



August 10, 2012

News Release (Translation only)

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(Code number: 1925,
First Section of the Tokyo Stock Exchange
and the Osaka Securities Exchange)
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Notification of Acquisition of Shares in Fujita Corporation

Daiwa House Industry Co., Ltd. (hereafter, the “Company”) hereby announces that a meeting of the Board of Directors held on August 10, 2012 resolved to acquire shares in Fujita Corporation. As a result, Fujita Corporation will become its subsidiary. Details are as follows:

1. Reasons for the Acquisition of Shares

Under its corporate philosophy defining itself as a “Group that co-creates value for individuals, communities and people’s lifestyles,” the Daiwa House Group aims to become a corporate group that creates new value for society. The Group operates a wide range of businesses, including the construction of single-family houses, rental housing, as well as condominiums, existing home business (renovation and real estate agency), commercial facilities business, business and corporate facilities business (medical and nursing care and logistics facilities), and health and leisure business (resort hotels and sports clubs).

The Group has developed its 3rd Medium-Term Management Plan: 3Gs for New Growth for the period beginning in fiscal 2011. Under the theme of “New Growth,” the Group is striving to expand its business portfolio. The basic principles are “Group” (sustained growth: raising the competitiveness of core businesses and seeking out new earnings opportunities), “Great” (groundwork for growth: upgrading management infrastructure and strengthening human resource development), and “Global” (pathway to growth: building up overseas bases and expanding the business portfolio overseas).

Fujita Corporation engages in construction businesses in Japan and overseas under the corporate philosophy “For nature, for society, for communities, and for more fulfilling lives, Fujita is constantly at work” and the slogan “Creating superior environments.” Fujita Corporation uses its construction technology and expertise in urban development and urban redevelopment in its operations in Japan. The company is one of the top Japanese general contractors in China and proactively supports its customers’ overseas capital investments, such as in Mexico and Vietnam.

The Company believes that combining Fujita’s sophisticated technological and planning capabilities and its strong sales channels with the Company’s ability to make proposals and its business models will contribute to its sustained growth (raising the competitiveness of core businesses and seeking out new earnings opportunities) and will open a new pathway to growth (building up overseas bases and expanding the business portfolio overseas).

Fujita Corporation's overseas operations are more developed than that of the Company's, especially in North America and Southeast Asia. Using Fujita's overseas platform will enable the Group to expand and enhance its overseas operations and to expand and enhance its businesses, such as corporate facilities business and commercial facilities business.

The Company has decided to acquire shares in Fujita Corporation, making it a subsidiary, in the belief that the acquisition will contribute to the growth of the Group.

2. Overview of Fujita Corporation (Newly Acquired Company)

(1)	Company name	Fujita Corporation		
(2)	Head office	4-25-2 Sendagaya, Shibuya-ku, Tokyo		
(3)	Representative	Takuji Ueda, President		
(4)	Business lines	Contract construction work, planning, designing, and supervision of construction work, and consulting for construction		
(5)	Paid-in capital	¥14,002 million		
(6)	Established	October 1, 2002		
(7)	Principal shareholder and percentage of shares held	Fujita Holdings Co., Ltd.: 100.0%		
(8)	Relationships between the Company and Fujita Corporation	Capital relationship	There is no capital relationship to be stated between the Company and Fujita Corporation. There is no significant capital relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Corporation or Fujita Corporation's affiliates.	
		Personal relationship	There is no personal relationship to be stated between the Company and Fujita Corporation. There is no significant personal relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Corporation or Fujita Corporation's affiliates.	
		Business relationship	There is no business relationship to be stated between the Company and Fujita Corporation. There is no significant business relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Corporation or Fujita Corporation's affiliates.	
(9)	Operating results and financial position of Fujita Corporation for the past three fiscal years (consolidate basis)			
	Fiscal year end	March 2010	March 2011	March 2012
	Net assets	¥26,196 million	¥29,207 million	¥29,432 million
	Total assets	¥161,529 million	¥162,475 million	¥194,379 million
	Net assets per share	¥38.80	¥29.66	¥25.18
	Net sales	¥267,241 million	¥241,405 million	¥310,876 million
	Operating income	¥6,329 million	¥4,247 million	¥3,690 million
	Ordinary income	¥4,658 million	¥2,983 million	¥3,958 million
	Net income	¥2,971 million	¥3,375 million	¥1,589 million
	Net income per share	¥8.28	¥9.46	¥4.46
	Dividend per share	¥0.00	¥0.00	¥0.00

3. Overview of Fujita Holdings (from which shares are acquired)

(1)	Company name	Fujita Holdings Co., Ltd.	
(2)	Head office	Roppongi Hills Mori Tower 46F, 6-10-1 Roppongi, Minato-ku, Tokyo	
(3)	Representative	Ankur Sahu, Representative Director, Kota Igarashi, Representative Director	
(4)	Business lines	1. Acquisitions and holding of securities 2. Investments in anonymous associations and management of assets of anonymous associations 3. Operations incidental to or related to each of the preceding items	
(5)	Paid-in capital	¥3 million	
(6)	Established	August 10, 2005	
(7)	Net assets	¥186 million	
(8)	Total assets	¥44,256 million	
(9)	Principal shareholder and percentage of shares held	GS PIA Holdings GK: 86.0%	
(10)	Relationships between the Company and Fujita Holdings	Capital relationship	There is no capital relationship to be stated between the Company and Fujita Holdings. There is no significant capital relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Holdings or Fujita Holdings' affiliates.
		Personal relationship	There is no personal relationship to be stated between the Company and Fujita Holdings. There is no significant personal relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Holdings or Fujita Holdings' affiliates.
		Business relationship	There is no business relationship to be stated between the Company and Fujita Holdings. There is no significant business relationship between persons associated with the Company or the Company's affiliates, and persons associated with Fujita Holdings or Fujita Holdings' affiliates.
		Related party or not	Fujita Holdings is not a related party of the Company. Neither persons associated with Fujita Holdings nor its affiliates are not related parties of the Company.

4. Number of Shares to be Acquired, Acquisition Price and State of Share Ownership Before and After Acquisition

(1)	Number of shares held before transfer	None (number of voting rights: none) (Ownership percentage: 0.0%)
(2)	Number of shares to be acquired	Class C preferred stock: 8,888,889 (number of voting rights: 444,444) Class D preferred stock: 10,000,000 (number of voting rights: 10,000,000) (100.0% of issued shares) (Acquisition value: ¥50,000 million)
(3)	Number of shares held after transfer	Class C preferred stock: 8,888,889 (number of voting rights: 444,444) Class D preferred stock: 10,000,000 (number of voting rights: 10,000,000) (Ownership percentage: 100.0%)

5. Schedule

(1)	Resolution at the Meeting of the Board of Directors	August 10, 2012
(2)	Conclusion of share transfer agreement	August 10, 2012
(3)	Transfer of shares	December 20, 2012 (plan)

(Note) The share transfer is scheduled on December 20, 2012. However, the shares will be transferred after procedures under the antimonopoly law of Japan and the competition law of China are completed, and the date of the transfer may change.

6. Outlook

Fujita Corporation will become a consolidated subsidiary of the Company. The Company is examining the effects this will have on its consolidated future results. The Company will communicate any required disclosure promptly.

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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 10, 2012.