

## COMMERCIAL BUILDINGS

Private-sector capital investments in the term under review remained depressed from the previous term, with commercial-use construction projects such as office buildings, plant, and warehousing facilities displaying few signs of an upturn. In this environment, we reinforced business development in retail merchandising outlets, and started to market products best suited for group homes with in-residence nursing care. As a result, sales posted a 6.8% increase from the previous term to ¥216,734 million (US\$2,045 million), but operating income slipped 10.3% on the year to ¥13,935 million (US\$131 million).



### Across Noshiro

A locally-owned supermarket and home center are located on a 70,000m<sup>2</sup> plot of land.

### DAIWA CALM 21

Air conditioners with humidifiers have been installed to protect the health of aged persons during dry winters.



In July 1999, we launched our 2-story office space DAIWA ACE 68. This product is a high-ceiling variation of the DAIWA ACE model, whose affordable price has made it a popular choice for low-ceiling offices and public welfare facilities. While DAIWA ACE 68 sports a higher ceiling, its fixed floor plan helps making it an appealing solution to the cost requirements of corporate customers.

Our DAIWA CALM 21 is a group home developed with the nursing care insurance system in mind, which became effective in April 2000, and is intended for senior occupants suffering from diminished awareness and thus requiring nursing care. Its structure duplicates

that of DAIWA ACE, which lowers construction costs. The concept takes into account that occupants and caretakers should be able to carry out housework smoothly, and provides safety in the home through health-related features and a comprehensive array of electric appliances including motor-driven support devices.

The business of providing outlets for retail merchants has been a cornerstone of our operations. The Company's Land Owner and Company System (LOC) matches land owners with business operators, and drafts proposals for commercial property development. Total support provided comprises the land survey, project concept, project planning, construction

**Across Tamasakai**

Tenants of Across Tamasakai include a well-stocked children's clothing store, which attracts a large number of customers from a wide area, and a locally-owned supermarket.



**Oak Town Nishiminato**

Oak Town Nishiminato includes a restaurant and amusement facility alongside a major road in an industrial area.



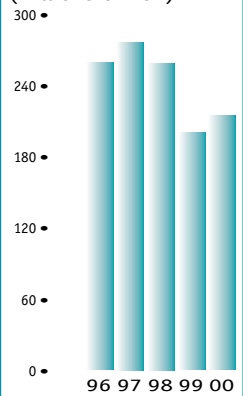
**DAIWA ACE 68**

DAIWA ACE 68 can accommodate up to 32 employees, and is offered in 46 plans and 68 types.



**Sales of Commercial Buildings**

(Billions of Yen)



plans and their execution, and project management and operation. In the term under review, openings of large-scale projects planned by the Company included Oak Town Nishiminato in Fukuoka Prefecture, a food court and amusement facility; Across Noshiro in Akita Prefecture, a comprehensive retail complex grouped around a supermarket with integrated DIY center; and Across Tamasakai in Tokyo, whose blueprint came in first in a contest for the best railway station shopping complex. In the retail outlet business, the Company's 20-year track record covers more than 20,000 projects, and comes with the top rank in project development for nationwide chain operators

with suburban and roadside outlets. We will continue to strengthen the Company's earnings power by further expanding the LOC system, which contains the entirety of market and business data from our nationwide network points.

