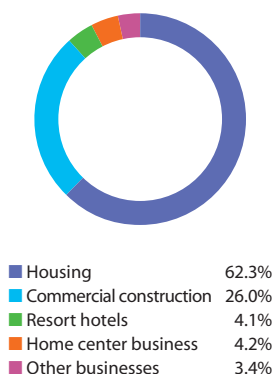




Sales by segment



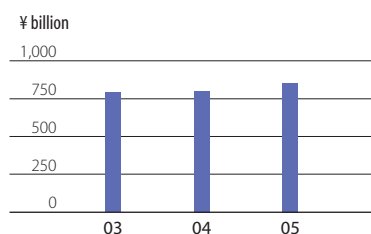
Housing

Housing, the core business of the Daiwa House Group, accounted for 62.3% of total sales. Our activity in this field, which provides homes with individual needs in mind, ranges from construction of various forms of housing to renovation, and from real-estate agency services to property management.

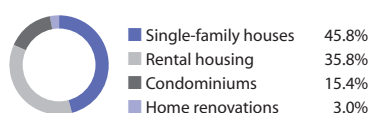
Overview of Fiscal 2004

The number of housing starts increased 1.7% from the previous term. With the trend toward recovery continuing from the previous year, we developed and provided products with increased basic efficiency and the quality being sought in housing to respond to a succession of natural disasters.

Sales



Sales breakdown



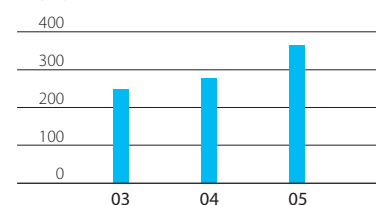
Commercial Construction

Commercial construction, accounting for 26.0% of total Group sales, has two divisions, the commercial facilities business, which constructs suburban commercial facilities, and the distribution and medical & nursing care facilities business, which plans, constructs and manages distribution facilities and medical and nursing care facilities.

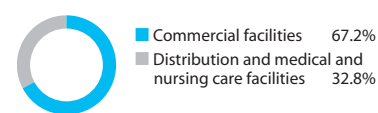
Overview of Fiscal 2004

Against the backdrop of the economic recovery and a significant increase in investment by private-sector firms in facilities and construction, we fully utilized our specialized knowledge, abundant land information resources, and consulting abilities to provide facilities that met the needs of customers.

Sales



Sales breakdown



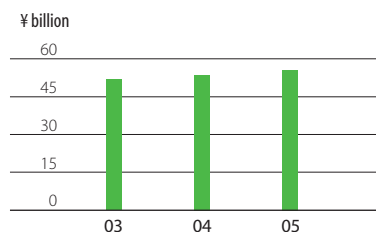


Resort Hotels

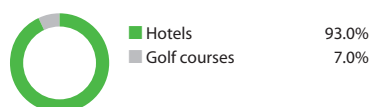
Under the theme of “bringing people into close communion with nature and regional cultures,” we manage 29 resort hotels and 10 golf courses throughout Japan. This business accounts for 4.1% of total sales.

Overview of the Fiscal 2004

Needs for leisure services such as resort hotels and golf courses are becoming more diversified. During the period under review, we worked to raise customer satisfaction by providing high-quality services based on the theme of “Food Safety and Health.”



Sales breakdown



In 2005, the Resort Hotels business (as of fiscal 2004) was renamed the Resort Hotels and Sports business.

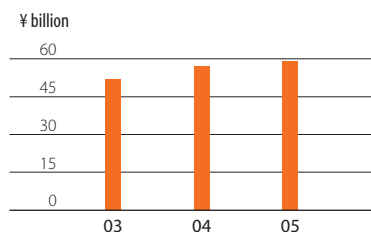


Home Center Business

We operate 39 home centers that carry an average of over 50,000 items. The centers are used by a wide spectrum of customers, from consumers to businesses. Home center sales accounted for 4.2% of total sales.

Overview of Fiscal 2004

Our home centers provide both specialists' know-how and a multiplicity of goods for daily life. Amid the progressive restructuring of the industry, we are aiming to boost revenue and distance ourselves from our rivals through greater distinctiveness. To this end, we opened new centers, and took steps to enhance our specialist expertise.



Sales breakdown

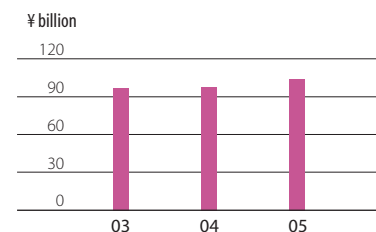


Other Businesses

The Group is developing businesses in various fields that support people, communities and lifestyles. These include the logistics business, building and automobile leasing, business hotels, and construction materials manufacturing and sales. The Group's Other businesses segment accounts for 3.4% of its total sales.

Overview of Fiscal 2004

Among the wide range of daily life-related and miscellaneous services performed by this division, targeted at both consumers and corporations, during the reporting period we put increased focus on areas with strong growth potential, such as distribution and logistics services and business hotel chain operations, deliberately involving as many Group companies as possible so as to maximize intra-Group synergy.



Business category

- Production and sale of building materials
- Distribution business
- Urban hotel business, etc.