

To whom it may concern:

Company: Daiwa House Industry Co., Ltd.
 (Code number: 1925, First Section of the Tokyo Stock
 Exchange and the Osaka Securities Exchange)
 Representative: Kenji Murakami, President and
 Representative Director
 Contact: Eiichi Takeda, Director and Managing
 Executive Officer
 (TEL: +81-6-6342-1398)

Result of the Tender Offer for the Shares in its Listed Subsidiary Eneserve Corporation

Daiwa House Industry Co., Ltd. ("Tender Offeror" or "Company") has announced that at a meeting held on May 30, 2008, the Board of Directors passed a resolution to acquire common stock of Eneserve Corporation ("Target") by means of a tender offer that aims to turn the Target into a wholly owned subsidiary of the Company ("Tender Offer"). The Tender Offer began on June 10, 2008, and came to a successful conclusion on July 22, 2008. Therefore, the Company will inform you of the result of the Tender Offer as follows:

1. Overview of the Tender Offer, etc.

(1) Name and address of Tender Offeror and Name of the Target

Tender Offeror: Daiwa House Industry Co., Ltd.
 3-5, Umeda 3-chome, Kita-ku, Osaka-shi, Osaka
 Name of Target: Eneserve Corporation

(2) Class of share certificates, etc. relating to the Tender Offer, etc. and number of share certificates, etc. to be purchased

Class of Share Certificates, etc.	a) Number of Shares to be Purchased	b) Minimum Number of Shares to be Purchased	c) Maximum Number of Shares to be Purchased
Share Certificates	20,160,292 shares	- (shares)	- (shares)
Share Acquisition Right Certificates	- (shares)	- (shares)	- (shares)
Bond Certificates with Stock Acquisition Rights	- (shares)	- (shares)	- (shares)
Trust Beneficiary Certificates for Shares, etc. ()	- (shares)	- (shares)	- (shares)
Depository Receipts for Shares, etc. ()	- (shares)	- (shares)	- (shares)
Total	20,160,292 shares	- (shares)	- (shares)

(Note 1)

There is no maximum or minimum limit to share certificates, etc. to be purchased, etc. in the Tender Offer, and therefore, all tendered shares certificates, etc. will be purchased. The number of share certificates, etc. to be purchased ("Number of Shares to be Purchased") will be the balance of the total number of issued and outstanding shares as of September 30,

2007 (41,400,750 shares) stated in the Semiannual Report in the 43rd Fiscal Year submitted by the Target on December 25, 2007, less the number of treasury shares owned by the Target (19,388 shares) as of September 30, 2007, and the number of shares owned by the Company (21,221,070 shares) as of May 30, 2008, as stated in the “Number of Shares to be Purchased.”

(Note 2) Shares less than one unit (*Tangen-miman-kabu*) are also subject to the Tender Offer.

(Note 3) The Tender Offeror did not acquire the treasury shares held by the Target through the Tender Offer.

(3) Tender Offer Period

From June 10, 2008 (Tuesday) to July 22, 2008 (Tuesday) (30 business days)

(4) Tender Offer Price

609 yen per share

2. Result of the Tender Offer, etc.

(1) Details of the tender

Class of Share Certificates, etc.	Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased	Total Shares Tendered	Total Shares Purchased
Share Certificates	20,160,292 shares	- (shares)	- (shares)	17,047,032 shares	17,047,032 shares
Share Acquisition Right Certificates	- (shares)	- (shares)	- (shares)	- (shares)	- (shares)
Bond Certificates with Stock Acquisition Rights	- (shares)	- (shares)	- (shares)	- (shares)	- (shares)
Trust Beneficiary Certificates for Shares, etc. ()	- (shares)	- (shares)	- (shares)	- (shares)	- (shares)
Depository Receipts for Shares, etc. ()	- (shares)	- (shares)	- (shares)	- (shares)	- (shares)
Total	20,160,292 shares	- (shares)	- (shares)	17,047,032 shares	17,047,032 shares

(2) Outcome of the Tender Offer

All share certificates, etc. tendered will be purchased.

(3) Shareholdings after the conclusion of the Tender Offer

Number of Voting Rights Represented by the Share Certificates, etc., held by the Tender Offeror Before the Tender Offer	212,210	(Shareholding Ratio of Share Certificates, etc. Before the Tender Offer: 51.28%)
Number of Voting Rights Represented by the Share Certificates,	2,406	(Shareholding Ratio of Share Certificates, etc. Before the Tender Offer:

etc., held by Specially Related Parties Before the Tender Offer		0.58%)
Number of Voting Rights Represented by the Share Certificates, etc., held by the Tender Offeror After the Tender Offer	382,681	(Shareholding Ratio of Share Certificates, etc. After the Tender Offer: 92.48%)
Number of Voting Rights Represented by the Share Certificates, etc., held by Specially Related Parties After the Tender Offer	—	(Shareholding Ratio of Share Certificates, etc. After the Tender Offer: —%)
Total Number of Voting Rights of All Shareholders of the Target	413,051	

(Note 1) The “Total Number of Voting Rights of All Shareholders of the Target” indicates the number of voting rights (based on 100 shares per unit) of all of the shareholders as of March 31, 2008, as described in the Annual Report in the 43rd Fiscal Year submitted by the Target on June 27, 2008. Shares less than one unit (*Tangen-miman-kabu*) also fall within the scope of the Tender Offer, however, “Shareholding Ratio of Share Certificates, etc. Before the Tender Offer” and “Shareholding Ratio of Share Certificates, etc. After the Tender Offer” are calculated based on the following: “Total Number of Voting Rights of All Shareholders of the Target” is 413,811 including 760, being the number of voting rights for 76,082 shares, which is the number resulting from deducting 68 shares of treasury shares less than one unit (*Tangen-miman-kabu*) owned by the Target as of March 31, 2008 from 76,150 shares of shares less than one unit (*Tangen-miman-kabu*) as of March 31, 2008, described in the Annual Report.

(Note 2) “Shareholding Ratio of Share Certificates, etc. Before the Tender Offer” and “Shareholding Ratio of Share Certificates, etc. After the Tender Offer” are rounded to the nearest second decimal.

(4) Calculation when shares purchased by proportional distribution (pro rata) method

N/A

(5) Funds needed for the Tender Offer, etc.

10,381 million yen

(6) Method of Settlement

a) Name and address of head office of banks and/or financial brokerages settling the Tender Offer, etc.

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

b) Commencement Date of Settlement

July 29, 2008 (Tuesday)

c) Method of Settlement

A notice of purchase under the Tender Offer will be mailed to the address of tendering shareholders, etc. (or the standing proxy in the case of non-Japanese shareholders, etc.) without delay after the end of the Tender Offer Period. Purchase, etc. will be made by cash. The Offer price of the purchased share certificates, under the Tender Offer will be paid by way of remittance, etc. in accordance with the instructions given by each tendering shareholder.

3. Post-Tender Offer policy and outlook

The Company intends to turn the Target into a wholly owned subsidiary of the Company, and because the

Company could not acquire all the common stock issued by the Target (excluding the treasury shares) through this Tender Offer, the Company intends to acquire all of that stock in accordance with a series of the following procedures (“Procedures for Turning the Target into a Wholly Owned Subsidiary”).

The Company, after the completion of this Tender Offer, will request the Target a) to change the Target into a Company with Class Shares stipulated in the Companies Act by way of amending the Articles of Incorporation to allow the issuance of class shares; b) to amend the Articles of Incorporation to stipulate a provision that the Target shall acquire all the common stock issued by the Target by the resolution of shareholders meeting (a provision concerning the matter stipulated in Article 108, Paragraph 1, Item 7 of the Companies Act; *Zenbu Shutoku Joko*); c) to deliver other class shares of the Target in exchange for the acquisition of such common stocks; and d) to hold the extraordinary general shareholders meeting (“Extraordinary General Shareholders Meeting”) where the proposals including the above a) through c) are submitted, as the Procedures for Turning the Target into a Wholly Owned Subsidiary. Upon execution of the Procedures for Turning the Target into a Wholly Owned Subsidiary, once the above mentioned a) is approved in the Extraordinary General Shareholders Meeting, the Target will become a Company with Class Shares stipulated in the Companies Act, and, with respect to the above mentioned b), in addition to the resolution of the Extraordinary General Shareholders Meeting, it will become necessary to receive a resolution by the general class shareholders meeting, which makes the shareholders of the Target common stock with *Zenbu Shutoku Joko* its constituent members (“General Class Shareholders Meeting”), in accordance with Article 111, Paragraph 2, Item 1 of the Companies Act. Therefore, the Company intends to request the Target e) to hold the General Class Shareholders Meeting on the same date as the Extraordinary General Shareholders Meeting. Details and time of the execution of the procedures of the above a) through e) have not been determined as of the date hereof. The Company intends to request the Target to cooperate with the public notice regarding the establishment of the record date, etc., in respect of the Extraordinary General Shareholders Meeting and the General Class Shareholders Meeting.

If this Tender Offer is successfully completed and each of the above proposals is submitted to the Extraordinary Shareholders Meeting and the General Class Shareholders Meeting, the Company intends to cast approving votes to each of the above proposals at the Extraordinary Shareholders Meeting and the General Class Shareholders Meeting. If each of the above proposals is passed and approved, all the common stock issued by the Target will be acquired by the Target because of *Zenbu Shutoku Joko* attached thereto, and other class shares of the Target will be delivered to the shareholders of the Target in consideration of such acquisition. If the numbers of other class shares of the Target to be delivered to shareholders of the Target as consideration have fractions less than one share, such shareholders will receive cash that is obtained by the sale (including the purchase of a whole or a part of the sum of such fractions by the Target) of the sum of such fractions (if the sum has fractions, such fractions will be rounded down) in accordance with the procedures stipulated by the laws and ordinances. Unless deemed necessary by a particular situation, the amount of cash that shareholders will receive as a result of the sale of the sum of such fractions is assumed to be calculated based upon the Offer Price of the Tender Offer; however, this amount of cash might be different from the amount calculated based upon the Offer Price of the Tender Offer. Although the numbers of Target shares to be delivered to shareholders in exchange for all the common stock with *Zenbu Shutoku Joko* have not been determined as of the date hereof, the Company intends to request that the Target determine delivering, to the non-tendering shareholders of the Target other than the Company, the above Target shares in such number as will limit the holding of such non-tendering shareholders to fractions less than one share, in order for the Company to hold all issued and outstanding shares of the Target (excluding treasury shares). Please note that any application for listing of class shares to be delivered in consideration for common stocks of the Target is not scheduled.

In regard to the above a) through c) procedures, for the purpose of protecting the rights of minority shareholders, the Companies Act provides that (i) shareholders have rights to request the company to purchase their shares upon amendment to the Articles of Incorporation to stipulate *Zenbu Shutoku Joko* of (b) above in accordance with Article 116 and Article 117 of the Companies Act and other related laws and ordinances; and (ii) the shareholders may petition for determination of the acquisition price of the stocks with *Zenbu Shutoku Joko* as stated in c) above in accordance with Article 172 of the Companies Act and other related laws and ordinances in the case that acquisition of whole such shares is resolved by the Extraordinary Shareholders Meeting. As a final decision regarding the purchase

price and the acquisition price of one share by way of (i) and (ii) above shall be rendered by a court, the price to be received by the shareholders in the case of (i) and (ii) above might be different from the Offer Price in the Tender Offer. Upon such request and filing, each shareholder will confirm and determine the necessary procedures, etc., at his/her own responsibility. Depending on the interpretation by the authorities regarding related laws and ordinances and the share holding rate of the Company and the circumstances regarding share holding by shareholders other than the Company after the Tender Offer, etc., the Company may, upon consultation with the Target, in accordance with the procedures stipulated by the Companies Act., turn the Target into a wholly owned subsidiary by way of share exchange (including, but not limited to, share exchange with using cash as its consideration) to make the Company into a wholly owning parent company and the Target into a wholly owned subsidiary, instead of the way mentioned above to a) change the Target into a Company with Class Shares stipulated in the Companies Act; b) stipulate *Zenbu Shutoku Joku* for all common stocks issued by the Target; and c) deliver other class shares of the Target in exchange for the acquisition of such common stocks.

Please consult with your own tax specialists with respect to the handling of tax-related matters pertaining to the Tender Offer, the Procedures for Turning the Target into a Wholly Owned Subsidiary and/or the stock purchase request upon the Procedures for Turning the Target into a Wholly Owned Subsidiary.

The Target's shares are currently listed on the first section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") and the Hercules market of the Osaka Securities Exchange Co., Ltd. ("Hercules"). However, there is a possibility that, depending on the result of the Tender Offer, the Target's shares may be subject to delisting after going through the designated procedures in accordance with the delisting rules of the Tokyo Stock Exchange and the Hercules.

In addition, even though the relevant thresholds for delisting are not met at the time the Tender Offer is completed, the Target's shares are expected to be delisted after going through the designated procedures in accordance with the delisting rules of the Tokyo Stock Exchange and the Hercules because the Target is scheduled to be the wholly owned subsidiary of the Company following the Procedures for Turning the Target into a Wholly Owned Subsidiary.

After the delisting, the Target's shares may not be traded on the Tokyo Stock Exchange and the Hercules.

Going forward, as indicated in the press release "Daiwa House Industry Co., Ltd. to commence the tender offer for the shares in its listed subsidiary Eneserve Corporation" submitted on May 30, 2008, the Company will pursue at a higher level the synergy effect of the Company and the Target within Daiwa House Group, and also improve the speed and efficiency of the management of the Target, and intends to develop a comprehensive business strategy that is more cohesive than before as a Group.

4. Locations where copies of the Tender Offer Report are available for public inspection

Daiwa House Industry Co., Ltd.
(3-5, Umeda 3-chome, Kita-ku, Osaka-shi, Osaka)
Tokyo Stock Exchange, Inc.
(2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)
Osaka Securities Exchange Co., Ltd.
(1-8-16, Kitahama, Chuo-ku, Osaka-shi, Osaka)

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 July 23, 2008.