



Company: Daiwa House Industry Co., Ltd.
(Code number:1925,
First Section of the Tokyo Stock Exchange)
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Announcement concerning Change (Expansion) in Shareholder Benefits

The Daiwa House Industry Co., Ltd. Board of Directors today resolved to make the following changes (expansion) in shareholder benefits.

1. Changes

In conjunction with the August 1, 2014 change in share unit from 1,000 shares to 100 shares, as well as an increase in the number of share unit shareholders based on the new unit standards, shareholders qualifying for shareholder benefits shall now be defined as shareholders owning 100 shares or more, rather than as shareholders owning 1,000 shares or more.

The Company has also changed the standards for granting shareholder benefit vouchers (for use at Daiwa House Group facilities) to shareholders as follows. This change will take effect for the reward for the fiscal year ending March 2016.*

*Under this new shareholder benefit plan, shareholders included in/recorded on the shareholders' register as of March 31, 2016 are eligible for shareholder benefits to be granted beginning with the fiscal year ending March 2017.

Further, the Company has introduced a robot product discount as a new shareholder benefit.

① Change in shareholder vouchers (for use at Daiwa House Group facilities) reward standard

No. of Shares Owned	No. of Vouchers (Before Change)	No. of Vouchers (After Change)
100 Shares	—	1 (¥1,000)
300 Shares	—	3 (¥3,000)
500 Shares	—	5 (¥5,000)
1,000 Shares	5 (¥5,000)	10 (¥10,000)
2,000 Shares	10 (¥10,000)	
3,000 Shares	15 (¥15,000)	30 (¥30,000)
4,000 Shares	20 (¥20,000)	
5,000 Shares	25 (¥25,000)	50 (¥50,000)
10,000 Shares	50 (¥50,000)	

*Shareholder benefit vouchers valid for one year after issuance.

② Shareholder discount for robot product purchase

The Company has introduced a special discounted shareholder price (8% discount off list price) for the Seal-Type Therapeutic Robot *PARO* sold by the Company.

* The Seal-Type Therapeutic Robot *PARO* is designed to resemble a baby harp seal. Using numerous sensors and artificial intelligence to respond to the human voice, this product presents a wealth of expressions to stimulate the five human senses and behave like a real animal, offering happiness and healing. The Seal-Type Therapeutic Robot *PARO* has been approved by the U.S. Food and Drug Administration as a medical device.

* Shareholder vouchers may not be used to purchase this robot product.

2. Reason for change in shareholder benefit

The Company has been operating under the current shareholder benefit plan since fiscal 2003. Many of our shareholders have used these benefits at Daiwa House Group facilities, widely supporting our business activities over an extended period of time.

Supported by various stakeholders, our earnings have maintained steady performance, and we have endeavored to increase returns to our shareholders in the form of dividends.

This expansion in shareholder benefits is in appreciation of the long-term support of our business activities to date. At the same time, we believe the further use of Daiwa House Group facilities and products (see attachment) by our shareholders leads to greater Group growth. As such, we have expanded the shareholder benefit plan, balancing considerations of earnings trends, future business growth, and other factors.

(Reference) Earnings performance

	At Adoption of Shareholder Benefit Plan (FYE March 2004)	Latest Earnings Forecast (FYE March 2016 Forecast)
Net sales	1,224,647 million yen	3,180,000 million yen
Operating income	59,660 million yen	240,000 million yen
Net income	37,256 million yen	154,000 million yen
Earnings per share	68.16 yen	232.50 yen
Dividends per share	15 yen	80 yen*

* Including a 10-yen 60th anniversary commemorative dividend.

3. Record date and reward timing

(1) Record date
March 31

(2) Reward timing
After the conclusion of the General Meeting of Shareholders (between late June and early July)

4. Schedule

Applicable to shareholders included in/recorded on the shareholders' register as of March 31, 2016.

End

(Attachment (1))

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 February 5, 2016.

(Attachment)

Details of Shareholder Benefits

<http://www.daiwahouse.com/ir/yutai/>

1. Facilities, etc. accepting shareholder benefit vouchers

- Resort hotels
(29 throughout Japan)
Daiwa Royal Hotels



- City hotels
(41 throughout Japan)
Daiwa Roynet Hotels



Osaka Dai-Ichi Hotel



- Golf courses
(10 throughout Japan)
Daiwa Royal Golf



- Home improvement stores
(53 throughout Japan)
Royal Home Center



- Fitness centers
(70 throughout Japan)
Sports Club NAS



- Gourmet gifts
Regional specialty products



- Social contribution donations
Cherry blossom preservation at Yoshinoyama



*Numbers of facilities as of this announcement.

2. Robot product: Seal-Type Therapeutic Robot *PARO* shareholder discount (8% off list price)

For more about the Seal-Type Therapeutic Robot *PARO*,

see: <http://www.daiwahouse.co.jp/robot/paro/index.html> (only available in Japanese)



*Further details to be announced during the presentation of shareholder benefit vouchers between late June and early July 2016.