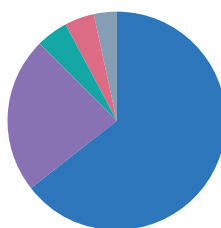


Segment Information



(Interim of fiscal year ending March 31, 2005)

Sales by Segment



Housing	64.4%
Commercial construction	23.1%
Resort hotels	4.7%
Home center business	4.4%
Other businesses	3.4%

Note: Percentage is share of net sales after eliminating intercompany transactions.

Results by Segment

● Housing



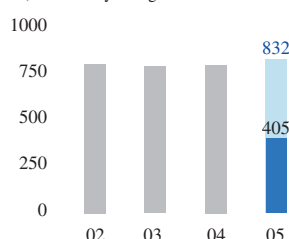
The single-family house division is committed to providing quality products to bolster sales in urban districts. During the six-month period under review, this division introduced a two-story house with a simple and stylish design, as well as an urban three-story wooden home with a stylish exterior. The latter model proposes a dynamic living space.

The rental apartment housing division released a new three-story apartment building for rental use that can be built on the sites located in the densely populated residential districts in urban areas as well as small, irregularly shaped lots. This upscale model features an extensive selection of exterior designs.

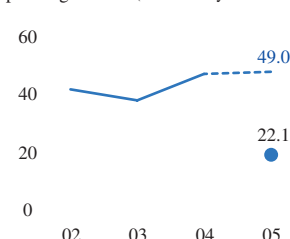
The condominium division introduced a system for assessing the market value of condominiums. Under this system, the Company systematically collects data regarding the quality and performance of condominiums at the time of sale, and also keeps records of after-sale maintenance. This system will enable residents and potential buyers of the condominiums to make a more objective assessment of the market value of the condominiums.

As a result, the housing business segment's sales rose 3.6% to ¥405,498 million, and operating income increased 5.2% to ¥22,090 million.

Sales (Billions of yen/Light colors show the estimate '05)



Operating income (Billions of yen/●=Interim, ---=Estimate)



Building Your Dreams

Daiwa House
group



Results by Segment

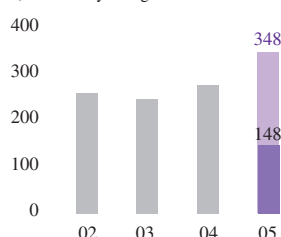
Commercial Construction



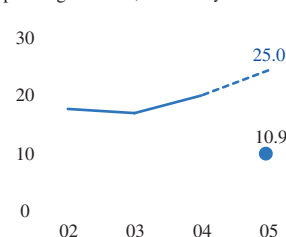
The commercial construction division effectively used the know-how the Company had accumulated as a housing manufacturer to improve its exterior designs, plans and equipment. During the period under review, the division introduced a two-story nursing care facility, drawing on the wealth of knowledge and technology of our Silver Age Research Center, which specializes in research on medical care and nursing care for the elderly. In addition, the general construction division focused on projects related to the development of large-scale commercial complexes consisting of numerous specialty stores, bars and restaurants in suburban locations.

As a result, both sales and operating income for this segment grew, with sales rising 11.2% to ¥148,277 million, and operating income increasing 12.0% to ¥10,904 million.

Sales (Billions of yen/Light colors show the estimate '05)



Operating income (Billions of yen/●=Interim, ---=Estimate)



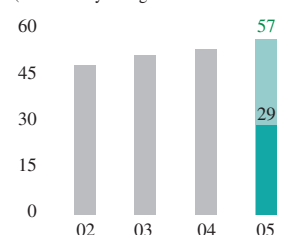
Resort Hotels



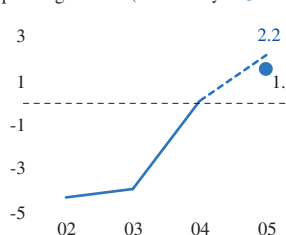
Our resort hotels division developed new events aimed at attracting customers. Culinary competitions were held in our hotels around the country. In this series, chefs from different hotels demonstrated their techniques to the hotel guests. We also expanded our training program for hotel staff, which contributed to an upgrading of our services. By enhancing our products and services in this way, we aim to increase customer satisfaction.

Consequently, this segment generated sales of ¥29,159 million, up 9.0% year-on-year. It also posted operating income of ¥1,637 million, which is 29 times the amount reported for the corresponding period of the previous term.

Sales (Billions of yen/Light colors show the estimate '05)



Operating income (Billions of yen/●=Interim, ---=Estimate)



Building Your Dreams

Daiwa House
group



Results by Segment

● Home Center Business

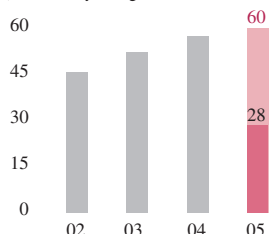


On April 1, 2004, Daiwa House Industry Co., Ltd. spun off the home center business to create Royal Home Center Co., Ltd. In the reporting first-half period, two new shops were established.

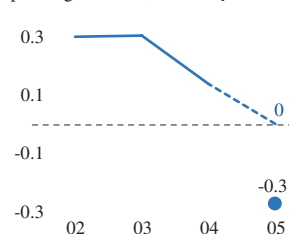
Although consumer spending showed a mild recovery trend, revenues per customer declined, due not only to intensified competition from rivals within the industry and new entrants from other sectors, but also the adoption of a new pricing system, which entails the inclusion of the consumption tax in the displayed retail price.

Consequently, the segment suffered an operating loss of ¥273 million, although sales grew 0.6% year-on-year, to ¥28,487 million.

Sales (Billions of yen/Light colors show the estimate '05)



Operating income (Billions of yen/●=Interim, ---=Estimate)



● Other Businesses

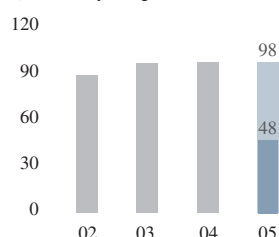


The building material manufacturing and selling division introduced a number of new products, including an indoor staircase, and actively marketed its furniture and interior fixtures. The distribution business began constructing a series of large-scale distribution centers to efficiently process orders for third-party distribution in response to rising customer demand. In other business divisions, Daiwa Royal Co., Ltd. began operating Daiwa Roynet Hotels, employing its own unique hotel management system.

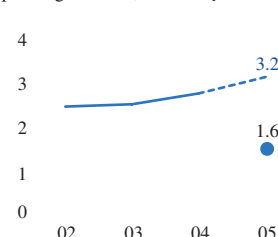


As a result, this segment saw sales rise 1.7% year-on-year, to ¥47,583 million. Operating income also increased, surging 34.7%, to ¥1,589 million.

Sales (Billions of yen/Light colors show the estimate '05)



Operating income (Billions of yen/●=Interim, ---=Estimate)



Building Your Dreams

Daiwa House[®]
group