



News Release (Translation)

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Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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Notice Concerning Outline of the Results of the Evaluation of the Effectiveness of Board of Directors

Daiwa House Industry Co., Ltd. (hereinafter, the “Company”) has carried out an evaluation of the effectiveness of the board of directors for 2019 (the period from January to December 2019). Herein we wish to present an outline of the results of this evaluation.

1. Evaluation of the Effectiveness of Board of Directors

The Company has been carrying out an evaluation of the effectiveness of the board of directors every year since 2015, based on its “Corporate Governance Guidelines” formulated to obtain sustainable growth and better corporate value over the medium to long term.

For the evaluation of the effectiveness of the board of directors in 2019, same as last year, we obtained the cooperation of an outside organization for the evaluation process, after which the board carried out a self-review.

2. Outline of the Results

The Company analyzes and evaluates the board of directors as a whole by means of questionnaire-based self-evaluations by each director as well as evaluations by the audit & supervisory board and the board of directors itself.

In 2019, as previously, the Company prepared a questionnaire with the cooperation of an outside organization. Answers were given directly to the said organization, maintaining anonymity. Based on a report on the summarized results from the outside organization, the composition of the board of directors, decision-making process, management of corporate performance, level of support provided to outside directors, and performance of duties by directors were verified. The evaluation showed that the effectiveness of the board of directors is fully satisfactory.

Meanwhile, the Company once again reaffirmed the necessity for the board to be composed of

members with a good balance of knowledge, experience, and expertise; gender; and global competencies as a requisite for further development of the Company's businesses.

Information was also shared on challenges facing the company as it works to further enhance corporate governance, such as reorganization of the Company's risk management framework.

The Company will strive to increase the effectiveness of the board of directors and to enhance its management system in order to obtain sustainable growth and better corporate value over the medium to long term.

3. Amendment of Corporate Governance Guidelines

The Company formulated and disclosed its "Corporate Governance Guidelines" on May 27, 2015 and carries out a self-review each year of the items defined in the Corporate Governance Guidelines in parallel to the board of directors evaluation. This functions as an overhaul of the management system.

As a self-review has carried out this time, the Company has amended the text of its guidelines.

Amendments

(1) Revision of Article 41: Engineering Foundation

Article revised to reflect establishment of the Compliance and Quality Assurance Headquarters in conjunction with reorganization.

(2) Addition to Article 13: Structure of the Board of Directors, Audit & Supervisory Board and Various Committees

Text added to article in conjunction with the implementation of a retirement program for directors and auditors.

(3) Striking of the introduction

The introduction was struck from the guidelines to remove content predicated on the board's retaining a strong decision making authority over executive matters that is no longer congruent with the Company's current, publicly announced policy on governance-enhancing measures calling for continuous updating of governance structures as dictated by the Company's growth process.

Note: Our Corporate Governance Guidelines are available on our website at

<https://www.daiwahouse.com/English/ir/governance/index.html>

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.