. It also reorganized its production system and streamlined its operations.

At Daiwa Logistics, which boasts particular strength in the distribution of housing materials and equipment, both sales and profits were higher, notwithstanding the declining volume of freight being handled by the transportation industry. Daiwa Logistics registered sales of ¥25,650 million, rising 11.1% from the previous term, while operating income reached ¥1,156 million, a 6.2% increase. These results were primarily attributable to its advisory activities — part of a comprehensive distribution system that also encompasses a proprietary joint transportation system and procurement of physical distribution — as well as to a new turnkey service that the company introduced on a commission basis to cover all processes involving fixtures and furniture, from their delivery to retail outlets to installment and maintenance.

Meanwhile, room occupancy rates at city-type hotels (Roynet Hotels, Royton Sapporo) rose 4.1 percentage points from the previous term. Costs were reduced to improve operational efficiency. During the term, we also established The Mortgage Corporation of Japan as a joint venture to take advantage of the expanding housing loan market ahead of the anticipated abolishment of the Government Housing Loan Corporation in the future.

Sales and operating income



Number of employees and  
operating income per employee

