



FY2017 Presentation on Management Policies

State of progress under 5th Medium-Term
Management Plan, and policies going forward

May 15, 2017

*After revision in May 25,2017 (page 2)

Daiwa House Industry Co., Ltd.

code#1925

Strengthen short- to medium term growth potential

- The Group's business results benefited from strong performances by its main growth drivers—Rental Housing; Commercial Facilities; and Logistics, Business & Corporate Facilities—with net sales and operating income both exceeding the initial targets.
- ¥359 billion invested during first year of three-year plan (total investment of ¥900 billion planned)

KANSAI GATEWAY (Osaka)



La'gent Hotel Tokyo Bay (Chiba)



Steps toward future growth

- In addition to our existing resort hotel and business hotel chains, we commenced operation of a new brand targeted at families—the La'gent Hotel brand.
- New Group member Daiwa Cosmos Construction Co., Ltd. commenced operations as a specialist company undertaking large-scale condominium repair & renovation work.
- Stanley-Martin Communities, LLC (a US company engaged in the single-family homes business) became a subsidiary of Daiwa House USA Inc.

Upgrade management foundation to adapt to environment changes

- In recognition of improvements to the Group's working environment from a variety of angles, Daiwa House's stock was included in the Nadeshiko Brand, Health & Productivity Stock Selection, and Competitive IT Strategy Company Stock Selection lists.



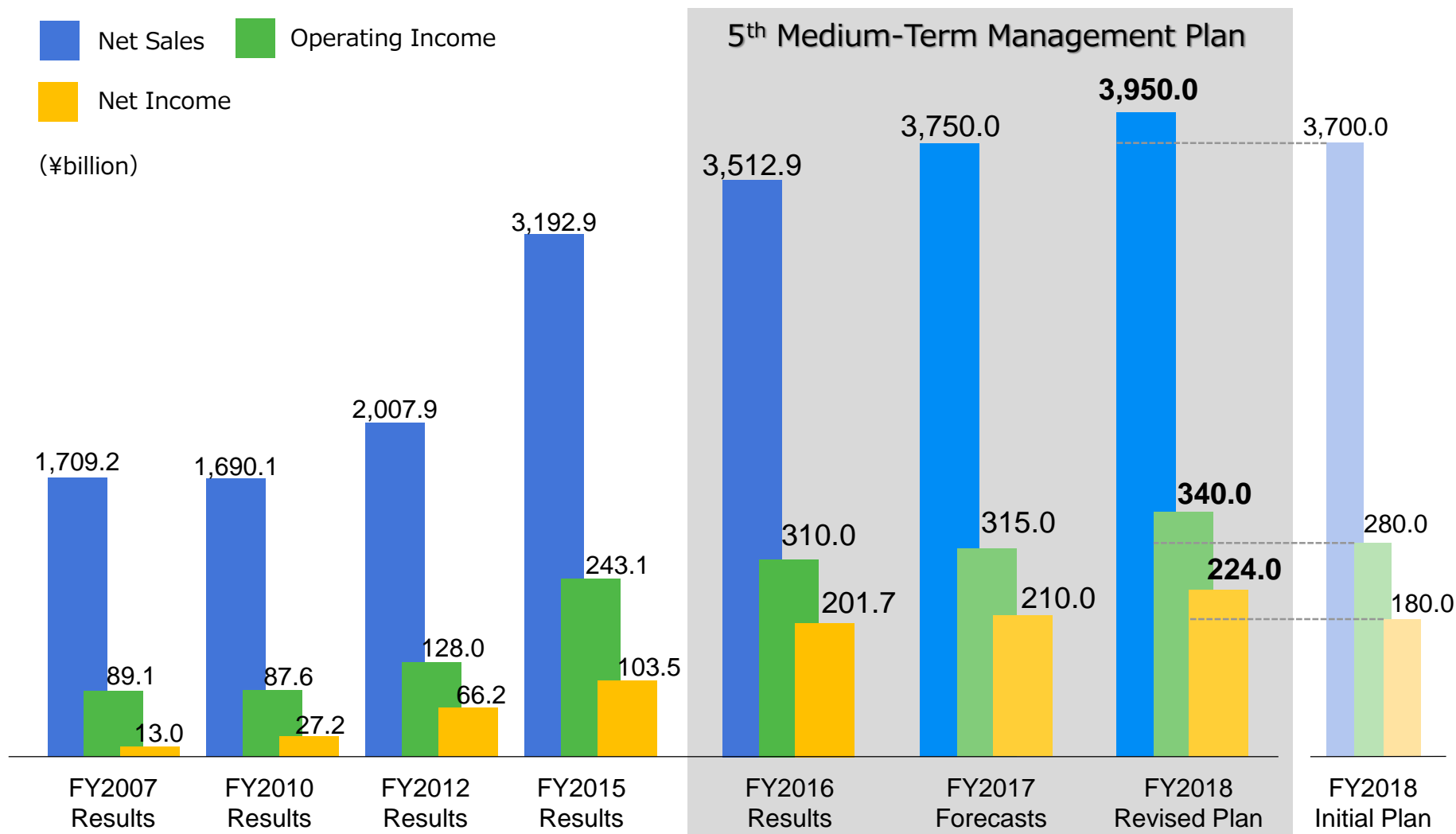
Revised 5th Medium-Term Management Plan

Group meets profit targets in first year of three-year plan (5th Medium-Term Management Plan); performance forecasts for final year revised upward to realize further growth

Net Sales Operating Income

Net Income

(¥billion)



By segment, the plan involves further growth in Rental Housing, Commercial Facilities, and Logistics, Business & Corporate Facilities.

Overseas operations are also expected to contribute to overall growth.

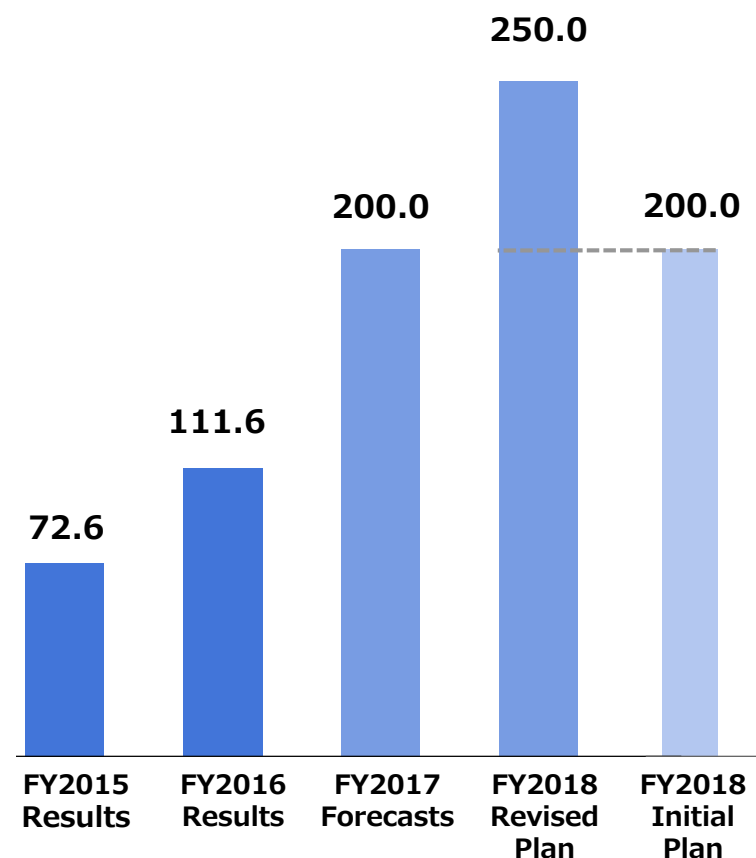
■ Net Sales (by Segment)

(¥billion)

	FY2018 Initial Plan	FY2018 Revised Plan	Change
Single-Family Houses	388.0	400.0	12.0
Rental Housing	1,060.0	1,100.0	40.0
Condominiums	300.0	300.0	-
Existing Home Business	111.0	115.0	4.0
Commercial Facilities	613.0	620.0	7.0
Logistics, Business & Corporate Facilities	918.0	960.0	42.0
Other Businesses	566.0	660.0	94.0
Total	3,700.0	3,950.0	250.0

■ Net Sales by Overseas business

(¥billion)



■ Operating Income (by Segment)

(¥billion)

	FY2018 Initial Plan	FY2018 Revised Plan	Change
Single-Family Houses	18.0	21.0	3.0
Rental Housing	90.0	97.0	7.0
Condominiums	17.0	16.0	-1.0
Existing Home Business	13.0	14.0	1.0
Commercial Facilities	96.0	110.0	14.0
Logistics, Business & Corporate Facilities	81.0	90.0	9.0
Other Businesses	33.0	37.0	4.0
Total	280.0	340.0	60.0

We will pursue diversification of property categories and development of multi-purpose facilities, and will implement an aggressive development policy.



DPL Nagareyama (Chiba), one of the largest logistics facilities in Japan



The DPL Tsukuba Ami Logistics Center (Ibaraki), located near the Ami-Higashi Interchange on the Ken-O Expressway



The Royal Parks ER Bandai (Niigata), a rental apartment project that will incorporate serviced apartments, a medical mall, and other facilities



The Nishi-Shinjuku D Tower (Tokyo), a multi-use building that will incorporate serviced apartments and offices

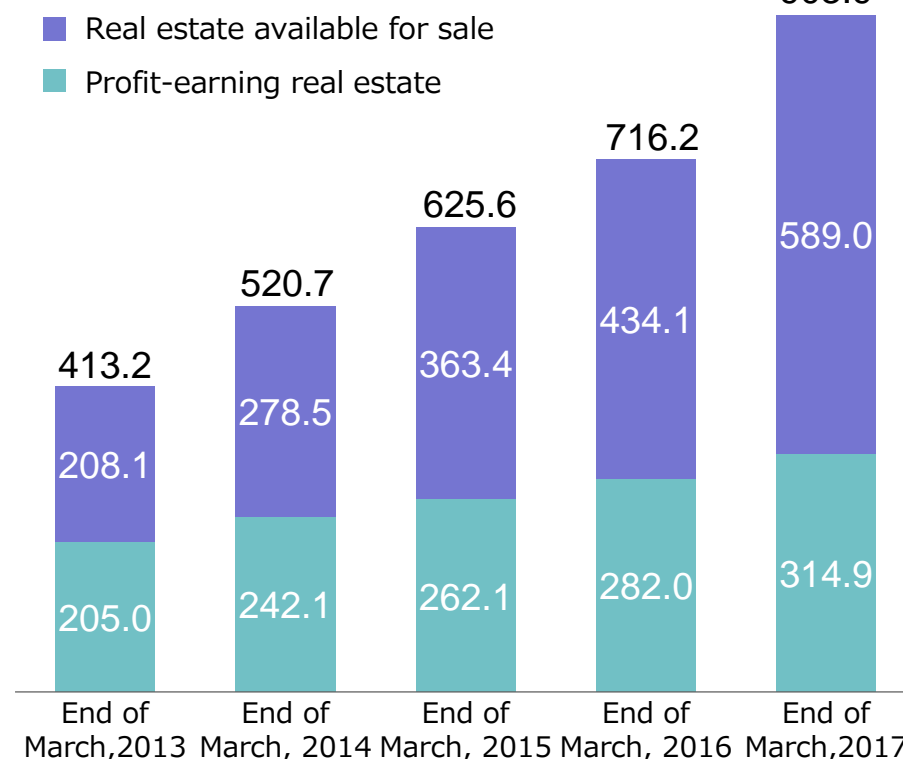
Investment in real estate development proceeding as planned
These real estate properties will make a valuable contribution to the Group's future business performance.

■ The Status of real estate investment development plan

¥billion	3-year Plan	FY2016 Results	Progress
Rental Housing	100.0	21.1	21.2%
Commercial Facilities	140.0	48.3	34.5%
Logistics, Business and Corporate Facilities	360.0	165.9	46.1%
Overseas	100.0	45.1	45.2%
Total	700.0	280.6	40.1%

■ Investment real estate balance transitions

(¥billion)



Net sales by overseas businesses top ¥100 billion for first time
Aiming for further growth in the future



North Clark Project
(Chicago, US)



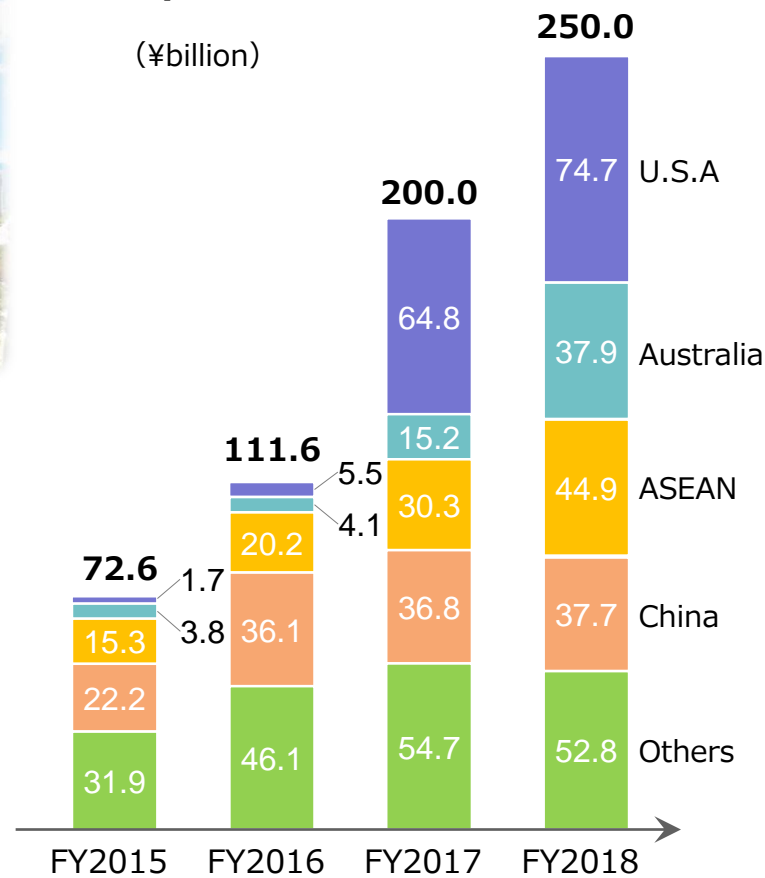
(tentative) Water Front City Project
(Vietnam)



TEMPO (Drummoyne) Project
(Australia)

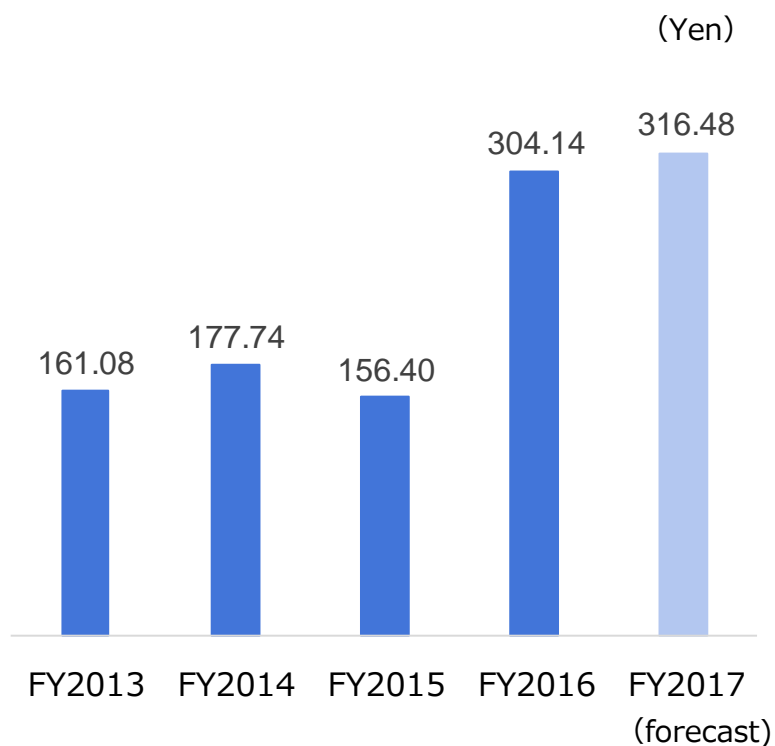
■ Net Sales by Overseas business

(¥billion)

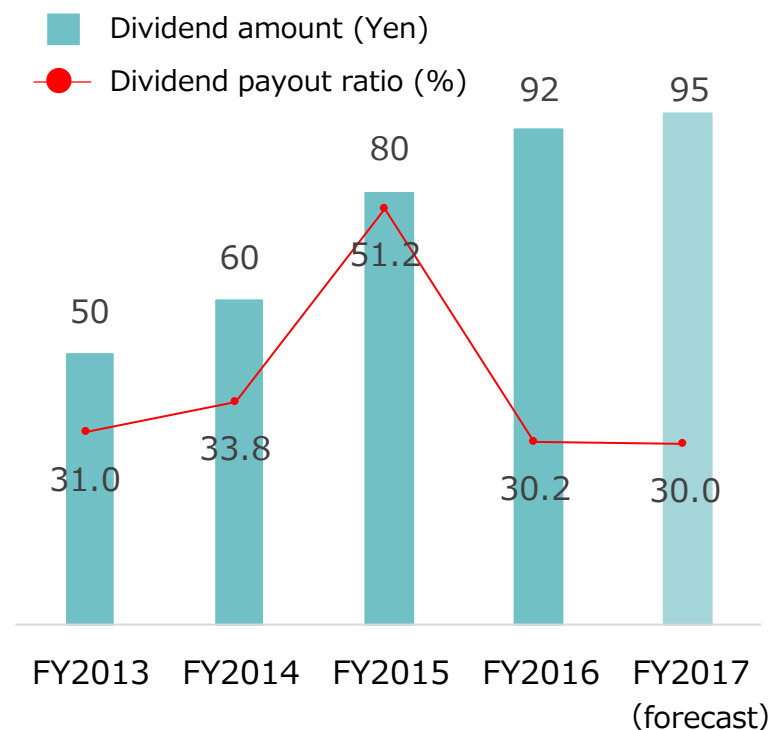


By investing income created through business activities into growth areas, the Company enhances shareholder value by augmenting the net income per share. The Company aims to maintain stable dividends and return profits to shareholders in line with business performance through a dividend payout ratio of 30% or higher of consolidated net income attributable to owners of the parent.

■ Net income per share (EPS)



■ Dividend amount & dividend payout ratio





Explanation regarding appropriate use of business performance forecasts, and other items worth special mention

(Notes regarding forward-looking statements)

The above business forecasts are based on information available as of the date of announcement of this material, and are subject to factors of uncertainty that may possibly impact the future results of operations. 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.

(Regarding images used in these informational materials)

Images used in these informational materials include both photographs of actual buildings, people, etc., and artists' impressions of completed buildings.

(End)