

**Revisions to the English-language version of the Daiwa House Annual Report released in 2004  
(report on performance in fiscal 2003)**

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 2003 (ended March 2004), released under the title of "2004 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 2004 Annual Report by our accounting auditor Deloitte Touche Tohmatsu, no revision of the said auditors' report is required.

■ P7 Group Results Summary — Positive factors for fiscal 2003/Daiwa House group

Before correction	After correction
<del>The group's resort hotel business moved back into the black.</del>	<del>The group's resort hotel business moved back into the black.</del> Delete

■ P32 L2, Business Outline — Housing (Main text)

Before correction	After correction
In our housing business, while sales reached ¥800,631 million on a consolidated basis, rising 1.1%, operating income jumped <u>23.3%</u> to <u>¥48,266 million</u> .	In our housing business, while sales reached ¥800,631 million on a consolidated basis, rising 1.1%, operating income jumped <u>24.1%</u> to <u>¥48,793 million</u> .

■ P32 Business Outline — Housing/Data for graphs

	02		03		04	
	Before correction	After correction	Before correction	After correction	Before correction	After correction
Operating income (¥ billion)	43	43	39	39	<u>48</u>	<u>49</u>
Operating income per employee (¥ million)	4.0	4.0	3.6	3.6	4.6	4.6

■ P38 Business Outline — Commercial Construction (Subtitle)

Before correction	After correction
Sales in this segment increased 11.7% (to ¥277.0 billion), while operating income climbed <u>17.2%</u> (to <u>¥20.7 billion</u> )	Sales in this segment increased 11.7% (to ¥277.0 billion), while operating income climbed <u>17.8%</u> (to <u>¥20.8 billion</u> )

■ P38 Business Outline — Commercial Construction/Data for graphs

	02		03		04	
	Before correction	After correction	Before correction	After correction	Before correction	After correction
Operating income (¥ billion)	18	18	18	18	21	21
Operating income per employee (¥ million)	5.6	5.6	<u>5.9</u>	<u>6.0</u>	<u>7.0</u>	<u>7.1</u>

■ P42 L10, Business Outline — Resort Hotels (Main text)

Before correction	After correction
<u>Although both</u> the number of guests and the amount of spending per guest decreased in our golf course <u>business, overall operating income in the resort hotels operations rose to ¥81 million.</u>	<u>Both</u> the number of guests and the amount of spending per guest decreased in our golf course <u>business. As a results, operating loss in the resort hotels operations amounted to ¥621 million.</u>

■ P42 Business Outline — Resort Hotels/Data for graphs

	02		03		04	
	Before correction	After correction	Before correction	After correction	Before correction	After correction
Operating income (¥ billion)	<u>-4.4</u>	<u>-4.6</u>	<u>-4.0</u>	<u>-4.2</u>	<u>0.1</u>	<u>-0.6</u>
Operating income per employee (¥ million)	<u>-2.8</u>	<u>-3.0</u>	<u>-2.5</u>	<u>-2.6</u>	<u>0.0</u>	<u>-0.4</u>

■ P64 L11 Left Column, MD&A/Result of Operation, Operating income

Before correction	After correction
Operating income in the home center business posted a year-on-year <u>decline, but the unprofitable resort hotel business returned to the black.</u>	Operating income in the home center business posted a year-on-year <u>decline. (<del>decline, but the unprofitable resort hotel business returned to the black</del>):</u> Delete

■ P64 L19 Right Column, MD&A/Business Overview by Segment, Housing Business

Before correction	After correction
As a result, sales in the housing business reached ¥800.6 billion (US\$7,553.1 million), and operating income increased <u>23.3%</u> from the previous year to <u>¥48.2 billion (US\$455.3 million)</u> . The ratio of operating income to sales rose 1.1 percentage point to <u>6.0%</u> .	As a result, sales in the housing business reached ¥800.6 billion (US\$7,553.1 million), and operating income increased <u>24.1%</u> from the previous year to <u>¥48.7 billion (US\$460.3 million)</u> . The ratio of operating income to sales rose 1.1 percentage point to <u>6.1%</u> .

■ P65 L3 Left Column, MD&A/Business Overview by Segment, Commercial Construction Business

Before correction	After correction
As a result, sales in the commercial construction business increased 11.7% from the previous year, to ¥276.9 billion (US\$2,613.0 million), and operating income grew <u>17.2%</u> , to <u>¥20.6 billion (US\$194.9 million)</u> .	As a result, sales in the commercial construction business increased 11.7% from the previous year, to ¥276.9 billion (US\$2,613.0 million), and operating income grew <u>17.8%</u> , to <u>¥20.8 billion (US\$196.6 million)</u> .

■ P65 L15 Left Column, MD&A/Business Overview by Segment, Resort Hotel Business

Before correction	After correction
As a result, sales in this segment amounted to ¥53.6 billion (US\$505.7 million), and <u>operating income came to ¥81 million (US\$0.7 million)</u> .	As a result, sales in this segment amounted to ¥53.6 billion (US\$505.7 million), and <u>operating loss came to ¥621 million (US\$5.8 million)</u> .

■ P83 Financial Notes/Segment information — Sales and operating income (loss)

(millions of yen)

2004	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>752,365</u>	<u>256,319</u>	<u>53,531</u>	<u>751,838</u>	<u>256,144</u>	<u>54,233</u>
Operating income (loss)	<u>48,266</u>	<u>20,669</u>	<u>81</u>	<u>48,793</u>	<u>20,844</u>	<u>(621)</u>

(thousands of U.S. dollars)

2004	Before correction			After correction		
	Residential	Commercial	Resort	Residential	Commercial	Resort
Operating expenses	<u>7,097,783</u>	<u>2,418,103</u>	<u>505,010</u>	<u>7,092,812</u>	<u>2,416,452</u>	<u>511,632</u>
Operating income (loss)	<u>455,340</u>	<u>194,991</u>	<u>764</u>	<u>460,311</u>	<u>196,642</u>	<u>(5,858)</u>

(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>

(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>