(TRANSLATION ONLY)

DAIWA HOUSE INDUSTRY CO., LTD.
3-3-5, Umeda, Kita-ku,
Osaka, Japan

June 8, 2017

Notice of the 78th Ordinary General Meeting of Shareholders

Dear Shareholders:

We hereby notify you of the 78th Ordinary General Meeting of Shareholders, to be held at the time and location set forth below.

If you are unable to attend the meeting, please review the Reference Materials for General Meeting of Shareholders provided hereafter, and exercise your voting rights in writing or over the Internet, etc. before 6:00 p.m. of June 28, 2017 (Wednesday).

Very truly yours,

Naotake Ohno
Representative Director and President

1. Date and time: Thursday, June 29, 2017 at 10:00 a.m.

2. Location: The Grand Ballroom, THE RITZ-CARLTON, OSAKA, 2nd Fl.,
2-5-25, Umeda, Kita-ku, Osaka, Japan
(Please note that if all seats are taken in The Grand Ballroom, we will lead you to a second room or other place.)

3. Purpose of the meeting
Matters to be reported:
1. The Business Report, the Consolidated Financial Statements, and the Independent Auditors' Report and the Audit & Supervisory Board's Report Concerning the Consolidated Financial Statements for the 78th Fiscal Year (from April 1, 2016 to March 31, 2017)
2. The Financial Statements for the 78th Fiscal Year (from April 1, 2016 to March 31, 2017)

Matters to be resolved:
Proposal 1 Dividends from Surplus
Proposal 2 Election of Nineteen (19) Directors
Proposal 3 Election of Three (3) Audit & Supervisory Board Members
Proposal 4 Payment of Bonuses for Directors and Audit & Supervisory Board Members

Guidance for Exercising Voting Rights, etc.

<If you will attend the meeting>

Please present the voting rights exercise form enclosed herein to the reception.

<If you are unable to attend the meeting>

[Voting in writing (by mail)]

[Exercise due date: Received by 6:00 p.m. on Wednesday, June 28, 2017]

Please indicate your approval or disapproval of the proposals in the voting rights exercise form enclosed herein, and return the form to the Company by the exercise due date.

[Voting on the Internet (personal computer/smartphone/mobile phone, etc.)]

[Exercise due date: Received by 6:00 p.m. on Wednesday, June 28, 2017]

Please access the website (http://www.web54.net) designated by the Company for the purpose of exercising voting rights, enter your approval or disapproval of the proposals, and exercise your voting rights by the exercise due date.

<Contact for inquiries on voting on the Internet>

In case you need instructions for how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via this Internet Site, please contact the following support desk:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline
0120-652-031 (*Toll Free)
(Business hours: from 9:00 to 21:00)

* The service is available in Japanese only.

Electronic Voting Platform

Institutional investors, only if they apply in advance to use it, may use "Electronic Voting Platform" operated by ICJ, Inc., a joint venture established by TSE and others, as a method for exercising their voting rights electronically, in addition to the aforementioned exercise of their voting rights via the Internet.

Notes:

1. If you exercise your voting rights both in writing and via the Internet, only the later vote to be received by the Company shall be deemed valid. However, if both arrive at the Company on the same day, only the Internet vote shall be deemed valid.
2. If you exercise your voting rights multiple times via the Internet, then the last vote you submit will count as valid.
3. In the event of situations requiring amendments to the Business Report, the Consolidated Financial Statements, the Financial Statements, and the Reference Materials for General Meeting of Shareholders, amended items will be posted over the Internet on the Company website (http://www.daiwahouse.com/).

Reference Materials for General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Dividends from Surplus

Taking into account our operating performance for the current fiscal year and future business development, it is proposed that year-end dividends for the 78th fiscal year be distributed as follows:

(1) Type of dividend assets
Cash

(2) Allotment of dividend assets and total amount
It is proposed that 52 yen be paid out per common share of the Company.
Subsequently, the total payment of year-end dividends will be 34,640,634,808 yen.
Thus, the annual dividend will be 92 yen per share (increased by 12 yen from the previous fiscal year), including the interim dividend of 40 yen paid on December 5, 2016.

(3) Effective date of payment of dividends
June 30, 2017

Proposal 2: Election of Nineteen (19) Directors

At the conclusion of this general meeting of shareholders, the term of office of all Directors (19) will expire. Accordingly, we propose the election of nineteen (19) Directors, of which three (3) are Outside Directors.

We decide nominees for Director following a process of deliberation by the Nomination Advisory Committee, taking into account the overall composition with respect to the number and diversity of Directors that are required to ensure the effectiveness of the Board of Directors as a whole.

Also, we have established Independence Standards for Outside Officers as described on page 19; all three (3) nominees for Outside Director in this proposal meet these standards.

The tables on pages 6 through 15 list the nominees for the position of Director.

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
1	Takeo Higuchi <To be reelected>	Representative Director and Chairman CEO	13 of 13 (100%)
2	Naotake Ohno <To be reelected>	Representative Director and President COO	13 of 13 (100%)
3	Tamio Ishibashi <To be reelected>	Representative Executive Vice President In charge of Information Systems In charge of CSR In charge of Marketing Support	12 of 13 (92%)
4	Katsutomo Kawai <To be reelected>	Representative Executive Vice President General Manager, Management Administration Headquarters In charge of Strategy Division, Management Administration Headquarters	13 of 13 (100%)
5	Takeshi Kosokabe <To be reelected>	Representative Director and Senior Managing Executive Officer CFO, In charge of Administrative Division, Management Administration Headquarters	12 of 13 (92%)
6	Osamu Fujitani <To be reelected>	Director and Senior Managing Executive Officer In charge of Commercial Construction Headquarters	13 of 13 (100%)
7	Kazuto Tsuchida <To be reelected>	Director and Senior Managing Executive Officer General Manager, Production and Procurement Headquarters Deputy General Manager, Technology Headquarters Supervising Technology Management in Overseas Business	13 of 13 (100%)
8	Fukujiro Hori <To be reelected>	Director and Senior Managing Executive Officer In charge of Rental Apartment Headquarters	12 of 13 (92%)
9	Keiichi Yoshii <To be reelected>	Director and Senior Managing Executive Officer General Manager, Marketing Headquarters Tokyo Head Branch Manager Supervising Overseas Business	13 of 13 (100%)
10	Takashi Hama <To be reelected>	Director and Managing Executive Officer In charge of Environment and Energy Business	13 of 13 (100%)
11	Makoto Yamamoto <To be reelected>	Director and Managing Executive Officer In charge of Corporate Communications Division, Management Administration Headquarters	13 of 13 (100%)

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
12	Yoshiaki Tanabe <To be reelected>	Director and Managing Executive Officer Deputy General Manager, Technology Headquarters Deputy General Manager, Production and Procurement Headquarters In charge of Safety	13 of 13 (100%)
13	Hirotsugu Otomo <To be reelected>	Director and Managing Executive Officer Nagoya Branch Manager Deputy General Manager, Marketing Headquarters In charge of General Housing Business	10 of 10 (100%)
14	Tatsuya Urakawa <To be newly elected)>	Managing Executive Officer In charge of General Construction Headquarters	—
15	Kazuhito Dekura <To be newly elected>	Managing Executive Officer Head Branch Manager Deputy General Manager, Marketing Headquarters	—
16	Yoshinori Ariyoshi <To be newly elected>	Senior Executive Officer General Manager, Central Research Laboratory, Technology Headquarters In charge of Housing Product Development	—
17	Kazuyoshi Kimura <To be reelected>	Director <Outside> <Independent>	13 of 13 (100%)
18	Yutaka Shigemori <To be reelected>	Director <Outside> <Independent>	13 of 13 (100%)
19	Yukiko Yabu <To be reelected>	Director <Outside> <Independent>	10 of 10 (100%)

<To be reelected> Candidate to be reelected as Director
<To be newly elected> Candidate to be newly elected as Director
<Outside> Candidate for Outside Director
<Independent> Independent officer (to be) reported to the Tokyo Stock Exchange

Note: The number of Board of Directors meetings attended by Mr. Hirotsugu Otomo and Ms. Yukiko Yabu refers to Board of Directors meetings held on and after they assumed office as Directors on June 28, 2016.

No. of nominee 1	Takeo Higuchi (Date of birth: April 29, 1938)	No. of the Company's shares held by nominee: 197,000 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Aug. 1963 Joined the Company April 1984 Tokyo Branch, General Manager, Special Construction Business Division June 1984 Director June 1989 Managing Director June 1991 Executive Managing Director June 1993 Retired from the Company Representative Director and President, Daiwa Danchi Co., Ltd. June 2000 Director of the Company April 2001 Representative Director and President April 2004 Representative Director and Chairman (Current)	
Reason for nomination of the person as Director He has shown excellent leadership to lead the improvement of the corporate value of the Company Group for a long time. Since assuming the position of Representative Director of the Company, he has strived to develop successors, while endeavoring to maintain and improve the balance of management as a whole in the capacity of the chairman of the Board of Directors for the sustainable development of the Company Group. Accordingly, the Company expects that he will continue cultivating the senior management of the Group with his excellent managerial skills and spirit in the future.		

No. of nominee 2	Naotake Ohno (Date of birth: Oct. 28, 1948)	No. of the Company's shares held by nominee: 52,300 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1971 Joined the Company April 2000 Executive Officer Deputy General Manager, Kanto region June 2000 Director April 2002 Managing Director April 2004 Executive Managing Director April 2007 Representative Executive Vice President April 2011 Representative Director and President (Current)	
Reason for nomination of the person as Director Since assuming the position of Director, he has led the expansion of businesses mainly as General Manager of Marketing Headquarters. After becoming Representative Director and President, he has endeavored to establish the foundation for growth in the future, while realizing high-level growth of the Company Group, focusing on "active investment in core businesses" and "creation of new businesses" among others. Accordingly, the Company expects that he will continue exercising his managerial skills and excellent leadership.		

No. of nominee 3	Tamio Ishibashi (Date of birth: Feb. 18, 1956)	No. of the Company's shares held by nominee: 882,896 shares
Attendance at meetings of the Board of Directors 12 of 13 (92%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** June 1979 Joined the Company June 1988 General Manager, Purchasing Department June 1989 Director June 1993 Managing Director June 1996 Executive Managing Director June 1999 Managing Director March 2000 Executive Managing Director June 2000 Representative Executive Managing Director June 2001 Representative Executive Vice President (Current) April 2007 In charge of Information Systems (Current) In charge of CSR (Current) April 2008 In charge of Marketing Support (Current) In charge of TKC Promotion (Current) July 2014 Representative Director and Chairman, Daiwa Logistics CO., LTD.	
Reason for nomination of the person as Director He has accumulated experience from working in the purchasing department, been involved in management as Director of the Company and Company Group for a long time, and endeavored to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 4	Katsutomo Kawai (Date of birth: Nov. 6, 1948)	No. of the Company's shares held by nominee: 33,800 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1972 Joined the Company Oct. 2003 Executive Officer April 2006 Senior Executive Officer In charge of Management Strategy and Human Resources Strategy General Manager, Human Resources Department June 2006 Director April 2007 Director and Senior Executive Officer In charge of Strategy Division, Management Administration Headquarters (Current) Jointly in charge of CSR (Current) April 2010 Director and Managing Executive Officer April 2011 Director and Senior Managing Executive Officer April 2013 Representative Director and Senior Managing Executive Officer April 2015 General Manager, Management Administration Headquarters (Current) June 2015 Representative Executive Vice President (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the human resources department, and after assuming the position of Director of the Company, has been mainly serving as General Manager of Management Administration Headquarters, and in charge of Strategy Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 5	Takeshi Kosokabe (Date of birth: May 13, 1957)	No. of the Company's shares held by nominee: 19,400 shares

Attendance at meetings of the Board of Directors 12 of 13 (92%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1980 Joined the Company April 2004 Executive Officer April 2006 Senior Executive Officer June 2006 Retired as Senior Executive Officer Representative Director and President, Daiwa House REIT Management Co., Ltd. June 2009 Senior Executive Officer of the Company General Manager, Accounting Department, Management Administration Headquarters June 2010 Director and Senior Executive Officer April 2012 Director and Managing Executive Officer In charge of Administrative Division, Management Administration Headquarters (Current) April 2015 Director and Senior Managing Executive Officer CFO (Current) June 2015 Representative Director and Senior Managing Executive Officer (Current)

Reason for nomination of the person as Director
He has accumulated experience from working in the accounting department and as Representative Director of a group company, and after assuming the position of Director of the Company, has been mainly serving as CFO and in charge of Administrative Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.

No. of nominee 6	Osamu Fujitani (Date of birth: Feb. 4, 1951)	No. of the Company's shares held by nominee: 11,800 shares

Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1974 Joined the Company April 2007 Executive Officer April 2010 Senior Executive Officer April 2012 General Manager, Commercial Construction Promotion Department (In charge of East Japan and Kinki, Chugoku and Shikoku regions) In charge of Commercial Construction Headquarters (Current) June 2012 Director and Senior Executive Officer April 2013 Director and Managing Executive Officer April 2014 Director and Senior Managing Executive Officer (Current) General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chubu and Hokuriku, Chugoku and Shikoku regions) Oct. 2014 General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chugoku and Shikoku regions) April 2015 General Manager, Commercial Construction Promotion Department (In charge of East Japan)

Reason for nomination of the person as Director
He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, has been mainly in charge of Commercial Construction Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.

No. of nominee 7	Kazuto Tsuchida (Date of birth: July 27, 1952)	No. of the Company's shares held by nominee: 31,900 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company April 2004 Executive Officer General Manager, Construction Department, Technology Headquarters (Buildings) April 2007 Senior Executive Officer June 2009 Director and Senior Executive Officer In charge of Safety April 2010 Director and Managing Executive Officer Deputy General Manager, Technology Headquarters (Current) April 2012 In charge of General Technology Management in Overseas Business April 2016 Director and Senior Managing Executive Officer (Current) April 2017 General Manager, Production and Procurement Headquarters (Current) Supervising Technology Management in Overseas Business (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, has been mainly serving as Deputy General Manager of Technology Headquarters and in charge of technology management in overseas business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will further promote the manufacturing function including production and procurement in the future.		

No. of nominee 8	Fukujiro Hori (Date of birth: July 3, 1950)	No. of the Company's shares held by nominee: 37,800 shares
Attendance at meetings of the Board of Directors 12 of 13 (92%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1969 Joined the Company April 2004 Executive Officer April 2006 Senior Executive Officer April 2008 General Manager, Rental Apartment Promotion Department, Marketing Headquarters (In charge of East Japan) March 2010 In charge of Rental Apartment Headquarters (Current) June 2010 Director and Senior Executive Officer April 2012 Director and Managing Executive Officer General Manager, Rental Apartment Promotion Department (In charge of East Japan) April 2016 Director and Senior Managing Executive Officer (Current) April 2017 General Manager, Rental Apartment Promotion Department (In charge of East and Central Japan regions) (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, has been mainly in charge of Rental Apartment Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 9	Keiichi Yoshii (Date of birth: May 27, 1958)	No. of the Company's shares held by nominee: 14,400 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** June 1990 Joined the Company April 2010 Executive Officer June 2011 Director and Senior Executive Officer General Manager, Overseas Division In charge of Overseas Business March 2013 Tokyo Branch Manager Jointly in charge of Marketing Support Supervising Overseas Business April 2013 Director and Managing Executive Officer Tokyo Head Branch Manager (Current) May 2013 Head of Overseas Business April 2014 Deputy General Manager, Marketing Headquarters General Manager, Kanto Regional Business Unit April 2016 Director and Senior Managing Executive Officer (Current) General Manager, Marketing Headquarters (Current) Supervising Overseas Business (Current) General Manager, Tokyo Regional Business Unit (Current) General Manager, Kitakanto Regional Business Unit	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, has been mainly serving as General Manager of Marketing Headquarters and in charge of overseas business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 10	Takashi Hama (Date of birth: Jan. 31, 1954)	No. of the Company's shares held by nominee: 27,800 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company Oct. 2003 Executive Officer General Manager, Central Research Laboratory, Technology Headquarters April 2005 Deputy General Manager, Product Development Department, Technology Headquarters June 2005 Director April 2007 Director and Managing Executive Officer (Current) April 2009 In charge of Environment and Energy Business (Current) April 2016 Representative Director and President, Daiwa Energy Co., Ltd. (Current) **(Significant concurrent positions)** Representative Director and President, Daiwa Energy Co., Ltd.	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department and as General Manager of Central Research Laboratory, and after assuming the position of Director of the Company, has been mainly in charge of environment and energy business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 11	Makoto Yamamoto (Date of birth: March 23, 1954)	No. of the Company's shares held by nominee: 15,300 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company Oct. 2006 Executive Officer April 2007 General Manager, Advertising Department, Management Administration Headquarters April 2008 Senior Executive Officer April 2010 In charge of Marketing Support June 2010 Director and Senior Executive Officer March 2011 Tokyo Branch Manager Supervising Advertising Department April 2011 Director and Managing Executive Officer (Current) April 2012 In charge of Liaison March 2013 In charge of Advertising In charge of Corporate Communications April 2013 In charge of Corporate Communications Division, Management Administration Headquarters (In charge of Advertising, Liaison, Corporate Communications) (Current) April 2017 Jointly in charge of Marketing Support (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department and as General Manager of Advertising Department, and after assuming the position of Director of the Company, has been mainly in charge of Corporate Communications Division of Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 12	Yoshiaki Tanabe (Date of birth: Oct. 29, 1953)	No. of the Company's shares held by nominee: 6,100 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company April 2010 Executive Officer April 2012 Senior Executive Officer In charge of Technology Management in Rental Apartment Headquarters In charge of Construction, Technology Headquarters Aug. 2012 General Manager, Construction Department, Apartment Promotion Division April 2013 Managing Executive Officer Oct. 2014 Senior Department Manager, Housing Construction April 2015 Deputy General Manager, Technology Headquarters (Current) Jointly in charge of Safety Senior Department Manager, Housing Technology June 2015 Director and Senior Executive Officer April 2016 Director and Managing Executive Officer (Current) April 2017 Deputy General Manager, Production and Procurement Headquarters (Current) In charge of Safety (Current) Senior Department Manager, Technology Department (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, has been mainly serving as Deputy General Manager of Technology Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will further promote the manufacturing function including production and procurement in the future.		

No. of nominee 13	Hirotsugu Otomo (Date of birth: Aug. 31, 1959)	No. of the Company's shares held by nominee: 22,741 shares
Attendance at meetings of the Board of Directors 10 of 10 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Dec. 1984 Joined the Company April 2011 Executive Officer April 2012 General Manager, Housing Promotion Department (In charge of Saitama region) March 2013 Nagoya Branch Manager (Current) General Manager, Chubu and Hokushinetsu Regional Business Unit General Manager, Housing Promotion Department (In charge of Central Japan) April 2014 Senior Executive Officer Deputy General Manager, Marketing Headquarters (Current) April 2015 Managing Executive Officer April 2016 General Manager, Chubu and Shinetsu Regional Business Unit (Current) June 2016 Director and Managing Executive Officer (Current) In charge of General Housing Business (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, has been mainly serving as Deputy General Manager of Marketing Headquarters and in charge of general housing business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 14	Tatsuya Urakawa (Date of birth: Feb. 22, 1961)	No. of the Company's shares held by nominee: 10,300 shares
(To be newly elected)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Jan. 1985 Joined the Company April 2009 Executive Officer April 2011 Senior Executive Officer April 2013 Managing Executive Officer (Current) Tokyo Head Branch, General Manager, Construction Business Division General Manager, General Construction Promotion Division (Current) In charge of General Construction Headquarters (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and as Officer in charge of General Construction Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills as Director by utilizing his broad knowledge and experience in the future.		

No. of nominee 15	Kazuhito Dekura (Date of birth: Aug. 26, 1961)	No. of the Company's shares held by nominee: 11,000 shares
(To be newly elected)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1988 Joined the Company April 2012 Executive Officer Fukuoka Branch Manager General Manager, Kyushu Regional Business Unit General Manager, Housing Promotion Department (In charge of Kyushu region) General Manager, Commercial Construction Promotion Department (In charge of Kyushu region) March 2014 Head Branch Manager (Current) General Manager, Kansai Regional Business Unit (Current) April 2014 Senior Executive Officer Deputy General Manager, Marketing Headquarters (Current) General Manager, Housing Promotion Department (In charge of Kansai region) General Manager, Commercial Construction Promotion Department (In charge of Kinki region) April 2015 Managing Executive Officer (Current) General Manager, Commercial Construction Promotion Department (In charge of Kinki, Chugoku and Shikoku regions) April 2017 General Manager, Commercial Construction Promotion Department (In charge of West Japan region) (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and as Deputy General Manager of Marketing Headquarters and General Manager of Kansai Regional Business Unit, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills as Director by utilizing his broad knowledge and experience in the future.		

No. of nominee 16	Yoshinori Ariyoshi (Date of birth: July 31, 1958)	No. of the Company's shares held by nominee: 3,400 shares
(To be newly elected)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1982 Joined the Company Aug. 2012 Senior Department Manager, Product Development Department, Housing Promotion Department April 2014 Executive Officer April 2015 General Manager, Central Research Laboratory, Technology Headquarters (Current) April 2017 Senior Executive Officer (Current) In charge of Housing Product Development (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department, and as General Manager of Central Research Laboratory, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills as Director by utilizing his broad knowledge and experience in the future.		

No. of nominee 17	Outside Director Kazuyoshi Kimura (Date of birth: Nov. 12, 1943)	No. of the Company's shares held by nominee: 6,800 shares

Attendance at meetings of the Board of Directors
13 of 13
(100%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1967	Joined The Nikko Securities Inc.
March 2000	Director and Vice President
Jan. 2002	Director and Chairman, Nikko Asset Management Co., Ltd.
June 2003	Director and Chairman, Nikko antfactory K.K.
March 2004	Director and Chairman, Simplex Investment Advisors Inc.
June 2005	Chairman, (Former) Nikko Cordial Securities, Inc.
Feb. 2007	Chairman, Nikko Cordial Corporation
April 2008	Director and Chairman, Nikko Citigroup Limited
May 2008	Director and Co-chairman, Nikko Citi Holdings Inc.
Oct. 2009	Director and Chairman, (New) Nikko Cordial Securities, Inc.
April 2010	Adviser, Nikko Cordial Securities, Inc. (current SMBC Nikko Securities Inc.)
April 2012	Director and Chairman, Ra Holdings K.K.
June 2012	Director of the Company (Current)
Nov. 2012	Director, BIC CAMERA INC. (Current)
	Director, Kojima Co., Ltd.
Feb. 2013	Representative Director and Chairman
Sep. 2013	Representative Director and Chairman, President and Representative Executive Officer (Current)

(Significant concurrent positions)
Representative Director and Chairman, President and Representative Executive Officer, Kojima Co., Ltd.
Director, BIC CAMERA INC.
Outside Audit & Supervisory Board Member, SPARX Group Co., Ltd.

Reason for nomination of the person as Outside Director
Utilizing his extensive knowledge of corporate business cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.

No. of nominee 18	Outside Director Yutaka Shigemori (Date of birth: June 25, 1949)	No. of the Company's shares held by nominee: 6,400 shares

Attendance at meetings of the Board of Directors
13 of 13
(100%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1974	Joined Yasuda Life Insurance Company
July 2002	Director and Ginza Branch Manager
Jan. 2004	Executive Officer, Meiji Yasuda Life Insurance Company
April 2006	Managing Executive Officer (*Shikko-yakuin*)
July 2006	Managing Executive Officer (*Shikko-yaku*)
April 2009	Representative Director and President, Meiji Yasuda General Insurance Co., Ltd.
June 2012	Director, Meiji Yasuda General Insurance Co., Ltd. Director of the Company (Current)
Sep. 2012	Retired as Director, Meiji Yasuda General Insurance Co., Ltd.
April 2013	Representative Director and President, Wise Total Support, Co., Ltd. (Current)
April 2015	Representative Director and President, Wise Networking Co., Ltd. (Current)

(Significant concurrent positions)
Outside Director, Audit and Supervisory Committee Member, SINANEN HOLDINGS CO., LTD.

Reason for nomination of the person as Outside Director
Utilizing his extensive knowledge of corporate business cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.

No. of nominee 19	Outside Director Yukiko Yabu (Date of birth: June 23, 1958)	No. of the Company's shares held by nominee: 300 shares

Attendance at meetings of the Board of Directors
10 of 10
(100%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1981	Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)
April 2006	Manager, Lifestyle Research Center, Technological Headquarters, Home Appliance Company
Jan. 2011	Manager and Trustee, Global Consumer Research Center, Corporate Brand Strategy Headquarters
April 2013	Trustee in charge of Consumer Research and Group Manager, Global Marketing Planning Center, Appliances Company
March 2014	Retired Panasonic Corporation
June 2016	Director of the Company (Current)

(Significant concurrent positions)
Outside Director, Duskin Co., Ltd.
External Director, Takara Holdings Inc.

Reason for nomination of the person as Outside Director
Utilizing her abundant experience in planning, development, market research, etc., of general consumer merchandise over many years, she has played an important role in strengthening governance by providing useful advice from the perspective of consumers. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint.
She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director in the manner that the Company expects, based on the reason described above.

Notes: 1. No beneficial interest exists between the Company and any nominees for the position of Director.
2. Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu are nominees for the position of Outside Director.
3. At the conclusion of this general meeting of shareholders, Mr. Kazuyoshi Kimura and Mr. Yutaka Shigemori will have served the position for five (5) years, while Ms. Yukiko Yabu will have served for one (1) year. All of them are presently Outside Directors of the Company.

4. The Company has entered into an agreement with Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu to limit the liabilities to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.
   If the election of the said nominees is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with each of them.
5. The Company has designated and reported Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu as independent officer as stipulated in the regulations of Tokyo Stock Exchange, Inc.
   If the election of the said nominees is approved and passed as proposed in this proposal, they will continue to serve as independent officers.
6. Ms. Yukiko Yabu will retire from the position of Outside Director to Duskin Co., Ltd. at the conclusion of the ordinary general meeting of shareholders of the said company, which will be held on June 22, 2017.

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The term of office of the Audit & Supervisory Board Members, Mr. Kenji Hirata, Mr. Kazuhiro Iida and Mr. Kiichiro Iwasaki will expire at the conclusion of this general meeting of shareholders. Accordingly, we propose the election of three (3) Audit & Supervisory Board Members (including one (1) newly nominated Audit & Supervisory Board Member).
The Audit & Supervisory Board has given prior approval to this proposal.
The tables below list the nominees for the position of Audit & Supervisory Board Member.

No. of nominee 1	Kenji Hirata (Date of birth: March 29, 1951)	No. of the Company's shares held by nominee: 17,000 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%) Attendance at meetings of the Audit & Supervisory Board 14 of 14 (100%)	**Brief personal history, position in the Company, and significant concurrent positions** April 1974 Joined the Company April 2004 Yokohama Branch Manager April 2009 Department Manager, Audit & Supervisory Board Members' Office June 2009 Audit & Supervisory Board Member (Current)	
Reason for nomination of the person as Audit & Supervisory Board Member Having abundant knowledge of branch management from his long-term experience as branch manager, he has contributed to improving the effectiveness of audit by the whole Audit & Supervisory Board through appropriate recommendations based on on-site inspections as a Standing Audit & Supervisory Board Member. Accordingly, the Company judges he will appropriately fulfill his duties as an Audit & Supervisory Board Member, and proposes his reelection.		

No. of nominee 2	Outside Audit & Supervisory Board Member Kazuhiro Iida (Date of birth: March 11, 1960)	No. of the Company's shares held by nominee: 21,100 shares
Attendance at meetings of the Board of Directors 13 of 13 (100%) Attendance at meetings of the Audit & Supervisory Board 14 of 14 (100%)	**Brief personal history, position in the Company, and significant concurrent positions** April 1986 Member attorney of the Osaka Bar Association (Current) June 2005 Audit & Supervisory Board Member of the Company (Current) **(Significant concurrent positions)** Attorney Outside Audit & Supervisory Board Member, Takara Standard Co., Ltd.	
Reason for nomination of the person as Outside Audit & Supervisory Board Member Having expertise and abundant knowledge of corporate legal affairs from his long experience as an attorney, he has played an important role, as an Outside Audit & Supervisory Board Member who is also a legal expert, in constructing and improving the internal control system and the compliance audit on duties of the Company's Directors. Accordingly, the Company judges he will appropriately fulfill his duties as an Audit & Supervisory Board Member, and proposes his reelection. He has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member in the manner that the Company expects, based on the reason described above.		

No. of nominee 3	Tatsushi Nishimura (Date of birth: Dec. 21, 1949)	No. of the Company's shares held by nominee: 49,600 shares
(To be newly elected)	**Brief personal history, position in the Company, and significant concurrent positions** April 1972 Joined the Company April 2000 Executive Officer April 2003 General Manager, Design and Construction Department, Technology Headquarters (Housing Design Department) General Manager, Product Development Department, Technology Headquarters (In charge of Housing) June 2003 Director April 2004 Managing Director General Manager, Technology Headquarters (Current) April 2006 Executive Managing Director April 2007 Director and Senior Managing Executive Officer Jointly in charge of Information Systems (Current) April 2008 Representative Director and Senior Managing Executive Officer (Current) April 2010 In charge of Urban Development and Civil Engineering (Current)	
Reason for nomination of the person as Audit & Supervisory Board Member Given his long-term experience as Director and General Manager of Technology Headquarters as well as abundant knowledge of construction technologies and management in general, the Company can expect highly effective audits mainly from the perspective of technologies and appropriate audit versed with management in general and the industry. Accordingly, the Company judges he will appropriately fulfill his duties as Audit & Supervisory Board Member, and proposes his election as an Audit & Supervisory Board Member.		

Notes: 1. No beneficial interest exists between the Company and the nominees for the position of Audit & Supervisory Board Member.

2. Mr. Kazuhiro Iida is a nominee for the position of Outside Audit & Supervisory Board Member.

3. At the conclusion of this general meeting of shareholders, Mr. Kazuhiro Iida, who is presently Outside Audit & Supervisory Board Member of the Company, will have served the position for twelve (12) years.

4. The Company has entered into an agreement with Mr. Kenji Hirata and Mr. Kazuhiro Iida to limit the liabilities to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.

   If the election of the said nominees is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with each of them.

   Also, if the election of Mr. Tatsushi Nishimura is approved and passed as proposed in this proposal, the Company will enter into the aforementioned agreement with him.

<Independence Standards for Outside Officers>

The Company judges outside Directors, outside Audit & Supervisory Board Members (hereinafter collectively referred to as "outside Officers"), or candidates for outside Officers as independent if they do not fall under any of the following items as a result of the investigation conducted by the Company as far as reasonably possible:

i. Executors of operations [Note 1] of the Company and its affiliates (hereinafter collectively referred to as the "Company Group");
ii. Those for whom the Company Group is a major business partner [Note 2] or their executors of operations;
iii. Major business partners of the Company Group [Note 3] or their executors of operations;
iv. Major shareholders of the Company (Those who own directly or indirectly 10% or more of the total voting rights) or their executors of operations;
v. Those 10% or more of whose total voting rights are owned directly or indirectly by the Company Group or their executors of operations;
vi. Those who belong to the auditing firm that is the financial auditor of the Company Group;
vii. Attorneys, certified public accountants, licensed tax accountants, consultants and the like who receive a large amount [Note 4] of monetary or other property benefits other than officers remuneration from the Company Group;
viii. Those who belong to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount [Note 4] of monetary or other property benefits from the Company Group;
ix. Council members or other executors of operations of bodies including corporations and cooperatives which, or persons who receive a large amount [Note 4] of donations or assistance from the Company Group;
x. In cases where Directors for operational execution, or full-time Audit & Supervisory Board Members concurrently serve as outside Directors or outside Audit & Supervisory Board Members of other companies, Directors for operational execution, Executive Officers *(shikko-yaku)*, Executive Officers *(shikko-yakuin)*, or managers and other employees of said companies;
xi. Those who have fallen under the definition of the above ii to x in the last three years; or
xii. In cases where those who fall under the definition of the above i to x are important persons [Note 5], their spouses or relatives within the second degree of kinship.

Notes:
1. "Executors of operations" refer to Directors, Executive Officers *(shikko-yaku)*, Executive Officers *(shikko-yakuin)*, employees who execute operations, council members, or those equivalent thereto and employees of corporations and other bodies, as well as those who have belonged to the Company Group in the past even once.
2. "Those for whom the Company Group is a major business partner" refer to persons who have received from the Company the payment of 2% or more of their consolidated annual sales in the most recent fiscal year.
3. "Major business partners of the Company Group" refer to persons who pay the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
4. "A large amount" refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, more than 2% of the consolidated sales or total revenues of said bodies for bodies including corporations and cooperatives.
5. "Important persons" refer to Directors (excluding outside Directors), Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), Executive Officers *(shikko-yakuin)* and employees who are senior managers in the position of general managers or higher.

Proposal 4: Payment of Bonuses for Directors and Audit & Supervisory Board Members

Taking into account the amount of the previous payments and our operating performance for the current fiscal year, it is proposed that 1,058 million yen in total be paid to, among nineteen (19) Directors and six (6) Audit & Supervisory Board Members incumbent at the end of the current fiscal year, sixteen (16) Directors (number excluding outside Directors) and two (2) Audit & Supervisory Board Members (number excluding outside Audit & Supervisory Board Members). Specifically, 1,010 million yen will be paid to Directors and 48 million yen to Audit & Supervisory Board Members.

(Reference) The Executive Remuneration System

The Company's executive remuneration comprises cash remuneration, made up of fixed remuneration and annual bonus. The Company also has an investment scheme for the senior management of the Daiwa House Group linked to shareholder value, under which it issues commitment-type share acquisition rights (compensatory share options), with exercise conditional on the achievement of the performance targets set in the medium-term management plan.

For long-term performance-linked remuneration, we have introduced the "Share-based Remuneration Plan." This plan aims to provide Directors, who are the managing trustees, with compensation for the creation of shareholder value from a long-term management perspective; the number of shares delivered will vary according to the return on equity (ROE) achieved.

Type of remuneration etc.		Purpose/content, etc.
Short term	Fixed remuneration	Recompense for fulfilling responsibilities
	Annual bonus	Recompense for generating profits (Up to 0.5% of consolidated ordinary income, linked to profits that are used as the source of payments)
Medium term	Compensatory share options (*)	Commitment to achieving the medium-term performance targets and raising shareholder value
Long term	Share-based remuneration	Recompense for long-term shareholder value (Number of shares delivered will fluctuate with ROE)

Note: Compensatory share options is an investment system under which commitment-type share acquisition rights are issued with compensation at fair value.