

News Release (Translation only)

August 20, 2007

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
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Notification of the Acquisition of Treasury Stock

(Acquisition of treasury stock based on the stipulations of the Articles of Incorporation according to the provisions of Article 165.2 of the Company Law)

Daiwa House Industry Co., Ltd. hereby announces that the Company resolved at the meeting of the Board of Directors held on August 20, 2007 to purchase treasury stock based on the provisions of Article 156 of the Company Law, applied under the provisions of Article 165.3 of the same law.

1. Reason for the acquisition of treasury stock

In order to execute flexible capital measures responsive to changes in the management environment

2. Details of the acquisition

- (1) Class of shares to be acquired: Common stock in Daiwa House Industry Co., Ltd.
- (2) Total number of shares to be acquired: 8,600,000 shares (upper limit)
(Proportion of all issued and outstanding stock in the Company excluding treasury stock 1.46%)
- (3) Total value of shares to be acquired: ¥16,000 million (upper limit)
- (4) Period of acquisition: August 20, 2007 to September 7, 2007

(Reference)

Holding of treasury stock as of July 31, 2007

- Number of issued and outstanding shares (excluding treasury stock): 587,100,609 shares
- Number of shares in treasury stock: 12,821,242 shares

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Remarks on appropriate use of forecasted results of operation 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 and the factors of uncertainty that may possibly impact the future results of operation. The Company's actual results may differ significantly from those presented herein as a consequence of numerous factors 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 August 20, 2007.