



## News Release (Translation only)

April 26, 2013

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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### **Notice on Posting Non-Operating Income and Extraordinary Income and Loss regarding Employees' Retirement Benefits**

Daiwa House Industry Co., Ltd. herewith announces that in the settlement of accounts for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013), the Company will post the amortization of an actuarial gain for employees' retirement benefits under non-operating income, extraordinary gain resulting from a partial amendment to the Company's retirement benefit scheme—most notably the raising of the mandatory retirement age — under extraordinary income, and the impact of changes in the discount rate under extraordinary losses, as detailed below.

#### 1. Non-operating income

Total amortization of an actuarial gain for employees' retirement benefits (consolidated):  
¥16.2 billion

Although the actuarial differences in retirement benefit obligations for the reporting term, upon recalculation, amounted to a loss of ¥4.4 billion, gains on the investment of pension assets exceeded the initial estimate, resulting in an actuarial investment gain of ¥20.6 billion. We therefore intend to post the excess amount as actuarial difference within the non-operating income account.

#### 2. Extraordinary income

Total extraordinary income resulting from a partial amendment to the retirement benefit scheme (consolidated): ¥31.3 billion

In line with the raising of the mandatory retirement age under the Company's employment regulations from 60 to 65, at a meeting on January 29, 2013 of the Board of Representatives of the Corporate Pension Fund of the Company, a resolution was taken to revise upward the starting age for the receipt of payments of a pension from the corporate pension fund. In addition, the lump-sum retirement payment systems in force at certain consolidated subsidiaries of the Company have also been revised. The resultant decrease in the amount of retirement payment obligations (prior service obligations) will be posted as extraordinary income.

### 3. Extraordinary loss

Total extraordinary loss resulting from changes in the discount rate (consolidated): ¥45.2 billion  
Discount rate: mainly 1.9% (mainly 2.5% on a consolidated accounts basis for the fiscal year ended March 31, 2012)

### 4. Future outlook

With respect to actuarial differences arising from retirement benefit accounting, the Company employs lump-sum processing of such differences within the fiscal year when they arise.

We are currently compiling the Company's performance results for the fiscal year ended March 31, 2013. We will release the figures as soon as possible in the event that a revision of the business forecasts is required.

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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 April 26, 2013.