



Company: Daiwa House Industry Co., Ltd.
(Code number:1925,
First Section of the Tokyo Stock Exchange)
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**Announcement Concerning Extraordinary Loss related to Employee Retirement
Benefits and Revision of Earnings Forecast**

Daiwa House Industry Co., Ltd. is in the process of finalizing its accounting for the fiscal year ending March 31, 2016. The Company has changed the discount rate used to calculate the defined benefit obligation for its employee retirement plan. We expect this change to result in an extraordinary loss, leading us to revise our consolidated earnings forecast for the fiscal year ending March 31, 2016. The details are summarized below.

1. Extraordinary loss

Total extraordinary loss resulting from changes in the discount rate (consolidated): ¥84.9 billion

Discount rate: mainly 0.8% (mainly 1.7% for the consolidated fiscal year ended March 31, 2015)

2. Revision of full-year consolidated earnings forecast for the fiscal year ending March 31, 2016
(April 1, 2015 to March 31, 2016)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income attributable to owners of the parent (Millions of yen)	Net income per share (Yen)
Previously announced forecast (A)	3,180,000	240,000	228,000	154,000	232.50
Revised forecast (B)	3,180,000	240,000	228,000	100,000	151.00
Change ((B) - (A))	-	-	-	(54,000)	-
Rate of change (%)	-	-	-	-35.1%	-
(Ref.) Prior consolidated fiscal year results (ended March 31, 2015)	2,810,714	180,352	202,628	117,133	177.74

3. Details of the Dividend Forecast

Record date	Cash dividend per share (Yen)		
	End of the 2 nd quarter	Fiscal year-end	Total dividend (annual)
Forecast of cash dividend per share for the fiscal year ending March 31, 2016	-	¥45.00	¥80.00
Cash dividend per share paid for the fiscal year ending March 31, 2016	¥35.00	-	-
Cash dividend per share paid for the fiscal year ended March 31, 2015	¥25.00	¥35.00	¥60.00

Note: Cash dividend (forecast) for the fiscal year ending March 31, 2016 is comprised of ¥35.00 per share as an ordinary dividend and ¥10.00 per share as the 60th anniversary commemorative dividend.

The Company's forecast for dividends remains as previously announced on November 6, 2015.

4. Reason for the Revision

The Company employs lump-sum disposal of actuarial differences arising from retirement benefit accounting in the fiscal year such differences occur.

Given the interest rate market trends at the end of the fiscal year, the Company revised the discount rate used to calculate the employee pension plan defined benefit obligation and lump-sum severance payments. The revised discount rate is mainly 0.8%, compared to 1.7% used for the fiscal year ended March 31, 2015. As a result, the Company expects to post an additional retirement benefit obligation in the amount of ¥84.9 billion as an extraordinary loss. Accordingly, the Company has revised its earnings forecast for the fiscal year ending March 31, 2016.

Disclaimer:

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