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Environmental Data | Calculation and Reporting of Environmental Data

Basics

 \diamond Report period: April 1, 2023 to March 31, 2024

Reporting organizations: Daiwa House Industry Co., Ltd. and its consolidated subsidiaries Reference: Number of consolidated subsidiaries: 447 (168 in Japan, 279 outside Japan) (as of March 31, 2024)

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 2026, 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.) 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

\diamond 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.

\diamond Stance on greenhouse gas (GHG) emissions

At Daiwa House Group, among GHG emissions, we calculate and report exclusively on carbon dioxide (CO₂) emissions originating from energy.

We exclude GHG other than CO_2 originating from energy. Specifically, these are CO_2 from nonenergy sources, as well as methane (CH₄), Nitrous Oxide (N₂O), and the fluorinated gases of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). 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.

\diamondsuit CO2 emission factor

Regarding fuel, etc., we use values based on the Energy Efficiency Act (Act on the Rational Use of Energy and Shifting to Non-fossil Energy) and the Act on Promotion of Global Warming Countermeasures. For purchased electric power, we use market-based values for purchases in Japan (alternative values for purchases from unknown power companies) and alternative values in Japan for overseas purchases.

Purchased electricity	0.429kg-CO2/kWh (alternative value)	City gas	2.234kg-CO ₂ /m ³ (N)
Self-consumption of renewable energy (including PPA)	0.000kg-CO₂/kWh	LP gas	2.994kg-CO ₂ /m ³
Gasoline	2,290kg-CO2/kL	Cold, Warm Water	0.057kg-CO ₂ /MJ
Light oil	2,619kg-CO2/kL	Imported coal (thermal coal)	2,326kg-CO2/t
No. 2 fuel oil	2,753kg-CO2/kL	Wood pellet	0.000kg-CO ₂ /t
Kerosene	2,503kg-CO2/kL		

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

\diamond 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. In addition, we use the same factors at overseas locations as well.

Purchased electricity (including renewable energy plans)	8.64GJ/MWh	City gas	44.8GJ/1000 m ³ (N)
Renewable energy (self-consumption PV, on-site PPA)	3.60GJ/MWh	LP gas	50.1GJ/1000 m ³
Gasoline	33.4GJ/kL	Cold, Warm Water	1.19GJ/GJ
Light oil	38.0GJ/kL	Imported coal (thermal coal)	26.1GJ/t
No. 2 fuel oil	38.9GJ/kL	Wood pellet	13.2GJ/t
Kerosene	36.5GJ/kL		

Environmental Data | Progress of Carbon neutrality Strategy

Measures for Carbon neutrality Strategy	Indices	Unit	FY2021 results	FY2022 results	FY2023 results	FY2026 targets	FY2030 targets
Decarbonization throughout the value chain	Reduction rate of GHG emissions throughout the value chain (vs FY2015)	%	-16.1	-23.5	-35.6	-35	-40
Contributing to the spread of renewable	Renewable energy generation equipment construction results (EPC) * Cumulative values since FY2011	MW	2,526	2,706	3,075	4,200	5,000
energy	Renewable energy power plants development and operating results (IPP) * Operating capacity at the end of each fiscal year, excluding on-site consumption.	MW	561	602	700	1,550	2,500

EPC: Contracting of facility construction work as a project that integrates Engineering, Procurement, and Construction.

IPP: Abbreviation for Independent Power Producer. An independent power producer is a company that owns power generation facilities and sells the power it generates

Target for GHG emissions across the entire value chain (SBT certified)



Calculation method and scope of coverage of environmental data

Target for GHG emissions across the entire value chain

\diamondsuit Scope of coverage and Calculation methods

For Scopes 1 and 2, please refer to the calculation methods and scope of coverage for "GHG emissions" on p. 132 and p. 134. For Scope 3, Category 11, please refer to the calculation methods and scope of coverage for "GHG emissions derived from use of products" on p. 125.

For Scope 3, Category 1 and Others, please refer to the calculation methods and scope of coverage for "GHG emissions in our value chain" on p. 139.

Supply results of renewable energy (EPC/IPP)



Calculation method and scope of coverage of environmental data

Renewable energy generation equipment construction results (EPC)

\diamond Overview

Daiwa House Group's installation, construction, and renovation work of renewable energy-based generation equipment based on customer orders, as well as construction of renewable energy-based generation equipment attached to the Group's self-developed buildings for sale in the future.

* The results include cases where the installation of renewable energy-based generation equipment was planned at the time construction began for a property for which the Group was contracted to design and construct the main body of the building, and only the installation of renewable energy-based generation equipment was executed by another company for the customer's convenience.

♦ Scope of coverage

The company and 6 Group companies (Daiwa Lease, Fujita, Cosmos Initia, Daiwa Energy, Eneserve, and Daiwa House Reform)

Renewable energy power plants development and operating results (IPP)

\diamond Overview

- Renewable energy-based power plants developed and operated by the Group for the power generation business.
- * The results include cases in which we acquired renewable energy-based power generation plants planned or developed by other companies (secondary properties).
- * Exclude renewable energy-based power generation equipment that is consumed in-house at the Group's business facilities.

♦ Scope of coverage

The company and 14 Group companies (Daiwa Energy, Daiwa Lease, Eneserve, Daiwa House Realty Management, Daiwa Logistics, Daiwa Living, KOUYAMAUNYU, DesignArc, Fujita, FUJITA BUILDING MAINTENANCE, Royal Home Center, Wakamatsu KONPOU UNYU SOKO, DB Logitec, and Daiwa Life Next)

Results and self-assessment of the Environmental Action Plan (Endless Green Program 2026)

😃 : Target for fiscal 2023 achieved 😃 : Target for fiscal 2023 not achieved (achieved 90% or more) 😤 : Target for fiscal 2023 not achieved (achieved less than 90%)

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Mitigating and Adapting to Climate Change

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 targets	2023 results	S	2024 targets	2026 targets	Pages
	GHG emissions reduction rate derived from use of product (total) vs FY2015	29.4% reduction	39.3% reduction	45% reduction	52.2% reduction	•	54% reduction	58% reduction	021, 125
	ZEH rate	53%	86%	90%	97%	•	90%	90%	022, 126
(1) Challenge ZEBO for	ZEH-M rate for rental housing	3%	14.2%	20%	48.7%	•	50%	50%	022, 126
CO₂ in community	ZEH-M rate for condominiums	35%	67.5%	70%	90.5%	•	100%	100%	022, 126
aevelopment	ZEB rate	38%	65.7%	70%	68.5%	()*1	73%	80%	023, 126
	ZEH-renovation equivalent	1,478	1,472	3,200	3,789	•	3,800	4,000	023, 127
	Sales of electricity generated by the company-owned renewable-energy power stations	121GWh	366GWh	635GWh	696GWh	•	—	—	127
	GHG emissions reduction rate derived from business operations (total) vs FY2015	20.8% reduction	33.5% reduction	50% reduction	26.3% increase	*2	52% reduction	55% reduction	021, 131
(2) Challenge ZEBO	Promotion of Electric—Introduction rate of clean energy cars (Company vehicles)	0.2%	2.8%	7%	6.3%	()*3	13%	30%	026, 136
for CO ₂ in business	Promotion of Electric-Introduction rate of clean energy cars (Privately owned vehicles)	0.3%	1.0%	2%	2.0%	•	4%	10%	026, 136
activities	Energy efficiency (EP100) vs FY2015	Up 1.47 times	Up 1.50 times	Up 1.61 times	Up 1.81 times	•	Up 1.83 times	Up 1.90 times	025, 132
	Renewable energy utilization rate (RE100)	18.2%	41.5%	100%	81.8%	*4	100%	100%	025, 133
(3) Challenge ZERO for	Setting rate of principal suppliers' SBT standard*a GHG reduction targets	34.0%	65.9%	60%	57.7%	()*5	80%	90%	027, 137
CO₂ in the supply chain	The number of contracts for renewable energy and energy-efficiency solutions (The number of cases of support) (cumulative)	—	9	15	15	•	25	50	027, 137

Self-assessment (reasons for not achieving targets, future actions)

*1 In fiscal 2023, we achieved a ZEB ratio of 68.5%, falling short of our 70% target due in part to the decline in the construction start area for large logistics centers, which have high ZEB ratios. In the future, we will work to lift the overall ZEB ratio by strengthening ZEB proposals for other such purposes as offices, factories, retail stores and nursing care facilities.

*2 In fiscal 2023, GHG emissions (total) increased by 23.6% compared with fiscal 2015 due to the use of coal at the thermal power station that was made a Group company in January 2023, and thus we failed to reach our target for a 50% reduction. We will strive to reduce our GHG emissions by having the plant burn just biomass after switching from biomass-coal combined power generation.

*3 In fiscal 2023, the introduction rate of company electric vehicles was 6.3%, missing our 7% target on a lack of progress with switching over vehicles stemming from poor travel distances for clean energy vehicles. In the future, we will continue to push ahead with adopting clean energy vehicles by making the switch when leases finish for company vehicles.

*4 In fiscal 2023, in addition to the increase in self-consumed electricity (non-renewable energy) at the thermal power plant, we were no longer able to offset non-renewable energy (switch to renewable energy) for Daiwa Resort, which left the Group in July. As a result, the renewable energy utilization rate came to 81.8%, falling short of our target of 100%. In the future, we will transition the thermal power plant to solely burn biomass, as well as switch to renewable energy plans and purchase non-fossil certificates.

*5 In fiscal 2023, we encouraged suppliers to set more ambitious targets through decarbonization dialogues by raising the required level of GHG reduction targets to WB2°C. However, the percentage of suppliers that have set SBT-level GHG reduction targets came to 57.7%, missing our target of 60%. In the future, for suppliers not achieving target levels, we will strengthen engagement, forcusing on decarbonization dialogues, as well as provide support for target achievement using proposals based on the Group's renewable energy and renewable energy solutions.

*a Through fiscal 2022, we set a target at the 2°C level (annual reduction in GHG emissions of 1.23% or more), but from fiscal 2023 we raised the target to the WB2°C level (reduction of 2.5% or more). (WB2°C, or well-below 2°C, is a GHG reduction target to keep the increase in the global temperature to well below 2°C compared to pre-industrial levels.)

Harmony with the natural environment (Preservation of biodiversity)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 targets	2023 results		2024 targets	2026 targets	Pages
	Rate of C-ranked timber in procurement	2.7%	3.1%	3.0%	1.0%	•	1%	0%	036, 141
(4) Challenge ZERO Deforestation	Setting rate of zero deforestation policy (primary suppliers)	-	6.1%	30%	45.6%	•	70%	90%	036, 141
	Setting rate of zero deforestation policy (secondary suppliers and beyond)	-	0%	5%	2.6%	*6	30%	50%	036, 141
	Eco-friendly surface area of green spaces (cumulative)	—	257,000m ²	400,000m ²	464,000m ²	•	600,000m ²	1,000,000m ²	037, 142
(5) Challenge ZERO Harm	Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities	-	Assessing priority Levels Primary screening completed Assessment of priority levels in progress	Development of management and maintenance plans	11.4%	-	14%	100%	039, 143
	Promotion of the Daiwa Plastics Smart Project—Rate of replacement of plastic goods for distribution (offices, etc.)	Daiwa House Industry: 81% All Group: 92%	Daiwa House Industry: 83% All Group: 74%	100%	Daiwa House Industry: 90.9% All Group: 92.6%	(*7	100%	100%	039, 143

Self-assessment (reasons for not achieving targets, future actions)

*6 In fiscal 2023, we visualized the supply chain and primary suppliers that have already set zero deforestation policies and also sought support for zero deforestation policies for secondary suppliers and further, but we were unable to gain support through the entire supply chain. As a result, the rate of zero deforestation policies set (among secondary suppliers and further) ended at 2.6%, failing to achieve our target of 5%. In the future, we will broaden the scope of mapping for the supply chain and work to achieve uptake of zero deforestation policies among secondary suppliers and further with the assistance of primary suppliers.

*7 In fiscal 2023, we switched disposable plastic products to other non-plastic materials for new purchases and switched to paper wrapping for company gifts, but the use of some disposable plastic products from our inventory resulted in rates of 90.9% for replacement with plastic-free materials (offices, etc.) on our own and 92.6% for all principal Group companies excluding ours. As a result, we were unable to achieve our target of 100%. We will continue to promote the proper use of plastic products by thoroughly disseminating guidelines.

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Results and self-assessment of the Environmental Action Plan (Endless Green Program 2026)

😃 : Target for fiscal 2023 achieved 😃 : Target for fiscal 2023 not achieved (achieved 90% or more) 😤 : Target for fiscal 2023 not achieved (achieved less than 90%)

Closed-loop resource sourcing and conservation of aquatic environments (Greater durability and waste reduction)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 targets	2023 results		2024 targets	2026 targets	Pages
	Number of assets subject to effective use	3,989	4,276	4,200	3,289	*8	2,900	3,100	048, 144
	Number of buildings subject to durability extension	3,246	8,984	9,000	8,929	•9	7,045	7,150	048, 144
	Improving the recycling rate of waste plastics material (production)	10.9%	16.8%	19%	21.6%	•	22%	30%	049, 144
(6) Challenge ZERO Waste and Reuse	Promotion of the Daiwa Plastics Smart Project Reduction rate of amenities that are plastic-containing products specified in law (hotels) vs FY2021	-	3.0% increase	20% reduction	8.2% reduction	*10	17% reduction	50% reduction	049, 145
	Promotion of the Daiwa Plastics Smart Project Recycling rate of amenities that are plastic-containing products specified in law (hotels)	-	0%	5%	0.03%	() *10	1%	50%	049, 145
	Achievement of zero waste emissions targets by principal suppliers	34.5%	34.6%	50%	41.8%	*11	70%	90%	049, 145
	Construction waste emissions: Production (per unit of sales)	57.5kg/million yen	53.8kg/million yen	60kg/million yen	50.8kg/million yen	•	60kg/million yen	60kg/million yen	147
_	Construction waste emissions: Construction (per m ²)	20.0kg/m ²	19.0kg/m ²	19kg/m²	18.9kg/m ²	•	19kg/m ²	19kg/m²	147
	Construction waste recycling rate	97.7%	97.9%	97%	97.6%	•	98%	99%	146
(7) Challongo ZEBO	Water-saving device adoption rate (housing and hotels)	89.8%	96.8%	97%	98.3%	•	99%	99%	051, 148
Water- Associated	Water consumption reduction rate (per unit of sales) vs FY2012	46.8% reduction	42.7% reduction	37% reduction	42.3% reduction	•	43% reduction	45% reduction	052, 148
HISKS	Implementation rate of water risk surveys by principal suppliers	_	85.5%	90%	93.9%	•	97%	100%	052, 150

Self-assessment (reasons for not achieving targets, future actions)

*8 In fiscal 2023, the number of assets subject to effective use came to 3,289, which meant we missed our target of 4,000. Despite working to improve awareness of purchases/resale by the Livness business by using actual buildings for which we have increased value, including by replacing insulation, into model houses, the number fell due to the larger size of projects. In the future, we will promote the effective use of assets by working for further market penetration by the Livness brand as well as increase employees for the brokerage business for existing buildings and vitalize trade in such buildings. We will lower our fiscal 2024 and fiscal 2026 targets in light of the fiscal 2023 result.

*9 In fiscal 2023, we conducted inspections and diagnoses on houses that we have sold in the past and carried out maintenance work for warranty extension. Additionally, in rental housing, we promoted warranty extension work by partnering with management companies. As a result, the number of buildings subject to durability extension was 8,929, narrowly missing our target of 9,000. In the future, we will work to gain the understanding of owners about the merits of mitigating the aging process by extending the life of buildings through warranty extension work and to minimize the volume of resources used and waste by avoiding rebuilds. We will lower our fiscal 2024 and fiscal 2026 targets in light of the fiscal 2023 result.

*10 In fiscal 2023, we stopped the introduction of amenity bars in hotels and the distribution of amenities as well as introduced bamboo tooth brushes, but the specified amenity plastic product reduction rate (hotels) was down by just 8.2% compared with fiscal 2021, thus failing to achieve the target of 20% reduction. In addition, while we undertook material recycling for amenity plastic products in some hotels, it will take some time to establish the scheme on a large scale. As a result, the material recycling rate for specific amenity plastic products (hotels) was 0.03%, thus we were unable to achieve the target of 5%. In the future, we will promote further reductions in disposable plastics and material recycling by sharing success stories at various hotels and establishing a scheme for large-scale deployment. We will lower our fiscal 2024 targets in light of the fiscal 2023 results.

*11 In fiscal 2023, we aimed to confirm the status of waste disposal by suppliers and raise their recycling target levels by conducting zero emitter dialogues that strive to raise awareness of zero emissions. However, among our principal suppliers, those that set zero waste emission targets accounted for 41.8%, thus we were unable to achieve our target of 50%. In the future, in addition to continuing zero emissions dialogues and strengthening engagement, we will more closely investigate waste disposal by suppliers, get a grasp of recycling situations and work for higher target levels.

Prevention of chemical pollution

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 targets	2023 results		2024 targets	2026 targets	Pages
	Compliance with voluntary standards for indoor air quality	96%	97.1%	100%	90.0%	()*12	100%	100%	054
-	Release and transfer reduction rate of PRTR (per unit of sales) vs FY2012*b	69.3% reduction	70.4% reduction	65% reduction	74.2% reduction	•	0.1% reduction*b	0.3% reduction*b	054, 151
	VOC emission reduction rate (per unit of sales) vs FY2013	38.5% reduction	35.9% reduction	32% reduction	39.6% reduction	•	35% reduction	35% reduction	054, 151

Self-assessment (reasons for not achieving targets, future actions)

*12: In fiscal 2023, compliance with voluntary standards for indoor air quality was 90.0%, failing to achieve the target of 100%, due to the fact that the voluntary indoor air quality standard values were exceeded in some properties of apartment complexes. We will continue to promote the use of low-formaldehyde emitting building materials and strengthen our efforts in the future, including thorough ventilation during construction.

*b: Due to subject substances for fiscal 2023 revised following amendments to the PRTR Law, assessments through fiscal 2023 are for substances the same as fiscal 2012. For fiscal 2024 onward, fiscal 2023 will be the new base year, with revised PRTR-listed substances subject to assessments.

Environmental management

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 targets	2023 result		2024 targets	2026 targets	Pages
	Sales of environmental contribution businesses	_	1,276.2 billion yen	1,350.0 billion yen	1,581.4 billion yen	•	1,550.0 billion yen	1,600.0 billion yen	009, 121
	Number of those who acquired the Eco Test	19,033	25,080	28,000	28,134	•	30,000	38,000	014, 122
_	Green purchasing ratio	95.6%	97.5%	95%	99.0%	•	95%	95%	021, 123
	Implementation status of measures for adopting to climate change	-	Implementing	_	Implementing	-	_	Completing implementation	028

Environmental Data | Strengthening the foundation of environmental management

General

Expansion of sales of environmental contribution businesses

Sales of environmental contribution businesses



Breakdown of environmental contribution businesses (by segment)



Sales of environmental contribution businesses (by segment)

		Unit: 100 mil. yen
	2022	2023
Environmentally friendly buildings	11,001	13,955
Environment and energy business	682	731
Existing homes business	741	784
Leasing business	39	42
Environmental greening business	25	34
Other business	275	267

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.

\diamondsuit Scope of coverage

Daiwa House Industry Co., Ltd. and all consolidated subsidiaries (Domestic only) * However, only companies with businesses that match definitions of environmental businesses

Se	gment	Definition				
	Single-family housing business Rental housing	Buildings that meet BELS fiv rating (BEI standard value by use)	e-star intended			
Environmentally friendly buildings	business Condominium business	Application Housing Hotels, hospitals, department	BEI value 0.8 or less 0.7 or less			
	Commercial and office buildings business	stores, restaurants, assembly halls, etc. Offices, schools, factories, etc.	0.6 or less			
Environment and e	energy business	Electricity retailing*1, sales of power fueled by renewable energy, PPA*2 business, contract work to install renewable energy facilities / energy- efficient equipment, energy-efficiency solutions, non-fossil fuel energy certificates brokerage				
Existing homes	Home renovation business	Solar power generation syste storage batteries, energy-eff renovation	ems, iciency			
DUSINESS	Purchase and resale	Resale of existing houses wi renovation	th			
Leasing business		Leasing of energy-efficient equipment, leasing of electric vehicles				
Environmental gree	ening business	Overall environmental greening business, Park- Private Finance Initiative (Park-PFI)*3 business				
Other business		Sales of LED lighting systems, energy-efficient air conditioners and blackout curtains				

*1 Electricity retail business: Sales of renewable energy-based electricity and electricity with an emission factor of 0.388 kg/kWh or less

*2 PPA: A system in which electricity generated by photovoltaic power generation equipment installed by a company, which owns and manages such equipment, on land or roofs provided by building owners is provided to electricity users in the building for a fee.

*3 Park-PFI (Publicly solicited installation and management system): A system for publicly soliciting and selecting private operators to develop parks in order to improve the attractiveness and convenience of urban parks.

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	Companywide* (100%) * No overseas offices, only domestic offices
Fujita	Company-wide* (100%) * Only domestic offices

(as of end- March, 2024)

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, 2026	August 29, 2002
Fujita	Company- wide (only domestic offices)	Japan Testing Center for Construction Materials	RE0002	November 30, 2026	August 15, 1997

(as of end- March, 2024)

Environmental fines and penalties

	2021	2022	2023
Environmental fines and penalties	0 yen	0 yen	0 yen

Calculation method and scope of coverage of environmental data

Environmental fines and penalties

♦ Scope of coverage

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

Environmental Data | Strengthening the foundation of environmental management

Supply chain management (Environment)

Status of dialogue with suppliers (FY2023)

Company/organization name	Activity name	Details of main activity	No. of frequency	No. of participating companies (No. of participants)
	Decarbonization Dialogue	Sharing climate change problems, support for setting targets for CO2 reduction	16 times	14 companies (63 attendees)
(The Trillion Club)	Zero Emission Dialogue	Confirmation of waste disposal status and support to set zero emissions targets	8 times	8 companies (30 attendees)
	Training and education activities	Lectures on climate change issues and the Daiwa House Group's initiatives, video streaming	2 times	125 companies (181 attendees)
Daiwa House Industry	Decarbonization Dialogue	Sharing climate change problems, support for setting targets for CO2 reduction	2 times	2 companies (7 attendees)
(The Setsuwa Club)	Zero Emission Dialogue	Confirmation of waste disposal status and support to set zero emissions targets	Once	1 company (4 attendees)
Fujita	Decarbonization Dialogue	Sharing climate change problems, support for setting targets for CO2 reduction	11 times	11 companies (30 attendees)
	Zero Emission Dialogue	Confirmation of waste disposal status and support to set zero emissions targets	2 times	2 companies (5 attendees)

Environmental education

Environmental education provided (FY2023)

	Category	Contents	Number of participants and frequency
	Waste management	e-learning	467 attendees in 4 courses
	Asbestos-related management	e-learning	290 attendees in 4 courses
	Soil contamination countermeasures	e-learning	87 attendees in 1 course
Specialized	ZEB design	e-learning	1,414 attendees in 7 courses
education	ZEB	Training	1,156 attendees in 10 courses
	ZEH, ZEH-M	Training	1,042 attendees in 7 courses
	Soil contamination countermeasures	Training	1,199 attendees in 4 courses
	Environmental policy	Training	150 attendees in 3 courses
	Environmental education	e-learning	16,321 attendees
	Newly appointed manager education	e-learning	220 attendees
	Mid-carrier recruit education	e-learning	197 attendees
	Basic education for new employees	e-learning	611 attendees
	Training for technical employees (yearly, by rank)	Training	1,549 attendees in 26 courses
	General training for new technical employees	Training	332 attendees in 4 courses
Grade- specific	Training for new sales employees (yearly, by rank)	Training	358 attendees in 7 courses
Buucation	General training for new sales employees	Training	470 attendees in 3 courses
	Mid-carrier recruit training	Training	113 attendees in 3 courses
	Disaster preparedness and environment management section manager training	Training	Once: 12 attendees
	Disaster preparedness and environment management section staff training	Training	Once: 44 attendees
	Overseas administration division managers training	Training	Once: 22 attendees

Number of those who acquired the Eco Test certification



* We have made a revision due to an error with calculations for fiscal 2022.

Number of participants in environmental education for children

				Unit: People
	~2020	2021	2022	2023
Eco Workshop for Children	7,048	80	178	363
The King and His House	304	0	0	0
Total	7,352	80	178	363
Cumulative	7,352	7,432	7,610	7,973

Calculation method and scope of coverage of environmental data

Number of those who acquired the Eco Test certification

Reporting organizations

Daiwa House Industry and 28 Group companies (Daiwa Lease, DesignArc, Daiwa Logistics, Royal Home Center, Daiwa House Realty Management, Sports Club NAS, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Energy, Daiwa Royal Golf, Osaka Marubitru, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Life Support, Daiwa House Parking, Eneserve, Nishiwaki Royal Hotel, Wakamatsu KONPOU UNYU SOKO, Daiwa House Chintai Reform, Media Tech, Shinwa Agency, Daiwa House Financial, Daiwa House Asset Management, Daiwa House Real Estate Investment Management, Daiwa House Property Management, Frameworx) and their 13 subsidiaries (Domestic only)

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

\diamond Overview

We have adopted our own Green Purchasing Standards for the items 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 (%) = Σ (Amount of Green Purchasing Standards-compliant goods purchased (yen)) + Σ (Total purchase price of target items (yen))

♦ Scope of coverage

Segment	Target	Scope of coverage
Office work	The Company and 23 Group companies*.	Domestic worksites (Head Office, branches, offices, sales offices)

* 23 Group companies: Daiwa Lease, DesignArc, Daiwa Logistics, Royal Home Center, Daiwa House Realty Management, Sports Club NAS, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Energy, Daiwa Royal Golf, Daiwa Lanterc, Ninon Jyutaku Ryutu, Daiwa Living, Daiwa House Piti Support, Daiwa House Parking, Eneserve, Nishiwaki Royal Hotel, Cosmos Initia, Wakamatsu KONPOU UNYU SOKO, Daiwa House Chintai Reform, KOUYAMAUNYU, Hibikinada Thermal Power Station

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			
Deper	Catalogs, etc.	It must be made with Forest Certified Paper.			
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.			
Stationery	Office supplies	 ii) It must comply with the Green Purchasing Law. iii) It must be listed in the GPN database*2. 			
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	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 .			
Office equipment	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

					GHG emissions				Energy consumption		Water consumption	
	Application	Number of	Area		Total		Intensity	Total		T	latanaitu	
Γĭ	Application	proportioo			t-CO ₂		1 cm 00 /m2	TOLAI	Intensity	TOLAI	Intensity	
		Projects	m²	Scope1	Scope2		Kg-CO2/1112	GJ	MJ/m ²	m ³	ℓ/m²	
	Offices	1	911	0	40	40	44.2	811	890.0	795	872.2	
0000	Commercial buildings	130	2,318,675	4,154	123,255	127,409	54.9	2,575,454	1,110.7	1,455,080	677.2	
2023	Logistics center	1	17,010	0	166	166	9.7	3,338	196.3	442	26.0	
	Total	132	2,336,596	4,154	123,462	127,615	—	2,579,604	—	1,456,317	—	
	Offices	1	911	0	42	42	46.3	934	1,024.5	767	841.6	
0000	Commercial buildings	146	2,370,505	4,256	126,382	130,638	55.1	2,884,954	1,217.0	1,387,097	623.9	
2022	Logistics center	3	11,781	0	319	319	27.1	7,066	599.8	764	64.8	
	Total	150	2,383,198	4,256	126,743	130,999	—	2,892,954	—	1,388,629	—	
	Offices	1	911	0	87	87	95.3	1,871	2,053.1	686	752.6	
0001	Commercial buildings	191	2,620,921	2,651	128,941	131,592	50.2	2,831,219	1,080.2	1,320,412	591.1	
2021	Logistics center	5	22,585	0	698	698	30.9	15,037	665.8	2,933	129.9	
	Total	197	2,644,418	2,651	129,726	132,377	_	2,848,127	_	1,324,031	—	

Rate of Green Building Certification obtained



Green building certified area/total area

				Offic. III
Segment	2020	2021	2022	2023
Certified area	434,961	1,501,047	1,478,442	912,705
Total area	576,054	1,638,375	1,746,288	1,373,791

Libit: m

Calculation method and scope of coverage of environmental data

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

\diamondsuit Overview

We surveyed the energy and water consumption of the entire buildings of the real estate properties we own in Japan that are leased for profit, leased for square footage, and nonresidential properties, and calculated the annual GHG emissions (total amount) and GHG emissions per square meter (intensity). The CO₂ emission factor and heat conversion factor are the same as for the amounts of GHG emissions and energy consumption shown above. However, GHG emissions factors for electricity are based on the location-based method, and alternative values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)" are used.

\diamondsuit Scope of coverage

The Company and four Group companies that primarily engage in the rental real estate business (Daiwa Lease, Daiwa House Realty Management, Daiwa Logistics, and Daiwa Living)

Calculation formula

GHG emissions (t-CO₂) = Σ {(Annual consumption of electricity and fuel) × (CO₂ emission factor for each type of energy)} GHG emissions intensity (kg-CO₂/m²) = GHG emissions $\div \Sigma$ (total floor area)

Energy consumption (GJ) = Σ {(Annual consumption of electricity and fuel) × (Energy conversion factor for each type of energy)} Energy consumption intensity (MJ/m²) = Energy consumption $\div \Sigma$ (total floor area)

Water consumption (m³) = Σ (annual water consumption) Water consumption intensity (ℓ/m^2) = water consumption $\div \Sigma$ (total floor area)

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)

\diamond 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).

♦ Subject Certifications

- BELS: Building-Housing Energy-efficiency Labeling System
- CASBEE for Wellness Office: System for evaluating building specifications, performance, and initiatives that support the maintenance and promotion of the health and comfort of building users
- CASBEE for Buildings (New Construction): Comprehensive Assessment System for Built Environment Efficiency for new construction ABINC: Certification systems for biodiverse facilities, buildings, etc.

ABINC: Certification systems for biodiverse facilities, buildings, et

Unit: Units

(1) Challenge ZERO for CO₂ in community development

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.

Green Building Certification

Number of BELS and Long-Life Quality Housing Certifications acquired

Name of certification	Application	2020	2021	2022	2023
BELS certification	Single-family houses Rental housing Condominiums Commercial and office buildings	1,659	1,899	4,017	16,811
Long-term excellent housing	Single-family houses	5,724	5,854	4,910	4,223

Number of BELS and Long-Life Quality Housing Certifications acquired

\diamond Overview

BELS 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 $\langle x \rangle$. 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

Calculation method and scope of coverage of environmental data

GHG emissions derived from use of products

\diamond 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 Industry, Daiwa Lease, Fujita, and Cosmos Initia* (all for domestic use only)
- * Results through February 2024 for consolidated companies

♦ Calculation formula

GHG emissions derived from use of products (t-CO₂)

= Design primary energy consumption \times CO $_{2}$ emission factor for each energy type \times useful life

Purpose of use	Reporting organizations	Scope	Target property	Design primary energy consumption	Electricity generated by solar power facilities	Energy composition ratio	Useful life
Single-family houses	Daiwa House Industry Single Family Housing Business Division	Construction starts (Domestic only)	Single-family houses Contracted houses, built-for sales houses	Calculation results for the dwelling unit port using the "Program compliant with the energy conservation standards for houses of the Building Research Institute, a national research and development agency		alculation results for ie dwelling unit portion sing the "Program ompliant with the nergy conservation andards for houses" f the Building esearch Institute, a ational research and calculations	
Rental housing (low- rise)	Daiwa House Industry Apartment Business Division	Construction starts (Domestic only)	Apartment houses Tenement houses Dwelling houses combined with other uses (Rental housing parts only) Contracted houses, built-for sales houses		Annual power generation is calculated by multiplying the installed capacity [kW] by forecast power generation volume based on our simulation		Rental housing (low-rise) 30 years
Rental housing (medium- and high-rise) Other apartment	Daiwa House Industry Apartment Business Division Commercial Construction Business Division Business Division Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted houses, built-for sales houses	Calculation results for the dwelling unit portion using the "Program compliant with the energy conservation standards for houses" of the Building Research Institute, a national research and development agency	 For rental housing (medium and high- rise), annual power generation is calculated by multiphying the installed capacity (kW) by forecast power generation volume based on our simulation. For other apartments, annual power generation [kWW, year] is calculated by multiphying the installed capacity [kW] by 1000 	(1) For fully electrified properties Electricity: 100% (2) In other cases Electricity: 72%, gas: 28%	Rental housing (medium- and high-rise) 60 years
Condominiums	Daiwa House Industry Condominium Business Division Cosmos Initia	Construction starts (Domestic only)	Self-developed properties JV-managed properties		Annual power generation is calculated by multiplying the installed capacity [kW] by forecast power generation volume based on our simulation		Condominiums 60 years
Non- residential	Daiwa House Industry Apartment Business Division Commercial Construction Business Division Business Division Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted, self-developed (sold) Total floor area of 300 m ² or more (For Daiwa Lease, those less than 300 m ² are included)	Calculated by multiplying the BEI after excluding the effect of solar power generation, as calculated by the Building Research Institute's "Program compliant with the energy conservation standards for non- housing", by the actual statistics of primary energy consumption based on the 2016 edition CASBEE – Building (new construction) and floro area	Annual power generation [kWh/ year] is calculated by multiplying the installed capacity [kW] by 1000	CASBEE – Building (new construction) Based on actual primary energy consumption statistics from the FY2016 edition	Offices 60 years Hospitals, medical/nursing care facilities 60 years Hotels 60 years schools Hotels 60 years Retail stores 30 years Retail stores 30 years Restaurants 30 years Factories, warehouses 30 years Sclaroover systems 20 years



* Result for fiscal 2021 is based on order, while that for fiscal 2022 onward is based on construction start

ZEH-M rate





ZEH-M rate (condominiums)



ZEB rate







Breakdown of ZEB units by intended use (FY2023)



Calculation method and scope of coverage of environmental data

ZEH rate

- ♦ Reporting organizations
- Daiwa House Industry (Single Family Housing Business Division)
- \diamond Uses of buildings
- Single-family houses

\diamond Scope of coverage

- Contracted and built-for sales properties (domestic only*; result for fiscal 2021 is based on order, while that for fiscal 2022 onward is based on construction start) * Excluding Hokkaido
- \diamondsuit Calculation formula

ZEH rate (%) = ZEH units achieved ÷ total units built

(Calculated based on ZEH builder performance reporting standards) ZEH judgment: Properties that have achieved the requirements for the definition of ZEH ("ZEH", Nearly ZEH, and ZEH Oriented)

ZEH-M rate

\Diamond Reporting organizations

- Daiwa House Industry (Single-Family Houses Division, Condominiums Division), Cosmos Initia*
- * Results through February 2024 for consolidated companies

♦ Uses of buildings

Apartments, Condominiums

♦ Scope of coverage

Rental housing: Contracted and built-for sales or self-developed properties (domestic only, based on construction starts)

Condominiums: Self-developed properties, JV projects (only those managed by the Company) (domestic only, based on construction starts)

♦ Calculation formula

ZEH-M rate (%) = Total number of dwelling units that have achieved the ZEH-M requirements \div total number of dwelling units in all properties

ZEH-M judgement: (Rental housing) Properties that have achieved the ZEH-M standards defined

- by the government
 - 3 stories or less: At least Nearly ZEH-M
 - 4-5 stories: At least ZEH-M Ready
 - 6 stories or more: At least ZEH-M Oriented

(Condominiums) Properties that have achieved the requirements for the government definition of ZEH-M (at least ZEH-M Oriented)

ZEB rate/ZEB units

\diamondsuit Reporting organizations

Daiwa House Industry (Commercial Facilities Division, Logistics, Business & Corporate Facilities Division), Daiwa Lease, and Fujita

Uses of buildings

All uses of non-residential properties

\diamondsuit Scope of coverage

- New in-house designed and newly self-developed properties (domestic only, based on construction starts)
- Properties with total floor area of 300 m² or more (For Daiwa Lease, those less than 300 m² are included)

♦ Calculation formula

ZEB rate (%) = ZEB property floor area (m²) ÷ Total property floor area (m²) ZEB judgment: Properties that have achieved the requirements for the definition of ZEB ("ZEB", Nearly ZEB, ZEB Ready, and ZEB Oriented)

ZEH-renovation equivalent



ZEH-renovation equivalent Overview

Calculation method and scope of coverage of environmental data

The number of buildings equivalent to ZEH-renovated ones is an index that represents "the annual effect of energy-efficiency retrofits, in terms of reduction in primary energy consumption as a result of various energy-saving retrofits (insulation, equipment) for each building, by converting the reduction into that achieved by the assumed number of existing model houses renovated into the ZEH specifications (equivalent to ZEH Oriented)."

♦ Scope of coverage

Target	Eligible energy-saving retrofits
Daiwa House Reform Daiwa House Chintai Reform Daiwa Living	Insulation remodeling Bathroom remodeling Water heater remodeling Lighting remodeling Ighting remodeling Remodeling of warm-water washing toilet seats

♦ Calculation formula

The number of buildings equivalent to ZEH-renovated ones =

Total amount of primary energy reduction obtained through energy conservation retrofits [MJ] (excluding renewable energy) Primary energy reduction obtained by energy-saving renovation of one existing model house fitted

for the ZEH specifications (equivalent to ZEH Oriented) [MJ] (18,635 [MJ])

Sales of electricity generated by the company-owned renewable-energy power stations



Sales of electricity generated by the company-owned renewable-energy power stations

◇ Overview

Renewable energy-based electricity sales volume is a value indicating the sales volume of renewable energy-based electricity and renewable energy value that fall under the following categories.

- Electricity retailing that can be counted as zero CO₂ emissions under the Global Warming Law (excluding non-fossil fuel energy certificates derived from nuclear power generation)
 Electricity retailing compliant with the RE100 technical requirements
- · Renewable energy-based electricity supplied by PPA projects (on-site and off-site)
- Sales of renewable energy value (J-credits, non-fossil fuel energy certificates, and green power certificates designated for renewable energy)

♦ Scope of coverage

Reporting organizations	Main items for sale*
Daiwa House Industry	Electricity retailing (PPS), sale of renewable energy- based electricity under the PPA model, and brokerage of non-fossil fuel energy certificates
Eneserve	Electricity retailing (PPS)
Daiwa Energy	Electricity retailing (PPS), sale of renewable energy- based electricity under the PPA model

* Including supply to our company and sales to Group companies

Contribution to GHG reduction



Contribution to GHG reduction (by segment)

Unit: 1,00					
Segment	2020	2021	2022	2023	
Single-family housing business	300	358	302	296	
Rental housing business	346	360	421	713	
Existing homes business	46	38	42	67	
Condominium business	114	87	128	62	
Commercial and office buildings business	2,647	3,535	3,091	2,624	
Environment and energy business	2,860	1,824	1,121	2,680	

Installed capacity of solar power generation systems



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

					Unit: IVIVV
Segment	2011–2019	2020	2021	2022	2023
Single-family nousing business	200	18	17	19	20
Rental housing ousiness	148	1	1	10	23
Existing homes ousiness	160	1	0	2	2
Condominium ousiness	0.5	0	0.01	0.02	0.1
Commercial and office ouildings business	147	10	16	43	37
Environment and energy business	1,577	168	62	107	286
Total	2,233	197	96	180	369
Cumulative	2,233	2,430	2,526	2,706	3,075

Calculation method and scope of coverage of environmental data

- Same as "Renewable energy generation equipment construction results (EPC)" on P118.

Calculation method and scope of coverage of environmental data

Contribution to GHG reduction

\diamond 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-CO ₂)	 = {Σ (Annual GHG emissions (t-CO₂/year) in the usage or operation stages of the products being compared - Σ (Annual GHG emissions (t-CO₂/year) in the usage or operation stage of products offered during the fiscal year)} × Number of assumed years of use (year)
Method @ (New buildings):	
contribution to GHG reduction (t-CO2)	 = Σ {Annual primary energy consumption per unit of floor area by application or scale (MJ/m²-year) × Floor area (m²) × Energy reduction rate × CO₂ emission factor (t-CO₂/MJ) × Estimated number of years of use (year)}
Note: Energy reduction rate (9	6) = 1 – BEI* *Design primary energy consumption (excluding renewable energy) (MJ/year) ÷ Reference primary energy consumption (MJ/year)
Method ③ (Energy generation facility): contribution to GHG reduction (t-CO ₂)	= Σ (Annual renewable energy generated (kWh/year) × CO ₂ emission factor (t-CO ₂ /kWh) × Estimated number of years of use (year))
Method @ (Energy efficiency improvement	nt)-
contribution to GHG reduction (t-CO ₂)	 Σ {(Annual GHG emissions (t-CO₂/year) before energy-efficiency retrofits Annual GHG emissions (t-CO₂/year) after energy-efficiency retrofits × Estimated number of years of use (year))
Method (6) (Electricity retailing):	
contribution to GHG reduction (t-CO ₂)	 = Σ {(Alternative value emission factor in current fiscal year* (t-CO₂/kWh) – Adjusted CO₂ emission factor in current fiscal year (t-CO₂/kWh)) × Supplied electric energy (kWh)}
 Alternative values to the emi 	ission factors by electricity business operator based on the "GHG emissions accounting, reporting and disclosure system (the SHK system)"
Example of base method for existing home	
contribution to GHG reduction (t-CO ₂ /ve	ar) = Σ {(Annual GHG emissions (t-CO ₂ /vear) of comparable facilities)

– (Annual GHG emissions (t-CO₂/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] * All for domestic use only

Reporting	Cogmont	Coope	Calculation criteria				
organizations	ations		Calculation methods and calculation tools	Comparison	Estimated number of years of use		
	Single-family housing business	All new housing of single-family housing business			Single-family housing: 30 years Solar power generation: 20 years		
	Rental housing	All newly built houses in rental housing business (low-rise)	Calculation method: Flow base method ①-③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings	Rental housing (low-rise): 30 years Solar power generation: 20 years		
	50311633	All newly built houses of the rental housing business (medium- and high-rise)		compliant with the 2016 standard specifications	Rental housing (medium- and high-rise): 60 years Solar power generation: 20 years		
Daiwa House	Condominium business	All housing starts of condominium business			Condominiums: 60 years Solar power generation: 20 years		
Industry Comi office busin	Commercial and office buildings business	All construction starts of projects of at least 300 m ² of the commercial and office buildings business, and installation of solar power generation systems	Calculation method: Flow base method 2.3 Calculation tool used: Energy Consumption Performance Calculation Program		Store, warehouse, factories: 30 years Other applications: 60 years Solar power generation: 20 years		
	Environment	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method ®	Alternative values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)"	_		
	and energy business	and energy business All energy-efficiency and energy- generation solution projects		Calculation method: Flow base method (3.4), existing home base method (ESCO projects only) 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), and installation of solar power generation systems	Calculation method: Flow base method @-③	Building Energy Efficiency Act /Buildings	Store, warehouse, factories: 30 years		
Fujita Office buildings business	Office buildings business	All construction starts of projects of at least 300 m ² of the office buildings business and installation of solar power generation systems	Calculation tool used: Energy Consumption Performance Calculation Program	specifications	Solar power generation: 20 years		

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Calculation method and scope of coverage of environmental data

Contribution to GHG reduction

 \diamond Scope* and calculation criteria [2/2] $\,$ * All for domestic use only

Reporting	Sogmont	Sec. 10	Calculation criteria				
organizations	anizations		Calculation methods and calculation tools	Comparison	Estimated number of years of use		
Daiwa House Reform		All energy-efficiency retrofits and energy- generation installation projects of the home renovation business	Calculation method: Flow base method 3.4 Calculation tool used: Primary energy consumption reduction effects calculated by industry organization	Construction sites: 6 areas Plan: Single-family house, Total floor area: 120.8m ² Exterior insulation: 1992 Energy efficiency			
Daiwa Living	Existing home		Calculation of power generated/energy-saving effect: Assumes that all the	standard	Lighting fixture replacement: 15 years		
Daiwa House Chintai Reform	business	All energy-efficiency retrofits and energy- generation installation projects of the Rental housing renovation business	share the same regional classification and plan as the comparable dwelling unit. The effect of each energy-efficiency measure is calculated with the Energy Consumption Performance Calculation Program, and the reduction effect is multiplied by the number of units constructed during the year.	 Hot-water supply: General gas water heater Lighting: All non-incandescent lighting Power generation facilities: None * Energy consumption efficiency classification 	Hot-water supply replacement: 15 years Solar power generation: 20 years		
Cosmos Initia*	Condominium business	All housing starts of condominium business	Calculation method: Flow base method ①·③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings compliant with the 2016 standard specifications	Condominiums: 60 years Solar power generation: 20 years		
Daiwa Energy,	Environment and energy	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method (5)	Alternative values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)"	-		
Eneserve b	business	All energy-efficiency and energy- generation solution projects	Calculation method: Flow base methods (). 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		

* Results through February 2024 for consolidated companies

(2) Challenge ZERO for CO_2 in business activities

GHG emissions

GHG emissions and intensity



*1 Since FY2022, the Scope 2 calculation method has been revised to a market-based method.

*2 Scope 1 emissions increased in fiscal 2023 due to converting Hibikinada Thermal Power Station into a Group company in January 2023. In order to switch from co-burning of coal and biomass fuel (wood pellets) to solely biomass, the plant was idled in March 2024.

Breakdown of GHG emissions





GHG emissions (by segment)

					Unit: t-CO2
	2015	2020	2021	2022	2023
Offices	36,619	29,607	29,576	13,916	8,289
Vehicles	55,265	41,393	47,075	43,707	42,244
Manufacturing	36,094	26,795	28,647	9,469	8,386
Logistics, delivery centers	37,426	33,978	33,594	32,004	42,392
Construction	148,840	113,091	98,752	96,705	103,416
Commercial buildings, stores	69,072	53,075	58,797	36,787	1,940
Resort/sports facilities	137,337	86,023	94,810	92,982	30,425
Hotels, nursing care facilities	30,954	36,508	45,120	42,273	17,247
Parking lots	2,790	2,853	2,943	957	0
Plants	—	—	—	—	446,083

GHG emissions (by type)

						Unit: t-CO2
		2015	2020	2021	2022	2023
Scope 2	Purchasing power	270,504	206,402	217,318	130,049	14,637
	Heating	0	553	548	854	1,304
	City gas	34,522	33,528	39,592	44,227	39,051
	LP gas	9,147	6,382	6,929	7,976	4,946
	No. 2 fuel oil	25,348	13,911	16,208	17,645	5,954
Scope 1	Gasoline	55,765	40,053	40,531	39,929	37,822
	Light oil	153,894	120,394	115,968	125,777	148,865
	Kerosene	5,216	2,099	2,220	2,341	2,806
	Coal	—	—	—	—	445,038

 \checkmark

Libit: t CO

GHG emissions (Japan, outside Japan)

					Unit. t-002
	2015	2020	2021	2022	2023
Japan	538,663	411,963	421,217	352,352	682,296
Outside Japan	15,734	11,358	18,096	16,447	18,127

Libit: 1 000 C I

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Energy consumption



Breakdown of energy consumption





Energy consumption (by segment)

Unit: 1,000						
	2015	2020	2021	2022	2023	
Offices	628	616	644	735	654	
Vehicles	823	616	699	650	619	
Manufacturing	604	538	592	619	546	
Logistics, delivery centers	570	556	556	505	764	
Construction	2,227	1,762	1,533	1,746	1,838	
Commercial buildings, stores	1,179	1,102	1,263	1,369	1,138	
Resort/sports facilities	2,288	1,676	1,880	1,974	957	
Hotels, nursing care facilities	541	750	953	1,225	1,205	
Parking lots	47	59	63	66	62	
Plants	—	-	_	—	6,609	

Energy consumption (by type)

01iii. 1,000 C							
	2015	2020	2021	2022	2023		
Purchasing power	4,534	4,286	4,682	5,111	4,067		
City gas	692	672	794	887	783		
LP gas	155	108	117	135	83		
No. 2 fuel oil	366	201	234	255	84		
Gasoline	831	597	604	595	552		
Light oil	2,244	1,756	1,691	1,834	2,160		
Kerosene	77	31	33	35	41		
Hydrogen	—	-	—	—	0		
Coal	—	—	—	—	4,994		
Wood pellet	—	-	—	-	1,584		
Heating	0	13	13	20	27		
Renewable energy (consumed in-house)	7	10	15	19	19		

Energy consumption (Japan, outside Japan)

				Ur	III: 1,000 G
	2015	2020	2021	2022	2023
Japan	8,683	7,481	7,880	8,599	14,086
Outside Japan	223	193	303	292	307

Energy efficiency (EP100)



Calculation method and scope of coverage of environmental data

GHG emissions

\diamondsuit Overview

GHG emissions refers only to CO₂ emissions originating from energy. The emissions are calculated by multiplying the CO₂ emission 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.

\diamond Calculation formula

 $\begin{array}{l} \mbox{GHG emissions (t-CO_z)} = \sum \left\{ (\mbox{Annual consumption of electricity and fuel}) \\ \times (\mbox{CO}_z \mbox{ emission factor for each type of energy}) \right\} \\ \mbox{GHG emissions intensity (t-CO_z/100 mil. yen)} = \sum (\mbox{GHG emission}) \end{array}$

÷ consolidated net sales

\diamond Scope of coverage

See P134.

Energy consumption

\diamond Overview

Energy consumption is calculated on a heat quantity basis and is calculated by multiplying the 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.

\diamond Calculation formula

Energy consumption (GJ) = Σ {(Annual consumption of electricity and fuel) × (Energy conversion factor for each type of energy)}

\diamondsuit Scope of coverage

See P134.

Energy efficiency (EP100)

\diamond Calculation formula

Energy consumption (GJ) = Σ {(Annual consumption of electricity and fuel) × {Energy conversion factor for each type of energy}} Energy efficiency (million yen/ GJ) = Net sales*1 + Σ (Energy consumption) *1 Figure excludes sales for the power generation business from consolidated sales.

\diamond Scope of coverage

See P134 (but excludes power plant department*2)

*2 Due to the nature of the energy efficiency (EP100) indicator, power producers selling energy to other companies are not included.

menu)

21.0%

59.9%

Electricity consumption

Electricity consumption and renewable energy utilization rate (RE100), renewable energy utilization rate for purchased electricity



Breakdown of electricity consumption





Electricity consumption (by segment)

				Unit: MW
	2020	2021	2022	2023
Offices	55,310	58,117	66,342	69,199
Vehicles	0	0	9	373
Manufacturing	43,939	48,060	49,412	49,091
Logistics, delivery centers	20,442	20,978	12,361	17,253
Construction	38,688	29,226	36,189	40,156
Commercial buildings, stores	108,071	124,392	136,251	127,339
Resort/sports facilities	107,265	118,030	123,780	62,350
Hotels, nursing care facilities	62,940	78,448	97,197	103,622
Parking lots	6,070	6,496	6,748	7,189
Plants	—	-	-	81,282

Electricity consumption (by type)

					UTIL. IVIVVII
		2020	2021	2022	2023
Purchasing power	Renewable energy menu	36,642	81,940	118,043	117,298
	Renewable energy certificate*	0	4,650	99,345	333,947
	Non- renewable energy	402,511	393,141	306,288	19,478
Self- generated power	Renewable energy	1,075	1,558	1,925	5,102
	Non- renewable energy	2,498	2,459	2,687	82,030

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

Electricity consumption (Japan, outside Japan)					
	2020	2021	2022	2023	

	2020	2021	2022	2023
Japan	433,692	472,709	514,593	542,173
Outside Japan	9,033	11,038	13,696	15,682

Calculation method and scope of coverage of environmental data

Electricity consumption

- ♦ Calculation formula
- Electricity consumption (MWh) = \sum {Annual purchased electricity + electricity generated by self-consumption generation (including renewable energy)}
- Amount of electricity purchased (MWh) = Σ {annual electricity purchase amounts}
- Renewable energy utilization rate (%) = renewable energy utilization*1 ÷ electricity consumption
- Renewable energy utilization rate for purchased electricity (%) = renewable energy consumption *2 ÷ amount of electricity purchased
- *1 For electricity consumption, total of self-generated electricity (renewable energy), purchased electricity (renewable energy plans, on-site PPA, off-site PPA) and purchased electricity (renewable energy certificates)
- *2 For purchased electricity, total of electricity purchased (renewable energy plans, on-site PPA, off-site PPA) and purchased electricity (renewable energy certificates)

♦ Scope of coverage

See P134.

GHG emissions/ energy consumption/ electricity consumption

\diamond Scope and calculation criteria (Japan)

Segment	Target		Scope (Number of locations as of end-	March, 2024)		Calculation criteria
				Total	1,075 locations	
		AH 62 AL		Offices	910 locations	
Offices	Daiwa House Group	All offices (Head	d Office, affiliates, branches and sales offices), research labs,	Research laboratories	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.
				Training centers	4 locations	
				Housing exhibition	159 locations	
Vehicles	Daiwa House Group	All company ve	hicles and privately owned permitted vehicles	Total	12,785 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 s	sites	Total	27 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,	Daiwa Hauna Craup	Transport	All transportation in the logistics business (our company vehicles only)	Transport	769 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.
centers	Daiwa House Group	Delivery center	All delivery centers required for transporting materials (our company operations only)	Delivery center	93 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 area: Total	6,029,000 m ²	We estimate* the overall situation by multiplying the sales floor area (sales amount) in the data
Orantaatiaa	Deiter Hause Oren	Construction si	tes for new houses and buildings and civil engineering works	Housing construction	2,061,000 m ²	property. From this figure, we estimate the energy consumption by subtracting the energy
Construction	Daiwa House Group	(excluding dem	olition/renovation)	Building construction	3,968,000 m ²	consumption reduction estimated based on the implementation rate of energy-efficiency initiatives. This
				Number of civil engineering sites	146 locations	Is calculated by multiplying the above energy consumption by the respective CO ₂ emission factor.
Commercial				Total	897 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the
buildings,	Daiwa House Group	Commercial bu	ildings and shops operated by our company	Commercial buildings	835 locations	energy consumption and multiply it by the respective CO_2 emission factor.
stores				Home improvement centers	62 locations	Note: Excludes the tenants' portion.
				Total	84 locations	
D 1/ 1				Resort hotels*	29 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the
Resort/sports facilities	Daiwa House Group	Resort hotels, g	golf courses, fitness clubs, warm bathing facilities and restaurants	Golf courses	10 locations	energy consumption and multiply it by the respective CO ₂ emission factor.
				Fitness clubs	70 locations	only Apr-Jun 2023. As of March 31, 2024, just one resort hotel.
				Warm bath facilities, Restaurants	3 locations	
Hotels,				Total	131 locations	At each site, we use the monthly invoice from the electric power and fuel suppliars to identify the
nursing care	Daiwa House Group	Urban hotels ar	nd nursing care facilities operated by our company	Urban hotels	121 locations	and rule power and rule suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
Tacinties				Nursing care facilities	10 locations	
Parking lots	Daiwa House Group	Parking lots op	erated by our company	Total	2,995 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.
Plants	Daiwa House Group	Thermal power	plant operated by the company	Total	3 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.

\diamond Scope and calculation criteria (Outside Japan)

Segment	Target	Scope (Number of locations as of end- March, 2024)		Calculation criteria
Offices	Daiwa House Group	Offices	124 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. * At some sites, based on estimates from amount billed and space in use
Vehicles	Daiwa House Group	Company vehicles	501 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	8 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	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.
Construction	Daiwa House Group	Construction sites for new houses and buildings (excluding demolition/renovation)	6 companies	We calculate the total estimate by multiplying the energy consumption per floor space (or per unit of sales) in domestic sample properties for each application by floor space sold for each application (sales amount). The total estimate is then multiplied by the respective CO ₂ emission factors.
Logistics, delivery centers	Daiwa House Group	All Logistics, delivery centers	3 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.

Renewable energy

Renewable energy-based power generation and renewable energy rate



* We have made a revision due to an error with calculations for fiscal 2022.

Breakdown of renewable energy-based power generation



Renewable energy-based power generation (usage)

				Unit: MWh
	2020	2021	2022	2023
Power sales	586,889	633,604	665,944	904,466
Consumed in-house	1,075	1,558	1,925	5,102

Renewable energy-based power generation (by type)

				Unit: IVIVVn
	2020	2021	2022	2023
Solar power	525,598	574,083	610,568	666,846
Wind power	54,013	49,519	47,522	47,295
Hydroelectric power	8,353	11,560	9,779	6,862
Biomass power	-	—	-	188,566

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

				Unit: MWh
	2020	2021	2022	2023
Japan	587,964	635,162	667,869	909,568
Outside Japan	0	0	0	0

Installed generation capacity of renewable energy-based power generation equipment



Installed generation capacity of renewable energy-based power generation equipment (usage)

				OTIL: IVIV
	2020	2021	2022	2023
Power sales	524.3	560.9	601.6	699.9
Consumed in-house	3.7	4.2	10.7	13.3

Calculation method and scope of coverage of environmental data

Generated volume and installed capacity of renewable energybased power generation equipment

◊ Overview

Generated volume and Installed capacity of renewable energy-based power generation equipment is the total of 1) Power sales and 2) Consumed in-house below.

- 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.
- 2) 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.

\diamond Scope of coverage

1) Please refer to "Renewable energy power plants development and operating results (IPP)" on P118.

2) Entire Daiwa House Group

Renewable energy rate

♦ Calculation formula

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

\Diamond Scope of coverage

Please refer to P134 for electricity consumption. Please refer to the above for renewable energy generation.

Introduction rate of clean energy cars







Percentage of the company's newly constructed facilities with solar power generation equipment



ZEB conversion projects at the company and Group facilities (new construction)

Project	Date of construction start	Application	Gross floor space	Number of Stories	Environmental performance
Daiwa House Industry Ibaraki branch	November 2023	Offices, etc.	3,287m²	Four floors	BEI: 0.49 (excluding PV) ZEB Ready Large storage battery (16.2kW) LED, total heat exchangers, high efficiency air conditioning, rainwater usage, water-saving toilets, LOW-e double glazing
Wakamatsu KONPOU UNYU SOKO (provisional name) Miyanaga Refrigerated Logistics Center	August 2023	Factories, etc.	13,983m²	Three floors	BEI: 0.45 (excluding PV) "ZEB" LED, well water use

Calculation method and scope of coverage of environmental data

ZEB rate for the company's newly constructed facilities, Percentage of the company's newly constructed facilities with solar power generation equipment

♦ Overview

The term "the Company's facilities" refers to facilities in which the Group conducts business operations (subject to GHG emissions reporting), and includes not only facilities owned and occupied by the Company, but also facilities that the Company rents on its own use or sub-leases to tenants. These facilities do not include asset buildings that are leased to tenants in their entirety, such as whole convenience store buildings leased to their tenants.

\Diamond Reporting organizations

Daiwa House Industry and 7 Group Companies (Daiwa Lease, Daiwa Logistics, Royal Home Center, Sports Club NAS, Daiwa House Realty Management, Wakamatsu KONPOU UNYU SOKO, KOUYAMAUNYU)

\diamond Scope of coverage

Company facilities whose construction started in FY2023 (domestic only) Properties with a floor area of 300 $\rm m^2$ or more

Calculation formula

ZEB rate for the Company's newly constructed facilities (%) = ZEB property floor area (m²) \div Total property floor area (m²) ZEB judgment: Properties that have achieved the requirements for the definition of ZEB ("ZEB", Nearly ZEB, ZEB Ready, and ZEB Oriented)

Percentage of the Company's newly constructed facilities with solar power generation equipment (%) = Number of buildings with solar power generation equipment (buildings)

÷ Number of eligible properties with soar power generation equipment (buildings).

Calculation method and scope of coverage of environmental data

Introduction rate of clean energy cars

\diamond Overview

We calculate the introduction rate of clean energy cars*1 for the domestic companies in our Group that own 30 or more company vehicles.

*1 Definition of clean energy vehicles: EVs (electric vehicles), PHVs (plug-in hybrid vehicles) and FCVs (fuel cell vehicles). Gasoline-fueled HVs (hybrid vehicles) are not included.

\Diamond Reporting organizations

Introduction rate of clean energy company vehicles

Daiwa House Industry and 12 Group companies (Daiwa Lease, DesignArc, Daiwa Logistics, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Parking, Eneserve, and Daiwa House Chintai Reform)

Introduction rate of clean energy privately owned vehicles

Daiwa House Industry and 7 Group companies (Daiwa House Reform, Daiwa Life Next, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Parking, and Daiwa House Chintai Reform)

\diamondsuit Calculation formula

Introduction rate of clean energy company vehicles (%)

= Number of clean energy company vehicles

÷ total number of company vehicles

Introduction rate of clean energy privately owned vehicles (%) = Number of clean energy privately owned vehicles

- total number of privately owned vehicles*2
- *2 Type 1 privately owned permitted vehicles: Private vehicles with permission that their owners are able to continuously use them for commuting and work (in case of Daiwa House Industry)

(3) Challenge ZERO for CO₂ in the supply chain Principal suppliers' GHG emissions reduction

Principal suppliers' GHG emissions reduction target setting rate







The number of contracts for renewable energy and energy-efficiency solutions (The number of cases of support) (cumulative)



* We used the 2°C level (annual reduction in GHG emissions of 1.23% or more) for our target through fiscal 2022. However, we raised the target to the VB 2°C level (reduction of 2.5% or more) starting in fiscal 2023. (WB 2°C, or well-below 2°C, is a GHG reduction target to keep global temperature increase to well-below 2°C compared to pre-industrial temperatures.)

Calculation method and scope of coverage of environmental data

Setting rate of principal suppliers' SBT standard GHG reduction targets

The rate of principal suppliers' SBT standard GHG reduction targets is set based on data from the following principal suppliers: 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., as well as Fujita Corporation's sources of procurement.

\diamond Scope of coverage

Reporting organizations	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (78 companies)
Daiwa House Industry (The 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	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

\diamond Calculation formula

Setting rate of principal suppliers' SBT standard GHG reduction targets (%) = Number of principal suppliers that have already set a standard SBT targets ÷ Number of principal suppliers

Calculation method and scope of coverage of environmental data

The number of contracts for renewable energy and energyefficiency solutions (The number of cases of support) (cumulative)

\diamond Overview

For the members of the Trillion Club, which supplies our materials, and the Setsuwa Club, which supplies our facility equipment, we have proposed solutions to support their achievement of GHG reduction targets. We calculate the number of solutions contracts on a cumulative basis.

Reporting organizations

Daiwa House Industry, Daiwa Energy and Eneserve

Calculation criteria

Number of solutions contracts to help principal suppliers to reduce GHG emissions

Reporting organizations	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (78 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (90 companies)

Overview

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GHG emissions in our value chain Scope 1, 2 & 3 GHG emissions

								Unit: 1,000 t-C0
	·		Category	FY2020	FY2021	FY2022	FY2023	Percentage of total
			Scope 1	216	221	238	684	6.6%
			Scope 2*	207	218	131	16	0.2%
				13,813	12,969	11,858	9,595	93.2%
		1	Purchased goods and services	3,347	3,479	3,312	2,822	27.4%
		2	Capital goods	286	301	368	157	1.5%
		3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	41	43	41	42	0.4%
	Upstream	4	Upstream transportation and distribution	31	34	33	32	0.3%
		5	Waste generated in operations	130	130	101	101	1.0%
		6	Business travel	4	5	11	16	0.2%
00	7	Employee commuting	9	8	13	7	0.1%	
Scope 3		8	Upstream leased assets	0.3	0.3	0.3	0.3	0.003%
		9	Downstream transportation and distribution	—	—	—	—	_
		10	Processing of sold products	—	—	—		-
		11	Use of sold products	7,747	6,830	5,872	4,623	44.9%
	Downstream	12	End-of-life treatment of sold products	1,963	2,006	1,976	1,667	16.2%
		13	Downstream leased assets	255	133	131	128	1.2%
		14	Franchises	—	-	-	-	-
		15	Investments	—	-	-	-	
			Total	14,236	13,408	12,226	10,295	100.0%

* Since FY2022, the Scope 2 calculation method has been revised to a market-based method.

Breakdown of GHG emissions (FY2023)



Scope 1

(direct emissions from the use of energy by our company)

Scope 2

(indirect emissions from the use of energy by our company)

Scope 3

(indirect emissions from sources other than our company)

· Purchased products and services: Category 1 27.4% 3.5%

- · Other (upstream) · Use of sold products: Category 11
- 44.9% Repair and disposal of sold products: Category 12 16.2%
- · Other (downstream) 1.2%

Adapting to climate change

Examples of climate change measures at Group companies

Company	Main initiatives
Daiwa Lease	Adoption of air-conditioned clothing in depots and factories, installation of vending machines selling products priced at 50 yen
DesignArc	Installation of double-folded plate insulated roofs at factories
Daiwa Logistics	Distribution of goods preventing heatstroke (neck cooler)
Royal Home	Rental of air-conditioned clothing at outside sales areas
Center	Standardizing flood countermeasures in store design (installation of equipment in high locations)
Daiwa Royal Golf	Sales of items preventing heatstroke at golf facilities
Fujita	Development/verification of soft technology for water damage countermeasures, trials of technology to determine the status of heavy rain damage via satellite SAR analysis

Calculation method and scope of coverage of environmental data

GHG emissions in our value chain

\diamond Overview

As for Scope 1 and Scope 2, refer to pages 132 and 134. 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.

\diamond Target businesses (scope 3)

Construction and real estate businesses of the Company and its Group companies

Calculation formula

GHG emissions (t-CO₂) = \sum {(Amount of activity) × (CO₂ emissions per amount of activity)}

\diamond Source (Secondary data used)

- ① Emission intensity database (ver. 3.4, Ministry of Economy, Trade and Industry, Ministry of the Environment) for calculation of greenhouse gas emissions of the organization throughout its supply chain
- ③ The Comprehensive Assessment System for Built Environment Efficiency System (CASBEE) Single-family Houses (Newly Built) and Buildings (Newly Built), LCCO₂ Calculation Tool, 2021 edition (Japan Sustainable Building Consortium)

♦ Scope and calculation criteria

•						
Category	Category Scope 3 target categories		Scope	Calculation criteria [Emissions = Activity × CO₂ emissions per activity (intensity)]		
		3	[Explanation of non-applicable categories (•)]	Activity	Intensity (source)	
	1	Purchased goods and services	Extraction, manufacture, and transportation of materials required for the construction of detached houses, rental housing, condominiums, and non-residential buildings (inside Japan)	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 10)	
	3	Fuel- and energy-related activities (not included in scope 1 or 2)	Collection, production, and transportation of purchased or acquired energy (those not included in scope 1 or 2)	Purchased energy consumption	Intensity per unit of energy used in collection, production, and transportation stages (Source ①, ②)	
Unotroom	4	Upstream transportation and distribution	Procurement and transfer of cargo owned by our company; transportation of waste responsible for emissions (domestic only)	Heat output of fuel related to shipper's transport	Intensity per unit of heat generated (according to Energy Efficiency Act)	
Opstream	5	Waste generated in operations	Disposal and treatment of industrial waste generated at production sites and construction/demolition sites (domestic only)	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 and travel/ transportation expenses	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)	
	9	Downstream transportation and distribution	♦ Because there is no process of transportation/distribution of products (houses, buildings) sold, there is no CO₂ 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	
Downstream	11	Use of sold products	Lifetime use of single-family houses, rental houses, condominiums, and non-residential buildings (inside Japan, 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.	Design primary energy consum x CO ₂ emission factor for each * Same as "GHG emissions derived	nption energy type × useful life from use of products" on p. 125	
	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 (inside Japan)	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 consum subject properties		
	14	Franchises	\blacklozenge 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	

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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-creating a Brighter Future" for humanity and the natural world.

Biodiversity Action Guidelines

- 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.

Supply Chain Sustainability Guidelines (Revised April 1, 2023)

(1) Business Partner Code of Conduct

(2) Corporate Activity Guidelines

(3) Guidelines for Products

Chemical Substance Management Guidelines [Basics]

Biodiversity Guideline [Timber Procurement]

Confirmation of legality
 Confirmation of sustainability

Biodiversity Guideline [Development & Community Creation]

P055 Implementation of the Chemical Substance Management Guidelines

 Image: Image:

Biodiversity Guideline [Timber Procurement]

"To achieve zero deforestation, we procure timber, whose legality and sustainability are confirmed by us, or 100% recycled timber from suppliers that have a zero-deforestation policy and human rights and labor policies"

(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.			
	(d) The logging method avoids large-scale logging of natural forests.			
	(e) The logged timber is not an endangered species.			
(2) Confirmation of	(f) Endangered species and natural environment in the logging areas and surrounding areas have been considered for conservation.			
sustainability	(g) The timber is not produced in a disputed region.			
	(h) Working conditions are in compliance with the local government.			
	(i) The forest reserves can be maintained			
	(j) The timber is Japanese domestic timber.			

Biodiversity Guideline [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 indigenous species 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 adopting indigenous species in the area and taking the scope of travel of living creatures into account.

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.

Environmental Data | Harmony with the natural environment

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(4) Challenge ZERO Deforestation

Eco-friendly timber procurement

Rate of C-ranked timber in procurement



Volume of timber procured

	2020	2021	2022	2023
Single-family housing business, Rental housing business (low-rise rental housing)	185,317	172,687	159,734	163,189
Rental housing business (medium-rise rental houses)	-	—	13,893	3,867
Condominium business	5,416	13,394	4,263	1,731
Commercial and office buildings business	52,629	52,440	51,245	11,432
Existing homes business	-	146	266	231
Other	39,097	31,148	24,446	21,801
Total	282,458	269,815	253,848	202,252

Setting rate of zero deforestation policy



Companies endorsing Challenge ZERO Deforestation

Aimokusha	· IPC Co., Ltd.	Asunaro Aoki Construction Co., Ltd.
Akashimokuzai Co., Ltd.	· Asanuma Corp.	· AwajiGiken Co., Ltd.
lkeda Mokuzai Co., Ltd.	· SY Co., Ltd.	· Oosako Co., Ltd.
Oshima Flooring Co., Ltd.	· OAK Co., Ltd.	· Kodai Co., Ltd.
KOUWAKENSHO Co., Ltd.	· KOKUYO Tohoku Sales Co., Ltd.	· Kodama Naiso LLC.
Sanyo UD Co., Ltd.	· Jumbo Co., Ltd.	· Syuhoku Co., Ltd.
Showa Lumber Co., Ltd.	· Shinei, Inc.	· Sumitakenso LLC.
Senda Kogyo Co., Ltd.	· SOJITZ BUILDING MATERIALS CORPORATION	Takumi Corporation
TASK Co., Ltd.	· Chugoku Mokuzai Co., Ltd.	· TWO-KEN INDUSTRIES Inc.
Tsuda Sangyo Co., Ltd.	· Tsuchiura Mokuzai Co., Ltd.	· DIY Centuryl Co., Ltd.
Ta Build & Material Co., Ltd.	· TEC-CELL Co., Ltd.	· TOHKAI Co., Ltd.
Tokyo Central Timber Market Co., Ltd.	 Tokyo Board Industries, Co., Ltd. 	· Tohsen Ltd.
Toho Mokuzai Co., Ltd.	· Toyo Materia Corporation	· Nishiuragumi Co., Ltd.
Nippon Paper Lumber Co., Ltd.	· NIHON FLUSH CO., LTD.	· Numata Koumuten Co., Ltd.
Hatano Co., Ltd.	· barco Co., Ltd.	· Matsumoto Shoten Co., Ltd.
Maluko Co., Ltd.	· Mitsuya Co., Ltd.	· Miwaki Co., Ltd.
Mobiria Co., Ltd.	· Morikenso Co., Ltd.	· Yamamotokoumuten Co., Ltd.
Yamaike Co., Ltd.	· UFG Co., Ltd.	· Waklus Co., Ltd.
Watazai Co., Ltd.		

Total 55 companies (as of April 30, 2024; Japanese alphabet order)

Calculation method and scope of coverage of environmental data

Rate of C-ranked timber in procurement

\diamond Overview

We have established the assessment criteria for legality and sustainability based on the Biodiversity Guideline [Timber Procurement]. Once a year, we conduct a factfinding survey of delivered timber to our timber suppliers to confirm conformity to the assessment criteria, and rate the timber on four levels: SSS, SS, S, and C grades.

♦ Calculation formula

Rate of C-ranked timber (%) = amount of C-ranked timber procured (m³) \div Total amount of timber procured (m³)

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

♦ Scope of coverage

Segment*1	Target	Scope of coverage*2
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), medium- rise rental housing (RC/steel frame)
Condominium business	Daiwa House Industry, Cosmos Initia	Condominiums sold
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
	Royal Home Center	Timber products sold
Other	DesignArc	Wooden building materials manufactured

*1 Each departmentcovers only domestic operations

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

Setting rate of zero deforestation policy

♦ Overview

For primary suppliers (timber suppliers, general contractors, and builders) with an annual timber procurement volume of 50 m³ or more, and their domestic secondary suppliers and beyond, we calculate the rate of suppliers establishing zero deforestation policies or suppliers agreeing to Challenge ZERO Deforestation.

\diamond Scope of coverage

Same as the scope of coverage for the rate of C-ranked timber

Calculation formula

- Setting rate of zero deforestation policy (primary suppliers) (%)
- = Number of primary suppliers that have established a zero-deforestation policy with minimum procurement of 50 m³/year
- \div Number of primary suppliers with minimum procurement of 50 m³/year

Setting rate of zero deforestation policy (secondary suppliers and further) (%) = Number of primary suppliers that have completed the formulation of zero deforestation policy for their secondary suppliers and further

÷ Number of primary suppliers with minimum procurement of 50 m³/year

Environmental Data | Harmony with the natural environment

(5) Challenge ZERO Harm to Biodiversity Preservation of biodiversity in development and community development

Eco-friendly surface area of green spaces (cumulative)



Breakdown of Eco-friendly surface area of green spaces



Calculation method and scope of coverage of environmental data

Eco-friendly surface area of green spaces (cumulative) \diamond Overview

Eco-friendly surface area of green spaces, where more than half of the new trees (tall trees and shrubs) are planted with indigenous species that match the nature of each region, or the horizontal crown projection area of indigenous tree species, in the greening of the outer structures that the Company Group conducts in conjunction with the sale of built-for sale houses and implementation of construction contracts.

♦ Calculation formula

Eco-friendly surface area of green spaces (m²)

= \sum (Eco-friendly surface area of green spaces of target properties in each project (m²))

\diamond Scope of coverage

Segment	Target	Scope of coverage*1
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 m ²
Condominium	Daiwa House Industry	All construction starts (excluding JV non-managed units)
business	Cosmos Initia*2	All construction starts (excluding JV non-managed units)
Commercial and	Daiwa House Industry	[With greening regulations] All construction starts [Without greening regulations] Site area of at least 3,000 m ²
office buildings business	Daiwa Lease	[With greening regulations] All construction starts
	Fujita	[With greening regulations] All construction starts
Urban development business	Daiwa House Industry	All construction starts

*2 Results through February 2024 for consolidated companies

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Environmental Data | Harmony with the natural environment

(5) Challenge ZERO Harm to Biodiversity

Biodiversity assessments for Daiwa House Group sites

	Number of locations	Surface area (ha)
Business activity area (sites subject to initial screening)	1,588	_
Including sites subject to biodiversity impact evaluation	69	4,239
Including sites in close proximity to important biodiversity	35	2,994
Including sites that have biodiversity management plans	4	135

Calculation method and scope of coverage of environmental data

Biodiversity assessments for Daiwa House Group sites

\diamondsuit Overview

For our business activity areas (sites)*1, we determine the degree of impact on biodiversity*2 and conduct self-evaluations of our ecological management*3.

- *1 Business activity areas include the Company's branch offices, factories, research centers, training centers, commercial buildings, and delivery centers, as well as all sites owned by the Company and forest housing under sale by the Company at the end of FY2022, and golf courses and other business sites operated by the Group.
- *2 For our determination method, we reference certification standards for natural symbiosis sites being advanced by the Ministry of the Environment, and determine key sites for biodiversity using the Environmental Impact Assessment Database System (EADAS; Ministry of the Environment).
- *3 The evaluation method for ecological management is based on the assignment of scores for management and preservation using a checklist referencing ABINC certification and the formulation/implementation of conservation and management plans having no adverse impact on biodiversity.

\diamond Scope of coverage

Target	Scope of coverage*
Daiwa House Group	Sites that the Company directly operates under a central manager

* Domestic sites only; does not include unit ownership, tenancies, etc.

Breakdown of application by target company

Target company	Application
Daiwa House Industry, Group companies	Sites (Head Office, branches, offices) Factories, research laboratories, training centers, solar power plants Forest housing areas, company-owned forest sites
Fujita	Technological Center
Daiwa Lease	Factories, commercial facilities, solar power generation plants
DesignArc	Factories, delivery centers
Daiwa Energy	Solar power generation plants
Daiwa Royal Golf	Golf courses
Daiwa Logistics	Delivery centers
Wakamatsu KONPOU UNYU SOKO	Delivery centers
KOUYAMAUNYU	Delivery centers, solar power generation plants

Promotion of the Daiwa Plastics Smart Project

Rate of replacement of plastic goods for distribution (offices, etc.)



Plastics Usage Guidelines (revised January 2024)

In principle, Daiwa House Group companies do not use disposable plastics for office items and promotional goods distributed for free to external parties, novelty goods packaging, catalog bags, cutlery, and the like.

In cases where it is difficult to replace disposable plastics due to functional restrictions, environmentally friendly materials such as

2 biomass plastic and recycled plastic will be used as much as possible. Efforts will be made to limit the amounts used and disposed to the necessary minimum, including setting limits on their use, distribution to only those making requests, and recycling post distribution.

As for office supplies used repeatedly in the company, environmentally friendly products such as green procurement will be

- 3 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 explanation

- O 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.
- O For novelty and promotional goods, efforts will be taken to not use packaging or consideration given to using packaging other than disposable plastic.
- O Plastic bags and polyethylene terephthalate (PET) bottles that fall under the Containers and Packaging Recycling Law 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

Rate of replacement of plastic goods for distribution (offices, etc.)

\diamond Overview

We surveyed 15 single-use plastic products that are expected to be provided free of charge to customers at domestic sites in four sectors (offices, restaurants, stores, and hotels) to determine if they are replaced with plastic-free ones in accordance with the Plastics Usage Guidelines.

♦ Scope of coverage

Target	Scope of coverage
Daiwa House Industry and 24 major Group companies*.	15 single-use plastic products provided free of charge to customers. (1) Vinyl cases for company use (2) Paper bags for company use (3) Window envelopes (4) Vinyl envelopes for DM (5) Clear folders (6) Slide bar files for proposals (7) Transparent bags for flyers, etc. (8) Single-use ballpoint pens/pencils (9) Character balloons (10) Insert cups and holders (11) Plastic lids for hot beverages (12) Forks, spoons, and table knives (13) Plastic straws (14) Plastic straws (15) Laundry bags (Not applicable in the office and restaurant sectors)

* Daiwa House Industry and 24 Group companies: Daiwa Lease, DesignArc, Daiwa Logistics, Royal Home Center, Daiwa House Realty Management, Sports Club NAS, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Energy, Daiwa Royal Golf, Daiwa Lantec, Nihon Jyutaku Ryutu, Daiwa Living, Daiwa House Life Support, Daiwa House Parking, Eneserve, Nishiwaki Royal Hotel, Cosmos Initia, Wakamatsu KONPOU UNYU SOKO, Daiwa House Chintai Reform, KOUYAMAUNYU, Hibikinada Thermal Power Station, Osaka Marubiru

♦ Calculation formula

- · Daiwa House Industry
- Rate of replacement of plastic goods for distribution with plastic-free materials (%)
- = Σ (number of items with completed replacement per site)
- $\div \Sigma$ (number of target items per site)

· 24 major Group companies

- Rate of replacement of plastic goods for distribution with plastic-free materials (%)
- = Σ (number of items with completed replacement per company)
- $\div \Sigma$ (number of target items per company)
- * Four sectors

(6) Challenge ZERO Waste and Reuse

Number of assets subject to effective use



Number of buildings subject to durability extension



Recycling rate of waste plastics material (Manufacturing)



Calculation method and scope of coverage of environmental data

Number of assets subject to effective use

\diamond Overview

The number of buying single-family houses and rental houses for resale and reselling them and mediating purchase and sales of them in Japan is calculated.

♦ Scope of coverage

Target	Scope of coverage	
Daiwa House Industry		
Daiwa House Real Estate	The number of buying single-family houses and rental houses for resale and reselling them and mediating purchase and sales of them in Japan	
Daiwa LifeNext		
Cosmos Initia*		

* Results through February 2024 for consolidated companies

\diamond Calculation formula

- Number of assets subject to effective use (No.)
- = Purchase for resale and resale (No.) + Mediating purchases and sales (No.)

Number of buildings subject to durability extension

♦ Overview

We calculate the number of construction projects required to extend the warranty periods with respect to "structural strength," "prevention of rainwater infiltration," and "termite protection" for domestic single-family houses and rental housing constructed by the Company, as well as the number of other domestic seismic reinforcement and waterproofing projects.

♦ Scope of coverage

Target	Scope of coverage	
Daiwa House Reform	Work to extend the warranty periods on existing	
Daiwa House Chintai Reform	single-family houses and rental housing constructed by the Company in Japan, and other work related to seismic reinforcement and waterproofing of existing single-family houses and rental housing in Japan	
Daiwa House Real Estate		
Daiwa LifeNext		

\diamond Calculation formula

Number of buildings subject to durability extension (No.)

= Number of construction projects for warranty extension (No.)

 + Number of other construction projects than those for warranty extension related to seismic reinforcement and waterproofing (No.)

Recycling rate of waste plastics material (Manufacturing)

\diamond Overview

The recycling rate of waste plastics material byproducts from the manufacturing sector is calculated on a weight basis. RPF (Refuse derived paper and plastics densified fuel) is not considered recycled waste plastics material.

♦ Scope of coverage

Target	Scope of coverage
Daiwa House Industry	Waste plastics discharged in the production process at domestic factories and waste plastics discharged at construction sites of new single-family houses and apartment complexes (collected by the Factory Depot system)
Daiwa Lease	Waste plastics discharged in the production process of domestic factories
DesignArc	Waste plastics discharged in the production process of domestic factories

\diamond Calculation formula

- Recycling rate of waste plastics material (%)
- = Amount of recycled plastic waste and valuable resources (kg)
- ÷ Total amount of discharged plastic waste and valuable resources (kg)

(6) Challenge ZERO Waste and Reuse

Purchase amount and intensity of amenities that are plastic-containing products specified in law (hotels)



Recycling rate of amenities that are plastic-containing products specified in law (hotels)



Setting rate of zero waste emissions targets by principal suppliers



Materials

Paper consumption

				Unit:
	2020	2021	2022	2023
Daiwa House Industry	861	849	662	590

Steel consumption

				Unit: t
	2020	2021	2022	2023
Daiwa House Industry	171,024	177,438	179,566	176,867

(FY)

Calculation method and scope of coverage of environmental data

- Purchase amount and intensity of amenities that are plasticcontaining products specified in law (hotels)
- Recycling rate of amenities that are plastic-containing products specified in law (hotels)

♦ Overview

Of the five single-use plastic amenity products that are designated as specified plastic products for the lodging industry under the Plastic Resource Circulation Act, we calculated the intensity reduction rate per guest (compared to FY2021) and the recycling rate for the products that are distributed free of charge at our domestic sites.

♦ Scope of coverage

Target	Scope of coverage	
Nishiwaki Royal Hotel	Single-use products among the five products (hairbrushes, combs, razors, shower caps, and toothbrushes) designated as products using specified plastice, which will be distributed from	
Daiwa House Realty Management		
Cosmos Initia		
Housing Complex Business Division (Daiwa Living)	of charge at domestic bases.	

♦ Calculation formula

Annual purchases intensity of amenities that are plastic-containing products specified in law (g/person) $= \Sigma$ (annual purchases of amenities that are plastic-containing products specified in law)

- ÷ Σ (annual number of overnight guests)
- Recycling rate of amenities that are plastic-containing products specified in law (%) = \sum (weight of recycled waste plastic material) $\div \sum$ (weight of the 5 distributed items)

Setting rate of zero waste emissions targets by principal suppliers

♦ Overview

The zero waste emission target rates by principal suppliers are set based on data from the following principal suppliers: 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., a Group company, as well as Fujita Corporation's sources of procurement.

♦ Scope of coverage

. 0	
Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (78 companies)
Daiwa House Industry (The 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	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

♦ Calculation formula

Zero waste emissions target setting rate (%)

- = Number of principal suppliers that have set zero emission targets*
- ÷ Number of principal suppliers
- * Targets set for zero emissions or recycling rate of 99% or higher (includes targets already achieved)

Paper consumption

♦ Overview

(FY)

Regarding our paper consumption, we calculate the actual value of the paper purchased (m²) using the weight conversion method.

Calculation formula

Paper consumption (t)

= \sum (Purchased paper per type (m²) × weight per unit area (t/m²))

♦ Scope of coverage

Segment	Target	Scope of coverage
Office work	Daiwa House Industry	All offices (Head Office, branches, offices, sales offices) and research centers in Japan

Steel consumption

♦ Scope of coverage

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

Construction waste emissions, Recycling rates

Overall Construction/demolition waste emissions



Overall Breakdown of construction/demolition waste emissions





Overall Construction/demolition waste emissions (by process) 11-11 4 000

				Unit: 1,000 t
	2020	2021	2022	2023
Manufacturing	10	10	15	15
New construction	127	113	286	288
Civil engineering	243	209	161	131
Renovation	52	46	49	46
Demolition	884	996	1,040	972
Other	360	161	3	2

* The classification method per stage was partly changed in FY2022.

Overall Construction/demolition waste emissions (by item) Init- 1 000 f

	2020	2021	2022	2023
Debris	848	879	848	780
Sludge	513	328	360	378
Wood chips	86	88	98	89
Waste glass and ceramics	92	89	88	85
Metal scrap	54	47	47	33
Waste plastics	35	36	39	38
Paper waste	13	12	13	11
Other	34	56	59	39

Overall Recycling rate of construction waste



Overall Recycling rate of construction waste (by treatment)

					Unit: %
		2020	2021	2022	2023
	Material recycling	95.9	95.2	93.9	94.7
Recycling	Thermal recycling	1.6	2.1	3.0	2.9
	Neutralization treatment	0.1	0.4	1.0	0.0
Final	Simple incineration	0.004	0.003	0.003	0.0
disposal	Landfill	2.3	2.3	2.1	2.4

Overall Specially controlled industrial waste emissions (Daiwa House Industry)

				Unit: t
	2020	2021	2022	2023
Combustible waste oil	128	110.6	118.67	111.27
Corrosive waste acid, waste alkali	26.7	23.9	32.84	29.53
Specified hazardous industrial waste (e.g. waste asbestos, waste PCB)	252.9	197.9	95.38	47.91





Manufacturing Breakdown of Construction waste emissions (by item)



New construction Construction waste emissions and intensity



New construction Breakdown of Construction waste emissions (by item)



Calculation method and scope of coverage of environmental data

Construction waste emissions, Recycling rates

\diamond Overview

Construction byproducts generated in factories and at construction sites, excluding those that have been sold as valuable resources, are defined as "construction waste." Construction waste is defined as waste generated from the start of construction to the completion of the projects that were completed during the fiscal year. 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 of the manufacturing segment, and the total "sales area" of each site is used as the basic denominator of the construction segment.

\diamond Calculation formula (Emissions)

- 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)

♦ Calculation formula (Intensity)

Manufacturing Intensity (kg/million yen)

= Construction waste emissions (kg) ÷ Factory sales (million yen)

New construction Intensity (kg/m²)

= Construction waste emissions (kg) ÷ Floor area (m²)

\diamondsuit Calculation formula (Recycling rate)

Recycling rate of construction waste (%)

= {Amount of material recycled (t) + Amount thermally recycled (t)
 + Neutralization treatment amount (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 in Japan
New construction	Daiwa House Group	All new construction sites in Japan
Civil engineering	Fujita	All civil engineering sites in Japan
Renovation	Daiwa House Group	All renovation sites in Japan (except for some small-scale sites)
Demolition	Daiwa House Group	All demolition sites in Japan

(7) Challenge ZERO Water-Associated Risks Water-saving device adoption rate

water-saving device adoption rate

Water-saving device adoption rate



Water-saving device adoption rate by department (FY2023)

Department	Adoption rate
Single-family housing business	100.0%
Rental housing business	98.4%
Existing homes business	100.0%
Condominium business	100.0%
Commercial and office buildings business*	93.3%

* Only the hotel and residential care facilities

Calculation method and scope of coverage of environmental data

Water-saving device adoption rate

 \diamond 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, residential care facilities, and existing homes business we have provided to customers.

Calculation formula

Water-saving equipment adoption rate (%)

= Σ {No. of installed water-saving equipment (showers + kitchen faucets + toilets)} $\div \Sigma$ {No. of relevant facilities installed (showers + kitchen faucets + toilets)}

Water-saving equipment: Building energy consumption performance standards: Hot water-saving A1, Hot water-saving B1 The Japan Valve Manufacturers' Association's voluntary standards: Hot water-saving A, Hot water-

saving B Water-saving faucets in the low-carbon building

Cel lincation standards					
Segment	Target	Scope of coverage			
Single-family housing business	Daiwa House Industry	All properties in Japan			
Rental housing business	Daiwa House Industry	All properties in Japan			
Condominium business	Daiwa House Industry, Cosmos Initia*	All properties in Japan			
Commercial and office buildings business	Daiwa House Industry, Fujita	Only for hotels and residential care facilities in Japan			
Existing homes business	Daiwa House Reform	All properties in Japan			

* Results through February 2024 for consolidated companies

Water consumption

Trend in water consumption (water intake) and intensity



Breakdown of water consumption (water intake)





Water consumption (water intake) (by segment)

			L	Jnit: 1,000 m ³
	2020	2021	2022	2023
Offices	276	284	266	289
Manufacturing	273	288	292	273
Logistics, delivery centers	46	38	31	64
Construction	1,706	1,376	1,587	1,276
Commercial buildings, stores	858	1,029	1,090	1,070
Resort/sports facilities	2,886	3,354	3,826	2,193
Hotels, nursing care facilities	853	1,264	2,007	2,426
Parking lots	0.3	0.3	0.4	0
Plants	—	—	-	2,124

Water consumption (water intake) (by type)

			L	Init: 1,000 m ^s
	2020	2021	2022	2023
Tap water	5,607	6,092	7,458	6,471
Groundwater	1,101	1,318	1,448	955
Hot springs	26	55	31	2
Industrial water	161	164	161	2,283
Rainwater	3	3	3	5

Water consumption (water intake)

(Japan, outside Japan))			\sim
			L	Init: 1,000 m ³
	2020	2021	2022	2023
Japan	6,678	7,416	8,900	9,459
Outside Japan	220	217	199	257

Calculation method and scope of coverage of environmental data

Water consumption

 \diamond Overview

This represents the total annual water consumption from the water supply, groundwater, 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.

\diamond Scope of coverage

Same as the scope of coverage of "GHG Emissions, Energy Use, and Electricity Consumption" on p. 134.

Water conservation measures at each facility (FY2023)

Segment	Company name	Scale	Water conservation
Hotels	Daiwa House Realty Management	2 facilities	Change bathroom faucets to mixed faucets that shut off water at set volumes
Sporto	Sports Club NAS	2 stores	Installed water-saving devices for showers
facilities	Daiwa Royal Golf	7 Golf courses	Installed water-saving showerheads and water-saving equipment in bathrooms and water-saving equipment in kitchens
Nursing care facilities	Daiwa House Life Support	6 facilities	Installed water-saving device in bathroom shower
Monufacturing	Daiwa Lease	2 factories	Installed rainwater tanks
Manufacturing	Royal Home Center	1 factory	Upgrades to water-saving toilets
Commercial buildings, stores	Daiwa House Industry	2 stores	Upgrades to water-saving toilets

Drainage discharge

Drainage discharge (by point of discharge) (Japan)

			L	Jnit: 1,000 m ³
	2020	2021	2022	2023
Rivers and lakes	701	762	900	491
Brackish water intake source/sea	205	253	360	941
Sewer system	3,861	4,566	5,603	5,245
Discharge to other areas	0	0	0	0

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

			U	nit: 1,000 m ^e
	2020	2021	2022	2023
Rivers and lakes	0	0	0	0.2
Brackish water intake source/sea	0	0	0	0
Sewer system	33	40	40	133
Discharge to other areas	0	0	0	0

■ Water data for key sites located in water risk areas* (FY2023)

			Da	aiwa House Industr	у
		Unit	Tochigi Ninomiya Factory	Nara Factory	Osaka Head Office
Water intake	Total amount	m ³	66,410	25,822	32,335
Drainage discharge	Total amount	m ³	22,868	25,052	24,861
	рН		7.3	7.2	-
	BOD	mg/L	3.6	14	-
	COD	mg/L	13.8	11	-
	Suspended solids	mg/L	22.8	12	-
	Normal hexane extracted substance content [mineral Oil]	mg/L	ND	ND	-
	Normal hexane extracted substance content [animal and vegetable oils]	mg/L	ND	ND	-
	Phenols content	mg/L	ND	-	-
	Copper content	mg/L	ND	—	—
	Zinc content	mg/L	0.06	0.23	-
Wastewater	Soluble iron content	mg/L	ND	0.03	—
concentration (maximum value for	Soluble manganese content	mg/L	ND	0.07	-
the current FY)	Chromium content	mg/L	ND	—	-
	Coliform group count	pcs/cm ³	480	-	-
	Nitrogen content	mg/L	4.8	27	-
	Phosphorus content	mg/L	0.3	0.61	-
	Boron and its compounds	mg/L	—	ND	-
	Fluorine and its compounds	mg/L	ND	ND	-
	Ammonia, ammonium compounds, nitrite compounds, nitrate compounds	mg/L	4.4	14	-
	Lead	mg/L	ND	-	-
	Arsenic	mg/L	ND	—	_
	Hexavalent chromium	mg/L	ND	-	-

* Inundation areas on hazard maps

-: No measurement is required. ND: Below the lower limit of determination

Calculation method and scope of coverage of environmental data

Drainage discharge

♦ Overview

The total annual wastewater discharged to rivers and lakes, blackish water intake sources/seas, sewers, and other organizations. The amount is calculated based on measured data at each site, purchasing data, and, in the absence of data, estimates based on water intake. For the construction segment, all water used is assumed to evaporate or percolate into the ground, and the amount of wastewater discharged is assumed to be zero.

\diamondsuit Scope of coverage

Same as the scope of coverage of "GHG Emissions, Energy Use, and Electricity Consumption" on p. 134.

Water data for key sites located in water risk areas

\diamond Overview

We measure water intake, wastewater discharge, and wastewater concentration at each site (the maximum value for the current FY) at our factories and the Osaka Head Office building located in water risk areas.

♦ Scope of coverage

Daiwa House Industry (Tochigi Ninomiya Factory, Nara Factory, Osaka Head Office)

Water recycling

Water recycling in each facility (FY2023)

Facility name	Recycling method	Recycled water volume (Recycling rate)
Daiwa House Industry Osaka Head Office	Reusing wastewater from air conditioners, etc. and rainwater for washing toilets after treating them for recycling.	5,220m³ (13.9%)
Hibikinada Thermal Power Station	Recycling of boiler coolant water	2,387,313m³ (52.9%)

Number of regulatory violations concerning water

Number of regulatory violations concerning water

	2020	2021	2022	2023
Number of violations	0	0	0	0

Calculation method and scope of coverage of environmental data

Number of regulatory violations concerning water

♦ Overview

Wastewater is regularly measured for its quality at Daiwa House Industry factories.

The results state the number of cases for which we received fines, penalties, and injunctions for exceeding and violating the control values for laws and bylaws.

♦ Scope of coverage

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

Implementation rate of water risk surveys by principal suppliers



Calculation method and scope of coverage of environmental data

Implementation rate of water risk surveys by principal suppliers \diamond Overview

In order to identify water risks (water depletion, water pollution, water damage, etc.) in the supply chain and implement countermeasures, the following are surveyed [Survey targets]

(FY)

Water intake, wastewater discharge, water-related issues, legal compliance status, water targets, results of hazard map checks at suppliers' domestic plants and status of water damage and countermeasures, results of assessment by the assessment tool Water Risk Filter for overseas plants, water-related issues, and improvement plans

♦ Scope of coverage

	1
Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (78 companies)
Daiwa House Industry (The 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	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

Calculation formula

Percentage of principal suppliers subject to water risk survey (%)

 Number of suppliers that responded to the water risk survey (cumulative) + Number of principal suppliers.

Results of Comprehensive Water Risk Assessment at Group Facilities

					Unit: ic	ocations	
Sogmont	Orientee	(Low) Risk*1			(High)		
Segment	Country	1	2	3	4	5	
Factories	Japan	4	21	_	—	—	
Golf courses	Japan	—	10	—	—	—	
Total water cons for each risk	umption level	4,000 m ³	449,000 m ³ *2	_	_	_	

*1 For total risk for all areas, including the status of drought, flood, water quality, and biodiversity services for factories and golf courses, we confirmed Basin Risk for 2023 and Operational Risk for 2022 in Water Risk Filter 6.0, developed by WWF and DEG. Risk levels. 1: Very low risk, 2: Low risk, 3: Moderate risk, 4: High risk, 5: Very high risk *2 As of end- March, 2024

Water Usage in Water Stress Areas (Water Intake)

Water stress		Total	Worksites, etc.	Hotels	Production	Construction
Llink	Number of sites	4	3	0	0	1
(40-80%)	Water intake (1,000 m ³)	7.1	0.3	0	0	6.8
Extremely	Number of sites	12	9	1	1	1
High (>80%)	Water intake (1,000 m ³)	39.2	5.5	22.2	11.5	0.008
Water stress area total	Water intake (1,000 m ³)	46.3	5.8	22.2	11.5	6.8
	Percentage of total water intake	0.5%			~	

Group water intake (1,000 m³) 9,715

Sites in water stress areas with water intake of over 10,000 m3: 2 sites (production factory in Thailand, hotel in Mexico). For water stress for worksites, commercial buildings, hotels and production sites in FY2023, confirmed with WRI Aqueduct 4.0. For construction, for countries where management bases are located, we confirmed with Aqueduct 4.0 Country Rankings and listed the number of management bases.

Water risk assessment results in timber-producing countries

		Japan	China	Finland	Indonesia	Sweden	Other 17 countries	Other 3 countries	Unknown (recycled materials, etc.)
Rat procure	io of d timber	36.5%	14.9%	12.1%	8.1%	5.1%	6.3%	0.5%	16.5%
	Present	1	2	0	2	0			
Risk	2030	1	2	0	2	0	Less	3 or	
level	2050	1	2	0	2	0	than 3	more	_
	2080	1	2	1	2	0			

For water stress in countries producing procured timber for FY2023, we made evaluations with Aqueduct 4.0 Current and Future Country Rankings Risk levels. 0: low, 1: low to medium, 2: medium to high, 3: high, 4: very high

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)

		(-) - -)	5 . ,	Unit: t
Breakdown by segment	2020	2021	2022	2023
Daiwa House Industry (housing)	17.0	16.9	17.6	17.3
Daiwa House Industry (construction)	11.1	11.0	8.7	6.7
Daiwa Lease	24.7	17.8	16.6	12.6
DesignArc	4.0	4.7	5.6	4.1

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

			o ,	Unit: t
Breakdown by segment	2020	2021	2022	2023
Daiwa House Industry (housing)	7.9	11.3	9.1	8.9
Daiwa House Industry (construction)	5.8	4.9	4.7	4.6
Daiwa Lease	0.7	0.5	0.4	0.4
DesignArc	0.002	0.004	0.002	0.003

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

		, a.i.j, eege.i,		Unit: t
Breakdown by segment	2020	2021	2022	2023
Daiwa House Industry (housing)	128.3	130.7	118.4	110.9
Daiwa House Industry (construction)	20.6	26.6	32.0	21.8
Daiwa Lease	112.5	88.4	96.7	100.6
DesignArc	6.2	7.6	9.1	7.0

NOx and SOx emissions in the manufacturing phase

				Unit. t
	2020	2021	2022	2023
NOx emissions	0.2	0.15	0.14	0.16
SOx emissions	0.02	0.02	0.0000	0.0005

L loit: t

Environmental Data | Prevention of chemical pollution

Material balance of chemical substances subject to PRTR

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

									-
				Amount transferred		Emissions			Amount oubjected
Target chemical substance	Amount handled	Amount consumed	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	to chemical removal processes
Manganese and its compounds	38,851	27,493	0	10,033	10,033	1,326	0	1,326	0
Ethylene glycol monobutyl ether	31,486	0	0	472	472	31,013	0	31,013	0
Xylene	13,964	0	0	183	183	13,724	0	13,724	58
Trimethylbenzene	13,573	0	0	199	199	13,317	0	13,317	56
Methylenebis (4,1-phenylene) = diisocyanate	13,089	12,988	0	101	101	0	0	0	0
Ethylbenzene	9,574	0	0	128	128	9,445	0	9,445	1
Toluene	7,921	0	0	104	104	7,715	0	7,715	103
Water-soluble zinc compounds	6,948	5,403	24	1,377	1,402	0	143	143	0
Methyl isobutyl ketone	4,765	0	0	71	71	4,694	0	4,694	0
Molybdenum and its compounds	3,063	1,810	0	1,254	1,254	0	0	0	0
Polymethylenepolyphenyl polyisocyanate	1,525	1,496	0	23	23	6	0	6	0
N-Methyl-2-pyrrolidone	1,050	0	0	16	16	1,034	0	1,034	0
3-Glycidyloxypropyltrimethoxysilane	1,011	597	0	413	413	0	0	0	0
46 other substances	5,319	1,129	0	1,283	1,283	2,048	401	2,449	458
Grand total	152 140	50,916	24	15 656	15 680	84 322	544	84 867	676

WEB ➤ Supply Chain Sustainability Guidelines

Calculation method and scope of coverage of environmental data

Release and transfer of PRTR-listed substances and intensity

\diamond Overview

Purchasing data at each site is used to calculate the amount released/transferred of 462 Class-I Designated Chemical Substances*1 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).

*1 Subject substances for fiscal 2023 were revised following amendments to the PRTR Law. However, in "Release and transfer of PRTR-listed substances and intensity" (P151), calculations are based on the benchmark for the base year (fiscal 2012) and similarly PRTR-listed substances. For fiscal 2024 onward, fiscal 2023 will be the new base year, with revised PRTRlisted substances subject to assessments.

The material balance for revised PRTR-listed substances (515 substances) is listed.

♦ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Group	All production sites in Japan (Total 29 locations* ²)

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

■ VOC emissions and intensity

\diamond Overview

Emissions of 100 volatile organic compounds selected by the Ministry of the Environment and calculated based on purchasing data at each site.

\diamond Scope of coverage

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

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

NOx emissions/ SOx emissions

\diamond 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 in Japan (Total 4 locations*)

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

Unit: kg

Daiwa House Group Sustainability Report 2024	Contents	Environment	Society	Governance	Data Section	153

Environmental Data | Flow of materials imparting environmental load



Environmental Data | Environmental accounting

• Environmental preservation costs (Amount invested)

					Unit: 1,000 yer
ltem		FY2020	FY2021	FY2022	FY2023
	Major content	Amount invested			Amount invested
Cost within business area	Cost of measures to control pollution related to air, water, and noise	51,719	6,215	12,244	8,929
	Cost of prevention of global warming (energy efficiency)	163,427	154,457	32,629	59,217
	Cost of waste reduction measures	4	2,038	2,237	5,623
	Cost of reducing water consumption	1,885	1,175	3,345	7,623
Upstream/downstream costs	Green purchasing fees, cost of purchasing returnable boxes	4,230	115,923	88,067	2,315
Administrative costs	Environmental education costs, EMS maintenance expenses, etc.	376	11	0	58
Total			279,819	138,522	83,764

O Environmental preservation effect

	Effect	Item	Unit	FY2020	FY2021	FY2022	FY2023
Effect on in resources	Effect on input	Energy consumption, calorie equivalent (production system)	GJ	480,196	506,958	513,023	447,698
	resources	Energy consumption, calorie equivalent (distribution system)	GJ	453,484	501,727	476,951	470,832
Business area Effect on environmental load and waste		Waste generated	t	10,243	10,547	12,260	13,146
	CO ₂ emissions (production system)	t-CO2	23,964	24,572	6,674	5,851	
	load and waste	CO ₂ emissions (distribution system)	t-CO2	31,082	34,379	32,665	32,410
		Water resource consumption	m ³	246,981	253,559	254,384	228,339

Economic effects of environmental preservation

					Unit: 1,000 yen
	Content	FY2020	FY2021	FY2022	FY2023
Revenue	Sales of valuable resources*	1,436	1	5,764	1,037
Cost savings	Cost savings from energy-efficiency efforts	58,858	54,825	16,736	47,468
	Cost savings from waste-reduction efforts	12,615	16,067	13,858	26,825
	Cost savings from water resource reduction efforts	3,382	69	5,451	5,239
	Total	76,291	70,961	41,809	80,569

* 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, 2023 to March 31, 2024

\Diamond Reporting organizations

Daiwa House Industry Co., Ltd. (Non-consolidated): Inside Japan only

\diamond Scope of coverage

- ③ Research and development: All offices (Head Office, affiliates, branches and sales offices), research labs, training centers and housing exhibition
- Sales and design: All company vehicles and privately owned permitted vehicles
 Manufacturing: All production sites
- Construction (construction waste): Construction sites of housing/buildings (new construction/demolition)

\diamondsuit Calculation criteria

In addition to "Calculation and Reporting of Environmental Data" on P117 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 2026.

Environmental accounting

\Diamond Report period

April 1, 2023 to March 31, 2024

♦ Reporting organizations

Daiwa House Industry Co., Ltd. (Non-consolidated): Domestic only

♦ Scope of coverage

9 factories in total

\Diamond Referential guidelines

"Environmental Accounting Guidelines 2005 Edition" by the Ministry of the Environment