



News Release (Translation only)

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Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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Announcement of Revision of Earnings and Dividend Forecasts
for the Fiscal Year Ending March 2019

Based on recent earnings trends, Daiwa House Industry Co., Ltd. today announced a revision of full-year earnings and dividend forecasts for the fiscal year ending March 2019, which were announced on May 10, 2018.

1. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2019
(April 1, 2018 to March 31, 2019)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	4,000,000	354,000	352,000	237,000	356.52
Revised forecast (B)	4,050,000	354,000	352,000	240,000	360.77
Change (B – A)	50,000	—	—	3,000	—
Rate of change (%)	1.3%	—	—	1.3%	—
(Ref.) Previous fiscal year results (Fiscal year ended March 31, 2018)	3,795,992	347,141	344,593	236,357	355.87

2. Revised forecasts for dividend payments for the Fiscal Year Ending March 31, 2019

	Dividend per share (Yen)		
	End of 2 nd quarter (Sept. 30)	Fiscal year-end (March 31)	Total Dividends (Annual)
Previous forecast	50.00	57.00	107.00
Revised forecast		60.00	110.00
Fiscal year ending March 31, 2019	50.00		
Fiscal year ended March 31, 2018	45.00	62.00	107.00

3. Reasons for Revision of Earnings and Dividend Forecasts

Daiwa House Industry Co., Ltd. has made the decision to revise our consolidated business performance forecasts for the fiscal year ending March 31, 2019. This is because we expect our results to be better than our initial plan that we announced on May 10, 2018. The reason for that is that our performance progress and order trends have been favorable up to the second quarter. In addition, we have been making progress on our policy of reducing our interlocking stock holdings from the viewpoint of corporate governance. Therefore, we expect to record profits accompanying the sales of our investment securities. This is despite the impact from the fact that we are not able to predict a schedule for the completion and handover of some properties centered on rental housing and condominiums. This is due to the impact of the bankruptcy of M-Tec Co., Ltd., a manufacturer of the high sound insulating floors for part of our rental housing products, and the inappropriate behavior concerning oil dampers for base isolation and vibration control by KYB Corporation and Kayaba System Machinery Co., Ltd.

The Company's basic policy on shareholder returns is to return profits created through our business activities to our shareholders, as well as to maximize corporate value over the medium and long term. To achieve this policy, the Company invests in growth areas, including real estate development, overseas business expansion, mergers and acquisitions, research and development, and production facilities in a bid to augment earnings per share (EPS). The Company aims to maintain stable dividends and return profits to shareholders in line with business performances through a dividend payout ratio of 30% or higher of consolidated net income attributable to owners of the parent.

Based on the basic policy above, and as a result of the revision in consolidated earnings forecast, the Company plans to pay a full-year dividend of 110 yen, an increase of 3 yen compared to the original plan.

End

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 November 8, 2018.