



Daiwa House[®]
Group

N e w s L e t t e r

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Press Release (Translation)

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

Launch of Daiwa House Realty Mgt. Co., Ltd.
Management Integration within the Group and Change in Corporate Name

Daiwa House Industry Co., Ltd. (Head Office: Osaka / President and CEO: Keiichi Yoshii; hereinafter “Daiwa House Industry”), and its group companies Daiwa Information Service Co., Ltd. (Head Office: Chiyoda-ward, Tokyo / President: Mitsuhiro Ito; hereinafter “Daiwa Information Service”) and Daiwa Royal Co., Ltd. (Head Office: Chiyoda-ward, Tokyo / President: Mitsuhiro Ito; hereinafter “Daiwa Royal”) hereby announce their decision to conduct management integration of Daiwa Information Service and Daiwa Royal, both of which are wholly-owned subsidiaries of Daiwa House Industry. The integration will take the form of an absorption-type merger, with Daiwa Information Service as a surviving company.

The corporate name after the management integration will be Daiwa House Realty Mgt. Co., Ltd., which will start operation on October 1, 2021.

1. Purpose of the Integration

Daiwa House Industry has positioned enhancement of corporate governance as the most crucial challenge of its Sixth Medium-Term Management Plan. The company has been studying organizational-structure and management-model options and is now moving to identify, consolidate, and rationalize business units with redundant functions. It wants to implement a “business division-based system”—an organizational structure of divisions focusing on specific business lines—and aims to have it in place and fully functioning by April 2021.

As part of this reorganization, Daiwa House Industry decided to integrate the management of Daiwa Information Service and Daiwa Royal its subsidiaries belonging to Commercial Construction Business Division; the former is engaged in management of commercial facilities such as Across Plaza and real estate leasing and transaction, while the latter in operation and management of commercial facilities and operation of urban hotels such as Daiwa Roynet Hotels. The integration will create a comprehensive real-estate company managing about 3,800 properties for commercial use across

the nation (rentable area of approx. 4,630,000 m²) and with 72 urban hotels under its management.

Through optimum allocation of both companies' business resources, we seek to maximize operational synergies, rationalize corporate management and establish a business structure with enhanced profitability.



ASHIBINAA OKINAWA
OUTLET MALL



COMBOX Komyoike



Daiwa Roynet
Hotel GINZA

2. Change in Corporate Name

The names of the two companies involved in the merger have been widely recognized by land owners, tenant companies and many other stakeholders with whom they have had relationships in the course of their history of more than 30 years.

The management integration, though, is urging us to redefine the significance of the two companies within the Daiwa House Group and commit to further developing business overseas. We therefore requested ideas for a new company name from their employees and decided to give it the name of **Daiwa House Realty Mgt. Co., Ltd.** subject to merger.

All employees will work as one to build recognition of the new company among stakeholders quickly and make it a beloved company to all.

3. Summary of Absorption-Type Merger

(1) Effective date: October 1, 2021

(2) Method

It is an absorption-type merger, with Daiwa Information Service as a surviving company and Daiwa Royal as a dissolving company.

(3) Rights and obligations assumed by the successor

Daiwa Information Service assumes all rights and obligations associated with Daiwa Royal's business.

4. Overview of Companies Involved in Merger

(1) Company Name	Daiwa Information Service Co., Ltd.	Daiwa Royal Co., Ltd.
(2) Address	2- 18 -2 Iidabashi, Chiyoda-ward, Tokyo	2- 18 -2 Iidabashi, Chiyoda-ward, Tokyo
(3) Representative	Mitsuhiro Ito	Mitsuhiro Ito
(4) Business Profile	Leasing and operation of commercial facilities, etc. Property management and building management of commercial facilities and office buildings, etc.	Planning, development, operation, management and consulting of real estate. Management of Urban Hotels, etc.
(5) Capital	2 hundred million yen	5 hundred million yen
(6) Date of Establishment	January 8,1986	April 23,1991
(7) Closing Period	March	March
(8) Financial conditions and operating results for the most recent fiscal year (rounded down to the nearest hundred million yen)		
Closing Period	Year ended March 2021	Year ended March 2021
Sales	88.9 billion yen	79.7 billion yen
Ordinary income	10.3 billion yen	4 hundred million yen
Total assets	199.3 billion yen	202.6 billion yen
Net assets	39.0 billion yen	49.4 billion yen
Number of Employees	395 persons	1,123 persons

5. Outline of Transferred Business

(1) Company Name: Daiwa House Realty Mgt. Co., Ltd.

(2) Address: 2- 18 -2 Iidabashi, Chiyoda-ward, Tokyo

(3) Representative: Mitsuhiro Ito

(4) Business Profile: Leasing, management and operation of properties for commercial use, such

as commercial facilities, shopping centers and office buildings. Management of urban hotels, etc.

(5) Capital: 2 hundred million yen

6. Impact on Business Results

The reorganization is not expected to have any material impact on Daiwa House Industry's the consolidated results.

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 July 16, 2021.