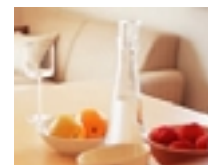


Financial Results



Group Results Summary

(Millions of yen/Thousands of U.S. dollars)

	Sep. 2004			Sep. 2003
Order	¥652,250	5.8%	\$5,876,126	¥616,372
Sales	¥626,562	4.9%	\$5,644,703	¥597,199
Order backlog	¥448,601	6.7%	\$4,041,450	¥420,370

Consolidated Financial Highlights

(Millions of yen/Thousands of U.S. dollars)

	Sep. 2004		Sep. 2003	Mar. 2004	Mar. 2005 (estimate)
Sales	¥626,562	\$5,644,703	¥597,199	¥1,224,648	¥1,330,000
Operating income	29,125	262,387	26,705	59,661	65,800
Net income (loss)	16,214	146,072	15,194	37,257	36,000
Per share of common stock (in yen and dollars)					
Basic net income	29.68	0.27	27.79	68.16	65.90
Shareholders' equity (yen)	910.08	8.20	914.89	902.32	—
Dividends (yen)	—	—	—	15	—
Total assets	1,269,444	11,436,433	1,113,793	1,087,658	—
Shareholders' equity	497,132	4,478,668	500,136	493,050	—
ROE (%) conversion at an annual rate	6.5	—	6.2	7.6	—
Shareholders' equity ratio (%)	39.2	—	44.9	45.3	—

Note: The U.S. dollar amounts represent translations of Japanese yen for convenience only at the approximate exchange rate on Sep. 30, 2004 of ¥111=U.S.\$1.

Overview

- Total assets rose ¥181.8 billion from the end of the previous term as a result of the inclusion of Daiwa Kosho Lease Co., Ltd., within the scope of consolidation (¥204.4 billion).
- The gross profit on sales rose 4.4% year on year, to ¥132,998 million due to sales growth, despite a 0.1 percentage point rise in the cost of sales as a percentage of sales.
- Operating income rose 9.1% year on year to ¥29,125 million, due to efforts to curb selling, general and administrative expenses.
- Net income increased 6.7% to ¥16,214 million, despite the posting of other expenses for the amortization of prior service cost resulting from the Company's adoption of a new welfare pension system.

Full-Term Outlook

- The Daiwa House Group will place more emphasis on integrating groupwide management to create a group that can fully meet customers' needs at every stage of their lives.
- Net sales are projected at ¥1,330 billion on a consolidated basis, up 8.6% from the previous year. The figure includes sales of Daiwa Kosho Lease Co., Ltd., Osaka Marubiru Co., Ltd., Royal Bix Co., Ltd. (tentative name) and others.
- The full-year forecasts indicate year-on-year declines in net income. This reflects the non-repetition of an actuarial gain of ¥9.4 billion on retirement benefits that was recorded in the previous term.

Building Your Dreams

Daiwa House[®]
group