

**Revisions to the English-language version of the Daiwa House Annual Report released in 2003  
(report on performance in fiscal 2002)**

Daiwa House Industry Co., Ltd. has already released revisions to the earnings performance figures appearing in the Segment Information section for the fiscal 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 2002 (ended March 2003), released under the title of "2003 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 2003 Annual Report by our accounting auditor Deloitte Touche Tohmatsu, no revision of the said auditors' report is required.

■ P26 L8, Business Outline — Housing (Main text)

Before correction	After correction
Nevertheless, factors such as falls in land prices and deflation had an adverse impact, causing net sales to slip by 1.7%, to ¥791,981 million and operating income to decline by 8.8%, to <u>¥39,135 million</u> , both on a consolidated basis.	Nevertheless, factors such as falls in land prices and deflation had an adverse impact, causing net sales to slip by 1.7%, to ¥791,981 million and operating income to decline by 8.8%, to <u>¥39,329 million</u> , both on a consolidated basis.

■ P26 Business Outline — Housing/Data for graphs

	02		03	
	Before correction	After correction	Before correction	After correction
Operating income (¥ billion)	<u>42</u>	<u>43</u>	39	39

■ P32 L9, Business Outline — Commercial construction (Main text)

Before correction	After correction
Regrettably, on a consolidated basis our net sales fell by 4.9% to ¥248,014 million, and operating income was down by 3.9% at <u>¥17,631 million</u> .	Regrettably, on a consolidated basis our net sales fell by 4.9% to ¥248,014 million, and operating income was down by 3.9% at <u>¥17,689 million</u> .

■ P34 L10, Business Outline — Resort hotels (Main text)

Before correction	After correction
As a result, overall revenue rose by 7.0% to ¥51,903 million, and operating loss decreased <u>8.9%</u> from the previous term to <u>¥3,969 million</u> .	As a result, overall revenue rose by 7.0% to ¥51,903 million, and operating loss decreased <u>7.9%</u> from the previous term to <u>¥4,221 million</u> .

■ P34 Business Outline — Resort hotels/Data for graphs

	02		03	
	Before correction	After correction	Before correction	After correction
Operating income (¥ billion)	<u>-4.3</u>	<u>-4.5</u>	<u>-3.9</u>	<u>-4.2</u>
Operating income per employee (¥ million)	<u>-2.8</u>	<u>-2.9</u>	<u>-2.4</u>	<u>-2.6</u>

■ P48 L2 Right Column, Financial Review/Operating income

Before correction	After correction
Operating income decreased ¥3.7 billion to <u>¥39.1 billion</u> , and its ratio to sales fell <u>0.4 percentage points</u> to <u>4.9%</u> .	Operating income decreased ¥3.7 billion to <u>¥39.3 billion</u> , and its ratio to sales fell <u>0.3 percentage points</u> to <u>5.0%</u> .

■ P48 L12 Right Column, Financial Review/Operating income

Before correction	After correction
As a result, sales of Commercial construction operations came to ¥248.0 billion and operating income declined ¥0.7 billion to ¥17.6 billion. The ratio of operating income to sales, however, <u>improved 0.1 percentage points over the previous term to 7.1%</u> , the highest figure among the segments.	As a result, sales of Commercial construction operations came to ¥248.0 billion and operating income declined ¥0.7 billion to ¥17.6 billion. The ratio of operating income to sales, however, <u>came to 7.1%, the same level as the previous year</u> and the highest figure among the segments.

■ P48 L30 Right Column, Financial Review/Operating income

Before correction	After correction
We posted an operating loss of <u>¥3.9 billion</u> , lower than the previous term.	We posted an operating loss of <u>¥4.2 billion</u> , lower than the previous term.

■ P67 Financial Notes/Segment Information — Sales and operating income (loss)

(millions of yen)

2003	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>752,846</u>	<u>230,383</u>	<u>55,872</u>	<u>752,652</u>	<u>230,325</u>	<u>56,124</u>
Operating income (loss)	<u>39,135</u>	<u>17,631</u>	<u>(3,969)</u>	<u>39,329</u>	<u>17,689</u>	<u>(4,221)</u>

(thousands of U.S. dollars)

2003	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>6,273,717</u>	<u>1,919,858</u>	<u>465,600</u>	<u>6,272,100</u>	<u>1,919,375</u>	<u>467,700</u>
Operating income (loss)	<u>326,125</u>	<u>146,925</u>	<u>(33,075)</u>	<u>327,742</u>	<u>147,408</u>	<u>(35,175)</u>

(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>