

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925, First Section of the Tokyo Stock
Exchange and the Osaka Securities Exchange)
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Concerning the Submission of the Revised Versions of the Annual Securities Report and Interim Securities Report and Partial Revisions of the Summary of Financial Results for Previous Years and Interim Periods

Daiwa House Industry Co., Ltd. hereby announces that it has made revisions because of mistakes in the financial information by business segment as described in “Today’s Press Announcements” announced on November 9, 2007 and has submitted revised versions of the Japanese language editions of the relevant annual securities reports and interim securities reports to the Kanto Local Finance Bureau.

The Company also hereby announces that in association with this, it has today made revisions to the summaries of financial results for previous years and interim periods.

Because the revisions made on this occasion concerned transactions internal to the Company, the revisions have had no impact on the balance sheets or statements of income of the Company (consolidated and non-consolidated). In addition, there will be no re-issue of the audit report by Deloitte Touche Tohmatsu, the Company’s financial auditor.

1. The revised annual securities reports, interim securities reports, summaries of financial results for previous years and interim periods

In consideration of the period of availability for public viewing based on the Financial Instruments and Exchange Law, the Company has made revisions to the annual securities reports, interim securities reports, and summaries of financial results for the following periods.

Annual securities reports and summaries of financial results:

(five business years from the period ended March 31, 2003 to the period ended March 31, 2007)

Interim securities reports and summaries of financial result for interim periods:

(three business years from the interim period ended September 2005 to the interim period ended September 2007)

2. Background to the revisions

Daiwa Resort Co., Ltd., the Company's hotel business management subsidiary, reprinted discount coupons for the Company's employees over the six business years from the period ended March 31, 2002 to the period ended March 31, 2007 and received inappropriate profit and compensation within the Company. When the Company calculated profits by segment, the value of use of these coupons by the Residential Business and Commercial Construction Business were added as operating expenses using the sales ratio for each segment, while the same values were deducted from the operating expenses of the Resort Hotels and Sports Life Business (tourism business).

Daiwa House Industry made these calculations for the purpose of improving its internal performance evaluations and no individuals obtained fraudulent gains or the like. Press coverage was received on November 9, 2007, and on the same date, the Company announced that the number of coupons for internal use wrongfully reprinted was 186,000 based on the details clarified by the audit that Daiwa Resort Co., Ltd. had already conducted. However, subsequently, as a result of the detailed audit that the Company conducted, it was confirmed that the total number of such coupons was 240,100. Because it would be difficult to grasp how many of the coupons for internal use wrongfully reprinted have actually been used, the Company has recalculated the figures with all of the wrongfully reprinted coupons deemed as used and submitted the revised versions of the annual securities reports and interim securities reports described above today.

Daiwa House Industry apologizes sincerely for the great trouble that has been caused regarding this matter to all parties concerned including shareholders and investors.

In order to clarify the management responsibility for each business more thoroughly, the Company transferred its resort hotel business to Daiwa Resort by a company split in April 2007. The Company also undertook a drastic revision of the system of coupons for internal use, implementing thoroughgoing measures to prevent reoccurrence by enforcing stricter controls. From now on, Daiwa House Industry will observe laws and regulations thoroughly and strengthen its system of internal controls further to forge an organization that strives to restore trust and fulfils its corporate social responsibility.

(Concerning the fact that there will be no impact on non-consolidated business results)

Daiwa Resort Co., Ltd. was a hotel management subsidiary owned by the Company until March 2007. Because the revenue of the hotel business was posted as sales by the Company and the profit received was declared as internal transactions of the Company, there will be no impact on the non-consolidated business results of the Company.

3. Details of the revisions

The overview of the impact of these revisions on the segment information classified by type of business is as follows.

(1) Annual securities reports and summaries of financial results for previous years

[Before correction]

(Millions of yen)

		Residential Business	Commercial Construction Business	Resort Hotels and Sports Life Business (Tourism Business)
Fiscal Year ended March 31, 2002	Operating expenses	763,069	242,433	52,854
	Operating income	42,932	18,350	(4,355)
Fiscal Year ended March 31, 2003	Operating expenses	752,845	230,382	55,872
	Operating income	39,134	17,631	(3,968)
Fiscal Year ended March 31, 2004	Operating expenses	752,365	256,319	53,530
	Operating income	48,265	20,668	81
Fiscal Year ended March 31, 2005	Operating expenses	804,799	336,506	53,872
	Operating income	49,775	27,323	1,876
Fiscal Year ended March 31, 2006	Operating expenses	858,889	405,833	65,479
	Operating income	50,698	39,418	1,002
Fiscal Year ended March 31, 2007	Operating expenses	912,828	430,796	66,613
	Operating income	53,069	46,895	1,148

[After correction]

(Millions of yen)

		Residential Business	Commercial Construction Business	Resort Hotels and Sports Life Business (Tourism Business)
Fiscal Year ended March 31, 2002	Operating expenses	762,896	242,380	53,079
	Operating income	43,105	18,403	(4,580)
Fiscal Year ended March 31, 2003	Operating expenses	752,651	230,325	56,123
	Operating income	39,329	17,688	(4,220)
Fiscal Year ended March 31, 2004	Operating expenses	751,838	256,143	54,232
	Operating income	48,792	20,844	(620)
Fiscal Year ended March 31, 2005	Operating expenses	804,528	336,409	54,240
	Operating income	50,046	27,420	1,507

Fiscal Year ended March 31, 2006	Operating expenses	858,622	405,733	65,846
	Operating income	50,965	39,517	635
Fiscal Year ended March 31, 2007	Operating expenses	912,731	430,759	66,748
	Operating income	53,166	46,933	1,013

(2) Interim securities reports and summaries of financial results for interim periods

[Before correction]

(Millions of yen)

		Residential Business	Commercial Construction Business	Resort Hotels and Sports Life Business (Tourism Business)
Interim period ended September 30, 2004	Operating expenses	383,408	137,373	27,521
	Operating income	22,089	10,903	1,637
Interim period ended September 30, 2005	Operating expenses	418,860	188,635	32,565
	Operating income	21,100	18,373	1,071
Interim period ended September 30, 2006	Operating expenses	440,556	204,190	33,884
	Operating income	23,180	20,439	899
Interim period ended September 30, 2007*	Operating expenses	451,468	232,900	32,366
	Operating income	20,894	26,914	284

[After correction]

(Millions of yen)

		Residential Business	Commercial Construction Business	Resort Hotels and Sports Life Business (Tourism Business)
Interim period ended September 30, 2004	Operating expenses	383,282	137,329	27,690
	Operating income	22,214	10,947	1,468
Interim period ended September 30, 2005	Operating expenses	418,739	188,592	32,728
	Operating income	21,221	18,415	908
Interim period ended September 30, 2006	Operating expenses	440,458	204,152	34,019
	Operating income	23,277	20,476	764
Interim period ended September 30, 2007*	Operating expenses	451,468	232,900	32,366
	Operating income	20,894	26,914	284

*No revisions were made in regard to the interim period ended September 2007.

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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 January 22, 2008