



Subdivisions

Revitalizing urban communities

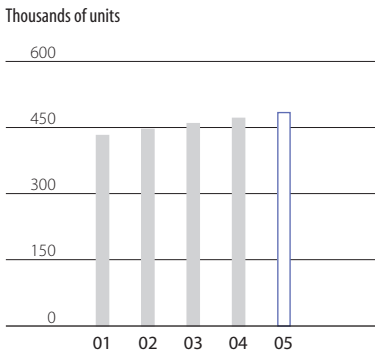
In fiscal 2004, the national number of single-family housing subdivision starts were in the plus column for the second year in a row with a year-on-year increase of 7.8%. We are working to strengthen the development and provision of properties directed towards first-time home buyers who do not own land, principally people in their early thirties. These can be purchased for comparatively low prices. This is in addition to our efforts to provide homes to landowners and customers wishing to rebuild.

Our original subdivision properties, “Floral Avenue,” are being well received throughout Japan, with the comprehensive revitalization of urban communities in mind. They incorporate the enrichment of communities by promoting industrial activity and the promotion of employment, welfare services, and, the creation of cultural and regional interchange functions.

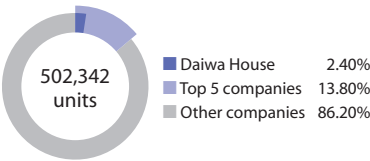
Business efficiency through concentration and selection

Having accurately grasped customer trends, the Company will focus on the planning and development of subdivision products, while working to acquire and utilize information on land and residential property selection that corresponds to the needs of customers. We aim to develop strategy for large urban centers and to maintain and improve home environment value through the utilization of a community-based commission sales agent system. For this purpose as well, we are consolidating owner associations established per region and per housing brand and preparing a system for exchanging information. At the same time we intend to reduce the number of sales offices by concentrating and selecting offices principally located in urban centers. Also, we are focusing our energies on sales employee training in programs ranging from life-planning to funding and tax knowledge. We are also promoting sales activities that respond to the needs of customers.

Aggregate of houses
(Daiwa House Industry, non-consolidated)



Share of single-family house market
(FY2003)



Note: The share for Daiwa House and the top 5 companies were taken from the *Tokei Geppo* (Statistics Monthly), by TOYO KEIZAI INC.

Indices of housing sales and construction starts

