



Chicago North Clark Project (High-Rise Rental Housing)

# Booming Now, Building for the Future

**O**n a mid-June morning in Osaka, the wind howls mournfully as a sudden spring rainstorm lashes the offices of Daiwa House, sending its suited office workers scurrying for shelter. The weather outside may be inclement, but business fortunes inside are anything but; business is booming, horizons are expanding and the outlook is decidedly sunny for Japan's premier housing, construction and real estate company.

In the last fiscal year, Daiwa House's 387 group companies managed total sales of US\$37.3 billion, with 633,107 home sales in Japan alone. It is ranked number one on housing, construction and real estate sales charts in Japan.

Daiwa House was founded in 1955 in Osaka and still operates according to its revered founder's original dictum: *Pursue business operations that will be of use to society.* Today, working in partnership with roughly 5,100 companies, Daiwa House represents the ultimate in end-to-end, comprehensive urban development with a range of services that span everything from renovations and home building to master planning and complex commercial infrastructure.



Logistics facilities development in Indonesia

Over the years, Daiwa House's many successes have helped to establish it as the foremost developer of houses, apartments and condominiums, as well as commercial facilities, logistics centers, and large-scale, multi-use projects. Daiwa House has diverse capabilities from design and construction to operation, consulting and renovation for each individual project. But Keiichi Yoshii, president and CEO of Daiwa House, is quick to point out how the company differentiates itself from other such behemoth construction, real estate and housing generalists, not unknown to Japan.

"We're not in the business of trying to monopolize the industry," he says. "Rather than chasing only revenue, we're providing the essentials for daily existence, building houses, apartments, hotels, hospitals and schools, nursing facilities and much more to create communities and cities."

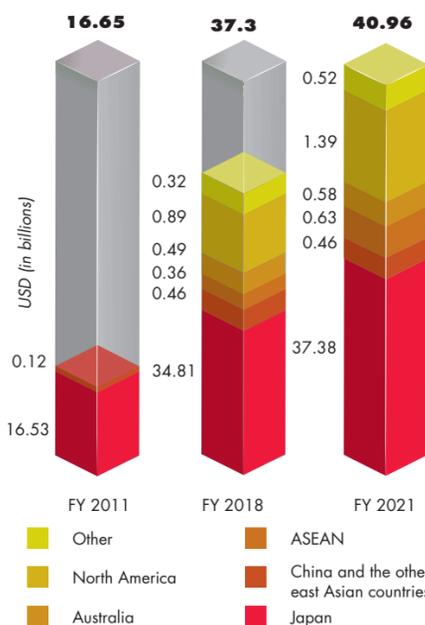
According to Daiwa House's most recent Management Plan (FY2019-2021), by 2021 the group is targeting worldwide sales of just under \$41 billion.

"We are working hard to realize our founder Nobuo Ishibashi's dream of sales of ten trillion yen (US\$ 90 billion) by the hundredth anniversary of the company's founding, which will come in 2055," says Mr. Yoshii. The company's track record thus far suggests they are on track, as the group continues to grow and expand its global operations.

In 2018, overseas net sales totaled \$2.5 billion, with 35% coming from North America, followed by strong performance in both its Australian and Asian markets. Over the next three years, sales figures are forecasted to increase across all regions as the group targets \$3.6 billion in overseas net annual sales. In order to achieve



Single-family houses developed by Daiwa House Group



We will strengthen our system for supervision of overseas business while making continuous investments in business operations, targeting net annual sales of USD41 billion in FY2021.

Daiwa House, Net Annual Sales and Projections

this, Daiwa House is planning to invest a total of \$1.35 billion by 2022, spread across its various overseas markets.

"In its ability to stand apart as a comprehensive authority on all things housing related, Daiwa House has been successful in differentiating itself and expanding its business in overseas markets," says Mr. Yoshii.

## BUILDING FOR SOCIETY

**F**ollowing on its founding principle of "be of use to as many people as possible", Daiwa House is committed to urban development that is as attractive as it is sustainable. Whether at home or abroad, socially responsible development is core to Daiwa House's ethos. The company's Livness Town Project, for example, responds directly to several of Japan's most pressing social issues, working to revitalize suburban housing developments originally built by Daiwa House during a very different era, and which now risk becoming pockets of isolation and dereliction.



The Grace Residence in Changzhou China (Condominium and Commercial facility)

"Looking back, no one could have foreseen the problems Japan would face due to the aging population and falling birth rate when we first began developing housing complexes," says Mr. Yoshii. "When we look back at our old Daiwa House catalogs, they're full of dreams and hopes. They show schools being built and greenery everywhere, with trains running and buses passing by. And Daiwa House ensured that reality came to pass. Our role in society was decided then, and today we are continuing with this purpose."

Building on its experience at home, Daiwa House is also extending what it's learned globally, working to reestablish housing and infrastructure developments that serve ever-changing demographics.

According to a UN report issued in 2017, there are an estimated 962 million people

worldwide aged 60 or older. That is 13% of the global population, and the number continues to grow. Daiwa House's unique experience, developed in Japan where citizens aged 65 or older account for 26.7% of the country's nearly 127 million inhabitants is not only hugely valuable, it is intrinsic to the company's DNA, both at home and overseas.

A phrase often used within the company is *saïdo tagayasu*, or "to re-plow". "What we mean by this is we have to regenerate and regrow the urban environment by bringing in new families to live and work," says Mr. Yoshii. "This is the kind of urban planning we are devoting our minds and energies toward—we want to rejuvenate the communities and cities that we brought into being."

And Daiwa House's impulse towards reform and regeneration is not only external. The company has devoted \$9 million toward internal workplace reforms that include talent development programs for its staff as well as, increasingly, the integration of artificial intelligence and robotic process automation.

"Even within our company we are seeing our technicians age," says Mr. Yoshii. "As the workplace becomes increasingly automated, some of the burden will be lifted from our site workers. As new technologies become effective, production will continue and deadlines can be strictly kept, and our workers can have some well-deserved rest. This is an important investment for our future as we continue to pursue sustainable urban development."

## THE KANSAI CONNECTION

**T**he future is something very much on Mr. Yoshii's mind, not least as it relates to Daiwa House's historical birthplace, Kansai. "We are essentially an Osaka company," says Mr. Yoshii with a smile. "And the G20 and Osaka-Kansai Expo 2025 being awarded to Osaka is significant—it's our home turf, and we have considerable business interests in the region that can help develop the region, including the area where the venue is."

Mr. Yoshii is also proud of how Daiwa House has grown since Osaka last hosted the World Expo—in 1970. "It's a great measure of how far we've come," he says. "Back then, we needed others' help to build the skyscrapers, the hospitals and the railways. Now, we can do it all by ourselves. We have absolutely complete capabilities that we can put to use for the benefit of all."

The clouds over Osaka have rolled away, and the warm sun now reflects off a signboard emblazoned with Daiwa House's logo—the "endless heart". "Here in Japan, people have come to recognize our company logo as a symbol of strength across a wide area of business and housing," says Mr. Yoshii. "In the future, wherever and whenever anyone sees our logo, we want them to feel taken care of, that we can grow together, and that Daiwa House is synonymous with quality, worldwide."



Keiichi Yoshii, CEO of Daiwa House



www.daiwahouse.co.jp/English/