Summary of Consolidated Financial Results (Unaudited)
for the First Six Months of the Fiscal Year Ending March 31, 2011
(From April 1, 2010 to September 30, 2010)
[Japanese GAAP]

November 9, 2010

Name of Listed Company: Daiwa House Industry Co., Ltd.
Listed Exchanges: First section of the Tokyo Stock Exchange; First section of the Osaka Securities Exchange
Code No.: 1925
URL: http://www.daiwahouse.co.jp/
Representative: Kenji Murakami, President and COO
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Scheduled Date of Filing Quarterly Report: November 12, 2010
Supplemental documents for the financial results provided: Yes
Results briefing for the period under review provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

1. Consolidated Results of Operation for the first six months ended September 30, 2010.
(From April 1, 2010 to September 30, 2010)
(1) Consolidated Business Results (% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
Six months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2010	821,901	2.2	46,826	20.8	47,532	22.8	28,910	35.4
September 30, 2009	804,460	(2.1)	38,748	10.4	38,715	9.8	21,359	19.2

	Basic net income per share	Diluted net income per share
Six months ended:	Yen	Yen
September 30, 2010	49.93	—
September 30, 2009	36.88	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net asset ratio	Net assets per share
As of:	Millions of yen	Millions of yen	%	Yen
September 30, 2010	1,940,494	635,357	32.7	1,095.53
March 31, 2010	1,916,927	617,769	32.2	1,065.15

Reference: Net asset ratio = (Net assets – Minority interests)/Total assets × 100
(Net assets – Minority interests) is as follows:
September 30, 2010: 634,393 million yen; March 31, 2010: 616,821 million yen

2. Dividends

	Dividend per share				
(Record date)	End of 1st quarter (June 30)	End of 2nd quarter (Sept. 30)	End of 3rd quarter (Dec. 31)	Fiscal year-end (March 31)	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	—	0.00	—	17.00	17.00
Fiscal year ending March 31, 2011	—	0.00			
Fiscal year ending March 31, 2011 (forecasts)			—	17.00	17.00

Note: Revision made to dividend forecasts in the period under review: None

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2011	1,660,000	3.1	85,000	35.5	80,000	33.3	36,000	88.4	62.17

Note: Revision made to business forecasts in the period under review: Yes

4. Others (For details, please refer to "Other Information" of "the Attached Material," on page 7.)

(1) Changes in Significant Subsidiaries during the period under review: None
Note: The above refers to changes in specified subsidiaries associated with changes in the scope of consolidation.

(2) Application of Simplified Accounting Methods and/or Unique Accounting Methods: None
Note: The above refers to application of Simplified Accounting Methods and/or Accounting Methods Unique to the Preparation of the Quarterly Consolidated Financial Statements.

(3) Changes in Accounting Policies, Procedures and Methods of Presentation
1) Changes made due to amendment of accounting standards: Yes
2) Changes made due to reasons other than 1): None
Note: The above refers to changes in Accounting Policies, Procedures and Methods of Presentation for the Preparation of the Quarterly Consolidated Financial Statements, recorded in "Changes under Basic Significant Matters Regarding Preparation of the Quarterly Consolidated Financial Statements."

(4) Number of Issued and Outstanding Shares (Common Stock)

1) Number of shares at the end of the period (including treasury stock)

As of September 30, 2010	599,921,851 shares	As of March 31, 2010	599,921,851 shares

2) Number of treasury stock at the end of the period

As of September 30, 2010	20,845,645 shares	As of March 31, 2010	20,829,959 shares

3) Average number of shares during the period (for the six months under review)

Six months ended September 30, 2010	579,081,779 shares	Six months ended September 30, 2009	579,152,827 shares

*** Presentation of implementing the quarterly review procedures**

As of the time when the financial results for the period under review are disclosed, the Group had not completed the reviewing (checking) procedures for the quarterly consolidated financial statements as laid down by the Financial Instruments and Exchange Law.

*** Remarks on appropriate use of forecasted results of operation and other special matters**

(Notes regarding forward-looking statements)

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. Please refer to the section of "Qualitative Information Regarding Consolidated Business Forecasts" of "the Attached Material" on page 6 for details.

○Contents of the Attached Material

1. Qualitative Information Regarding Consolidated Results for the First Six Months under Review

(1) Qualitative Information Regarding Consolidated Business Results

The Japanese economic environment remained severe during the first six months of fiscal 2010 (the year ending March 31, 2011), despite some pickup against the backdrop of a gradual increase in exports and a recovery in corporate earnings. This was primarily due to instability on the foreign exchange and stock markets sparked by sovereign creditworthiness fears in Europe, as well as a rapid appreciation of the yen and persistently sluggish consumer spending.

In the housing industry, signs of a recovery were seen in owner-occupied houses and condominiums for sale, primarily thanks to the effects of housing demand stimulus measures taken by the government, including expansion of the scope of exclusion for taxes related to housing acquisition, the preferential interest rates for housing loans and the application of the eco-point system for housing. Despite these measures, new housing starts overall remained sluggish.

In these circumstances, the Daiwa House Group saw improving management efficiency as an urgent task. To this end, we took steps to improve business performance by focusing on three policies: bolstering our proposal ability in core businesses; expanding the scale of our business in growing markets; and ensuring financial strength and enhancing profitability.

In our Single-Family Houses Business, one of the keys to our plan to bolster our proposal ability in core businesses, we proactively promoted the “xevo” series, the mainstay of our single-family house products. During the period under review, we expanded our lineup of xevo series products with the addition of the xevo YU—a flexible-design house, which can easily be adapted to changes in the makeup of the owner’s family and different stages of their life cycle, enabling two generations to live together.

In our Rental Housing Business, in collaboration with Sohgo Security Services Co., Ltd. (ALSOK), we launched two new rental housing models – the Séjour WIT-S and the Séjour OTT’s-S – which are specially designed to be burglar-proof. We also launched the Urbanwel Dizzo, a four-story urban-type rental housing product that is ideal for small lots or sites with a narrow frontage.

In CSR initiatives, all Group companies have drawn up unique indicators for self-assessment of CSR activities, have published these on the Company’s website, and are continuing to pursue improvements in the CSR field. The Group also contributes to society through collaboration with local communities. In Nara Prefecture, various events are being held in 2010 to celebrate the 1,300th anniversary of the founding of Japan’s capital at Heijo-kyo (present-day Nara). The Company is participating in these events with the donation of LED outdoor lanterns and the dispatch of volunteer staff to event sites.

As a result of these factors, consolidated net sales for the six months under review stood at 821,901 million yen, up 2.2% year-on-year. Ordinary income was 47,532 million yen, up 22.8% year-on-year. Net income amounted at 28,910 million yen, up 35.4% year-on-year.

Results by business segment are as follows.

Single-Family Houses Business

In the Single-Family Houses Business, we took steps to expand to market xevo series houses in conformity with the Japanese government’s measures to support home buyers. These xevo models feature standard specifications that satisfy the certification criteria of the High Quality Long-Term Housing Model adopted by the government and qualify for housing eco-points. In addition, we began to issue our own “xevo eco-points,” a unique service for a limited period, to customers who desire to build a xevo house, in addition to the housing eco-points by the government. We also issued “Daiwa House Child Allowances” to customers with children who wish to buy a single-family house, in a campaign that enabled customers to exchange these allowances for “family safety” optional features in our original Friendly Design series.

New products launched on the market during the period under review included the xevo YU house model, which features a lightweight steel framework. This is a two-generation single-family house model that is easily adaptable to changes in family makeup, allowing residents to flexibly change their living arrangements to match different stages of their life cycle. It is also a “net zero energy consumption house,” thanks to our newly-designed Hybrid Ecology Roof which enables to install a large-scale photoelectric power generation system.

Meanwhile, we opened SMA×Eco HOUSE at the housing exhibition site, which is equipped with lithium-ion batteries for home use, a first for Japan, and commenced demonstration tests. This is the first stage in our project aiming for commercializing energy self-supply houses with zero CO_2 emissions and zero utility costs by 2020.

As a result, sales of this segment were 161,552 million yen. Operating income was 7,253 million yen.

Rental Housing Business

In the Rental Housing Business, a slight recovery trend in orders for low-rise housing models was seen, benefited from the housing eco-point system by the government. We also launched on the market two models featuring enhanced security – the two-story Séjour WIT-S and the three-story Séjour OTT's-S – which both come with ALSOK's Home Security System as standard. Additionally, we have expanded the business to meet the diverse land-use needs of landowners in urban areas and a wide variety of tenant lifestyles today by putting on the market the four-story Urbanwel Dizzo.

As a result, sales of this segment were 243,843 million yen. Operating income was 24,072 million yen.

Condominiums Business

The period under review saw a slight recovery in condominium construction starts, thanks largely to 1% rate cuts for *Flat 35S* fixed-rate mortgage loans and government's preferential treatments including reduced taxation rates on housing loans. Against this background, in our Condominiums Business we commenced the sale of units in the Premist Chihaya Tower Twin Marks, a super-high-rise seismic isolation twin-tower condominium (Fukuoka). This development features high-end services and common-space facilities including a 24/7 manned security system and a sky lounge.

As a result, sales of this segment were 56,804 million yen. Operating loss was 257 million yen.

Existing Homes Business

In the Existing Homes Business, we took steps to strengthen collaboration between Group companies so as to put in place even more effective systems for marketing, design, construction and installation, and inspection, as well as to raise the level of our technology. We made the most of the government's housing eco-point system in our marketing, and succeeded in realizing increased orders for renovation work on single-family houses. We also recorded an increase in renovation orders in the field of rental housing, thanks to vigorous marketing of photoelectric power generation equipment.

As a result, sales of this segment were 28,507 million yen. Operating income was 1,907 million yen.

Commercial Facilities Business

In the Commercial Facilities Business, the Group made use of planning and proposal-driven sales centered on roadside store development, leveraging its abundant land-related data and expertise in store-opening support for tenant businesses. In April 2010, we opened the commercial complex Foleo Shobu (Saitama), and also welcomed new tenants to a newly renovated and reopened commercial complex under the name of Foleo Hakata (formerly Qiz Mall Hakata, Fukuoka).

Daiwa Lease Co., Ltd., which manages commercial facilities, promoted the nationwide deployment of Frespo open mall commercial facilities designed for a small trading area. We opened three Frespo facilities: the Frespo Houki (Tottori), the Frespo Seifushinto (Hiroshima) and the Frespo Rokucho-no-me (Miyagi). There are now Frespo facilities at 124 locations in Japan.

As a result, sales of this segment were 133,831 million yen. Operating income was 16,994 million yen.

Business and Corporate Facilities Business

In the Business and Corporate Facilities Business, we leveraged Group synergies to develop large-scale logistics facilities and to overhaul and construct retail stores as well as manufacturing and food-production facilities that were consolidated as a result of corporate mergers. In addition, we actively pursued development proposals for private nursing care facilities and rental housing for the elderly. We also undertook marketing campaigns targeting capital investments in environment and energy-related companies.

As a result, sales of this segment were 98,542 million yen. Operating income was 8,283 million yen.

Health & Leisure Business

Severe circumstances continued to prevail in the Resort Hotels Division, as consumers saved their money amid persistent deflation, but customer footfall during the Golden Week holidays and the summer vacation period rose, thanks to our quality guest service aimed at encouraging repeat visits. Overall, guest numbers were up year-on-year.

In the Fitness Clubs Division, in May we reopened the Style Fitness Club NAS ANNEX (Tokyo) after renovation, and opened the Premium Sports Club NAS GINZA (Tokyo) in June 2010, which we advertise as being an ideal place for adults to socialize. In July, we opened the Premium Sports Club NAS Roppongi (Tokyo). This is a new concept in fitness clubs which centers on studio fitness exercises, while offering music, dancing, and an amusement arcade.

As a result, sales of this segment were 30,210 million yen. Operating loss was 73 million yen.

Other Businesses

In the Environment and Energy Business Division, we provided solutions to energy-related issues that our customers face, in areas such as LEDs and other high-efficiency lighting, energy-saving air conditioning, solar power generation system, and energy management services. Additionally, we launched on the market a multifunctional next-generation large-scale lithium-ion battery system under the name e-Libs. This system was developed jointly with ELIIY Power Co., Ltd., which engages in marketing and practical use of large lithium ion batteries. We also established a foothold in the CO2 emissions trading market by submitting the first application to the credit system for SMEs, a carbon credit system operated by the Tokyo Metropolitan Government, through our “reFbo” high-efficiency reflective panel lighting systems.

In the City Hotels Division, during the period under review we opened four Daiwa Roynet Hotels: the Okinawa Kencho-mae (Okinawa), the Osaka Uehonmachi (Osaka), the Sendai (Miyagi) and the Nagoya Shinkansen-guchi (Aichi), giving us a total of 26 city hotels in 22 cities.

As a result, sales of this segment were 109,028 million yen. Operating income was 1,115 million yen.

(2) Qualitative Information Regarding Consolidated Financial Condition

Total assets as of September 30, 2010 increased by 23,566 million yen from the 1,916,927 million yen recorded as of March 31, 2010, to 1,940,494 million yen. This was mainly attributable to increases in investment securities and property plant and equipment, and an increase in cash and deposits due to improved business performance, despite a decrease in inventories.

Total liabilities as of September 30, 2010 increased by 5,979 million yen from the 1,299,157 million yen recorded as of March 31, 2010, to 1,305,136 million yen. This was mainly attributable to the posting of the asset retirement obligation with the application of the “Account Standard for Asset Retirement Obligations,” despite decreases in notes and accounts payable-trade, and income taxes payable.

Net assets as of September 30, 2010 increased by 17,587 million yen from the 617,769 million yen recorded as of March 31, 2010, to 635,357 million yen. This result principally reflected the posting of net income in the amount of 28,910 million yen for the six months under review, despite the posting of cash dividends paid for the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Business Forecasts

In light of recent business performance, market trends and other factors, full-year consolidated business performance forecasts announced on May 12, 2010 have been revised. Please refer to the *“Notice of Revision of Business Performance Forecasts”* announced today (November 9, 2010) for items pertaining to the revised forecasts.

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.

2. Other Information

(1) Outline of Changes in Accounting Policies, Procedures and Methods of Presentation

● Changes in matters related to accounting standards

1. Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

With effect from the first quarter of FY2010, we applied the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, issued on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No.24, issued on March 10, 2008).

No effects of this change on the financial statements are recorded.

2. Application of Accounting Standard for Asset Retirement Obligations

With effect from the first quarter of FY2010, we applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, issued on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21, issued on March 31, 2008.)

As a result of this application, operating income and ordinary income for the six months under review decreased by 779 million yen, respectively, and income before income taxes and minority interests for the six months under review decreased by 3,583 million yen. The change in the asset retirement obligation amount resulting from the application of this accounting standard, etc. is 22,583 million yen.

● Changes in methods of presentation

Consolidated quarterly statements of income

We applied the Cabinet Office Ordinance partially revising rules for financial statements, etc. (Cabinet Office Ordinance No.5, issued on March 24, 2009), which is based on the Accounting Standard for Consolidated Financial Reporting (ASBJ Statement No. 22, issued on December 26, 2008). Accordingly, an item, “Income before minority interests” is presented for the six months under review.

3. Quarterly Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	198,544	179,792
Notes receivable, accounts receivable from completed construction contracts and other	77,766	75,815
Short-term investment securities	6	6
Costs on uncompleted construction contracts	13,566	15,098
Real estate for sale	213,449	227,842
Real estate for sale in process	40,161	33,380
Land for development	3,273	3,761
Merchandise and finished goods	10,754	10,996
Work in process	4,342	2,758
Raw materials and supplies	5,883	6,165
Other	125,020	125,830
Allowance for doubtful accounts	(2,524)	(2,690)
Total current assets	690,244	678,757
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	613,548	594,317
Accumulated depreciation	(268,413)	(260,585)
Buildings and structures, net	345,135	333,731
Land	383,081	389,587
Other	142,883	143,371
Accumulated depreciation	(91,021)	(88,079)
Other, net	51,862	55,291
Total property, plant and equipment	780,080	778,610
Intangible assets	20,563	20,153
Investments and other assets		
Investment securities	109,271	104,588
Lease and guarantee deposits	191,925	190,024
Other	156,982	153,426
Allowance for doubtful accounts	(8,572)	(8,632)
Total investments and other assets	449,606	439,406
Total noncurrent assets	1,250,250	1,238,170
Total assets	1,940,494	1,916,927

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	105,634	113,807
Short-term loans payable	7,790	14,771
Current portion of long-term loans payable	8,578	2,901
Income taxes payable	11,064	24,037
Advances received on uncompleted construction contracts	32,091	27,403
Provision for bonuses	21,868	21,160
Provision for warranties for completed construction	6,284	6,769
Asset retirement obligations	1,570	—
Other	130,131	133,748
Total current liabilities	325,013	344,601
Noncurrent liabilities		
Bonds payable	105,300	105,300
Long-term loans payable	335,685	335,388
Long-term lease and guarantee deposited	226,140	226,322
Provision for retirement benefits	165,976	163,711
Asset retirement obligations	21,529	—
Other	125,492	123,834
Total noncurrent liabilities	980,123	954,556
Total liabilities	1,305,136	1,299,157
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	382,329	375,154
Treasury stock	(19,623)	(19,615)
Total shareholders' equity	699,651	692,484
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,154	6,696
Revaluation reserve for land	(65,705)	(77,593)
Foreign currency translation adjustment	(5,707)	(4,765)
Total valuation and translation adjustments	(65,257)	(75,662)
Minority interests	963	948
Total net assets	635,357	617,769
Total liabilities and net assets	1,940,494	1,916,927

(2) Consolidated quarterly statements of income

For the first six months ended September 30, 2009 and 2010

(Millions of yen)

	Six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)	Six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)
Net sales	804,460	821,901
Cost of sales	645,265	650,372
Gross profit	159,195	171,528
Selling, general and administrative expenses	120,446	124,702
Operating income	38,748	46,826
Non-operating income		
Interest income	651	1,021
Dividends income	679	1,183
Equity in earnings of affiliates	741	348
Gain on settlement of derivatives	250	261
Gain on valuation of derivatives	16	390
Miscellaneous income	3,773	3,501
Total non-operating income	6,113	6,707
Non-operating expenses		
Interest expenses	2,972	3,841
Provision of allowance for doubtful accounts	257	—
Loss on settlement of derivateves	—	10
Loss on valuation of derivatives	260	576
Miscellaneous expenses	2,655	1,571
Total non-operating expenses	6,146	6,001
Ordinary income	38,715	47,532
Extraordinary income		
Gain on sales of noncurrent assets	30	57
Gain on sales of investment securities	—	259
Gain on transfer of business	—	280
Gain on amortization of prior service cost	204	—
Total extraordinary income	235	596
Extraordinary loss		
Loss on sales of noncurrent assets	9	1,439
Loss on retirement of noncurrent assets	271	226
Impairment loss	139	810
Loss on valuation of investment securities	426	986
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,804
Other	8	52
Total extraordinary losses	856	6,319
Income before income taxes and minority interests	38,094	41,808
Income taxes-current	17,603	11,235
Income taxes-deferred	(871)	1,664
Total income taxes	16,732	12,899
Income before minority interests	—	28,908
Minority interests in income (loss)	2	(2)
Net income	21,359	28,910

(3) Consolidated quarterly statements of cash flows
For the first six months ended September 30, 2009 and 2010

(Millions of yen)

	Six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)	Six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	38,094	41,808
Depreciation and amortization	21,085	21,714
Increase (decrease) in provision for retirement benefits	311	2,264
Interest and dividends income	(1,331)	(2,205)
Interest expenses	2,972	3,841
Equity in (earnings) losses of affiliates	(741)	(348)
Loss (gain) on sales and retirement of noncurrent assets	251	1,608
Impairment loss	139	810
Loss (gain) on valuation of investment securities	426	986
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,804
Decrease (increase) in notes and accounts receivable-trade	(10,216)	(1,950)
Decrease (increase) in inventories	69,515	8,755
Increase (decrease) in advances received on uncompleted construction contracts	(23,164)	4,581
Increase (decrease) in notes and accounts payable-trade	(22,320)	(6,032)
Other, net	(7,028)	12,196
Subtotal	67,994	90,837
Interest and dividends income received	985	1,596
Interest expenses paid	(2,076)	(2,957)
Income taxes paid	(6,295)	(23,731)
Net cash provided by (used in) operating activities	60,608	65,745
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(55,383)	(29,576)
Proceeds from sales of property, plant and equipment	127	114
Purchase of investment securities	(917)	(6,749)
Proceeds from sales and redemption of investment securities	40	726
Purchase of investments in subsidiaries	(51)	(3)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(13,323)	—
Proceeds from transfer of business	—	280
Proceeds from acquisition of business	—	3,193
Payments for lease and guarantee deposits	(8,200)	(802)
Other, net	(539)	(681)
Net cash provided by (used in) investing activities	(78,246)	(33,497)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,038)	(6,981)
Proceeds from long-term loans payable	11,820	11,942
Repayment of long-term loans payable	(5,213)	(5,948)
Proceeds from issuance of bonds	4,500	—
Repayments of finance lease obligations	(296)	(505)
Purchase of treasury stock	(35)	(22)
Proceeds from sales of treasury stock	3	7
Cash dividends paid	(13,900)	(9,844)
Repayments of payables under fluidity lease receivables	(3,115)	(2,119)
Net cash provided by (used in) financing activities	(8,276)	(13,471)
Effect of exchange rate change on cash and cash equivalents	41	(24)
Net increase (decrease) in cash and cash equivalents	(25,873)	18,751
Cash and cash equivalents at beginning of period	105,381	179,743
Cash and cash equivalents at end of period	79,507	198,495

(4) Notes on Premise of Going Concern

No items to report.

(5) Segment Information

[Information by business segment]

The first six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

	Residential Business (millions of yen)	Commercial Construction Business (millions of yen)	Resort Hotels and Sports Life Business (millions of yen)	Home Center Business (millions of yen)	Other Businesses (millions of yen)	Total (millions of yen)	Eliminations /Corporate (millions of yen)	Consolidated (millions of yen)
Sales (1) Sales to customers	470,886	235,122	28,850	30,807	38,792	804,460	—	804,460
(2) Inter-segment sales or transfers	874	4,976	21	801	27,817	34,491	(34,491)	—
Total	471,761	240,098	28,872	31,609	66,610	838,952	(34,491)	804,460
Operating income (loss)	20,302	28,571	(101)	894	31	49,699	(10,950)	38,748

[Segment Information]

1. Outline of reportable business segments during the period under review

The reportable business segments of the Group consist of those for which separate financial information is available within the Group's structural units. Segments are also subject to regular reviews as the Management determines the allocation of management resources and assesses the business performance.

The Daiwa House Group engages in a comprehensive business across a broad range of fields, including the construction of residential housing and commercial buildings. The Group established eight business segments, set up a comprehensive strategy for each business segment and operates based on its 2nd Medium-Term Management Plan, Challenge 2010, to enhance competitiveness with prompt decision-making and sophisticated expertise, integrating its value chain and sharing its customer base.

Accordingly, our business segments consist of different products and services, based on their business domains. Excluding the Other Businesses segment, there are seven reportable business segments: Single-Family Houses, Rental Housing, Condominiums, Existing Home Business, Commercial Facilities, Business and Corporate Facilities, and Health and Leisure segments.

In the Single-Family Houses segment, we engage in construction by order and subdivision of single-family houses. In Rental Housing segment, the Group conducts rental housing development, construction, management, operation, and real estate agency services. In the Condominium segment, we develop, subdivide, and manage condominiums. In the Existing Home Business segment, the Group engages in renovation and real estate agency services. The Commercial Facilities segment develops, builds, manages, and operates commercial facilities. The Business and Corporate Facilities segment develops and builds logistics, manufacturing facilities and medical and nursing facilities, and builds, manages, and operates temporary facilities. The Health and Leisure segment engages in the management and operation of resort hotels, golf courses, fitness clubs and nursing facilities.

2. Sales and operating income (loss) by reportable business segment

The first six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable Business Segments					
	Single-Family Houses	Rental Housing	Condominiums	Existing Home Business	Commercial Facilities	Business & Corporate Facilities
Sales (1) Sales to customers	161,070	243,230	56,804	28,453	131,690	95,948
(2)Inter-segment sales or transfers	481	613	0	54	2,141	2,594
Total	161,552	243,843	56,804	28,507	133,831	98,542
Operating income (loss)	7,253	24,072	(257)	1,907	16,994	8,283

	Reportable Business Segments		Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the consolidated quarterly statements of income
	Health & Leisure	Total				
Sales (1) Sales to customers	30,191	747,388	74,512	821,901	—	821,901
(2)Inter-segment sales or transfers	18	5,904	34,515	40,419	(40,419)	—
Total	30,210	753,292	109,028	862,320	(40,419)	821,901
Operating income (loss)	(73)	58,180	1,115	59,296	(12,469)	46,826

Notes:

1. Other Businesses include construction support, city hotels, overseas businesses and others.
2. 12,469 million yen in adjustments to operating income (loss) by business segment includes 937 million yen in elimination within business segments, 360 million yen in the impairment loss on the amortization of goodwill and 11,892 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
3. Operating income (loss) by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

(Additional Information)

Effective from the first quarter of FY2010, the Group applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued on March 27, 2009) and Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASJB Guidance No. 20, issued on March 21, 2008.)

(6) Notes on Significant Changes in the Amount of Shareholders’ Equity

No items to report.