

November 15, 2017

Company name: Daito Trust Construction Co., Ltd

Representative: Naomi Kumakiri

President and Representative Director (CEO)

Securities code: 1878

Listed in the 1st section of Tokyo and Nagoya
security exchange

Address: 2-16-1, Konan, Minato-ku, Tokyo

Notice Regarding Change of Sub-subsidiary through Acquisition of Shares by Subsidiary

Daito Trust Construction Co., Ltd. (hereinafter referred to as “the Company”) today announced that the Company and its consolidated subsidiary Daito Asia Development Pte. Ltd. have resolved to acquire all outstanding shares in Daisho Asia Development (M) Sdn. Bhd. to make it a consolidated sub-subsidiary of the Company.

1. Reasons for the Share Acquisition

The Company’s sub-subsidiary Daito Asia Development (Malaysia) Sdn. Bhd. is engaged in the management of the hotel business (hereinafter referred to as “the Le Meridien hotel”) operated by Le Meridien in Kuala Lumpur, Malaysia. At the same time, Daisho Asia Development (M) Sdn. Bhd., the target of share acquisition, manages the hotel business (hereinafter referred to as “the Hilton hotel”) operated by Hilton International adjacent to the Le Meridien hotel.

The Hilton hotels is situated next to the Le Meridien hotel and by owning both the hotel operations, the Company can not only strengthen its customer attraction capability but also further reduce costs and the Company believes that there is sufficient scope for ensuring synergies.

In addition to its core businesses of construction and real estate, the Daito Group has been promoting care and nursery school business, energy business and overseas business as its new core businesses for realizing continuous growth, and this share acquisition strengthens the overseas business.

Through the share acquisition, the Daito Group will further strengthen its hotel business outside Japan and boost the Group’s corporate value.

2. Profile of Daito Asia Development Pte. Ltd.

(1) Name	Daito Asia Development Pte. Ltd.
(2) Head Office	77 Robinson Road #13-00 Robinson 77 Singapore 068896
(3) Representative	Director Tsukasa Okamoto
(4) Business	Real estate development
(5) Capital	58,916,000 U.S. dollars

3. Profile of Daisho Asia Development (M) Sdn.Bhd.

(1) Name	Daisho Asia Development (M) Sdn. Bhd.	
(2) Head Office	Suite 1015 Hilton Kuala Lumpur 3, Jalan Stesen Sentral, Kuala Lumpur, Wilayah Persekutuan	
(3) Representative	Director Katsumi Tada	
(4) Business	Hotel business	
(5) Capital	79,034,000 Malaysian ringgit	
(6) Established	December 19, 1996	
(7) Main shareholder and shareholding ratio	Daisho Development Singapore Pte. Ltd.: 100%	
(8) Relationship between the Company and Daisho Asia Development (M) Sdn.Bhd.	Capital relationship	None
	Personnel relationship	Director Katsumi Tada is the founder and former chairman of the Company.
	Transaction relationship	None
(9) Financial conditions and business results of Daisho Asia Development (M) Sdn.Bhd. for the past fiscal year		
Fiscal year-end	December 2016	
Total assets	419 million Malaysian ringgit	
Net sales	158 million Malaysian ringgit	
Operating income	16 million Malaysian ringgit	

4. Number of Shares Acquired and Acquisition price and Ownership Status of Shares Before and After Acquisition

(1) Number of shares owned before the acquisition	0 share (ownership ratio: 0%)
(2) Number of shares acquired	79,034,660 shares
(3) Acquisition price	approx. 13,700 million yen
(4) Number of shares owned after change	79,034,660 shares (ownership ratio: 100%)

5. Timeline

Date of conclusion of share acquisition agreement	November 15, 2017
Date of share acquisition	November 30, 2017 (expected)

6. Future Outlook

The impact of the share acquisition on the Company's consolidated business results is expected to be negligible.