

Overview of operations

Resort operations



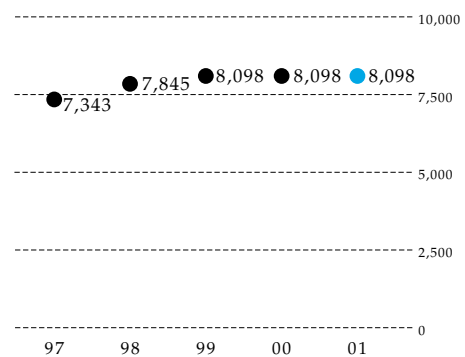
Tosa Royal Hotel

Featuring Japan's first open-air hot spring baths employing deep-sea water

Business review

Daiwa House, through its wholly-owned subsidiary, DaiwaResort Co., Ltd. aims to improve its services in operating and managing resort hotels in 30 locations all over Japan by actively promoting improvements and renovations of facilities for the safety and comfort of guests. The offer of reservations services over the Internet and intranets of customer companies as well as travel packages that include lodging fees and return airfare has contributed to a steady increase in guest room use. DaiwaResort has also made efforts to increase revenues from peripheral businesses by selling such unique products as deep sea mineral water.

Daiwa Royal Hotel number of guest rooms (Rooms)





The Sky Observatory Dome at the Yatsugatake Royal Hotel

*T*asks ahead

DaiwaResort has embarked on the plans to highlight the characteristics of the areas around each hotel, such as installing an observatory and Japan's first deep sea water public baths, in addition to offering day-trip plans that include both a dip in the hot springs and the cost of a sumptuous meal, thus increasing the attractiveness of the hotels to potential guests. The company plans to continue into the current term and beyond with its policy of actively promoting the introduction of "clean energy," which will also be effective in reducing electricity costs. To accomplish this, it will install power generation systems in its hotels that utilize energy sources that place less burden on the environment, such as wind power generation or cogeneration (the simultaneous generation of electric and thermal energy).

The company has started a variety of new projects, including one to sell bottled mineral water that has been extracted from the depths of the ocean. We expect that it will be able to sell 5 million bottles of this deep sea drinking water

annually in the facilities associated with the Daiwa Royal Hotels chain and the Royal Home Center, and plans are to eventually sell it at a large-volume retail outlet. Besides this venture, we are also putting energy into the development and sale of unique food products, based on local specialties from the areas where Royal Hotels are located. Plans are to have stores sell as many as 300 varieties of these products by the end of the year. Daiwa House aims to bring its resort operations into the black within 3 years by increasing guest room occupancy and raising its revenues from sources besides lodging fees and the expansion of product sales.

Following its merger with Daiwa Danchi, Daiwa House now operates a total of 10 golf courses throughout Japan, including the 6 golf courses that were already being operated by the subsidiaries of the former Daiwa Danchi. Daiwa House also took over the operations of the suburban leisure facility Termas Plaza, which incorporates swimming pools and hot springs baths.

Termas Plaza

Suburban-type leisure facility with heated swimming pools open year around and hot springs baths that promote good health.



Cypre's Country Club

This beautiful golf course is located in a part of Nara Prefecture that is said to be the birthplace of the Japanese nation.

