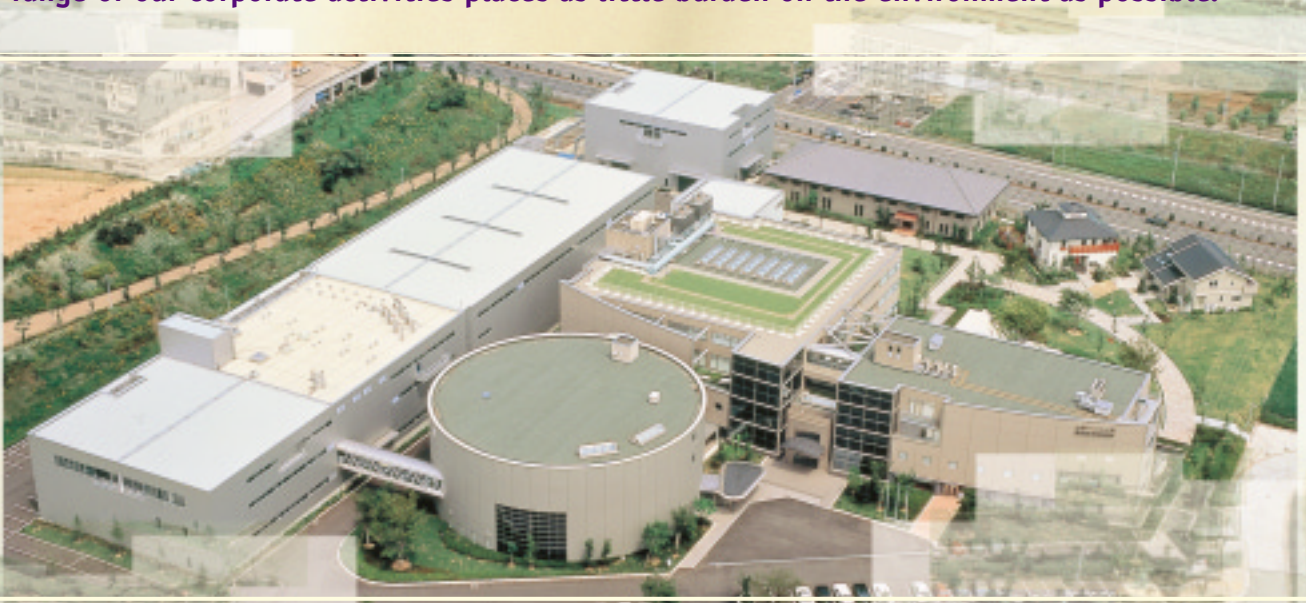


ENVIRONMENTAL MEASURES

At Daiwa House, the protection of the global environment is an important part of management policy, and apart from technological research and development targeted at finding solutions to pollution problems, we make thorough efforts to ensure that the whole range of our corporate activities places as little burden on the environment as possible.



Daiwa House Industry's Basic Environmental Policy:

Daiwa House aims to become an even more successful and socially valuable "comprehensive life enhancement company" through the industrialization of house construction, while carrying out its corporate activities in harmony with the environment.

1. We pledge to carry out prior assessments of environmental impact at every stage of our corporate activities — including all building-related processes from marketing through design, procurement, distribution, production and erection, as well as in our resort hotel and home center businesses — and to implement continuous improvements so as to minimize the effects of our activities on the environment and prevent pollution.
2. We will assess the environmental impact of the construction of new housing and other construction products, their use, and eventual dismantling, right from the design stage, and will incorporate these findings into our designs to enable us to offer products that are more environment-friendly than conventional ones on the market.
3. To reduce the environmental impact of our business activities and products, we have drafted a Voluntary Environment Action Plan containing plans for improvement and improvement targets, and will implement improvements under the plan.

Voluntary Environment Action Plan

In line with its basic environmental policy, described above, Daiwa House Industry has drawn up a Voluntary Environment Action Plan, which sets out medium-to-long-term Company-wide targets for energy conservation, the reduction of waste emission levels, reduction in the use of harmful chemical substances, the conservation of water resources, and the prevention of air pollution within factories and offices. In addition, all the Company's business divisions, as well as the head office, have set their own targets in line with the Voluntary Environment Action Plan, and are making energetic efforts to achieve improvements.

Environmental Activity Organization

A Company-Wide Environmental Activities Committee has been established to act as a deliberative organ on matters essential to the promotion of the environmental policy set out by the Company's

president, who is personally in charge of overall environmental activities. Six subcommittees have been established under the umbrella of the Company-wide Environmental Activities Committee to discuss technical questions and make proposals.

Daiwa House Industry's Waste Material Reduction Targets

