



## Enriching lives around the world – our never-ending mission

Daiwa House Industry was founded in 1955 with the mission of undertaking the industrialization of construction. Since that start, the Company has grown into a corporate group encompassing 172 enterprises (as of March 31, 2016). At the Daiwa House Group, we have developed a wide variety of businesses that are intimately entwined with people's daily lives, and we always strive to live up to our motto of being "a group that co-creates value for individuals, communities, and people's lifestyles."

The wide variety of businesses that we now operate came into being thanks to the unwavering conviction of Nobuo Ishibashi, our founder, that we should think not about what will be profitable, but about what will be of service to society – what will make people happy. The Pipe House, our very first product, owes its origins to Mr. Ishibashi's observations of the heavy damage wreaked by a major typhoon on many of the wooden houses of Japan just after the end of the war. This came amid a severe shortage of timber, and he hit upon the original idea of building safer homes by using steel pipes for the structural framework. This idea became the foundation stone of the "industrialization of construction." A little later, against the background of an increase in the size of families amid the postwar baby boom, Mr. Ishibashi was talking to a group of children who were still playing outdoors even after dark, because their homes were so cramped they had no space for themselves. This gave him the idea for the Midget House – a children's study room that could be erected in only three hours. These two products led soon afterwards to the full-scale development of prefabricated housing. The ideas for the new value we offer came from talking to ordinary people. Because we have continued to follow our founder's advice to think outside the box and constantly ask ourselves what kind of products or services would be of service to the world in general, we have succeeded in building the wide range of businesses now operated by the Daiwa House Group.

What has made it possible to create such products and services that meet the needs of society is, above all, our staff. No company can grow and prosper without putting great effort into human resources development. The corporate creed of Daiwa House – "the cultivation of people through our businesses" – encapsulates our belief in the importance of qualified and well-trained staff. They are our greatest business resource, and they alone can perpetuate the "corporate DNA" handed down to us by our founder.

Mr. Ishibashi was determined to create a company that society would continue to regard as important and valuable for as long as it existed. In line with this, he also passed on to us his dream of reaching the major milestone of ¥10 trillion in annual sales by the year 2055 – the 100th anniversary of the founding of Daiwa House Industry. We have now passed the 60-year milestone, and our Group's annual sales have grown to ¥3 trillion, but the ¥10 trillion target remains a distant dream. Nevertheless, as we watch society and our operating environment change, I believe we can, indeed, reach that difficult goal. But to do so, we must continue to help improve the day-to-day life of every member of society, and must look beyond the immediate horizons in planning our business activities. All our management and staff must focus their efforts on addressing the various issues faced by society, so that the Group's corporate value can continue to grow.

We depend on the support of all our stakeholders, particularly our shareholders, and I would like to take this opportunity to express our deepest gratitude to you all for your unflagging support and encouragement. Going forward, you can rest assured that we will continue to aim for the Group's long-term growth and development, so as to fulfill our fiduciary responsibilities and be worthy of your trust.

Takeo Higuchi, Chairman and CEO

*Takeo Higuchi*