



Summary of Financial Results (Unaudited)
for the First Six Months of the Fiscal Year Ending March 31, 2014 [Consolidated]
(From April 1, 2013 to September 30, 2013)
[Japanese GAAP]

November 8, 2013

Name of Listed Company: Daiwa House Industry Co., Ltd.
 URL: <http://www.daiwahouse.co.jp/>
 Code No.: 1925
 Listed Exchanges: First section of the Tokyo Stock 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: November 12, 2013
 Scheduled Date of Commencement of Dividend Payment: December 3, 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 Six Months Ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(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	%
Six months ended:								
September 30, 2013	1,242,631	29.2	70,027	10.4	70,051	8.0	40,052	11.5
September 30, 2012	961,834	7.0	63,445	1.1	64,890	3.5	35,908	10.8

Note: Comprehensive income: Six months ended September 30, 2013: 53,379 million yen (53.9 %);
 Six months ended September 30, 2012: 34,680million yen (25.9%)

	Basic net income per share	Diluted net income per share
Six months ended:	Yen	Yen
September 30, 2013	65.43	—
September 30, 2012	62.05	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net assets ratio
As of:	Millions of yen	Millions of yen	%
September 30, 2013	2,533,955	910,827	35.7
March 31, 2013	2,371,238	734,883	30.9

Reference: Net assets ratio = (Net assets – Minority interests)/Total assets × 100

(Net assets – Minority interests) is as follows. September 30, 2013: 905,140 million yen; March 31, 2013: 733,623 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, 2013	—	0.00	—	35.00	35.00
Fiscal year ending March 31, 2014	—	20.00	—	—	—
Fiscal year ending March 31, 2014 (forecasts)	—	—	—	23.00	43.00

Note: Revision made to the dividend forecast announced on May 10, 2013: Yes

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(% 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, 2014	2,550,000	27.0	150,000	17.2	143,000	(1.6)	88,000	32.8	138.84

Note: Revision made to business forecasts announced on May 10, 2013: Yes

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: None**
 - 2) **Changes of accounting policies due to reasons other than 1): None**
 - 3) **Changes in accounting estimates: None**
 - 4) **Retrospective restatement: None**

(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, 2013	660,421,851 shares	As of March 31, 2013	599,921,851 shares
--------------------------	--------------------	----------------------	--------------------

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

As of September 30, 2013	1,276,091 shares	As of March 31, 2013	21,248,944 shares
--------------------------	------------------	----------------------	-------------------

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

Six months ended September 30, 2013	612,107,574 shares	Six months ended September 30, 2012	578,705,592 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

* Presentation of implementing the quarterly review procedures

As of the time when the quarterly financial results are disclosed, the Group have not completed the reviewing (checking) procedures for 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. 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 Six Months under Review (3) 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 analysts and institutional investors on November 8, 2013. Relevant financial materials at the briefing will be posted on our official website at the same time.

Contents of the Attached Material

1. Qualitative Information Regarding Consolidated Results for the First Six Months under Review.....	4
(1) Business Results	4
(2) Financial Condition	4
(3) Business Forecasts	5
2. Consolidated Financial Statements.....	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
Consolidated Statements of Income.....	8
Consolidated Statements of Comprehensive Income.....	9
(3) Notes.....	10
Notes on Premise of Going Concern	10
Notes on Significant Changes in the Amount of Shareholders' Equity.....	10

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

(1) Business Results

During the first six months of fiscal 2013 ending March 31, 2014, the Japanese economy maintained a modest recovery after bottoming out at the end of the 2012 under the impetus of Prime Minister Shinzo Abe's anti-deflationary policies and other growth policies and recovery in the global economy. However, in finance, uncertainties about the future remained, with stock price volatility and rising long-term interest rates among the causes for concern.

In the housing industry, the picture remained encouraging. During the period under review, the number of new housing starts increased compared with the same month of the previous year for the thirteenth consecutive month starting from September 2012, due partly to a rebound in consumer confidence based on improved economic sentiment, anticipated high interest rates, and a last-minute demand surge before the consumption tax increase scheduled for April 1, 2014.

Under these conditions, the Daiwa House Group launched the Fourth Medium-Term Management Plan, which covers the three years beginning from fiscal 2013.

In the first six months under review, with its three-year investment plan totaling 650 billion yen (breakdown: 400 billion yen for real-estate development, 50 billion yen for overseas, 50 billion yen for M&A, and 150 billion yen for capital expenditure program) the Daiwa House Group issued new shares of common stock in a public offering, and the retirement of treasury stock, and issued new shares through third-party allotment, thereby raising a total of approximately 138,228 million yen in new funds that the Group will focus on investing in real-estate development in its three priority investment fields of the Rental Housing Business, the Commercial Facilities Business, and the Logistics, Business and Corporate Facilities Business.

In June 2013, the Daiwa House Group converted Cosmos Initia Co. Ltd. into a subsidiary as a measure to strengthen and expand the Condominiums Business, and converted Daiyoshi Trust Co., Ltd. into a subsidiary in preparation for full-scale entry into the parking business.

As a result, for the first six months under review, on a consolidated basis, Daiwa House Industry recorded net sales of 1,242,631 million yen (up 29.2% year on year). Ordinary income came to 70,051 million yen (up 8.0%), and net income came to 40,052 million yen (up 11.5%).

(2) Financial Condition

Total assets at the end of the reporting six-month period, on a consolidated basis, totaled 2,533,955 million yen, an increase of 162,717 million yen compared with 2,371,238 million yen at the previous fiscal year-end. This was primarily due to an increase in inventories from the conversion of Cosmos Initia Co., Ltd. into a subsidiary and the purchase of property, plant and equipment in the Logistics, Business and Corporate Facilities Business.

Total liabilities at the end of the reporting six-month period, on a consolidated basis, totaled 1,623,127 million yen, a decrease of 13,226 million yen compared with 1,636,354 million yen at the previous fiscal year-end. This was primarily due to payment of notes and accounts payables for construction contracts and other, and income taxes payable.

Total net assets at the end of the reporting six-month period, on a consolidated basis, totaled 910,827 million yen, an increase of 175,943 million yen compared with 734,883 million yen at the previous fiscal year-end. This was primarily due to recording of net income for the reporting period of 40,052 million yen and the raising of funds from the issuance of new shares and the retirement of treasury stock.

(3) Business Forecasts

The consolidated business forecast for net sales and operating income for the fiscal year ending March 31, 2014, has been revised due to the conversion of Cosmos Initia Co., Ltd. into a subsidiary as a means to strengthen and expand the Condominiums Business, and strong performance in the Rental Housing Business, the Commercial Facilities Business, and other business segments.

Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

	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
Previous forecast (A)	2,400,000	140,000	135,000	73,000	115.17
Revised forecast (B)	2,550,000	150,000	143,000	88,000	138.84
Change (B — A)	150,000	10,000	8,000	15,000	—
Rate of change (%)	6.3	7.1	5.9	20.5	—
(Ref.) Previous fiscal year results (FY ended March 31, 2013)	2,007,989	128,024	145,395	66,274	114.52

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	248,799	253,846
Notes and accounts receivable from completed construction contracts and other	189,770	191,884
Short-term investment securities	8	23
Costs on uncompleted construction contracts	21,712	25,173
Real estate for sale	302,635	315,237
Real estate for sale in process	47,752	62,954
Land for development	1,332	1,332
Merchandise and finished goods	14,035	13,813
Work in process	5,435	8,440
Raw materials and supplies	5,680	5,686
Other	147,332	153,247
Allowance for doubtful accounts	(2,949)	(3,374)
Total current assets	981,546	1,028,265
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	671,508	689,887
Accumulated depreciation	(326,507)	(332,816)
Buildings and structures, net	345,000	357,071
Land	396,353	454,464
Other	171,741	191,932
Accumulated depreciation	(110,460)	(110,963)
Other, net	61,280	80,969
Total property, plant and equipment	802,634	892,504
Intangible assets		
Goodwill	49,652	51,322
Other	30,605	31,328
Total intangible assets	80,258	82,650
Investments and other assets		
Investment securities	153,599	158,489
Lease and guarantee deposits	190,543	195,349
Other	166,491	178,963
Allowance for doubtful accounts	(3,835)	(2,268)
Total investments and other assets	506,799	530,534
Total noncurrent assets	1,389,691	1,505,690
Total assets	2,371,238	2,533,955

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable for construction contracts and other	337,767	257,650
Short-term loans payable	7,495	13,648
Current portion of bonds payable	53	123
Current portion of long-term loans payable	38,987	62,986
Income taxes payable	33,051	29,091
Advances received	37,581	42,602
Advances received on uncompleted construction contracts	60,166	79,292
Provision for bonuses	30,038	32,631
Provision for warranties for completed construction	6,695	6,583
Asset retirement obligations	1,585	1,569
Other	164,129	171,034
Total current liabilities	717,551	697,212
Noncurrent liabilities		
Bonds payable	130,667	130,870
Long-term loans payable	197,585	181,842
Long-term lease and guarantee deposits	226,683	233,842
Provision for retirement benefits	210,341	213,414
Asset retirement obligations	24,777	26,009
Other	128,747	139,935
Total noncurrent liabilities	918,803	925,915
Total liabilities	1,636,354	1,623,127
Net assets		
Shareholders' equity		
Capital stock	110,120	161,699
Capital surplus	226,824	294,632
Retained earnings	404,979	422,966
Treasury stock	(19,998)	(1,209)
Total shareholders' equity	721,926	878,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,326	25,366
Revaluation reserve for land	(13,160)	(11,349)
Foreign currency translation adjustment	531	13,035
Total accumulated other comprehensive income	11,697	27,052
Minority interests	1,259	5,686
Total net assets	734,883	910,827
Total liabilities and net assets	2,371,238	2,533,955

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

	(Millions of yen)	
	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)
Net sales	961,834	1,242,631
Cost of sales	758,559	1,004,651
Gross profit	203,275	237,980
Selling, general and administrative expenses	139,829	167,953
Operating income	63,445	70,027
Non-operating income		
Interest income	1,549	1,894
Dividends income	994	1,193
Equity in earnings of affiliates	1,255	593
Miscellaneous income	2,925	2,868
Total non-operating income	6,723	6,549
Non-operating expenses		
Interest expenses	2,853	2,302
Miscellaneous expenses	2,424	4,224
Total non-operating expenses	5,278	6,526
Ordinary income	64,890	70,051
Extraordinary income		
Gain on sales of noncurrent assets	37	1,086
Gain on sales of investment securities	0	23
Gain on amortization of prior service cost	204	—
Gain on step acquisitions	—	93
Other	—	0
Total extraordinary income	241	1,203
Extraordinary losses		
Loss on sales of noncurrent assets	215	557
Loss on retirement of noncurrent assets	610	491
Impairment loss	58	134
Loss on valuation of investment securities	7,025	—
Other	14	—
Total extraordinary losses	7,923	1,184
Income before income taxes and minority interests	57,208	70,070
Income taxes-current	18,400	29,366
Income taxes-deferred	2,924	1,037
Total income taxes	21,324	30,404
Income before minority interests	35,883	39,666
Minority interests in loss	(24)	(385)
Net income	35,908	40,052

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)
Income before minority interests	35,883	39,666
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,705)	973
Foreign currency translation adjustment	403	6,465
Share of other comprehensive income of associates accounted for using equity method	99	6,274
Total other comprehensive income	(1,203)	13,713
Comprehensive income	34,680	53,379
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	34,704	53,596
Comprehensive income attributable to minority interests	(23)	(216)

(3) Notes

Notes on Premise of Going Concern

No items to report.

Notes on Significant Changes in the Amount of Shareholders' Equity

Based on a resolution of the board of directors' meeting held on July 5, 2013, during the first six months under review, the Company issued new shares through a public offering, and the retirement of treasury stock, and issued new shares through third-party allotment, related to the sale of the Company's stock by exercising an over-allotment option, thereby increasing capital stock by 51,578 million yen and capital surplus by 67,807 million yen, and decreasing treasury stock by 18,842 million yen. As a result, at the end of the reporting six-month period, capital stock amounted to 161,699 million yen and capital surplus came to 294,632 million yen.

###

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 November 8, 2013.