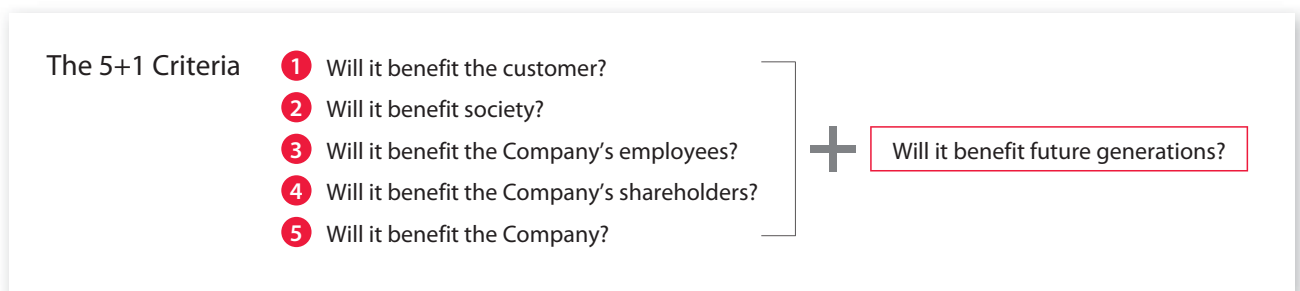


# Corporate Citizenship

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# CSR Overview

Ever since the foundation of Daiwa House Industry, we have made sincere efforts to understand and respond to the social changes that have constantly unfolded. At the Daiwa House Group, in our design and implementation of new businesses, we continue to ask ourselves two questions: “Will it benefit society?” and “Will it be needed in the future?” As each employee of the Group constantly keeps in mind our “5+1 Criteria” when making business decisions, we believe that our mission is to connect ourselves with the hearts of all our stakeholders and to realize the dream of co-creating a brighter future.



## Indicators for self-assessment of CSR activities

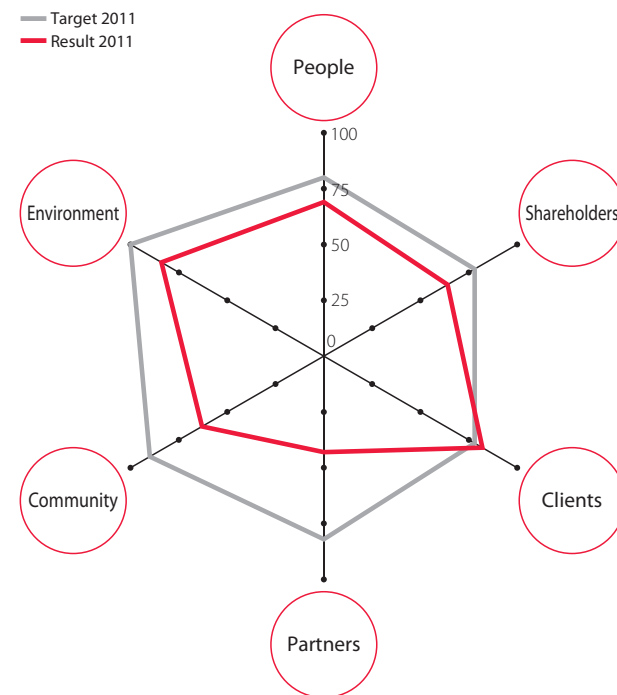
To enable us to quantitatively assess the success of our efforts to satisfy our stakeholders, we have created an index that allows us to evaluate our own performance. This index shows whether or not our business operations are being carried out in a balanced manner, and lets us evaluate our success in addressing social issues. We are not fixated on earning full marks. Instead, we aim to use the evaluation results to accurately comprehend the present situation, identify issues requiring attention, and take remedial action.

### Basic policies on setting indicators for self-assessment of CSR activities

To allow us to respond to the demands of a society that is changing constantly due to diverse factors, we proactively create varied opportunities to discuss issues with our stakeholders, such as meetings with stakeholders inside and outside the Group. We identify priority issues from the proceedings of these meetings, and revise the elements in the evaluation index as appropriate.

1. To choose well-known indicators.
2. To make results available on a yearly basis.
3. To make efforts to improve indicators.
4. To incorporate economic performance in addition to social or environmental performance.

## Self-assessment of CSR activities by stakeholder category\*



\* Full marks = 100 points

## Stakeholder Meetings

### Summary of 7th Stakeholder Meeting

Date held: November 23, 2010

Facilitator: Yoshinari Koyama

(Professor, College of Economics, Kanto Gakuin University)

Participating stakeholders: 23

(2 customers, 6 company representatives, 2 business partners, 3 NPOs/NGOs, 4 students, 2 research/educational institutions, 1 employee of Daiwa House, 3 others)

Theme

1. The "Energy Self-sufficient Home" as the next-generation eco-friendly home
2. Protecting biodiversity  
(Corporate social contributions and use of Company-owned forests)
3. Protecting biodiversity  
(Wooden materials procurement criteria)



We hold stakeholder meetings every year. This is just one of the measures we take to fulfill the Daiwa House Group's mission as a corporate citizen, to foster a sense of community while striving constantly to enrich people's lives. At these meetings, we report to our stakeholders on the Group's day-to-day business operations as well as our CSR activities, so that we can advantageously incorporate our stakeholders' frank opinions into our future activities. At the 7th Stakeholder Meeting, we presented reports on three themes and received a considerable number of opinions and questions from the 23 participants. Below, we present a selection of those questions, together with our answers.

Theme No.1

**Q** Equipment such as storage batteries, incorporating leading-edge technology, is important, but so is passive building design, surely?

**A** At the Daiwa House Group, we are fully aware of the importance of passive building design, which makes effective use of natural solar energy and wind, and we have already incorporated wind flow, heat exhaust techniques, and greenery into our home designs as a way of controlling solar heat. From here onward we plan to make proposals for the active use of natural energy in the home for an even more pleasant living environment.

Theme No.2

**Q** Could you not make use of Company-owned forests to provide some sort of added value as a special benefit for purchasers?

**A** With the aim of making the best use of Company-owned forests in line with our social contribution stance, we are examining various ways of enabling the participation of a wide range of stakeholders, including not just our employees, but also our customers, business partners, and shareholders. We are currently collecting information and debating the most effective methods.

**Q** Does not the development of an energy self-sufficient home require an approach to the entire energy environment, including the local community?

**A** In the belief that the future will require systems that realize an optimal balance between energy supply and demand, since fiscal 2009 we have been participating in the "Fiscal 2009 Smart House Test Project" conducted by METI, and have been putting effort into the development of housing capable of taking full advantage of the "smart grid" that is expected to become reality in the near future.

Theme No.3

**Q** Would it not be a good idea to re-examine your criteria for wooden materials procurement within the context of the overall value chain?

**A** To raise the sustainability of our procurement of wooden materials, we have to implement a strategy to achieve greater understanding on the part of our customers, and we also need the cooperation of our suppliers. We plan to thoroughly examine the current state of our wooden materials procurement, and on that basis to devise optimal procurement methods within the context of the entire value chain.

## Results and targets by stakeholder

### People

Social issues	Specific indicators	2011		Rating	2012 Target
		Target	Result		
Promotion of diversity	Percentage of physically disabled people hired*	1.85%	1.83%	●	1.85%
Human resource training	Percentage of attendance at employee human rights training	100%	94.0%	●	100.0%
	Number of employees holding certifications: a) first-class architects, b) first-class building operation and management engineer and c) registered real-estate transaction manager	a) 1,930 b) 2,370 c) 5,000	a) 1,910 b) 2,339 c) 4,902	●	a) 1,950 b) 2,380 c) 5,020
Promotion of work-life balance	Percentage of paid vacation days taken	38.0%	34.0%	●	38.0%
Improved benefits (Support for employees' home acquisition)	Percentage of employees over age 30 who own homes	56.0%	57.4%	●	56.0%
Objective evaluations of business activities	Surveys on employees' satisfaction with the workplace	80.0%	79.0%	●	80.0%

\* We have set the legally mandated rate of 1.80% as the minimum standard for physically disabled employees in our workforce.

### Shareholders

Social issues	Specific indicators	2011		Rating	2012 Target
		Target	Result		
Financial profitability	Profitability (Assign points to operating income margin calculations)	score: 70	score: 60	●	score: 70
Financial growth	Growth (Assign points to net sales and growth rate of operating cash flow)	score: 70	score: 60	●	score: 70
Financial soundness	Stability or safety (Assign points to interest burden capacity)	score: 80	score: 80	●	score: 80
Financial soundness/efficiency	ROE (Return on equity)	9.0%*1	4.4%	○	—*2
Objective evaluations of business activities	Assign points to the scores of surveys conducted by external organizations	score: 67	score: 74.5	●	score: 78

\*1 Target figure for final year (FY2010) of the Group's Second Medium-Term Management Plan, "Challenge 2010."

\*2 Undisclosed, as the Group's Third Medium-Term Management Plan is still being drawn up.

### Clients

Social issues	Specific indicators	2011		Rating	2012 Target
		Target	Result		
Marketing the optimal number of housing units	Number of units sold (Residential/Rental Housing/Condominiums) (YoY % change)	-0.9%	-4.8%	○	20.0%
Improved home quality	Owner (tenant) satisfaction (Based on questionnaire analysis)	100%	95.6%	●	100%
	Percentage of referral sales from owners (tenants) (Residential/Rental Housing) (YoY % change)	2.0%	36.7%	●	2.0%
Safe/Worry-free homes	Earthquake resistance (Residential)* (Ratio of highest class certification)	95.0%	91.0%	●	95.0%
Long-term home occupancy	Renovation business orders (YoY % change)	36.1%	23.0%	●	28.8%

\* Depending on requirements of residents, equipment for the highest class certification may not be installed.

**Rating\***

In the column "Rating," ● indicates that target in the preceding Target column was reached or surpassed; a ◐ indicates that we achieved between 80% – 99% of the target, and a ○ indicates that we fell short of our target by 20% or more.

\* When multiple targets were set, ratings reflect minimal achievement levels.

## Partners

Social issues	Specific indicators	2011		Rating	2012
		Target	Result		Target
Supply chain (Improved occupational health and safety)	Number of work-related accidents (construction sites) (YoY % change)	-30%	14.5%	○	-30%
	Number of work-related accidents (factories) (YoY % change)	-30%	0.0%	○	-30%
Supply chain (Environmental initiatives)	Percentage of environmental management system adoption in factories	100%	100%	●	100%
Fair business practices	Percentage of cases resulting in settlement (resolution rate) after partner made complaints under the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors	80% or more	100%	●	80% or more
Business continuity in times of emergency	BCM (business continuity management) initiatives (Use of a system for confirming the survival)	80%	72.0%	◐	80%
Objective evaluation of business activities	Partner surveys regarding company employee actions (Assign points to survey results)*	a) 50% b) 70%	a) 57.1% b) 63.4%	◐	a) 50% b) 70%

\* a) Response rates, b) Answers of "no problem" as a percentage of total partner surveys.

## Environment

Social issues	Specific indicators	2011		Rating	2012
		Target	Result		Target
Prevention of global warming	Contribution to CO <sub>2</sub> emissions reduction	100%	85.8%	◐	100%
Reduction in waste output	Construction materials waste output	100%	114.9%	●	100%
Reduction in harmful substance use	Volume of PRTR harmful chemical substances used	100%	80.8%	◐	100%
Harmony with natural environment	Ratio of certification for environmentally friendly houses (subdivisions)	100%	48.0%	○	100%
Widening the scope of environmental protection	Green purchasing ratio (major six items)	100%	92.9%	◐	100%

## Community

Social issues	Specific indicators	2011		Rating	2012
		Target	Result		Target
Contribute to the local/ international community	Community service activities, cooperation with NPOs/NGOs, community service expenses*1	a) head: 30 cases, other: 92.0% b) head: 10 cases, other: 15.0% c) 1.0%	a) head: 30 cases, other: 95.7% b) head: 10 cases, other: 17.2% c) 2.19%	●	a) head: 30 cases, other: 100.0% b) head: 10 cases, other: 15.0% c) 1.0% or more
	Percentage of paid leave taken for volunteer activities	20%	13.4%	○	20.0%
	Donation, collection activities (employee participation rate)	50%	70.8%	●	50%
Information security (Protect personal information)	Year-on-year percentage change in number of incidents of possible leakage of customer information (theft/lost)	75% or less	150.0%	○	75% or less
Response to risk	Response to company ethics helpline reports (resolution rate)	80% or more	98.6%	●	80% or more
More information disclosure/ opportunities for interchange	Stakeholder meetings (satisfaction as measured through survey evaluations)*2	a) 85% b) 65%	a) 65% b) 61%	○	a) 70% b) 70%

\*1 a) Community service activities: Number of head office activities; Percentage of other offices that are implementing activities, b) Cooperation with NPO/NGO: Number of head office activities; Percentage of other offices that are implementing activities, c) Community service expenses: as a percentage of recurring income (5-year average up to the previous period).

\*2 Questionnaire survey results a) As a percentage of "atmosphere encouraging active discussion" to total participants, b) As a percentage of "easy-to-understand explanation" to total participants.

# People



We firmly believe that a company's human resources are its greatest asset. Therefore, to foster employees' individuality and maximize their latent abilities, we implement a range of measures. We believe it is essential for the further growth of the Company and the Group that our employees feel satisfaction in performing their jobs, and a purpose in life, and we take steps to maintain their high level of motivation.

## Overview 2011

- OJT Veteran-Guidance System started for training of new hires
- Commenced system allowing staff to take paid leave in multiples of one-hour units
- Extended period for employees to take leave for nursing care, and abolished limit on number of times system can be used

## Development of human resources

We conduct staff training at separate levels under three principal themes: corporate ethics for our new hires; professional skill development for our middle-level staff; and management capability strengthening for our management staff.

In fiscal 2010 we revised our system for training new hires. Up until then, we had entrusted our younger staff with the task of training newly entered employees, but under the new system, called the OJT Veteran-Guidance System, new hires are paired with an older employee with around seven years' work experience, who acts as the instructor. The training of each new hire is carried out by a team, centered on the instructor, and including senior staff and an OJT network comprising other departments. We also implement training for the instructor himself or herself, and expect him or her to think about the curriculum. We believe that by providing such training and support for new hires, they will grow into the next generation of leaders. In fiscal 2010, 231 new hires participated in this training system.

In fiscal 2010 we began a program of practical construction

training for all new hires in all departments of the Company. This training is carried out at our training centers, and involves the actual construction of a single-family house. Whatever subject the new hire may have majored in at college, we insist that he or she acquires experience in our core business of construction. We believe that this basic knowledge will help all our new employees to more deeply understand our business operations.

To foster the next generation of managers, in 2008 we established the Daiwa House Juku, a management skills development course. In its three years of operation, the Daiwa House Juku has produced 23 directors and executive officers, and 47 staff members participated in the course in FY2010. We also operate programs to train self-reliant decision-makers. In FY2010, 12 employees took advantage of our In-House Open Application System, while six employees made use of the Job Selection ("Free Agent") System. Up to now, a total of 255 staff have completed our Branch Manager Application and Training System, of whom 37 have been appointed as branch managers.

## Employee training programs

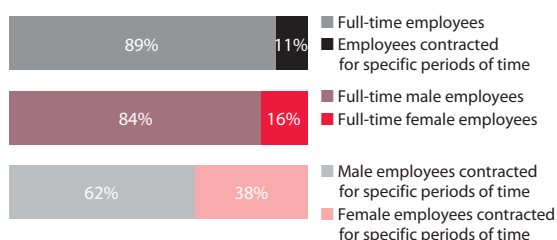
Three themes	Candidates	Main programs
Enhancement of management capabilities	Managers (including junior section chief-level managers)	<ul style="list-style-type: none"> <li>• Daiwa House Juku</li> <li>• Branch managers application and training system</li> <li>• Management skills development training</li> </ul>
Professional skill development	Experienced employees	<ul style="list-style-type: none"> <li>• Di-Q examination (sales)</li> <li>• Special training programs tailored to each segment</li> </ul>
Thorough understanding of corporate ethics	Newly hired employees	<ul style="list-style-type: none"> <li>• New-hire training</li> <li>• OJT Veteran-Guidance System</li> </ul>



## Training in house construction for new hires

Participants survey the soil conditions, after which they lay the foundations, erect the steel frame, and conduct interior finishing work. Inspections are conducted at each stage. This training course lets them experience the basics of construction.

### Employee breakdown (As of April 1, 2011)



### Improving employees' work-life balance

Daiwa House is actively adopting personnel programs that motivate its employees at work while helping them make the most of their personal time in line with their particular lifestyle. We have introduced the Home Holiday program, in which employees are encouraged to take paid leave in a planned manner for such purposes as attending the Parents' Day at their children's school, or simply to spend more time with their families. In fiscal 2010, 12,559 employees, or a majority of our staff, took advantage of this program.

With regard to amendments to our existing personnel support programs, in May 2010 we introduced a program that allows employees to take paid leave in multiples of one-hour units, so that they can take time off work for child-rearing, nursing care, and so on. And in June we amended our nursing care leave program, extending the total period that employees can take for nursing care purposes, and abolishing the limit on the number of times the program can be used. These are some of the steps we have taken to improve the work environment at Daiwa House.

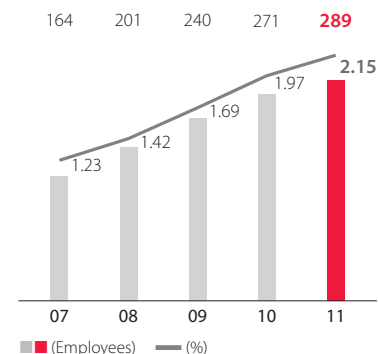
### Utilization of Company personnel systems (Number of users)

Program	2010	2011
Child care leave program	95	103
Reduced work hours program	156	197
Nursing care leave program	0	3
Lump-sum payment for development of the next generation*2	631	686
Paid leave accumulation program (users/days)	98/2,890	131/4,092
Work Area Selection System	34	34

\*2 The Company pays out ¥1 million per child to any employee who gives birth.

### Percentage and number of women serving as managers or junior managers, compared with total workforce\*1

\*1 Data collected each April; covers all employees.



### Promoting workforce diversity

Against the backdrop of a decline in the birthrate and the aging of the population, companies will soon face serious difficulties in securing adequate human resources. To make the most of diversity within our workforce, we are expanding the number of female employees in executive positions, and are also promoting the employment of older persons and persons with disabilities. With respect to the re-employment of older employees, in April 2011 we rehired 115 employees (55.8% of those reaching the mandatory retirement age). As of April 1, 2011, persons with disabilities accounted for 1.83% of our total workforce, which is above the statutory requirement of 1.8%.

All employees of Daiwa House are required to attend courses aimed at raising human rights awareness. Through these courses, we foster awareness of the importance of respect for human rights under the slogan "don't discriminate, don't let others discriminate, oppose discrimination." We have also made consultation services related to human rights available to our employees, and the consultation desk dealt with 39 cases in fiscal 2010.

### Status of human rights education (Result 2011)

Education program	Candidates	Number of times	Total number of participants
Education at each business location	All employees	412	26,658
Education by rank/objective	Managers/Senior staff/ Assistant managers/ New hires	17	772
Promotion leader training	Promotion staff	6	325
Group companies (support)	Group company employees	9	280

# Clients

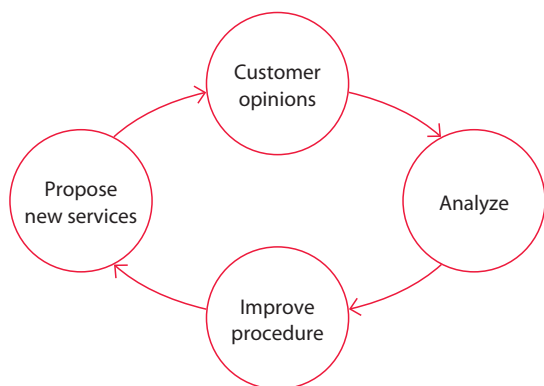


We place great importance on satisfying each customer's particular preferences, and have included this concept in our behavioral code. We pay great attention to the opinions of each customer and attempt to reflect them in the development of our products, technologies, and services. And we continue to build relationships of trust with our customers through our thoughtful after-sales services.

## Incorporating customers' opinions into our business activities

To keep abreast of our customers' opinions, we send questionnaires to purchasers of our homes, and also operate a 24/7 call center. To ensure that the customer opinions we receive lead to improved products and services, customer satisfaction committees conduct continuous improvement activities. Serious complaints are reported to the Risk Management Committee, and the resources of the whole Company are marshaled to ensure that such issues are dealt with on a priority basis, leading to significant improvements in our operations. Amid today's market, where customers' lifestyles are diversifying, we aim to incorporate the concept of "treating each customer as an individual" into the marketing and development of products. Thus, we have developed and launched on the market a house model designed for double-income households and featuring a special make-up space so that the lady of the house can maintain her beauty and nurture her individuality. We also pay close attention to the safety of children in the design of our houses. All these products were made possible by our concept of treating each customer as an individual.

### Improvement activities based on customers' opinions



### Overview 2011

- Daiwa House's single-family houses and services won awards in five categories at the Kids Design Award 2010\*
- We launched house models targeting double-income households, as well as net zero energy houses

## Maintaining a relationship of trust through superior after-sales service

To maintain a good relationship with a buyer after handing over the keys to the home, we put great effort into providing excellent after-sales services. Through our AQ ASSET service, which helps owners of single-family houses maintain the asset value of their homes, and our Easy-Life Support-DAPS service (DAPS = Daiwahouse Apartment-house Partnership System), which helps rental housing owners maintain asset values and manage their apartments, we provide long-term support up to a maximum of 50 years for single-family houses and 40 years for rental housing.

With regard to commercial and business facilities, we operate the Good Relations system, in which our staff pay regular visits to our customers to offer proposals for reducing life cycle costs or extending the useful lives of the buildings. We also hold consultation sessions throughout Japan for tenants of facilities built by the Group.



Functional wall fabrics



Finger-safe door

We employ functional wall fabrics that are manufactured from natural materials with no harmful chemicals, and are safe both for people and the environment. Our houses are also fitted with Finger-safe doors, whose design prevents accidents where children's fingers become trapped between the door and the door-frame. In the field of single-family houses, our products and services designed to help home owners raise children safely and without worry have won awards at the Kids Design Award\* show for three consecutive years.

\* An annual show held by the Kids Design Association, an NPO, with support from METI.



We operate separate and unique systems of cooperation with our partner companies in construction, our materials suppliers, and our construction equipment suppliers, and undertake continuous improvement activities relating to both products and technologies. We also adopt a proactive stance on fulfilling our corporate social responsibilities in relation to environmental issues.

### Overview 2011

- Expanded “Partners Hotline” to cover business partners of Group companies
- Thanks to our measures to improve occupational health and safety, no employee fatalities were reported for fiscal 2010

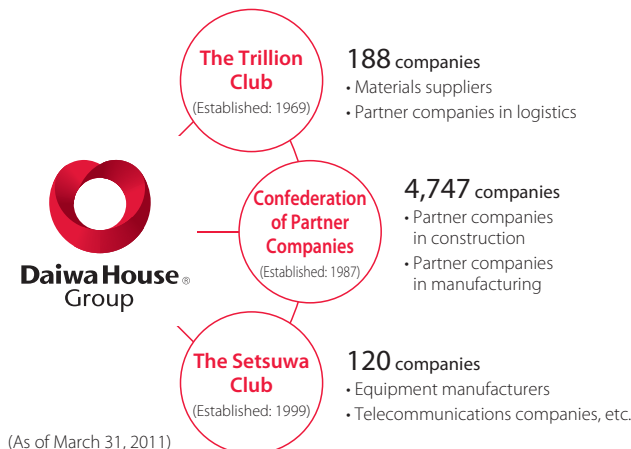
### Working with our partners

Our Confederation of Partner Companies has approximately 4,750 members engaged in manufacturing or erection/installation work in the Group’s principal business areas of single-family houses, rental housing, and commercial facilities. The key words that governed the Confederation’s activities in fiscal 2010 were “ecology,” “improvement,” and “challenge.” To direct our efforts, we also designated five focal themes — safety, quality, the environment, sales promotion, and education. Thanks to measures taken in fiscal 2010 to prevent workplace injuries, such as steps to minimize the possibility of heat stroke amid the record-setting summer heat wave, there were no fatalities for that year. In addition, to ensure a high level of quality in construction processes, we continue to hold lectures and training sessions for our partner companies in construction to raise the degree of precision of their voluntary inspections.

In cooperation with the members of the Trillion Club, which is composed of our suppliers in the fields of iron and steel materials, we promoted the use of joint materials transportation as well as methods to reduce waste.

### Building fair and equitable relationships

To build and maintain permanent relationships in the spirit of mutual prosperity, we make great efforts always to treat our business partners fairly and equitably. In fiscal 2010 we expanded the scope of coverage of our Partners Hotline service to include not only the business partners of Daiwa House Industry, but also those of other Group members. This enables those partners to report any problems involving relationships between themselves and Daiwa House employees. In addition, we send out a questionnaire once a year to members of the Confederation of Partner Companies, and from fiscal 2010 this survey was expanded to include eight business partners of Group members, with the goal of building more transparent and equitable relationships with those companies. We are also building a system of collaboration to create a post-disaster reconstruction support structure. This includes the expansion to 468 firms of the number of members of the Confederation required to apply our system of employee safety confirmation following a natural disaster, as well as the holding of disaster drills three times a year.



Inspector certification system

We conduct courses to impart the necessary technical knowledge and other know-how needed to perform in-house inspections at building companies, and those who pass the course are certified as inspectors. These qualifications must be renewed every three years.



Rest areas for prevention of heat stroke

We take special measures to improve the working environment during the summer by providing shaded rest areas equipped with misting fans and supplies of beverages to replace water and salts lost through perspiration.

# Shareholders



At Daiwa House, we work continuously to effect fair and prompt disclosure of corporate information, to realize two-way communication with our shareholders, as well as market investors in general. We work to raise the Company's enterprise value and shareholder value by communicating the Group's strengths — including details of our business operations and our future vision — to a wide audience.

## Overview 2011

- Held first results briefing for individual investors in April
- Held presentations on our Chinese operations, which are attracting growing interest, as well as guided tours of our development sites in China
- Conducted IR activities in Europe, the US, and Asia

## Proactive investor relations

In a new departure for us, in April 2010 we held our first information session for individual investors. This was an opportunity for us to stimulate increased interest in Daiwa House and the Group, and the session was attended by some 270 individual investors. We also took other steps targeting a wider circle of investors, including publishing articles introducing Group members in a magazine targeted at individual investors. We also actively participated in business conferences in Japan and overseas, and took the opportunity to talk directly with representatives of institutional investors by holding separate meetings at conferences in Japan. We held 288 investor relations sessions for institutional investors in FY2010.

In FY2010 we also recommenced full-scale IR activities overseas, on which we had substantially cut back following the global financial crisis. We conducted IR "roadshows" in the United Kingdom, the United States, Singapore, and Hong Kong, featuring top members of Daiwa House management, and also participated actively in business conferences. The Group's real estate

development projects in China in FY2010 attracted considerable interest both within the housing industry and outside it. At a management strategy briefing session in May we conducted a presentation focusing on the progress of our development projects and our investment policy. We also held seven guided tours of our project sites in Dalian and Suzhou, and took part in a conference for investors organized by a securities company to introduce companies planning business developments in China. In our existing business fields, we displayed a new house model fitted with lithium ion storage batteries, as well as a rental housing product with advanced security features.

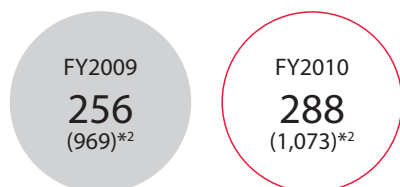
During the term under review we introduced a number of new IR tools to increase understanding of our business operations: these included providing supplementary results briefing materials that included an analysis of the factors behind our performance, and the disclosure of detailed data on each of our business segments.

## The Group's investor relations calendar

Events	2011										2012				
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Announcement of accounts settlement for FY2010		●													
Management policy briefing for FY2011			●												
Annual General Meeting of Shareholders			●												
Business report and special benefit plan sent to shareholders			●												
Announcement of accounts settlement for FY2011 Q1					●										
Publication of Annual Report						●									
Announcement of accounts settlement for FY2011 Q2 and management policy briefing									●						
Announcement of accounts settlement for FY2011 Q3											●				
Announcement of accounts settlement for FY2011 and management policy briefing														●	

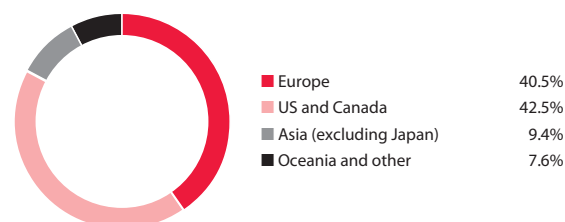
Note: The schedule is subject to change without notice.

### Number of institutional investors (companies) attending our IR activities



\*2 Number of participants at IR sessions for institutional investors.

### Percentage of investors abroad by region (As of March 31, 2011)



### Dividend policy

In determining its dividend payments, the Daiwa House Group takes into account the need to maintain a good balance between the appropriation of profits to shareholders on the one hand, and the necessity of securing sufficient retained earnings for future business expansion and the reinforcement of the Group's business base on the other. In addition, we endeavor to strengthen our financial soundness, broaden our base of operations by investing in research and development and production facilities, and expand our business premises to raise our competitiveness and improve profitability. We have set a dividend payout ratio target of 30%, and will appropriate profits to our shareholders in the form of a term-end dividend, subject to approval at the annual general meeting of shareholders, taking into account the Company's annual earnings on a consolidated accounts basis.

We will also adopt a flexible stance on shareholder returns by pursuing acquisition of our own shares for inclusion in treasury stock as appropriate.

### External evaluations

The Securities Analysts Association of Japan publishes a list of companies that it deems to have engaged in excellent disclosure activities. At Daiwa House, we are enhancing our IR activities in order to improve our ranking, which we regard as an important external evaluation. In FY2010 Daiwa House was listed fourth out of 21 companies in terms of overall ranking in the construction, housing, and real estate divisions, up from 12th in the previous year. We were also selected from among 225 Japanese companies for "notable improvement in disclosure." This was achieved thanks to the Association's high evaluation of the Company's proactive stance toward investor relations, as well as the accumulation of large amounts of reliable information by our IR staff and the segmentation of the Group's business, which realistically conforms to our fields of business. In addition, we have conducted a "perception gap study\*1" to determine the gap between perceptions of the Company among analysts and the reality, and are planning to further enhance our IR activities on the basis of the opinions revealed by this study.

\*1 This study was carried out to ascertain the image of the Company among our shareholders and market investors, as well as their expectations, in the hope of narrowing the gap between perception and reality.

### Inclusion status in SRI\*3 indexes (As of April 2011)



Morningstar Socially Responsible Investment Index



FTSE4Good Index Series

\*3 Socially Responsible Investments (SRI): These are investments in which the Company not only pursues profit, but socially responsible activities with environmental considerations as well.



### Participation in IR conferences

At the CLSA Japan Forum held in February 2011, we discussed the future direction of business and growth strategies at Group companies.

# Community



At the Daiwa House Group we carry out many community-based activities with the goal of assisting in the development of regional society and improving the living environment. These activities also afford us excellent opportunities for dialogue with our many and varied stakeholders. From here on, too, we hope to continue helping to build a better society while reflecting our stakeholders' opinions in our activities.

## Overview 2011

- Individual social contribution activities numbered 1,724, for a year-on-year increase of 15.9%
- Sakura Project started, in which the number of cherry trees planted is linked to the number of xevo series eco-friendly houses sold

## Social contribution activities

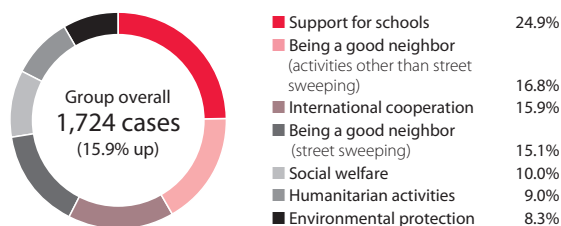
Our social contribution activities are mainly concentrated on the environment, welfare, and education. In fiscal 2010 the number of individual activities held at our business premises totaled 541, roughly the same as the previous year. However, the number of activities conducted by the Group as a whole increased by 15.9%, to 1,724. We put particular effort into work-experience courses, in which we made good use of our main line of business, and we also held more workshop-type educational activities. This type of support accounted for 24.9% of all activities. To enable our employees to participate in social contribution initiatives, we allow time off work for volunteer activities (up to five days per year), and the rate of utilization\* of this system was approximately the same as the previous year, at 13.4%, short of our target level of 20%. In addition, our Endless Fund, which accepts donations from employees each month, totaled ¥8,431,777. Our Heart Fund, for communities hit by the Great East Japan Earthquake and other disasters, totaled ¥203,263,599.

\* The rate of utilization = number of days off work divided by the number of days off to be taken by all personnel at term-end.

## The environment, welfare, and education

Since 2008, we have been tree-planting on Mount Rokko in Hyogo Pref. In the year under review we carried out tree-thinning and underbrush-clearing, among other work. In addition, to protect and utilize the Company-owned forests as a Satoyama (border zone between hills and arable land) that can be enjoyed both by the rare animals and birds that live there and by people, we cleared brush and weeds and pruned branches along the hiking paths. In the field of welfare, Group employees served as volunteer staff in the Hearty Night special nighttime event for disabled people and their families or carers put on by the Maruyama Zoo in Sapporo. Lastly, in the field of education we provided work-experience courses for school children to help nurture an understanding of the world of work and the attraction of a career. At our Dorikamu work-experience education sessions, we helped students plan and make presentations on themes closely involved with the Group's business operations, such as the construction of houses or school buildings, which are familiar to them. We held examinations followed by an awarding ceremony.

## Community support activities



### Forest preservation activities

We manage a forest of mixed trees on the slopes of Mount Rokko in Hyogo Pref., at a site we have named the "Nagomi no Mori" (Peaceful Forest), to help prevent soil erosion and consequent landslides.



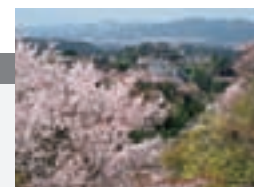
### Work-experience courses

We offer work-experience courses for middle-school students to give them an idea of the processes involved in building a house, and to let them feel for themselves the hard work involved but also the rewards of achievement.



## Highlights of the year's sakura (cherry tree) protection activities on Mount Yoshino

2010	2011
<p><b>May</b></p> <ul style="list-style-type: none"> <li>• Daiwa House acted as an official sponsor of the URBIO (Urban Biodiversity &amp; Design) 2010 International Conference, where we presented our activities on Mount Yoshino</li> <li>• Planted cherry trees on the International Day for Biological Diversity</li> </ul>	<p><b>July</b></p> <ul style="list-style-type: none"> <li>• Collected cherry seeds for nurturing saplings</li> <li>• Held study session</li> </ul> <p><b>August</b></p> <ul style="list-style-type: none"> <li>• Underbrush-clearing</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>• Removed and pruned dead or damaged trees</li> </ul>
	<p><b>March</b></p> <ul style="list-style-type: none"> <li>• Spread fertilizer around saplings</li> <li>• Held study session to review activities over past year</li> </ul>



Cherry trees on Mount Yoshino

### Protecting cherry trees on the slopes of Mount Yoshino

Mount Yoshino in Nara Pref. is a national park and is registered as a World Heritage site. Some 30,000 cherry trees crowd the slopes, but environmental damage has made action necessary to protect these beautiful trees. In April 2008 the Group was asked by the Mount Yoshino Hosho-Kai, a local volunteer group, for cooperation. As Nobuo Ishibashi, the founder of Daiwa House Industry, grew up close to Mount Yoshino, we place considerable importance on our ties with the people of this area, and we therefore commenced activities to protect the trees. On May 22, 2010, which is the International Day for Biological Diversity, we collaborated with the Mount Yoshino Hosho-Kai and the Nara Prefectural Yoshino High School in planting cherry tree saplings. We also acted as the main sponsor of the URBIO (Urban Biodiversity & Design) 2010 International Conference held in Nagoya, where we held a poster display to introduce our activities on Mount Yoshino. We plan to continue our activities on the mountain, including nurturing saplings and planting trees, with our employees and local citizens.



Clearing underbrush on Mt. Yoshino

For a well-managed forest, an important task in the summer is clearing the underbrush that grows in and around the woods. Company employees together with staff from other Group companies cut down the weeds close to the saplings that we have planted.



Planting trees in the Sakura Project

One by one, the students shovel soil on top of the saplings' roots while hoping that they will grow into healthy and beautiful cherry trees. We believe this sort of experience helps cultivate an appreciation for the importance of nature.

### The Sakura Project

In September 2010 we commenced the Sakura Project with the aim of planting cherry trees (sakura) that will grow and flourish when our children have grown up, to help teach children the importance of protecting nature. In this project the number of cherry trees planted is linked to the number of houses in our xevo series of eco-friendly single-family houses that have been sold. The trees are planted in the grounds of kindergartens and elementary schools. In fiscal 2010 the staff of three of our branches took part in this project, with employees and children planting the trees together. We plan to maintain this project for a specific period and in certain regions, successively spreading these activities all over Japan.

#### Support activities in Cambodia

In collaboration with NGOs in Japan and Cambodia, the Group is providing support for Cambodian children. We are continuing to send picture books, which is something we started in 2007, and in 2008 we donated an elementary school and a well. In the construction of the school we received the collaboration of young people bringing up children, who had attended our explanatory session on housing plans. We requested customers to give us their signatures in agreement with our activities, and for each signature we donated ¥100. Added to the donations received from our employees, the total came to around ¥4.53 million. This money was donated to the construction of a school where 290 children could study.

We will continue to carry out such support activities, and are currently examining various possibilities for financing post-construction maintenance.

# Environment



At the Daiwa House Group we try always to keep the future in mind when thinking about environmental issues. As a wide-ranging business enterprise grouping, we therefore work actively together with stakeholders to realize environmental preservation activities where the bar is set higher than usual. We believe that in so doing, we will assure ourselves of sustainable growth and development.

## Overview 2011

- Once again reached “CO<sub>2</sub> Double Score” target
- Launched ZEH (net zero energy house) on the market
- Started verification tests on energy self-sufficient home
- Drew up Biodiversity Declaration

## Environmental management

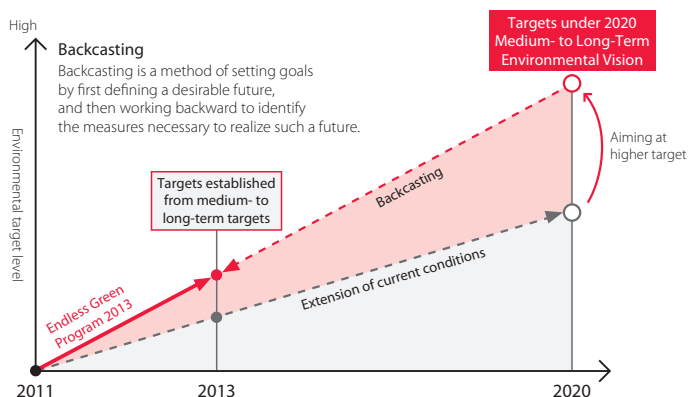
Under the Group’s “Vision 2020” medium- to long-term environmental vision, every three years we draw up an environmental action plan called the “Endless Green Program.” Environmental activities are conducted in pursuit of specific targets set for each business and department. To enable the Group as a whole to pursue coordinated environmental activities, we operate the Group Environmental Management System.

We also work to raise the environmental awareness of Group staff through general education in environmental matters for all employees, as well as specialist training with a focus on specific environmental risks. At our 10 factories, we have drawn up environmental impact assessment standards in conformity with the ISO 14001 environmental management standard, and conduct continual monitoring and improvement of environmental management systems. We also carry out environmental audits once every six months.

## Endless Green Program 2013

The theme of our efforts in the 2008 – 2010 period was moving “from environmental preservation to environmental management.” Under this, we expanded the scope of the program to 13 major Group companies, and the prime focus was global warming. From fiscal 2011 our theme will be “combining environmental measures and business management,” and we have further expanded the scope of the program to encompass 28 important Group members. We aim to expand sales of eco-friendly products, and our basic policy will involve taking further measures to mitigate global warming and making progress in biodiversity initiatives. We will also conduct initiatives in the new fields of Eco-Friendly Technologies and Eco-Friendly Communications, and will be conducting technological development toward the realization of net zero energy houses (ZEHs)\* and net zero energy buildings (ZEBs)\* while also focusing on effective disclosure to our stakeholders.

\* ZEHs (net zero energy houses) and ZEBs (net zero energy buildings; they produce at least as much energy as they consume) net energy consumption is thus zero.



## Environmental Management Policies of Endless Green Program 2013

**Increasing sales of eco-friendly products by strengthening CO<sub>2</sub> savings proposals**

— Turning the environment into the driving force behind business expansion —

**Establishing leading environment-friendly brand by realizing examples of CO<sub>2</sub> savings**

— Early realization of ZEH & ZEB —

### Measures to combat global warming

Energy consumption in Japan is showing a particularly marked rising trend in the home, retail outlet, and office sectors, compared with industry or transportation. The development and popularization of net zero energy houses and buildings (ZEHs & ZEBs) is thus an urgent priority. Amid this situation, we developed large-scale photovoltaic power generation systems for installation on houses, and launched the xevo YU single-family house model in July 2010. The xevo YU, which we are currently marketing, is a net zero energy house. With regard to our plans to realize an energy self-sufficient home by 2020, since July 2010 we have been conducting verification tests on the SMAxEco HOUSE, a model house which is the first in Japan to be fitted with lithium ion storage batteries. Our target date for commercialization of net zero energy buildings is 2030, and to this end we have started up a project to develop eco-friendly construction systems.

For further details ▶ P104 The Energy Self-sufficient Home

### Basic Policies of Endless Green Program 2013

Basic policies	Priority strategies
Seek further global warming countermeasures	Develop energy conservation programs based on Group-wide energy management system Expand handling of eco-friendly products across all business segments
Pursue measures to protect biodiversity	Propose communities created by people and nature Utilize natural resources with consideration for ecosystems
Conduct technological development for realization of ZEH & ZEB	Combine energy conservation, renewable energy utilization, and energy storage technologies Develop new eco-friendly products in the construction field
Engage in effective communication with stakeholders	Employ communication strategies that involve stakeholders in the Group's activities Raise the level of environmental awareness among all directors and employees and practice environmental action

### Daiwa House Group Biodiversity Declaration

In October 2010 the Group drew up its Biodiversity Declaration, in which we pledged to work toward a society where people and nature could live together in harmony. We also formulated basic principles and behavioral guidelines, as well as more specific guidelines to enable us to ascertain whether or not our principles and guidelines were being properly observed at the operational level.

#### Basic Principles

As a member of global society, the Daiwa House Group recognizes that a healthy natural environment characterized by a high level of biodiversity is a blessing for mankind. We therefore pledge to take ecological considerations carefully into account in all our business operations, with the goal of helping to create a society capable of sustainable development, where people and nature can live together in harmony.

#### Behavioral Guidelines

1. Pursue business operations that enable people and nature to live together in harmony
2. Propose communities created by people and nature
3. Use natural resources carefully, mindful of the impact on the ecosystem
4. Contribute to biodiversity through research and development
5. Communicate and collaborate with our stakeholders

#### Specific Biodiversity Guidelines

##### Development & community creation

1. Ascertain the potential of the natural environment
2. Preserve and plant greenery
3. Be careful to preserve sufficient natural environment as a habitat for small animals
4. Take care to create a connected network of habitable environments for the ecosystem
5. Take steps to minimize the environmental impact of construction work
6. Pay adequate consideration to ecological maintenance and management

##### Procurement of wooden materials

Wooden materials in the following categories may be procured:

1. Certified forest timber (timber certified by an independent third-party institution)
2. Recycled wooden materials (materials recycled from construction-site waste)
3. Wooden materials recommended by the Company (wood from sources other than 1. and 2. above that is deemed to reach acceptable levels of legality and sustainability)

## Priority environmental activity themes, and principal measures taken

### Countermeasures against global warming

At the Daiwa House Group, we have committed ourselves to reducing CO<sub>2</sub> emissions by more than the amount of CO<sub>2</sub> emitted as a result of our business operations. As a gauge to measure the degree of contribution, we have devised the "CO<sub>2</sub> Reduction Contribution."<sup>\*1</sup>

In fiscal 2010, although we reached our CO<sub>2</sub> Double Score<sup>\*2</sup> target, both CO<sub>2</sub> emissions from the Group's business processes and, conversely, the contribution (in volume terms) to reduction in CO<sub>2</sub> emissions made by our products and services failed to reach their targets. As a result, the CO<sub>2</sub> Reduction Contribution rose only slightly from the fiscal 2009 level. In the field of products, we benefited from the government's introduction of the eco-point system for housing, and while CO<sub>2</sub> conservation-type housing products gained in popularity, proposals for eco-friendly commercial facilities failed to make adequate headway among our customers.

\*1 Contribution (volume) made by products and services to reduction of CO<sub>2</sub> emissions ÷ CO<sub>2</sub> emissions volume from business processes

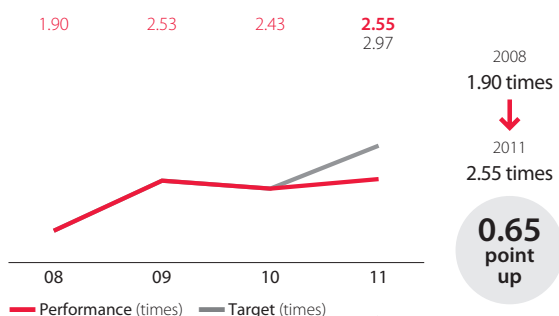
\*2 The Double Score refers to setting the CO<sub>2</sub> Reduction Contribution at twice the volume of CO<sub>2</sub> emissions.

### Protection of resources

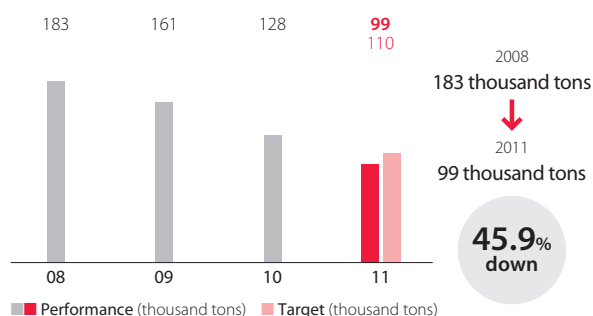
To reduce the environmental load posed by the disposal of industrial waste as well as to make the most effective use of the world's limited natural resources, the Group is promoting the so-called 3Rs, i.e., Reduce, Reuse, and Recycle, as our way of helping realize a more sustainable society, where resource recycling will play a crucial role.

In fiscal 2010, to assist us in reducing industrial waste associated with construction, at our housing construction sites we promoted the increased use of pre-cut plasterboard and roof tiles. In the construction of commercial facilities, particularly using prefabricated systems, we introduced pre-cut interior materials, and also reduced the amount of packaging materials used on office automation floors. As a result, the volume of waste generated from construction work was reduced sharply, by 45.9% from the fiscal 2007 level.

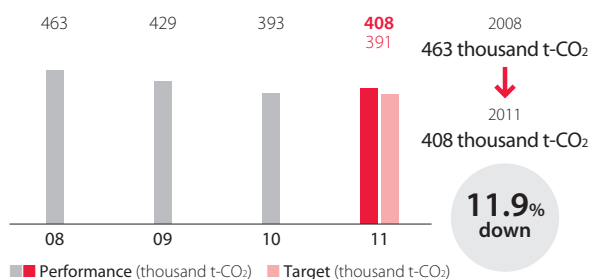
#### CO<sub>2</sub> savings on operations



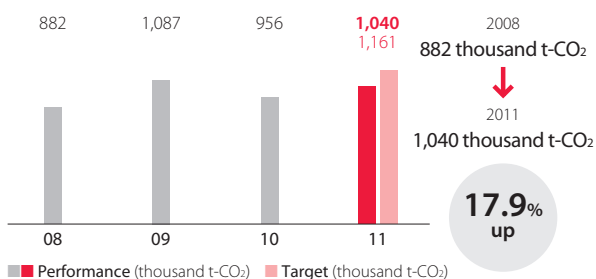
#### Waste output (construction)



#### CO<sub>2</sub> emissions from business operations



#### CO<sub>2</sub> savings from delivery of products & services



## Preventing pollution by harmful chemical substances

We are taking steps to reduce our use of harmful chemical substances and to either replace them with harmless alternatives or to manage their use carefully to avoid accidents. With the aim of reducing the amount of harmful substances contained in the paints and adhesives employed in the production of materials for home-building and other construction, we are putting a high priority on reducing the use of materials that contain highly toxic substances such as VOCs (volatile organic compounds) and heavy metals.

In fiscal 2010, to reduce the volume of harmful chemical substances listed in the PRTR\*, we switched to the use of weak-solvent paints in our housing construction operations, while in the construction of commercial facilities we adopted the universal use of lead-free paints, and took steps to switch to less harmful paints at Group members Daiwa Lease and Daiwa Rakuda Industry. Consequently, the volume of PRTR-listed harmful substances used by the Group was reduced by 21.9% compared with fiscal 2007.

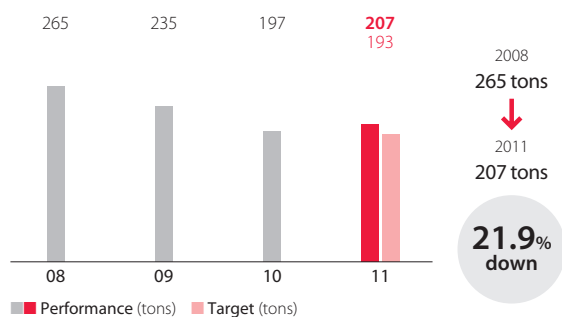
\* PRTR is the abbreviation of Pollutant Release and Transfer Register. Under this system, companies are required to report to the authorities once each year on the environmental release and transfer of harmful chemical substances. The authorities collate and publish this information.

## Harmonizing our activities with the natural environment

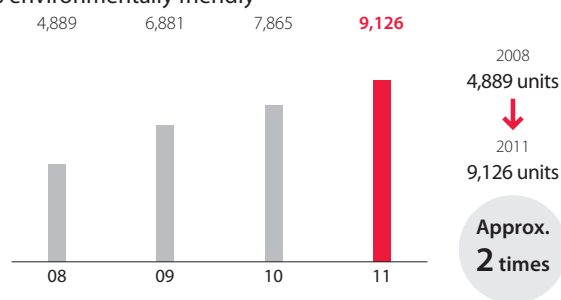
The Daiwa House Group has drawn up a Biodiversity Declaration and commenced comprehensive measures to preserve the biological diversity of ecosystems. From here onward, in the process of procurement of natural resources by the Group for use in urban development or the construction of homes, we will take great care to protect ecosystems and help maintain the biodiversity that is required for the healthy functioning and sustainability of such ecosystems. In this way, we believe, we will also contribute to the sustainability of human societies.

Among the single-family house subdivision developments that we built in fiscal 2010, the proportion of housing certified as environmentally friendly was 47.1%, which represents a decline of 5.9 points from the fiscal 2007 level. In the fields of made-to-order houses and condominiums, however, our efforts to secure this certification resulted in an increase in the number of certified homes by 277 over the FY2009 level, to 1,261 units. This puts the Group in first place overall in the Japanese home building industry for the fourth straight year.

Volume of PRTR harmful chemical substances used



Cumulative number of housing units certified as environmentally friendly





# **Daiwa House**® Group

Looking toward the heavens, the sky that we see is linked to the sky covering disaster-stricken areas. Bringing together as one the hearts of all individuals both here and there, we are sure to attract a new and bright future. We at the Daiwa House Group will continue to pursue our management vision of “Connecting hearts.” Respecting nature and caring for humankind, we will create a bright future for all who live in harmonious co-existence under the one sky.



# Creating Dreams, Building Hearts

# The Story of the Daiwa House Group

## '50s

1955

Founding of Daiwa House Industry and launch of our first product, the Pipe House



1957

Steel pipe structure used for warehouse at sake brewery receives certification from Japan Lightweight Iron Construction Association as first such full-fledged structure in Japan

1959

Daiwa Kosho (current Daiwa Lease) and Daiwa Konpo (current Daiwa Logistics) established

Midget House pilot prefabricated house model launched on market

## '90s

1994

Daiwa House Central Research Laboratory opened in Kansai Science City



## '60s

1961

Daiwa Danchi established (merged with Daiwa House Industry in April 2001)

Stock listed on Osaka, Tokyo and Nagoya stock exchanges

1962

Daiwa Danchi developed Habikino Neopolis, our first housing complex



1965

Nara Factory constructed, Japan's first specialist plant for production of prefabricated houses

## '70s

1971

Daiwa Jutakukiki (current Daiwa Rakuda Industry) established

1975

Opening of the Daiwa House Group's first golf course at the Shikabe Country Club

1976

Full-scale start of retail and wholesale facilities business



1978

Resort hotels business started with opening of Noto Royal Hotel, the first Daiwa Royal Hotel



1977

Condominium business started



1979

Real Estate Information centers set up within each of the Company's offices as first step in developing the used housing market

## '80s

1980

First Royal Home Center opened in Nara City

1982

Full-scale start of rental housing business



1983

Manufacture of high-end prefabricated houses for export to China (a first for Japan)

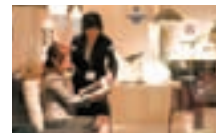
Tentakubin (current Daiwa Service) established

1986

Daiwa Information Service established

1989

Daiwa Living established



Silver Age Research Center established



**2000**  
Full-scale start of renovation business

**2001**  
Daiwa House Industry merged with Daiwa Danchi



**Daiwa House**<sup>®</sup>  
Group

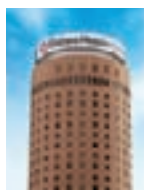
**2004**

Home center business split off from Daiwa House Industry



The Daiwa House Group drew up its Corporate Ethics Guidelines and Behavioral Guidelines

Osaka Marubiru became consolidated subsidiary



**2005**

The Daiwa House Group drew up new management vision and Employee Charter to mark 50th anniversary

New Group symbol — the “Endless Heart” — introduced

NAS (Nippon Athletic Service) became consolidated subsidiary (current Sports Club NAS)



**2006**

Group management integration through share exchange transactions between Daiwa House Industry and Daiwa Kosho Lease (current Daiwa Lease), Daiwa Rakuda Industry, and Daiwa Logistics, by which the subsidiaries became wholly owned subsidiaries of Daiwa House Industry

Daiwa House Financial, Daiwa House Insurance, and Daiwa House REIT Management founded

**2007**

Daiwa Royal Golf founded



The resort hotel business split off from Daiwa House Industry

Nobuo Ishibashi Memorial Museum opened



Eneserve became consolidated subsidiary

**2008**

Daiwa House Industry formed capital alliance with Odakyu Construction (current Daiwa Odakyu Construction)

Eneserve became wholly owned subsidiary

Morimoto Asset Management became consolidated subsidiary (current Daiwa House Asset Management)

**2009**

Cosmos Life became consolidated subsidiary (current Daiwa LifeNext)

Daiwa House (China) Investment established



**2010**  
Business tie-up with Yukiguni Maitake Co., Ltd.

# Principal Subsidiaries and Affiliates

As of August 1, 2011

The figure in parentheses is the equity stake held by the Group as a whole.

## Japan

### Daiwa House Industry Co., Ltd.

Housing/Commercial facilities/  
Urban development, etc.  
www.daiwahouse.co.jp

### Daiwa Lease Co., Ltd. (100%)

Building & vehicle leasing/Land utilization  
www.daiwalease.co.jp

### Daiwa Rakuda Industry Co., Ltd. (100%)

Interior and office items/Leasing  
www.daiwarakuda.co.jp

### Daiwa Logistics Co., Ltd. (100%)

Transportation/Warehouse & storage  
www.daiwabutsuryu.co.jp

### Daiwa Living Co., Ltd. (100%)

Management/Operation of rental housing  
www.daiwaliving.co.jp

### Daiwa Service Co., Ltd. (100%)

Management of condominiums & buildings/  
Moving services  
www.daiwaservice.co.jp

### Daiwa LifeNext Co., Ltd. (100%)

Management of condominiums & buildings  
www.daiwalifenext.co.jp

### Daiwa Information Service Co., Ltd. (100%)

Land utilization/Maintenance & operation of  
commercial facilities  
www.dis-net.jp

### Nihon Jyutaku Ryutu Co., Ltd. (100%)

Real estate agency & property management services/  
Appraisals/Renovation work  
www.jyutaku.co.jp

### Daiwa Royal Co., Ltd. (100%)

Rental of commercial facilities/  
Daiwa Roynet Hotels  
www.daiwaroyal.com

### Royal Home Center Co., Ltd. (100%)

DIY/Gardening/Interior items  
www.royal-hc.co.jp

### Daiwa Resort Co., Ltd.

(Daiwa Royal Hotels) (100%)  
Resort hotels  
www.daiwaresort.co.jp

### Daiwa Royal Golf Co., Ltd. (100%)

Golf course operation  
www.daiwaroyalgolf.jp

### Daiwa House Renew Co., Ltd. (100%)

Renovation work  
www.daiwahouse-renew.co.jp

### Daiwa Energy Co., Ltd. (100%)

ESCO business/Environmental equipment/  
Facility installation  
www.daiwa-energy.com

### Daiwa Estate Co., Ltd. (100%)

Real estate agency  
www.daiwaestate.jp

### Daiwa Lantec Co., Ltd. (100%)

Foundation assessment & reinforcement  
www.daiwalantec.jp

### Jukeikai Co., Ltd.

(Neo Summit Yugawara) (100%)  
Homes for the aged  
www.neo-summit.com

### Osaka Marubiru Co., Ltd. (96.7%)

Management of hotels/  
Rental of commercial facilities  
www.marubiru.com

### Sports Club NAS Co., Ltd. (100%)

Fitness clubs  
www.nas-club.co.jp

### Daiwa House REIT

Management Co., Ltd. (100%)  
Asset management

### Daiwa House Asset

Management Co., Ltd. (100%)  
Asset management  
www.dh-am.com

### Daiwa House Financial Co., Ltd. (70%)

Credit card operations  
www.daiwasaisoncard.com

### Daiwa House Insurance Co., Ltd. (100%)

Non-life insurance agency  
www.daiwahouse-ins.jp

### Synchroller Co., Ltd.\* (100%)

Manufacture of housing parts & materials

### Shinwa Agency Co., Ltd. (100%)

Advertising & travel agency  
www.go-to-s.com

### Media Tech Inc. (100%)

Data systems/Data services  
www.mediatech.jp

### Eneserve Corporation (100%)

Comprehensive energy services  
www.eneserve.co.jp

### Higashi-Fuji Co., Ltd. (75.4%)

Real estate development/  
Sale of commercial real estate

### Daiwa Odakyu Construction Co., Ltd. (33%)

General construction/Real estate  
www.daiwaodakyu.co.jp

\* Changed name on October 1, 2011 to Daiwa Core Factory Co., Ltd.

## Overseas

### DH (Dalian) Administrative Management

Consulting Center Co., Ltd. (100%)  
Provision of outsourced administrative work

### Dalian Dahezongsheng

Estate Co., Ltd. (50%)  
Real estate development and sales

### Shanghai International Realty Co., Ltd. (30%)

Management of rental housing

### Dalian Yihe Property

Management Co., Ltd. (50%)  
Management of condominiums

### Daiwa House (Suzhou) Real Estate

Development Co., Ltd. (100%)  
Real estate development and sales

### Dalian Acacia Town Villa Co., Ltd. (42.5%)

Management of rental housing

### Beijing East Palace Apartment Co., Ltd. (40%)

Management of rental housing

### Tewoo Daiwa House (Tianjin) Real Estate

Development Co., Ltd. (70%)  
Real estate consulting

### Dalian Civil Aviation Hotel Co., Ltd. (50%)

Management of hotels, condominiums &  
office buildings

### Tianjin Jiuhe International Villa Co., Ltd. (90%)

Management of rental housing

### Daiwa House (China)

Investment Co., Ltd. (100%)  
Real estate investment

### Daiwa House (Wuxi) Real Estate

Development Co., Ltd. (100%)  
Real estate development and sales

### Daiwa House (Changzhou) Real Estate

Development Co., Ltd. (100%)  
Real estate development and sales

### Daiwa Logistics (Shanghai) Co., Ltd. (100%)

International transportation agent  
(exports and imports)

### Daiwa House USA Inc. (100%)

Real estate investment

### Daiwa House California (100%)

Real estate/Real estate development

### Daiwa House Guam Co., Ltd. (100%)

Construction

### Daiwa House Australia Pty Ltd (100%)

Real estate development

# Corporate Data

As of April 1, 2011

<b>Corporate name:</b>	Daiwa House Industry Co., Ltd.	<b>Branches:</b>	78
<b>Founding:</b>	April 5, 1955 (Established: March 4, 1947)	<b>Factories:</b>	10
<b>Paid-in capital:</b>	¥110,120,483,981	<b>Research center:</b>	Central Research Laboratory (Nara)
<b>Employees:</b>	13,482	<b>Training centers:</b>	Osaka, Tokyo and Nara
<b>Head office:</b>	3-3-5 Umeda, Kita-ku, Osaka 530-8241, Japan Phone: +81-6-6346-2111	<b>Overseas offices:</b>	Shanghai, Hanoi
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Compiled by Daiwa House Industry based on the flash report of each company,  
and Rating and Investment Information (R&I) (as of June 30, 2011)

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