

Company: Daiwa House Industry Co., Ltd.
 (Code number: 1925,
 First Section of the Tokyo Stock Exchange
 and the Osaka Securities Exchange)
 Representative: Kenji Murakami, President and COO
 Contact: Koichi Tsuchida, General Manager, IR Department,
 Management Administration Headquarters
 Tel: +81-6-6342-1400
 (Email to: dh.ir.communications@daiwahouse.jp)

**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 2009, ending March 31, 2010, which were announced on May 13, 2009, simultaneously with the settlement of accounts for fiscal 2008.

1. Revision of consolidated full-year business performance forecasts for the fiscal year 2009, ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Basic net income per share (in Yen)
Previously announced forecasts (A)	1,565,000	45,000	45,000	21,000	36.26
Revised forecasts (B)	1,570,000	62,000	56,500	24,000	41.44
Change ((B) - (A))	5,000	17,000	11,500	3,000	—
Rate of change (%)	0.3%	37.8%	25.6%	14.3%	—
(Ref.) Previous fiscal year results (ended March 31, 2009)	1,690,956	73,580	39,855	4,170	7.20

2. Reasons for revision

Amid a deterioration in employment and income conditions and continued slackness in the real estate market, the Company's sales during the current term thus far are in line with our initial forecasts. However, we now anticipate an improvement in the operating income margin thanks to the steps we have been taking since fiscal 2008 to reduce the cost of sales and cut back on SG&A expenses. We have therefore decided to revise the operating income forecast.

We have also revised the ordinary income forecast. A main factor behind this revision involves the operations of the corporate pension fund into which the Company and certain of its consolidated subsidiaries pay. During the reporting period, we have revised some key figures in actuarial assumptions for fund operations, and will recognize expenses for amortization of actuarial shortfall in the amount of approximately ¥3,700 million for the current term. This will be posted under non-operating expenses. As the disparity between the expected (forecast) earnings on the investment of the pension fund's assets and the actual earnings fluctuates widely in accordance with changes in the market, we have not factored the possible disparity into the revised forecasts on a consolidated basis.

In addition, the Company has revised the net income forecast for the current term. We will recognize impairment losses amounting to approximately ¥11 billion with respect to real estate assets held for business purposes. This move is necessitated by a decline in prices on the real estate market and intensified competition, resulting in deterioration in profitability, and therefore there is little likelihood of an improvement in the profit potential of the assets in question for the foreseeable future.

Reference Material

(1) Segment breakdown of full-term sales forecasts

Business Segment	Previously announced forecasts (A)	Revised forecasts (B)	(Millions of yen)
			Change ((B) - (A))
Residential Business	908,000	925,000	17,000
Commercial Construction Business	451,000	459,800	8,800
Resort Hotels and Sports Life Business	61,500	56,500	(5,000)
Home Center Business	60,800	61,000	200
Other Businesses	151,000	137,000	(14,000)
Eliminations/Corporate	(67,300)	(69,300)	(2,000)
Total	1,565,000	1,570,000	5,000

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

(Millions of yen)

Business Segment	Previously announced forecasts (A)	Revised forecasts (B)	Change (B) - (A)
Residential Business	21,500	34,500	13,000
Commercial Construction Business	40,000	48,000	8,000
Resort Hotels and Sports Life Business	0	0	—
Home Center Business	1,200	1,200	—
Other Businesses	4,000	1,000	(3,000)
Eliminations/Corporate	(21,700)	(22,700)	(1,000)
Total	45,000	62,000	17,000

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Note: The above forecasts are based on information known to the Company's management at the time of writing, in addition to reasonable assumptions regarding unquantifiable factors that are thought likely to affect the Company's future business performance. Actual results may differ materially from these forecasts by reason of various factors including, but not limited to, overall economic conditions, the state of competition within the Company's industry, and changes 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 10, 2009.