



News Release (Translation)

October 2, 2020

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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Notice Concerning Partial Revision of Corporate Governance Guidelines

At the Board of Directors meeting, Daiwa House Industry Co., Ltd. (hereinafter, the “Company”) partially revised its “Corporate Governance Guidelines” and we started the operation on October 1, 2020, hereby inform you as follows.

1. About the Company’s Corporate Governance Guidelines

The Company will pursue even higher levels of corporate governance to realize sustainable growth and increases in corporate value over the medium to long term. To achieve these aims, as well as to clarify specific the Company initiatives and fulfill its fiduciary responsibility and duty of accountability to shareholders, the Company formulated and disclosed its “Corporate Governance Guidelines” on May 27, 2015.

2. Reason for the Revision

The Company reviewed the provisions of the Corporate Governance Guidelines to reflect its initiatives to enhance governance, following the review of the mandatory retirement system for in-house executives and the increase in the number of outside directors.

3. Main Revisions

(1) Revision of Article 13: Structure of the Board of Directors, Audit & Supervisory Board and Various Committees

In order to further facilitate the generational change of management human resources, we delete the phrase “in principle” concerning the mandatory retirement ages of executives. In addition, from the perspective of enhancing the management monitoring function, we change the number of outside directors.

(Underlines indicate changes)

<p>Before Change</p>	<p>Article 13 (omitted) 2. (omitted) 3. The Company sets the retirement age for directors and audit & supervisory board members excluding outside executives in order to facilitate the generational changes of management human resources. <u>In principle</u>, when representative directors reach the age of 69 and when directors and audit & supervisory board members reach the age of 67, the Company shall consider as retirement age of said directors and audit & supervisory board members the expiration date of their terms of office. 4. (omitted) 5. The Board of Directors appoints <u>two or more</u> outside directors who are independent and neutral. 6.-13. (omitted)</p>
<p>After Change</p>	<p>Article 13 (same as current) 2. (same as current) 3. The Company sets the retirement age for directors and audit & supervisory board members excluding outside executives in order to facilitate the generational changes of management human resources. 〈 <u>“In principle” is deleted</u> 〉 When representative directors reach the age of 69 and when directors and audit & supervisory board members reach the age of 67, the Company shall consider as retirement age of said directors and audit & supervisory board members the expiration date of their terms of office. 4. (same as current) 5. The Board of Directors appoints <u>one-third or more</u> outside directors who are independent and neutral <u>on the board</u>. 6.-13. (same as current)</p>

(2) Addition to Article 14: Business Division-based System Related to Execution of Operations

We add provisions in line with the introduction of a business division-based system.

(3) Addition to Article 20: Outside Directors

We add provisions to clarify anew the roles currently performed by outside directors

※Our Corporate Governance Guidelines area available on our website.

<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 October 1, 2020.