



News Release (Translation only)

February 9, 2018

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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**Notice Concerning Outline of the Results
of the Evaluation of the Effectiveness of Board of Directors**

Daiwa House Industry Co., Ltd. (hereinafter, the “Company”) has carried out an evaluation of the effectiveness of the board of directors for 2017 (the period from January to December 2017). Herein we wish to present an outline of the results of this evaluation.

1. Evaluation of the Effectiveness of Board of Directors

The Company has been carrying out an evaluation of the effectiveness of the board of directors every year since 2015, based on its “Corporate Governance Guidelines” formulated to obtain sustainable growth and better corporate value over the medium to long term.

For the evaluation of the effectiveness of the board of directors in 2017, we obtained the cooperation of an outside organization for the evaluation process, after which the board carried out a self-review.

	As far as the previous time	This time
Final evaluation body	Board of directors (self-review)	(No changes)
Evaluation process	<u>Conducted in the Company</u>	<u>Conducted in cooperation with an outside organization</u>
Evaluation method	Questionnaire	(No changes)

2. Outline of the Results

The Company analyzes and evaluates the board of directors as a whole by means of questionnaire-based self-evaluations by each director as well as evaluations by the audit & supervisory board and the board of directors itself.

In 2017, a questionnaire was prepared with the cooperation of an outside organization. Answers were given directly to the said organization, maintaining anonymity. Based on a report on the summarized results from the outside organization, the composition of the board of directors, decision-making process, management of corporate performance, level of support provided to outside directors, and performance of duties by directors were verified. The evaluation showed that the effectiveness of the board of directors is fully satisfactory.

At the same time, there are still issues such as the diversity of the board of directors and the necessity of obtaining knowledge for directors to deal with the constantly changing business environment.

The Company will strive to increase the effectiveness of the board of directors and to enhance its management system in order to obtain sustainable growth and better corporate value over the medium to long term.

3. Partial Revision of Corporate Governance Guidelines

The Company formulated and disclosed its “Corporate Governance Guidelines” on May 27, 2015, and carries out a self-review each year of the items defined in the Corporate Governance Guidelines in parallel to the board of directors evaluation. This functions as an overhaul of the management system.

As a self-review has carried out this time, we would like to inform that the Company have partially revised the terms of its guidelines.

(Revision) Article 37 (Positive and Smooth Relations with Stakeholders) <<Customer Value>>

In order to consistently provide high quality products, we altered the method of auditing and verifying our branch offices, and shall update the text accordingly.

*Our Corporate Governance Guidelines are available on our website.

(<http://www.daiwahouse.com/English/ir/governance/index.html>)

End

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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 February 9, 2018.