



May 9, 2014

News Release (Translation only)

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
Representative: Naotake Ohno, President and COO
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Notification of Acquisition of Shares in TOMO Co., Ltd.

Daiwa House Industry Co., Ltd. (hereafter, the “Company”) hereby announces that a meeting of the Board of Directors held on May 9, 2014 resolved to acquire shares in TOMO Co., Ltd. As a result, TOMO Co., Ltd. will become its subsidiary. Details are as follows.

1. Reasons for the Acquisition of Shares

The Company made Daiyoshi Trust Co., Ltd., a company engaged primarily in the parking business mostly in Fukuoka Prefecture, into a member of the Daiwa House Group in June 2013, as part of initiatives in diversified businesses. The Company has now decided to acquire shares in TOMO Co., Ltd., a company operating mainly in Kanto and Kinki, where there is strong parking demand, to further strengthen the parking business. As a result, TOMO Co., Ltd. will become a member of the Daiwa House Group.

TOMO Co., Ltd. has expertise in operating facility-type parking lots with many parking spaces, and the Company expects a synergistic effect between TOMO Co., Ltd. and Daiyoshi Trust Co., Ltd., which is skilled at operating small parking lots. The Company also anticipates that the increase in the number of parking spaces managed by the Daiwa House Group will make investment in IT systems for the operation and management of parking lots, which is crucial for enhancing competitiveness, more efficient, and intends to further expand the Daiwa House Group’s parking business and make it more efficient.

2. Overview of TOMO Co., Ltd. (Newly Acquired Company)

(1) Company name	TOMO Co., Ltd.
(2) Head office	5-28-4 Kamata, Ota-ku, Tokyo
(3) Representative	Kazuto Iida, President
(4) Business lines	Parking lot management, sale of parking lot equipment and facilities
(5) Paid-in capital	¥94 million
(6) Established	April 4, 1994
(7) Principal shareholder and percentage of share held	Kazuto Iida (72.5% of total stock issued)

(8) Relationships between the Company and TOMO Co., Ltd.	Capital relationship	There is no capital relationship to be stated between the Company and TOMO Co., Ltd. A subsidiary of the Company holds 25 shares of the issued stock of TOMO Co., Ltd.	
	Personal relationship	There is no personal relationship to be stated between the Company and TOMO Co., Ltd. There is no significant personal relationship between persons associated with the Company or the Company's affiliates, and persons associated with TOMO Co., Ltd. or TOMO Co., Ltd.'s affiliates.	
	Business relationship	There is no business relationship to be stated between the Company and TOMO Co., Ltd. There is no significant business relationship between persons associated with the Company or the Company's affiliates, and persons associated with TOMO Co., Ltd. or TOMO Co., Ltd.'s affiliates.	
(9) Operating results and financial position of TOMO Co., Ltd. for the past three years			
Fiscal year end	March 2012	March 2013	March 2014
Net assets	¥510 million	¥562 million	¥609 million
Total assets	¥2,065 million	¥1,977 million	¥2,286 million
Net sales	¥3,052 million	¥3,036 million	¥3,264 million
Operating income	¥227 million	¥127 million	¥137 million
Ordinary income	¥203 million	¥108 million	¥125 million
Net income	¥98 million	¥61 million	¥59 million

3. Overview of Individuals from which Shares are Acquired

(1) Names	Kazuto Iida, Hiromi Iida
(2) Relationships between the Company and the individuals in question	There is no capital relationship, personal relationship or business relationship to be stated between the Company and the individuals in question. There are no other significant relationships between the Company and the individuals in question.

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

(1) Number of shares held before transfer	Number of shares held:	None	(Percentage of voting rights held:	-%)
	Number of shares held indirectly:	25	(Percentage of voting rights held:	0.43%)
	Combined number of shares held:	25	(Percentage of voting rights held:	0.43%)
(2) Number of shares to be acquired	Number of shares held:	5,340	(Percentage of voting rights held:	90.94%)
	Number of shares held indirectly:	None	(Percentage of voting rights held:	-%)
	Combined number of shares held:	5,340	(Percentage of voting rights held:	90.94%)

(3) Number of shares held after transfer	Number of shares held:	5,340	(Percentage of voting rights held:	90.94%)
	Number of shares held indirectly:	25	(Percentage of voting rights held:	0.43%)
	Combined number of shares held:	5,365	(Percentage of voting rights held:	91.37%)

5. Schedule

(1) Resolution at the Meeting of the Board of Directors	May 9, 2014
(2) Conclusion of agreement	May 9, 2014
(3) Transfer of shares	June 30, 2014 (plan)

6. Outlook

TOMO Co., Ltd. will become a consolidated subsidiary of the Company. The effect on consolidated future results will be immaterial.

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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 May 9, 2014.