

From traditional value standards

Main Improvements Made in FY2001–2003

	FY2001-2002
Management	<ul style="list-style-type: none"> • Directors' term of office cut from 2 years to 1 year • Middle management workforce reduced by 50% • Risk management bolstered • Change from division-based to branch-based organization • Introduction of performance-linked pay system for branch managers • Reduced number of companies for more customer-focused management • Introduction of points system to calculation for lump-sum payment at employees' retirement • Establishment of risk management committee • Online disclosure of invitations to shareholders' meetings (Japanese/English); online execution of voting rights (Japanese only)
Operations	<ul style="list-style-type: none"> • Aggregate housing sales pass 1-million unit mark • First prefabricated house featuring earthquake-dampening system launched • Insulation method for outer walls adopted • Launch of wooden house series • ISO14001 certification acquired by factories and purchasing divisions • Seven local sales companies established • Marketing, design, product development functions reorganized along regional lines • Renovation & rebuilding services expanded • Voluntary Environmental Action Plan drawn up • All 13 factories reach zero-emission targets
Financial position	<ul style="list-style-type: none"> • Interest-bearing debt reduced by ¥80.1 billion • An unrealized loss of ¥59.9 billion recorded on land revaluation • SG&A expenses reduced • Changes in accounting policies for retirement benefit • Total elimination of unrealized loss on land • Debt-free management achieved on a non-consolidated basis • Termination of agency service for government-run employee pension fund • Loss recognized on liquidation of affiliates • Extraordinary depreciation of property exceeding about ¥75 billion

New Group Management Structure

	FY2003
	<ul style="list-style-type: none"> • Introduction of in-house entrepreneur system • 1 corporate auditor (outside) added, making 5 corporate auditors • Pressing ahead with reinforced initiatives in the field of CS • Support for purchase of low-emission vehicles by employees (cars owned by staff who visit clients and used both for work and private use)
	<ul style="list-style-type: none"> • Earthquake-dampening system improved and costs reduced • Crime-prevention specifications installed as standard equipment • Meeting standards stipulated in the revised Building Standard Law to prevent the sick house phenomenon • New construction method for wooden houses developed • Companies specializing in housing loans and renovation established • Resort hotel business returns to profitability
	<ul style="list-style-type: none"> • Early application of impairment loss evaluation for fixed asset • Recommencement of shareholder special benefit plan • Contribution of about ¥25 billion to the welfare pension fund • Disclosure of quarterly results begin

Toward a brighter future