

# Other Businesses

## For home life and business — a wide spectrum of business categories

### Sales

**¥104.1 billion** (Y-on-Y +6.5%)

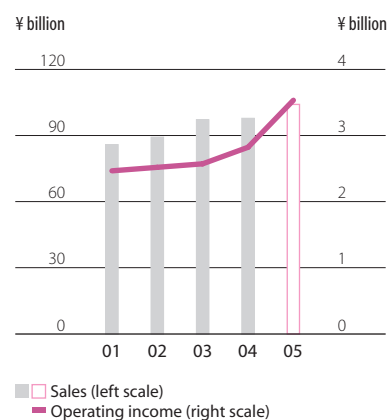
### Operating income

**¥3.5 billion** (Y-on-Y +25.2%)

#### Leasing operations showing firm growth

At Daiwa Rakuda Industry Co., Ltd., which is engaged in the manufacture and sale of housing fixtures and furniture as well as insurance sales, the construction materials manufacturing and sales division is developing new products such as interior stairs and working to expand orders. In addition to arranging sales events for house and condominium customers to buy interior accessories, we have enhanced our unique range of curtains. The space systems division is aggressively working to develop sales in the interior business and interior finishing work for medical and nursing care facilities. Additionally, the leasing division is strengthening its business of renting out for various events and to governmental bodies equipment and fixtures and fittings used in developers' condominium showrooms.

#### Sales and operating income



## 15 distribution centers of Daiwa Logistics



### Solid growth in the logistics business

In circumstances in which there is growing demand in the retail and wholesaling industries for outsourcing and the redevelopment of goods distribution systems, Daiwa Logistics Co., Ltd. is moving forward with a consolidation of branch offices to achieve greater operational efficiency. We also established special business offices in the Tokyo area to provide speedier goods distribution and to widen our total service menu to meet the diversifying needs of corporate customers in the capital and the surrounding region. We also decided to construct logistics centers in eight locations throughout Japan, of which two are already in operation. We are constructing a network of logistics centers to provide not only the transport and distribution of housing materials, but also logistics services for our retail sector customers, with aim of increasing the number of orders. Building on this success, we will continue to offer logistics services designed with our users' needs in mind.

### Anticipated growth in business hotels

In this area of the hotel business, which focuses on business-use hotels located in urban areas, we are reducing overall prices, expanding our user base and moving forward with Internet capabilities. In the past fiscal year, our Roynet Hotel business, which undertook a review of its alliance with Daiwa Resort (the operator of the Daiwa Royal Hotel chain), worked to expand the range of targeted customers to couples and families, to increase Internet reservations, and provide rooms with Internet capability. During the reporting term, this segment consisted of two Daiwa Roynet Hotels — the Roynet Sapporo Hotel and the Osaka Dai-ichi Hotel (Osaka Marubiru) — which came under the Roynet umbrella in November 2004. This gave us a total of four hotels in this business, which is off to a new start. Starting in the current term we will pursue the goal of opening several hotels per year.