

**Revisions to the English-language version of the Daiwa House Annual Report released in 2002  
(report on performance in fiscal 2001)**

Daiwa House Industry Co., Ltd. has already released revisions to the earnings performance figures appearing in the Segment Information section for the fiscal years 2001 through 2006, and in line with this, the present document contains revisions to certain figures contained in the English-language version of its annual report on fiscal 2001 (ended March 2002), released under the title of "2002 Annual Report".

Please note that, as the revised figures refer solely to transactions between divisions of the parent company (Daiwa House Industry), they have no impact on the earnings performance.

Furthermore, as the revisions in question have no material effect on the independent auditors' report issued on the Daiwa House 2002 Annual Report by our accounting auditor Deloitte Touche Tohmatsu, no revision of the said auditors' report is required.

■ P2 Group results summary — Negative factors in fiscal 2001/Daiwa House

Before correction	After correction
Resort hotels operations posted a consecutive operating loss, but this was an improvement of <u>26.8%</u> over fiscal 2000.	Resort hotels operations posted a consecutive operating loss, but this was an improvement of <u>23.0%</u> over fiscal 2000.

■ P16-17 Our Business Domain — Financial highlights in 2001

	Operating Income (loss)		Operating income (loss) change	
	Before correction	After correction	Before correction	After correction
Housing	<u>¥42,933 million</u>	<u>¥43,106 million</u>	<u>(8.7%)</u>	<u>(8.3%)</u>
Commercial Construction	<u>¥18,351 million</u>	<u>¥18,404 million</u>	<u>13.7%</u>	<u>14.0%</u>
Resort Hotels	<u>¥(4,355) million</u>	<u>¥(4,581) million</u>	<u>(26.8%)</u>	<u>(23.0%)</u>

■ P18 L3, Housing

Before correction	After correction
Although the housing operations of Daiwa House group posted a 23.7% increase in net sales, to ¥806,003 million (US\$6,060 million), operating income decreased <u>8.7%</u> to <u>¥42,933 million (US\$323 million)</u> .	Although the housing operations of Daiwa House group posted a 23.7% increase in net sales, to ¥806,003 million (US\$6,060 million), operating income decreased <u>8.3%</u> to <u>¥43,106 million (US\$324 million)</u> .

■ P22 Commercial construction

Before correction	After correction
Due to the cooling down of private capital spending, market conditions have remained difficult, but since there has been a steady demand for large-scale logistics centers, net sales increased 5.7% to ¥260,785 million (US\$1,961 million), and operating income increased <u>13.7%</u> to <u>¥18,351 million (US\$138 million)</u> .	Due to the cooling down of private capital spending, market conditions have remained difficult, but since there has been a steady demand for large-scale logistics centers, net sales increased 5.7% to ¥260,785 million (US\$1,961 million), and operating income increased <u>14.0%</u> to <u>¥18,404 million (US\$138 million)</u> .

■ P26 L3, Resort Hotels

Before correction	After correction
Revenues increased 21.8% year-on-year, to ¥48,499 million (US\$365 million), and we were able to achieve a rise in income of <u>26.8%</u> , or <u>¥1,594 million</u> . Our operating loss amounted to <u>¥4,355 million (US\$33 million)</u> .	Revenues increased 21.8% year-on-year, to ¥48,499 million (US\$365 million), and we were able to achieve a rise in income of <u>23.0%</u> , or <u>¥1,368 million</u> . Our operating loss amounted to <u>¥4,581 million (US\$34 million)</u> .

■ P36 L4 Left Column, Financial review/Earnings

Before correction	After correction
In a breakdown of the ratio by major business segments, housing sector sales fell 1.9 percentage points from the previous year, to 5.3%, <u>whereas commercial building sector sales rose 0.5 of a percentage point to 7.0%</u> , showing that the commercial construction sector made a valuable contribution from the aspect of the ratio of operating income to net sales as well.	In a breakdown of the ratio by major business segments, housing sector sales fell 1.9 percentage points from the previous year, to 5.3%, <u>whereas commercial building sector income rose 0.5 of a percentage point to 7.1%</u> , showing that the commercial construction sector made a valuable contribution from the aspect of the ratio of operating income to net sales as well.

■ P52 Financial Notes/Segment Information — Sales and operating income (loss)

(millions of yen)

2002	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>763,070</u>	<u>242,434</u>	<u>52,854</u>	<u>762,897</u>	<u>242,381</u>	<u>53,080</u>
Operating income (loss)	<u>42,933</u>	<u>18,351</u>	<u>(4,355)</u>	<u>43,106</u>	<u>18,404</u>	<u>(4,581)</u>

(thousands of U.S. dollars)

2002	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>5,737,368</u>	<u>1,822,812</u>	<u>397,398</u>	<u>5,736,067</u>	<u>1,822,413</u>	<u>399,098</u>
Operating income (loss)	<u>322,805</u>	<u>137,977</u>	<u>(32,744)</u>	<u>324,106</u>	<u>138,376</u>	<u>(34,444)</u>