

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)

Notice on Posting Extraordinary Expenses

Daiwa House Industry Co., Ltd. announces the posting of the impairment loss under extraordinary expenses for the fiscal year ended March 31, 2009. The details are summarized below.

1. (1) **【Consolidated】**

Total amount posted for the impairment loss for the fiscal year ended March 31, 2009

(A) Total amount posted for the impairment loss for the fourth quarter of the fiscal year ended March 31, 2009 (from January 1, 2009 to March 31, 2009):	¥14,828 million
(B) Total amount posted for the impairment loss for the cumulative third quarter of the fiscal year ended March 31, 2009 (from April 1, 2008 to December 31, 2008):	¥63 million
(C) Total amount posted for the impairment loss for the fiscal year ended March 31, 2009 (from April 1, 2008 to March 31, 2009): (A+B)	¥14,892 million
(D) Equity at March 31, 2008: (C/D×100)	¥649,440 million (2.3%)
(E) Ordinary income for the fiscal year ended March 31, 2008: (C/E×100)	¥61,290 million (24.3%)
(F) Net income for the fiscal year ended March 31, 2008: (C/F×100)	¥13,079 million (113.9%)

(2) **【Non-Consolidated】**

Total amount posted for the impairment loss for the fiscal year ended March 31, 2009

(A) Total amount posted for the impairment loss for the fiscal year ended March 31, 2009 (from April 1, 2008 to March 31, 2009):	¥3,780 million
(B) Equity at March 31, 2008: (A/B×100)	¥561,255 million (0.7%)
(C) Ordinary income for the fiscal year ended March 31, 2008: (A/C×100)	¥49,959 million (7.6%)
(D) Net income for the fiscal year ended March 31, 2008: (A/D×100)	¥7,446 million (50.8%)

Note: Principally, Daiwa House Group classified the property, plant and equipment by management accounting

control unit such as branch office, plant, business office, and each property leased, which controls its revenue and expenditure continuously.

Book value of the above assets were written down to the recoverable amounts due to decreases in the land prices and significant declines in profitability caused by severe competition and the decrease in question is recorded under impairment loss on the extraordinary expenses.

2. Business performance for the fiscal year ended March 31, 2009 affected by the impairment loss

Regarding the business performance for the fiscal year ended March 31, 2009, in which the impairment loss is posted, please refer to the “summary of financial results for the fiscal year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)” released on the date of today, May 13, 2009.

###

Remarks on appropriate use of business performance forecasts and other special matters:

The above consolidated business forecasts are based on assumptions in light of the information available as of the date of announcement of this material. The Company’s actual results may differ significantly from those presented herein as a consequence of numerous factors that are impossible to foresee, such as economic conditions, competitor situations and fluctuations 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 Ma.