



News Release (Translation only)

September 18, 2019

Company: Daiwa House Industry Co., Ltd.
 (Code number:1925,
 First Section of the Tokyo Stock Exchange)
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**Notice Regarding the Determination of the Issuing Conditions for the
 Public Offering of Hybrid Bonds (Subordinated Bonds)**

Daiwa House Industry Co., Ltd. (hereinafter ,“the Company”) announces that we today determined the issuing conditions as follows for hybrid bonds (subordinated bonds; hereinafter, “the Bonds”) (Note 1) with a public offering that we announced in the Notice on Public Offering of Hybrid Bonds (Subordinated Bonds) dated August 8, 2019.

(1) Name of bonds	Daiwa House Industry Co., Ltd. First Unsecured Bond (Subordinated Bond) with Interest Payment Deferral and Pre-term Redemption Conditions	Daiwa House Industry Co., Ltd. Second Unsecured Bond (Subordinated Bond) with Interest Payment Deferral and Pre-term Redemption Conditions	Daiwa House Industry Co., Ltd. Third Unsecured Bond (Subordinated Bond) with Interest Payment Deferral and Pre-term Redemption Conditions
(2) Total amount of issue	100 billion yen	20 billion yen	30 billion yen
(3) Initial interest rates	0.50% per annum (Note 2)	0.65% per annum (Note 3)	0.80% per annum (Note 4)
(4) Payment date	September 25, 2019		
(5) Maturity date	September 25, 2054	September 25, 2056	September 25, 2059
(6) Pre-term redemption at the option of the Company	Pre-term redemption will be possible at the discretion of the Company on September 25, 2024 and each interest payment date from September 25, 2024	Pre-term redemption will be possible at the discretion of the Company on September 25, 2026 and each interest payment date from September 25, 2026	Pre-term redemption will be possible at the discretion of the Company on September 25, 2029 and each interest payment date from September 25, 2029

(7) Interest payment dates	March 25 and September 25 of each year
(8) Optional suspension of interest payments	The Company may defer part or all of the payment of the interest on the Bonds at our discretion on certain interest payment dates.
(9) Priority order	The repayment order of the Bonds shall be subordinated to regular bonds in the Company but shall have priority over common shares.
(10) Ratings	A (Rating and Investment Information, Inc.) A+ (Japan Credit Rating Agency, Ltd.)
(11) Capital	The Company has received capital certification equivalent to 50% of the procurement amount respectively from the above credit rating agencies.
(12) Form of issuance	Public offering in Japan
(13) Underwriters	Nomura Securities Co., Ltd. and Daiwa Securities Co., Ltd. shall serve as joint lead managers for this syndication.

(Note 1) The Bonds constitute debt, so their issuance does not result in the dilution of our shares.

(Note 2) This is a fixed interest rate from the day following September 25, 2019 to September 25, 2024. This will then be a variable interest rate from the day following September 25, 2024. (“Step-up interest rate” will be applied from the day following September 25, 2024.)

(Note 3) This is a fixed interest rate from the day following September 25, 2019 to September 25, 2026. This will then be a variable interest rate from the day following September 25, 2026. (“Step-up interest rate” will be applied from the day following September 25, 2026.)

(Note 4) This is a fixed interest rate from the day following September 25, 2019 to September 25, 2029. This will then be a variable interest rate from the day following September 25, 2029. (“Step-up interest rate” will be applied from the day following September 25, 2029.)

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 September 18, 2019.

Furthermore, this is a general announcement concerning a public offering of hybrid bonds (subordinated bonds) and does not constitute any form of investment solicitation or similar act.