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News Release (Translation)

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Notice Concerning Issuance of Zero Coupon Convertible Bonds Due 2029
and Zero Coupon Convertible Bonds Due 2030

Daiwa House Industry Co., Ltd. (hereinafter “the Company”) announces that the proposed issuance of Zero Coupon Convertible Bonds due 2029 (the “2029 Bonds”) and Zero Coupon Convertible Bonds due 2030 (the “2030 Bonds”, together with the 2029 Bonds, the “Bonds”) (each being bonds with stock acquisition rights) pursuant to a resolution passed at the meeting of the Board of Directors held on January 11, 2024.

Background and Purpose of the Issuance of the Bonds

The Company developed its Seventh Medium-Term Management Plan as a five-year plan starting from the fiscal year 2022 (the “7th Medium Term Management Plan”) as part of the roadmap to centennial anniversary of its founding. The Company passed a resolution on the issuance of the Bonds, as a means of strategic financing that will enable it to implement the measures under the 7th Medium Term Management Plan consistently. With an aim to achieve sustainable profit growth, the Company has been actively promoting real estate investments and strategic investments, and working on business portfolio optimization to concentrate management resources into the businesses that will drive the business growth. The Company plans to invest mainly in large-scale real estate developments, overseas business with a central focus on the United States and new business, and part of the proceeds from the issuance of the Bonds will be allocated to investment in real estate development scheduled under the 7th Medium Term Management Plan.

The Company will acquire its own shares with part of the proceeds from the issuance of the Bonds. This acquisition of own shares with proceeds from the low-cost financing is intended to improve ROE under the 7th Medium Term Management Plan while maintaining the financial soundness.

The Company confirmed that several shareholders would sell 5,003,700 shares in total via the pre-announced acquisition of own shares, announced separately the same day.

With the issuance of the Bonds, the Company strengthens its continued commitment to active investment toward maximization of the enterprise value of Daiwa House Group as well as to pursuit of both profit growth and capital efficiency improvement.

Use of Proceeds

The net proceeds from the issue of the Bonds are estimated to be approximately 200 billion yen after deducting expenses. The Company intends to apply the net proceeds as follows:

- (a) Approximately 120 billion yen towards part of the investment in real estate development under the 7th Medium Term Management Plan; and
- (b) Approximately 80 billion yen towards the acquisition of own shares.

Issuance of the 2029 Bonds

1. Securities Offered	100,000,000,000 yen in aggregate principal amount of Zero Coupon Convertible Bonds due 2029 (bonds with stock acquisition rights)
2. Issue Price	100.0%
3. Closing Date	January 29, 2024
4. Coupon	0%
5. Redemption at Maturity	100.0%

Issuance of the 2030 Bonds

1. Securities Offered	100,000,000,000 yen in aggregate principal amount of Zero Coupon Convertible Bonds due 2030 (bonds with stock acquisition rights)
2. Issue Price	100.0%
3. Closing Date	January 29, 2024
4. Coupon	0%
5. Redemption at Maturity	100.0%

End

Disclaimer:

This press release is intended as general information regarding Daiwa House Industry Co., Ltd.'s issuance of the Bonds. This press release does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the shares of common stock of the Company in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the stock acquisition rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state, and may not be offered or sold within the United States, absent registration or an applicable exemption from registration requirements. No public offering of the Securities will be made in the United States.