

DAIWA HOUSE INDUSTRY CO., LTD.  
3-3-5, Umeda, Kita-ku,  
Osaka, Japan

June 7, 2018

**Notice of the 79th Ordinary General Meeting of Shareholders**

Dear Shareholders:

We hereby notify you of the 79th Ordinary General Meeting of Shareholders, to be held at the time and location set forth below.

If you are unable to attend the meeting, please review the Reference Materials for General Meeting of Shareholders provided hereafter, and exercise your voting rights in writing or over the Internet, etc. before 6:00 p.m. of June 27, 2018 (Wednesday).

Very truly yours,

Keiichi Yoshii  
Representative Director and President

1. Date and time: Thursday, June 28, 2018 at 10:00 a.m.
2. Location: The Grand Ballroom, THE RITZ-CARLTON, OSAKA, 2nd Fl.,  
2-5-25, Umeda, Kita-ku, Osaka, Japan  
(Please note that if all seats are taken in The Grand Ballroom, we will lead you to a second room or other place.)
3. Purpose of the meeting  
Matters to be reported:
  1. The Business Report, the Consolidated Financial Statements, and the Independent Auditors' Report and the Audit & Supervisory Board's Report Concerning the Consolidated Financial Statements for the 79th Fiscal Year (from April 1, 2017 to March 31, 2018)
  2. The Financial Statements for the 79th Fiscal Year (from April 1, 2017 to March 31, 2018)

Matters to be resolved:

- Proposal 1 Dividends from Surplus
- Proposal 2 Election of Nineteen (19) Directors
- Proposal 3 Election of One (1) Audit & Supervisory Board Member
- Proposal 4 Payment of Bonuses for Directors and Audit & Supervisory Board Members
- Proposal 5 Payment of Special Reward for a Retiring Representative Director

**Guidance for Exercising Voting Rights, etc.**

<If you will attend the meeting>

Please present the voting rights exercise form enclosed herein to the reception.

<If you are unable to attend the meeting>

**[Voting in writing (by mail)]**

[Exercise due date: Received by 6:00 p.m. on Wednesday, June 27, 2018]

Please indicate your approval or disapproval of the proposals in the voting rights exercise form enclosed herein, and return the form to the Company by the exercise due date.

**[Voting on the Internet (personal computer/smartphone/mobile phone, etc.)]**

[Exercise due date: Received by 6:00 p.m. on Wednesday, June 27, 2018]

Please access the website (<https://www.web54.net>) designated by the Company for the purpose of exercising voting rights, enter your approval or disapproval of the proposals, and exercise your voting rights by the exercise due date.

<Contact for inquiries on voting on the Internet>

In case you need instructions for how to operate your personal computer/smartphone/mobile phone, etc. in order to exercise your voting rights via this Internet Site, please contact the following support desk:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline  
0120-652-031 (\*Toll Free)  
(Business hours: from 9:00 to 21:00)

\* The service is available in Japanese only.

**Electronic Voting Platform**

Institutional investors, only if they apply in advance to use it, may use “Electronic Voting Platform” operated by ICJ, Inc., a joint venture established by TSE and others, as a method for exercising their voting rights electronically, in addition to the aforementioned exercise of their voting rights via the Internet.

Notes:

1. If you exercise your voting rights both in writing and via the Internet, only the later vote to be received by the Company shall be deemed valid. However, if both arrive at the Company on the same day, only the Internet vote shall be deemed valid.
2. If you exercise your voting rights multiple times via the Internet, then the last vote you submit will count as valid.
3. In the event of situations requiring amendments to the Business Report, the Consolidated Financial Statements, the Financial Statements, and the Reference Materials for General Meeting of Shareholders, amended items will be posted over the Internet on the Company website (<https://www.daiwahouse.com/>).

## Reference Materials for General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal 1: Dividends from Surplus

Taking into account our operating performance for the current fiscal year and future business development, it is proposed that year-end dividends for the 79th fiscal year be distributed as follows:

- (1) Type of dividend assets

Cash

- (2) Allotment of dividend assets and total amount

It is proposed that 62 yen be paid out per common share of the Company.

Subsequently, the total payment of year-end dividends will be 41,303,074,812 yen.

Thus, the annual dividend will be 107 yen per share (increased by 15 yen from the previous fiscal year), including the interim dividend of 45 yen paid on December 5, 2017.

- (3) Effective date of payment of dividends

June 29, 2018

**Proposal 2: Election of Nineteen (19) Directors**

At the conclusion of this general meeting of shareholders, the term of office of all Directors (18) will expire. Accordingly, to strive for further strengthening of our management foundation, we propose the election of nineteen (19) Directors (including one (1) new candidate), of which three (3) are Outside Directors.

The Company upholds a policy of having a Board of Directors that comprises diverse directors with differing backgrounds in terms of expertise and experience, etc. in order to ensure the effectiveness of the Board of Directors as a whole. In accordance with this policy, we decide nominees for Director following a process of deliberation by the Nomination Advisory Committee.

Also, we have established Independence Standards for Outside Officers as described on page 18; all three (3) nominees for Outside Director in this proposal meet these standards.

The tables on pages 6 through 15 list the nominees for the position of Director.

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
1	Takeo Higuchi <To be reelected>	Representative Director and Chairman CEO	14 of 14 (100%)
2	Keiichi Yoshii <To be reelected>	Representative Director and President COO	13 of 14 (93%)
3	Tamio Ishibashi <To be reelected>	Representative Executive Vice President In charge of Information Systems In charge of CSR In charge of Marketing Support	13 of 14 (93%)
4	Katsutomo Kawai <To be reelected>	Representative Executive Vice President General Manager, Management Administration Headquarters In charge of Strategy Division, Management Administration Headquarters	14 of 14 (100%)
5	Takeshi Kosokabe <To be reelected>	Representative Director and Senior Managing Executive Officer CFO, In charge of Administrative Division, Management Administration Headquarters	14 of 14 (100%)
6	Kazuto Tsuchida <To be reelected>	Representative Director and Senior Managing Executive Officer General Manager, Technology Headquarters General Manager, Production and Procurement Headquarters Supervising Technology Management in Overseas Business In charge of the Environment	14 of 14 (100%)
7	Osamu Fujitani <To be reelected>	Representative Director and Senior Managing Executive Officer General Manager, Marketing Headquarters	14 of 14 (100%)
8	Fukujiro Hori <To be reelected>	Director and Senior Managing Executive Officer In charge of Rental Apartment Headquarters	14 of 14 (100%)
9	Takashi Hama <To be reelected>	Director and Managing Executive Officer In charge of Environment and Energy Business	14 of 14 (100%)

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
10	Makoto Yamamoto <To be reelected>	Director and Managing Executive Officer In charge of Corporate Communications Division, Management Administration Headquarters	14 of 14 (100%)
11	Yoshiaki Tanabe <To be reelected>	Director and Managing Executive Officer Deputy General Manager, Technology Headquarters Deputy General Manager, Production and Procurement Headquarters In charge of Safety	14 of 14 (100%)
12	Hirotsugu Otomo <To be reelected>	Director and Managing Executive Officer Deputy General Manager, Marketing Headquarters In charge of General Housing Business	14 of 14 (100%)
13	Tatsuya Urakawa <To be reelected>	Director and Managing Executive Officer In charge of General Construction Headquarters	11 of 11 (100%)
14	Kazuhito Dekura <To be reelected>	Director and Managing Executive Officer Tokyo Head Branch Manager Deputy General Manager, Marketing Headquarters Jointly in charge of Rental Apartment Headquarters	11 of 11 (100%)
15	Yoshinori Ariyoshi <To be reelected>	Director and Managing Executive Officer General Manager, Central Research Laboratory, Technology Headquarters In charge of Housing Product Development	10 of 11 (91%)
16	Keisuke Shimonishi <To be newly elected>	Managing Executive Officer In charge of Commercial Construction Headquarters	-
17	Kazuyoshi Kimura <To be reelected>	Director <Outside> <Independent>	13 of 14 (93%)
18	Yutaka Shigemori <To be reelected>	Director <Outside> <Independent>	14 of 14 (100%)
19	Yukiko Yabu <To be reelected>	Director <Outside> <Independent>	13 of 14 (93%)

<To be reelected>

Candidate to be reelected as Director

<To be newly elected>

Candidate to be newly elected as Director

<Outside>

Candidate for Outside Director

<Independent>

Independent officer (to be) reported to the Tokyo Stock Exchange

Note: The number of Board of Directors meetings attended by Mr. Tatsuya Urakawa, Mr. Kazuhito Dekura and Mr. Yoshinori Ariyoshi refers to Board of Directors meetings held on and after they assumed office as Directors on June 29, 2017.

No. of nominee <b>1</b>	<b>Takeo Higuchi</b> (Date of birth: April 29, 1938)	No. of the Company's shares held by nominee: 201,557 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> Aug. 1963    Joined the Company April 1984    Tokyo Branch, General Manager, Special Construction Business Division June 1984    Director June 1989    Managing Director June 1991    Executive Managing Director June 1993    Retired from the Company  June 2000    Representative Director and President, Daiwa Danchi Co., Ltd. June 2000    Director of the Company April 2001    Representative Director and President April 2004    Representative Director and Chairman (Current)	
<b>Reason for nomination of the person as Director</b> He has shown excellent leadership to lead the improvement of the corporate value of the Company Group for a long time. Since assuming the position of Representative Director of the Company, he has strived to develop successors, while endeavoring to maintain and improve the balance of management as a whole in the capacity of the chairman of the Board of Directors for the sustainable development of the Company Group. Accordingly, the Company expects that he will continue cultivating the senior management of the Group with his excellent managerial skills and spirit in the future.		

No. of nominee <b>2</b>	<b>Keiichi Yoshii</b> (Date of birth: May 27, 1958)	No. of the Company's shares held by nominee: 16,146 shares
Attendance at meetings of the Board of Directors 13 of 14 (93%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> June 1990    Joined the Company April 2010    Executive Officer June 2011    Director and Senior Executive Officer  April 2013    Director and Managing Executive Officer  May 2013    Head of Overseas Business April 2014    Deputy General Manager, Marketing Headquarters  April 2016    Director and Senior Managing Executive Officer  Nov. 2017    Representative Director and President (Current)	
<b>Reason for nomination of the person as Director</b> Subsequent to his appointment as Director, he has striven to expand business activities, primarily while in charge of overseas business, and to expand business operations as General Manager of Marketing Headquarters. After assuming the position of Representative Director and President, he has promoted the policies of "Strategy for No. 1 share in each business," "Further promotion of overseas businesses," and "human resource development" and worked tirelessly to build a foundation for future growth. Accordingly, the Company expects that he will continue demonstrating managerial skills and excellent leadership.		

No. of nominee <b>3</b>	<b>Tamio Ishibashi</b> (Date of birth: Feb. 18, 1956)	No. of the Company's shares held by nominee: 883,725 shares
Attendance at meetings of the Board of Directors 13 of 14 (93%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> June 1979    Joined the Company June 1988    General Manager, Purchasing Department June 1989    Director June 1993    Managing Director June 1996    Executive Managing Director June 1999    Managing Director March 2000   Executive Managing Director June 2000    Representative Executive Managing Director June 2001    Representative Executive Vice President (Current) April 2007    In charge of Information Systems (Current) In charge of CSR (Current) April 2008    In charge of Marketing Support (Current) In charge of TKC Promotion (Current) July 2014    Representative Director and Chairman, Daiwa Logistics CO., LTD.	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the purchasing department, been involved in management as Director of the Company and Company Group for a long time, and endeavored to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>4</b>	<b>Katsutomo Kawai</b> (Date of birth: Nov. 6, 1948)	No. of the Company's shares held by nominee: 36,529 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1972    Joined the Company Oct. 2003    Executive Officer April 2006    Senior Executive Officer In charge of Management Strategy and Human Resources Strategy General Manager, Human Resources Department June 2006    Director April 2007    Director and Senior Executive Officer In charge of Strategy Division, Management Administration Headquarters (Current) Jointly in charge of CSR (Current) April 2010    Director and Managing Executive Officer April 2011    Director and Senior Managing Executive Officer April 2013    Representative Director and Senior Managing Executive Officer April 2015    General Manager, Management Administration Headquarters (Current) June 2015    Representative Executive Vice President (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the human resources department, and after assuming the position of Representative Director of the Company, he has been serving as General Manager of Management Administration Headquarters, and in charge of Strategy Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>5</b>	<b>Takeshi Kosokabe</b> (Date of birth: May 13, 1957)	No. of the Company's shares held by nominee: 21,588 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1980    Joined the Company April 2004    Executive Officer April 2006    Senior Executive Officer June 2006    Retired as Senior Executive Officer Representative Director and President, Daiwa House REIT Management Co., Ltd. June 2009    Senior Executive Officer of the Company General Manager, Accounting Department, Management Administration Headquarters June 2010    Director and Senior Executive Officer April 2012    Director and Managing Executive Officer In charge of Administrative Division, Management Administration Headquarters (Current) April 2015    Director and Senior Managing Executive Officer CFO (Current) June 2015    Representative Director and Senior Managing Executive Officer (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the accounting department and as Representative Director of a group company, and after assuming the position of Representative Director of the Company, he has been serving as CFO and in charge of Administrative Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>6</b>	<b>Kazuto Tsuchida</b> (Date of birth: July 27, 1952)	No. of the Company's shares held by nominee: 33,746 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1976    Joined the Company April 2004    Executive Officer General Manager, Construction Department, Technology Headquarters (Buildings) April 2007    Senior Executive Officer June 2009    Director and Senior Executive Officer April 2010    Director and Managing Executive Officer April 2016    Director and Senior Managing Executive Officer April 2017    General Manager, Production and Procurement Headquarters (Current) Supervising Technology Management in Overseas Business (Current) June 2017    Representative Director and Senior Managing Executive Officer (Current) General Manager, Technology Headquarters (Current) In charge of the Environment (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the technology department, and served as Deputy General Manager of Technology Headquarters and been in charge of Technology Management in Overseas Business. After assuming the position of Representative Director of the Company, he has been serving as General Manager of Technology Headquarters and General Manager of Production and Procurement Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will further promote the manufacturing function in the future.		



No. of nominee 7	Osamu Fujitani (Date of birth: Feb. 4, 1951)	No. of the Company's shares held by nominee: 13,427 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<p><b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b></p> <p>April 1974    Joined the Company</p> <p>April 2007    Executive Officer</p> <p>April 2010    Senior Executive Officer</p> <p>April 2012    In charge of Commercial Construction Headquarters</p> <p>June 2012    Director and Senior Executive Officer</p> <p>April 2013    Director and Managing Executive Officer</p> <p>April 2014    Director and Senior Managing Executive Officer General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chubu and Hokuriku, Chugoku and Shikoku regions)</p> <p>Oct. 2014    General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chugoku and Shikoku regions)</p> <p>April 2015    General Manager, Commercial Construction Promotion Department (In charge of East Japan)</p> <p>Nov. 2017    Representative Director and Senior Managing Executive Officer (Current) General Manager, Marketing Headquarters (Current)</p>	
<p><b>Reason for nomination of the person as Director</b></p> <p>He has accumulated experience from working in the marketing department and been in charge of commercial construction business. After assuming the position of Representative Director of the Company, he has been in charge of General Manager of Marketing Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.</p>		
No. of nominee 8	Fukujiro Hori (Date of birth: July 3, 1950)	No. of the Company's shares held by nominee: 41,146 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<p><b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b></p> <p>April 1969    Joined the Company</p> <p>April 2004    Executive Officer</p> <p>April 2006    Senior Executive Officer</p> <p>March 2010   In charge of Rental Apartment Headquarters (Current)</p> <p>June 2010    Director and Senior Executive Officer</p> <p>April 2012    Director and Managing Executive Officer</p> <p>April 2016    Director and Senior Managing Executive Officer (Current)</p> <p>April 2017    General Manager, Rental Apartment Promotion Department (In charge of East and Central Japan regions) (Current)</p>	
<p><b>Reason for nomination of the person as Director</b></p> <p>He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been in charge of Rental Apartment Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.</p>		

No. of nominee <b>9</b>	<b>Takashi Hama</b> (Date of birth: Jan. 31, 1954)	No. of the Company's shares held by nominee: 29,407 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1976    Joined the Company Oct. 2003    Executive Officer General Manager, Central Research Laboratory, Technology Headquarters April 2005    Deputy General Manager, Product Development Department, Technology Headquarters June 2005    Director April 2007    Director and Managing Executive Officer (Current) April 2009    In charge of Environment and Energy Business (Current) April 2016    Representative Director and President, Daiwa Energy Co., Ltd. (Current)  <b>(Significant concurrent positions)</b> Representative Director and President, Daiwa Energy Co., Ltd.	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the technology department and as General Manager of Central Research Laboratory, and after assuming the position of Director of the Company, he has been mainly in charge of environment and energy business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>10</b>	<b>Makoto Yamamoto</b> (Date of birth: March 23, 1954)	No. of the Company's shares held by nominee: 16,826 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1976    Joined the Company Oct. 2006    Executive Officer April 2007    General Manager, Advertising Department, Management Administration Headquarters April 2008    Senior Executive Officer April 2010    In charge of Marketing Support June 2010    Director and Senior Executive Officer April 2011    Director and Managing Executive Officer (Current) April 2013    In charge of Corporate Communications Division, Management Administration Headquarters (In charge of Advertising, Liaison, Corporate Communications) (Current) April 2017    Jointly in charge of Marketing Support (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the marketing department and as General Manager of Advertising Department, and after assuming the position of Director of the Company, he has been mainly in charge of Corporate Communications Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>11</b>	<b>Yoshiaki Tanabe</b> (Date of birth: Oct. 29, 1953)	No. of the Company's shares held by nominee: 8,105 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company,          and significant concurrent positions</b> April 1976 Joined the Company April 2010 Executive Officer April 2012 Senior Executive Officer April 2013 Managing Executive Officer Oct. 2014 Senior Department Manager, Housing Construction April 2015 Deputy General Manager, Technology Headquarters (Current) Jointly in charge of Safety Senior Department Manager, Housing Technology June 2015 Director and Senior Executive Officer April 2016 Director and Managing Executive Officer (Current) April 2017 Deputy General Manager, Production and Procurement Headquarters (Current) In charge of Safety (Current) Senior Department Manager, Technology Department (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly serving as Deputy General Manager of Technology Headquarters and Deputy General Manager, Production and Procurement Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will further promote the manufacturing function.		
No. of nominee <b>12</b>	<b>Hirotsugu Otomo</b> (Date of birth: Aug. 31, 1959)	No. of the Company's shares held by nominee: 24,146 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<b>Brief personal history, position and responsibility in the Company,          and significant concurrent positions</b> Dec. 1984 Joined the Company April 2011 Executive Officer March 2013 General Manager, Housing Promotion Department (In charge of Central Japan) April 2014 Senior Executive Officer Deputy General Manager, Marketing Headquarters (Current) April 2015 Managing Executive Officer April 2016 General Manager, Chubu and Shinetsu Regional Business Unit (Current) June 2016 Director and Managing Executive Officer (Current) In charge of General Housing Business (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly serving as Deputy General Manager of Marketing Headquarters and in charge of general housing business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>13</b>	<b>Tatsuya Urakawa</b> (Date of birth: Feb. 22, 1961)	No. of the Company's shares held by nominee: 10,590 shares
Attendance at meetings of the Board of Directors 11 of 11 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> Jan. 1985    Joined the Company April 2009    Executive Officer April 2011    Senior Executive Officer April 2013    Managing Executive Officer Tokyo Head Branch, General Manager, Construction Business Division General Manager, General Construction Promotion Division (Current) In charge of General Construction Operations (Current) June 2017    Director and Managing Executive Officer (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been in charge of General Construction Operations, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>14</b>	<b>Kazuhito Dekura</b> (Date of birth: Aug. 26, 1961)	No. of the Company's shares held by nominee: 11,074 shares
Attendance at meetings of the Board of Directors 11 of 11 (100%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1988    Joined the Company April 2012    Executive Officer March 2014    Head Branch Manager General Manager, Kansai Regional Business Unit April 2014    Senior Executive Officer Deputy General Manager, Marketing Headquarters (Current) General Manager, Housing Promotion Department (In charge of Kansai region) General Manager, Commercial Construction Promotion Department (In charge of Kinki region) April 2015    Managing Executive Officer General Manager, Commercial Construction Promotion Department (In charge of Kinki, Chugoku and Shikoku regions) April 2017    General Manager, Commercial Construction Promotion Department (In charge of West Japan region) June 2017    Director and Managing Executive Officer (Current) Nov. 2017    Tokyo Head Branch Manager (Current) General Manager, Tokyo Regional Business Unit (Current) April 2018    Jointly in charge of Rental Apartment Headquarters (Current) General Manager, Rental Apartment Promotion Department (In charge of Hokkaido, Tohoku, Saitama, Gunma and Tochigi regions) (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of Tokyo Head Branch Manager and Deputy General Manager of Marketing Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>15</b>	<b>Yoshinori Ariyoshi</b> (Date of birth: July 31, 1958)	No. of the Company's shares held by nominee: 5,239 shares
Attendance at meetings of the Board of Directors 10 of 11 (91%)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1982 Joined the Company April 2014 Executive Officer April 2015 General Manager, Central Research Laboratory, Technology Headquarters (Current) April 2017 Senior Executive Officer In charge of Housing Product Development (Current) June 2017 Director and Managing Executive Officer (Current) Jointly in charge of the Environment (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly in charge of General Manager of Central Research Laboratory and Housing Product Development, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>16</b>	<b>Keisuke Shimonishi</b> (Date of birth: Oct. 19, 1958)	No. of the Company's shares held by nominee: 2,200 shares
(To be newly elected)	<b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b> April 1981 Joined the Company April 2013 Executive Officer General Manager, Commercial Construction Promotion Department (In charge of Chubu and Hokuriku regions) March 2014 Fukuoka Branch Manager General Manager, Kyushu Regional Business Unit April 2014 General Manager, Housing Promotion Department (In charge of Kyushu region) General Manager, Commercial Construction Promotion Department (In charge of Kyushu region) April 2016 Senior Executive Officer March 2017 General Manager, Commercial Construction Promotion Department April 2017 Managing Executive Officer (Current) General Manager, Commercial Construction Promotion Department (In charge of East Japan region) (Current) April 2018 In charge of Commercial Construction Headquarters (Current)	
<b>Reason for nomination of the person as Director</b> He has accumulated experience from working in the marketing department, and has striven, mainly as a General Manager of Commercial Construction Promotion Department, to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills as Director by utilizing his broad knowledge and experience in the future.		

No. of nominee <b>17</b>	Outside Director <b>Kazuyoshi Kimura</b> (Date of birth: Nov. 12, 1943)	No. of the Company's shares held by nominee: 8,300 shares
Attendance at meetings of the Board of Directors 13 of 14 (93%)	<p><b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b></p> <p>April 1967    Joined The Nikko Securities Inc.          March 2000    Director and Vice President          Jan. 2002    Director and Chairman, Nikko Asset Management Co., Ltd.          June 2003    Director and Chairman, Nikko antfactory K.K.          March 2004    Director and Chairman, Simplex Investment Advisors Inc.          June 2005    Chairman, (Former) Nikko Cordial Securities, Inc.          Feb. 2007    Chairman, Nikko Cordial Corporation          April 2008    Director and Chairman, Nikko Citigroup Limited          May 2008    Director and Co-chairman, Nikko Citi Holdings Inc.          Oct. 2009    Director and Chairman, (New) Nikko Cordial Securities, Inc.          April 2010    Adviser, Nikko Cordial Securities, Inc. (current SMBC Nikko Securities Inc.)          April 2012    Director and Chairman, Ra Holdings K.K.          June 2012    Director of the Company (Current)          Nov. 2012    Director, BIC CAMERA INC. (Current)                            Director, Kojima Co., Ltd.          Feb. 2013    Representative Director and Chairman          Sep. 2013    Representative Director and Chairman, President and Representative Executive Officer (Current)</p> <p><b>(Significant concurrent positions)</b></p> <p>Representative Director and Chairman, President and Representative Executive Officer, Kojima Co., Ltd.          Director, BIC CAMERA INC.          Outside Audit &amp; Supervisory Board Member, SPARX Group Co., Ltd.</p>	
<p><b>Reason for nomination of the person as Outside Director</b></p> <p>Utilizing his extensive knowledge of corporate management cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.</p>		

No. of nominee <b>18</b>	Outside Director <b>Yutaka Shigemori</b> (Date of birth: June 25, 1949)	No. of the Company's shares held by nominee: 8,000 shares
Attendance at meetings of the Board of Directors 14 of 14 (100%)	<p><b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b></p> <p>April 1974    Joined Yasuda Life Insurance Company  July 2002    Director and Ginza Branch Manager  Jan. 2004    Executive Officer, Meiji Yasuda Life Insurance Company  April 2006    Managing Executive Officer (<i>Shikko-yakuin</i>)  July 2006    Managing Executive Officer (<i>Shikko-yaku</i>)  April 2009    Representative Director and President, Meiji Yasuda General Insurance Co., Ltd.  June 2012    Director                    Director of the Company (Current)  Sep. 2012    Retired as Director, Meiji Yasuda General Insurance Co., Ltd.  April 2013    Representative Director and President, Wise Total Support, Co., Ltd.  April 2015    Representative Director and President, Wise Networking Co., Ltd. (Current)  April 2018    Representative Director and Chairman, Wise Total Support, Co., Ltd. (Current)</p> <p><b>(Significant concurrent positions)</b>  Outside Director, Audit and Supervisory Committee Member, SINANEN HOLDINGS CO., LTD.</p>	
<p><b>Reason for nomination of the person as Outside Director</b>  Utilizing his extensive knowledge of corporate management cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.</p>		

No. of nominee <b>19</b>	Outside Director <b>Yukiko Yabu</b> (Date of birth: June 23, 1958)	No. of the Company's shares held by nominee: 600 shares
Attendance at meetings of the Board of Directors 13 of 14 (93%)	<p><b>Brief personal history, position and responsibility in the Company, and significant concurrent positions</b></p> <p>April 1981    Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)  April 2006    Manager, Lifestyle Research Center, Technological Headquarters, Home Appliance Company  Jan. 2011    Manager and Trustee, Global Consumer Research Center, Corporate Brand Strategy Headquarters  April 2013    Trustee in charge of Consumer Research and Group Manager, Global Marketing Planning Center, Appliances Company  March 2014    Retired Panasonic Corporation  June 2016    Director of the Company (Current)</p> <p><b>(Significant concurrent positions)</b>  External Director, Takara Holdings Inc.</p>	
<p><b>Reason for nomination of the person as Outside Director</b>  Utilizing her abundant experience in planning, development, market research, etc., of general consumer merchandise over many years, she has played an important role in strengthening governance by providing useful advice from the perspective of consumers. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint.  She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director in the manner that the Company expects, based on the reason described above.</p>		

Notes: 1. No beneficial interest exists between the Company and any nominees for the position of Director.

2. Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu are nominees for the position of Outside Director.
3. At the conclusion of this general meeting of shareholders, Mr. Kazuyoshi Kimura and Mr. Yutaka Shigemori will have served the position for six (6) years, while Ms. Yukiko Yabu will have served for two (2) years. All of them are presently Outside Directors of the Company.

4. The Company has entered into an agreement with Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu to limit the liabilities to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.  
If the election of the said nominees is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with each of them.
5. The Company has designated and reported Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu as independent officer as stipulated in the regulations of Tokyo Stock Exchange, Inc.  
If the election of the said nominees is approved and passed as proposed in this proposal, they will continue to serve as independent officers.
6. Ms. Yukiko Yabu will retire from the position of External Director to Takara Holdings Inc. at the conclusion of the annual general meeting of shareholders of the said company, which will be held on June 28, 2018.



**Proposal 3: Election of One (1) Audit & Supervisory Board Member**

The term of office of the Audit & Supervisory Board Members, Mr. Kuniaki Matsumoto will expire at the conclusion of this general meeting of shareholders. Accordingly, we propose the election of one (1) new Audit & Supervisory Board Member.

The Audit & Supervisory Board has given prior approval to this proposal.

The table below lists the nominee for the position of Audit & Supervisory Board Member.

Nominee	<b>Tomoyuki Nakazato</b> (Date of birth: Oct. 29, 1961)	No. of the Company's shares held by nominee: 2,300 shares
(To be newly elected)	<b>Brief personal history, position in the Company, and significant concurrent positions</b> April 1984    Joined the Company April 2008    General Manager, Administrative Division, Saitama Branch April 2013    General Manager, Accounting Department, Tokyo Head Office April 2018    Department Manager, Audit & Supervisory Board Members' Office (Current)	
<b>Reason for nomination of the person as Audit &amp; Supervisory Board Member</b> Having abundant knowledge of finance and accounting from his long-term experience of accounting operations, the Company expects that he will execute highly effective audits. Accordingly, the Company judges he will appropriately fulfill his duties as an Audit & Supervisory Board Member, and proposes his election as Audit & Supervisory Board Member.		

- Notes: 1. No beneficial interest exists between the Company and the nominee for the position of Audit & Supervisory Board Member.
2. If the election of Mr. Tomoyuki Nakazato is approved and passed as proposed in this proposal, the Company will enter into an agreement with him to limit the liability to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.

**<Independence Standards for Outside Officers>**

The Company judges outside Directors, outside Audit & Supervisory Board Members (hereinafter collectively referred to as “outside Officers”), or candidates for outside Officers as independent if they do not fall under any of the following items as a result of the investigation conducted by the Company as far as reasonably possible:

- i. Executors of operations<sup>Note 1</sup> of the Company and its affiliates (hereinafter collectively referred to as the “Company Group”);
- ii. Those for whom the Company Group is a major business partner<sup>Note 2</sup> or their executors of operations;
- iii. Major business partners of the Company Group<sup>Note 3</sup> or their executors of operations;
- iv. Major shareholders of the Company (Those who own directly or indirectly 10% or more of the total voting rights) or their executors of operations;
- v. Those 10% or more of whose total voting rights are owned directly or indirectly by the Company Group or their executors of operations;
- vi. Those who belong to the auditing firm that is the financial auditor of the Company Group;
- vii. Attorneys, certified public accountants, licensed tax accountants, consultants and the like who receive a large amount<sup>Note 4</sup> of monetary or other property benefits other than officers remuneration from the Company Group;
- viii. Those who belong to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount<sup>Note 4</sup> of monetary or other property benefits from the Company Group;
- ix. Council members or other executors of operations of bodies including corporations and cooperatives which, or persons who receive a large amount<sup>Note 4</sup> of donations or assistance from the Company Group;
- x. In cases where Directors for operational execution, or full-time Audit & Supervisory Board Members concurrently serve as outside Directors or outside Audit & Supervisory Board Members of other companies, Directors for operational execution, Executive Officers (*shikko-yaku*), Executive Officers (*shikko-yakuin*), or managers and other employees of said companies;
- xi. Those who have fallen under the definition of the above ii to x in the last three years
- xii. In cases where those who fall under the definition of the above i to x are important persons<sup>Note 5</sup>, their spouses or relatives within the second degree of kinship.

## Notes:

1. “Executors of operations” refer to Directors, Executive Officers (*shikko-yaku*), Executive Officers (*shikko-yakuin*), employees who execute operations, council members, or those equivalent thereto and employees of corporations and other bodies, as well as those who have belonged to the Company Group in the past even once.
2. “Those for whom the Company Group is a major business partner” refer to persons who have received from the Company the payment of 2% or more of their consolidated annual sales in the most recent fiscal year.
3. “Major business partners of the Company Group” refer to persons who pay the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
4. “A large amount” refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, more than 2% of the consolidated sales or total revenues of said bodies for bodies including corporations and cooperatives.
5. “Important persons” refer to Directors (excluding outside Directors), Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), Executive Officers (*shikko-yakuin*) and employees who are senior managers in the position of general managers or higher.

**Proposal 4: Payment of Bonuses for Directors and Audit & Supervisory Board Members**

Taking into account the amount of the previous payments and our operating performance for the current fiscal year, it is proposed that 1,065 million yen in total be paid to, among eighteen (18) Directors and six (6) Audit & Supervisory Board Members incumbent at the end of the current fiscal year, fifteen (15) Directors (number excluding outside Directors) and three (3) Audit & Supervisory Board Members (number excluding outside Audit & Supervisory Board Members). Specifically, 986 million yen will be paid to Directors and 79 million yen to Audit & Supervisory Board Members.

**(Reference) The Executive Remuneration System**

The Company's executive remuneration comprises cash remuneration, made up of fixed remuneration and annual bonus. The Company also has a scheme for the senior management of the Daiwa House Group linked to shareholder value, under which it issues commitment-type share acquisition rights (compensatory share options), with exercise conditional on the achievement of the performance targets set in the medium-term management plan.

For long-term performance-linked remuneration, we have introduced the "Share-based Remuneration Plan." This plan aims to provide Directors, who are the managing trustees, with compensation for the creation of shareholder value from a long-term management perspective; the number of shares delivered will vary according to the return on equity (ROE) achieved.

Type of remuneration etc.		Purpose/content, etc.
Short term	Fixed remuneration	Recompense for fulfilling responsibilities
	Annual bonus	Recompense for generating profits (Up to 0.5% of consolidated ordinary income, linked to profits that are used as the source of payments)
Medium term	Compensatory share options (*)	Commitment to achieving the medium-term performance targets and raising shareholder value
Long term	Share-based remuneration	Recompense for long-term shareholder value (Number of shares delivered will fluctuate with ROE)

Note: Compensatory share options is a system under which commitment-type share acquisition rights are issued with compensation at fair value.

**Proposal 5: Payment of Special Reward for a Retiring Representative Director**

Mr. Naotake Ohno who retired as Representative Director and President on October 31, 2017, resigned mid-term. However, he worked hard to build the foundations upon which to achieve the business targets of the 5th Medium-Term Management Plan and contributed immensely to raising the corporate value of the Group.

Accordingly, considering his contribution as mentioned above, the Company proposes to pay 100 million yen as a special reward for Mr. Ohno.

The retirement bonuses for directors were eliminated by the resolution of the 66th Ordinary General Meeting of Shareholders held on June 29, 2005. So, the special reward presented based on this proposal is for his contribution during his term of office in the 79th fiscal period (from April 1, 2017 to October 31, 2017).

In addition, the special reward for Mr. Ohno has passed through a process of deliberation by the Remuneration Advisory Committee.

The Company proposes that the details regarding the timing and method, etc. of the payment be entrusted to the Board of Directors.