



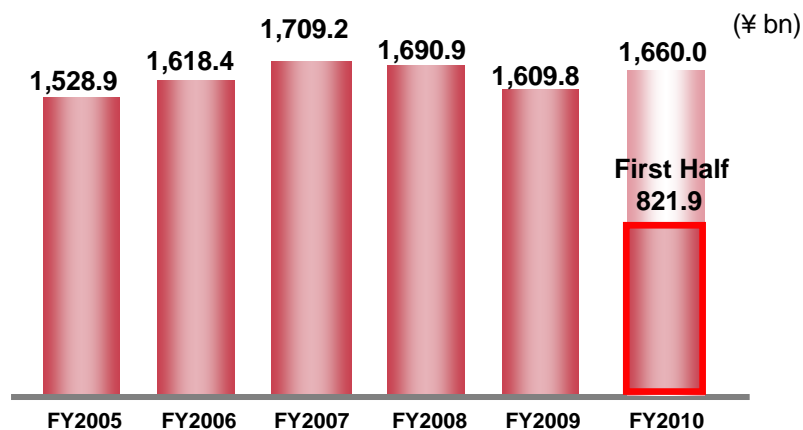
Toward Financial Closing of the Fiscal Year Ending March 31, 2011

**Nov 11, 2010
Daiwa House Industry Co., Ltd.**

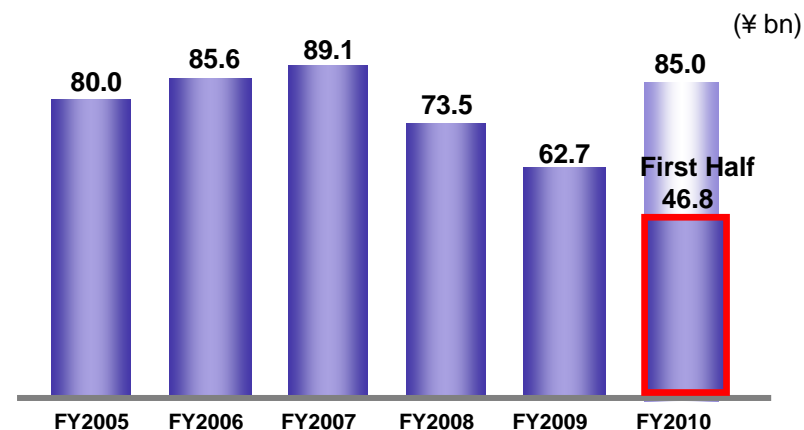
**Daiwa House
Group**

Business Results of FY2010 First Half

Net Sales



Operating Income



Important Strategies for FY2010

Details for First Half

<p>Bolstering the ability to propose core businesses focusing on the “environment” and “seniors”</p>	<ul style="list-style-type: none"> ➤ Launched SMA×Eco HOUSE, started demonstration experiment ➤ Enhanced proposal for medical and nursing care facilities (49 facilities, sales ¥9 bn, up 57% yoy)
<p>Expanding business in the renovation market</p>	<ul style="list-style-type: none"> ➤ Increased orders for renovation of rental housing (orders received: ¥6.6 bn, up 93.4% yoy) ➤ Started testing next generation low-CO2 emission model business at convenience stores (five facilities)
<p>Promoting real estate development in China</p>	<ul style="list-style-type: none"> ➤ The Grace Residence (Suzhou): Sales started in May 2010 <ul style="list-style-type: none"> — Phase I and II: 386 units; of which, contracted and applied for: 328 units ➤ Yihe Xinghai (Dalian): Sales started in Aug 2010 <ul style="list-style-type: none"> — Phase I: 891 units; of which, contracted and applied for: 533 units
<p>Rigorous cash flow management</p>	<ul style="list-style-type: none"> ➤ Net D/E ratio improved from 0.45 to 0.41 ➤ Turn free cash flow positive

Plans for Each Segment in FY2010 (1)

Daiwa House Group®

(¥bn)

Business Segment	Sales		Operating Income		Major Policies for the Current Fiscal Year
	FY2009 Results	FY2010 Plan	FY2009 Results	FY2010 Plan	
Single-Family Houses	325.9	325.0	6.2	14.8	<p>【Prevent missed opportunities by taking into account prolonged low-level of new housing starts】</p> <ul style="list-style-type: none"> ◆ Expand lineup of products (especially for small narrow spaces) ◆ Set up a system for proposing building exteriors and interiors ◆ Cooperation among business segments so as not to miss opportunities such as moving to new homes and renovation
Rental Housing	449.0	480.5	38.6	41.5	<p>【Accommodate demand from increased single households (people in their 30s-40s and the elderly)】</p> <ul style="list-style-type: none"> ◆ Strengthen sales and product lineup targeting three major cities ◆ Expand provision of rental housing for the elderly ◆ Expand company housing management business partnerships
Condominiums	119.3	133.5	-18.3	3.0	<p>【Start full-fledged businesses to respond to increased number of small-sized households and deteriorating condo units】</p> <ul style="list-style-type: none"> ◆ Develop compact condominiums ◆ Expand rebuilding projects for deteriorating public housing such as Senri Newtown ◆ Further expand condo management business of other companies' properties
Existing Home Business	46.9	59.5	1.7	4.0	<p>【Solution to complaints and troubles⇒ existing homes are comparable to new homes and are traded on the same market】</p> <ul style="list-style-type: none"> ◆ Improve home diagnostic services by introducing underfloor inspection robot ◆ Speed up expansion of sales offices in partnership with home centers (expand sales of conventional wooden buildings) ◆ Develop methods to deal with various needs such as property acquisition and resale and moving to new homes

Plans for Each Segment in FY2010 (2)

Daiwa House Group®

(¥bn)

Business Segment	Sales		Operating Income		Major Policies for the Current Fiscal Year
	FY2009 Results	FY2010 Plan	FY2009 Results	FY2010 Plan	
Commercial Facilities	285.6	276.0	34.4	32.5	<p>【Sharp rise in contract renewals of commercial facilities that were built in large volume during bubble economy】</p> <ul style="list-style-type: none"> ◆ Increase orders for rebuilding and renovating properties whose contract period has expired ◆ Strengthen management and operation of facilities ⇒ actively occupy mid-to-small sized facilities
Business & Corporate Facilities	196.2	186.5	21.7	12.0	<p>【Increased single elderly households and upgrading distribution facilities】</p> <ul style="list-style-type: none"> ◆ Enhance housing facilities for physically healthy senior citizens, such as rental housing for the elderly, in line with government policies ◆ Strengthen capability to meet environmental requirements of distribution facilities as well as processing and distribution functions
Health & Leisure	57.1	59.5	-0.5	0.0	<p>【Provide customized travel particularly for the elderly and respond to declining birthrate】</p> <ul style="list-style-type: none"> ◆ Enhance membership and sales planning targeting individual customers in Japan (resort hotels) ◆ Comprehensive schools for children including language lessons (fitness clubs)
Others	210.9	221.0	1.0	2.7	
(Eliminations/Corporate)	(81.2)	(81.5)	(22.2)	(25.5)	
Total	1,609.8	1,660.0	62.7	85.0	