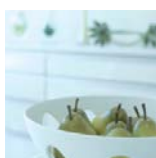


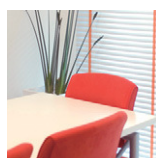


Financial Results P1



- Group Results Summary
- Consolidated Financial Highlights
- Overview

Topics P8



Financial Indicators P4

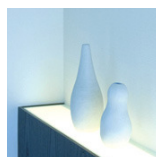


Segment Information P5



- Sales by Segment
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Stock Information P9



- Corporate Information
- Shares
- BPS and PBR
- Indices of Share Price and Trading Volumes
- Shareholdings by Shareholders

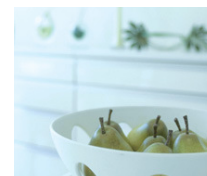
For the financial statements of Daiwa House Industry Co., Ltd. and other numerical data relating to the Company's business performance, please refer to the "Financial Factbook" published on the Company's website at:
<http://www.daiwahouse.co.jp/company/financial/pdf/200709financial.pdf>

*In line with corrections to the Company's business results, which were made public on January 22, 2008, some figures have been restated.

Forward-looking statements:

Statements contained in this report regarding the Company's plans, strategies, and expectations for future performance fall into the category of "forward-looking statements," which are based on information available to the Company's management at the end of the reporting period. They are therefore subject to a number of uncertainties and unknowable factors, and actual results may thus differ substantially from those projected.

- Notes:
1. In graphs, (Interim) represents the performance for the six-month term ended on Sept. 30, 2007, and (Year-end forecast) represents the forecast at the term ending on March 31, 2008.
 2. In this document, Yen amounts are rounded down; the U.S. dollar translations are rounded up or down to the nearest full unit.
 3. Amounts have not been audited by a certified public accountant.



Group Results Summary

	2007.9		YoY	2006.9		2007.3	
	¥	\$		¥	\$	¥	\$
Orders	¥855,307	\$7,437,459	5.2%	¥813,395	\$7,165,098	¥1,657,098	\$1,657,098
Sales	825,880	7,181,574	6.2	777,698	1,618,450	1,618,450	1,618,450
Order backlog	516,677	4,492,846	6.7	484,299	487,250	487,250	487,250

Consolidated Financial Highlights

	2007.9		2006.9	2007.3	2008.3 (Forecast)
	¥	\$			
Sales	¥825,880	\$7,181,574	¥777,698	¥1,618,450	¥1,700,000
Operating income	40,720	354,090	37,629	85,678	100,000
Net income	23,639	205,562	20,150	46,393	58,000
Total assets	1,720,362	14,959,671	1,578,343	1,630,022	
Equity	668,066	5,809,274	658,675	661,145	
Equity ratio	37.8%		41.7%	40.4%	
Net cash provided by operating activities	24,101	209,577	100,679	136,060	
Net cash used in investing activities	(39,998)	(347,811)	(114,015)	(172,074)	
Net cash provided by (used in) financing activities	23,972	208,461	18,877	14,317	
Cash and cash equivalents, end of period	110,202	958,285	129,363	102,126	
Per share of common stock					(Yen/U.S. dollars)
Basic net income	¥40.42	\$0.35	¥36.08	¥81.15	¥99.60
Equity	1,123.40	9.77	1,120.49	1,122.88	
Dividends	—	—	—	20.00	24.00

Note: The U.S. dollar amounts represent translations of Japanese yen for convenience only at the approximate exchange rate on Sept. 28, 2007 of ¥115=U.S.\$1.



Overview

■ Business performance for the first-half period of fiscal 2007

The Japanese economy maintained its growth trend during the reporting first-half period, albeit at a leisurely pace. Causative factors included increased capital investment on the back of firm corporate business performance (including favorable exports) and a resultant improvement in employment conditions.

In the housing construction industry, new housing starts were at a low level as a combined result of: 1) a trend among prospective home-buyers to hold off on purchases of condominiums in urban areas, and; 2) the implementation of the Revised Building Standards Law, which has made it more difficult for home builders to obtain confirmation from the authorities of conformity with building standards. General construction (non-housing construction), too, fell short of recovering its former vigor, due to government restraints imposed on public spending.

Amid this business environment, the Daiwa House Group's Residential Business worked to integrate its single-family house models under the **xevo** brand, and to expand its total product lineup. Other initiatives included large-scale urban rental housing developments, and the expansion of new business lines such as the management of furnished rental apartments on a monthly basis.

Regarding the Commercial Construction Business, we started development projects for several large-scale shopping centers as part of our strategy for diversifying our Commercial Facility Division. Other new business lines included the entry into the credit card business (the first such venture for a Japanese housing builder) with the issuance of the Daiwa Saison Card in partnership with the Saison Group, as well as a venture into the consumer finance field. Daiwa House Industry acquired a majority equity stake in Eneserve Corporation, making the company into a consolidated subsidiary and giving the Group its first foothold in the comprehensive energy services business.

During the reporting first-half period, Daiwa House Industry purchased approximately 7.8 million of its own shares on the market with the aim of strengthening its capital base to enable it to pursue a more flexible financial strategy and thereby cope with an ever-changing business environment.

Thanks to the various measures touched on above, for the reporting period we recorded sales of ¥825,880 million (\$7,182 million), up 6.2% year-on-year; ordinary income of ¥40,882 million (\$355 million), up 4.6%; and net income of ¥23,639 million (\$206 million), up 17.3%.

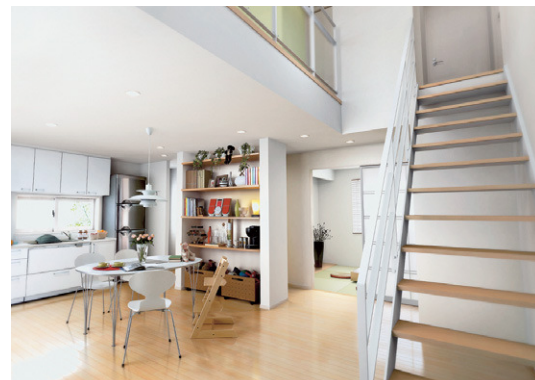
■ Forecasts for the fiscal 2007 full term

During the second half of fiscal 2007, we expect the Japanese economy to continue growing in spite of the high prices of crude oil and raw materials, the slowdown of the U.S. economy, and other causes of concern, thanks to the strong support provided by the domestic private sector.

That being so, in line with its policy of being a corporate group that co-creates value for individuals, communities, and people's lifestyles, the Daiwa House Group will continue working to create, increase, and make full use of new



xevo series (in Hannan Skytown, Osaka)



xevo V (interior)



value, and to help bring into being a society where people can live more fully satisfying lives. In particular, in our Residential Business, in line with the concepts promulgated by the Basic Housing Act enacted in June 2006, we are contributing to the creation of a housing “stock” of higher quality, as well as to the provision of more environment-friendly housing and communities. At the same time, we are working to further rationalize our operations and improve our earnings.

A polarization phenomenon is underway with respect to the price of land on the Japanese real estate market. As a developer, we are becoming more discerning with regard to the attractiveness of different sites, and a whole range of facilities are being deployed to attract customers. For its part, the Daiwa House Group aims to counter the substantial rise in the price of building materials by rigorously improving administrative and on-site processes for greater efficiency, and by doing our best to lower costs by leveraging the economies of scale realized through joint procurement by the Group as a whole.

For the fiscal 2007 full term, we forecast sales at ¥1,700 billion (\$14,783 million), up 5.0% year-on-year; ordinary income at ¥100 billion (\$870 million), up 11.9%; and net income at ¥58 billion (\$504 million), up 25.0%.

■ Our stance on corporate social responsibility

The Daiwa House Group regards the fulfillment of its corporate social responsibilities as a high-priority management task. To this end, we make sure that all our employees are fully educated with respect to corporate ethics, legal compliance, respect for individual rights, and other essential aspects of CSR. The Group conducts a wide variety of social contribution activities, and we have adopted a method of in-house assessment of our own CSR achievements. All these initiatives are examples of ways in which we are creating a management system that responds more positively to stakeholder requests.

Particularly notable are the Group’s efforts to contribute to the fight against global warming by reducing the carbon dioxide emissions of its business activities and products. We are also working hard to raise the level of our contributions in reducing the volume of waste material disposal, reducing use of harmful chemical substances, and protecting water resources.

In addition to taking our environmental protection policy to the next level, we also ensure that our products are completely safe, and are taking great pains to communicate this message to our customers to relieve their anxiety and strengthen the bonds of trust between us. We also make a significant contribution to society by employing proprietary technology in our construction of medical and nursing care facilities. All of the efforts described above serve to increase the enterprise value of the Group.

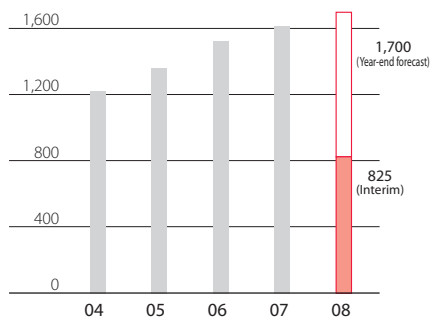


Wind-powered electricity generation facilities at Sadamisaki, a promontory at the westernmost end of Shikoku



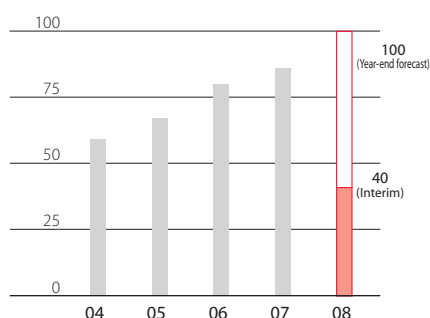
Sales

(Billions of yen)



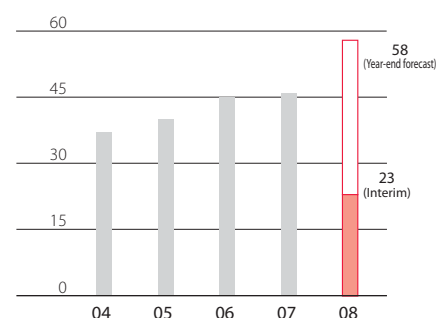
Operating income

(Billions of yen)



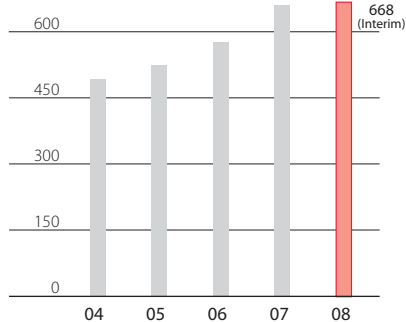
Net income

(Billions of yen)



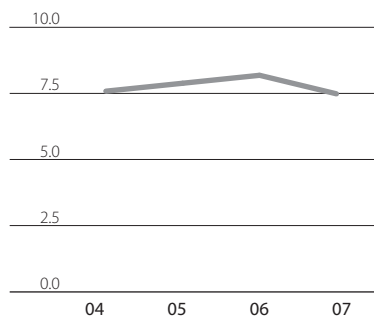
Equity

(Billions of yen)



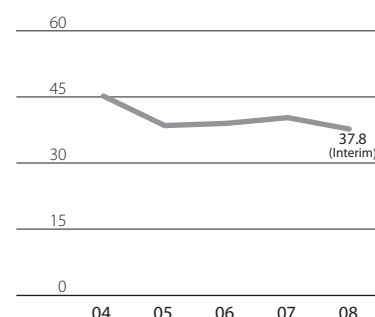
ROE

(%)



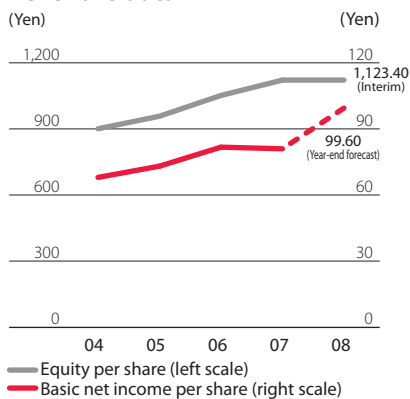
Equity ratio

(%)



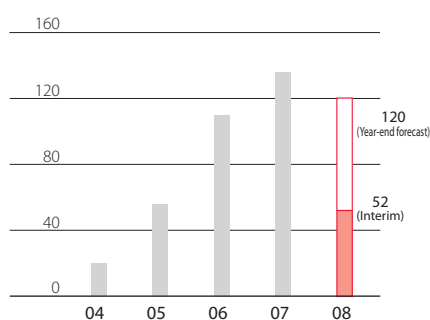
Per share data

(Yen)



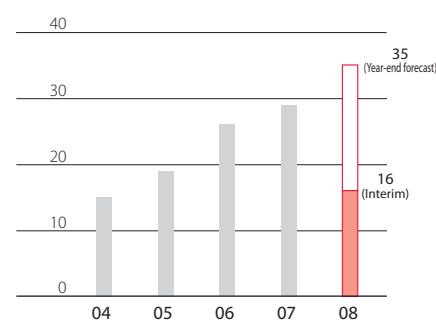
Capital investments

(Billions of yen)



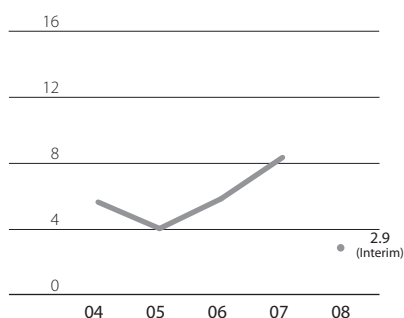
Depreciation

(Billions of yen)



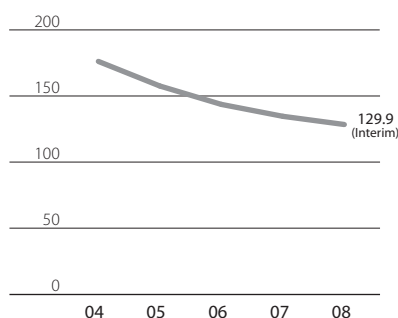
Ratio of cash flows from operating activities to net sales

(%)



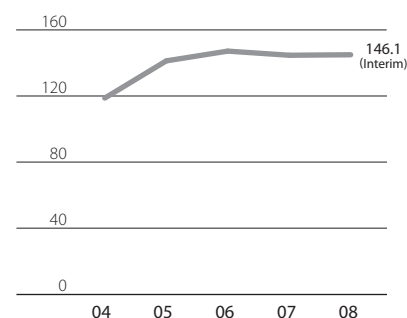
Liquid ratio

(%)



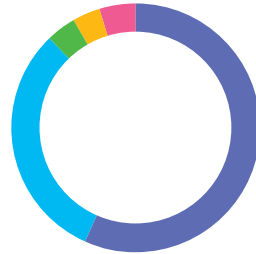
Fixed assets to equity

(%)





Sales by Segment



Residential Business	56.9%
Commercial Construction Business	30.9%
Resort Hotels and Sports Life Business	4.0%
Home Center Business	3.7%
Other Businesses	4.5%

Note: Percentage is share of net sales to outside customers.

Results by Segment



xevo E



xevo WE



Séjour OTT'S



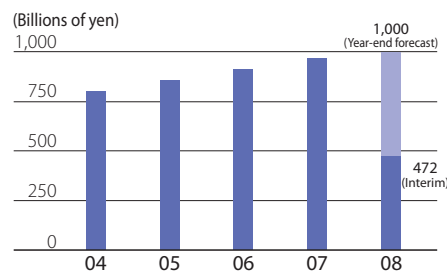
Perspective drawing of Koshigaya Lake Town



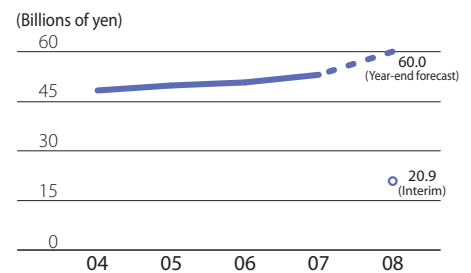
Home Renovation

Residential Business

Sales



Operating income



In the Residential Business, Single-Family Houses Division, during the reporting first-half period we integrated our existing house designs into the **xevo** brand and expanded our total product lineup. We launched the two-story **xevo E** and **xevo V** models, as well as the three-story **xevo T**. In our range of wooden houses, we brought to market the **xevo WE** and **xevo WV**. By integrating our single-family house models within the **xevo** brand, we have been able to optimize our cost structure by standardizing components. This integration has also had the additional benefit of raising the cost-competitiveness of our house product lineup through the introduction of two revolutionary new features as standard — External Thermal Ventilation Walls, which lengthen the “lifespan” of house external walls and also assist in energy conservation, and high-quality external wall coatings, which improve weatherability and help maintain an attractive external appearance for many years.

In the Rental Housing Division, we have taken steps to bolster our marketing of medium- and high-rise rental apartment buildings in city center locations, and have also helped to improve the attractiveness of whole neighborhoods through the development of rental housing on large-scale plots in suburban locations. In both cases, our development proposals take careful account of the unique features of each part of Japan. We also provide multifaceted post-construction management support services to the owners of the rental housing unit buildings that free them from troublesome negotiations, and assure them of a stable rental income over the long term.

Our Condominiums Division has intensified its business development in Japan’s major metropolitan areas, and has also been taking an aggressive stance on large-scale condominium developments in other regions, particularly in the central districts of principal cities. The division has also designed and constructed eco-friendly condominium buildings that help reduce carbon dioxide emissions by supplementing the normal electric power supply from the power utilities with the circulation of hot water from solar-powered facilities. The hot water is used in the kitchens and bathroom as well as in central heating.

The Home Renovations Division is working to provide residential solutions to the ongoing diversification in family patterns and personal lifestyles. The division has a wide variety of home design proposals based on a massive fund of know-how, and provides a service that raises the asset value of its customers’ homes.



FOLEO Hirakata



A distribution facility



A private home for the aged



A corporate facility



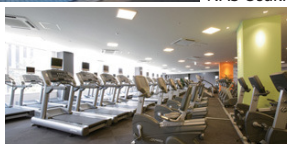
Urabandai Royal Hotel



Turtle Ace Golf Club

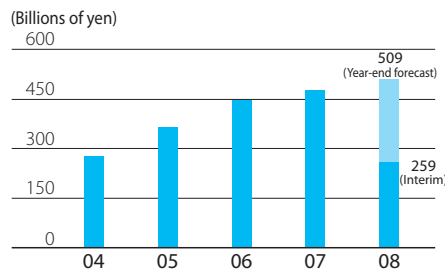


NAS Osaki

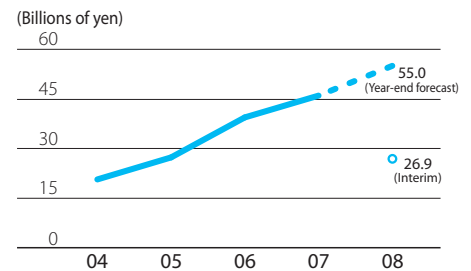


Commercial Construction Business

Sales



Operating income



The Daiwa House Group's Commercial Facilities Division deploys extensive expertise and carefully designed marketing skills in its planning, design, construction and management of commercial buildings and shopping malls, in both city centers and suburban locations. These methods have enabled us to attract successful tenants for the facilities.

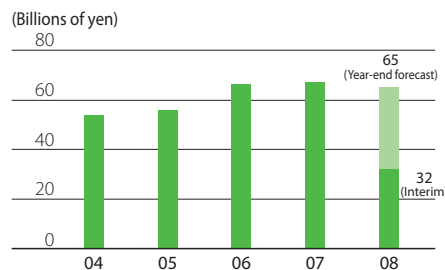
Our Distribution, Medical/Nursing Care and Corporate Facilities Division constructs large-scale distribution centers, including foodstuff logistics facilities. The division also offers a system for planning overall solutions for distribution and real estate management, incorporating plans for fund raising and capital investment by the customer distribution enterprises.

In the field of medical and nursing care facilities, we build private nursing homes for the aged as well as rental housing for the aged, among other proposals to solve the issues thrown up by the rising average age of the modern population.

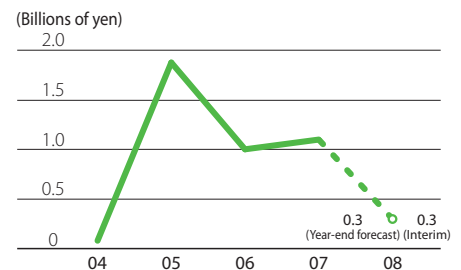
In the field of corporate facilities, we build business bases across the country for our corporate clients. The division responds to the diverse needs of today's customers by utilizing its extensive know-how to make individually tailored proposals for every conceivable set of requirements, helping customers raise their asset values.

Resort Hotels and Sports Life Business

Sales



Operating income



Within the Resort Hotels and Sports Life Business, during the reporting period we worked to introduce more efficient management methods into our Resort Hotels Division while pursuing greater customer satisfaction in line with a management philosophy based on the motto: "Hospitality and Relaxation." Unfortunately, some of our resort hotels were forced to close temporarily as a result of the earthquake that occurred on the Noto Peninsula in March 2007. Consequently, the division's sales and operating profit fell below the level of the previous year.

In the Sports Life Division, we opened the NAS Osaki (Tokyo) sports club as the first step in our plan to target businesspeople with large-scale urban-type sports facilities. Hitherto, we have mainly targeted residential districts, and the opening of NAS Osaki represents the start of a new approach of focusing on the central area of Tokyo.

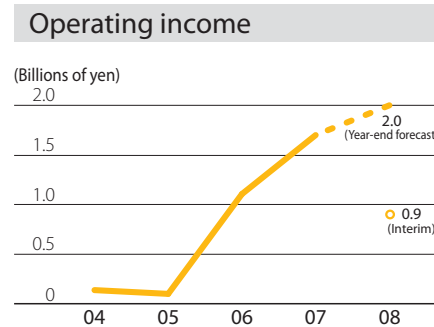


Royal Home Center Sagami-hara Hashimoto



Royal Home Center Nishibiwajima

Home Center Business



Two of our Home Centers were renovated and the floorspace was expanded during the reporting period. In addition to such efforts to boost the revenue potential of existing home centers, we also focused our sales promotion efforts around the “Everyday the Same Low Price” campaign. This campaign was made possible by improvements to our inventory/procurement flow, as well as strengthening of our cost-competitiveness through the development of original products. We also expanded our lineup of contractor-use products targeted at professional builders. This was one of the results of our decision to offer products of a higher quality than our competitors so as to more clearly differentiate ourselves from our rivals.



dia collection Fukuoka
by Daiwa Rakuda Industry

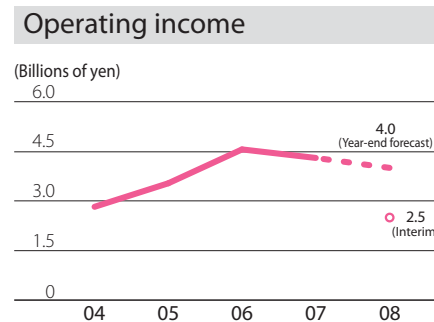
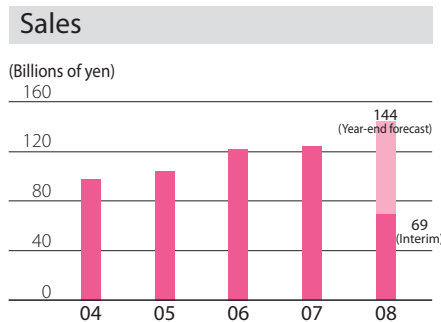


Daiwa Roynet Hotel Tokyo-Osaki



Daiwa Logistics

Other Businesses



In the Housing Construction Material Manufacturing and Marketing Division, we put extra management resources into the marketing of our new *Smart System* brand of partially made-to-order furniture. In Fukuoka, with the aim of expanding our interior design and decoration business, Daiwa Rakuda Industry opened the first outlet of the new *dia collection* chain of high-end furniture shops. It also took steps to strengthen its marketing operations in the renting out of furniture and fixtures for sports events, and set up a system enabling it to offer comprehensive services for large-scale commercial complexes, including initial planning, environmental design, and interior coordination management.

Regarding the operations of our Logistics Division, Daiwa Logistics acquired a majority equity stake in Yuasa Logitec Co., Ltd. – a company principally engaged in the transportation of materials for recycling – making it into a consolidated subsidiary. It also conducts a store fixtures maintenance service, which adds value to its existing transportation service, and during the reporting term the company expanded the scope of its operations, entering the fields of maintenance for telecommunications facilities and the installation of power generation equipment. It also expanded the scope of procurement and joint distribution – primarily of construction materials – by Daiwa House Group companies, with the goal of creating a distribution system that is both more efficient and has a low environmental load.

In our Business Hotels Division, Daiwa Royal opened the Daiwa Roynet Hotel Tokyo-Osaki, bringing the nationwide total of these hotels to 11.



xevo T

Lineup of xevo Models Expanded

In August of this year we put on the market our new **xevo T** and **xevo WV** models, as well as the **xevo E** with Hokkaido and Okinawa specifications, giving customers an expanded lineup to meet a wider range of needs.

The **xevo T** offers higher-than-ever levels of such basic functions as durability and energy conservation. On top of this, it offers a more pleasant lifestyle for residents of congested urban areas by combining natural and artificial illumination. This model is a three-story house suitable for urban/suburban residential areas, and the design makes optimal use of the available space. In addition, great attention has been given to the design and placement of the light fittings. In this way, people can enjoy the convenience of living near the center of a city without losing touch with nature.



Daiwa Saison Card
"Heart One"

New Credit Card Business Started

In June 2007 Daiwa House Financial Co., Ltd. issued the Daiwa Saison Card "Heart One", and immediately commenced a fullscale marketing campaign for the card. Growing ownership of this credit card is expected to lead to an increase in membership of the Group's various facilities, as well as an expansion of total transaction amounts.



The 2007 Annual Report
of Daiwa House Industry

Daiwa House Annual Report Wins "Gold Award" in Global Contest

The Annual Report 2006 (English-language version) issued by Daiwa House Industry Co., Ltd. was awarded the Gold Award for companies in the home construction industry, (Overall Annual Report Division) at the 2007 International ARC Awards, the world's most prestigious annual report contest, held in the United States.

The Company's 2007 Annual Report can be viewed at
<http://www.daiwahouse.com/groupbrand/ar/index.html>

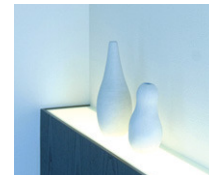


Nobuo Ishibashi Memorial Museum

Nobuo Ishibashi Memorial Museum Opened

In April 2007 the Nobuo Ishibashi Memorial Museum was opened within the Company's Central Research Laboratory in Nara. The overarching theme of the museum is "Realizing Dreams." Under the basic concepts of "ventilation," "sunshine," and "water," the museum building itself makes use of a wide selection of the state-of-the-art technology that Daiwa House employs to harmonize its housing products with the natural environment. Through the use of still photographs and motion pictures, the museum has already acquainted many visitors with the achievements of Daiwa House founder Nobuo Ishibashi, notably his development of

the concept of prefabricated houses and his pioneering work in diversifying the Daiwa House Group's business into many other areas. The museum presents an overview of both Mr. Ishibashi's life and his life's work.



Corporate Information (as of October 1, 2007)

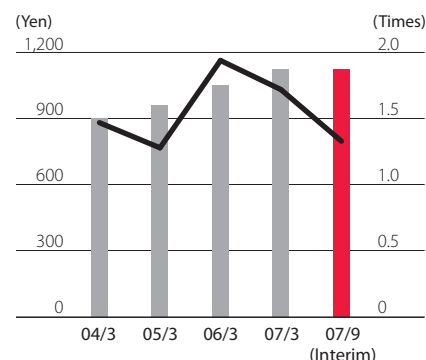
Corporate name	Daiwa House Industry Co., Ltd.
Head Office	3-3-5 Umeda, Kita-ku, Osaka
Founding	April 5, 1955 (Established: March 4, 1947)
Paid-in capital	¥110,120,483,981
Employees	13,156
Branches	90 (including Osaka Honten Branch)
Factories	12

Shares (as of September 30, 2007)

Authorized	1,900,000,000
Issued and outstanding	599,921,851
Number of shareholders	35,589

Note: The Company purchased 7.8 million shares of its own stock (at an acquisition cost of ¥11.6 billion) on August 21, 2007.

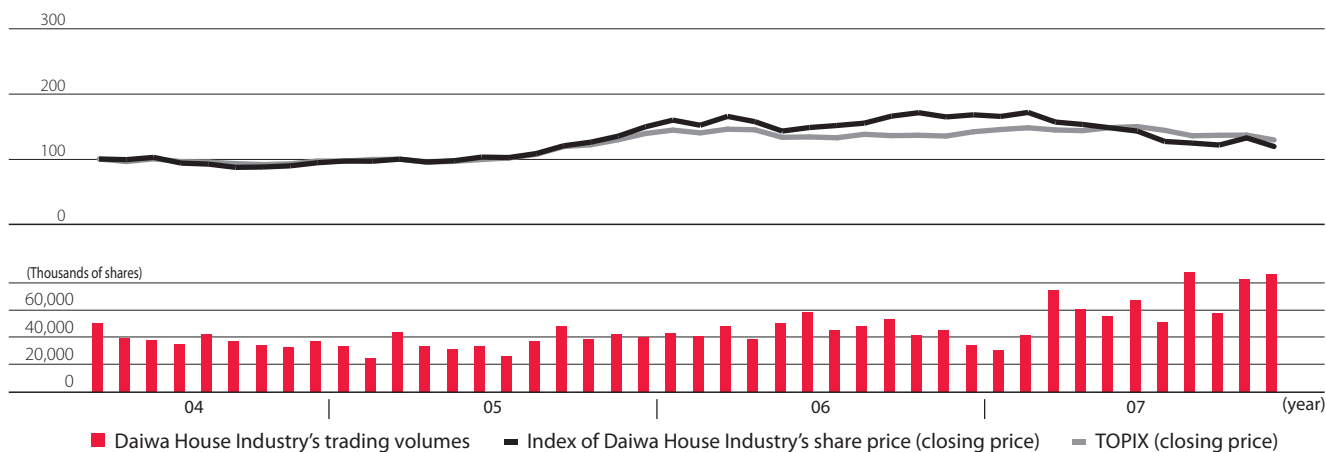
BPS and PBR



■ BPS (book value per share: left scale)
— PBR (price to book value ratio: right scale)

Note: All above figures are calculated on term-end basis.

Indices of Daiwa House Industry's Share Price and TOPIX, and Trading Volumes on the Tokyo Stock Exchange (base month: April 2004=100)



Shareholdings by Shareholders (as of September 30, 2007)

