Environmental Data | Contents

Environmental Data | Calculation and Reporting of Environmental Data

Basics

◇ Report period: April 1, 2021 to March 31, 2022

◇ Reporting organizations: Daiwa House Industry Co., Ltd. and its consolidated subsidiaries

Reference: Number of consolidated subsidiaries: 421 (161 in Japan, 260 outside Japan) (as of March 31, 2022)

The scope of these environmental data encompasses the business operations of Daiwa House Industry and its consolidated subsidiaries, which are the target organization of Endless Green Program 2021, our Environmental Action Plan. Excluded from the data, however, are smaller companies that impart no environmental impact for each indicator. The coverage rate of the target companies is 100%. In addition, in the event of a change in the number of consolidated subsidiaries subject to environmental management, the following measures are undertaken in order to facilitate the comparison of any such change.

When the number of relevant organizations decreases during the term (due to a sale, etc.)

Data of such an organization shall be collected for the fiscal year (until it is sold) and excluded from data collection from the next fiscal year on. This measure shall not be applicable to the past data.

When the number of relevant organizations increases during the term (due to an acquisition etc.)

If the environmental impact is large: Data on the relevant organization is excluded from the data for the relevant year or base year but is included beginning with the subsequent term of the Environmental Action Plan; past data is also included.

If the environmental impact is small: Data on the relevant organization is included beginning with the subsequent fiscal year.

◇ Main referential guidelines

- *Sustainability Reporting Standards* by the GRI (Global Reporting Initiative)
- *GHG Protocol Corporate Accounting and Reporting Standard (Revised)* by the WBCSD/WRI
- *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* by the WBCSD/WRI
- *Environmental Report Guideline (2018 Edition)* by the Ministry of the Environment
- *Manual for Calculating and Reporting GHG Emissions (Ver. 4.8)* by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
- *Basic Guidelines on Calculating Greenhouse Gas Emissions through Supply Chain (Ver. 2.4)* by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
- *Guideline for Quantifying GHG Emission Reduction Contribution* by the Ministry of Economy, Trade and Industry

◇ Report on preceding data

In general, the time period covered by our reports is the preceding 3 to 5 years.

If a calculation method or the scope of reporting is changed, corrections and reports are included in the above-mentioned periods as well as in the benchmarks for the base year.

◇ Stance on greenhouse gas (GHG) emissions

At Daiwa House Group, among GHG emissions, we calculate and report exclusively on carbon dioxide (CO_2) emissions originating from energy.

We exclude GHG other than CO_2 originating from energy. Specifically, these are CO_2 from non-energy sources, as well as methane (CH_4), Nitrous Oxide (N_2O), and the fluorinated gases of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). With regard to these, as the result of the Group's calculation of emissions based on the Act on Promotion of Global Warming Countermeasures, we have determined that these gases accounted for less than 1% of our total GHG emissions, and the degree of their impact on our activities was nominal.

◇ CO_2 emission factor

Regarding fuel, etc., we use values based on the Energy Efficiency Act (Act on the Rational Use of Energy) and the Act on Promotion of Global Warming Countermeasures. For both domestic and internationally purchased electric power, we use the alternative values to power supplier emission factor based on the GHG emissions calculation, report, and disclosure initiative for use in Japan.

· Purchasing power	0.453 t-CO_2/MWh	· Kerosene	2.489 t-CO_2/kl
· Gasoline	2.322 t-CO_2/kl	· City gas	2.234 t-CO_2/1,000 m^3 (N)
· Light oil	2.585 t-CO_2/kl	· LP gas	2.999 t-CO_2/t
· No. 2 fuel oil	2.710 t-CO_2/kl	· Cold, Warm Water	0.057 t-CO_2/GJ

The calculation of CO_2 is affected by inherent uncertainty resulting from the incomplete scientific knowledge used to determine emission factors and numerical data.

◇ Heat quantity conversion factor

In the Daiwa House Group, energy consumption is calculated using the Joule (J), a derived unit of energy in the International System of Units (SI), and the following heat quantity conversion factors are used for each energy type. Regarding renewable energy (consumed in-house), it is assumed that electric power purchases have been reduced by its use; therefore, the same heat quantity conversion factor used for purchased electric power is used. In addition, we use the same factors at overseas locations as well.

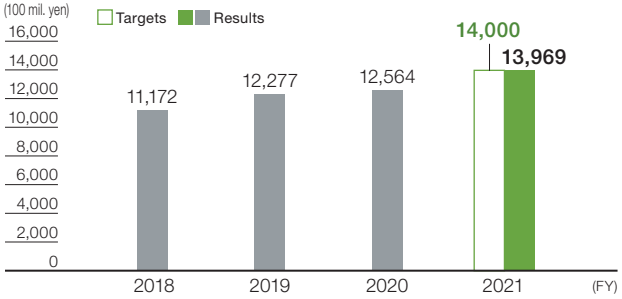
· Purchasing power	9.76 GJ/MWh	· Kerosene	36.7 GJ/kl
· Gasoline	34.6 GJ/kl	· City gas	44.8 GJ/1,000 m^3 (N)
· Light oil	37.7 GJ/kl	· LP gas	50.8 GJ/t
· No. 2 fuel oil	39.1 GJ/kl	· Cold, Warm Water	1.36 GJ/GJ

Environmental Data | Strengthening the Foundation of Environmental Management

General

Expansion of sales of environmental contribution businesses

■ Sales of environmental contribution businesses

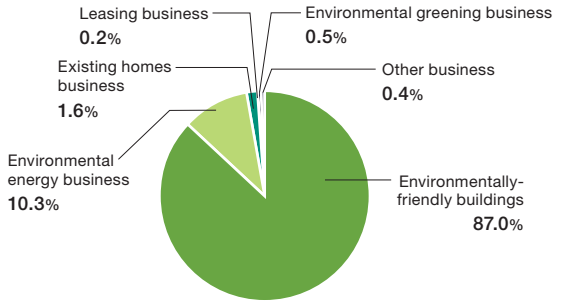


■ Sales of environmental contribution businesses (by segment)

(Unit: 100 mil. yen)

	2018	2019	2020	2021
Environmentally-friendly buildings	10,202	10,719	11,095	**12,153**
Environmental energy business	666	1,110	1,129	**1,432**
Existing homes business	241	334	229	**221**
Leasing business	1	21	19	**30**
Environmental greening business	57	64	64	**70**
Other business	6	28	29	**63**

■ Breakdown of environmental contribution businesses (by segment)



Calculation method and scope of coverage of environmental data

■ Sales of environmental contribution businesses

◇ Overview

Each of the businesses in Daiwa House Group works toward the realization of a carbon-free society and a society that is committed to recycling. The combined revenue from businesses capable of contributing to the environment is defined as sales generated by environmental businesses. In specific terms, we have established definitions for environmental businesses as shown on the right.

◇ Scope of coverage

Daiwa House Industry Co., Ltd. and all consolidated subsidiaries

* However, only companies with businesses that match definitions of environmental businesses

Segment		Definition
Environmentally-friendly buildings	Single-family housing business	ZEH-supporting products
	Rental housing business	Buildings with a BEI of 0.85 or less
	Condominium business	D's SMART Condominiums
	Commercial and office buildings business	Buildings with a BEI of 0.8 or less
Environmental energy business		All energy recycling, energy conserving, energy retailing businesses
Existing homes business	Home renovation business	Solar power generation systems, storage batteries, energy-saving renovations
	Existing homes outside sales	Resale of existing houses by renovations
Leasing business		Energy-saving equipment leasing, EV leasing
Environmental greening business		Total environmental energy business, Park-Private Finance Initiative (Park-PFI) business
Other business		Sale of environmentally conscious products

Environmental management

■ ISO 14001 certification

Company name	Scope certified by ISO 14001 Figures in parentheses indicate rate of acquisition
Daiwa House Industry	Production Department and all 9 factories (100%)
Daiwa Lease	Company-wide* (100%) *Domestic only
Daiwa Logistics	Safety, Quality and Environmental Promotion Department, Mie Branch, Nara Branch, Osaka Minami Branch (9%)
Fujita	Entire company (100%)

(as of end- March, 2022)

■ Sites that have the ISO 14001 certification

Company name	Site name	Certification body	Certification No.	Validity of the current certificate	Date of certification acquisition
Daiwa House Industry	Production Department	Japan Testing Center for Construction Materials	RE0008	July 31, 2024	April 15, 1998
Daiwa Lease	Entire company	Union of Japanese Scientists and Engineers	Registration No. JUSE-EG-056	August 28, 2023	August 29, 2002
Daiwa Logistics	Safety, Quality and Environmental Promotion Department	Japan Testing Center for Construction Materials	RE0615	September 27, 2022	September 28, 2001
	Nara Branch				
	Osaka Minami Branch				
	Mie Branch				
Fujita	Entire company (domestic bases)	Japan Testing Center for Construction Materials	RE0002	November 30, 2023	August 15, 1997

(as of end- March, 2022)

■ Compliance with environmental laws and regulations

	2021
Environmental violation fines	**0 yen**

Calculation method and scope of coverage of environmental data

■ Compliance with environmental laws and regulations

◇ Scope of coverage

Daiwa House Industry Co., Ltd. and all consolidated subsidiaries

Environmental Data | Strengthening the Foundation of Environmental Management

Environmental supply chain management

Status of dialog with suppliers (FY2021)

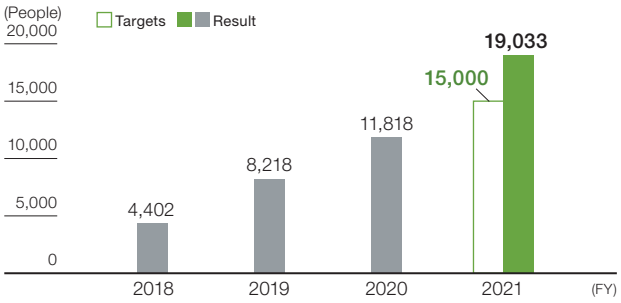
Company/organization name	Activity name	Details of main activity	No. of participating companies (No. of participants/No. of attendees)
Daiwa House Industry (Trillion Club)	Carbon-free working group	Sharing climate change problems, support for setting targets for CO_2 reduction	2 companies (8 attendees)
	Decarbonization dialog	Sharing the response status to climate change problems, changing awareness to raise the level of targets for CO_2 reduction	1 company (6 attendees)
	Training and education activities	Lectures by experts on climate change problems (Streamed as a video as a COVID-19 prevention measure)	Played 861 times
Daiwa House Industry (Setsuwa Club)	Carbon-free working group	Sharing climate change problems, support for setting targets for CO_2 reduction	9 companies (23 attendees)
	Decarbonization dialog	Sharing the response status to climate change problems, changing awareness to raise the level of targets for CO_2 reduction	9 companies (41 attendees)
Daiwa Lease	Decarbonization dialog	Sharing the response status to climate change problems, changing awareness to raise the level of targets for CO_2 reduction	2 companies (7 attendees)

Environmental education management

Environmental education provided (FY2021)

Category		Contents	Number of participants and frequency
Specialized education	Waste management	e-learning	1,281 attendees in 4 courses
	Asbestos-related management	e-learning	394 attendees in 4 courses
	Soil contamination countermeasures	e-learning	11,430 attendees in 1 course
	ZEB	Training	473 attendees in 5 courses
	ZEH, ZEH-M	Training	155 attendees in 3 courses
	Soil contamination countermeasures	Training	202 attendees in 3 courses
Grade-specific education	Environmental education	e-learning	33,616 attendees in 2 courses
	Newly appointed manager education	e-learning	275 attendees
	Mid-carrier recruit education	e-learning	104 attendees
	Training for technical employees (yearly, by rank)	Training	1,181 attendees
	General training for new technical employees	Training	235 attendees in 4 courses
	General training for new sales employees	Training	29 attendees in 2 courses
	Mid-carrier recruit training	Training	79 attendees in 6 courses
	Disaster preparedness and environment management section manager training	Training	Once a year: 38 attendees
	Disaster preparedness and environment management section staff training	Training	Once a year: 29 attendees
	Overseas administration division managers training	e-learning	Once: 32 attendees
Supplier education	Carbon-free working group	Training	11 times: 31 attendees
	Decarbonization dialog	Training	12 times: 54 attendees
	Training and education activities	Video streaming	Played 861 times

Number of those who acquired the Eco Test certification (The Group)



* Targeted companies are Daiwa House Industry and 24 Group companies

Employees with main environmental qualifications (Daiwa House Industry)

Qualification	Number of acquirers (cumulative)
Eco Test	9,202
	19,033 *
CASBEE Assessor for Home (Single-family housing)	309
CASBEE Assessor for Building	294
Healthy Housing Advisor	919
Energy Manager	39
House Energy Saving Expert	34
Building Energy Saving Expert	8

* The Group (as of end- March, 2022)

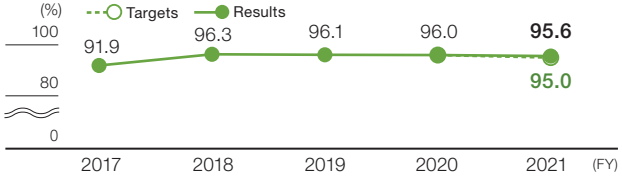
Number of participants in environmental education for children

	–2017	2018	2019	2020	2021
Eco Workshop for Children	6,504	247	277	20	**80**
The King and His House	207	61	36	0	**0**
Total	6,711	308	313	20	**80**
Cumulative	6,711	7,019	7,332	7,352	**7,432**

Environmental Data | Strengthening the Foundation of Environmental Management

Promotion of green purchasing

■ Green purchasing ratio



Calculation method and scope of coverage of environmental data

■ Green purchasing ratio

◇ Overview

We have adopted our own Green Purchasing Standards for the items (copy paper, forms, catalogs, office supplies, office furniture, and office equipment) used in offices of the Company and 23 principal Group companies. In calculating our green purchasing ratio, we use the following formula on a monetary basis.

◇ Calculation formula

Green purchasing ratio (%) = ∑ (Amount of Green Purchasing Standards-compliant goods purchased (yen)) ÷ ∑ (Total purchase price of target items (yen))

◇ Scope of coverage

Segment	Target	Scope of coverage
Office work	Daiwa House Industry and 23 other companies	All offices (Head Office, branches, offices, sales offices) and research centers (excluding some of stores, hotels and nursing care facilities)

■ Green purchasing standards

We have adopted our own Green purchasing standards for six main items (copy paper, forms, catalogs, office supplies, office furniture, and office equipment) used in our offices.

Classification	Main Items	Standards
Paper	Catalogs, etc.	It must be made with Forest Certified Paper.
	Copy paper, forms	It must satisfy one or more of the following conditions i-iii: i) It must be an Eco Mark*1 certified product. ii) It must comply with the Green Purchasing Law. iii) It must be listed in the GPN database*2.
Stationery	Office supplies	
Office furniture	Chairs, desks, shelves, storage fixtures (other than shelves), low partitions, etc.	It must be a product recommended by the Japan Office Institutional Furniture Association (JOIFA) as an environmental product (compliant with the Green Purchasing Law).
Office equipment	Copiers, multifunction machine, fax machines, etc.	It must meet one or more of the following conditions i–ii. i) It is compliant with the Green Purchasing Law. ii) It bears the International Energy Star logo*3.
	Personal computers, printers, etc.	It must meet one or more of the following conditions i–iii. i) It is compliant with the Green Purchasing Law. ii) It bears the International Energy Star logo*3. iii) It is certified under the PC Green Label System*4.

*1 An environmental label attached to products recognized as contributing to environmental preservation following a review by the Japan Environmental Association
*2 A database of environmental products managed by the Green Purchasing Network (GPN)
*3 A logo mark displayed on office equipment that meets energy efficiency standards set by the International Energy Star Program
*4 A labeling system for eco-friendly personal computer products operated by the PC 3R Promotion Center

Environmental Data | Real estate portfolio

GHG emissions, energy consumption, and water use in leased real estate (FY2021)

Application	Number of properties	Area	GHG emissions		Energy consumption		Water consumption	
			Total	Intensity	Total	Intensity	Total	Intensity
	Projects	m²	t-CO_2	kg-CO_2/m²	GJ	MJ/m²	m³	ℓ/m²
Offices	1	911	87	95.29	1,871	2,053.06	686	752.64
Commercial buildings	191	2,620,921	131,592	50.21	2,831,219	1,080.24	1,320,412	591.11
Logistics center	5	22,585	698	30.90	15,037	665.79	2,933	129.86
Total	197	2,644,418	132,377		2,848,127		1,324,031	

Calculation method and scope of coverage of environmental data

GHG emissions, energy consumption, and water use in leased real estate

◇ Overview

Among the rental real estate properties that the Group owns in Japan, energy and water consumption for income-producing real estate (excluding leases of an entire building) and non-residential real estate are surveyed to calculate GHG emissions (total amount) and GHG emissions per square meter (intensity) for the entire building per year.

◇ Scope of coverage

Five of our group companies that mainly engage in the rental real estate business.
(Daiwa House, Daiwa Lease, Daiwa House Realty Mgt, Daiwa Logistics, and Daiwa Living)

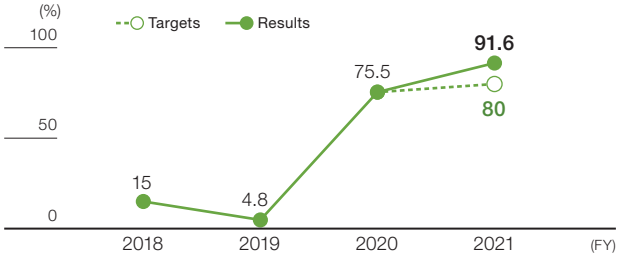
◇ Calculation formula

GHG emissions (t-CO_2) = ∑ {(Annual consumption of electricity and fuel) × (GHG emission factor for each type of energy)}
GHG emissions intensity (kg-CO_2/m²) = GHG emissions ÷ ∑ (total floor area)

Energy consumption (GJ) = ∑ {(Annual consumption of electricity and fuel) × (Energy conversion factor for each type of energy)}
Energy consumption intensity (MJ/m²) = Energy consumption ÷ ∑ (total floor area)

Water consumption (m³) = ∑ (annual water consumption)
Water consumption intensity (ℓ/m³) = water consumption ÷ ∑ (total floor area)

Rate of Green Building Certification obtained



Green building certified area/total area

Unit: m²

Segment	2018	2019	2020	2021
Certified area	108,006	16,822	434,961	**1,501,047**
Total area	728,469	349,556	576,054	**1,638,375**

Calculation method and scope of coverage of environmental data

Rate of Green Building Certification obtained

◇ Scope of coverage

The Company's self-developed properties (used as rental housing, commercial/business facilities)

◇ Calculation formula

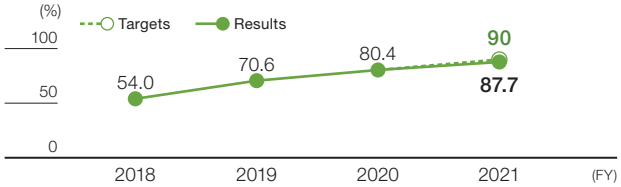
Percentage of properties certified as green buildings (%)
= Total floor area of our self-developed properties that have acquired certification [m²]
÷ Total floor area of our self-developed properties [m²].

Environmental Data | Mitigating and adapting to climate change

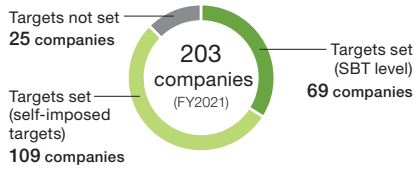
Procurement

Principal suppliers' GHG emissions reduction

■ Principal suppliers' GHG emissions reduction target setting rate



■ Breakdown of principal suppliers' GHG emissions reduction target



Calculation method and scope of coverage of environmental data

■ Principal suppliers

◇ Overview

Our principal suppliers are set forth as the Trillion Club, which supplies our materials, the Setsuwa Club, which supplies our facility equipment, and the Gosen Club, the supply chain organization for Daiwa Lease Co., Ltd., and Fujita Corporation's sources of procurement are also applicable.

◇ Scope of coverage

Company name (organization name)	Scope of coverage
Daiwa House Industry (Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (78 companies)
Daiwa House Industry (Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (90 companies)
Daiwa Lease (Gosen Club)	Among companies that are members in the Gosen Club, companies that account for approx. 90% of purchasing amount (20 companies)
Fujita	Major companies in each segment (15 companies)

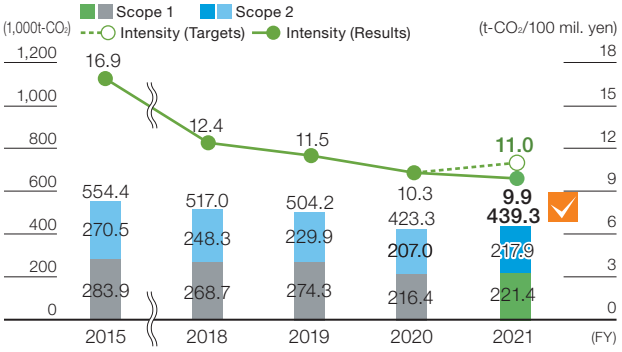
◇ Calculation formula

Setting rate of GHG emissions reduction targets (%)
= ∑ (suppliers that have completed setting targets) ÷ ∑ (principal suppliers)

Business activities

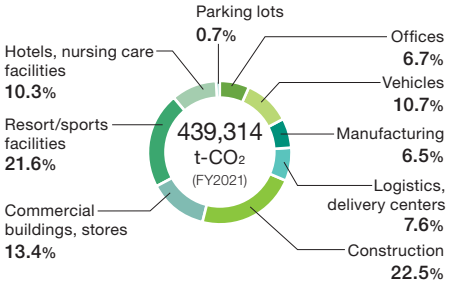
GHG emissions

■ GHG emissions and intensity

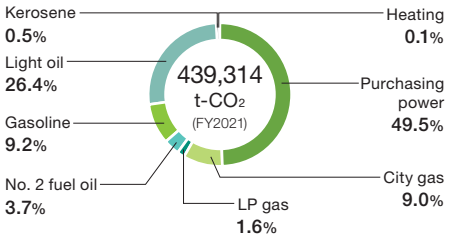


■ Breakdown of GHG emissions

(by segment)



(by type)



■ GHG emissions (by segment)

Unit: t-CO₂

	2015	2018	2019	2020	2021
Offices	36,619	35,166	31,486	29,607	**29,576**
Vehicles	55,265	49,209	46,584	41,393	**47,075**
Manufacturing	36,094	32,420	29,898	26,795	**28,647**
Logistics, delivery centers	37,426	37,429	35,075	33,978	**33,594**
Construction	148,840	136,832	146,368	113,091	**98,752**
Commercial buildings, stores	69,072	58,445	54,209	53,075	**58,797**
Resort/sports facilities	137,337	121,486	115,068	86,023	**94,810**
Hotels, nursing care facilities	30,954	42,767	42,883	36,508	**45,120**
Parking lots	2,790	3,237	2,637	2,853	**2,943**

■ GHG emissions (by type)

Unit: t-CO₂

		2015	2018	2019	2020	2021
Scope2	Purchasing power	270,504	247,393	229,344	206,402	**217,318**
	Heating	0	900	596	553	**548**
Scope1	City gas	34,522	38,428	40,859	33,528	**39,592**
	LP gas	9,147	9,094	8,460	6,382	**6,929**
	No. 2 fuel oil	25,348	24,838	21,113	13,911	**16,208**
	Gasoline	55,765	47,696	45,020	40,053	**40,531**
	Light oil	153,894	146,676	156,813	120,394	**115,968**
	Kerosene	5,216	1,965	2,002	2,099	**2,220**

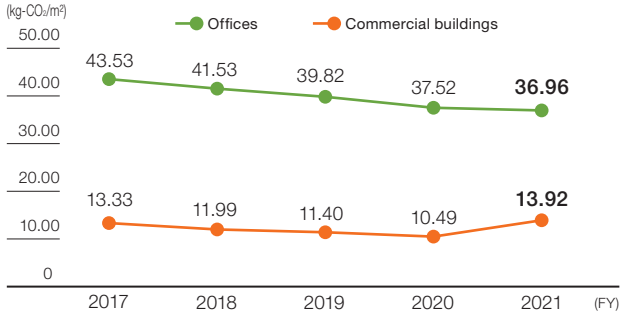
■ GHG emissions (Japan, outside Japan)

Unit: t-CO₂

	2015	2018	2019	2020	2021
Japan	538,663	499,388	484,350	411,963	**421,217**
Outside Japan	15,734	17,603	19,858	11,358	**18,096**

Environmental Data | Mitigating and adapting to climate change

GHG emissions per gross floor space at our Company and Group facilities

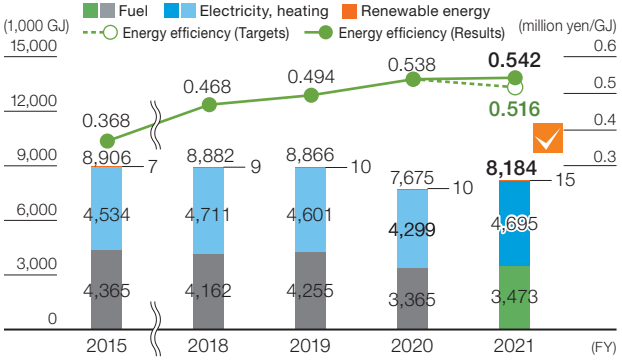


Leading-edge project to reduce GHG emissions at our Company and Group facilities (new construction)

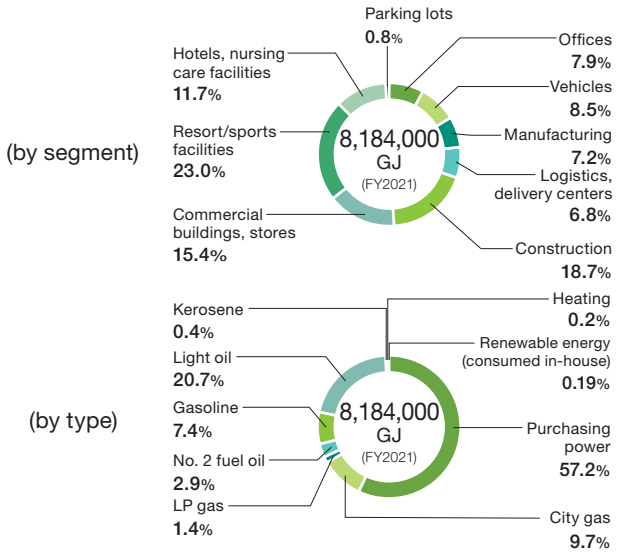
Project	Date completed	Application	Gross floor space	Number of Stories	Environmental performance
The Daiwa House Group MIRAI KACHI KYOSO Center	June 2021	Training Center	17,048m²	Four floors above ground	BEI:0.37 ZEB Ready BELS ★★★★★ LEED Gold SITES Certification, WELL Certification, JHEP Certification, geothermal heat utilization, 100kW solar power generation system Introduction of renewable electricity
Royal Pro Yokohama Kohoku Interchange	March 2022	Commercial buildings	2,999m²	One floor above ground	BEI: 0.27 ZEB Ready BELS ★★★★★ Solar power generation system 59kW Wall greening, high-efficiency air conditioning
Daiwa Roynet Hotel Kumamoto Ginzadori	February 2022	Hotels	8,357m²	Thirteen floors above ground	BEI: 0.46 ZEB Ready Exterior wall insulation 50 mm, Low-E glass, increased thickness of hot-water pipe insulation, power regenerative (energy-saving) elevator

Energy consumption

Energy consumption and energy efficiency (EP100)



Breakdown of energy consumption



Energy consumption (by segment)

Unit: 1,000 GJ

	2015	2018	2019	2020	2021
Offices	628	698	635	616	**644**
Vehicles	823	700	693	616	**699**
Manufacturing	604	606	582	538	**592**
Logistics, delivery centers	570	593	567	556	**556**
Construction	2,227	2,075	2,221	1,762	**1,533**
Commercial buildings, stores	1,179	1,117	1,085	1,102	**1,263**
Resort/sports facilities	2,288	2,213	2,174	1,676	**1,880**
Hotels, nursing care facilities	541	821	855	750	**953**
Parking lots	47	62	53	59	**63**

Energy consumption (by type)

Unit: 1,000 GJ

	2015	2018	2019	2020	2021
Purchasing power	4,534	4,690	4,587	4,286	**4,682**
City gas	692	771	819	672	**794**
LP gas	155	154	143	108	**117**
No. 2 fuel oil	366	358	305	201	**234**
Gasoline	831	711	671	597	**604**
Light oil	2,244	2,139	2,287	1,756	**1,691**
Kerosene	77	29	30	31	**33**
Heating	0	21	14	13	**13**
Renewable energy (consumed in-house)	7	9	10	10	**15**

Energy consumption (Japan, outside Japan)

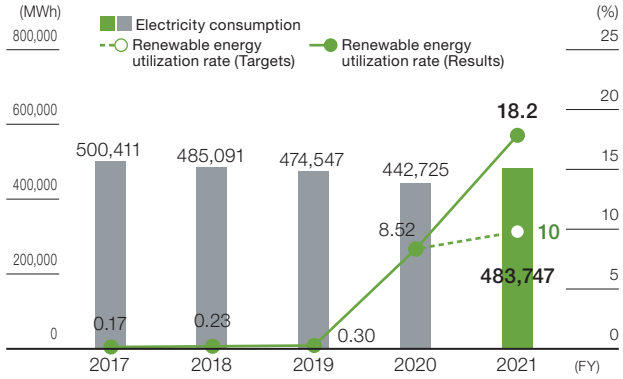
Unit: 1,000 GJ

	2015	2018	2019	2020	2021
Japan	8,683	8,621	8,554	7,481	**7,880**
Outside Japan	223	261	312	193	**303**

Environmental Data | Mitigating and adapting to climate change

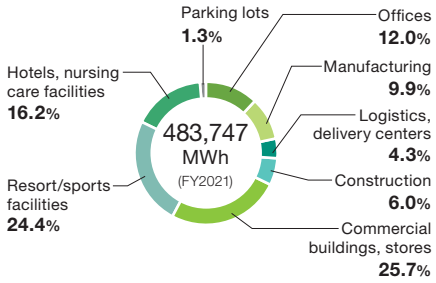
Electricity consumption

Electricity consumption and renewable energy utilization rate (RE100)

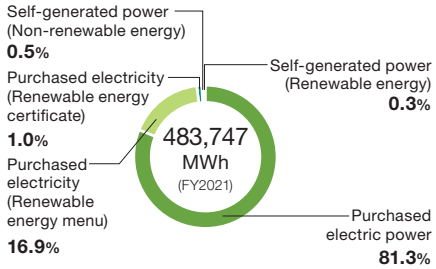


Breakdown of electricity consumption

(by segment)



(by type)



Electricity consumption (by segment)

Unit: MWh

	2017	2018	2019	2020	2021
Offices	62,046	59,047	56,788	55,310	**58,117**
Manufacturing	47,327	48,496	47,123	43,939	**48,060**
Logistics, delivery centers	18,439	19,833	20,864	20,442	**20,978**
Construction	40,301	36,528	32,712	38,688	**29,226**
Commercial buildings, stores	121,548	111,193	108,330	108,071	**124,392**
Resort/sports facilities	146,132	138,737	135,318	107,265	**118,030**
Hotels, nursing care facilities	58,201	64,936	68,010	62,940	**78,448**
Parking lots	6,418	6,321	5,403	6,070	**6,496**

Electricity consumption (by type)

Unit: MWh

		2017	2018	2019	2020	2021
Purchasing power	Renewable energy menu	0	160	415	36,642	**81,940**
	Renewable energy certificate*	0	0	0	0	**4,650**
	Other	495,700	480,341	469,552	402,511	**393,141**
Self-generated power	Renewable energy	871	962	1,000	1,075	**1,558**
	Non-renewable energy	3,840	3,628	3,580	2,498	**2,459**

* Non-fossil certificates with tracking (purchased by consumers)

Electricity consumption (Japan, outside Japan)

Unit: MWh

	2017	2018	2019	2020	2021
Japan	486,715	475,028	466,390	433,692	**472,709**
Outside Japan	13,697	10,064	8,158	9,033	**11,038**

Calculation method and scope of coverage of environmental data

GHG emissions/ energy consumption/ electricity consumption

◇ Overview

GHG emissions refers only to CO_2 emissions originating from energy, and energy consumption is calculated on a heat quantity basis. The emissions are calculated by multiplying the CO_2 emission factor and heat quantity conversion factor for each type of energy based on purchasing data for electricity and fuel, respectively. It also includes a partial estimate for the construction segment.

◇ Calculation formula

GHG emissions (t-CO_2)	= ∑ {(Annual consumption of electricity and fuel) × (GHG emission factor for each type of energy)}
Energy consumption (GJ)	= ∑ {(Annual consumption of electricity and fuel) × (Energy conversion factor for each type of energy)}
GHG emissions intensity (t-CO_2/100 mil. yen)	= ∑ (GHG emission) ÷ consolidated net sales
Energy efficiency (million yen/ GJ)	= Consolidated net sales ÷ ∑ (Energy consumption)
Electricity consumption (MWh)	= ∑ {Annual purchased electricity + electricity generated by self-consumption generation (including renewable energy)}

Environmental Data | Mitigating and adapting to climate change

◇ Scope and calculation criteria (Japan)

Segment	Target	Scope (Number of locations as of end- March, 2022)				Calculation criteria
Offices	Daiwa House Group	All offices (Head Office, affiliates, branches and sales offices), research labs, training centers and housing exhibition		Total	898 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Offices	695 locations	
				Research laboratories	2 locations	
				Training centers	4 locations	
				Housing exhibition	197 locations	
Vehicles	Daiwa House Group	All company vehicles and privately owned permitted vehicles		Total	14,106 vehicles	At each site, we use gasoline credit card billing data or refueling receipts to determine the amount of gasoline consumed and multiply it by the respective CO_2 emission factor.
Manufacturing	Daiwa House Group	All production sites		Total	35 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
Logistics, delivery centers	Daiwa House Group	Transport	All transportation in the logistics business (our company vehicles only)	Total	763 vehicles	At each site, we use the monthly bill from the fuel supplier to identify the energy consumption and multiply it by the respective CO_2 emission factor.
		Delivery center	All delivery centers required for transporting materials (our company operations only)	Total	92 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
Construction*1	Daiwa House Group	Construction sites for new houses and buildings and civil engineering works (excluding demolition/renovation)		Construction area: Total	5,638,000 m²	We estimate the overall situation by multiplying the sales floor area (sales amount) in the data collection period by the energy consumption per sales floor area (or sales amount) at a sample property. From this figure, we estimate the energy consumption by subtracting the energy consumption reduction estimated based on the implementation rate of energy-efficiency initiatives. This is calculated by multiplying the above energy consumption by the respective CO_2 emission factor.
				Housing construction	2,070,000 m²	
				Building construction	3,567,000 m²	
				Civil engineering	108 projects	
Commercial buildings, stores	Daiwa House Group	Commercial buildings and shops operated by our company		Total	609 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor. Note: Excludes the tenants' portion. (However, some tenant portions are included in facilities where such inclusion is required under the Energy Efficiency Act.)
				Commercial buildings	550 locations	
				Home improvement centers	59 locations	
Resort/sports facilities	Daiwa House Group	Resort hotels, golf courses, fitness clubs, warm bathing facilities and restaurants operated by our company		Total	112 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Resort hotels	29 locations	
				Golf courses	10 locations	
				Fitness clubs	70 locations	
				Warm bath facilities, Restaurants	3 locations	
Hotels, nursing care facilities	Daiwa House Group	Urban hotels and nursing care facilities operated by our company		Total	111 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Urban hotels	101 locations	
				Nursing care facilities	10 locations	
Parking lots	Daiwa House Group	Parking lots operated by our company		Total	2,843 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.

*1 Beginning in fiscal 2016, we identify the energy consumption of sample units for each application in some segments and review this value every year. Further, the preceding year's data is calculated with the same method.

◇ Scope and calculation criteria (Outside Japan)

Segment	Target	Scope		Calculation criteria
Offices	Daiwa House Group	Offices	140 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption*2 and multiply it by the respective CO_2 emission factor. *2 At some sites, based on estimates from amount billed and space in use
Vehicles	Daiwa House Group	Company vehicles	551 vehicles	At each site, we grasp the amount of gasoline used from invoice data or receipts issued at the time of fueling and multiply it by the CO_2 emission factor.
Manufacturing	Daiwa House Group	All production sites	2 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
Hotels	Daiwa House Group	All hotels	1 location	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
Construction	Daiwa House Group	Construction sites for new houses and buildings (excluding demolition/renovation)	5 companies	We calculate the total estimate by multiplying the energy consumption per floor space (or per unit of sales) in domestic sample properties by floor space sold (sales amount).
Logistics, delivery centers	Daiwa House Group	All Logistics, delivery centers	1 location	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.

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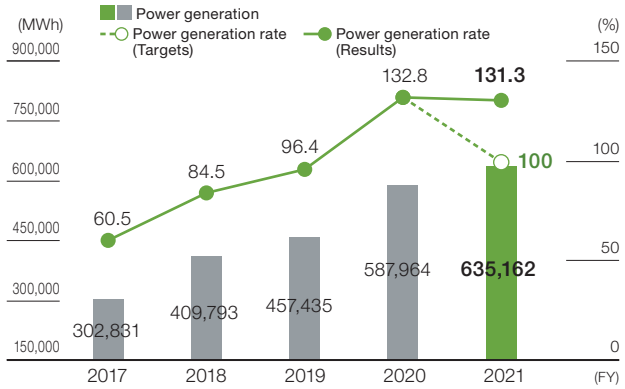
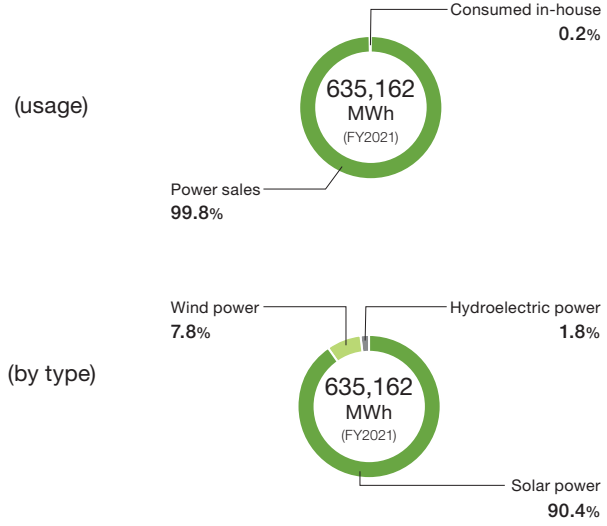
Renewable energy

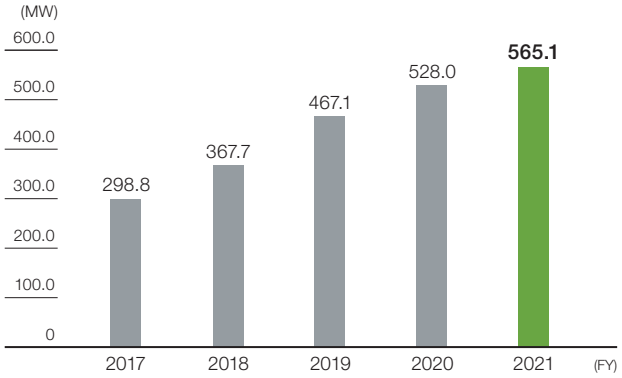
■ Renewable energy-based power generation and renewable energy rate



■ Breakdown of renewable energy-based power generation



■ Installed generation capacity of renewable energy-based power generation equipment



■ Renewable energy-based power generation (usage)

Unit: MWh

	2017	2018	2019	2020	2021
Power sales	301,960	408,831	456,435	586,889	**633,604**
Consumed in-house	871	962	1,000	1,075	**1,558**

■ Renewable energy-based power generation (by type)

Unit: MWh

	2017	2018	2019	2020	2021
Solar power	273,949	374,416	421,017	525,598	**574,083**
Wind power	27,340	30,484	30,088	54,013	**49,519**
Hydroelectric power	1,542	4,893	6,330	8,353	**11,560**

■ Renewable energy-based power generation (Japan, outside Japan)

Unit: MWh

	2017	2018	2019	2020	2021
Japan	302,831	409,793	457,435	587,964	**635,162**
Outside Japan	0	0	0	0	**0**

Calculation method and scope of coverage of environmental data

■ Installed capacity and generated volume of renewable energy-based power generation equipment

◇ Overview

Installed capacity of renewable energy-based power generation equipment is the total of 1) and 2) below.

1) The power-generation capacity of equipment for in-house power consumption, as well as the power generated during the fiscal year, with renewable energy power-generation facilities (such as wind power and solar power) held (and operated) by the Group, or within such Group premises, as of the end of the fiscal year.

2) The power-generation capacity of renewable power-generation facilities (wind power, solar power, and hydroelectric power generation) that the Group manages (and operates) as a power producer as of the end of the fiscal year and the amount of power sold (including PPA model) during the fiscal year. The power generation facilities operated by Eneserve Corporation, which sells electricity as a specific Power Producer and Supplier (PPS), are not included.

■ Renewable energy utilization rate/ Renewable energy rate

◇ Calculation formula

Renewable energy utilization rate (%) = renewable energy utilization* ÷ electricity consumption

Renewable energy rate (%) = renewable energy-based power Generation ÷ electricity consumption

* Total amount of electricity consumed from renewable energy in-house power generation facilities, purchased from renewable energy menus, and offset by non-fossil certificates with tracking (for customers' purchases).

◇ Scope of coverage

All Daiwa House Group companies

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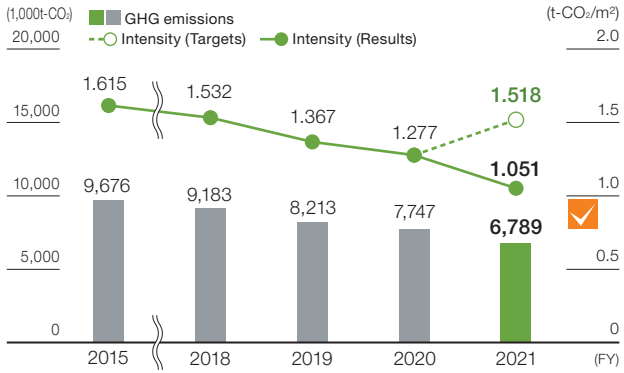
Products and services

GHG emissions derived from use of products

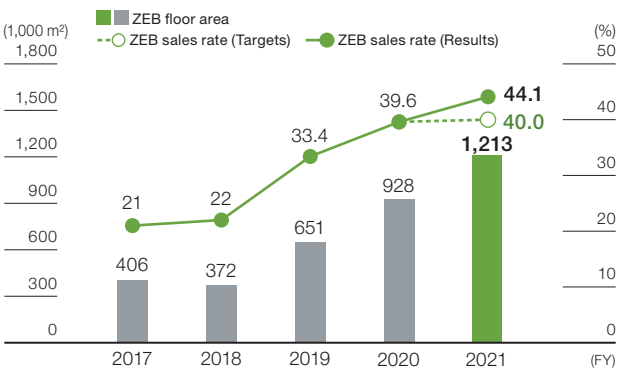
■ GHG emissions* derived from use of products and Intensity



* GHG emissions associated with Scope 3/Category 11 (use of products sold) in the Company's group. The calculation method and scope have been revised since FY2021, and the figures have been retroactively adjusted prior to FY2021.

ZEB sales rate

■ ZEB sales rate



Green Building Certification

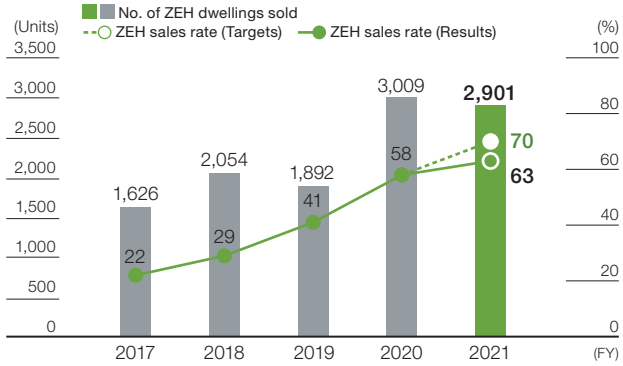
■ Number of Green Building Certifications acquired

Unit: Units

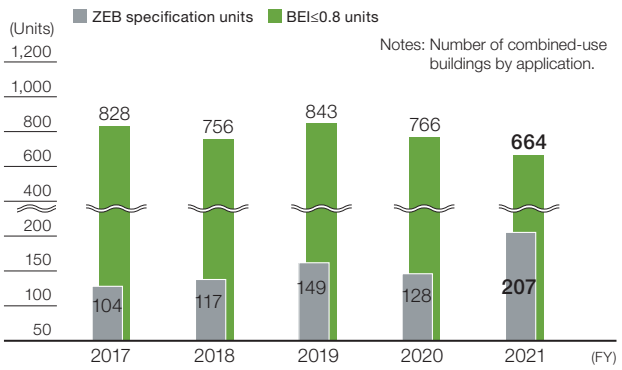
Name of certification	Application	2017	2018	2019	2020	2021
Long-term excellent housing	Single-family houses	7,486	7,237	6,430	5,724	**5,854**
BELS certification	Single-family houses Apartments Condominiums Commercial and office buildings	1,567	1,668	1,288	1,659	**1,899**

ZEH sales rate

■ ZEH sales rate



■ Number of units designed to ZEB*1 specifications or guidance standards*2



*1 Buildings with ZEB specification are either ZEB Oriented, ZEB Ready, or Nearly ZEB

*2 Buildings with BEI ≤ 0.8 meet Japan's guidance standard as specified in the Building Energy Efficiency Act.

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Calculation method and scope of coverage of environmental data

■ GHG emissions derived from use of products

◇ Overview

GHG emissions over the lifetime of products sold in the reporting year and buildings developed for future sales are calculated.

◇ Reporting organizations

Daiwa House, Daiwa Lease, Fujita, and Cosmos Initia

◇ Calculation formula

GHG emissions per square meter = ∑ (GHG emissions that sold products released during their usage lifetime [t-CO_2]*) ÷ ∑ (Floor space sold [m^2])

* Group GHG emissions (same calculation method) are in line with Scope 3 category 11 (using sold products).

■ ZEH/ZEB/green building certifications

◇ ZEH sales rate

1) Scope: Contracted property (based on order)
2) Purpose of use: Single family houses
ZEH sales rate = ZEH units / total No. of units ordered

◇ Reporting organizations

Daiwa House Industry

◇ ZEB sales rate

1) Scope: Newly designed and constructed properties (based on order)
Company-developed properties (D Project)
2) Purpose of use: Offices or factories, warehouses (combined-use properties are deemed to be used for the application which is in maximum use for any particular unit)

$$\text{ZEB sales rate} = \frac{\text{ZEB property area [m}^2\text{]}}{\text{Total property area [m}^2\text{]}} \quad \frac{\text{ZEB property area for offices, factories, warehouses [m}^2\text{]}}{\text{Total property area for offices, factories, warehouses [m}^2\text{]}}$$

◇ Reporting organizations

Daiwa House Industry, Daiwa Lease, and Fujita

■ BELS certification

◇ Overview

This is the abbreviation for Building-Housing Energy-efficiency Labeling System, a system whereby third-party assessment agencies evaluate and certify the energy efficiency of newly built and existing buildings. Ratings are given according to the performance level: one to five stars (☆).

◇ Scope of coverage

Daiwa House Industry

■ Long-Life Quality Housing Certification

◇ Overview

In promoting the effective use of resources, we utilize the Long-term Excellent Housing Certification System under the terms of the "Act on the Promotion of Popularization of Long-Life Quality Housing" as an index to measure progress. In the certification system, requirements are also stipulated including resistance to deterioration involving structural frameworks, seismic resistance, versatility, ease of maintenance and renewal, features to accommodate the elderly, energy-efficiency measures, housing sizes exceeding a certain level, and ensuring good landscaping.

◇ Scope of coverage

Daiwa House Industry

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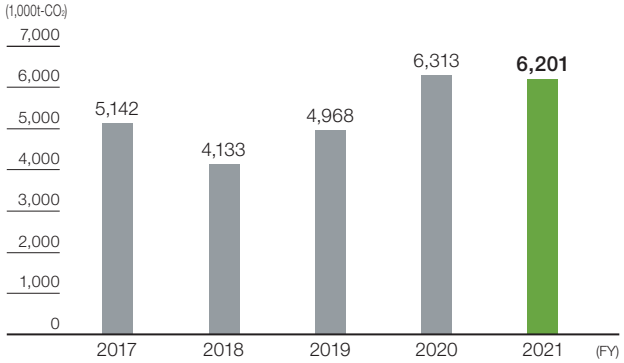
Contribution to GHG reduction

■ Contribution to GHG reduction (Groupwide)



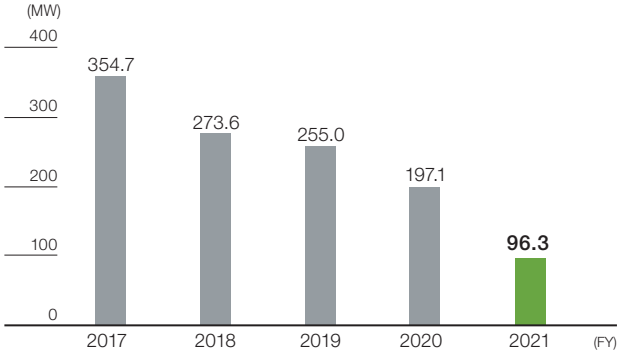
■ Contribution to GHG reduction (by segment)

Unit: 1,000t-CO_2

Segment	2017	2018	2019	2020	2021
Single-family housing business	335	342	301	300	**358**
Rental housing business	459	422	341	346	**360**
Existing homes business	184	96	60	46	**38**
Condominium business	92	118	136	114	**87**
Commercial and office buildings business	2,341	2,199	2,206	2,647	**3,535**
Environmental energy business	1,732	957	1,924	2,860	**1,824**

Installed capacity of solar power generation systems

■ Trend in installed capacity of solar power generation systems



■ Trend in installed capacity of solar power generation systems (by segment)

Unit: kW

Segment	2017	2018	2019	2020	2021
Single-family housing business	20,188	17,932	15,409	17,793	**17,277**
Rental housing business	15,782	11,921	3,997	877	**1,004**
Existing homes business	17,068	7,152	3,400	898	**208**
Condominium business	5	3	0	0	**14**
Commercial and office buildings business	12,781	1,176	15,190	9,788	**15,509**
Environmental energy business	288,906	235,456	217,048	167,719	**62,330**

Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

◇ Overview

Contribution to GHG reduction is represented by a numerical value that indicates "how much we have been able to contribute to the reduction of GHG emissions by providing housing and buildings as well as promoting energy-efficiency and energy-generation solutions." Using flow-based calculations, the Group calculates GHG emissions at the use and operation stages for products (housing, buildings, solar power generation, etc.) in use up to the end of their service life for the relevant fiscal year. We then calculate the contributed reduction in GHG emissions by subtracting the result from the GHG emissions generated by a comparable equivalent product. As for the contributed reduction of an ESCO business*, the value is calculated by the existing home base method, and the annual GHG emissions of all facilities subject to ESCO services during the fiscal year (cumulative amount for an existing house) are calculated. We calculate the contributed reduction by deducting it from the GHG emissions of a comparable facility.

* ESCO: An abbreviation for "Energy Service Company." A business that reduces the costs of its customers' utilities and water, and is compensated for any reduction achieved.

◇ Calculation formula

Example of flow base method

Method ① (New houses):
contribution to GHG reduction (t) = {(Annual GHG emissions per house (t/house·year) in the usage or operation stages of the products being compared) – (Annual average GHG emissions per house (t/unit·year) in the usage or operation stage of products offered during the fiscal year)} × Number of houses sold in current fiscal year × Number of assumed years of use

Method ② (New buildings):
contribution to GHG reduction (t) = ∑ {Total floor area (m^2) × Annual energy consumption per unit of floor area by application or scale (MJ/m^2·year)} × Energy reduction rate (%) × CO_2 emission factor (t/MJ) × Estimated number of years of use}
Note: Energy reduction rate (%) = 1 – BEI* *Design energy consumption (MJ/year) ÷ Reference energy consumption (MJ/year)

Method ③ (Energy generation facility):
contribution to GHG reduction (t) = ∑ {Annual renewable energy generated (kWh/year) × CO_2 emission factor (t/kWh) × Estimated number of years of use}
Note: Includes power sales

Method ④ (Energy efficiency improvement):
contribution to GHG reduction (t) = ∑ {Annual GHG emissions (t/year) before energy-efficiency retrofits – Annual GHG emissions (t/year) after energy-efficiency retrofits} × Estimated number of years of use}

Method ⑤ (Electricity retailing):
contribution to GHG reduction (t) = ∑ {(Adjusted emission factor of general electric power supplier (t- CO_2/kWh) – Adjusted CO_2 emission factor in current fiscal year (t- CO_2/kWh)) × Supplied electric energy (kWh)}

Example of base method for existing home
contribution to GHG reduction (t/year) = ∑ {(Annual GHG emissions (t/year) of comparable facilities) – (Annual GHG emissions (t/year) of equipment subject to ESCO services provided during year)}

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Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

◇ Scope and calculation criteria [1/2]

Segment		Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Daiwa House Industry	Single-family housing business	All new housing of single-family housing business	[Calculation method] Flow base method ① [Calculation tool used] Energy Efficiency Act/Energy Consumption Performance Calculation Program for houses (Equipment that cannot be evaluated by this program is evaluated with our own calculation.) [Calculation of energy consumption] Assuming that all dwellings supplied during the fiscal year share the same construction site and plan as the comparable dwelling unit, the average annual energy consumption per house is calculated with the program methodology with consideration for the rate of introduction of each energy-efficiency measure in the relevant year.	[Single-family house] Construction site: 6 areas. Family composition: 4-person family. Plan: Model plan for single-family house. Total floor area: 131.14 m² [Lease (low-rise)] Construction site: Osaka City, Family composition: 3-person family. Plan: Our standard plan. Low-rise dwelling unit area: 50.49 m² [Common specifications] 2016 Energy efficiency standard (reference specification)	Frame: 30 years Equipment: 15 years Solar power generation: 20 years
	Rental housing business	All newly built houses in rental housing business (low-rise)			Frame: 30 years Equipment: 15 years Solar power generation: 20 years
		All newly built houses of the rental housing business (medium- and high-rise)	[Calculation method] Flow base method ② [Calculation tool used] Energy Efficiency Act/Primary Energy Consumption Calculation Program	Energy Efficiency Act: 2016 standard building as reference	60 years
	Condominium business	All housing starts of condominium business			
	Commercial and office buildings business	All construction starts of projects of at least 300 m² of the commercial and office buildings business, and installation of solar power generation systems	[Calculation method] Flow base methods ②·③ [Calculation tool used] Energy Efficiency Act/Primary Energy Consumption Calculation Program	Energy Efficiency Act: 2016 standard building as reference	Store, warehouse, plant: 30 years Other applications: 60 years Solar power generation: 20 years
	Environmental energy business	All energy-efficiency and energy-generation solution projects of the environmental energy business	[Calculation method] Flow base methods ③·④ [Calculation of power generation amount/energy-saving effect] Calculated with our proprietary simulation tool (in combination with trial calculations by the manufacturer).	[Example of energy-efficiency solutions] Before implementation of energy-efficiency retrofit [Example of energy-generation solution] Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years
Daiwa Lease	Commercial and office buildings business	All construction starts of the commercial and office buildings business (excluding lease items)	[Calculation method] Flow base method ② [Calculation tool used] Energy Efficiency Act/Primary Energy Consumption Calculation Program	Energy Efficiency Act: 2016 standard building as reference	Store, warehouse, plant: 30 years Other applications: 60 years Solar power generation: 20 years
Fujita	Office buildings business	All construction starts of projects of at least 300 m² of the office buildings business and installation of solar power generation systems	[Calculation method] Flow base methods ②·③ [Calculation tool used] Energy Efficiency Act/Primary Energy Consumption Calculation Program	Energy Efficiency Act: 2016 standard building as reference	Store, warehouse, plant: 30 years Other applications: 60 years Solar power generation: 20 years
Daiwa House Reform	Existing home business	All energy-efficiency retrofits and energy-generation installation projects of the home renovation business	[Calculation method] Flow base methods ③·④ [Calculation tool used] Energy Efficiency Act/Energy Consumption Performance Calculation Program for houses (Equipment that cannot be evaluated by this program is evaluated with our own calculation.) [Calculation of power generated/energy-saving effect] Assuming that all the energy-efficiency retrofits and energy-generation installations for the fiscal year share the same construction site and plan as the comparable dwelling unit, the effect of each energy-efficiency measure is calculated with the program methodology, and the reduction effect is multiplied by the number of units constructed during the year.	Construction site: 6 areas. Family composition: 4-person family. Plan: Model plan for single-family house. Total floor area: 131.14 m² Exterior insulation: 1980 Energy efficiency standard, Hot-water supply: General gas water heater. Cooker: Gas stove. Power generation facilities: None	Insulation upgrade: 15 years Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years

Environmental Data | Mitigating and adapting to climate change

Calculation method and scope of coverage of environmental data

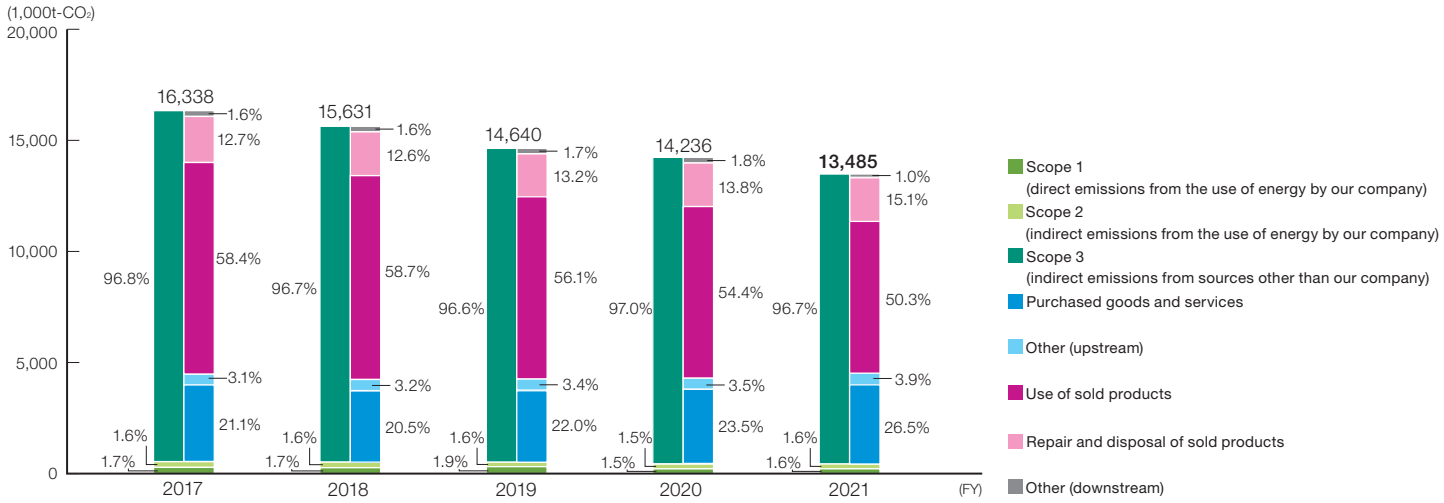
■ Contribution to GHG reduction

◇ Scope and calculation criteria [2/2]

Segment		Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Cosmos Initia	Condominium business	All housing starts of condominium business	[Calculation method] Flow base method ② [Calculation tool used] Energy Efficiency Act/Primary Energy Consumption Calculation Program	Energy Efficiency Act: 2016 standard building as reference	60 years
Daiwa Energy	Environmental energy business	All ESCO businesses, energy-efficiency and energy-generation solution projects	[Calculation method] Flow base methods ③·④, existing home base method (ESCO projects only) [Calculation of power generated/energy-saving effect] Calculated with our unique simulation (in combination with trial calculations by the manufacturer).	[Example of energy-efficiency solutions] Before implementation of energy-efficiency retrofit [Example of energy-generation solution] Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years
Eneserve	Environmental energy business	(Until FY2016) All Power Producer and Supplier (PPS) business	[Calculation method] Flow base method ⑤ [Calculation of power sales] The amount of electricity supplied by each supply area of the general electric power supplier is calculated, and any differences between adjusted emission factors are accounted for.	Adjusted emission factors are published by Hokkaido Electric Power, Tohoku Electric Power, Tokyo Electric Power, Chubu Electric Power, Hokuriku Electric Power, Kansai Electric Power, Chugoku Electric Power, Shikoku Electric Power, Kyushu Electric Power, and Okinawa Electric Power.	–
		(From FY2017) All energy-efficiency and energy-generation solution projects of the environmental energy business	[Calculation method] Flow base methods ③·④ [Calculation of power generation amount/energy-saving effect] Calculated with our proprietary simulation tool (in combination with trial calculations by the manufacturer).	[Example of energy-efficiency solutions] Before implementation of energy-efficiency retrofit [Example of energy-generation solution] Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Transformers: 15 years Solar power generation: 20 years

Environmental Data | Mitigating and adapting to climate change

Reducing GHG emissions in the value chain Scope 1, 2 & 3 GHG emissions



Unit: 1,000 t-CO₂

Category			FY2017	FY2018	FY2019	FY2020	FY2021	Percentage of total
Scope 1			270	269	274	216	**221**	**1.6%**
Scope 2			257	248	230	207	**218**	**1.6%**
Scope 3			15,812	15,114	14,136	13,813	**13,046**	**96.7%**
	Upstream	Purchased goods and services ✓	3,450	3,205	3,227	3,347	**3,568**	**26.5%**
		Capital goods	284	286	287	286	**301**	**2.2%**
		Fuel- and energy-related activities (not included in scope 1 or scope 2)	41	41	41	41	**43**	**0.3%**
		Upstream transportation and distribution	31	31	31	31	**34**	**0.3%**
		Waste generated in operations	130	130	130	130	**130**	**1.0%**
		Business travel	4	4	4	4	**5**	**0.03%**
		Employee commuting	9	9	9	9	**8**	**0.06%**
		Upstream leased assets	0.3	0.3	0.3	0.3	**0.3**	**0.002%**
	Downstream	Downstream transportation and distribution	—	—	—	—	—	—
		Processing of sold products	—	—	—	—	—	—
		Use of sold products ✓	9,538	9,183	8,213	7,747	**6,789**	**50.3%**
		End-of-life treatment of sold products	2,070	1,971	1,939	1,963	**2,034**	**15.1%**
		Downstream leased assets	255	255	255	255	**133**	**0.99%**
		Franchises	—	—	—	—	—	—
		Investments	—	—	—	—	—	—
Total			16,338	15,631	14,640	14,236	**13,485**	**100.0%**

* Since FY2021, the calculation method and scope of Scope 3 have been reviewed and revised retroactively to FY2021 and before.
The scope of Scope 3 has been changed from the Company on a non-consolidated basis to the seven Group companies engaged in the construction and rental real estate business.
(However, the scope of Category 1, 11, and 12 are the four Group companies engaged in the construction business.)

Environmental Data | Mitigating and adapting to climate change

Calculation method and scope of coverage of environmental data

■ Reducing GHG emissions in the value chain

◇ Overview

As for Scope 1 and Scope 2, refer to pages 157 and 158. Scope 3 is calculated based on the calculation standard shown on the right. Primary data based on actual results of subject companies is used for activity volume, and highly reliable secondary data is used for GHG emissions per activity volume*. The secondary data is the latest version available every year, and no retroactive revisions are made.

* Actual measurement data is used only for Category 13.

◇ Reporting organizations

Seven of the Group companies that primarily engage in the construction and rental real estate business.
(Daiwa House Industry, Daiwa Lease, Fujita, Daiwa House Realty Mgt., Daiwa Logistics, Daiwa Living)*

* However, Category 1, 11, and 12 are only for four construction companies: Daiwa House, Daiwa Lease, Fujita, and Cosmos Initia.

◇ Calculation formula

GHG emissions (t) = ∑ {(Amount of activity) × (CO_2 emissions per amount of activity)}

◇ Source (Secondary data used)

① Emission intensity database (ver. 3.2, Ministry of Economy, Trade and Industry, Ministry of the Environment) for calculation of greenhouse gas emissions of the organization throughout its supply chain
② LCI database IDEAv2 (for calculating greenhouse gas emissions in the supply chain) (Sustainable Management Promotion Organization (SuMPO))
③ The Comprehensive Assessment System for Built Environment Efficiency System (CASBEE) Single-family Houses (Newly Built) and Buildings (Newly Built), $LCCO_2$ Calculation Tool, 2021 edition (Japan Sustainable Building Consortium)

◇ Scope and calculation criteria

Category		Scope 3 target categories	Scope [Explanation of non-applicable categories (◆)]	Calculation criteria [Emissions = Activity × CO_2 emissions per activity (intensity)]	
				Activity	Intensity (source)
Upstream	1	Purchased goods and services	Extraction, manufacture, and transportation of materials required for the construction of detached houses, rental housing, condominiums, and nonresidential buildings	Area supplied by use and structure	Specific energy consumption per area by use and structure (Source ③)
	2	Capital goods	Collection, manufacture, and transportation of purchased or acquired capital goods	Capital investment	Intensity per amount of capital investment (Source ①)
	3	Fuel- and energy-related activities (not included in scope 1 or 2)	Collection, production, and transportation of purchased or acquired fuels and energy (those not included in scope 1 or 2)	Purchased fuel and energy consumption	Intensity per unit of fuel and energy used in collection, production, and transportation stages (Source ①, ②)
	4	Upstream transportation and distribution	Procurement and transfer of cargo owned by our company; transportation of waste responsible for emissions	Heat output of fuel related to shipper's transport	Intensity per unit of heat generated (according to Energy Efficiency Act)
	5	Waste generated in operations	Disposal and treatment of industrial waste generated at production sites and construction/demolition sites	Waste emissions per item	Intensity of the disposal/treatment stage by item (Source ①)
	6	Business travel	Employee travel & accommodations for business reasons (inside or outside Japan)	Business trip expenses by means of travel	Intensity per transportation expense by means of travel (Source ①)
	7	Employee commuting	Employee travel between home and work locations	Commuting expenses by means of travel	Intensity per transportation expense by means of travel (Source ①)
	8	Upstream leased assets	Operation of data center and document management warehouse on leased property	Occupation area (warehouse/data center)	Intensity per area (Source ③)
Downstream	9	Downstream transportation and distribution	◆ Because there is no process of transportation/distribution of products (houses, buildings) sold, there is no CO_2 emission corresponding to this category.	Not applicable	Not applicable
	10	Processing of sold products	◆ Because there is no processing of products (houses and buildings) sold, no CO_2 emissions apply to this category.	Not applicable	Not applicable
	11	Use of sold products	Lifetime use of single-family houses, rental houses, condominiums, and non-residential buildings (Single-family houses/Rental housing/Sale of goods/Food stores/Factories/Warehouses: 30 years, Other: 60 years) We include the use of products provided together with the lease. CO_2 emissions associated with repair and renovation are included in Category 12.	Supply area by application	Annual CO_2 emissions per supply area by application (in-house calculation) × expected number of years of use
	12	End-of-life treatment of sold products	Repair, renovation, demolition, disposal of single-family houses, rental houses, condominiums, and non-residential buildings in their service life	Supply area by application	Intensity per area (Source ③)
	13	Downstream leased assets	Operation of rental buildings owned by our Company	Calculated from measured data of electricity and fuel consumption of subject properties	
	14	Franchises	◆ Since we operate no franchising system, no CO_2 emissions correspond to this category.	Not applicable	Not applicable
	15	Investments	◆ In terms of scope 1 and 2 emissions at the investment destination, as a result of estimates based on partial actual data, emissions total a maximum of 2% of total Scope 3 emissions. In light of the difficulty of collecting data, it is determined that the emissions are low enough to disregard.	Not applicable	Not applicable

Environmental Data | Mitigating and adapting to climate change Progress in the long-term goal

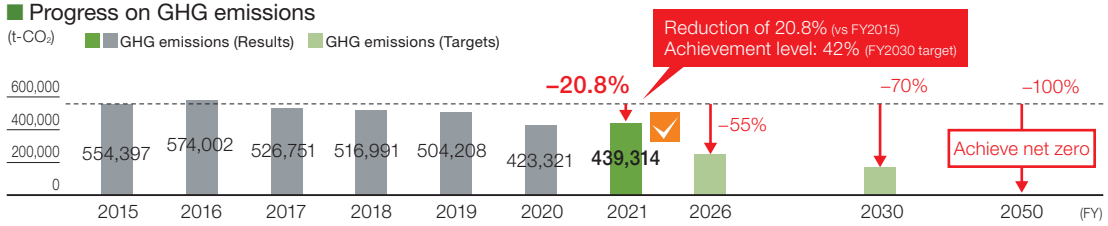
Reduction of greenhouse gas (GHG) emissions

Business activities (Scope 1 + 2)

Long-term goal

Reduce GHG emissions by 70% by 2030 (vs FY2015)
Achieve net zero GHG emissions by 2050

■ Progress on GHG emissions



	Results							Targets		
	2015	2016	2017	2018	2019	2020	2021	2026	2030	2050
GHG emissions	—	4%	–5%	–7%	–9%	–24%	–20.8%	–55%	–70% (–50%)	Achieve net zero
Energy efficiency vs FY2015	—	Up 1.07 times	Up 1.16 times	Up 1.27 times	Up 1.34 times	Up 1.46 times	Up 1.47 times	Up 1.9 times	Up 2.0 times Achieve "EP100"	—
Renewable energy rate	36%	52%	61%	85%	96%	133%	131%	—		
Renewable energy utilization rate	0.15%	0.17%	0.17%	0.23%	0.30%	8.5%	18.2%	Achieve "RE100" in FY2023		

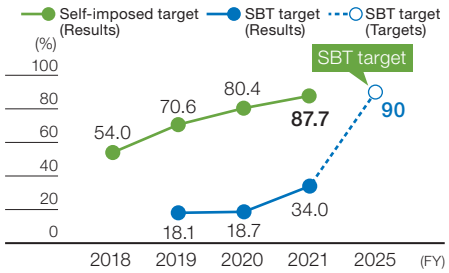
Figure in parentheses is the targets with SBT Certification.

Procurement (Scope 3 Category 1)

Long-term goal

Getting 90% of the principal suppliers to set a standard SBT target by 2025

■ Status of principal suppliers' GHG emissions reduction targets setting



		Results				Targets		
		2018	2019	2020	2021	2025	2030	2050
Principal suppliers' GHG emissions reduction target setting rate	Self-imposed target	54.0%	70.6%	80.4%	87.7%	—	Achieve GHG reduction targets at major suppliers	Achieve net zero
	SBT target	—	18.1%	18.7%	34.0%	(90%)		

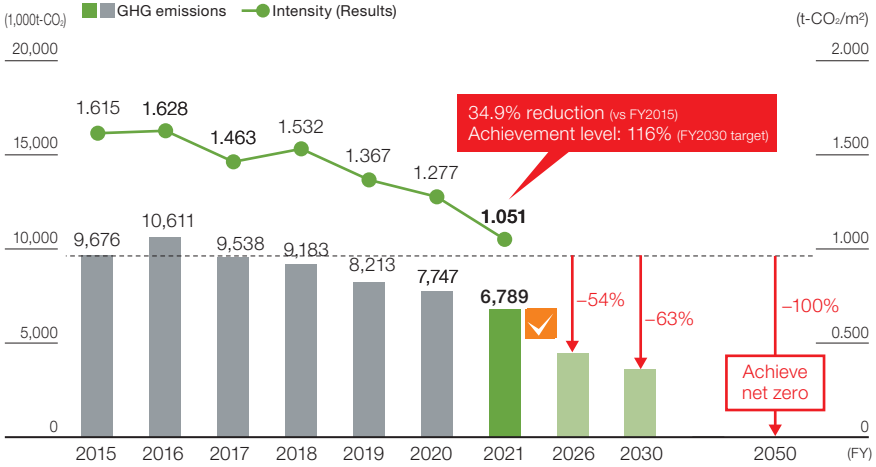
Figure in parentheses is the targets with SBT Certification.

Products and services (Scope 3 Category 11)

Long-term goal

63% reduction of GHG emissions derived from use of products by 2030 (vs FY2015)
Achieve net zero GHG emissions by 2050

■ Trend in GHG emissions derived from use of products and Intensity (per square meter)



			Results							Targets		
			2015	2016	2017	2018	2019	2020	2021	2026	2030	2050
GHG emissions Derived from use of products	Total vs FY2015			+9.7%	–1.4%	–5.1%	–15.1%	–19.9%	–29.8%	–54%	–63%	Achieve net zero
	Compared to reference buildings			–33.1%	–27.7%	–27.8%	–28.3%	–31.0%	–35.5%	–63%	–69%	Achieve net zero
	Intensity (per area) vs FY2015			+0.8%	–9.4%	–5.1%	–15.3%	–20.9%	–34.9%	—	(–30%)	—

Targets for GHG emissions from product use have been changed to total emission targets, and SBT Certification is planned to be obtained. The emissions intensity targets have acquired SBT certification and are indicated in parentheses. In addition, the calculation method and scope of targets have been reviewed for results prior to FY2021.

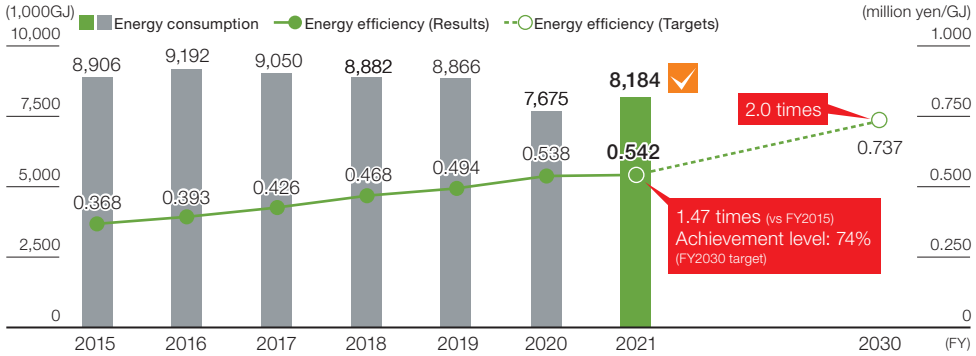
Environmental Data | Mitigating and adapting to climate change Progress in the long-term goal

Energy efficiency improvement (EP100)

Long-term goal Doubling energy efficiency by 2030

■ Trend in energy consumption and energy efficiency

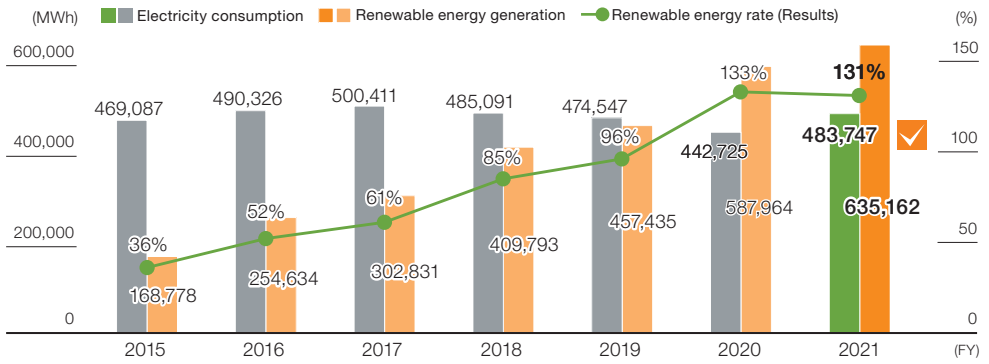
EP100



Spread of renewable energy

Long-term goal 100% renewable energy-based electricity by 2030
*As the target was achieved in FY2020, only performance management has been conducted since then.

■ Trend in renewable energy rate <renewable energy generation / electricity consumption>

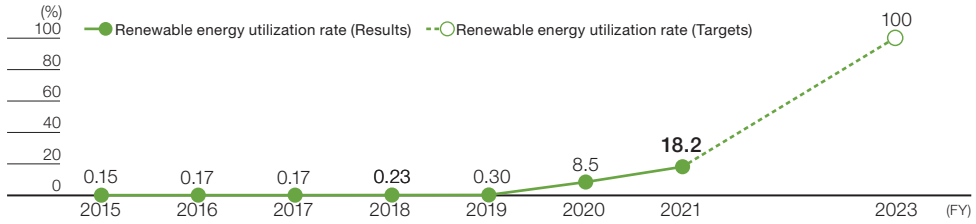


Improving renewable energy utilization rate (RE100)

Long-term goal 100% renewable energy-based electricity by 2040
*The target achievement fiscal year was brought forward 17 years to FY2023.

■ Trend in renewable energy utilization
<renewable energy utilization / electricity consumption>

RE100



Calculation method of environmental data

◇ GHG emissions (t-CO_2) = Σ {(Annual consumption of electricity and fuel) × (GHG emission factor for each type of energy)}

◇ Principal suppliers' GHG emissions reduction target setting rate = suppliers that have already set targets ÷ Number of principal suppliers

◇ GHG emissions derived from use of products per m²
= Σ (GHG emissions [t-CO_2]* that sold products released during their usage lifetime) ÷ Σ (Floor space sold [m²])

* Group GHG emissions (same calculation method) are in line with Scope 3 category 11 (using sold products).
The four targeted companies are Daiwa House, Daiwa Lease, Fujita, and Cosmos Initia.

◇ EP100 (Energy efficiency) = Consolidated net sales (million yen) ÷ Σ (Energy consumption [GJ])

◇ Renewable energy utilization rate = $\frac{\Sigma \text{ (Amount of renewable energy used [MWh])*}}{\Sigma \text{ [Electricity consumption (purchased electricity + electricity generated by self-consumption generation equipment)] [MWh]}}$

* Total amount of electricity consumed from renewable energy on-site power generation facilities, purchased from renewable energy menus, and offset by non-fossil certificates with tracking (purchased by consumers).

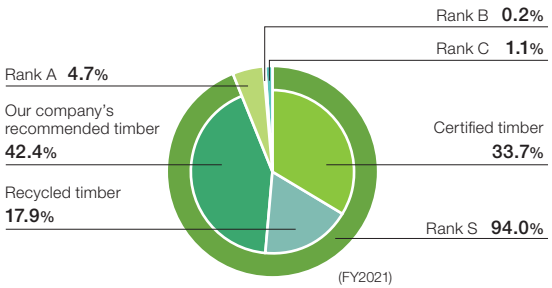
◇ Renewable energy rate = $\frac{\Sigma \text{ [Renewable energy (sale of full electricity and generation by self-consumption generation equipment)] [MWh]}}{\Sigma \text{ [Electricity consumption (purchased electricity + electricity generated by self-consumption generation equipment)] [MWh]}}$

Environmental Data | Harmony with the natural environment

Procurement

Eco-friendly timber procurement

■ Assessment result of procured timber



■ Volume of timber procured in segments to be evaluated

Unit: m³

	2017	2018	2019	2020	2021
Daiwa House Industry	342,291	268,867	238,102	232,951	**233,251**
Royal Home Center	37,237	36,763	39,356	38,990	**31,048**
DesignArc	3,510	3,011	129	107	**100**
Daiwa Lease	3,733	5,052	4,734	4,632	**3,076**
Fujita	1,919	2,629	5,079	5,489	**1,895**
Cosmos Initia	147	1,076	251	290	**299**
Daiwa House Reform	—	—	—	—	**146**
Total	388,837	317,398	287,650	282,458	**269,815**

■ Assessment result of procured timber

Overall

	2017	2018	2019	2020	2021
Rank S	84.2%	94.9%	94.3%	95.1%	**94.0%**
Rank A	11.4%	1.9%	3.9%	2.9%	**4.7%**
Rank B	2.0%	1.1%	1.2%	1.5%	**0.2%**
Rank C	2.4%	2.1%	0.6%	0.5%	**1.1%**

Within Rank S

	2017	2018	2019	2020	2021
Certified timber	35.6%	44.0%	37.1%	39.1%	**33.7%**
Recycled timber	17.7%	18.2%	15.5%	13.5%	**17.9%**
Our company's recommended timber	30.9%	32.7%	41.7%	42.5%	**42.4%**

Calculation method and scope of coverage of environmental data

■ Procured timber

◇ Overview

In line with our *Biodiversity Guidelines: Timber Procurement*, we have established certification criteria for three types of timber: certified timber, recycled timber, and our company's recommended timber. Once a year, we conduct a timber delivery survey with timber suppliers and confirm compliance with the certification criteria. [Timber not classified as certified or recycled is categorized according to one of the following four classes: Rank S (recommended), Rank A (standard), Rank B (purchase is acceptable), and Rank C (requires improvement).]

Note: Assessment criteria were partially revised in fiscal 2015.

◇ Calculation formula

Composition of C-ranked timber (%) = ∑ (amount of C-ranked timber procured (m³)) ÷ ∑ (Total amount of timber procured (m³))

Note: Statistics for S, A, and B-ranked timber are also calculated in the same way.

◇ Scope of coverage

Segment	Target	Scope of coverage
Single-family housing business	Daiwa House Industry	Single-family houses constructed (steel frame/wooden construction)
Rental housing business	Daiwa House Industry	Industrialized rental housing constructed (steel frame)
Condominium business	Daiwa House Industry, Cosmos Initia	Condominiums sold (Sample units)
Commercial and office buildings business	Daiwa House Industry, Daiwa Lease, Fujita	Wooden buildings, medical/ nursing care & residential buildings constructed
Existing homes business	Daiwa House Reform	Flooring materials installed
Other	Royal Home Center	Timber products sold
	DesignArc	Wooden building materials manufactured

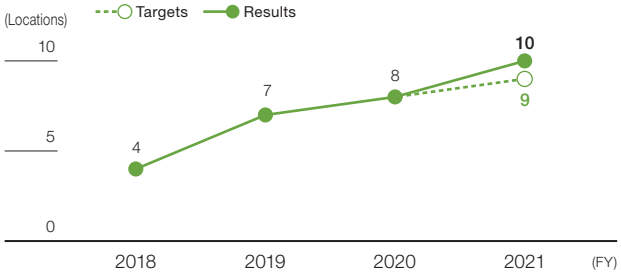
Note: Target materials are includes construction materials, framing/crosspieces, wood used below grade, plywood, and flooring.

Environmental Data | Harmony with the natural environment

Business activities

Promotion of greening at Company and Group company facilities

■ No. of certification acquisitions by Company facilities



■ Certified facilities

Facility name	Company name	Certification name	Certification date
Royal City Aso Ichinomiya Resort —ASONOHARA—	Daiwa House Industry	JHEP (AAA)	June, 2019
		ABINC	February, 2020
The Daiwa House Group MIRAI KACHI KYOSO Center		JHEP (AA)	September, 2021
		SITES	December, 2021
BRANCH Kobe Gakuentoshi	Daiwa Lease	JHEP (AA)	July, 2015
BRANCH Inage		SEGES	July, 2015
BRANCH Chigasaki		SEGES	July, 2017
BRANCH Sendai		SEGES	March, 2020
BRANCH Matsuiyamate		SEGES	March, 2020
BRANCH Okayama kitanagase		SEGES	March, 2020
BRANCH Otsukyo		SEGES	February, 2021
Branch Sapporo Tsukisamu Koporopa		SEGES	September, 2021

■ Impact and evaluation towards Biodiversity in business activity areas

	Number of locations	Surface area (ha)
Business activity area	73	2,139
Biodiversity impact evaluation	73	2,139
Sites in close proximity to important biodiversity	17	641
Sites with biodiversity management plans	2	149

■ Plastics Usage Guidelines

1	Daiwa House Group companies shall, in principle, not use disposable plastics for office supplies, sales promotion items, bags for catalogs, cutlery, toiletries, etc. Also, the currently used disposable plastics shall be promptly replaced or reduced, and this shall be completed by the end of FY2021.
2	In cases where it is difficult to replace disposable plastics due to functional restrictions, environmentally friendly materials such as biomass plastic, recycled plastic, and biodegradable plastic will be considered as much as possible.
3	As for office supplies used repeatedly in the company, environmentally friendly products such as green procurement will be adopted, and efforts will be made to use them carefully for a long period of time, and when disposing of them, they will be sorted and disposed of in a manner that ensures recycling.
4	The department that adopts or purchases such products shall take the lead in promoting the replacement or reduction of disposable plastics.

Supplementary information

○ Disposable plastics are those that are not designed for repeated use, or those that are discarded after one or a few uses, or those that the Company distributes only once, leaving the repeated use to the user, and have a high risk of being released at the distribution site.

○ If it is difficult to replace or reduce the use of environmentally friendly materials, efforts to reduce the use of such materials as much as possible are also acceptable.

○ Items that fall under the Containers and Packaging Recycling Law (plastic bags, lunch box containers, polyethylene terephthalate (PET) bottles, etc.) should be collected appropriately so that they are not released into the environment, and efforts should be made to recycle them according to the sorted collection system of each municipality. In addition, the company will encourage resource recycling and weight reduction efforts for containers and packaging, etc., in response to societal demands.

Calculation method and scope of coverage of environmental data

■ No. of certification acquisitions by Company facilities

◇ Overview

While preparing and securing sufficient green spaces at the Company and Group facilities, we will press onward with efforts to contribute to the preservation of regional ecosystems. To carry such initiatives forward, we will pursue the acquisition of certification systems pertaining to greening and the preservation of biodiversity. The number of facilities reflects the cumulative number of major certifications already acquired as of the end of the fiscal year under review.

◇ Scope of coverage

All facilities held by Daiwa House and Group companies

◇ Main certification systems

Name of certification	Certifying institution
JHEP	JHEP (Japan Habitat Evaluation and Certification Program)
ABINC	ABINC (Association for Business Innovation in harmony with Nature and Community)
SEGES	SEGES (Social and Environmental Green Evaluation System series)

■ Impact and evaluation towards Biodiversity in business activity areas

◇ Overview

During the past five years, we have conducted self-evaluations to determine the degree of impact on biodiversity in our business activity areas* and it's impacts.

* Business activity areas refer to business offices, factories, laboratories, and training centers, as well as properties operating biodiversity checklists, forest houses under sale, and hotels under operation.

◇ Report period

FY2021

◇ Scope of coverage

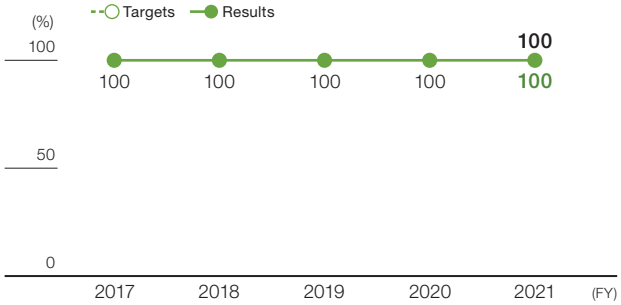
Daiwa House Industry, Daiwa Resort

Environmental Data | Harmony with the natural environment

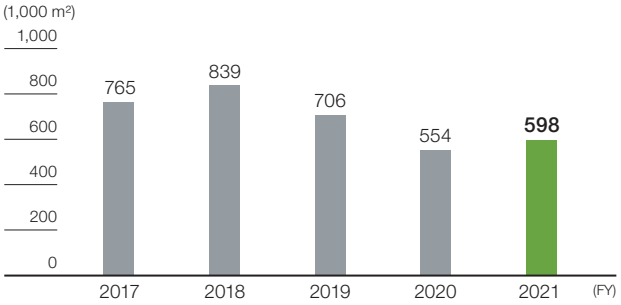
Products and services

Preservation of biodiversity in development and community development

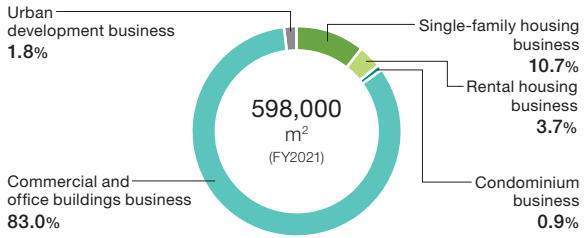
■ Compliance with voluntary standards for biodiversity conservation (development)



■ Surface area of green spaces (community development)



■ Breakdown of green covered areas (community development)



Calculation method and scope of coverage of environmental data

■ Compliance with voluntary standards for biodiversity conservation (development)

◇ Overview

Voluntary standards for biodiversity conservation (development) are based on our *Biodiversity Guidelines: Development & Community Creation*, and our large-scale development projects are subject to our evaluation tool comprising 30 independently determined and self-evaluated items, and achieve a rank of B or higher. These evaluations are performed by the individuals in charge of the respective projects, and the state of compliance with standards is determined by the various departments of the Head Office.

◇ Calculation formula

Compliance with voluntary standards for biodiversity conservation (%)
= ∑ (Site area of units in compliance with voluntary standards (m²))
÷ ∑ (Site area of units under evaluation (m²))

◇ Scope of coverage

Segment	Target	Scope of coverage
Development	Daiwa House Industry, Fujita	Our company-developed projects with a development area exceeding 3,000 m²

■ Surface area of green spaces (community development)

◇ Overview

Green space surface area refers to the total area where greening has been conducted with sale and construction contracts for built-for-sale houses, together with undertaking exterior construction.

◇ Calculation formula

Green space surface area (m²)
= ∑ (Surface area of green space (m²) of target units in each project)

◇ Scope of coverage

Segment	Target	Scope of coverage
Single-family housing business	Daiwa House Industry	All unit sales of built-for-sale houses
Rental housing business	Daiwa House Industry	[With greening regulations] All new buildings [Without greening regulations] Site area of at least 1,000 m²
Condominium business	Daiwa House Industry	All construction starts (excluding JV non-managed units)
Commercial and office buildings business	Daiwa House Industry	[With greening regulations] All construction starts [Without greening regulations] Site area of at least 3,000 m²
	Daiwa Lease	[With greening regulations] All construction starts
	Fujita	[With greening regulations] All construction starts
Urban development business	Daiwa House Industry	All construction starts

Environmental Data | Harmony with the natural environment biodiversity Declaration

Biodiversity Declaration (Adopted October 2010)

Philosophy of Biodiversity

As a global corporate citizen cognizant of the natural blessings granted by biodiversity while remaining committed to eco-friendly business operations, we shall contribute to the sustainable development of society in order to co-create a brighter future for humanity and the natural world.

Biodiversity Action Guidelines

1. **We shall promote business operations that enable people to live in harmony with nature.**
   Recognizing the importance of nature's blessings, we aim to ensure our business operations are in harmony with the air, water, earth, living creatures, and other aspects of nature's circulation functions.
2. **We shall introduce communities co-created by humanity and the natural world.**
   We shall recognize how biodiversity is affected by construction and shall strive to avoid and reduce any damage while proposing ecofriendly city planning.
3. **We shall use natural resources with care, mindful of any impact on the ecosystem.**
   To maintain high ethical standards, we shall collaborate with suppliers to ensure we utilize only sustainable resources and shall not merely comply with laws and regulations concerning biodiversity.
4. **We shall contribute to biodiversity through research and development.**
   We shall promote R&D related to biodiversity preservation from a global perspective and share the results with society.
5. **We shall maintain open communication and collaborate with our stakeholders.**
   We shall broaden the range of initiatives related to biodiversity preservation in terms of both our business operations and social contribution initiatives through communication and collaboration with local government, NGOs, and other stakeholders.

CSR Procurement Guidelines (Adopted July 2015)

- (1) Business Partner Code of Conduct
- (2) Corporate Activity Guidelines
- (3) Guidelines for Products
  - Chemical Substance Management Guidelines
  - ① Biodiversity Guidelines: Timber Procurement
    - ② Items to be Assessed for Legality and Sustainability
  - ③ Biodiversity Guidelines: Development & Community Creation

① Biodiversity Guidelines: Timber Procurement

1. Certified timber	Procure timber certified by the FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forestry Certification) and SGEC (Sustainable Green Ecosystem Council).
2. Recycled timber	Procure timber recycled from construction scrap (particleboard*, etc.).
3. Our company's recommended timber	When procuring timber that is not classified as certified or recycled, verify if it meets or exceeds certain standards in terms of legality and sustainability and procure only timber that is judged to meet a certain minimum level.

* Sheet goods made of wood chips bonded with adhesive that are heated and molded to specific thickness and dimensions

② Items to be Assessed for Legality and Sustainability

(1) Confirmation of legality	(a) Ensure the source of supply has been clearly identified (traceable to the logging site). (b) Confirm that the cutting rights have been secured. (c) Confirm compliance with forestry laws and other relevant rules.
(2) Confirmation of sustainability	Comprehensively determine sustainability with the following eight items. (a) The logged timber is not an endangered species. (b) The logging method avoids large-scale logging of natural forests. (c) Endangered species in the logging areas and surrounding areas have been considered for conservation. (d) The timber is not produced in a disputed region. (e) Working conditions are in compliance with the local government. (f) The forest reserves can be maintained (forests within the area can be renewed after logging). (g) The timber is Japanese domestic timber. (h) The timber is a fast-growing species that quickly becomes available for logging again. (No extensive cutting of wild trees occurs in the cultivation of this fast-growing timber.)

③ Biodiversity Guidelines: Development & Community Creation

1. Ascertain the potential of the natural environment	We will identify the local characteristics related to the biological environment, including the site and its surroundings, and will adopt a policy concerning preservation and creation of the biological environment on which it is based.
2. Preserve and plant greenery	We will actively incorporate regional adaptive seeds and make efforts to ensure the quantity and quality of greenery, and we will propose the development of green spaces with consideration for the habitat of small wild animals and planting conditions.
3. Be careful to preserve a sufficient natural environment as a habitat for small animals	We will make efforts to consider preserving the habitat and natural environment by improving green spaces and water areas that promote the habitat behavior of small wild animals and other creatures.
4. Take care to create a connected network of habitable environments for the ecosystem	In emphasizing the interconnection of ecosystems, we strive to ensure the continuity of green space arrangements and land use by considering the scope of travel of living creatures.
5. Take steps to minimize the environmental impact of construction work	We will consider the plants and animals inhabiting the surroundings as we strive to reduce the impact of noise, vibration, exhaust, and other such factors.
6. Pay adequate consideration to ecological maintenance and management	In order to maintain a good biological environment, we will plan and propose facilities and management policies necessary for maintaining and managing green spaces.

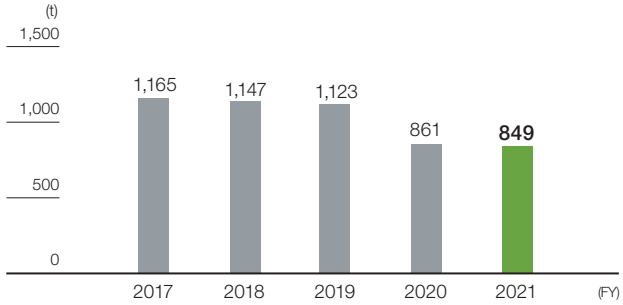
WEB CSR Procurement Guidelines

Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

Closed-loop resource sourcing Business activities

Materials

■ Paper consumption



■ Steel consumption

Unit: t

	2017	2018	2019	2020	2021
Daiwa House Industry (housing)	224,863	186,794	187,963	171,024	**177,438**

Calculation method and scope of coverage of environmental data

■ Paper consumption

◇ Overview

Regarding our paper consumption, we calculate the actual value of the paper purchased (m^2) using the weight conversion method.

◇ Calculation formula

Paper consumption (t) = Σ (Purchased paper (m^2) × weight per unit area (t/m^2))

◇ Scope of coverage

Segment	Target	Scope of coverage (Number of locations as of end- March, 2022)	
Office work	Daiwa House Industry	All offices (Head Office, branches, offices, sales offices) and research centers	159 locations in total

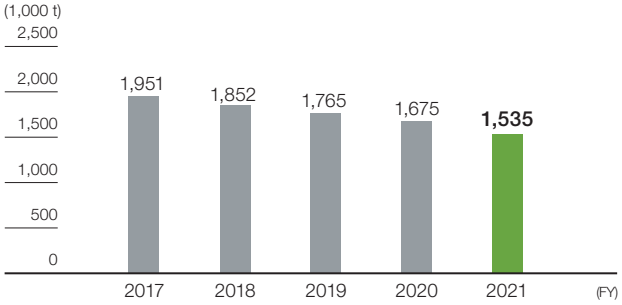
■ Steel consumption

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Industry	All production sites

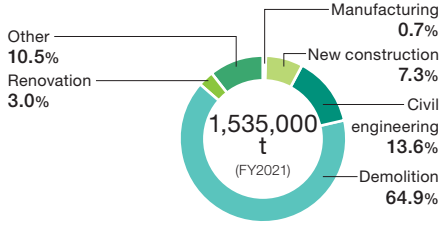
Waste emissions / Recycling rates of waste

■ Overall Construction/demolition waste emissions

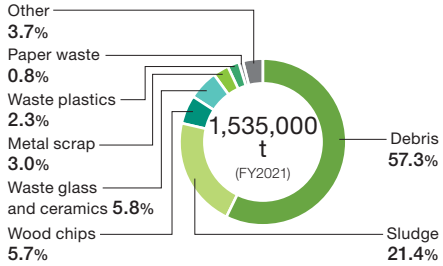


■ Overall Breakdown of construction/demolition waste emissions

(by process)



(by item)



■ Overall Construction/demolition waste emissions (by process)

Unit: t

	2017	2018	2019	2020	2021
Manufacturing	13,324	12,470	11,793	10,094	**10,339**
New construction	135,317	130,777	129,386	126,601	**112,770**
Civil engineering	137,746	260,468	214,366	243,384	**208,700**
Renovation	52,226	52,437	51,014	52,009	**46,393**
Demolition	1,409,979	1,241,820	1,103,062	883,764	**995,697**
Other	202,412	153,495	255,568	359,515	**161,155**

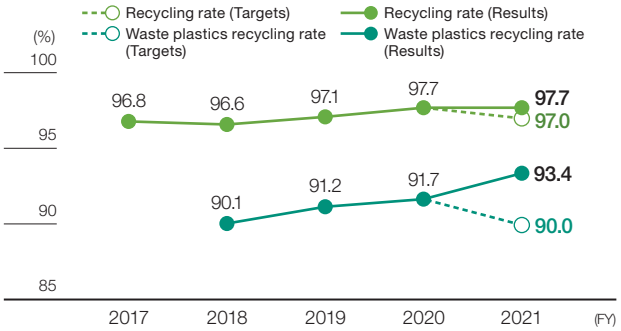
■ Overall Construction/demolition waste emissions (by item)

Unit: t

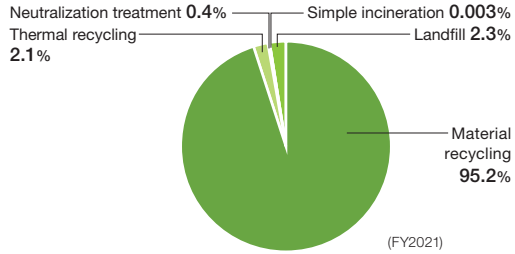
	2017	2018	2019	2020	2021
Debris	1,179,952	1,083,470	984,097	848,000	**878,828**
Sludge	355,249	377,840	422,100	513,241	**328,146**
Wood chips	112,857	129,691	94,522	86,008	**88,090**
Waste glass and ceramics	128,463	104,204	96,191	92,473	**89,304**
Metal scrap	59,731	54,626	57,214	53,631	**46,658**
Waste plastics	39,888	38,848	37,263	35,166	**35,527**
Paper waste	11,398	11,849	11,482	12,657	**12,417**
Other	63,468	50,938	62,322	34,179	**56,084**

Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

Overall Recycling rate of construction waste



Overall Breakdown of construction waste (by treatment)



Overall Recycling rate of construction waste (by treatment)

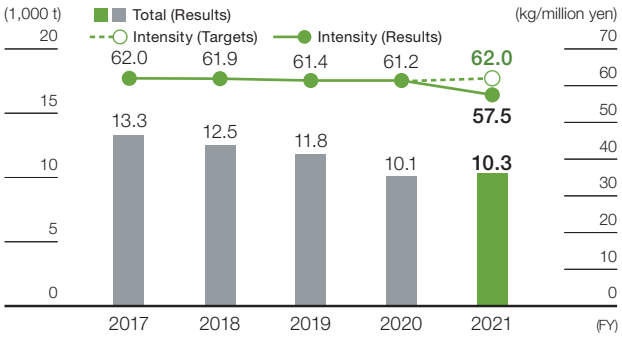
Unit: %

		2017	2018	2019	2020	2021
Recycling	Material recycling	94.6	93.8	95.2	95.9	**95.2**
	Thermal recycling	2.1	2.2	1.8	1.6	**2.1**
	Neutralization treatment	0.12	0.63	0.2	0.1	**0.4**
Final disposal	Simple incineration	0.014	0.011	0.016	0.004	**0.003**
	Landfill	3.2	3.4	2.9	2.3	**2.3**
	Other	0.02	0.01	0.0	0.0	**0.0**

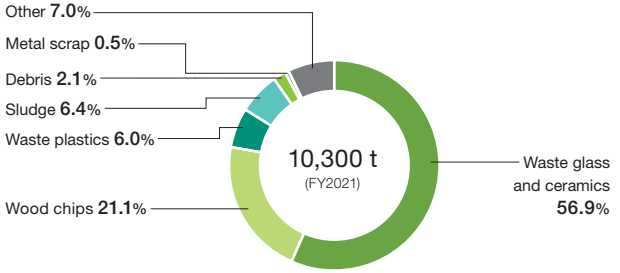
Overall Specially controlled industrial waste emissions (Daiwa House Industry)

	2018	2019	2020	2021
Combustible waste oil	301.2	158.6	128.0	**110.6**
Corrosive waste acid, waste alkali	8.4	76.4	26.7	**23.9**
Specified hazardous industrial waste (e.g. waste asbestos, waste PCB, waste mercury)	179.9	96.0	252.9	**197.9**

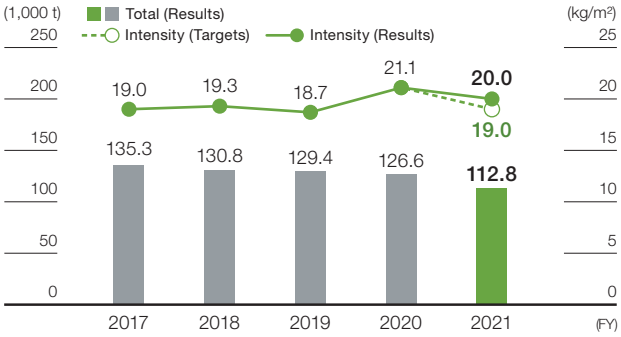
Manufacturing Waste emissions and intensity



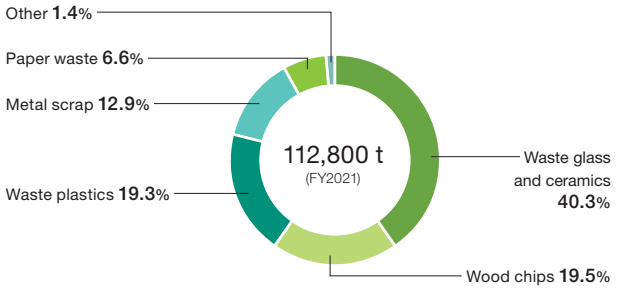
Manufacturing Breakdown of waste emissions (by item)



New construction Waste emissions and intensity



New construction Breakdown of waste emissions (by item)



Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

Calculation method and scope of coverage of environmental data

■ Waste generation & recycling rate related to construction

◇ Overview

Construction byproducts generated in factories and at construction sites, excluding those that have been sold as valuable resources, are defined as “construction waste.” Moreover, even at the same construction site, waste associated with demolition is distinguished as “demolition waste.” Furthermore, “construction-generated soil” and “construction sludge” accompanying ground preparation are excluded from calculations of “construction waste.” In addition, the total “sales” of each factory are used as the intensity denominator of the production division, and the total “sales area” of each site is used as the basic denominator of the construction segment.

◇ Calculation formula

Manufacturing Construction waste emissions (t) = ∑ (Construction byproducts generated (t)) – ∑ (Sales of valuable resources (t))
New construction Construction waste emissions (t) = ∑ (Construction byproducts generated (t)) – ∑ (Sales of valuable resources (t)) – ∑ (Construction sludge generated (t))
Overall Recycling rates of construction waste (%) = ∑ {(Amount of material recycled (t)) + (Amount thermally recycled (t))} ÷ ∑ (Construction waste emissions (t))

Note: Construction sludge is included in the calculation of the recycling rate.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Group	All production sites
New construction	Daiwa House Group	All new construction sites
Civil engineering	Fujita	All civil engineering sites
Renovation	Daiwa House Group	All renovation sites (except for some small-scale sites)
Demolition	Daiwa House Group	All demolition sites

Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

Conservation of aquatic environments Procurement

Water risk assessment results in timber-producing countries

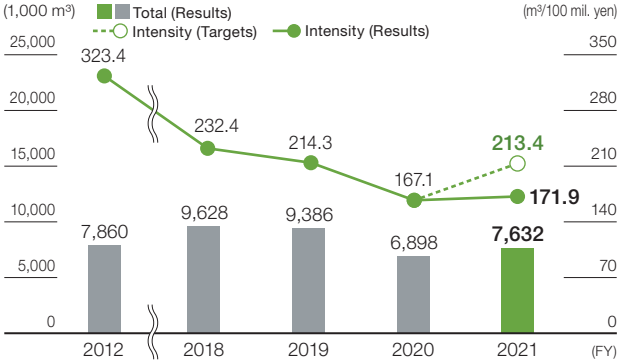
		Japan	Indonesia	China	Finland	Sweden	Other 19 countries	Other 3 countries	Unknown (recycled materials, etc.)
Ratio of procured timber		34.1%	15.6%	15.5%	8.9%	3.8%	10.9%	1.0%	10.2%
Risk level	2020	1.66	2.07	2.40	0.54	1.60	—	—	—
	2030	2.31	2.96	3.29	1.72	1.62	Less than 3	3 or more	—
	2040	2.24	3.26	3.30	1.86	1.63			—

Risk levels 0 –1: low, 1–2: low to medium, 2–3: medium to high, 3–4: high, 4–5: very high
Source: Aqueduct Projected Water Stress Country Rankings

Conservation of aquatic environments Business activities

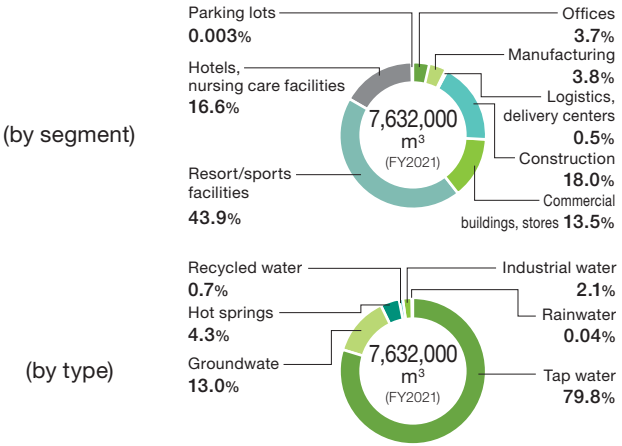
Water consumption

Trend in water consumption (water intake) and intensity



Note: The data has been revised to correct some errors in the overseas water consumption for fiscal 2019 and 2020.

Breakdown of water consumption (water intake)



Water consumption (water intake) (by segment)

Unit: 1,000 m³

	2017	2018	2019	2020	2021
Offices	390	309	292	276	**284**
Manufacturing	305	301	283	273	**288**
Logistics, delivery centers	53	52	46	46	**38**
Construction	2,073	1,706	1,573	1,706	**1,376**
Commercial buildings, stores	908	1,146	1,132	858	**1,029**
Resort/sports facilities	4,657	4,562	4,458	2,886	**3,354**
Hotels, nursing care facilities	1,416	1,552	1,603	853	**1,264**
Parking lots	0.3	0.3	0.3	0.3	**0.3**

Water consumption (water intake) (by type)

Unit: 1,000 m³

	2017	2018	2019	2020	2021
Tap water	7,362	7,645	7,593	5,607	**6,092**
Groundwater	1,686	1,272	1,230	809	**994**
Hot springs	341	328	359	291	**324**
Recycled water	298	361	33	26	**55**
Industrial water	114	17	168	161	**164**
Rainwater	3	3	3	3	**3**
Treated water	0	0	0	0	**0**

Water consumption (water intake) (Japan, outside Japan)

Unit: 1,000 m³

	2017	2018	2019	2020	2021
Japan	9,011	9,053	9,143	6,678	**7,416**
Outside Japan	793	575	243	220	**217**

Note: The data has been revised to correct some errors in the overseas (construction and Tap water) water consumption for fiscal 2019 and 2020.

Water conservation measures at each facility

Segment	Company name	Scale	Water conservation
Resort facilities	Nishiwaki Royal Hotel	5 rooms	Replaced bathroom faucet with single lever
Sports facilities	Sports Club NAS	20 stores	Installed waterless toilet
	Sports Club NAS	29 stores	Installed water-saving shower equipment
	Daiwa Royal Golf	2 Golf courses	Installed water-saving appliances
	Daiwa Royal Golf	1 Golf course	Replaced with water-saving dishwasher
Nursing care facilities	Daiwa House Life Support	4 facilities	Installed water-saving device in bathroom shower
Manufacturing	Daiwa House	1 factory	Installed water and sewer line shutoff valves to prevent water leakage
	Daiwa Lease	1 factory	Installed rainwater tanks
Commercial buildings, stores	Royal Home Center	2 stores	Renovated toilets to install water-saving devices
Offices	Daiwa LifeNext	1 office	Changed the faucet in the bathroom to an automatic faucet

Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

Conservation of aquatic environments Business activities

Drainage discharge (by point of discharge) (Japan)

Unit: 1,000 m³

	2017	2018	2019	2020	2021
Rivers and lakes	1,088	963	972	701	**762**
Brackish water intake source/sea	602	456	398	205	**253**
Sewer system	5,228	6,109	5,875	3,861	**4,566**
Discharge to other areas	0	0	0	0	**0**

Drainage discharge (by point of discharge) (Outside Japan)

Unit: 1,000 m³

	2017	2018	2019	2020	2021
Rivers and lakes	0	0	0	0	**0**
Brackish water intake source/sea	57	13	0	0	**0**
Sewer system	96	63	15	33	**40**
Discharge to other areas	13	4	0	0	**0**

Water recycling in each facility

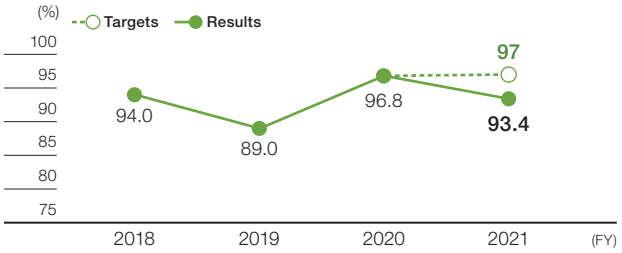
Facility name	Recycling method	Recycled water volume (Recycling rate)
Daiwa House Industry Osaka Head Office	Reusing waste water from air conditioners, etc. and rainwater for washing toilets after treating them for recycling.	6,532 m³ (30.1 %)
Hotel & Resorts MINAMIAWAJI	Using miscellaneous waste water for washing toilets and for being sprayed.	35m³ (0.05%)

Number of regulatory violations concerning water

	2017	2018	2019	2020	2021
Number of violations	0	0	0	0	**0**

Conservation of aquatic environments Products and services

Water-saving device adoption rate



Adoption rate by department

Department	Adoption rate
Single-family housing business	100.0%
Rental housing business	90.9%
Existing homes business	99.6%
Condominium business	97.7%
Commercial and office buildings business	100.0%*

* Hotel business only

Calculation method and scope of coverage of environmental data

Water consumption

◇ Overview

This represents the total annual water consumption from the water supply, groundwater, hot springs, industrial-use water, recycled water and rainwater, and is calculated based on purchasing data at each location (from measurements when purchasing data is unavailable). For the construction segment, we estimate the total consumption by multiplying the water usage for the sales floor area as determined by a sample survey of the sales floor area during the counting period.

◇ Scope of coverage

The same scope and calculation criteria exist for GHG emissions, energy consumption and electricity consumption

Water-saving device adoption rate

◇ Overview

Waste water is regularly measured for its quality at Daiwa House Industry factories. The results state the number of cases that exceeded the control values for laws and bylaws.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Industry	Total of 9 production sites

Water-saving device adoption rate

◇ Overview

We consider the adoption rate to be the rate of water-saving devices installed in the bathroom showers, kitchens and toilets of the single-family housing, rental housing, condominiums, hotels, and existing homes business we have provided to customers.

◇ Calculation formula

Water-saving device adoption rate (%)
= Σ {No. of installed water-saving devices (showers + kitchen faucets + toilets)} No. of locations
÷ Σ {No. of relevant facilities installed (showers + kitchen faucets + toilets)} No. of locations

◇ Scope of coverage

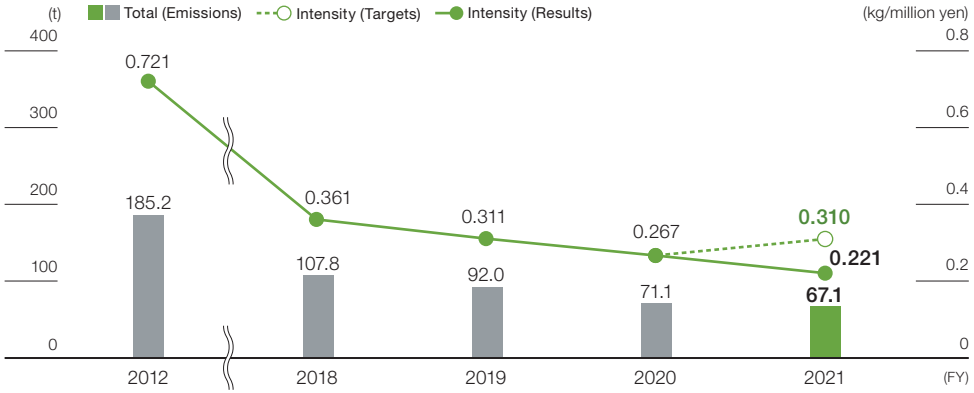
Segment	Target	Scope of coverage
Single-family housing business	Daiwa House Industry	All properties
Rental housing business	Daiwa House Industry	All properties
Condominium business	Fujita	All properties
Commercial and office buildings business	Daiwa House Industry, Fujita, Cosmos Initia	Hotel business only
Existing homes business	Daiwa House Reform	All properties

Environmental Data | Prevention of chemical pollution

Business operations

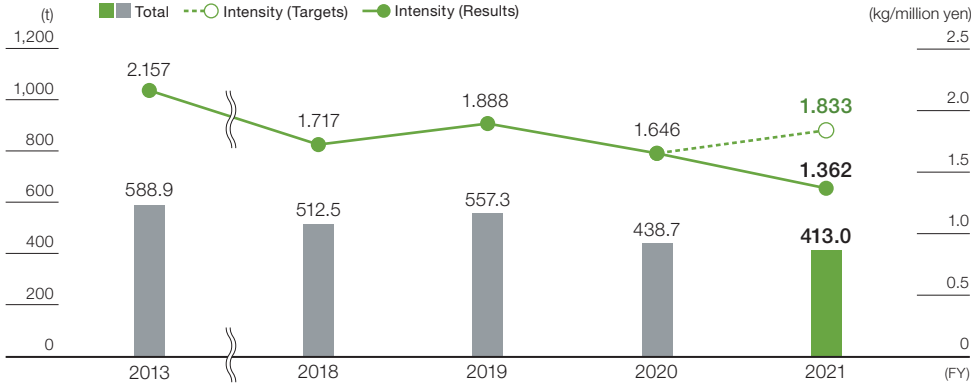
Release and transfer of PRTR-listed substances

■ Release and transfer of PRTR-listed substances and intensity



VOC emissions

■ VOC emissions and intensity



■ Change in release of PRTR-listed substances (by company/segment)

Unit: t

Breakdown by segment	2017	2018	2019	2020	**2021**
Daiwa House Industry (housing)	31.4	26.7	23.3	17.0	**16.9**
Daiwa House Industry (construction)	18.2	19.3	15.5	11.1	**11.0**
Daiwa Lease	57.8	44.9	33.9	24.7	**17.8**
DesignArc	3.8	3.1	4.7	4.0	**4.7**

■ Change in release of VOC emissions (by company/ segment)

Unit: t

Breakdown by segment	2017	2018	2019	2020	**2021**
Daiwa House Industry (housing)	235.0	195.7	201.4	161.7	**164.0**
Daiwa House Industry (construction)	106.6	103.5	120.6	83.9	**89.9**
Daiwa Lease	214.1	209.9	227.7	186.7	**151.4**
DesignArc	4.1	3.4	7.6	6.4	**7.7**

■ Change in transfer of PRTR-listed substances (by company/segment)

Unit: t

Breakdown by segment	2017	2018	2019	2020	**2021**
Daiwa House Industry (housing)	9.1	8.9	9.0	7.9	**11.3**
Daiwa House Industry (construction)	4.3	4.1	4.8	5.8	**4.9**
Daiwa Lease	1.0	0.7	0.8	0.7	**0.5**
DesignArc	0.0	0.1	0.01	0.002	**0.004**

■ NOx and SOx emissions in the manufacturing phase

Unit: t

	2017	2018	2019	2020	**2021**
NOx emissions	0.38	1.16	0.15	0.20	**0.15**
SOx emissions	0.03	0.08	0.01	0.02	**0.02**

Environmental Data | Prevention of chemical pollution

Material balance of chemical substances subject to PRTR

■ Release and transfer of PRTR-listed substances (by type)

Unit: kg

Name of target chemical substance	Amount handled	Amount consumed	Amount transferred			Emissions			Amount subjected to chemical removal processes
			Total transferred to sewer	Amount of (waste) transferred out of our worksites	Total amount transferred	Emissions into the atmosphere	Discharged to public water bodies	Total emissions	
Manganese and its compounds	41,789	29,463	0	10,891	10,891	1,436	0	1,436	0
Xylene	17,756	0	0	238	238	17,437	0	17,437	81
Ferric chloride	16,147	0	0	0	0	0	0	0	16,147
Methylenebis (4,1-phenylene) = diisocyanate	15,325	15,234	0	91	91	0	0	0	0
Ethylbenzene	12,218	0	0	168	168	12,044	0	12,044	7
Toluene	8,195	0	0	100	100	8,017	0	8,017	78
1,2,4-trimethylbenzene	8,075	0	0	117	117	7,887	0	7,887	70
Water-soluble zinc compounds	6,464	5,071	22	1,240	1,262	0	131	131	0
Molybdenum and its compounds	6,318	3,526	0	2,792	2,792	0	0	0	0
1,3,5-trimethylbenzene	2,073	0	0	30	30	2,043	0	2,043	0
45 other substances	4,708	1,859	0	1,055	1,055	1,390	0	1,390	403
Grand total	139,068	55,153	22	16,722	16,744	50,254	131	50,385	16,786

WEB CSR Procurement Guidelines

Calculation method and scope of coverage of environmental data

■ Release and transfer of PRTR-listed substances

◇ Overview

Purchasing data at each site is used to calculate the amount released/transferred of 462 Class-I Designated Chemical Substances prescribed by the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law).

◇ Scope of coverage

Segment	Target	Scope of coverage	
Manufacturing	Daiwa House Group	All production sites	Total 29 locations*

* Factories that are required to make release and transfer registration according to the PRTR law

■ VOC emissions

◇ Overview

Purchasing data at each site is used to calculate the emissions of 326 volatile organic compounds identified by the Osaka Prefectural Ordinance and Japan Paint Manufacturers Association as of fiscal 2010.

◇ Scope of coverage

Segment	Target	Scope of coverage	
Manufacturing	Daiwa House Group	All production sites	Total 29 locations*

* Factories that are required to make release and transfer registration according to the PRTR law

■ NOx emissions/ SOx emissions

◇ Overview

Calculated based on “Environmental Report Guidelines (2018 edition)” by the Ministry of the Environment.

◇ Scope of coverage

Segment	Target	Scope of coverage	
Manufacturing	Daiwa House Industry	All production sites	Total 4 locations*

* Factories that are included in soot generation facilities specified in the Air Pollution Control Act

Environmental Data | Flow of materials imparting environmental load

INPUT

❶ Research and development ❷ Sales and design

Energy consumption ··· 707,430 GJ

Breakdown

Gasoline	330,419
Electricity	274,832
City gas	64,077
Renewable energy (consumed in-house)	5,828
Other	32,273

Water consumption ···· 152,100 m³

Breakdown

Tap water	135.4
Groundwater	9.0
Industrial water	4.5
Rainwater	3.2

❹ Manufacturing

Energy consumption ··· 506,958 GJ

Breakdown

Electricity	395,289
LP gas	60,777
Kerosene	132
City gas	39,022
Light oil	9,846
Renewable energy (consumed in-house)	1,789
Other	103

Water consumption ···· 253,600 m³

Breakdown

Tap water	85.4
Groundwater	168.2

Amount of steel purchased ···· 177,438 t

Breakdown

Housing	113,386
Architecture	64,052

Amount of timber purchased ··· 76,795 m³

❻ Construction

Energy consumption ···· 734,902 GJ

Breakdown

Electricity	112,396
Light oil	603,511
Kerosene	16,819
No. 2 fuel oil	2,176

Water consumption ··· 677,800 m³ (Tap water)

❶ Research and development ▶ ❷ Sales and design ▶ ❸ Procurement ▶ ❹ Manufacturing ▶ ❺ Transport ▶ ❻ Construction ▶ ❼ Inhabitance

OUTPUT

❶ Research and development ❷ Sales and design

CO_2 emissions ····· 40,200 t-CO_2

❹ Manufacturing

CO_2 emissions ····· 24,600 t-CO_2
NOx emissions ····· 0.20 t
SOx emissions ····· 0.02 t
Valuable resources discharged ····· 10,400 t

Waste emissions ····· 10,500 t

Breakdown

Metal scrap	0.1
Waste glass and ceramics	5.8
Wood chips	2.4
Waste plastics	0.6
Sludge	0.7
Other	1.0

❻ Construction

CO_2 emissions ····· 47,900 t-CO_2
Valuable resources discharged ···· 900 t

Construction waste emissions (new construction) ····· 165,300 t

Breakdown

Metal scrap	10.2
Waste glass and ceramics	32.1
Wood chips	15.5
Waste plastics	15.3
Sludge	85.8
Paper waste	5.3
Other	1.1

Construction waste emissions (demolition) ····· 676,000 t

Breakdown

Metal scrap	20.4
Waste glass and ceramics	22.6
Wood chips	33.1
Waste plastics	6.3
Sludge	61.2
Debris	518.1
Paper waste	2.9
Other	11.3

Environmental Data | Environmental accounting

❶ Environmental preservation costs (Amount invested)

Unit: 1,000 yen

Item	Major content	FY2017	FY2018	FY2019	FY2020	FY2021
		Amount invested				Amount invested
Cost within business area	Cost of measures to control pollution related to air, water, and noise	7,623	4,654	205,182	51,719	**6,215**
	Cost of prevention of global warming (energy efficiency)	237,228	37,344	60,366	163,427	**154,457**
	Cost of waste reduction measures	0	156	60	4	**2,038**
	Cost of reducing water consumption	2,450	1,317	5,553	1,885	**1,175**
Upstream/downstream costs	Green purchasing fees, cost of purchasing returnable boxes	7,212	3,298	3,467	4,230	**115,923**
Administrative costs	Environmental education costs, EMS maintenance expenses, etc.	653	595	108	376	**11**
Total		255,165	47,364	274,736	221,641	**279,819**

❷ Environmental preservation effect

Effect		Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Business area	Effect on input resources	Energy consumption, crude oil equivalent (production system)	GJ	552,654	537,539	516,665	480,196	**506,958**
		Energy consumption, crude oil equivalent (distribution system)	GJ	620,421	603,890	570,623	453,484	**501,727**
	Effect on environmental load and waste	Waste generated	t	13,008	12,680	12,104	10,243	**10,547**
		CO_2 emissions (production system)	t-CO_2	25,888	25,032	26,559	23,964	**24,572**
		CO_2 emissions (distribution system)	t-CO_2	42,544	41,384	39,106	31,082	**34,379**
		Water resource consumption	m^3	289,956	269,781	252,235	246,981	**253,559**

❸ Economic effects of environmental preservation

Unit: 1,000 yen

Content		FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	Sales of valuable resources*	39,552	233	260	1,436	**1**
Cost savings	Cost savings from energy-efficiency efforts	83,606	5,613	29,713	58,858	**54,825**
	Cost savings from waste-reduction efforts	6,907	5,309	12,259	12,615	**16,067**
	Cost savings from water resource reduction efforts	16,066	0	9	3,382	**69**
Total		146,131	11,155	42,241	76,291	**70,961**

* Revenue obtained from effects of environmental conservation implemented during the fiscal year

Calculation method and scope of coverage of environmental data

■ Flow of materials imparting environmental load

◇ Report period
April 1, 2021 to March 31, 2022

◇ Reporting organizations
Daiwa House Industry Co., Ltd. (Non-consolidated)

◇ Scope of coverage
① Research and development: All offices (Head Office, affiliates, branches and sales offices), research labs, training centers and housing exhibition
② Sales and design: All company vehicles and privately owned permitted vehicles
④ Manufacturing: All production sites
⑥ Construction (energy & water): Construction sites of housing/buildings (new construction)
Construction (construction waste): Construction sites of housing/buildings (new construction/demolition)

◇ Calculation criteria
In addition to "Calculation and Reporting of Environmental Data" on P150 and the calculation methods of environmental data in the previous sections, the criteria include values that are not subject to target management in the Endless Green Program 2021.

■ Environmental accounting

◇ Report period
April 1, 2021 to March 31, 2022

◇ Reporting organizations
Daiwa House Industry Co., Ltd. (Non-consolidated)

◇ Scope of coverage
9 factories in total

◇ Referential guidelines
"Environmental Accounting Guidelines 2005 Edition" by the Ministry of the Environment