



News Release (Translation)

February 13, 2020

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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Notice of the Determination of Matters Pertaining to the Acquisition of Stock under a Performance-Based Stock Compensation Plan

Daiwa House Industry (hereinafter, the “Company”) hereby announces as follows that we have determined the matters pertaining to the acquisition of the stock of the Company performed by the trustees of a performance-based stock compensation plan (hereinafter referred to as “the Plan” with the trust established to introduce the Plan referred to as “the Trust”) using a trust for the Directors of the Company (excluding Outside Directors; hereinafter the same) at a Board of Directors Meeting held today.

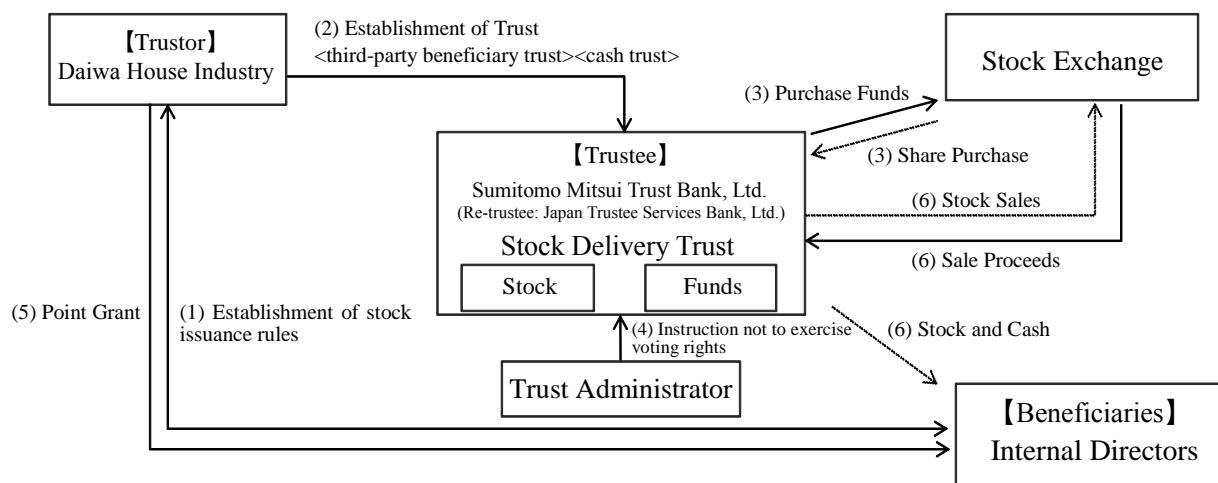
1. Overview of the Trust

(1) Name:	Directors Stock Delivery Trust
(2) Trustor:	Daiwa House Industry Co., Ltd.
(3) Trustee:	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Japan Trustee Services Bank, Ltd.)
(4) Beneficiaries:	Eligible Daiwa House Industry directors
(5) Trust Administrator:	A third party independent from the Company and the directors
(6) Exercising of Voting Rights:	Voting rights pertaining to the stock of the Company in the Trust will not be exercised throughout the trust period
(7) Trust Type:	Nonmonetary Trust (Third-Party Beneficiary Trust)
(8) Trust Contract Date:	August 10, 2016
(9) Date of Adding Money to the Trust:	February 20, 2020
(10) End of Trust Period (After Continuation):	August 31, 2022 (tentative)

2. Matters Pertaining to the Acquisition of the Stock of Daiwa House Industry by Trustees of the Trust

(1) Type of stock to be acquired:	Common stock
(2) Total price of stock to be acquired:	¥247.5 million (maximum)
(3) Total number of shares to be acquired:	70,000 shares (maximum)
(4) Stock acquisition method:	Acquired from trading on the exchange market
(5) Stock acquisition schedule:	February 20, 2020 to February 28, 2020 (tentative)

< Overview of the Structure of the Plan >



- (1) The Company defined rules in August 2016, for delivering stock to Daiwa House Industry directors (excluding outside directors.)
- (2) The Company has established the stock delivery trust (“the Trust;” third-party beneficiary trust) naming qualified directors as beneficiaries. The Company will add the money to the Trust by adding the money necessary for the acquisition of stock to the trustees. (However, the stock acquisition money to be provided to the Directors of the Company will be within a range of the money approved by the General Meeting of Shareholders.)
- (3) The trustee will make a lump acquisition of stock in an amount projected to be delivered. (This will depend on the method to acquire stock from the exchange market (including off-floor trades).)
- (4) The Company selected a trust administrator (an individual independent of the Company and directors) to protect the interest of beneficiaries under stock delivery rules and to supervise the trustee throughout the Trust Period. This trust administrator has instructed the trustees not to exercise voting rights regarding the stock of the Company in the Trust. The trustees will not exercise the voting rights through the trust period under those instructions.
- (5) The Company will grant points to directors pursuant to stock delivery rules.
- (6) Directors eligible as beneficiaries under stock delivery rules and the trust agreement will receive delivery of stock from the trustee in amounts equivalent to points granted. In some specific cases allowed under the stock delivery rules and trust agreement, the Company may sell a certain portion of deliverable stock held in the Trust on the stock market, converting such shares to cash.

Any Company stock left in residual assets held by the Trust at the end of the Trust Period are scheduled to be acquired by the Company free of charge and retired according to a board of director resolution. A certain

portion of cash remaining in residual assets within the Trust at the end of the Trust Period is scheduled to be donated to a specified public-service promotion corporation(s) having no interests in Daiwa House Industry or directors, pursuant to stock delivery rules and the trust agreement determined beforehand.

Sumitomo Mitsui Trust Bank, Ltd., the trustee of this Stock Compensation Plan, will consign (re-trust) the management of trust assets to Japan Trustee Services Bank, Ltd.

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 February 13, 2020.