

RESIDENTIAL HOMES

As in previous years, we endeavored to introduce a wide range of new housing products, both in single-family houses and apartments, in an effort to respond to the diverse needs of our customers and with special consideration for the structural changes occurring in society, such as the aging of the population. In these activities we take selective approaches that are best suited to each individual business region throughout Japan. As a result of our efforts, housing operations posted a 3.1% sales increase from the last year to ¥630,642 million (US\$5,949 million), with operating income of ¥50,299 million (US\$475 million), up 19.1% from the previous term.

**Le Grand Ralché**

Le Grand Ralché features a spacious living room on the 1st floor and a bathroom and toilet on the 2nd floor.

Bungalow-style OS type

Features barrier-free living-spaces and crime-prevention systems, and uses surplus nighttime electricity to supply hot water for central heating.

**New Urban Rental and Living LR type**

The LR type flexibly accommodates changes in family make-up.

Among single-family houses, we introduced new products with advanced specifications concerning next-generation energy conservation standards and housing-related health standards. With the serial introduction of our models Statement With E, Statement With G, and Statement With C we strengthened our lineup in the middle and top ranges of single-family houses.

Furthermore, in the proposal-based housing range, our model Le Grand Ralché caters to individualists' diverse requirements, while the bungalow-style OS type stands out for the particular attention given to its barrier-free concept and crime-prevention features, offering

maximum comfort to middle-aged couples. Households with children, on the other hand, will appreciate the independent living enabled by the two-generation model Ff type. These and other products augment our array of housing that proposes new ways of enjoying home ownership. As a distinctly unique new launch, we have started to offer rental housing annexed to an owner-occupied residence, labeled New Urban Rental and Living LR type. This concept is inspired by a legal bill passed this spring, which opens the way to fixed-period leasing contracts. The scheme has been well received due to its multiple merits from rental income subsidizing construction costs and



Two-generation model Ff type

Ff type features low sound transmission between sections of the house occupied by households of different generations.

Séjour L3

Séjour L3 conforms to rigorous health and environmental standards, as demonstrated by safeguards against volatile organic compounds.

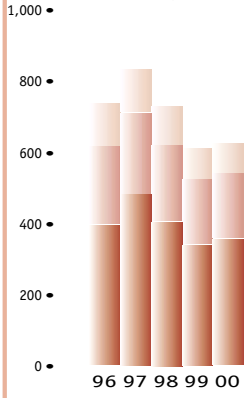


Séjour FG

Séjour FG is built with durable and pollution-resistant materials.

Total Sales of Residential Homes

(Billions of Yen)



■ Total Sales of Residential Homes
 ■ Single-Family Houses
 ■ Apartment Buildings
 ■ Others

supplementing living expenses in the long term, as well as the easing effect on property and inheritance taxes.

Among new rental housing products, we initiated sales of a 2-story building, named Séjour FG, which is intended for families with young children, as well as the upscale 3-story Séjour L3, whose multicolored exterior designs appeal to a wide range of tenants. Thus, we have been working to widen our product lineup in response to the varied needs of our customers.

In the current term, we expect to see rising sales figures for our Séjour RG Kankyo Shubo, which represents the latest in environmentally sound housing construction at an affordable

price. The sales launch of this model is slated for April 2000. In this way, we have been able to satisfy our customers at a very high level by concentrating our energies on the development and marketing of new products featuring distinct merits compared with rival products. Moreover, to reinforce our condominium operations, we have more efficiently utilized our nationwide housing sales branch network to expand our condominium business beyond the main population centers to regional municipalities.