



March 24, 2026

To whom it may concern:

Company Daiwa House Industry Co., Ltd.  
Representative Keiichi Yoshii, Representative Director and  
Chairman  
(Securities Code 1925, Tokyo Stock Exchange, Prime Market)  
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### **Notice Regarding Making Sumitomo Densetsu Co., Ltd. a Wholly-Owned Subsidiary**

As described in the “Notice Regarding Commencement of the Tender Offer for Shares of Sumitomo Densetsu Co., Ltd. (Securities Code: 1949)” announced on October 30, 2025 (the “October 30, 2025 Company Press Release”), Daiwa House Industry Co., Ltd. (the “Company”) conducted, commencing October 31, 2025, as part of a series of transactions (the “Transaction”) aimed at making the Company the sole shareholder of Sumitomo Densetsu Co., Ltd. (“Sumitomo Densetsu”) and taking private Sumitomo Densetsu’s common shares that were, as of that date, listed on the Prime Market of the Tokyo Stock Exchange (the “Sumitomo Densetsu Shares”), a tender offer (the “Tender Offer”) for all Sumitomo Densetsu Shares (excluding the 17,828,151 Sumitomo Densetsu Shares owned as of that date by Sumitomo Electric Industries, Ltd. (“Sumitomo Electric Industries”), Sumitomo Densetsu’s parent company and largest shareholder (ownership ratio (Note): 50.66%; “Shares to be Sold”) and the Sumitomo Densetsu Shares held by Sumitomo Densetsu as treasury shares).

As described in the “Notice Regarding the Result of the Tender Offer for Shares of Sumitomo Densetsu Co., Ltd. (Securities Code: 1949) and Change in Affiliate” announced on December 16, 2025 (the “December 16, 2025 Company Press Release”), as a result of the Tender Offer, the Company acquired 14,389,928 Sumitomo Densetsu Shares (ownership ratio: 40.89%) on December 22, 2025, the commencement date of the settlement of the Tender Offer, and Sumitomo Densetsu became an affiliate of the Company on that date.

(Note) “Ownership ratio” means the percentage (rounded to two decimal places; hereinafter the same for the calculation of ownership ratio) obtained by dividing the number of shares held by a shareholder by 35,190,831 shares, calculated by deducting the 445,048 treasury shares held by Sumitomo Densetsu as of September 30, 2025 from the total number of 35,635,879 issued shares as of that date, as stated in the “Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)” announced by Sumitomo Densetsu on October 30, 2025.

As stated above, although the Tender Offer was completed, the Company was unable to acquire all of the Sumitomo Densetsu Shares (excluding the Shares to be Sold held by Sumitomo Electric Industries and the treasury shares held by Sumitomo Densetsu) in the Tender Offer. Therefore, as stated in the “Notice of Convocation of Extraordinary Shareholders Meeting Concerning Share Consolidation, Abolition of the Provisions of Share Units and Partial Amendment to the Articles of Incorporation” announced by Sumitomo Densetsu on January 7,

2026 (the “January 7, 2026 Sumitomo Densetsu Press Release”), in response to a request from the Company, Sumitomo Densetsu resolved at a board of directors meeting held on January 7, 2026 to convene an extraordinary general meeting of shareholders to be held on February 9, 2026 (the “Extraordinary Shareholders Meeting”), and to submit to the Extraordinary Shareholders Meeting a proposal to conduct a share consolidation with an effective date of March 5, 2026 (the “Share Consolidation”).

Following that, as stated in the “Notice of Resolution of Approval Concerning Share Consolidation, Abolition of the Provisions of Share Units and Partial Amendment to the Articles of Incorporation” announced by Sumitomo Densetsu on February 9, 2026, since the Share Consolidation was approved at the Extraordinary Shareholders Meeting, Sumitomo Densetsu conducted the Share Consolidation with an effective date of March 5, 2026, and Sumitomo Electric Industries and the Company became the only shareholders of Sumitomo Densetsu.

Further, as stated in the January 7, 2026 Sumitomo Densetsu Press Release, it is planned that in the Transaction, Sumitomo Densetsu will acquire the Shares to be Sold held by Sumitomo Electric Industries after the Share Consolidation became effective (the “Share Buy Back”). As stated in the “Notice Regarding Issuance of Class A Preferred Shares through Third-Party Allotment and Reduction of Amounts of Capital Stock and Legal Capital Surplus” announced by Sumitomo Densetsu on January 30, 2026, for the purpose of securing the funds and the distributable amount required to execute the Share Buy Back, it was decided that Sumitomo Densetsu will conduct a third-party allotment with the Company as the subscriber and to reduce the amounts of capital stock and legal capital surplus of Sumitomo Densetsu.

Sumitomo Densetsu then resolved at the extraordinary shareholders meeting held on March 16, 2026 to conduct the Share Buy Back. As a result, we hereby give notice that as of today, which is the effective date of the Share Buy Back, the series of transactions comprising the Transaction as described in the October 30, 2025 Company Press Release has been completed and Sumitomo Densetsu has become a wholly-owned subsidiary of the Company.

(Note) In this disclosure, “wholly-owned subsidiary” means a company in which the Company holds all of the voting rights. Please refer to Note 4 in 2. below for the method of calculating the voting rights ownership ratio.

1. Reason for and Method of Change

The change was made because, as of today, which is the effective date of the Share Buy Back, Sumitomo Densetsu acquired the 17 Shares to be Sold held by Sumitomo Electric Industries after the Share Consolidation became effective, and Sumitomo Densetsu thereby became a wholly-owned subsidiary of the Company on that date.

2. Overview of the Subsidiary Subject to the Change

(a) Name	Sumitomo Densetsu Co., Ltd.
(b) Address	2-1-4 Awaza, Nishi-ku, Osaka-shi, Osaka
(c) Name and title of	Makoto Tani, President and Director

representative	
(d) Details of business	Engineering services and equipment sales related to facility construction
(e) Capital	JPY 6,440 million (as of September 30, 2025)
(f) Date of incorporation	April 20, 1950
(g) Major shareholders and shareholding ratios (as of September 30, 2025) (Note 1)	Sumitomo Electric Industries, Ltd. 50.66%
	The Master Trust Bank of Japan, Ltd. (Trust Account) 7.47%
	Goldman Sachs International (Standing Proxy) Goldman Sachs Japan Co., Ltd. 2.60%
	Custody Bank of Japan, Ltd. (Trust Account) 2.56%
	JP Morgan Chase Bank 385632 (Standing Proxy) Mizuho Bank, Ltd., Settlement & Clearing Services Department 2.22%
	Sumitomo Densetsu Kyoekai 2.17%
	MSIP Client Securities (Standing Proxy) Morgan Stanley MUFG Securities Co., Ltd. 2.14%
	HOKKOH Transportation Inc. 1.77%
	Sumitomo Densetsu Employee Stock Ownership Association 1.66%
	State Street Bank And Trust Company 505001 (Standing Proxy) Mizuho Bank, Ltd., Settlement & Clearing Services Department 1.37%
(h) Relationships with the Company (as of September 30, 2025) (Note 2)	
Capital relationships	As of today, the Company holds 13 common shares of Sumitomo Densetsu (Note 3) (voting rights ownership ratio prior to the effective date of the Share Buy Back (Note 4): 43.33%) and 1 Class A Preferred Share.
Personnel relationships	Not applicable.

Business relationships	Sumitomo Densetsu receives orders for equipment construction and related work from the Company.		
Applicability to the related parties	Not applicable.		
(i) Consolidated operating results and financial position of the target company for the past three years			
Fiscal year-end	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Consolidated net assets	JPY 99,618 million	JPY 110,932 million	JPY 119,178 million
Consolidated total assets	JPY 162,587 million	JPY 181,664 million	JPY 197,577 million
Consolidated net assets per share	JPY 2,681.14	JPY 2,988.28	JPY 3,232.72
Consolidated sales	JPY 175,120 million	JPY 185,524 million	JPY 203,639 million
Consolidated operating profit	JPY 13,461 million	JPY 12,548 million	JPY 17,886 million
Consolidated ordinary profit	JPY 14,394 million	JPY 13,502 million	JPY 18,914 million
Net profit attributable to owners of parent	JPY 9,384 million	JPY 10,060 million	JPY 12,800 million
Consolidated net profit per share	JPY 265.05	JPY 284.09	JPY 363.52
Dividends per share	JPY 94.00	JPY 106.00	JPY 146.00

(Note 1) “(g) Major shareholders and shareholding ratios (as of September 30, 2025)” is based on the “Status of the Major Shareholders” of the Semi-Annual Securities Report for the 101st Interim Period submitted by Sumitomo Densetsu on November 4, 2025.

(Note 2) The capital relationship is stated as of today.

(Note 3) As stated in the December 16, 2025 Company Press Release, the Company acquired 14,389,928 Sumitomo Densetsu Shares through the Tender Offer, and following that, as of March 5, 2026, the effective date of the Share Consolidation, the number of Sumitomo Densetsu Shares owned by the Company became 13 shares.

(Note 4) The “voting rights ownership ratio” prior to the effective date of the Share Buy Back is calculated based on 30 voting rights corresponding to 30 shares, which is calculated by deducting the total of 3 fractional shares of less than one share arising from the Share Consolidation, for which Sumitomo Densetsu is the administrator at the time after the effective date of the Share Buy Back, from the total number of 33 issued shares after the Share Consolidation with an effective date of March 5, 2026, and is rounded to two decimal places. Note that, as a result of the Share Buy Back, Sumitomo Densetsu acquired the Shares to be Sold from Sumitomo Electric Industries, and the Company's voting rights ownership ratio is 100.00% (calculated based on 13 voting rights of all shareholders after the effective date of the Share Buy Back).

### 3. Schedule of the Change

March 24, 2026 (Tuesday)

### 4. Future Outlook

The impact of the change in subsidiary status on the Company's consolidated financial results is currently under review, and if any matters requiring disclosure arise in the future, we will promptly disclose those matters.

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