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Press Release

Keiichi Yoshii, President and CEO

Daiwa House Industry Co.,Ltd.

3-3-5 Umeda, Kita-ku, Osaka

E-mail to: dh.ir.communications@daiwahouse.jp

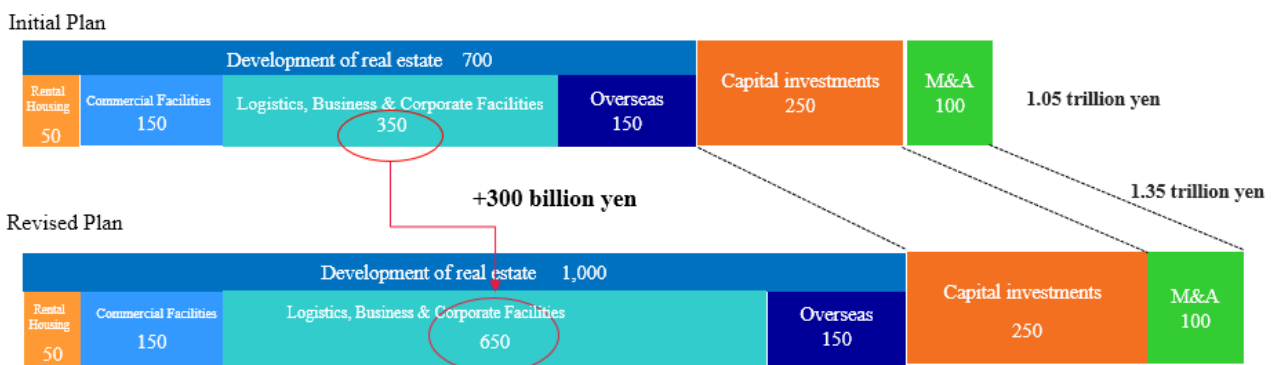
**Changes to Investment Plans in the Sixth Medium-Term Management Plan**

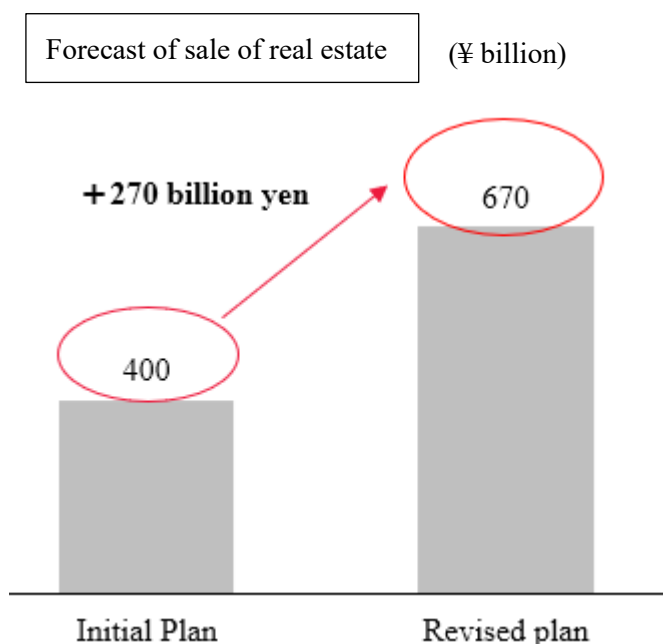
Daiwa House Industry Co., Ltd. (main office: Osaka, President and CEO: Keiichi Yoshii) has created our Sixth Medium-Term Management plan (fiscal years 2019 -2021) for the fiscal year ending March 2022. This announcement is issued to notify that we have revised our investment plan.

**1. Changes to investment plan**

In light of increased opportunities for investments in Logistics, Business & Corporate Facilities, particularly logistics facilities, we revised real estate development investment plans for Logistics, Business & Corporate Facilities from the initial amount of 350 billion yen to 650 billion yen (increase of 300 billion yen). This revision increases our investment plans for real estate development from 700 billion yen to 1,000 billion yen, and increases overall investment plans, which includes capital expenditures and other investments, from 1,050 billion yen to 1,350 billion yen. Having also reviewed plans for sales of development properties, we revised initial plans from 400 billion yen to 670 billion yen (increase of 270 billion yen).

Investment plan (¥ billion)





## 2. Reason for changing plans

The Daiwa House Group positions the Sixth Medium-Term Management Plan started in April 2019 as a three-year period during which we will strengthen Group governance and aim for sustainable growth by utilizing the Daiwa House Group's broad range of business domains. To achieve these goals, we will engage aggressively in real estate development investments.

Our investments in real estate development are mainly focused on logistics facility development and in recent years we have focused on expanding the development of multi-tenant logistics facilities, which are able to fulfill the logistics needs of a wide range of tenant companies as well as meet tenant needs for rapid operations startup.

While the world has been impacted by the COVID-19 pandemic, logistics volume for e-commerce is increasing due to growing demand among consumers choosing to stay at home. At the same time, manufacturing companies are facing inventory buildup for materials and products. As markets work to rebuild supply chains, the demand for multi-tenant logistics facilities remains high in major urban areas and there is significant latent need in core rural cities and surrounding areas. We expect this demand will remain firm going forward and we expect continued activity on logistics real estate transaction markets.

In light of such market conditions, we decided to conduct an upward revision of real estate development investment plans for Logistics, Business & Corporate Facilities. Moving forward, we will generate contributions to cash flow by accelerating facility construction on previously acquired land and by achieving the rapid launch of operations on real estate currently not being used.

【Reference】

■ Status of investment plan

	FY2019 Results ( ¥ billion)	6th Medium-Term Management Plan			
		Initial Plan	Progress	Revised Plan	Progress
Rental Housing	6.5	50	13.0%	50	13.0%
Commercial Facilities	82.7	150	55.2%	150	55.2%
Logistics, Business & Corporate Facilities	203.7	350	58.2%	650	31.3%
Overseas	69.6	150	46.4%	150	46.4%
Real Estate Development	362.6	700	51.8%	1,000	36.3%
Capital Investments	81.1	250	32.4%	250	32.4%
M&A	35.3	100	35.4%	100	35.4%
<b>Total</b>	<b>479.1</b>	<b>1,050</b>	<b>45.6%</b>	<b>1,350</b>	<b>35.5%</b>

■ Sale of development properties results and plan (Announcement in May 2020)

( ¥ billion)

	FY2019 Results		FY2020 Plan	
	Net sales	Operating income	Net sales	Operating income
Rental Housing	22.9	10.4	5.9	1.2
Commercial Facilities	25.9	8.5	38.2	13.8
Logistics, Business & Corporate Facilities	140.6	50.0	146.3	44.0
<b>Total</b>	<b>189.5</b>	<b>69.0</b>	<b>190.4</b>	<b>59.0</b>

End

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