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Press Release (Translation only)

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(Code number: 1925,  
First Section of the Tokyo Stock  
Exchange)  
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## Notice Regarding the Revision of Daiwa House Group's 5th Medium-Term Management Plan

Based on recent earnings, Daiwa House Industry Co., Ltd. (the "Company") announces it has revised the performance goals of the 5th Medium-Term Management Plan (FY2016 to FY2018) and performance goals of each core business, which were released at the announcement of financial results on May 13, 2016.

### 1. Revision of Performance Goals of the 5th Medium-Term Management Plan

|                                 | Consolidated net sales | Consolidated operating income | Net income          | ROE*1       |
|---------------------------------|------------------------|-------------------------------|---------------------|-------------|
| <b>FY2018 targets (revised)</b> | <b>¥3,950 billion</b>  | <b>¥340 billion</b>           | <b>¥224 billion</b> | 10% or more |
| FY2018 targets (previous)       | ¥3,700 billion         | ¥280 billion                  | ¥180 billion        |             |

\*1. Return on Equity is an indicator of how much profit a company is making on money invested by shareholders.

### 2. Revision of Performance Goals of each Core Business (by business segment)

|  | FY2018 Net sales targets |                | FY2018 Operating income targets |             |
|--|--------------------------|----------------|---------------------------------|-------------|
|  | <b>Revised</b>           | Previous       | <b>Revised</b>                  | Previous    |
| Single-Family Houses                         | <b>¥400 billion</b>      | ¥388 billion   | <b>¥21 billion</b>              | ¥18 billion |
| Rental Housing                               | <b>¥1,100 billion</b>    | ¥1,060 billion | <b>¥97 billion</b>              | ¥90 billion |
| Condominiums                                 | ¥300 billion             | ¥300 billion   | <b>¥16 billion</b>              | ¥17 billion |
| Existing Home Business                       | <b>¥115 billion</b>      | ¥111 billion   | <b>¥14 billion</b>              | ¥13 billion |
| Commercial Facilities                        | <b>¥620 billion</b>      | ¥613 billion   | <b>¥110 billion</b>             | ¥96 billion |
| Logistics, Business and Corporate Facilities | <b>¥960 billion</b>      | ¥918 billion   | <b>¥90 billion</b>              | ¥81 billion |

Cautionary note:

The business forecasts and future forecasts contained herein are our assumptions in light of the information available as of the date these forecasts were announced and include potential risks and uncertainties. As a result, the Group's actual results may differ significantly from the forecasts presented herein due to numerous factors.