



Developing a further segmented sales strategy

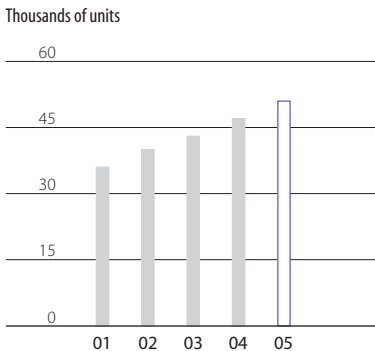
We are developing strategies appropriate to each age group and region as a means of cultivating new customers. In particular, in relation to compact condominiums* centered in urban areas, we are strengthening sales activities centering on a designated sales force utilizing the Internet to promote sales. This is because the buyers of compact condominiums are people in their twenties and thirties with good Internet skills. The closing rate via the Internet by younger people is increasing annually, and such sales accounted for 18% of total closings in fiscal 2004 (a year-on-year increase of 8%). On the other hand, in relation to the over-40 and senior age group, we are selling through showrooms and conventional straightforward sales activities. While on one hand we are strengthening sales promotion activities through Condominium Friendship Clubs, we are also promoting market research through members of the Club, including surrounding residents, and promoting plans and developments that accurately reflect customer needs.

* The sobriquet of small condominiums with an exclusive area of use of over 30 sq. meters and less than 50 sq. meters

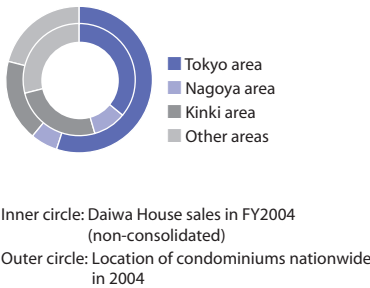
Aggressive investment in long-term, large-scale projects

Through the pursuit of “Building Homes as Quality Social Assets which bring to fruition an Abundant Life and Residence in the 21st Century,” we are developing a condominiums business that incorporates the maintenance of a secure and pleasant social infrastructure. For example, in large-scale projects composed of 300 to 500 units, we are developing not just individual residences, but also complex facilities and commercial facilities. We are promoting them in conjunction with other divisions to improve the convenience of the environment surrounding the homes. We are not only working to increase the value-added of condominiums, but are also giving consideration to the coexistence of city life and the natural environment. We are therefore aggressively developing properties with next-generation energy-saving standards as standard specifications with the objective of reducing CO2 emissions from home air conditioning and heating.

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



Area breakdown of condominium sales



Indices of condominium sales and construction starts

