



News Release (Translation only)

August 4, 2015

Company : Daiwa House Industry Co., Ltd.  
(Code No. 1925, 1<sup>st</sup> Section of the TSE)  
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**Announcement Concerning the Management Integration (Merger) between Fujita Corporation and Daiwa Odakyu Construction Co., Ltd.**

Fujita Corporation (Shibuya, Tokyo; Yoji Okumura, president & CEO), and Daiwa Odakyu Construction Co., Ltd. (Shinjuku, Tokyo; Atsushi Kanakubo, president and representative director), both wholly owned subsidiaries of Daiwa House Industry Co., Ltd., have announced a management integration (merger), scheduled to take place on October 1, 2015.

**1. Purpose of the Management Integration (Merger)**

Wholly owned subsidiaries Fujita Corporation and Daiwa Odakyu Construction both operate in the construction market as their main business. Fujita Corporation is also engaged in business overseas.

The domestic construction market is expected to grow, driven by an increase in public works projects for disaster recovery/reconstruction and increased investment in construction looking ahead to the Tokyo Olympics. On the other hand, the potential escalation of labor shortages and soaring construction costs make it difficult to predict the future business environment with any certainty. In addition, some experts are forecasting a gradual decline in construction investment in Japan.

In response to these conditions, Fujita Corporation and Daiwa Odakyu Construction believe that the management integration will allow both firms to focus and optimize management resources, generate increased operating efficiencies, find greater earnings capacity in the domestic construction market, and grow/accelerate business overseas. These factors should combine to maximize Daiwa House Group profits.

**2. Merger Overview**

(1) Schedule

Board of Director Resolution	August 4, 2015
Merger Agreement Execution	August 4, 2015
Effective Merger Date	October 1, 2015 (tentative)

(2) Merger Method

An absorption-type merger in which Fujita Corporation is the surviving company and Daiwa Odakyu Construction is dissolved.

### (3) Allotment of Shares

No exchange of consideration is to take place, as the merger is between two wholly owned subsidiaries of Daiwa House Industry.

### 3. Overview of Merging Companies (As of June 30, 2015)

Name	Fujita Corporation (surviving company)	Daiwa Odakyu Construction Co., Ltd. (merged company)
Location	4-25-2 Sendagaya, Shibuya-ku, Tokyo	4-32-22 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Yoji Okumura	Atsushi Kanakubo
Principle Business	Construction, civil engineering, development, other	Construction, civil engineering, real estate
Established	October 1, 2002 (Founded December 1, 1910)	January 26, 1939 (Founded October 1, 1869)
Paid-in capital	14,002 million yen	1,086 million yen
Employees	1,909	818
Shareholders	Daiwa House Industry Co., Ltd. (100%)	Daiwa House Industry Co., Ltd. (100%)

(Note) Daiwa Odakyu Construction became a wholly owned subsidiary of Daiwa House Industry on August 1, 2015 through a simplified share exchange making Daiwa House Industry as the wholly owning parent.

### 4. Overview of New Entity (tentative)

Name	Fujita Corporation
Head Office	4-25-2 Sendagaya, Shibuya-ku, Tokyo (Commercially Registered Head Office Address: 4-32-22 Nishi Shinjuku, Shinjuku-ku, Tokyo)
Representative	President & CEO Yoji Okumura Executive Vice President Atsushi Kanakubo
Paid-in capital	14,002 million yen
Shareholders	Daiwa House Industry Co., Ltd. (100%)

### 5. Future Outlook

As Daiwa House Industry will remain the sole shareholder of the surviving company after the merger, we do not expect this merger to have a material effect on Daiwa House Industry consolidated earnings.

End

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