



**News Release (Translation only)**

June 18, 2019

Company: Daiwa House Industry Co., Ltd.  
(Code number: 1925,  
First Section of the Tokyo Stock Exchange)  
Representative: Keiichi Yoshii, President and COO  
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**Notice of Receipt of Third-Party Committee Report Concerning Irregularities  
in the Accounts of a Daiwa House Affiliate in the People's Republic of China**

As was announced in the “Announcement of Establishment of an Independent Committee and Dividend Forecast for Fiscal Year Ending March 2019 (Remaining Unchanged)” released on March 29, 2019, we established a third-party committee to investigate irregularities at Daiwa House affiliate Dalian Daiwa Zhongsheng Real Estate Co., Ltd. Today (June 18), we received a “Third-Party Committee Report” from the committee.

Detailed investigation results are available in the attached “Third-Party Committee Report (For Public Release)”. Furthermore, in light of personal privacy protection concerns, the attached “Third-Party Committee Report (For Public Release)” was processed by the third-party committee to ensure anonymity.

Having received this report, Daiwa House Industry will evaluate and implement reoccurrence prevention measures, and plan to release details on these measures in autumn of this year.

Daiwa House Industry deeply and sincerely regrets the great inconvenience and concerns we have caused our shareholders, investors, and affiliates.

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 June 18, 2019.

Furthermore, the “Third-Party Committee Report (For Public Release)” referenced in this release is available in Japanese only. For details, please refer to the Japanese original text dated June 18, 2019.