



(Translation only)

July 26, 2013

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
Representative: Naotake Ono, President and COO
Contact: Koichi Tsuchida,
General Manager, IR Department,
Management Administration Headquarters
Email to: dh.ir.communications@daiwahouse.jp

Notice Regarding Determination of Number of New Shares to be Issued

Daiwa House Industry Co., Ltd. (the “Company”) hereby announces that, relating to the issuance of its new shares which was resolved at the meeting of its board of directors held on July 5, 2013, the number of shares to be issued by exercise of the option to purchase additional newly issued shares of common stock granted to the international managers in connection with the international offering has been determined as set forth below:

The number of shares to be issued by exercise of the option to purchase additional newly issued shares granted to the international managers in connection with the international offering: 3,150,000 shares

Reference

1. Number of new shares to be offered by way of public offering

53,150,000 shares of common stock of the Company, the aggregate of (i) through (iii) described below:

- (i) 29,000,000 shares of common stock of the Company, issued for purchase by the Japanese underwriters in the Japanese public offering;
- (ii) 21,000,000 shares of common stock of the Company, issued for purchase by the international managers in the international offering; and
- (iii) 3,150,000 shares of common stock of the Company, additionally issued for purchase by the international managers upon exercise of the option in the international offering.

2. Change in the total number of issued shares as a result of this public offering

Total number of issued shares at present: 599,921,851 shares (as of July 26, 2013)

Increase in number of shares as a result of the issuance of new shares by way of public offering:
53,150,000 shares

Total number of issued shares after the issuance of new shares by way of public offering:
653,071,851 shares

In addition to the above, in connection with the issuance of new shares by way of third-party allotment, the Company may additionally issue up to 7,350,000 shares of its common stock to the a certain Japanese underwriter on August 19, 2013 (Mon).

Note: This press release is not an offer of securities for sale in the United States. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

3. Use of proceeds to be raised this time

With respect to the net approximate amount of 124,960,328,000 yen from the Japanese public offering and the international offering as well as the maximum net approximate amount of 12,540,832,000 yen from the issuance of new shares by way of the third-party allotment resolved on the same date as that of such Japanese public offering and the international offering, the maximum net approximate total amount of 137,501,160,000 yen is scheduled to be applied by the end of March 2014, and the remaining amount is scheduled to be applied by the end of March 2016 to part of 400 billion yen that is the expected amount of real-estate development investments (such as funds for acquiring and building the properties for rent such as a distribution center) by the Company and the group for the period from the fiscal year ending March 31, 2014 to the fiscal year ending March 31, 2016. The Company will use the funds for real-estate development investments by its group companies by making loans to such companies. The Company will manage the funds by using negotiable certificates of deposit, commercial paper and other financial instruments with high stability until the funds are actually used for the real-estate development investments.

The above real-estate development investments will be made mainly in the focused investment areas of the group: namely, the logistics, business and corporate facilities business, the commercial facilities business and the rental housing business. In the logistics, business and corporate facilities business, the Company develops and constructs distribution and manufacturing facilities, medical/nursing care facilities and other facilities, and constructs, manages and operates temporary buildings; in the commercial facilities business, the Company develops and constructs, manages and operates commercial facilities; and in the rental housing business, the Company develops and constructs, manages and operates, and provides intermediary services for, rental housing.

For more information regarding the capital expenditure program of the group, please refer to the “Notice Regarding Issuance of New Shares and Disposition of Treasury Shares, and Secondary Offering of Shares” announced on July 5, 2013.

End.