



Summary of Financial Results (Unaudited)
for the First Three Months of the Fiscal Year Ending March 31, 2013 [Consolidated]
(From April 1, 2012 to June 30, 2012)
[Japanese GAAP]

August 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: August 10, 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 Three Months Ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

(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	%
Three months ended:								
June 30, 2012	446,464	8.9	24,856	1.0	25,516	4.2	12,290	(10.2)
June 30, 2011	410,100	15.5	24,617	74.7	24,483	55.4	13,689	79.5

Note: Comprehensive income: Three months ended June 30, 2012: 12,717 million yen (12.6%);
 Three months ended June 30, 2011: 11,295 million yen (43.0%)

	Basic net income	Diluted net income
	per share	per share
Three months ended:	Yen	Yen
June 30, 2012	21.24	—
June 30, 2011	23.65	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio
	Millions of yen	Millions of yen	%
As of:			
June 30, 2012	2,032,064	656,433	32.3
March 31, 2012	2,086,097	657,891	31.5

Reference: Net assets ratio = (Net assets – Minority interests)/Total assets × 100

(Net assets – Minority interests) is as follows. June 30, 2012: 655,351 million yen; March 31, 2012: 657,111 million yen

2. Dividends

	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, 2012	—	0.00	—	25.00	25.00
Fiscal year ending March 31, 2013	—	—	—	—	—
Fiscal year ending March 31, 2013 (forecasts)	—	0.00	—	30.00	30.00

Note: Revision made to the dividend forecast announced on May 10, 2012: None

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(% 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, 2013	1,900,000	2.8	118,000	2.6	111,000	2.3	58,000	74.7	100.22

Note: Revision made to business forecasts announced on May 10, 2012: None

Notes:

- (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 Quarterly 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:** Yes
 - 2) **Changes of accounting policies due to reasons other than 1):** None
 - 3) **Changes in accounting estimates:** Yes
 - 4) **Retrospective restatement:** None

Note: Paragraph 5 of Article 10 of Regulations Concerning the Terminology, Forms and Preparation Method of Quarterly Consolidated Financial Statements has been applied. For more details please refer to Notes on Summary Information (Notes) (1) Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement, in “the Attached Material,” on Page 5.

(4) Number of Issued and Outstanding Shares (Common Stock)

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

As of June 30, 2012	599,921,851 shares	As of March 31, 2012	599,921,851 shares
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2) Number of treasury stock at the end of the period

As of June 30, 2012	21,215,103 shares	As of March 31, 2012	21,206,006 shares
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3) Average number of shares during the period (for the three months under review)

Three months ended June 30, 2012	578,711,442 shares	Three months ended June 30, 2011	578,805,728 shares
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* Presentation of implementing the quarterly review procedures

As of the time when the quarterly financial results are disclosed, the Group have completed the reviewing (checking) procedures for quarterly consolidated financial statements 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. These statements do not mean that the Company pledges to realize such statements. 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 “1. Qualitative Information Regarding Consolidated Results for the First Three Months under Review (3) 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 August 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 Three Months under Review

(1) Qualitative Information Regarding Consolidated Business Results

During the first three months of fiscal 2012 ending March 31, 2013, the Japanese economy showed moderate recovery momentum, supported by domestic demand on the back of recovery following the Great East Japan Earthquake, although conditions overall remained difficult in light of power shortages and the consumption tax hike controversy in Japan, as well as the lingering risk of a downturn overseas due to the debt crisis in Europe.

In the Housing industry, government measures to encourage home buying proved successful. These included the Flat 35S ECO preferential interest rate mortgage loans applied since the previous fiscal year and the housing eco-points system. New housing starts overall continued to increase for the fourth consecutive month on a year-on-year basis as of May 31, 2012.

Amid these circumstances, the Daiwa House Group drew up its 3rd Medium-Term Management Plan, ending in fiscal 2013, under the name “3 Gs for New Growth.” The three Gs in this name come from the initial letters of “Group” (sustained growth), “Great” (groundwork for growth), and “Global” (pathway to growth), and reflect the Group’s basic policies. Under this plan, we are creating new business portfolios to realize the plan’s central theme of “New Growth.”

With an emphasis on stronger business growth in the fiscal year under review under four key concepts (“community-based,” “the environment,” “aging population” and “Group strength”), we are taking measures to further improve performance. These included a new business venture targeting the elderly-care market. Operational scale was expanded through the acquisition in June 2012 of all shares of TEPCO subsidiary Toden Life Support Co., Ltd., which operates private nursing homes for the elderly with assisted living services in three locations in the Tokyo area. Following its conversion into a wholly owned consolidated subsidiary, its trade name has been changed to Daiwa House Life Support Co., Ltd.

As a result, for the reporting three-month period, on a consolidated basis, we recorded net sales of 446,464 million yen (up 8.9% year on year). Ordinary income came to 25,516 million yen (up 4.2%), while net income came to 12,290 million yen (down 10.2%).

(2) Qualitative Information Regarding Consolidated Financial Condition

Total assets at the end of the reporting three-month period, on a consolidated basis, came to 2,032,064 million yen, a decrease of 54,033 million yen compared with 2,086,097 million yen at the previous fiscal year-end. This was mainly attributable to a decline in cash and deposits due to settlement of accounts payable for construction contracts, as well as the sell-off of real estate for sale such as logistics facilities and high-rise rental housing properties, which more than offset increases in property, plant and equipment.

Total liabilities at the end of the reporting three-month period, on a consolidated basis, came to 1,375,630 million yen, a decrease of 52,576 million yen compared with 1,428,206 million yen at the previous fiscal year-end. This was mainly attributable to a decline in trade payables, in addition to the payment of income taxes.

Total net assets at the end of the reporting three-month period on a consolidated basis came to 656,433 million yen, a decrease of 1,457 million yen compared with 657,891 million yen at the previous fiscal year-end, due to the recording of cash dividends paid despite the posting of a net income of 12,290 million yen.

(3) Qualitative Information Regarding Consolidated Business Forecasts

As announced today in "Notification of Acquisition of Shares in Fujita Corporation," Fujita Corporation is due to become a consolidated subsidiary of the Company on the date of transfer of its share certificates. We are currently studying the likely impact of this change on future consolidated business performance.

For this reason, with respect to the Company's business forecasts on a consolidated accounts basis for the fiscal year ending March 31, 2013, no changes have been made to the business forecasts in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2012" announced on May 10, 2012.

2. Notes on Summary Information (Notes)

(1) Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement

(Change in method of depreciation)

The Company and its consolidated subsidiaries have changed their method of depreciation based on revised corporate taxation law with regard to property, plant and equipment acquired on or after April 1, 2012, with effect from this first quarter. The impact from this change on operating income, ordinary income, income taxes and minority interests for the reporting three-month period is negligible.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2012	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	250,649	196,479
Notes receivable, accounts receivable from completed construction contracts and other	93,874	86,045
Short-term investment securities	6	6
Costs on uncompleted construction contracts	14,361	19,002
Real estate for sale	297,483	278,051
Real estate for sale in process	34,968	44,984
Land for development	1,378	1,327
Merchandise and finished goods	12,333	13,336
Work in process	6,002	7,262
Raw materials and supplies	5,411	5,683
Other	129,891	127,568
Allowance for doubtful accounts	(1,604)	(1,446)
Total current assets	844,757	778,302
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	630,129	641,105
Accumulated depreciation	(295,823)	(300,750)
Buildings and structures, net	334,305	340,355
Land	364,954	367,910
Other	148,223	154,442
Accumulated depreciation	(98,935)	(99,337)
Other, net	49,288	55,105
Total property, plant and equipment	748,548	763,370
Intangible assets	32,056	33,430
Investments and other assets		
Investment securities	118,334	110,919
Lease and guarantee deposits	186,657	186,334
Other	162,939	166,853
Allowance for doubtful accounts	(7,195)	(7,146)
Total investments and other assets	460,735	456,961
Total noncurrent assets	1,241,340	1,253,762
Total assets	2,086,097	2,032,064

	(Millions of yen)	
	(as of March 31, 2012)	(as of June 30, 2012)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	210,241	189,697
Short-term loans payable	2,559	2,543
Current portion of bonds payable	1,353	1,353
Current portion of long-term loans payable	145,436	95,428
Income taxes payable	24,826	2,428
Advances received on uncompleted construction contracts	48,993	50,389
Provision for bonuses	26,995	13,122
Provision for warranties for completed construction	6,224	5,601
Asset retirement obligations	1,621	1,613
Other	163,620	172,674
Total current liabilities	631,872	534,852
Noncurrent liabilities		
Bonds payable	100,720	100,720
Long-term loans payable	133,556	183,157
Long-term lease and guarantee deposited	218,479	219,222
Provision for retirement benefits	188,400	187,042
Asset retirement obligations	22,613	22,996
Other	132,563	127,637
Total noncurrent liabilities	796,334	840,777
Total liabilities	1,428,206	1,375,630
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	380,751	378,284
Treasury stock	(19,944)	(19,953)
Total shareholders' equity	697,751	695,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	4,622
Revaluation reserve for land	(40,738)	(40,449)
Foreign currency translation adjustment	(7,469)	(4,098)
Total accumulated other comprehensive income	(40,640)	(39,925)
Minority interests	779	1,082
Total net assets	657,891	656,433
Total liabilities and net assets	2,086,097	2,032,064

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

	(Millions of yen)	
	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Net sales	410,100	446,464
Cost of sales	322,542	354,282
Gross profit	87,558	92,181
Selling, general and administrative expenses	62,940	67,325
Operating income	24,617	24,856
Non-operating income		
Interest income	717	777
Dividends income	952	948
Miscellaneous income	1,479	1,697
Total non-operating income	3,149	3,423
Non-operating expenses		
Interest expenses	1,634	1,462
Equity in losses of affiliates	906	186
Miscellaneous expenses	742	1,114
Total non-operating expenses	3,283	2,762
Ordinary income	24,483	25,516
Extraordinary income		
Gain on sales of noncurrent assets	39	26
Gain on sales of investment securities	566	—
Gain on amortization of prior service cost	—	204
Total extraordinary income	606	230
Extraordinary losses		
Loss on sales of noncurrent assets	35	86
Loss on retirement of noncurrent assets	147	112
Impairment loss	30	32
Loss on valuation of investment securities	272	6,134
Other	—	9
Total extraordinary losses	486	6,375
Income before income taxes and minority interests	24,603	19,371
Income taxes-current	2,313	1,813
Income taxes-deferred	8,596	5,267
Total income taxes	10,910	7,080
Income before minority interests	13,693	12,290
Minority interests in income	4	0
Net income	13,689	12,290

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Income before minority interests	13,693	12,290
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,718)	(2,750)
Foreign currency translation adjustment	193	1,750
Share of other comprehensive income of affiliates accounted for using equity method	(872)	1,426
Total other comprehensive income	(2,398)	426
Comprehensive income	11,295	12,717
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	11,290	12,717
Comprehensive income attributable to minority interests	4	0

(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 August 10, 2012.