



News Release (Translation only)

June 27, 2013

Company: Daiwa House Industry Co., Ltd.
(Code number: 1925,
First Section of the Tokyo Stock Exchange
and the Osaka Securities Exchange)
Representative: Naotake Ono, President and COO
Contact: Koichi Tsuchida, General Manager, IR Dept.,
Management Administration Headquarters
Email to:dh.ir.communications@daiwahouse.jp

**Notification of Inclusion of Cosmos Initia as a Subsidiary of Daiwa House Industry
by Completion of Capital Increase through Third-Party Share Allotment of New Shares**

Daiwa House Industry Co., Ltd. announces that, as detailed in the press release dated April 16, 2013, “Notification of Conclusion of Capital and Business Alliance with Cosmos Initia Co., Ltd., and Inclusion of Cosmos Initia as a Subsidiary of Daiwa House Industry by a Capital Increase through Third-Party Share Allotment of New Shares,” the Company has completed a subscription for a capital increase through a third-party share allotment to be implemented by Cosmos Initia and, as a result, Cosmos Initia has become a consolidated subsidiary of the Company.

The Company is examining the effects the transaction will have on its consolidated future results. Any required disclosure will be communicated promptly.

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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 June 27, 2013.