



Daiwa House Industry Co., Ltd.

Wakamatsu KONPOU UNYU SOKO, Inc.

**Notice Regarding the Acquisition by Daiwa House Industry of Shares
in the Four Companies Comprising the Wakamatsu Konpou Group**

With effect from March 8, 2019, Daiwa House Industry Co., Ltd. has acquired shares in the Wakamatsu Konpou Group (comprising four companies—Wakamatsu KONPOU UNYU SOKO, Inc.; JUST Logistics, Inc.; NIPPON BUTSURYU MANAGEMENT, Inc.; and WAKAMATSU UNYU, Inc.), and these companies have been made into consolidated subsidiaries of Daiwa House Industry.

1. Reasons for the Share Acquisition

Daiwa House Industry—a pioneer in the industrialization of construction—has developed more than 3,000 logistics facilities. Since 2002, Daiwa House Industry has started its proprietary D-Project logistics service and expanded its activities in the logistics facility field from the simple design and construction of facilities to become a dedicated overall coordinator in the logistics business. In D-Project, we offer clients a start-to-finish service specifically tailored to each client's business model, encompassing everything from the proposal of prime-location logistics facility sites to post-completion maintenance and management. In collaboration with partners in related fields such as real estate and finance, we offer comprehensive logistics real estate solutions including both in-house asset-based and non-asset based schemes, and real estate securitization.

Currently, in the field of logistics, principally through Daiwa Logistics Co., Ltd., the Daiwa House Group offers logistics services focused on construction materials and EC (electronic commerce*¹) in the apparel field. The share acquisition announced herein is aimed at strengthening the logistics services provided by the Daiwa House Group through collaboration with the Wakamatsu Konpou Group.

*1 Online trading within the apparel industry

2. Expected Effect of Share Acquisition

The Wakamatsu Konpou Group is one of the leading logistics companies in the Hokuriku region of Japan. It operates a joint delivery system offering the transport of goods in four temperature zones—freezer storage, standard refrigerator storage, specified-temperature storage, and ambient/room-

temperature storage. The Group possesses superior expertise in low-temperature logistics, and is also a pioneer in the field of joint delivery, which is its core business. The Group not only operates in three prefectures in the Hokuriku region, but is also expanding its operations to three prefectures in the Tokai region. The Group has developed and perfected a delivery network featuring the frequent delivery of multiple categories of daily-use products in small volumes, centered on food items and pharmaceuticals. Working together with product makers, it possesses the business strength of creating significant benefits through total optimization.

In recent years, logistics companies—which are responsible for the process of distribution of food and medicinal products, amongst others—are being increasingly required to apply the same level of product quality control, hygiene, and temperature management as manufacturing companies, following such guidelines as HACCP*² and GDP*³, in order to conform to the same high safety standards. Consequently, the foodstuffs and pharmaceuticals logistics businesses are fields that have high barriers to entry by new companies.

This share acquisition by Daiwa House Industry is intended to facilitate the expansion of the Daiwa House Group's logistics business through the effective utilization of the know-how possessed by the Wakamatsu Konpou Group in the field of low-temperature logistics. In addition, we plan to introduce even more advanced systems into the Wakamatsu Konpou Group's joint food delivery services, where the Group has been an industry pioneer.

Meanwhile, the alliance between the two groups will enable the Wakamatsu Konpou Group to make effective use of the expertise possessed by the Daiwa House Group in the development of logistics facilities, and its leading-edge technologies, in more rapidly expanding the Wakamatsu Konpou Group's area of operations to major cities such as Nagoya in the Chukyo area.

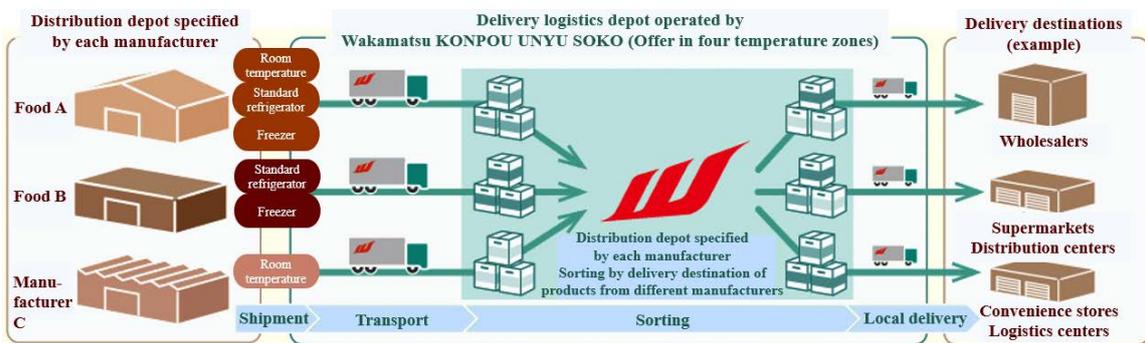
Going forward, the Daiwa House Group and the Wakamatsu Konpou Group aim to further raise their enterprise value by achieving synergy through the sharing of their differing strong points, including the logistics expertise of Daiwa Logistics Co., Ltd. in the field of housing construction, the logistics expertise of Daiwa LogiTech inc. in the field of clothing, and the expertise of the Wakamatsu Konpou Group in the field of foodstuffs.

*2 HACCP is an acronym for "Hazard analysis and critical control points". In Japan, in principle, all companies in the food processing sector will be mandatorily required to exercise hygiene control in conformity with HACCP by June 2021.

*3 GDP stands for "Good Distribution Practices" within the pharmaceuticals industry. As a complement to existing safety and hygiene codes in the manufacturing and quality control processes for pharmaceuticals, GDP extends these standards to the storage and distribution of pharmaceutical products.



[The four temperature zone joint delivery logistics depot operated by Wakamatsu KONPOU UNYU SOKO]



[An outline of the four temperature zone joint delivery system, the prime strength of Wakamatsu KONPOU UNYU SOKO]

3. Outline of Shares Acquisition

(1) Outline of Wakamatsu KONPOU UNYU SOKO

1. Company name	Wakamatsu KONPOU UNYU SOKO, Inc.
2. Location	Head office: 855, Fukumasu-cho, Kita, Kanazawa City, Ishikawa Prefecture Operations headquarters: 2848, Miyanaga-cho, Hakusan City, Ishikawa Prefecture Marketing bases: Ishikawa Prefecture (Kanazawa City, Hakusan City, Komatsu Airport), Toyama Prefecture (Toyama City), Fukui Prefecture

	(Fukui City), Aichi Prefecture (Kita-Nagoya City, Ichinomiya City), Osaka Prefecture (Kansai International Airport), Hyogo Prefecture (Nishinomiya City), Yamanashi Prefecture (Chuo City), Chiba Prefecture (Narita International Airport)
3. Name and title of representative	Toshio Wakamatsu, President and COO
4. Lines of business	Joint delivery system (four temperature zones—freezer storage, standard refrigerator storage, specified-temperature storage, and ambient/room-temperature storage), logistics outsourcing support, delivery center operation, transport & delivery, warehousing & storage, international logistics (customs clearance)
5. Capital	12 million yen
6. Incorporated	September 12, 1959 (Founded in July 1927)
7. Shareholding ratio after acquisition	90.0%
8. Net sales	Entire Group: Approx. 9.2 billion yen

(2) Outline of JUST Logistics

1. Company name	JUST Logistics, Inc.
2. Location	Head office: 114-13, Fukumasu-cho South, Kanazawa City, Ishikawa Prefecture Marketing bases: Ishikawa Prefecture (Kanazawa City, Hakusan City, Komatsu Airport), Osaka Prefecture (Kansai International Airport), Yamanashi Prefecture (Chuo City), Chiba Prefecture (Narita International Airport)
3. Name and title of representative	Michiyuki Wakamatsu, President and COO
4. Lines of business	Just-in-time logistics in all four temperature zones, exclusively reserved delivery & medium to long-distance transport, warehousing, four temperature zones delivery (freezer storage, standard refrigerator storage, exclusively reserved delivery at specified temperatures, and ambient/room-temperature storage)
5. Capital	15 million yen
6. Incorporated	June 14, 1990
7. Shareholding ratio after acquisition	100.0%

(3) Outline of NIPPON BUTSURYU MANAGEMENT

1. Company name	NIPPON BUTSURYU MANAGEMENT, Inc.
2. Location	Head office: 114-13, Fukumasu-cho South, Kanazawa City, Ishikawa Prefecture Marketing bases: Ishikawa Prefecture (Kanazawa City, Hakusan City), Toyama Prefecture (Toyama City), Fukui Prefecture (Fukui City)
3. Name and title of representative	Michiyuki Wakamatsu, President and COO
4. Lines of business	Delivery to individual convenience stores, warehousing Three temperature zones delivery (freezer storage, standard refrigerator storage, heated storage)
5. Capital	9 million yen
6. Incorporated	October 13, 2010
7. Shareholding ratio after acquisition	100.0% (directly held 5.0%, indirectly held 95.0%)

(4) Outline of WAKAMATSU UNYU

1. Company name	WAKAMATSU UNYU, Inc.
2. Location	Head office: 2848, Miyanaga-cho, Hakusan City, Ishikawa Marketing bases: Ishikawa Prefecture (Kanazawa City, Hakusan City, Komatsu Airport), Osaka Prefecture (Kansai International Airport), Chiba Prefecture (Narita International Airport)
3. Name and title of representative	Michiyuki Wakamatsu, President and COO
4. Lines of business	Medium to long-distance transport (via trunk roads between the Kanto, Kansai, and Tokai regions) Four temperature zones delivery (freezer storage, standard refrigerator storage, specified-temperature storage, and ambient/room-temperature storage), bonded goods transport
5. Capital	10 million yen
6. Incorporated	February 5, 2002
7. Shareholding ratio after acquisition	97.0% (directly held 40.0%, indirectly held 57.0%)

4. Other

(1) As the other party to the share acquisition is a private individual, details have been omitted, and there are no capital or business relationships between the said private individual shareholder and Daiwa House Industry that are required to be mentioned here.

(2) The representative directors of the four companies comprising the Wakamatsu Konpou Group will remain in their management posts following the conclusion of the share acquisition described herein.

(3) There will be no change to the trade names of the four Wakamatsu Konpou Group companies as a result of the share acquisition described herein.

(4) Additionally, there will be no significant changes to the management of the four Wakamatsu Konpou Group companies resulting from the share acquisition described herein.

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 March 8, 2019.