



**Summary of Financial Results (Unaudited)**  
**for the First Six Months of the Fiscal Year Ending March 31, 2013 [Consolidated]**  
**(From April 1, 2012 to September 30, 2012)**  
**[Japanese GAPP]**

November 8, 2012

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  
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Scheduled Date of Filing Quarterly Report: November 13, 2012  
 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, 2012 (From April 1, 2012 to September 30, 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	%
Six months ended:								
September 30, 2012	961,834	7.0	63,445	1.1	64,890	3.5	35,908	10.8
September 30, 2011	898,724	9.3	62,766	34.0	62,714	31.9	32,415	12.1

Note: Comprehensive income: Six months ended September 30, 2012: 34,680 million yen (25.9%);  
 Six months ended September 30, 2011: 27,545 million yen (0.4%)

	Basic net income per share	Diluted net income per share
Six months ended:	Yen	Yen
September 30, 2012	62.05	—
September 30, 2011	56.00	—

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Net assets ratio
As of:	Millions of yen	Millions of yen	%
September 30, 2012	2,097,042	678,382	32.3
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.

September 30, 2012: 677,324 million yen; March 31, 2012: 657,111 million yen

**2. Dividends**

(Record date)	Dividend per share				
	End of 1 <sup>st</sup> quarter (June 30)	End of 2 <sup>nd</sup> quarter (Sept. 30)	End of 3 <sup>rd</sup> 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 May 10, 2012: 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: 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 September 30, 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 September 30, 2012	21,227,752 shares	As of March 31, 2012	21,206,006 shares
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##### 3) Average number of shares during the period (for the six months under review)

Six months ended September 30, 2012	578,705,592 shares	Six months ended September 30, 2011	578,802,547 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 Six 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 November 8, 2012. Relevant financial statements to be handed out 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) Qualitative Information Regarding Consolidated Business Results .....	4
(2) Qualitative Information Regarding Consolidated Financial Condition .....	4
(3) Qualitative Information Regarding Consolidated Business Forecasts .....	5
2. Notes on Summary Information (Notes) .....	5
(1) Changes of Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement.....	5
3. 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 on Premise of Going Concern .....	10
(4) 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) Qualitative Information Regarding Consolidated Business Results**

During the first six months of fiscal 2012 ending March 31, 2013, the economic recovery in Japan remained at a standstill, despite the support that continued reconstruction demand stemming from the Great East Japan Earthquake had on related industries and on the region's economy. The standstill was attributable to the heightened uncertainty surrounding the sovereign debt crisis in Eurozone countries, a further downturn in global economic conditions, and financial and capital market volatility, which posed a risk of exerting downward pressure on business activity.

In the housing industry, measures to encourage home buying continued including preferential interest rates for the *Flat 35S* fixed-rate mortgage, mortgage tax breaks, and increased inheritance tax exemptions for energy-efficient and earthquake-resistant homes. Although the eco-point system for areas other than those affected by the Great East Japan Earthquake came to an end in July 2012, new housing starts for April to August 2012 were largely unchanged from the year-earlier period.

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." With respect to Daiwa House's 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 have expanded our business operations, making it a consolidated subsidiary of Daiwa House Industry and changing its trade name to Daiwa House Life Support Co., Ltd.

As a result, for the first six months under review, on a consolidated basis, Daiwa House Industry recorded net sales of 961,834 million yen (up 7.0% year on year). Ordinary income came to 64,890 million yen (up 3.5%), while net income was 35,908 million yen (up 10.8%).

### **(2) Qualitative Information Regarding Consolidated Financial Condition**

Total assets at the end of the reporting six-month period, on a consolidated basis, came to 2,097,042 million yen, an increase of 10,944 million yen compared with 2,086,097 million yen at the previous fiscal year-end. This was mainly attributable to purchases of inventories and property, plant and equipment.

Total liabilities at the end of the reporting six-month period, on a consolidated basis, came to 1,418,659 million yen, a decrease of 9,546 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.

Total net assets at the end of the reporting six-month period on a consolidated basis came to 678,382 million yen, an increase of 20,491 million yen compared with 657,891 million yen at the previous fiscal year-end, mainly due to the posting of a net income of 35,908 million yen, despite the payment of cash dividends.

### (3) Qualitative Information Regarding Consolidated Business Forecasts

The consolidated business forecast for net sales and operating income for the fiscal year ending March 31, 2013, has been revised following strong first-half results in the Rental Housing Business which rolled out products to support the diverse needs and lifestyles of customers, and in other segments.

Furthermore, although the unrecognized actuarial differences for employee's retirement benefits are posted lump-sum in the consolidated fiscal years that they were incurred, the forecasts do not include 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 an impact on the Daiwa House Group's business performance and financial standing.

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

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,900,000	118,000	111,000	58,000	100.22
Revised forecast (B)	1,970,000	125,000	121,000	62,000	107.14
Change (B - A)	70,000	7,000	10,000	4,000	—
Rate of change (%)	3.7	5.9	9.0	6.9	—
(Ref.) Previous fiscal year results (FY ended March 31, 2012)	1,848,797	114,955	108,506	33,200	57.36

## 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 its consolidated subsidiaries 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 six-month period is negligible.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2012	As of September 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	250,649	223,916
Notes receivable, accounts receivable from completed construction contracts and other	93,874	89,334
Short-term investment securities	6	6
Costs on uncompleted construction contracts	14,361	20,876
Real estate for sale	297,483	294,923
Real estate for sale in process	34,968	44,942
Land for development	1,378	1,332
Merchandise and finished goods	12,333	13,217
Work in process	6,002	4,640
Raw materials and supplies	5,411	5,264
Other	129,891	128,220
Allowance for doubtful accounts	(1,604)	(1,437)
Total current assets	844,757	825,237
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	630,129	652,489
Accumulated depreciation	(295,823)	(306,929)
Buildings and structures, net	334,305	345,559
Land	364,954	377,939
Other	148,223	152,381
Accumulated depreciation	(98,935)	(99,195)
Other, net	49,288	53,185
Total property, plant and equipment	748,548	776,685
Intangible assets	32,056	34,742
Investments and other assets		
Investment securities	118,334	117,120
Lease and guarantee deposits	186,657	185,679
Other	162,939	160,102
Allowance for doubtful accounts	(7,195)	(2,526)
Total investments and other assets	460,735	460,376
Total noncurrent assets	1,241,340	1,271,804
Total assets	2,086,097	2,097,042

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	210,241	218,641
Short-term loans payable	2,559	3,352
Current portion of bonds payable	1,353	1,353
Current portion of long-term loans payable	145,436	68,825
Income taxes payable	24,826	18,351
Advances received on uncompleted construction contracts	48,993	55,973
Provision for bonuses	26,995	26,900
Provision for warranties for completed construction	6,224	5,663
Asset retirement obligations	1,621	1,605
Other	163,620	146,132
<b>Total current liabilities</b>	<b>631,872</b>	<b>546,799</b>
Noncurrent liabilities		
Bonds payable	100,720	100,693
Long-term loans payable	133,556	209,369
Long-term lease and guarantee deposited	218,479	222,004
Provision for retirement benefits	188,400	190,827
Asset retirement obligations	22,613	23,414
Other	132,563	125,549
<b>Total noncurrent liabilities</b>	<b>796,334</b>	<b>871,859</b>
<b>Total liabilities</b>	<b>1,428,206</b>	<b>1,418,659</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	380,751	401,662
Treasury stock	(19,944)	(19,967)
<b>Total shareholders' equity</b>	<b>697,751</b>	<b>718,640</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	5,656
Revaluation reserve for land	(40,738)	(40,210)
Foreign currency translation adjustment	(7,469)	(6,763)
<b>Total accumulated other comprehensive income</b>	<b>(40,640)</b>	<b>(41,316)</b>
Minority interests	779	1,058
<b>Total net assets</b>	<b>657,891</b>	<b>678,382</b>
<b>Total liabilities and net assets</b>	<b>2,086,097</b>	<b>2,097,042</b>

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

	(Millions of yen)	
	Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)
Net sales	898,724	961,834
Cost of sales	704,641	758,559
Gross profit	194,083	203,275
Selling, general and administrative expenses	131,316	139,829
Operating income	62,766	63,445
Non-operating income		
Interest income	1,453	1,549
Dividends income	994	994
Equity in earnings of affiliates	—	1,255
Miscellaneous income	3,354	2,925
Total non-operating income	5,802	6,723
Non-operating expenses		
Interest expenses	3,244	2,853
Equity in losses of affiliates	960	—
Miscellaneous expenses	1,649	2,424
Total non-operating expenses	5,854	5,278
Ordinary income	62,714	64,890
Extraordinary income		
Gain on sales of noncurrent assets	52	37
Gain on sales of investment securities	612	0
Gain on amortization of prior service cost	—	204
Total extraordinary income	664	241
Extraordinary losses		
Loss on sales of noncurrent assets	181	215
Loss on retirement of noncurrent assets	414	610
Impairment loss	2,451	58
Loss on valuation of investment securities	455	7,025
Loss on sales of investment securities	1,282	—
Other	—	14
Total extraordinary losses	4,784	7,923
Income before income taxes and minority interests	58,594	57,208
Income taxes-current	26,762	18,400
Income taxes-deferred	(572)	2,924
Total income taxes	26,189	21,324
Income before minority interests	32,405	35,883
Minority interests in income (loss)	(10)	(24)
Net income	32,415	35,908



**(Consolidated Statements of Comprehensive Income)**

	(Millions of yen)	
	Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)
Income before minority interests	32,405	35,883
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,420)	(1,705)
Foreign currency translation adjustment	22	403
Share of other comprehensive income of associates accounted for using equity method	(1,462)	99
Total other comprehensive income	(4,860)	(1,203)
Comprehensive income	27,545	34,680
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	27,555	34,704
Comprehensive income attributable to minority interests	(9)	(23)

**(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.

###

**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, 2012.