



September 8, 2022

## News Release (Translation)

Company: Daiwa House Industry Co., Ltd.  
(Code number: 1925,  
Prime Market of the Tokyo Stock Exchange)  
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### **Notice Regarding Gratis Acquisition and Cancellation of Treasury Stock Due to Termination of Stock Delivery Trust System for Directors**

Daiwa House Industry (the "Company") announces that due to the termination of the stock delivery trust system for the Company's directors (excluding outside directors), it has resolved at the meeting of the Board of Directors held today to cancel its treasury stock pursuant to the provisions of Article 178 of the Companies Act regarding the Company's stock acquired gratis according to the provisions of item 13 of Article 155 of the Companies Act and item 1 of Article 27 of the Regulations for the Enforcement of the Companies Act. Details are as follows.

#### 1. Termination of The Stock Delivery Trust System

##### (1) Termination of the System

As announced in the Announcement Concerning the Introduction of Performance-Based Stock Compensation for Directors on May 13, 2016, the Company introduced a stock delivery trust system for the Company's directors (hereinafter called the "System"). However, as announced in the Notice Concerning the Adoption of a Service-based Restricted Stock Compensation System and a Performance-linked Restricted Stock Compensation System, the Company presented the introduction of the new compensation system as a proposal to the 83rd Ordinary General Meeting of Shareholders held on June 29, 2022, and the proposal was resolved as originally proposed. Accordingly, the Company has decided to terminate the System instead of continuing it from the current fiscal year.

##### (2) Handling of residual assets associated with the termination of the System

With the termination of the System, the trust established for the implementation of the System was closed on August 31, 2022, the expiration date of the trust period.

38,124 shares of the Company's common shares remained in the trust as of the closing of the trust. Therefore, as prescribed in the trust agreement for the trust, the Company will cancel these shares as described in 3 below after acquiring them gratis as described in 2 below.

## 2. Acquisition of Treasury Stock

- |   |   |
|---|---|
| (1) Type of shares to be acquired         | The Company's common shares   |
| (2) Total number of shares to be acquired | 38,124 shares<br>(Ratio to the number of outstanding shares: less than 0.01%) |
| (3) Total price of shares acquired        | Gratis acquisition  |
| (4) Date of acquisition                   | September 8, 2022   |

## 3. Cancellation of Treasury Stock

- |  |   |
|--|---|
| (1) Type of shares to be cancelled         | The Company's common shares   |
| (2) Total number of shares to be cancelled | 38,124 shares<br>(Ratio to the number of outstanding shares: less than 0.01%) |
| (3) Date of cancellation                   | September 30, 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 September 8, 2022.