



May 13, 2025

News Release (Translation)

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Notice Concerning the Disposal of Treasury Stock
as Stock Allotment through the Employee Stock Ownership Program

Daiwa House Industry Co., Ltd. (hereinafter “the Company”) announces that its Board of Directors have today resolved to adopt a special incentive scheme (hereinafter, “Scheme”) and dispose of treasury stock (hereinafter, “Disposal of Treasury Stock” or “Disposal”) for the allotment of shares through the Employee Stock Ownership Program as described below. Through this Scheme, Disposal will be conducted with Daiwa House Industry Employee Shareholders Association and Daiwa House Group Employees Shareholders Association (hereinafter, collectively referred to as “Employees Shareholders Associations”) designated as the planned allotment recipients. Further details follow:

1. Overview of Disposal

(1) Disposal date	December 24, 2025
(2) Type and number of shares subject to disposal	The Company common stock: 1,036,000 shares *
(3) Disposal price	JPY 5,230 per share
(4) Total disposal value	JPY 5,418,280,000 *
(5) Disposal method (planned allotment recipient)	Conditional to the submission of an underwriting request by Employees Shareholders Associations, the number of requested shares, which shall be a number of shares determined by Employees Shareholders Associations that is within the number of shares subject to disposal as indicated in (2) above, shall be allotted to Employees Shareholders Associations via the method of third-party allotment (said number of allotted shares shall be the number of disposed shares). (Daiwa House Industry Employees Shareholders Association: 366,000 shares) (Daiwa House Group Employees Shareholders Association: 670,000 shares)

	However, applications from individual eligible members (defined below) for a portion of the number of shares allocated will not be accepted.
(6) Others	Disposal of Treasury Stock shall be conditional to the effectuation of a securities registration statement in accordance with the Financial Instruments and Exchange Act.

Note: The “number of shares subject to disposal” and the “total disposal value” shall be calculated based on the assumption that 20 shares of the Company common stock will be allotted to the Company and the subsidiaries employees who would be eligible for Scheme (hereinafter, “Eligible Employees”) up to a maximum 51,800 persons (Daiwa House Industry Employee Shareholders Association: 18,300 persons, Daiwa House Group Employee Shareholders Association: 33,500 persons). The actual number of shares subject to disposal and the total disposal value shall be determined based on the number of Employees Shareholders Associations members (hereinafter, “Eligible Members”) who are Eligible Employees after the termination of the promotional campaign targeting enrollment by employees not yet enrolled in Employees Shareholders Associations. Specifically, as is indicated in (5) above, the number of requested shares determined by Employees Shareholders Associations shall be the “number of shares subject to disposal” and the amount derived by multiplying said number by the per-share disposal price shall be the “total disposal value”. Furthermore, the Company and the subsidiaries will pay the amount of 104,600 yen to all Eligible Members and the Company will allot 20 shares to all Eligible Members through Employees Shareholders Associations.

2. Purpose and reasons for Disposal

The Company decided to adopt Scheme as a measure for enhancing benefits for Eligible Employees. The objective of Scheme is to assist in asset formation through Employees Shareholders Associations to create opportunities to acquire the Company common stock disposed by the Company (hereinafter, “Company Stock”). Additionally, the Company aims to provide incentives for pursuing sustainable improvements in the Company’s corporate value and to further promote the sharing of value with the Company shareholders. The Scheme is based on the third-party allotment method, through which a special incentive amount equivalent to 20 shares of the Company common stock is allotted to each Eligible Member, and said special incentive amount is used as a contribution for the disposal of treasury stock to Employees Shareholders Associations. As indicated in the notes to “1. Overview of Disposal,” the number of shares disposed is finalized at a later date, but the Company plans to dispose of a maximum of 1,036,000 shares to Employees Shareholders Associations. The allotment of special incentives to Eligible Members entails a cash allotment, thus this does not constitute the allocation of monetary rights. Furthermore, no monetary contributions are made by Eligible Members other than the contribution of the allotted special incentives.

The Company plans to dispose of 1,036,000 shares if all of the maximum 51,800 Eligible Employees enroll in Employees Shareholders Associations (Daiwa House Industry Employee Shareholders Associations: 18,300 persons, Daiwa House Group Employee Shareholders Associations: 33,500 persons). Assuming said number of disposed shares, the scope of dilution of stock due to this Disposal of Treasury Stock would be 0.16% for the 659,478,962 total number of shares issued as of March 31, 2025 and 0.17% for the 6,178,998 total number of

units with voting rights at the General Meeting of Shareholders available as of March 31, 2025 (both percentages have been rounded to the nearest one-hundredth).

The adoption of this Scheme is a measure to enhance benefits for Eligible Employees. The objective of this scheme is to assist in asset formation through Employees Shareholders Associations to create opportunities to acquire Company Stock. Additionally, the Company aims to provide incentives for pursuing sustainable improvements in the Company's corporate value and to further promote the sharing of value with Company shareholders. The Company believes that the adoption of this Scheme will contribute to increasing the Group's corporate value. As such, the Company views the number of disposed shares and the scope of dilution of stock due to this Disposal of Treasury Stock as reasonable, and furthermore, has made the assessment that, even after said scope of dilution, the market impact will be minor.

3. Basis of calculating the disposal price and other specific details

The Disposal of Treasury Stock to Employees Shareholders Associations, the planned allotment recipient, entails Eligible Members, who are paid special incentives through Employees Shareholders Associations for the purpose of stock allotment, contributing said special incentives to Employees Shareholders Associations as paid-in capital. The disposal price is the amount from which arbitrariness is eliminated, thus the Company uses the amount of 5,230 yen, which is the closing price for the Company common stock on the TSE Prime Market on May 12, 2025 (the business day prior to the resolution date for the Board of Directors). This is the most recent stock price prior to the resolution date for the Board of Directors, which the Company believes to be rational and not constituting any particularly beneficial price to the planned allotment recipient.

Furthermore, the rate of deviation (rounded to the nearest one-hundredth) of this disposal price from the average closing price for the Company common stock on the TSE Prime Market is as indicated below.

Periods	Average closing price (rounded to the nearest yen)	Rate of deviation
1 month (from April 14, 2025 to May 12, 2025)	5,135 yen	1.85 %
3 months (from February 13, 2025 to May 12, 2025)	5,029 yen	4.00 %
6 months (from November 13, 2024 to May 12, 2025)	4,886 yen	7.04 %

All six corporate auditors (including three outside auditors) who attended the Board of Directors meeting convened today expressed the opinion that the disposal price is within the confines of the law given that it is the closing price of the Company common stock on the TSE Prime Market on the business day before the voting date for the Board of Directors, and is not an amount that is particularly favorable to the planned allotment recipient.

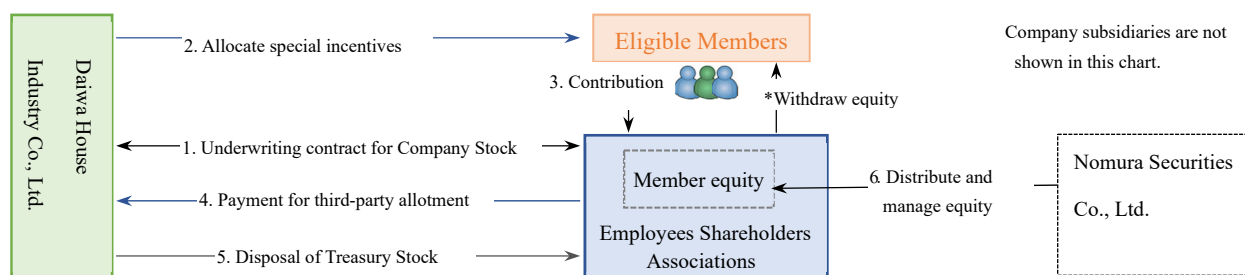
4. Matters concerning procedures required by Corporate Code of Conduct

Since (1) the dilution rate is less than 25% and (2) there is no change in controlling shareholders, this Disposal of Treasury Stock does not require that the Company obtains the opinion of an independent third party or the confirmation of shareholder intent as set forth in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

(Reference)

[Framework of this Scheme]

1. The Company and Employees Shareholders Associations conclude a stock underwriting agreement concerning underwriting for the Disposal of Treasury Stock.
2. The Company and Company subsidiaries pay special incentives for the allotment of Company Stock to Eligible Members.
3. Eligible Members contribute paid special incentives to Employees Shareholders Associations.
4. Employee Shareholders Associations collect special incentives contributed by Eligible Members and make payment for third-party allotment.
5. The Company disposes of treasury stock to Employees Shareholders Associations.
6. Allotted Company Stock is distributed according to the holdings of Eligible Members in Employees Shareholders Associations and managed by Nomura Securities Co., Ltd., to which Employees Shareholders Associations has consigned the management of Employees Shareholders Associations equity of Eligible Members.



Note: Eligible members can withdraw allotted Company Stock to securities accounts in their name at their own discretion.

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 May 13, 2025.