

Updated June 10, 2011

## **Financial Highlights for FY2010**

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(From April 1, 2010 to March 31, 2011)

**Daiwa House Industry Co.,Ltd.**

(2011.06)

**This document is an update of the business forecasts provided in the Company's Summary of Financial Results for the Fiscal year ended March 31, 2011 announced on May 10, 2011.**

- Notes: 1. The business forecasts are based on assumptions in light of information available as of the date of announcement of this material, and the factors of uncertainty that may possibly impact the future results of operations. The Company's actual results may differ significantly from those presented herein as a consequence of numerous factors.
2. Amounts below ¥100 million are omitted in this material.

# 1. Summary of Account Settlement in FY2010: Overview

■ For the fiscal year ended March. 31, 2010 and 2011

(¥ billion)

	Consolidated				Non-consolidated			
	FY2009	FY2010	YOY		FY2009	FY2010	YOY	
			Amounts	Ratio			Amounts	Ratio
Net sales	1,609.8	1,690.1	80.2	5.0%	1,034.8	1,058.1	23.2	2.2%
Operating income	62.7	87.6	24.9	39.8%	38.7	58.4	19.6	50.7%
Ordinary income	60.0	79.0	19.0	31.7%	39.0	57.8	18.7	48.1%
Net income	19.1	27.2	8.1	42.7%	12.9	12.7	-0.2	-2.0%
Basic net income per share (¥)	33.00	47.09	14.09	42.7%				

■ At March 31, 2010 and March 31, 2011

(¥ billion)

	Consolidated				Non-consolidated			
	Mar. 31, 2010	Mar. 31, 2011	YOY		Mar. 31, 2010	Mar. 31, 2011	YOY	
			Amounts	Ratio			Amounts	Ratio
Total assets	1,916.9	1,934.2	17.3	0.9%	1,418.1	1,400.3	-17.8	-1.3%
Net assets	617.7	635.1	17.4	2.8%	545.3	549.0	3.6	0.7%
Net assets per share (¥)	1,065.15	1,095.62	30.47	2.9%				

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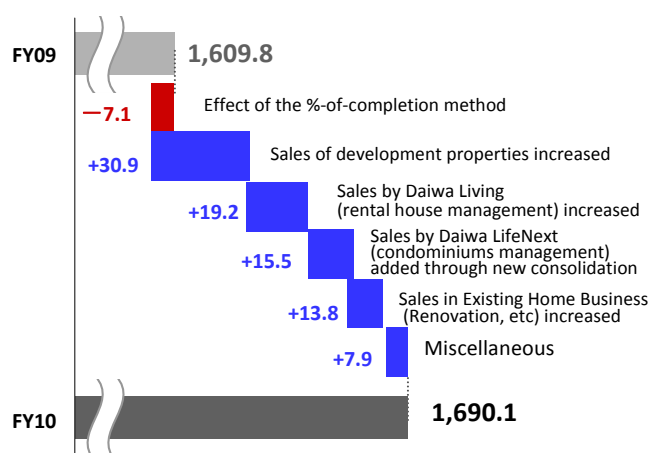
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## 【MEMO】

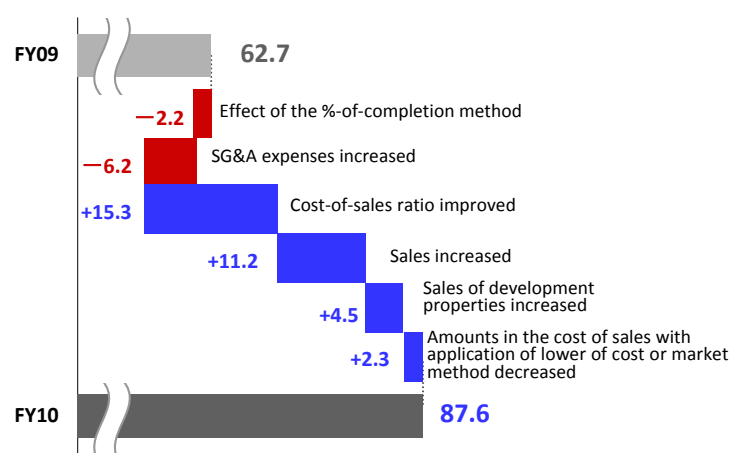
- Net sales increased 5.0% yoy, mainly due to an increase in sales in the Rental Housing segment. Operating income increased 39.8% yoy, mainly due to the improvement of the cost-of-sales ratio.
- Net income increased 42.7% yoy, due to an increase in operating income, in spite of the posting of ¥8.4 billion in amortization of actuarial loss for employees' retirement benefits in non-operating expenses and ¥7.9 billion in loss on disaster associated with the impact of the Great East Japan Earthquake in extraordinary losses.

### ■ Major factors in the net sales and operating income increase

■ Net sales (¥bn)



■ Operating income (¥bn)



### ■ Group companies

	Number of companies			Notes
	Mar. 31, 2010	Mar. 31, 2011	Change	
Parent Company (Daiwa House Industry)	1	1	—	
Consolidated subsidiaries	59	62	3	Inclusion:5; Exclusion: 2
Equity-method affiliates	13	13	—	Inclusion:1; Exclusion: 1
Unconsolidated subsidiary	1	1	—	Daiwa House REIT Investment Corporation
<b>Total</b>	<b>74</b>	<b>77</b>	<b>3</b>	

## 2. Summary of Profits

(¥ billion)

	FY2009		Revised forecasts (Nov. 2010) (B)	FY2010					
	Results (A)	Proportion		Results (C)	Proportion	Comparison with (A) and (C)		Comparison with (B) and (C)	
						Amounts	Ratio	Amounts	Ratio
<b>Net sales</b>	<b>1,609.8</b>	<b>100.0%</b>	<b>1,660.0</b>	<b>1,690.1</b>	<b>100.0%</b>	80.2	5.0%	30.1	1.8%
Cost of sales	1,303.8	81.0%	1,325.2	1,352.9	80.0%	49.0	3.8%	27.7	2.1%
Gross profit	306.0	19.0%	334.8	337.2	20.0%	31.2	10.2%	2.4	0.7%
SG&A expenses	243.2	15.1%	249.8	249.5	14.8%	6.2	2.6%	-0.2	-0.1%
<b>Operating income</b>	<b>62.7</b>	<b>3.9%</b>	<b>85.0</b>	<b>87.6</b>	<b>5.2%</b>	<b>24.9</b>	<b>39.8%</b>	<b>2.6</b>	<b>3.2%</b>
Non-operating income	12.3	0.8%	12.0	11.3	0.7%	-1.0	-8.3%	-0.6	-5.6%
Non-operating expenses	15.0	0.9%	17.0	19.9	1.2%	4.9	32.9%	2.9	17.5%
<b>Ordinary income</b>	<b>60.0</b>	<b>3.7%</b>	<b>80.0</b>	<b>79.0</b>	<b>4.7%</b>	<b>19.0</b>	<b>31.7%</b>	<b>-0.9</b>	<b>-1.2%</b>
Extraordinary income	0.2	0.0%	3.5	3.6	0.2%	3.3	—	0.1	3.0%
Extraordinary losses	22.2	1.4%	23.8	41.9	2.5%	19.7	88.7%	18.1	76.2%
Income before income taxes and minority interests	38.0	2.4%	59.7	40.7	2.4%	2.6	6.9%	-18.9	-31.8%
<b>Net income</b>	<b>19.1</b>	<b>1.2%</b>	<b>36.0</b>	<b>27.2</b>	<b>1.6%</b>	<b>8.1</b>	<b>42.7%</b>	<b>-8.7</b>	<b>-24.3%</b>

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### [MEMO]

#### ■ (Reference) Effect of the percentage-of-completion method

Excluding the effect of the percentage-of-completion method, net sales increased by ¥87.4 billion, operating income increased by ¥27.2 billion, and ordinary income increased by ¥21.2 billion.

(¥ bn)

	FY2009			FY2010			Comparison of "before application" (E)-(B)
	(Reference) Effect of %-of-completion method		Results (A) + (B)	(Reference) Effect of %-of-completion method		Results (D)+(E)	
	Amounts (A)	Before application (B)		Amounts (C)	Amounts, net (D)=(C)-(A)		
Net sales	38.5	1,571.3	1,609.8	70.0	31.4	1,658.7	87.4
Operating income	7.6	55.0	62.7	13.0	5.4	82.2	27.2
Ordinary income	7.6	52.4	60.0	13.0	5.4	73.6	21.2

#### ■ Lower of cost or market methods (inventories) (¥ bn)

	FY2009	FY2010	Change
Lower of cost or market methods (inventories)	16.1	13.8	-2.3
Condominiums	14.6	1.6	-13.0
Single-Family Houses	0.7	8.4	7.6
Others	0.7	3.8	3.0

#### ■ SG&A expenses (¥ bn)

	FY2009	FY2010	Change
Personnel costs (incl. welfare expense)	143.2	147.2	3.9
Advertising & promotion expenses	24.6	25.6	1.0
Sales commission	10.7	12.0	1.2
Communication & transportation expenses	12.6	13.1	0.5
Others	52.0	51.4	-0.5
<b>Total</b>	<b>243.2</b>	<b>249.5</b>	<b>6.2</b>

#### ■ Extraordinary income (¥ bn)

	FY2009	FY2010	Change
Gain on sales of investment securities	—	1.7	1.7
Reversal of liability for loss on disaster	—	1.3	1.3
Gain on transfer of business	—	0.2	0.2
Gain on sales of investments in capital of subsidiaries and affiliates	—	0.1	0.1
Others	0.2	0.1	-0.1
<b>Total</b>	<b>0.2</b>	<b>3.6</b>	<b>3.3</b>

#### ■ Extraordinary losses (¥ bn)

	FY2009	FY2010	Change
Impairment loss on noncurrent assets	10.9	18.7	7.8
Loss on disaster	—	7.9	7.9
Provision of allowance for investment loss	—	3.6	3.6
Salaries and allowance for prior periods*	—	2.0	2.0
Others	11.3	9.5	-1.8
<b>Total</b>	<b>22.2</b>	<b>41.9</b>	<b>19.7</b>

\* Salaries and allowance for the fiscal under review is recorded in operating expenses.

### 3. Business Segment Information ① Sales

(¥ billion)

	FY2009	FY2010							
		Results (A)	Revised forecasts (Nov. 2010) (B)	Results (C)	Proportion	Comparison with (A) and (C)		Comparison with (B) and (C)	
						Amounts	Ratio	Amounts	Ratio
Sales	Single-Family Houses	325.9	325.0	322.4	19.1%	-3.4	-1.1%	-2.5	-0.8%
	Rental Housing	449.0	480.5	496.1	29.5%	47.1	10.5%	15.6	3.3%
	Condominiums	119.3	133.5	140.9	8.3%	21.6	18.1%	7.4	5.6%
	Existing Home Business	46.9	59.5	60.7	3.6%	13.8	29.4%	1.2	2.2%
	Commercial Facilities	285.6	276.0	274.0	16.2%	-11.6	-4.1%	-1.9	-0.7%
	Business & Corporate Facilities	196.2	186.5	194.3	11.5%	-1.9	-1.0%	7.8	4.2%
	Health & Leisure	57.1	59.5	58.0	3.4%	0.9	1.6%	-1.4	-2.4%
	Other Businesses	210.9	221.0	223.6	13.2%	12.7	6.1%	2.6	1.2%
	(Adjustment)	(81.2)	(81.5)	(80.2)	-4.8%	1.0	—	1.2	—
	<b>Total</b>	<b>1,609.8</b>	<b>1,660.0</b>	<b>1,690.1</b>	<b>100.0%</b>	<b>80.2</b>	<b>5.0%</b>	<b>30.1</b>	<b>1.8%</b>

Note: Sales by segment are shown prior to intersegment adjustment.

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#### 【MEMO】

#### ■ (Reference) Effect of the percentage-of-completion method on sales

(¥ bn)

	FY2009			FY2010				
	(Reference) Effect of %-of-completion method		Results (A) + (B)	(Reference) Effect of %-of-completion method			Results (D) + (E)	Comparison of "before application" (E) - (B)
	Amounts (A)	Before application (B)		Amounts (C)	Amounts, net (D) = (C) - (A)	Before application (E)		
Single-Family Houses	5.3	320.6	325.9	14.4	9.1	313.3	322.4	-7.2
Rental Housing	8.7	440.2	449.0	20.1	11.3	484.8	496.1	44.5
Condominiums	0.1	119.2	119.3	0.1	-0.0	140.9	140.9	21.7
Existing Home Business	0.2	46.7	46.9	0.3	0.1	60.6	60.7	13.8
Commercial Facilities	8.3	277.3	285.6	9.9	1.6	272.4	274.0	-4.9
Business & Corporate Facilities	15.6	180.6	196.2	24.8	9.1	185.1	194.3	4.4
Health & Leisure	—	57.1	57.1	—	—	58.0	58.0	0.9
Other Businesses	0.1	210.7	210.9	0.1	-0.0	223.7	223.6	13.0
(Adjustment)	—	(81.2)	(81.2)	—	—	(80.2)	(80.2)	1.0
<b>Total</b>	<b>38.5</b>	<b>1,571.3</b>	<b>1,609.8</b>	<b>70.0</b>	<b>31.4</b>	<b>1,658.7</b>	<b>1,690.1</b>	<b>87.4</b>

Note: Sales by segment are shown prior to intersegment adjustment.

### 3. Business Segment Information ② Operating Income/Losses

(¥ billion)

		FY2009		FY2010					
		Results (A)	Revised forecasts (Nov. 2010) (B)	Results (C)	Proportion	Comparison with (A) and (C)		Comparison with (B) and (C)	
						Amounts	Ratio	Amounts	Ratio
Operating Income/losses	Single-Family Houses	6.2	14.8	7.2	8.2%	1.0	16.2%	-7.5	-51.3%
	Rental Housing	38.6	41.5	46.9	53.6%	8.3	21.6%	5.4	13.3%
	Condominiums	-18.3	3.0	5.3	6.1%	23.6	—	2.3	79.0%
	Existing Home Business	1.7	4.0	4.2	4.8%	2.4	143.6%	0.2	5.9%
	Commercial Facilities	34.4	32.5	33.5	38.3%	-0.8	-2.5%	1.0	3.3%
	Business & Corporate Facilities	21.7	12.0	11.5	13.1%	-10.2	-47.1%	-0.4	-4.0%
	Health & Leisure	-0.5	0.0	-0.8	-0.9%	-0.3	—	-0.8	—
	Other Businesses	1.0	2.7	3.6	4.2%	2.6	250.7%	0.9	35.0%
	(Adjustment)	(22.2)	(25.5)	(24.0)	-27.4%	-1.7	—	1.4	—
	<b>Total</b>	<b>62.7</b>	<b>85.0</b>	<b>87.6</b>	<b>100.0%</b>	<b>24.9</b>	<b>39.8%</b>	<b>2.6</b>	<b>3.2%</b>

Notes: 1. Operating income by segment is shown prior to intersegment adjustment.

2. ¥ 7.2 million in operating income in the Single-Family houses includes

#### 【MEMO】

#### ■ (Reference) Effect of the percentage-of-completion method on operating income

(¥ bn)

	FY2009			FY2010				
	(Reference) Effect of %-of-completion method		Results (A) + (B)	(Reference) Effect of %-of-completion method			Results (D) + (E)	Comparison of "before application" (E) - (B)
	Amounts (A)	Before application (B)		Amounts (C)	Amounts, net (D) = (C) - (A)	Before application (E)		
Single-Family Houses	1.3	4.8	6.2	3.7	2.4	4.7	7.2	-0.0
Rental Housing	2.0	36.5	38.6	4.6	2.5	44.4	46.9	7.8
Condominiums	0.0	-18.3	-18.3	0.0	-0.0	5.3	5.3	23.7
Existing Home Business	0.0	1.7	1.7	0.0	0.0	4.1	4.2	2.4
Commercial Facilities	2.1	32.3	34.4	1.9	-0.1	33.6	33.5	1.3
Business & Corporate Facilities	2.0	19.7	21.7	2.5	0.4	11.0	11.5	-8.7
Health & Leisure	—	-0.5	-0.5	—	—	-0.8	-0.8	-0.3
Other Businesses	0.0	1.0	1.0	0.0	-0.0	3.6	3.6	2.6
(Adjustment)	—	(22.2)	(22.2)	—	—	(24.0)	(24.0)	-1.7
<b>Total</b>	<b>7.6</b>	<b>55.0</b>	<b>62.7</b>	<b>13.0</b>	<b>5.4</b>	<b>82.2</b>	<b>87.6</b>	<b>27.2</b>

Note: Operating income by segment is shown prior to intersegment adjustment.

## 4. Consolidated Balance Sheets ① Assets

	(¥ billion)			
	Mar. 31, 2010	Mar. 31, 2011	Change	
			Amounts	Ratio
<b>Current assets</b>	<b>678.7</b>	<b>681.2</b>	<b>2.5</b>	<b>0.4%</b>
<b>Noncurrent assets</b>	<b>1,238.1</b>	<b>1,252.9</b>	<b>14.8</b>	<b>1.2%</b>
Property, plant and equipment	778.6	760.1	-18.4	-2.4%
Intangible assets	20.1	21.4	1.3	6.6%
Investment and other assets	439.4	471.3	31.9	7.3%
<b>Total assets</b>	<b>1,916.9</b>	<b>1,934.2</b>	<b>17.3</b>	<b>0.9%</b>

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### 【MEMO】

#### ■ Major factors in changes from the previous fiscal year-end

##### 【Property, plant and equipment】

Property, plant and equipment decreased by ¥18.4 billion, 2.4% from the previous fiscal year-end, mainly due to sales of investment real estate.

##### 【Investment and other assets】

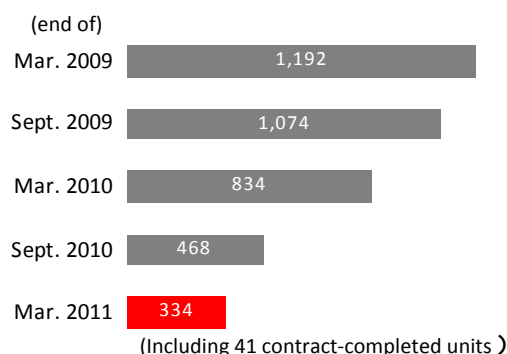
Investment securities increased by ¥13.1 billion, 12.6% from the previous fiscal year-end, mainly due to an additional investment.

#### ■ Inventories

	(¥ bn)			
	Mar. 31, 2010	Mar. 31, 2011	Change	
			Amounts	Ratio
<b>Costs on uncompleted construction contracts</b>	<b>15.0</b>	<b>15.3</b>	<b>0.2</b>	<b>1.4%</b>
<b>Land for sale</b>	<b>213.4</b>	<b>217.0</b>	<b>3.5</b>	<b>1.7%</b>
for houses	84.2	85.2	0.9	1.2%
for condominiums	85.7	96.2	10.4	12.2%
<b>Buildings for sale</b>	<b>51.5</b>	<b>48.7</b>	<b>-2.8</b>	<b>-5.4%</b>
for houses	9.1	11.3	2.1	24.0%
for condominiums	36.6	28.0	-8.5	-23.3%
<b>Others</b>	<b>19.9</b>	<b>20.9</b>	<b>0.9</b>	<b>4.9%</b>
<b>Total</b>	<b>300.0</b>	<b>301.9</b>	<b>1.9</b>	<b>0.7%</b>

#### ✓ Number of inventory units of condominiums

(including contract-completed units)



#### ■ Noncurrent assets

	(¥ bn)			
	Mar. 31, 2010	Mar. 31, 2011	Change	
			Amounts	Ratio
Buildings & structures	333.7	327.8	-5.9	-1.8%
Land	389.5	387.3	-2.2	-0.6%
Other	55.2	44.9	-10.3	-18.7%
<b>Total property, plant and equipment</b>	<b>778.6</b>	<b>760.1</b>	<b>-18.4</b>	<b>-2.4%</b>

Including a ¥15.7 billion increase with the application of accounting standard for asset retirement obligations

• A ¥6.2 billion decrease in the construction in progress  
• A ¥3.6 billion decrease in motor vehicles and transport equipment, etc.

## 4. Consolidated Balance Sheets ② Liabilities and Net Assets

	(¥ billion)			
	Mar. 31, 2010	Mar. 31, 2011	Change	
			Amounts	Ratio
<b>Liabilities</b>	<b>1,299.1</b>	<b>1,299.0</b>	<b>-0.1</b>	<b>-0.0%</b>
Current liabilities	344.6	389.7	45.1	13.1%
Noncurrent liabilities	954.5	909.3	-45.2	-4.7%
<b>Net assets</b>	<b>617.7</b>	<b>635.1</b>	<b>17.4</b>	<b>2.8%</b>
Shareholders' equity	692.4	679.3	-13.1	-1.9%
Accumulated other comprehensive income	-75.6	-45.2	30.4	—
Minority interests	0.9	1.0	0.0	9.2%
<b>Total liabilities &amp; net assets</b>	<b>1,916.9</b>	<b>1,934.2</b>	<b>17.3</b>	<b>0.9%</b>

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## 【MEMO】

## ■ Major factors in changes from the previous fiscal year-end

## 【Current liabilities and noncurrent liabilities】

Total long-term loans payable decreased by ¥57.6 billion, due to payments of loans, including a ¥22.2 billion increase in current portion of long-term loans payable; and a ¥79.8 billion decrease in long-term loans payable.

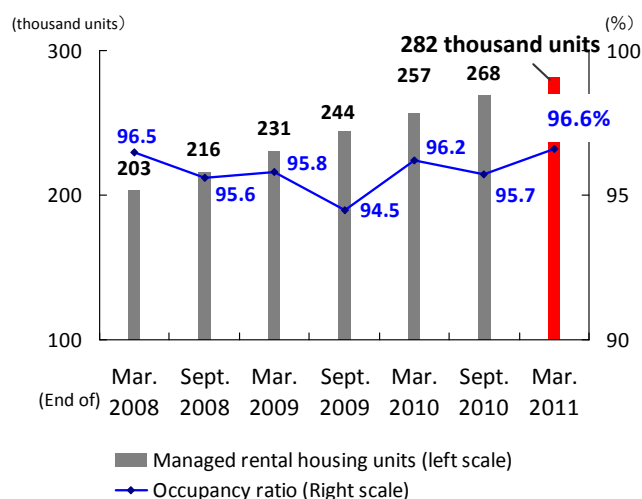
## 【Current liabilities and noncurrent liabilities】

¥23.4 billion posted in asset retirement obligations, including ¥1.7 billion in current liabilities and ¥21.6 billion in noncurrent liabilities.

## ■ Interest-bearing liabilities

	(¥ bn)			
	Mar. 31, 2010	Mar. 31, 2011	Change	
			Amounts	Ratio
Short-term loans payable	14.7	9.1	-5.6	-38.1%
Current portion of long-term bonds payable	—	4.5	4.5	—
Current portion of long-term loans payable	2.9	25.1	22.2	765.7%
Bonds payable	105.3	101.3	-4.0	-3.8%
Long-term loans payable	335.3	255.4	-79.8	-23.8%
<b>Total (excl. lease obligations)</b>	<b>458.3</b>	<b>395.5</b>	<b>-62.8</b>	<b>-13.7%</b>
<b>Debt-equity ratio</b>	<b>0.74</b>	<b>0.62</b>	<b>-0.12pt</b>	
<b>Net debt-equity ratio</b>	<b>0.45</b>	<b>0.39</b>	<b>-0.06pt</b>	
<b>Net asset ratio</b>	<b>32.2%</b>	<b>32.8%</b>	<b>0.6pt</b>	

## ✓ Managed rental housing units &amp; occupancy ratio (Group total)



## 5. Business Performance Forecasts for FY2011 ① Major Business Performance (Released on June 10, 2011)

(¥ billion)

	FY2010		FY2011 (Forecasts)			
	Results	Proportion	Forecasts	Proportion	YOY	
					Amounts	Ratio
<b>Net sales</b>	<b>1,690.1</b>	<b>100.0%</b>	<b>1,750.0</b>	<b>100.0%</b>	<b>59.8</b>	<b>3.5%</b>
Cost of sales	1,352.9	80.0%	1,399.0	79.9%	46.0	3.4%
Gross profit	337.2	20.0%	351.0	20.1%	13.7	4.1%
SG&A expenses	249.5	14.8%	256.0	14.6%	6.4	2.6%
<b>Operating income</b>	<b>87.6</b>	<b>5.2%</b>	<b>95.0</b>	<b>5.4%</b>	<b>7.3</b>	<b>8.3%</b>
Non-operating income	11.3	0.7%	10.5	0.6%	-0.8	-7.3%
Non-operating expenses	19.9	1.2%	12.5	0.7%	-7.4	-37.4%
<b>Ordinary income</b>	<b>79.0</b>	<b>4.7%</b>	<b>93.0</b>	<b>5.3%</b>	<b>13.9</b>	<b>17.6%</b>
Extraordinary income	3.6	0.2%	0.0	0.0%	-3.6	—
Extraordinary losses	41.9	2.5%	5.9	0.3%	-36.0	-85.9%
Income before income taxes and minority interests	40.7	2.4%	87.1	5.0%	46.3	113.9%
<b>Net income</b>	<b>27.2</b>	<b>1.6%</b>	<b>47.0</b>	<b>2.7%</b>	<b>19.7</b>	<b>72.4%</b>

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### 【MEMO】

#### ■ Major factors in changes from the previous fiscal year

Revenues and earnings are forecast to increase in overall terms. This is mainly attributable to sales growth including overseas operations as well as restoration and reconstruction demand following the Great East Japan Earthquake.

#### ■ (Reference) Sales forecasts in business performance for 1st half and 2nd half of FY2011

(¥ Billion)

	FY2011								
	Full Year			1st Half			2nd Half		
	Forecasts	Proportion	YOY	Forecasts	Proportion	YOY	Forecasts	Proportion	YOY
<b>Net sales</b>	<b>1,750.0</b>	<b>100.0%</b>	<b>3.5%</b>	<b>870.0</b>	<b>100.0%</b>	<b>5.9%</b>	<b>880.0</b>	<b>100.0%</b>	<b>1.4%</b>
<b>Operating income</b>	<b>95.0</b>	<b>5.4%</b>	<b>8.3%</b>	<b>47.0</b>	<b>5.4%</b>	<b>0.4%</b>	<b>48.0</b>	<b>5.5%</b>	<b>17.4%</b>
<b>Ordinary income</b>	<b>93.0</b>	<b>5.3%</b>	<b>17.6%</b>	<b>45.5</b>	<b>5.2%</b>	<b>-4.3%</b>	<b>47.5</b>	<b>5.4%</b>	<b>50.7%</b>
<b>Net income</b>	<b>47.0</b>	<b>2.7%</b>	<b>72.4%</b>	<b>22.0</b>	<b>2.5%</b>	<b>-23.9%</b>	<b>25.0</b>	<b>2.8%</b>	<b>—</b>



## 5. Business Performance Forecasts for FY2011 ② Segment forecasts

(Released on June 10, 2011)

(¥ billion)

	FY2010		FY2011 (Forecasts)				
	Results	Proportion	Forecasts	Proportion	YOY		
					Amounts	Ratio	
Sales	Single-Family Houses	322.4	19.1%	322.8	18.4%	0.3	0.1%
	Rental Housing	496.1	29.5%	520.0	29.7%	23.8	4.8%
	Condominiums	140.9	8.3%	122.5	7.0%	-18.4	-13.1%
	Existing Home Business	60.7	3.6%	69.5	4.0%	8.7	14.3%
	Commercial Facilities	274.0	16.2%	289.0	16.5%	14.9	5.4%
	Business & Corporate Facilities	194.3	11.5%	218.0	12.5%	23.6	12.2%
	Health & Leisure	58.0	3.4%	50.5	2.9%	-7.5	-13.0%
	Other Businesses	223.6	13.2%	245.0	14.0%	21.3	9.5%
	(Adjustment)	(80.2)	-4.8%	(87.3)	-5.0%	—	—
<b>Total</b>	<b>1,690.1</b>	<b>100.0%</b>	<b>1,750.0</b>	<b>100.0%</b>	<b>59.8</b>	<b>3.5%</b>	
Operating Income/losses	Single-Family Houses	7.2	8.2%	15.0	15.8%	7.7	108.0%
	Rental Housing	46.9	53.6%	45.5	47.9%	-1.4	-3.2%
	Condominiums	5.3	6.1%	2.5	2.6%	-2.8	-53.4%
	Existing Home Business	4.2	4.8%	5.8	6.1%	1.5	36.9%
	Commercial Facilities	33.5	38.3%	29.0	30.5%	-4.5	-13.6%
	Business & Corporate Facilities	11.5	13.1%	12.5	13.2%	0.9	8.5%
	Health & Leisure	-0.8	-0.9%	-2.0	-2.1%	-1.1	—
	Other Businesses	3.6	4.2%	11.7	12.3%	8.0	221.1%
	(Adjustment)	(24.0)	-27.4%	(25.0)	-26.3%	—	—
<b>Total</b>	<b>87.6</b>	<b>100.0%</b>	<b>95.0</b>	<b>100.0%</b>	<b>7.3</b>	<b>8.3%</b>	

Note: Sales by segment are shown prior to intersegment adjustment.

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## 【MEMO】

## ■ Major factors in changes from the previous fiscal year

- Single-Family Houses: Both revenue and earnings are forecast to increase due mainly to the reduced impact from applying the lower of cost or market inventory valuation method.
- Rental Housing: While revenue is expected to increase on the back of an upswing in rental activity, earnings are anticipated to decrease owing largely to deterioration in the cost-of-sales ratio.
- Condominiums: Both revenue and earnings are estimated to fall reflecting the drop in sales.
- Existing Home Business: Increase in revenue and earnings due mainly to business expansion.
- Commercial Facilities: Despite higher revenue owing primarily to increased sales and rental activity, earnings are projected to decline due to deterioration in the cost-of-sales ratio.
- Business & Corporate: Increase in revenue and earnings on the back of restoration and reconstruction demand following the Great East Japan Earthquake.
- Health & Leisure: Decrease in revenue and earnings owing mainly to the impact of the Great East Japan Earthquake.
- Other Businesses: Forecast increase in revenue and earnings reflecting condominium sales in Suzhou, China. (Net sales:¥21.9 billion; Operating income:¥7.0 billion)

## ■ (Reference) Sales forecasts in business performance for 1st half and 2nd half of FY2011

(¥ billion)

	FY2011									
	Full Year			1st Half			2nd Half			
	Forecasts	YOY		Forecasts	YOY		Forecasts	YOY		
Amount		YOY	Amount		YOY	Amount		YOY		
Sales	Single-Family Houses	322.8	0.3	0.1%	159.4	-2.1	-1.3%	163.4	2.4	1.5%
	Rental Housing	520.0	23.8	4.8%	265.0	21.1	8.7%	255.0	2.6	1.1%
	Condominiums	122.5	-18.4	-13.1%	42.6	-14.2	-25.0%	79.9	-4.2	-5.0%
	Existing Home Business	69.5	8.7	14.3%	34.3	5.7	20.3%	35.2	2.9	9.1%
	Commercial Facilities	289.0	14.9	5.4%	145.0	11.1	8.3%	144.0	3.7	2.7%
	Business & Corporate Facilities	218.0	23.6	12.2%	125.0	26.4	26.8%	93.0	-2.7	-2.9%
	Health & Leisure	50.5	-7.5	-13.0%	26.0	-4.2	-13.9%	24.5	-3.3	-12.0%
	Other Businesses	245.0	21.3	9.5%	115.0	5.9	5.5%	130.0	15.3	13.4%
	(Adjustment)	(87.3)	—	—	(42.3)	—	—	(45.0)	—	—
<b>Total</b>	<b>1,750.0</b>	<b>59.8</b>	<b>3.5%</b>	<b>870.0</b>	<b>48.0</b>	<b>5.9%</b>	<b>880.0</b>	<b>11.7</b>	<b>1.4%</b>	
Operating Income/losses	Single-Family Houses	15.0	7.7	108.0%	7.0	-0.2	-3.5%	8.0	8.0	—
	Rental Housing	45.5	-1.4	-3.2%	24.5	0.4	1.8%	21.0	-1.9	-8.4%
	Condominiums	2.5	-2.8	-53.4%	-0.3	-0.0	—	2.8	-2.8	-50.2%
	Existing Home Business	5.8	1.5	36.9%	3.2	1.2	67.8%	2.6	0.2	11.6%
	Commercial Facilities	29.0	-4.5	-13.6%	14.0	-2.9	-17.6%	15.0	-1.5	-9.5%
	Business & Corporate Facilities	12.5	0.9	8.5%	9.0	0.7	8.7%	3.5	0.2	8.3%
	Health & Leisure	-2.0	-1.1	—	-1.1	-1.0	—	-0.9	-0.1	—
	Other Businesses	11.7	8.0	221.1%	3.2	2.0	187.0%	8.5	5.9	236.1%
	(Adjustment)	(25.0)	—	—	(12.5)	—	—	(12.5)	—	—
<b>Total</b>	<b>95.0</b>	<b>7.3</b>	<b>8.3%</b>	<b>47.0</b>	<b>0.1</b>	<b>0.4%</b>	<b>48.0</b>	<b>7.1</b>	<b>17.4%</b>	

Note: Sales by segment are shown prior to intersegment adjustment.

# (Reference ①) Orders Received by Business Segment (Non-Consolidated)

(Released on June 10, 2011)

(¥ billion)

		FY2009		FY2010				
		Units	Amounts	Units	Amounts	YOY		
						Amount	Ratio	
Orders received	Single-Family Houses	Custom-built houses	8,166	233.7	8,371	242.8	9.0	3.9%
		Houses (of housing subdivisions)	1,331	32.8	1,421	34.0	1.2	3.7%
		Land (including land for housing subdivisions)	—	41.3	—	49.6	8.2	20.0%
		Subtotal	9,497	307.9	9,792	326.5	18.5	6.0%
	Rental Housing	25,433	245.0	26,861	294.1	49.0	20.0%	
	Condominiums	2,675	87.7	2,389	86.8	-0.8	-1.0%	
	Existing Home Business	—	42.1	—	53.8	11.7	27.8%	
	Commercial Facilities	—	156.6	—	153.7	-2.9	-1.9%	
	Business & Corporate Facilities	—	126.9	—	126.6	-0.3	-0.3%	
	Resort Business	—	4.5	—	4.2	-0.2	-0.6%	
Other Businesses	—	4.0	—	5.3	1.3	32.8%		
	Total	37,605	975.0	39,042	1,051.3	76.2	7.8%	

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## 【MEMO】

## ■ Orders received forecasts for FY2011 (Updated June 10, 2011)

(¥ bn)

		FY2011 (Forecasts)				
		Units	Amounts	YOY		
				Amounts	Ratio	
Orders received	Single-Family Houses	Custom-built houses	8,350	240.8	-2.0	-0.8%
		Houses (of housing subdivisions)	1,350	32.0	-2.0	-6.1%
		Land (including land for housing subdivisions)	—	50.0	0.3	0.7%
		Subtotal	9,700	322.8	-3.7	-1.2%
	Rental Housing	24,950	282.0	-12.1	-4.1%	
	Condominiums	2,600	95.0	8.1	9.4%	
	Existing Home Business	—	61.2	7.3	13.7%	
	Commercial Facilities	—	162.2	8.4	5.5%	
	Business & Corporate Facilities	—	125.4	-1.2	-1.0%	
	Resort Business	—	3.4	-0.8	-19.7%	
Other Businesses	—	7.9	2.5	48.0%		
	Total	37,250	1,060.0	8.6	0.8%	

- Notes:
1. The presentation of the non-consolidated segments has been changed in accordance with the change in consolidated segments.
  2. In the Single-Family Houses segment, we engage in construction by order of "Custom-built houses," and package sales of new houses with land ("Housing subdivision").
  3. In the Rental Housing, Condominiums, Commercial Facilities, and Business & Corporate Facilities businesses, the figures in the charts include lands and buildings.
  4. The YOY ratios are calculated based on the figures in the amounts columns.

## (Reference ②) Sales by Business Segment (Non-consolidated) (Released on June 10, 2011)

(¥ billion)

Sales		FY2009			FY2010						
		Units	Amounts	Gross profit ratio(%)	Units	Amounts	YOY		Gross profit ratio(%)	Change	
							Amounts	Ratio			
Sales	Single-Family Houses	Custom-built houses	8,609	249.3	23.3%	8,133	244.3	-5.0	-2.0%	24.5%	1.2pt
		Houses (of housing subdivisions)	1,308	32.2	21.7%	1,370	32.8	0.6	2.0%	22.7%	1.0pt
		Land (including land for housing subdivisions)	—	44.3	-15.2%	—	45.4	1.0	2.4%	-19.9%	-4.7pt
		Subtotal	9,917	325.9	17.9%	9,503	322.6	-3.3	-1.0%	18.1%	0.2pt
	Rental Housing	26,538	267.6	25.3%	25,224	287.6	20.0	7.5%	25.7%	0.5pt	
	Condominiums	2,863	92.4	-10.4%	2,687	98.6	6.2	6.8%	14.5%	24.9pt	
	Existing Home Business	—	39.6	29.4%	—	51.4	11.8	29.9%	33.2%	3.8pt	
	Commercial Facilities	—	169.1	25.1%	—	154.3	-14.8	-8.8%	25.2%	0.1pt	
	Business & Corporate Facilities	—	131.6	23.0%	—	134.1	2.5	1.9%	15.2%	-7.8pt	
	Resort Business	—	4.5	22.3%	—	4.2	-0.2	-6.0%	20.5%	-1.8pt	
Other Businesses	—	3.9	3.7%	—	4.9	0.9	25.2%	10.2%	6.6pt		
	Total	39,318	1,034.8	19.5%	37,414	1,058.1	23.2	2.2%	21.2%	1.7pt	

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## 【MEMO】

## ■ (Reference) Effect of the percentage-of-completion method on sales

(¥ bn)

Sales		FY2009			FY2010			Comparison of "before application" (E) - (B)		
		(Reference) Effect of %-of-completion method		Results (A) + (B)	(Reference) Effect of %-of-completion method		Results (D) + (E)			
		Amounts (A)	Before application (B)		Amounts (C)	Amounts, net (D) = (C) - (A)			Before application (E)	
Sales	Single-Family Houses	5.3	320.6	325.9	14.7	9.3	313.3	322.6	-7.2	
	Rental Housing	8.7	258.8	267.6	20.1	11.3	276.2	287.6	17.4	
	Condominiums	—	92.4	92.4	—	—	98.6	98.6	6.2	
	Existing Home Business	0.2	39.4	39.6	0.3	0.1	51.3	51.4	11.9	
	Commercial Facilities	11.0	158.0	169.1	9.7	-1.2	155.6	154.3	-2.4	
	Business & Corporate	14.8	116.8	131.6	27.3	12.5	121.5	134.1	4.7	
	Resort Business	—	4.5	4.5	—	—	4.2	4.2	-0.2	
	Other Businesses	—	3.9	3.9	0.0	0.0	4.8	4.9	0.9	
		Total	40.2	994.5	1,034.8	72.4	32.1	1,025.9	1,058.1	31.3

## ■ Sales forecasts for FY2011 (Updated June 10, 2011)

(¥ bn)

Sales		Units	Amounts	YOY		Gross profit ratio(%)	YOY
				Amounts	Ratio		
				FY2011 (Forecasts)			
Single-Family Houses	Custom-built houses	8,620	244.6	0.2	0.1%	24.2%	-0.4pt
	Houses (of housing subdivisions)	1,380	32.5	-0.3	-1.2%	22.5%	-0.2pt
	Land (including land for housing subdivisions)	—	45.7	0.2	0.6%	0.0%	19.9pt
	Subtotal	10,000	322.8	0.1	0.0%	20.6%	2.5pt
Rental Housing	26,950	292.0	4.3	1.5%	24.7%	-1.1pt	
Condominiums	2,300	78.5	-20.1	-20.4%	13.4%	-1.1pt	
Existing Home Business	—	58.7	7.2	14.1%	32.3%	-1.0pt	
Commercial Facilities	—	157.7	3.3	2.2%	23.2%	-2.0pt	
Business & Corporate Facilities	—	144.4	10.2	7.6%	14.7%	-0.5pt	
Resort Business	—	3.4	-0.8	-19.7%	5.9%	-14.6pt	
Other Businesses	—	6.4	1.5	30.5%	20.9%	10.7pt	
	Total	39,250	1,064.0	5.8	0.6%	21.4%	0.1pt

- Notes:
1. The presentation of the non-consolidated segments has been changed in accordance with the change in consolidated segments.
  2. In the Single-Family Houses segment, we engage in construction by order of "Custom-built houses," and package sales of new houses with land ("Housing subdivision").
  3. In the Rental Housing, Condominiums, Commercial Facilities, and Business & Corporate Facilities businesses, the figures in the charts include lands and buildings.
  4. The YOY ratios are calculated based on the figures in the amounts columns.