

OTHER OPERATIONS

Other operations, with Royal Home Center at their core, have been growing steadily year after year. In the term under review, Daiwa Rakuda Industry, Daiwa Logistics Co., Ltd., Shinwa Agency, as well as Daiwa Service — former equity-method affiliates — were included in consolidated accounts. However, although sales expanded strongly by 172.3% to ¥119,460 million (US\$1,127 million), operating profit was held back to ¥1,271 million (US\$12 million).



Royal Home Center Oiso in Kanagawa Prefecture

Gardening goods are displayed in the facility's model garden, covering an area of 800m².

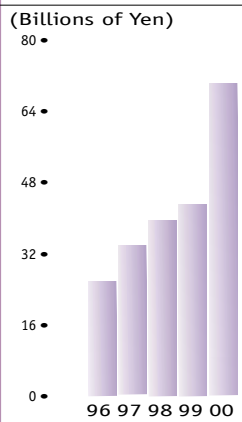
In the Home Center Division, we opened a new outlet in Oiso in the southern part of Kanagawa Prefecture, bringing the total number to 36 nationwide, and systematically refurbished existing facilities. The Royal Home Center Oiso, while ranking among the largest in floor space in Kanagawa Prefecture, features an

practical advice delivered by staff with extensive experience in the DIY field; through hands-on assistance; and as a construction subcontractor against a charge. In this way, we have been providing extensive support to our customers in all DIY and refurbishing matters.

Last year marked the first-ever sales contraction in the home center industry, suggesting an impending sector shake-out. Daiwa House will fully utilize the know-how and the scale merits gained from being an integrated provider and creator of residential living space, and differentiate itself from competitors in its areas of excellence — refurbishment, housing interiors, and gardening. We expect to see operations leap forward as a result. Moreover, Royal Home Center soon expects to start up a leasing business for nursing care equipment in a tie-up with Nippon Care Supply, which will strengthen regional customer relationships through a wider range of goods and services.

overwhelming range of DIY, housing interior, and gardening items, and stands out as a large-scale, full-fledged home center with superior service offerings. Home center staff drawing on the accumulated know-how of Daiwa House Industry allow a three-way approach to competent assistance in creating superior residential environments — through

Sales of Other Operations



Home Center Floor Space

