

March 25, 2010

Company: Daiwa House Industry Co., Ltd.  
 (Code number: 1925,  
 First Sections of the Tokyo Stock Exchange and  
 the Osaka Securities Exchange)

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### Notice on Posting Loss on the Write-Down of Marketable and Investment Securities

In its settlement of accounts for the fiscal year ending March 31, 2010, Daiwa House Industry Co., Ltd. will post an extraordinary loss on the write-down of marketable and investment securities. Among the marketable and investment securities that we own, values of the assets of the special purpose company that we have invested in have fallen below book-value amounts, causing substantial erosion in the value of our preferred equity stake. The details are summarized below.

#### 1. (1) Consolidated

Total loss posted under the write-down of marketable and investment securities for the end of the fiscal year ending March 31, 2010

(A) Increase in total loss posted under the write-down of marketable and investment securities for the fourth quarter of the fiscal year ending March 31, 2010; (i)-(ii):	¥9,050 million
(i) Total loss posted under the write-down of marketable and investment securities at the end of the fiscal year ending March 31, 2010:	¥9,484 million
(ii) Total loss posted under the write-down of marketable and investment securities at the end of the third quarter of the fiscal year ending March 31, 2010:	¥434 million
(B) Net assets at March 31, 2009: (A/B×100)	¥607,427 million (1.5%)
(C) Ordinary income for the fiscal year ended March 31, 2009: (A/C×100)	¥39,855 million (22.7%)
(D) Average net income for last five fiscal years (from the fiscal year ended March 31, 2005 to the fiscal year ended March 31, 2009): (A/D×100)	¥29,817 million (30.4%)

(2) **Non-Consolidated**

Total loss posted under the write-down of marketable and investment securities for the end of the fiscal year ending March 31, 2010

(A) Increase in total loss posted under the write-down of marketable and investment securities for the fourth quarter of the fiscal year ending March 31, 2010; (i)-(ii):	¥9,050 million
(i) Total loss posted under the write-down of marketable and investment securities at the end of the fiscal year ending March 31, 2010:	¥9,447 million
(ii) Total loss posted under the write-down of marketable and investment securities at the end of the third quarter of the fiscal year ending March 31, 2010:	¥397 million
(B) Net assets at March 31, 2009: (A/B×100)	¥542,193 million (1.7%)
(C) Ordinary income for the fiscal year ended March 31, 2009: (A/C×100)	¥28,320 million (32.0%)
(D) Average net income for last five fiscal years (from the fiscal year ended March 31, 2005 to the fiscal year ended March 31, 2009): (A/D×100)	¥24,221 million (37.4%)

2. Business forecast for the current term

We are currently compiling the Company's performance results for the fiscal year ending March 31, 2010. We will release the results as soon as possible if these forecasts need to be revised.

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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 of the press release dated March 25, 2010.