



March 11, 2022

News Release (Translation)

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange)
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Notice Concerning Change of Specified Subsidiary

Daiwa House Industry Co., Ltd. (the “Company”) hereby announces that it resolved at a meeting of the Board of Directors held on March 11, 2022 to increase the capital of PT Daiwa House Indonesia, the Company’s consolidated subsidiary in Indonesia. With the capital increase, the subsidiary will have an amount of capital equivalent to more than one-tenth of that of the Company, making it a specified subsidiary of the Company. Details are as follows.

1. Reason for Change

Since the subsidiary serves as the starting point in investing in a range of businesses in Indonesia and concentrates and accumulates investment funds, it is expected to fall under a specified subsidiary of the Company with the planned capital increase.

The Company currently operates a construction contracting business and real estate development business in Indonesia. It is working to develop business in Indonesia where continuous economic growth is expected in the future.

2. Outline of the Subsidiary Company

(1) Company name	PT Daiwa House Indonesia
(2) Place	Republic of Indonesia
(3) Representative	Yukikazu Kataoka (Chief of Director)
(4) Business profile	Regional Headquarters
(5) Capital stock	1,274,520 million rupiah (9,946 million yen)
(6) Date of establishment	December 22, 2016
(7) Major shareholders and shareholding ratio	Daiwa House 75% DH Asia Investment Pte. Ltd. (wholly owned subsidiary) 25%

(8)	Relationship between the listed company and the relevant company	Capital relationship	Specific subsidiary of Daiwa House Industry Co., Ltd.	
		Personal relationship	Seven executive officers and employees of Daiwa House concurrently serve as Directors of the subsidiary (As of December 31, 2021). Also, the Company dispatches employees to the Subsidiary.	
		Business relationship	There is no business relationship required to be stated between the Company and the Subsidiary.	
(9)	Operating results and financial position of PT Daiwa House Indonesia for the past three fiscal years (IDR in million, truncated to nearest whole number)			
	Fiscal year end	December 2018	December 2019	December 2020
	Net assets	730,075	791,553	1,271,328
	Total assets	730,996	793,375	1,275,787
	Net sales	5,350	8,306	12,608
	Operating income	-1,729	-3,181	-280
	Ordinary income	-594	-2,792	-118
	Net income	-253	-2,817	-629

3. Amount of Capital Contribution and Status of Ownership Percentage Before and After Capital Increase
(IDR in million, truncated to nearest whole number)

Category	Amount Invested (*1)	Ownership percentage (*2)
Before capital increase	1,274,520 (9,946 million yen)	100%
Amount of capital increase	936,700 (7,587 million yen)	100%
After capital increase	2,211,220 (17,533 million yen)	100%

(*1) 1IDR is 0.0081 yen (Exchange rate on December 30, 2021)

(*2) The ownership percentage includes the Company's ownership in DH Asia Investment Pte. Ltd.

4. Schedule

(1)	Date of resolution of the board of directors' meeting	March 11, 2022
(2)	Completion date for capital increase	March 2023 (scheduled)

5. Outlook for the Future

The change has no significant impact on the consolidated financial results for the fiscal year ending March 31, 2022.

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 March 11, 2022.