



Naotake Ono, President and COO
Daiwa House Industry Co., Ltd.
3-3-5 Umeda, Kita-ku, Osaka

**Notice Regarding Business Integration (Merger) of
Condominium Management Companies**

Daiwa House Industry Co., Ltd. (head office: Kita-ku, Osaka; president: Naotake Ono; hereinafter “the Company”) announces that Daiwa LifeNext Co., Ltd. (head office: Minato-ku, Tokyo; president: Yoshinori Watanabe; hereinafter “Daiwa LifeNext”) and Daiwa Service Co., Ltd. (head office: Nishi-ku, Osaka; president: Tomoyuki Kido; hereinafter “Daiwa Service”), Group companies of the Company, are scheduled to merge on April 1, 2015.

1. Purpose of business integration (merger)

Daiwa LifeNext and Daiwa Service, as Daiwa House Group companies, have engaged chiefly in building management nationwide.

To enhance competitiveness in the management of condominiums and other buildings, the two companies will be merged with each other. In the condominium management business, the main business domain of the two companies, the combined company will manage more than 230,000 units.

The new company will combine the management resources of the two merging companies to provide higher-quality services, pursuing customer satisfaction, and will aim to build the foundation for growth.

2. Profile of the companies to be merged (as of March 31, 2013)

Business name	Daiwa Service Co., Ltd. (merging company)	Daiwa LifeNext Co., Ltd. (merged company)
Address	1-5-16 Awaza, Nishi-ku, Osaka, Osaka	5-1-33 Akasaka, Minato-ku, Tokyo
Representative	Chairman and CEO, Hiromi Yamane President, Tomoyuki Kido	President, Yoshinori Watanabe
Main Business	Building management, moving business, construction	Total management of condominiums and other buildings
Established	March 8, 1983	May 1, 1976
Capital	130.1 million yen	519.903 million yen
Number of employees	3,049	3,353
Shareholder	Daiwa House Industry Co., Ltd. (100%)	Daiwa House Industry Co., Ltd. (100%)

3. Outline of the new company (plan)

Business name	Daiwa LifeNext Co., Ltd.
Head office address	5-1-33 Akasaka, Minato-ku, Tokyo
Representative	Chairman and CEO, Hiromi Yamane President, Yoshinori Watanabe
Capital	130.1 million yen
Shareholder	Daiwa House Industry Co., Ltd. (100%)

4. Outlook

The Company will continue to hold the shares of the merging company after the merger, and the effect of the merger on the Company's consolidated results is therefore expected to be minor.

5. Other

(1) Merging company and change in business name

Daiwa Service will be the merging company in the business integration. However, on the date of the merger (April 1, 2015) the business name of the new company will become Daiwa LifeNext, and the head office will be moved.

Other matters will be communicated as soon as they are determined.

(2) Subsidiaries of Daiwa Service and Daiwa LifeNext

The subsidiaries of the two companies, the parties of the merger, will be subsidiaries of the new company.

Contact: Kai Sano

Corporate Communications Department

Daiwa House Industry Co.,Ltd

Tel: +81-6-6342-1381

E-mail: k-sano@daiwahouse.jp