



News Release (Translation only)

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(Code number: 1925,
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and the Osaka Securities Exchange)
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Notification of Revision of Business Performance Forecasts for Daiwa House Industry

Hereunder, Daiwa House Industry presents a revision of the consolidated full-year business performance forecasts for the fiscal year 2010, ending March 31, 2011, which were released on May 12, 2010 when earnings results for FY2009 were announced.

1. Revision of consolidated full-year business performance forecasts for the fiscal year 2010, ending March 31, 2011
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Basic Net income per share (Yen)
Previously announced forecasts (A)	1,610,000	66,000	60,500	24,000	41.44
Revised forecasts (B)	1,660,000	85,000	80,000	36,000	62.17
Change ((B) — (A))	50,000	19,000	19,500	12,000	—
Change (%)	3.1	28.8	32.2	50.0	—
(Ref.) Previous fiscal year results (ended March 31, 2009)	1,609,883	62,714	60,036	19,113	33.00

2. Reasons for revision

In light of recent business performance, full-year consolidated business performance forecasts for fiscal year 2010, ending March 31, 2011, announced on May 12, 2010, have been revised, as sales, mainly in the Single-Family Houses and Condominiums businesses, are expected to increase more than initially forecasted thanks to the effects of housing demand incentives offered by the government, including preferential interest rates for housing loans and the application of an eco-point system for housing. In addition, the cost-of-sales ratio is expected to improve.

Furthermore, although the unrecognized actuarial differences for employees' retirement benefits are posted lump-sum in the consolidated fiscal years that they occur, the forecasts do not include an operating gain or loss on pension assets, or actuarial differences arising from a change in discount rates in cases where the market interest rate diverges substantially from the discount rate used to calculate retirement benefit liabilities. In the future, financial market trends, including stock market trends, could have a material impact on the Group's business performance and financial standing.

(Reference Material)

(1) Segment breakdown of full-term sales forecasts

(Millions of yen)

Segment	Previously announced forecasts (A)	Revised forecasts (B)	Change ((B) - (A))
Single-Family Houses Business	313,500	325,000	11,500
Rental Housing Business	474,500	480,500	6,000
Condominiums Business	116,000	133,500	17,500
Existing Home Business	53,500	59,500	6,000
Commercial Facilities Business	279,500	276,000	-3,500
Business & Corporate Facilities Business	177,500	186,500	9,000
Health & Leisure Business	58,500	59,500	1,000
Other Businesses	219,000	221,000	2,000
(Adjustment)	(82,000)	(81,500)	500
Total	1,610,000	1,660,000	50,000

(2) Segment breakdown of full-term operating income forecasts

(Millions of yen)

Segment	Previously announced forecasts (A)	Revised forecasts (B)	Change ((B) – (A))
Single-Family Houses Business	6,700	14,800	8,100
Rental Housing Business	32,000	41,500	9,500
Condominiums Business	100	3,000	2,900
Existing Home Business	3,500	4,000	500
Commercial Facilities Business	31,000	32,500	1,500
Business & Corporate Facilities Business	14,000	12,000	-2,000
Health & Leisure Business	0	0	—
Other Businesses	2,700	2,700	—
(Adjustment)	(24,000)	(25,500)	-1,500
Total	66,000	85,000	19,000

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Remarks on appropriate use of performance forecasts and other special matters:

The above 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. The Group's 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.

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 of the press release dated November 9, 2010.