



May 22, 2020

News Release (Translation)

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
Representative: Keiichi Yoshii, President, CEO and COO
Contact: Yuji Yamada, Managing Executive Officer
General Manager, IR Department
E-mail to: dh.ir.communications@daiwahouse.jp

Notice Regarding Change of Accounting Auditors

Daiwa House Industry Co., Ltd. hereby announces that, at a meeting of its Audit & Supervisory Board held on May 22, 2020, a proposal was passed to change accounting auditors who are to perform the audit certification set forth in Article 193-2 (1) and (2) of the Financial Instruments and Exchange Act. A resolution to this effect is to be submitted at the 81st Ordinary General Meeting of Shareholders, scheduled to be held on June 26, 2020.

1 . Scheduled date of change

June 26, 2020 (Scheduled date of the 81st Ordinary General Meeting of Shareholders)

2 . Outline of newly appointed and retiring Accounting Auditors

(1) Outline of new Accounting Auditors

① Name	Ernst & Young ShinNihon LLC
② Location	Tokyo Midtown Hibiya, Hibiya Mitsui Tower 1-1-2, Yurakucho Chiyoda-ku, Tokyo
③ Names of executive members	Kaname Matsumoto Yasuhiro Takata Satoshi Abe
④ Registration status in the system of listed company audit firms at Japanese Institute of Certified Public Accountants	Registered.

(2) Outline of retiring Accounting Auditors

① Name	Deloitte Touche Tohmatsu LLC
② Location	Marunouchi Nijubashi Building, 3-2-3, Marunouchi Chiyoda-ku, Tokyo
③ Names of executive members	Shintaro Goto Kenichiro Okamoto Takuo Jyo

3. Reason for selecting the company in 2. (1) above as a candidate for Accounting Auditors

Ernst &Young ShinNihon LLC audits a number of companies in the construction and real estate businesses and businesses peripheral to these, which are the Group's main businesses. In view of the fact that the company can be expected to effectively handle the auditing of the Group's business expansion in Japan and overseas, including changes in the Group's operating environment, we decided that Ernst &Young ShinNihon LLC is a suitable candidate.

4. The assumption date of retiring Accounting Auditors

October 1, 1969

5. Opinions in the audit reports prepared by retiring Accounting Auditors for the most recent three years

There are no applicable items.

6. Reason for change, and circumstances that led up to decision

At the Daiwa House Group, working together with our customers, we create new value, leverage that value and further enhance it, and work to realize a society where people can live rich and fulfilling lives. As a group that co-creates value for individuals, communities, and people's lifestyles," throughout our wide range of business fields—involving Single-Family Houses, Rental Housing, Condominiums, Existing Homes, Commercial Facilities and Logistics, Business & Corporate Facilities—we engage in a variety of operations, centered on the construction of buildings under contract but also encompassing real estate development and the management of completed buildings.

Under our Sixth Medium-Term Management Plan, which commenced in fiscal 2019, one of our stated basic policies is to accelerate the pace of our overseas expansion. In line with this, we intend to expand the scale of our overseas operations, with a particular focus on the United States, Australia, and the member-nations of ASEAN.

At the same time, amid a wide variety of new schemes being introduced in the construction and real estate fields, and with a number of revisions being made to laws and accounting regulations relating to the construction and real estate industries both in Japan and elsewhere, we recognize that the role expected of an accounting auditor has been assuming ever greater importance.

Amid these circumstances, as the accounting auditor whose services are currently employed by the Company—Deloitte Touche Tohmatsu LLC—have continuously audited the accounts of Daiwa House Industry Co., Ltd. for fifty years, we thought it prudent to compare a number of such accounting auditor. As a result of this comparison, it was found that Ernst & Young ShinNihon LLC possesses a comparatively large track record in the auditing of the accounts of companies in Japan operating in the fields of construction, real estate, and related industries, and that in overseas markets Ernst & Young ShinNihon LLC has access via the network of Ernst & Young Global Limited to the auditing processes of a large number of client companies in the sectors of real estate, construction, and hospitality (primarily accommodation and tourism). Consequently, it possesses a system enabling it to speedily liaise with other companies in its group, and will thus be capable of effectively auditing companies in the Daiwa House Group. We therefore concluded that Ernst & Young ShinNihon LLC would be highly qualified to serve as the accounting auditor of the Company, and we decided to table a motion to appoint this certified public accountant company as the accounting auditor for Daiwa House Industry Co., Ltd.

7. The reason and circumstances described in 6 above

(1) The opinion of the retiring Accounting Auditors

The Company received a response to the effect that the retiring accounting auditors had no particular opinion on the matter in question.

(2) The opinion of the Audit & Supervisory Board

The Audit & Supervisory Board considers it appropriate.

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 May 22, 2020.