



Summary of Financial Results (Unaudited)
for the First Nine Months of the Fiscal Year Ending March 31, 2013 [Consolidated]
(From April 1, 2012 to December 31, 2012)
[Japanese GAAP]

February 8, 2013

Name of Listed Company: Daiwa House Industry Co., Ltd.
 Code No.: 1925
 URL: <http://www.daiwahouse.co.jp/>
 Listed Exchanges: First section of the Tokyo Stock Exchange;
 First section of the Osaka Securities Exchange
 Representative: Naotake Ono, President and COO
 Contact: Koichi Tsuchida, General Manager, IR Department,
 Management Administration Headquarters
 Phone No.: 06-6342-1400
 E-mail to: dh.ir.communications@daiwahouse.jp

Scheduled Date of Filing Quarterly Report: February 13, 2013
 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 Nine Months Ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

(1) Consolidated Business Results

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended:								
December 31, 2012	1,425,915	7.8	88,733	0.9	91,330	2.4	51,408	61.9
December 31, 2011	1,323,171	7.1	87,903	22.4	89,176	22.4	31,750	(29.0)

Note: Comprehensive income: Nine months ended December 31, 2012: 54,026 million yen (94.5%);
 Nine months ended December 31, 2011: 27,778 million yen ((36.6) %)

	Basic net income	Diluted net income
	per share	per share
Nine months ended:	Yen	Yen
December 31, 2012	88.84	—
December 31, 2011	54.86	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio
	Millions of yen	Millions of yen	%
As of:			
December 31, 2012	2,065,654	697,765	33.7
March 31, 2012	2,086,097	657,891	31.5

Reference: Net assets ratio = (Net assets – Minority interests)/Total assets × 100
 (Net assets – Minority interests) is as follows.

December 31, 2012: 696,689 million yen; March 31, 2012: 657,111 million yen

2. Dividends

(Record date)	Dividend per share				
	End of 1 st quarter (June 30)	End of 2 nd quarter (Sept. 30)	End of 3 rd quarter (Dec. 31)	Fiscal year-end (March 31)	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	—	0.00	—	25.00	25.00
Fiscal year ending March 31, 2013	—	0.00	—	—	—
Fiscal year ending March 31, 2013 (forecasts)	—	—	—	30.00	30.00

Note: Revision made to the dividend forecast announced on May 10, 2012: None

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(% 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, 2013	1,970,000	6.6	125,000	8.7	121,000	11.5	62,000	86.7	107.14

Note: Revision made to business forecasts announced on November 8, 2012: None

Notes:

- (1) **Changes in Significant Subsidiaries during the period under review (This refers to changes in specified subsidiaries associated with changes in the scope of consolidation.):** None
- (2) **Application of Accounting Methods Unique to the Preparation of the Quarterly Consolidated Financial Statements:** None
- (3) **Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement**
 - 1) **Changes of accounting policies applied due to amendment of accounting standards:** Yes
 - 2) **Changes of accounting policies due to reasons other than 1):** None
 - 3) **Changes in accounting estimates:** Yes
 - 4) **Retrospective restatement:** None

Note: Paragraph 5 of Article 10 of Regulations Concerning the Terminology, Forms and Preparation Method of Quarterly Consolidated Financial Statements has been applied. For more details please refer to Notes on Summary Information (Notes) (1) Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement, in “the Attached Material,” on Page 5.

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

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

As of December 31, 2012	599,921,851 shares	As of March 31, 2012	599,921,851 shares
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2) Number of treasury stock at the end of the period

As of December 31, 2012	21,237,725 shares	As of March 31, 2012	21,206,006 shares
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3) Average number of shares during the period (for the nine months under review)

Nine months ended December 31, 2012	578,700,208 shares	Nine months ended December 31, 2011	578,796,714 shares
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* Presentation of implementing the quarterly review procedures

As of the time when the quarterly financial results under review are disclosed, the Group has not completed the reviewing (checking) procedures for the quarterly consolidated financial statements under review 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. These statements do not mean that the Company pledges to realize such statements. 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 “1. Qualitative Information Regarding Consolidated Results for the First Nine Months under Review (3) Qualitative Information Regarding Consolidated Business Forecasts” of “the Attached Material” on page 5 for the suppositions that form the assumptions for business forecasts.

(Obtaining supplementary explanatory materials)

The Company plans to hold a briefing for institutional investors and analysts on February 8, 2013. Relevant financial statements to be used at the briefing will be posted on our official website at the same time.

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

(1) Qualitative Information Regarding Consolidated Business Results

During the first nine months of fiscal 2012 ending March 31, 2013, the Japanese economy continued to face difficult circumstances on the back of the global economic slowdown, even though domestic demand for reconstruction and recovery in the aftermath of the Great East Japan earthquake boosted the economy.

In the Housing industry, the housing eco-point system for areas other than those affected by the Great East Japan Earthquake ended in July 2012. However, as measures to encourage home-buying, the government continued to offer mortgage tax breaks, increased inheritance tax exemptions for buying energy-efficient and earthquake-resistant homes, and other incentives for home-buyers. As a result, new housing starts from September through December continued to recover, albeit modestly, and for four consecutive months were higher than those of the corresponding period of the previous fiscal year.

Amid these circumstances, the Daiwa House Group drew up its 3rd Medium-Term Management Plan, ending in fiscal 2013, under the name “3 Gs for New Growth.” The three Gs in this name come from the initial letters of “Group” (sustained growth), “Great” (groundwork for growth), and “Global” (pathway to growth), and reflect the Group’s basic policies. Under this plan, we are creating new business portfolios to realize the plan’s central theme of “New Growth.”

In the fiscal year under review, we have focused on stronger business growth based on the four key concepts of “community-based,” “the environment,” “aging population,” and “Group strength.” In our efforts to deal with “the environment,” we began demonstration tests of D’s SMART STORE in May 2012, and began marketing D’s SMART FACTORY, a next-generation environment-friendly factory, in December 2012. In the large-scale solar power generation business, we completed construction of our Okayama No. 2 Plant with photovoltaic power generation system in Okayama and the Hibiki International Logistics Center (located in Fukuoka Prefecture and owned by Daiwa House). In December 2012, we completed construction of a mega solar facility on the site of our former Sapporo Plant that we own in Hokkaido. In our efforts to deal with an “aging population,” in June 2012, the Group acquired all shares in Toden Life Support Co., Ltd., which operates three private nursing homes with assisted living services at three locations in the Greater Tokyo Area. With the acquisition of Toden Life Support, we made it a consolidated subsidiary of Daiwa House Industry Co., Ltd. and changed its trade name to Daiwa House Life Support Co., Ltd. In December 2012, Jukeikai Co., Ltd. opened Neo-Summit Chigasaki (Kanagawa Prefecture), a private nursing home for the aged that is concerned with the environment, disaster prevention, and health. As for our efforts in the area of “Group Strength,” Daiwa House REIT Investment Corporation listed on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Index in November 2012. In order to provide high-value-added logistics services and strengthen its competitiveness in the logistics business, Daiwa Logistics Co., Ltd. acquired an equity stake in SCS Holdings Co., Ltd. in December 2012, making it a Group company.

As a result, for the nine-month period under review, on a consolidated basis, net sales came to 1,425,915 million yen (up 7.8% year on year). Ordinary income was 91,330 million yen (up 2.4%), while net income was 51,408 million yen (up 61.9%).

(2) Qualitative Information Regarding Consolidated Financial Condition

Total assets at the end of the reporting nine-month period, on a consolidated basis, came to 2,065,654 million yen, a decrease of 20,442 million yen compared with 2,086,097 million yen at the previous fiscal year-end. This was mainly attributable to a decrease in cash and deposits due to the payment of accounts payable for construction contracts and other, which had increased because the last day of the fiscal year ended March 31, 2012 fell on a weekend day, when financial institutions were closed.

Total liabilities at the end of the reporting nine-month period, on a consolidated basis, came to 1,367,889 million yen, a decrease of 60,316 million yen compared with 1,428,206 million yen at the previous fiscal year-end. This was mainly attributable to the payment of income taxes, and a decrease in notes and accounts payable for construction contracts and other.

Total net assets at the end of the reporting nine-month period on a consolidated basis came to 697,765 million yen, an increase of 39,874 million yen compared with 657,891 million yen at the previous fiscal year-end. This was mainly due to the posting of a net income of 51,408 million yen, despite the payment of cash dividends in the previous consolidated fiscal year.

(3) Qualitative Information Regarding Consolidated Business Forecasts

Our business forecasts on a consolidated basis for Daiwa House Industry for fiscal 2012 (the term ending March 31, 2013) remain unchanged from our notice in the “Financial Results for the First Six Months of the Fiscal Year ending March 31, 2013,” released on November 8, 2012, because the acquisition of shares in Fujita Corporation, announced on January 8, 2013, is expected to have an impact on our consolidated performance from April 2013 and after.

2. Notes on Summary Information (Notes)

(1) Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement

(Change in method of depreciation)

The Company and some of its consolidated subsidiaries located in Japan have changed to a method of depreciation that is based on revised corporate taxation law with regard to property, plant and equipment acquired on or after April 1, 2012, with effect from this first quarter. The impact from this change on operating income, ordinary income, and income before income taxes and minority interests for the reporting nine-month period is negligible.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	250,649	131,746
Notes and accounts receivable from completed construction contracts and other	93,874	106,583
Short-term investment securities	6	6
Costs on uncompleted construction contracts	14,361	17,758
Real estate for sale	297,483	296,465
Real estate for sale in process	34,968	56,808
Land for development	1,378	1,332
Merchandise and finished goods	12,333	14,267
Work in process	6,002	6,825
Raw materials and supplies	5,411	6,115
Other	129,891	125,367
Allowance for doubtful accounts	(1,604)	(1,442)
Total current assets	844,757	761,834
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	630,129	658,864
Accumulated depreciation	(295,823)	(312,935)
Buildings and structures, net	334,305	345,929
Land	364,954	383,717
Other	148,223	157,340
Accumulated depreciation	(98,935)	(100,726)
Other, net	49,288	56,614
Total property, plant and equipment	748,548	786,261
Intangible assets	32,056	38,412
Investments and other assets		
Investment securities	118,334	130,323
Lease and guarantee deposits	186,657	186,045
Other	162,939	165,174
Allowance for doubtful accounts	(7,195)	(2,396)
Total investments and other assets	460,735	479,146
Total noncurrent assets	1,241,340	1,303,820
Total assets	2,086,097	2,065,654

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable for construction contracts and other	210,241	152,128
Short-term loans payable	2,559	3,604
Current portion of bonds payable	1,353	1,353
Current portion of long-term loans payable	145,436	30,422
Commercial papers	—	30,000
Income taxes payable	24,826	11,239
Advances received on uncompleted construction contracts	48,993	64,337
Provision for bonuses	26,995	14,738
Provision for warranties for completed construction	6,224	5,574
Asset retirement obligations	1,621	1,644
Other	163,620	156,322
Total current liabilities	631,872	471,366
Noncurrent liabilities		
Bonds payable	100,720	130,693
Long-term loans payable	133,556	197,580
Long-term lease and guarantee deposited	218,479	222,976
Provision for retirement benefits	188,400	194,698
Asset retirement obligations	22,613	23,892
Other	132,563	126,680
Total noncurrent liabilities	796,334	896,522
Total liabilities	1,428,206	1,367,889
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	380,751	417,097
Treasury stock	(19,944)	(19,979)
Total shareholders' equity	697,751	734,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	10,221
Revaluation reserve for land	(40,738)	(40,144)
Foreign currency translation adjustment	(7,469)	(7,451)
Total accumulated other comprehensive income	(40,640)	(37,373)
Minority interests	779	1,075
Total net assets	657,891	697,765
Total liabilities and net assets	2,086,097	2,065,654

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

	(Millions of yen)	
	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Net sales	1,323,171	1,425,915
Cost of sales	1,040,693	1,127,673
Gross profit	282,478	298,242
Selling, general and administrative expenses	194,574	209,509
Operating income	87,903	88,733
Non-operating income		
Interest income	2,209	2,335
Dividends income	1,699	1,712
Equity in earnings of affiliates	—	1,021
Miscellaneous income	5,385	4,444
Total non-operating income	9,293	9,513
Non-operating expenses		
Interest expenses	4,827	4,147
Equity in losses of affiliates	813	—
Miscellaneous expenses	2,380	2,768
Total non-operating expenses	8,021	6,916
Ordinary income	89,176	91,330
Extraordinary income		
Gain on sales of noncurrent assets	84	51
Gain on sales of investment securities	612	28
Gain on amortization of prior service cost	—	204
Gain on step acquisitions	—	122
Total extraordinary income	696	405
Extraordinary losses		
Loss on sales of noncurrent assets	189	222
Loss on retirement of noncurrent assets	792	806
Impairment loss	2,603	58
Loss on valuation of investment securities	781	7,112
Loss on sales of investment securities	1,282	—
Other	348	16
Total extraordinary losses	5,998	8,216
Income before income taxes and minority interests	83,873	83,519
Income taxes-current	31,107	23,473
Income taxes-deferred	21,057	8,693
Total income taxes	52,164	32,166
Income before minority interests	31,708	51,353
Minority interests in loss	(41)	(55)
Net income	31,750	51,408

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	31,708	51,353
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,723)	2,782
Revaluation reserve for land	3,467	—
Foreign currency translation adjustment	(1,060)	(21)
Share of other comprehensive income of associates accounted for using equity method	(2,613)	(87)
Total other comprehensive income	(3,930)	2,673
Comprehensive income	27,778	54,026
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	27,820	54,081
Comprehensive income attributable to minority interests	(41)	(55)

(3) Notes on Premise of Going Concern

No items to report.

(4) Notes on Significant Changes in the Amount of Shareholders' Equity

No items to report.

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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 released on February 8, 2013.