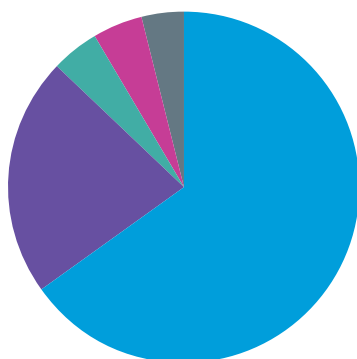


# Business Outline

*Building Your Dreams*

## Daiwa House<sup>®</sup> group

Sales by segment



- Housing 65.1%
- Commercial construction 22.0%
- Resort hotels 4.4%
- Home center business 4.6%
- Other businesses 3.9%

Housing



Commercial  
Construction



Resort  
Hotels



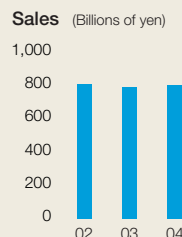
Home  
Center  
Business



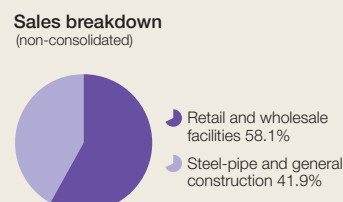
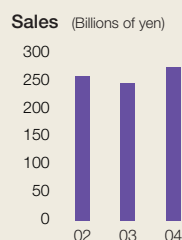
Other  
Businesses



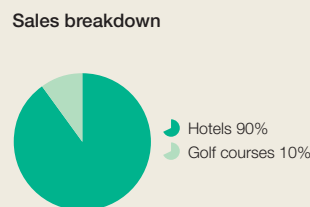
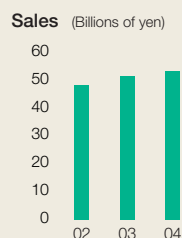
Housing operations constitute the group's core business field, accounting for 65.1% of sales. These core businesses encompass a broad array of operations that relate to the home, and range from the construction of houses under contract and the sale of houses, and condominiums and residential lots, to the building of apartments for rental use, renovations, a real estate agent service, and housing management. This segment has a cumulative total of more than 1,100,000 customer housing units.



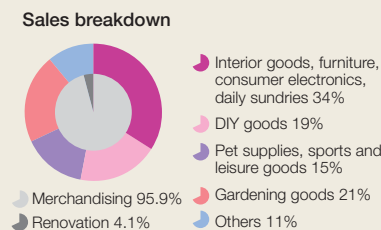
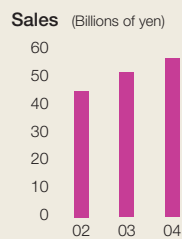
Commercial construction is another pillar of the group's construction activities, accounting for 22.0% of total sales. In this segment, we identify demand for business facilities using our impressive store of land information and our construction consulting capabilities. The division is divided into two categories: the construction of commercial facilities located in suburban areas for retailers and wholesalers, and steel-pipe and general construction that includes the planning, construction and management of office buildings, distribution facilities, and medical and nursing-care facilities.



Our resort hotels segment involves the operation of 29 Daiwa Royal Hotels and 10 golf courses throughout Japan, from Hokkaido to Okinawa. This segment accounts for 4.4% of sales on a consolidated basis. In the Japanese hotel industry, these hotels are classified as resort hotels, as we operate both hotels and golf courses in harmony with their natural environment. Within the segment, the ratio of sales generated by hotels to sales from our golf courses is approximately 9:1.



Our home center segment operates 35 home centers nationwide. These centers stock an average of 50,000 items each, primarily do-it-yourself products, and including interior and exterior, outdoor and leisure goods and pet supplies. We also have a considerable focus on renovations, calling on our background as a housing manufacturer. On a consolidated basis, the segment accounts for 4.6% of sales.



Our other businesses primarily include the lifestyle-related services which group subsidiaries and affiliates provide, and contribute 3.9% of consolidated sales. There are mainly 15 categories related to business and lifestyles, ranging from corporate-oriented business such as the manufacture and sale of construction materials, goods distribution, the lease of buildings and automobiles and Energy Service Companies (ESCO) operations, to services for end-users, including removals and the operation of business hotels, insurance services and a travel agency.

