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News Release (Translation)

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Notice Concerning Revisions of Earnings Forecasts and Dividend Forecasts  
for the Fiscal Year Ending March 2024

Daiwa House Industry Co., Ltd. (hereinafter “the Company”) announces that it has revised earnings forecasts and dividend forecasts for the Fiscal Year Ending March 2024 announced on May 12, 2023.

Details are below.

1. Revisions of Earnings Forecasts for the Fiscal Year Ending March 2024

(From April 1, 2023 to March 31, 2024)

|  | Net Sales                    | Operating income           | Ordinary income            | Net income attributable to owners of the parent | Basic net income per share |
|--|------------------------------|----------------------------|----------------------------|---|----------------------------|
| Previous forecasts (A)   | Millions of yen<br>4,920,000 | Millions of yen<br>380,000 | Millions of yen<br>354,000 | Millions of yen<br>250,000                      | Yen<br>379.44              |
| Revised forecasts (B)  | 5,020,000                    | 385,000                    | 367,000                    | 263,000   | 399.99                     |
| Changes (B – A)  | 100,000                      | 5,000                      | 13,000                     | 13,000  | 20.55                      |
| Rate of change (%)   | 2.0%                         | 1.3%                       | 3.7%                       | 5.2%  | 5.4%                       |
| (Ref.) Previous fiscal year results (Fiscal year ended March 31, 2023) | 4,908,199                    | 465,370                    | 456,012                    | 308,399   | 469.12                     |

Note: Amortization of actuarial differences for retirement benefit is not expected in the above consolidated earnings forecasts.

## 2. Revisions of Dividend Forecasts for the Fiscal Year Ending March 2024

|   | Dividend per share (Yen)                     |                                     |        |
|---|--|-------------------------------------|--------|
|   | End of 2 <sup>nd</sup> quarter<br>(Sept. 30) | Fiscal year-end quarter<br>(Mar.31) | Annual |
| Previous forecasts  | 63.00  | 72.00                               | 135.00 |
| Revised forecasts   |  | 77.00                               | 140.00 |
| Current fiscal year results   | 63.00  |                                     |        |
| (Ref.) Previous fiscal year results<br>(Fiscal year ended March 31, 2023) | 60.00  | 70.00                               | 130.00 |

## 3. Reasons for Revisions of Earnings Forecasts and Dividend Forecasts

In the 7th Medium-Term Management Plan (FY2022 to FY2026) announced on May 13, 2022, the Company has upheld three management policies, “Evolve revenue model”, “Optimize management efficiency”, and “Strengthen of management base”, in order to realize a sustainable growth model and engages in business activities.

In the first half of the FY2023 under review, the sale of development properties, mainly logistics facilities, made steady progress. The hotel business, which was greatly affected by the COVID-19 recovered. Also, deliveries of US single-family houses and Condominiums in China were steady. In addition, the Company conducted the partial sale of investment units of Daiwa House REIT Investment Corporation to improve the Company’s capital efficiency for the purpose of evolving a revenue model that achieve sustainable growth.

Based on the above factors, the business performance is expected to exceed the earnings forecasts announced in May 2023. Therefore, the Company conducted an upward revision of its earnings forecasts for the fiscal year ending March 2024.

The Company’s basic strategy for capital policy is to achieve ROE that exceeds the cost of capital while maintaining financial stability, and to secure equity spreads to increase shareholder value. The Company’s basic policy on shareholder returns is to return profits generated through business activities to shareholders, and to increase shareholder value by increasing its earnings per share (EPS) with investing in growth areas such as real estate development, the expansion of overseas business, M&A, research and development, and production facilities in order to maximize corporate value over the medium to long term. The Company strives to maintain a stable dividend payout ratio, with a dividend payout ratio of 35% or higher linked to business performance and a lower limit of 130 yen.

Based on the above basic policies, the Company revised dividend forecasts for the current fiscal year increasing by 5 yen from the previous forecasts to 140 yen due to the revisions of the consolidated earnings forecasts.

(Reference)

Consolidated Earnings Forecasts Excluding the Actuarial Differences on Retirement Benefit

|   | Net sales                    | Operating income           | Ordinary income            | Net income attributable to owners of the parent | Basic net income per share |
|---|------------------------------|----------------------------|----------------------------|---|----------------------------|
| Revised forecasts   | Millions of yen<br>5,020,000 | Millions of yen<br>385,000 | Millions of yen<br>367,000 | Millions of yen<br>263,000                      | Yen<br>399.99              |
| YOY (%)   | 2.3%                         | 4.4%                       | 2.1%                       | 9.5%  | 9.4%                       |
| Results excluding actuarial differences<br>(Fiscal year ended March 31, 2023) | 4,908,199                    | 368,714                    | 359,355                    | 240,289   | 365.51                     |

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 November 10, 2023.