

To our shareholders



Nobuo Ishibashi
Senior Adviser



Takeo Higuchi
President

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Takeo Higuchi

Ever since its establishment in 1955, Daiwa House Industry Co., Ltd. has adopted “the industrialization of construction” as its corporate mission. Prefabrication methods enable the speedier provision of high-quality housing, and by becoming the first company in Japan to enter this field, Daiwa House has played an invaluable role in the supply of housing. The Company has broadened its sphere of operations to include not only its core business of housing, but also the construction of commercial buildings such as retail outlets and offices, as well as other businesses such as our resort and home center operations. With 32 consolidated subsidiaries as of March 31, 2001, the Daiwa House Group has effectively realized its long-cherished dream of becoming a comprehensive housing enterprise.

In April 2001 we effected a merger with our equity-method affiliate, Daiwa Danchi Co., Ltd., which possesses strengths in both wooden houses and condominium buildings. This merger will facilitate the effective apportionment of management resources and the reinforcement of corporate governance. Moreover, by optimally leveraging the synergy that will result from this merger in the areas of marketing, product development, and service, we are confident of raising our position in the industry and our competitiveness still further, thereby meeting the expectations of our shareholders.

In the business term under review, ended March 31, 2001, net sales on a consolidated basis came to ¥1,016.2 billion (US\$8,195 million), up 6.9% year-on-year, but net income declined 64.1% to ¥6,256 million (US\$50 million), owing to an additional provision to the reserve for employees’ prior service obligations resulting from a change in pension accounting standards.

The Daiwa House Group will continue to pursue its policies of living in harmony with the environment and responding promptly to the changing needs of the times.