



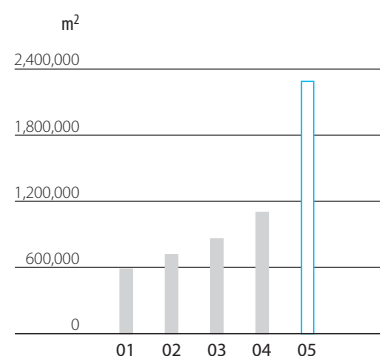
Making more effective use of our land owners' associations

As of the end of March 2005, our Landowners Club, consisting of our customers, had grown to 5,001 members nationwide. The overall Landowners Club is divided into 64 separate owners associations established in the various regions of the country. Recently, to energize the activities of these associations, we have been organizing events held jointly by neighboring associations, and we are also planning to hold meetings targeting female or younger land owners. By these means, we will encourage closer relations between members of different regional owners associations, raise the level of understanding of general economic conditions, and make land owners more knowledgeable about the various methods available of utilizing the value of their land assets. This, in turn, will forge stronger bonds of loyalty between the land owners and the Daiwa House Group. The Landowners Club is one of our most valuable assets: it not only promises to give us a stream of orders for construction and intermediary services, but also has tremendous future potential in its capacity as an informal group of individuals interested in investment in new real estate projects. For this reason, we will work to make the Club a livelier, more enjoyable organization for all members, and use it to expand our business.

Development and sale of real estate investment products

The securitization of Japanese land assets, notably through the J-REIT market, as well as the use of SPCs (special-purpose companies) are just some examples of the way in which real estate development and investment formats are diversifying, thanks to which the market liquidity of real estate as an investment target has improved tremendously. However, not all land plots can be developed with complete assurance of adequately high returns. We closely follow market developments in the sale of land by individuals and companies, as well as the sale of land by the government or other public organizations. The knowledge thus gleaned gives us a preferential position in acquiring superior land properties at a relatively low price. For the effective utilization of land, we make use of our know-how relating to the management of our LOC System to locate and introduce desirable tenants. And our expertise in multiplex/large-scale commercial facilities enables us to offer effective asset management services. By putting to use the know-how we have effectively employed in our proposal-based marketing of land utilization programs in the management of our own properties, we will develop and sell high-value-added real estate investment products.

Subleased floorspace of commercial construction



Orders for large-scale commercial facilities

