



Summary of Financial Results (Unaudited)
for the First Nine Months of the Fiscal Year Ending March 31, 2012 [Consolidated]
(From April 1, 2011 to December 31, 2011)
[Japanese GAPP]

February 10, 2012

Name of Listed Company: Daiwa House Industry Co., Ltd.
 Code No.: 1925
 URL: <http://www.daiwahouse.co.jp/>
 Listed Exchanges: First section of the Tokyo Stock Exchange;
 First section of the Osaka Securities Exchange
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Scheduled Date of Filing Quarterly Report: February 13, 2012
 Supplemental documents for the financial results provided: Yes
 Results briefing for the period under review provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

1. Consolidated Results of Operation for the Nine Months Ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(1) Consolidated Business Results

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended:								
December 31, 2011	1,323,171	7.1	87,903	22.4	89,176	22.4	31,750	(29.0)
December 31, 2010	1,235,026	5.9	71,807	42.7	72,868	45.4	44,703	59.3

Note: Comprehensive income:
 Nine months ended December 31, 2011: 27,778 million yen ((36.6)%);
 Nine months ended December 31, 2010: 43,843 million yen (—)

	Basic net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Nine months ended:				
December 31, 2011	54.86	—	—	—
December 31, 2010	77.20	—	—	—

(2) Consolidated Financial Conditions

As of:	Total assets	Net assets	Net assets ratio
	Millions of yen	Millions of yen	%
December 31, 2011	1,991,278	651,088	32.7
March 31, 2011	1,934,236	635,186	32.8

Reference: Net assets ratio = (Net assets – Minority interests)/Total assets×100
 (Net assets – Minority interests) is as follows.
 December 31, 2011: 650,349 million yen; March 31, 2011: 634,151 million yen

2. Dividends

(Record date)	Dividend per share				
	End of 1 st quarter (June 30)	End of 2 nd quarter (Sept. 30)	End of 3 rd quarter (Dec. 31)	Fiscal year-end (March 31)	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	—	0.00	—	20.00	20.00
Fiscal year ending March 31, 2012	—	0.00	—	—	—
Fiscal year ending March 31, 2012 (forecasts)	—	—	—	25.00	25.00

Notes: 1. Revision made to the dividend forecast announced on June 10, 2011: None
 2. Cash dividends for the fiscal year ended March 31, 2011 comprise:
 ¥17.00 per share as an ordinary dividend, and ¥3.00 per share as a commemorative dividend, marking its 55th year in business.

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2012	1,800,000	6.5	110,000	25.4	99,000	25.2	30,000	10.0	51.83

Note: Revision made to business forecasts announced on December 16, 2011: None

4. Others

- (1) **Changes in Significant Subsidiaries during the period under review (This refers to changes in specified subsidiaries associated with changes in the scope of consolidation.):** None
- (2) **Application of Accounting Methods Unique to the Preparation of the Consolidated Financial Statements:** None
- (3) **Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement**
 - 1) **Changes of accounting policies applied due to amendment of accounting standards:** None
 - 2) **Changes of accounting policies due to reasons other than 1):** None
 - 3) **Changes in accounting estimates:** None
 - 4) **Retrospective restatement:** None
- (4) **Number of Issued and Outstanding Shares (Common Stock)**

1) Number of shares at the end of the period (including treasury stock)

As of December 31, 2011	599,921,851 shares	As of March 31, 2011	599,921,851 shares
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2) Number of treasury stock at the end of the period

As of December 31, 2011	21,164,167 shares	As of March 31, 2011	21,115,009 shares
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3) Average number of shares during the period (for the nine months under review)

Nine months ended December 31, 2011	578,796,714 shares	Nine months ended December 31, 2010	579,061,891 shares
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*** Presentation of implementing the review procedures**

As of the time when the financial results under review are disclosed, the Group had not completed the reviewing (checking) procedures for the consolidated financial statements under review as laid down by the Financial Instruments and Exchange Law.

*** Remarks on appropriate use of forecasted results of operation and other special matters**

(Notes regarding forward-looking statements)

Consolidated business forecasts are based on assumptions in light of the information available as of the date of announcement of this material and the factors of uncertainty that may possibly impact the future results of operation. Actual results may differ significantly from those presented herein as a consequence of numerous factors such as the financial market, economic conditions, competitor situations and fluctuations in land prices. Please refer to the section of "Qualitative Information Regarding Consolidated Business Forecasts" of "the Attached Material" on page 5 for the suppositions that form the assumptions for business forecasts.

(Obtaining supplementary explanatory materials)

The Company plans to hold a briefing for analysts and institutional investors on February 10, 2012. Relevant financial statements to be handed out at the briefing will be posted on our official website at the same time.

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1. Qualitative Information Regarding Consolidated Results for the First Nine Months under Review

(1) Qualitative Information Regarding Consolidated Business Results

During the first nine months of fiscal 2011 (the year ending March 31, 2012), the Japanese economy has shown some signs of recovery from the production stagnancy that followed the Great East Japan Earthquake, and demand is rising in certain fields for post-disaster restoration work. However, it is inevitable that the country's export environment will remain severe for quite a while longer, against the background of the disruption caused to overseas economies by the European debt crisis, as well as the persistent high level of the yen on the foreign exchange markets. The economy's prospects thus remain unclear.

In the Housing industry, the government extended its measures to encourage home buying by introducing the housing eco-points system to assist reconstruction in areas hit by the earthquake and tsunami of March 11, as well as the Flat 35S ECO preferential interest rate mortgage loan. However, in line with the moves toward fiscal reconstruction, a tendency has been seen on the part of home buyers to put off decisions on the purchase of a home for fear of heavier burden on consumers in the future. As a result, in the four months from September to December 2011, new housing starts as a whole fell below the corresponding period of the previous year.

Amid these circumstances, the Daiwa House Group drew up its 3rd Medium-Term Management Plan, beginning in fiscal 2011, under the name "3 Gs for New Growth." The three Gs in this name are the initial letters of "Group" (referring to achieving sustained growth for the Group), "Great" (building the groundwork for growth), and "Global" (laying down the pathway to growth), and are the Group's basic policies. Under this plan, we are developing new customer segments to realize the plan's central theme of "New Growth." To achieve sustained growth for the Group, we have set targets of ¥2 trillion in sales and ¥120 billion in operating income for fiscal 2013, the third and final year under the plan, and to make this possible we have worked to clarify strategic themes for each of our business segments.

During the current fiscal year we have taken steps to strengthen our product planning to meet our customers' needs, and as a result we were able to launch on the market the "SMA×Eco Original," an eco-friendly home fitted with lithium ion storage batteries. With effect from November 26, 2011 all the newly constructed single-family house models we market will receive certification of eligibility for assistance from the Japan Trans-housing Institute (a general incorporated association set up to provide support for people wishing to relocate or move house). This is a first for the Japanese housing industry, and will allow us to offer life-long support to owners of Daiwa House-built houses when they want to relocate in the future, such as enabling them to rent out their existing homes.

With respect to "Great – building the groundwork for growth," we aim to enhance the speed of management decision-making by delegating more responsibility and authority to managers in each area. At the same time, we will work to upgrade the Group's management infrastructure through such approaches as strengthening our human resource development to effectively train the next generation of managers.

With regard to "Global – laying down the pathway to growth," in China we have established Daiwa House (Changzhou) Real Estate Development Co., Ltd. in the city of Changzhou, in the United States we have set up Daiwa House USA Inc. and Daiwa House California, and in Australia we have established Daiwa House Australia Pty. Ltd. We have also opened an office in Taiwan, where we intend to leverage the know-how we have built up in Japan to conduct business including the development of commercial facilities.

In corporate social responsibility (CSR) activities during fiscal 2011, we have carried out programs that enable us to contribute to society through our business activities, such as providing support for the installation of "greenery curtains" (which are effective in cooling rooms by blocking the sun's rays and cutting down on electricity consumption) at temporary housing units for victims of the March 11 earthquake and tsunami. We also engaged in work to protect the cherry trees of Mount Yoshino in Nara Prefecture, as well as our Sakura Project, in which we promote the planting of cherry-tree saplings in the grounds of elementary schools. We published the CSR Report 2011, which summarizes the Group's activities in this field, and also worked proactively to disseminate information about the Group and strengthen ties with our stakeholders, including through the holding of meetings at which application for participation was open to any stakeholder.

As a result of the above, for the nine-month period under review, on a consolidated basis, we recorded net sales of 1,323,171 million yen (up 7.1% year on year). Ordinary income came to 89,176 million yen (up

22.4%), while net income was 31,750 million yen (down 29.0%) due to the recording of 15,222 million yen in income taxes-deferred following changes to corporate tax rates.

(2) Qualitative Information Regarding Consolidated Financial Condition

Total assets as of December 31, 2011 increased by 57,041 million yen from the 1,934,236 million yen recorded as of March 31, 2011, to 1,991,278 million yen. The principal factors behind this included an increase in cash and deposits due to the collection of accounts receivable, and the purchase of additional real estate for sale, primarily in the Condominiums Business. These factors more than offset the reversal of deferred income tax assets following the announcement of law regarding the reduction of the corporate tax rate.

Total liabilities as of December 31, 2011 increased by 41,139 million yen from the 1,299,049 million yen recorded as of March 31, 2011, to 1,340,189 million yen. The principal factors behind this included increases in advances received on uncompleted construction contracts and accounts payable, as well as an increase in income taxes payable, in line with an improvement in the Company's business performance. These factors more than offset measures taken to reduce such interest-bearing debts as loans and bonds payable.

Net assets as of December 31, 2011 increased by 15,902 million yen from the 635,186 million yen recorded as of March 31, 2011, to 651,088 million yen. This was mainly due to the posting of net income in the amount of 31,750 million yen, which more than offset the payment of dividends paid to shareholders for the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Business Forecasts

Our revisions of business performance forecasts on a consolidated basis for Daiwa House Industry for fiscal 2011 (the term ending March 31, 2012) remain unchanged from our notice of December 16, 2011.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	149,379	159,518
Notes receivable, accounts receivable from completed construction contracts and other	95,686	92,272
Short-term investment securities	6	6
Costs on uncompleted construction contracts	15,307	15,266
Real estate for sale	231,716	264,703
Real estate for sale in process	31,821	54,319
Land for development	2,237	1,378
Merchandise and finished goods	10,321	12,393
Work in process	4,822	7,422
Raw materials and supplies	5,760	6,378
Other	135,580	128,286
Allowance for doubtful accounts	(1,379)	(1,312)
Total current assets	681,261	740,634
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	605,561	617,724
Accumulated depreciation	(277,752)	(290,704)
Buildings and structures, net	327,808	327,020
Land	387,343	385,591
Other	138,182	148,401
Accumulated depreciation	(93,210)	(98,352)
Other, net	44,971	50,049
Total property, plant and equipment	760,123	762,662
Intangible assets	21,491	24,249
Investments and other assets		
Investment securities	117,718	120,397
Lease and guarantee deposits	189,607	187,589
Other	176,527	167,927
Allowance for doubtful accounts	(8,821)	(8,510)
Allowance for investment loss	(3,672)	(3,672)
Total investments and other assets	471,360	463,731
Total noncurrent assets	1,252,975	1,250,643
Total assets	1,934,236	1,991,278

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	129,462	144,988
Short-term loans payable	9,136	5,728
Current portion of bonds payable	4,500	—
Current portion of long-term loans payable	25,122	111,145
Income taxes payable	6,675	23,364
Advances received on uncompleted construction contracts	32,090	43,951
Provision for bonuses	22,164	12,456
Provision for warranties for completed construction	6,304	6,068
Asset retirement obligations	1,780	1,557
Other	152,470	159,220
Total current liabilities	389,705	508,480
Noncurrent liabilities		
Bonds payable	101,300	101,800
Long-term loans payable	255,498	164,571
Long-term lease and guarantee deposited	226,315	227,938
Provision for retirement benefits	175,532	183,050
Asset retirement obligations	21,672	22,592
Other	129,024	131,755
Total noncurrent liabilities	909,343	831,708
Total liabilities	1,299,049	1,340,189
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	362,281	382,180
Treasury stock	(19,874)	(19,909)
Total shareholders' equity	679,351	699,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,582	3,660
Revaluation reserve for land	(47,314)	(43,549)
Foreign currency translation adjustment	(5,467)	(8,977)
Total accumulated other comprehensive income	(45,200)	(48,866)
Minority interests	1,035	739
Total net assets	635,186	651,088
Total liabilities and net assets	1,934,236	1,991,278

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

	(Millions of yen)	
	Nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)
Net sales	1,235,026	1,323,171
Cost of sales	977,380	1,040,693
Gross profit	257,645	282,478
Selling, general and administrative expenses	185,837	194,574
Operating income	71,807	87,903
Non-operating income		
Interest income	1,684	2,209
Dividends income	2,051	1,699
Equity in earnings of affiliates	404	—
Miscellaneous income	4,536	5,385
Total non-operating income	8,678	9,293
Non-operating expenses		
Interest expenses	5,568	4,827
Equity in losses of affiliates	—	813
Miscellaneous expenses	2,048	2,380
Total non-operating expenses	7,617	8,021
Ordinary income	72,868	89,176
Extraordinary income		
Gain on sales of noncurrent assets	103	84
Gain on sales of investment securities	1,652	612
Gain on sales of investments in capital of subsidiaries and affiliates	170	—
Gain on transfer of business	280	—
Reversal of liability for loss on disaster	1,303	—
Total extraordinary income	3,508	696
Extraordinary losses		
Loss on sales of noncurrent assets	1,516	189
Loss on retirement of noncurrent assets	362	792
Impairment loss	810	2,603
Loss on valuation of investment securities	986	781
Loss on sales of investment securities	78	1,282
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,804	—
Loss on prior periods adjustment	1,415	—
Other	56	348
Total extraordinary losses	8,032	5,998
Income before income taxes and minority interests	68,344	83,873
Income taxes-current	13,645	31,107
Income taxes-deferred	9,935	21,057
Total income taxes	23,580	52,164
Income before minority interests	44,763	31,708
Minority interests in income (loss)	59	(41)
Net income	44,703	31,750

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)
Income before minority interests	44,763	31,708
Other comprehensive income		
Valuation difference on available-for-sale securities	1,100	(3,723)
Revaluation reserve for land	—	3,467
Foreign currency translation adjustment	(566)	(1,060)
Share of other comprehensive income of associates accounted for using equity method	(1,454)	(2,613)
Total other comprehensive income	(920)	(3,930)
Comprehensive income	43,843	27,778
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	43,783	27,820
Comprehensive income attributable to minority interests	59	(41)

(3) Notes on Premise of Going Concern

No items to report.

(4) Notes on Significant Changes in the Amount of Shareholders' Equity

No items to report.

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Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on February 10, 2012.