



November 28, 2017

Press release (Translation only)

Company: Daiwa House Industry Co., Ltd.
(Code number:1925,
First Section of the Tokyo Stock
Exchange)
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Notice Concerning the Acquisition of Rawson Group Pty., Ltd. Shares

Daiwa House Industry Co., Ltd. hereby announces that at the extraordinary Board of Directors meeting held on November 28, 2017 we voted to acquire all shares of Rawson Group Pty., Ltd., a residential housing construction and land development business located in Sydney, New South Wales, Australia (hereinafter, Rawson Group), through our wholly-owned subsidiary Daiwa House Australia Pty., Ltd. (hereinafter, Daiwa House Australia).

1. Reasons for the share acquisition

The Daiwa House Group 5th Medium-Term Management Plan, which concludes in FYE March 2019, outlines measures for responding to future environment changes and building a platform for achieving net sales of 4 trillion yen. This entails adopting a basic policy of accelerating the expansion of overseas businesses and designating leading nations with stable growth such as the United States and Australia as well as the ASEAN countries, which are expected to see medium to long term growth, as core investment areas through which we will strive to record net sales of 250 billion yen.

On February 14, 2017 we acquired Stanley-Martin Communities, LLC, a single-family housing business mainly operating in Virginia and the surrounding mid-Atlantic states, as a subsidiary of Daiwa House USA Inc. to accelerate the expansion of Group's business in the United States.

To further this initiative, at the November 28, 2017 extraordinary Board of Directors meeting we passed a motion to acquire all shares of Rawson Group, an Australian single-family housing construction and land development business, and executed a share sale agreement to this effect.

The Rawson Group is 40 year old private corporation focused on land development and the construction of single-family homes in Sydney, New South Wales and in the Australian Capital

Territory (ACT) . Rawson Group is the parent entity of Rawson Homes, Thrive Homes and Rawson Communities. The corporate group started approximately 1,188 single-family homes in fiscal year 2017 (as of fiscal year end 30 June 2017), making them the second-largest detached homebuilder in the NSW market. The single-family homes sold by the Rawson Group consistently win the residential construction industry’s top design awards. Embracing a corporate philosophy of "it's not about being the biggest, it's about being the best", the Rawson Group is a trusted company that offers customers the best quality products and the best service while lifting the standard in the residential construction industry.

Moving forward, our Group will collaborate with the Rawson Group to further expand the Rawson Group's businesses in Australia. Further, we seek to accelerate business expansion in Australia by leveraging the Rawson Group's experience and knowledge related to the residential construction industry in Australia.

2. Overview of new subsidiary (Rawson Group)

(1) Name	Rawson Group Pty., Ltd.		
(2) Location	Building F, Level 2, Suite 1, 1 Homebush Bay Drive Rhodes, NSW 2138 Australia		
(3) Representative position/name	Matthew Ramaley (Managing Director and CEO)		
(4) Business operations	Single-family residential construction and residential land development businesses		
(5) Capital	2,710,000 AUD		
(6) Date established	December 14, 1961 (founded: 1978)		
(7) Major shareholders and percentage of shares held	Mark V. Rawson	25.53%	
	Peter L. Rawson	24.53%	
	Lawrence W. Rawson	24.53%	
	Other	25.41%	
(8) Listed company and target company relationships	Capital relationship	None in particular.	
	Personal relationships		
	Transactional relationships		
(9) Target company's consolidated earnings and consolidated financial status for most recent 3 years (unit: 1,000 AUD, rounded off to nearest whole number)			
End of fiscal year	1H/FYE June 2015	1H/FYE June 2016	1H/FYE June 2017
Consolidated net assets	53,271	71,718	84,271
Consolidated total assets	129,882	210,934	283,093
Consolidated net sales	316,457	423,727	544,026
Consolidated operating income	42,112	61,244	64,967

Consolidated net income attributable to owners of parent	22,201	35,271	35,013
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3. Overview of Rawson Group stock acquisition transaction partners

(1) Name	Mark V. Rawson, Peter L. Rawson, Lawrence W. Rawson, etc.
(2) Relationship between listed company and persons in question	There are no capital relationships, personal relationships, or transactional relationships of note between this Company and the persons in question. Furthermore, there are no other relationships of note between this Company and the persons in question.

4. Number of Rawson Group shares acquired and status of held stock before and after acquisition

(1) Number of shares held prior to transfer	— shares	(Percentage of voting rights —%)
(2) Number of acquired shares	257,580 shares	(Percentage of voting rights 100.00%)
(3) Number of shares held after transfer	257,580 shares	(Percentage of voting rights 100.00%)

(Note) As provided in the share sale agreement, the Company has an obligation to maintain confidentiality and not disclose the acquisition value.

5. Schedule

(1) Date of vote	November 28, 2017
(2) Date of contract execution	November 28, 2017
(3) Date of stock transfer	January 2018 (planned)

(Note) The date of vote indicates the date on which the motion was passed by Daiwa House Australia Pty., Ltd.. The scheduled date of stock transfer is in January 2018 but this date may change as the transfer will occur after the completion of procedures related to obtaining approval from the Australian government's Foreign Investment Review Board (FIRB).

6. Future outlook

Through this, the Rawson Group will become a consolidated subsidiary of the Company. The effect on future consolidated results will be minor.