

Human capital

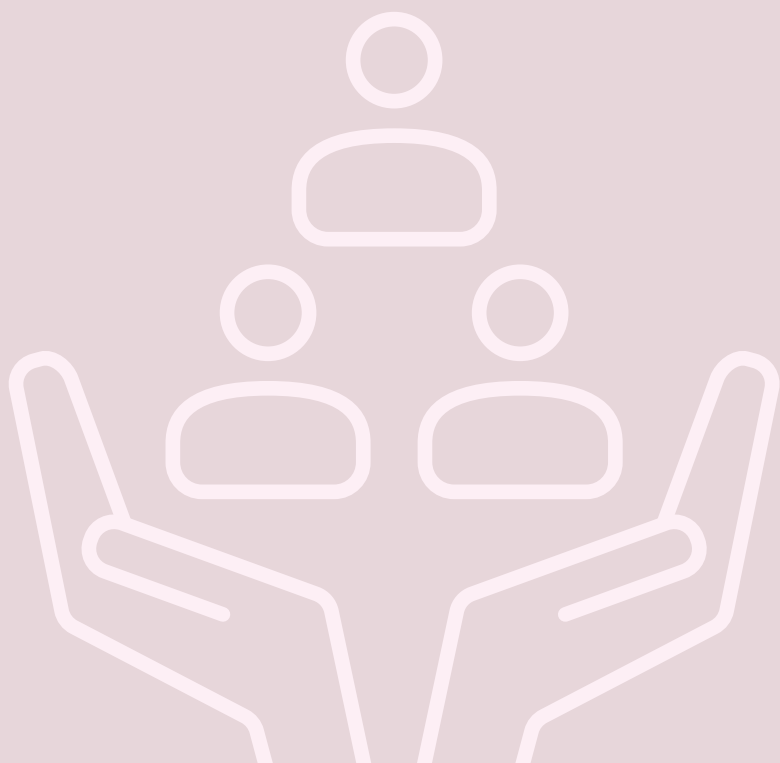
Contributions to SDGs



Human capital

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Human capital

Employee compliance

Concept and Policy

In light of rising demands and expectations for corporate ethics and compliance from outside the Company, as well as the increase in Group companies in and outside of Japan, the Group has formulated and regularly revises the Daiwa House Group Principles of Corporate Ethics and Code of Conduct. Consequently, the Board of Directors resolved to formulate English and Chinese versions of this document, which it published in April 2022, based on a global perspective and standards, taking into account the laws, regulations, and guidelines of each country. The scope of its application covers all officers and employees of the Group, and the top management of each Group company ensures that their officers and employees strictly adhere to the Daiwa House Group Principles of Corporate Ethics and Code of Conduct, themselves taking initiative and setting an example while being responsible for ensuring transparency and fairness in business operations.



➤ [The Daiwa House Group Principles of Corporate Ethics and Code of Conduct](#)



P101 [Internal control](#)

Management

Education for employees on compliance with laws, ordinances, and regulations

In order to promote the acquisition of knowledge of laws, ordinances and regulations and raise the awareness about risk management, we actively implement training programs for corporate compliance. More specifically, we implement training for each class of employee, such as new employees, core employees and managers, in order to cultivate the knowledge and grounding they require, and training for each respective business segment to acquire relevant knowledge of laws, ordinances and regulations and so on. In addition to training programs organized by the Head Office's departments, each branch is encouraged to practice its own compliance-related activities.

Distribution and utilization of “ENGAGEMENT BOOK”

For all employees to put the Principles of Corporate Ethics and Code of Conduct into practice, from fiscal 2004 we have created and distributed the educational booklet “CASEBOOK” to all employees. This booklet introduces concrete case examples so the employees can make decisions in line with the corporate ethics under any circumstances.

Following on from this, in 2024 we published the “ENGAGEMENT BOOK” as a booklet that provides an awareness of improving the work environment and organizational culture. This booklet is structured with an emphasis on “dialogue,” as it also aims to learn about employees’ thoughts and what they value through work. Discovering and improving upon organizational issues through dialogue among supervisors and subordinates, and senior and junior staff, will lead to heightened job satisfaction and other accomplishments.



➤ [Daiwa House Group's Hopes for the Future \(Purpose\)](#)
(Japanese text only)



ENGAGEMENT BOOK cover

Response to compliance violations

The Company's disciplinary regulations set forth specific disciplinary procedures, standards, etc., with regard to violators of compliance who have been identified through each whistleblowing contact point and questionnaire survey. Violators are reported to the Disciplinary Committee, chaired by the President and CEO which investigates the details of the violation and the cause of its occurrence, and based on that holds violators accountable. The causes of violation cases are shared through awareness-raising activities and various training programs at each branch to prevent recurrence.



P061 [Various whistleblowing systems](#)

P059 [System for human rights awareness-raising](#)

■ Human capital

Securing and developing human resources linked to business strategies

Concept and Policy

Ever since its founding, the Company has believed that the heightened value of our human resources is the source of our corporate value, based on “developing people through business” as espoused in our Corporate Creed.

For the Group, with its wide-ranging business portfolio, assuring diverse human resources linked to its business strategies is an issue of utmost importance. In recent years, there appears to be an escalating competition to acquire human resources as well as rising mobility of human resources, and given this, questions arise about how to provide appealing work styles and what opportunities for growth can be offered. In addition, there is a demand to create work environments that enable a mutual understanding of respective values by a wide variety of generations and that can accommodate diverse career perspectives.

In fiscal 2023, we formulated our Human Resources Development Policy based on the concept of “Keep Learning, Growing, and Dreaming” in support of employees’ autonomous career development through the building of three foundations (creation of opportunities, coworkers and workplaces) for the growth of all employees.

■ Human Resources Development Policy



In addition, overseas Group companies are promoting local hiring at each location based on the idea of hiring and training local human resources in each country.

□ P160 **Social Data 2-4**
Investment in human resource development

Management

Strengthening competitiveness in recruitment and securing optimal human resources

· New graduate recruitment

In the selection process, starting with new graduates hired in fiscal 2024, we are allowing students to choose between the “To Do Course” (recruitment by business unit and job category) and the “To Be Course” (free selection not depending on business unit and job category)*.

Students who have a clear idea of what they want to do and which of the Company’s businesses they want to be involved in will take the “To Do Course.” On the other hand, students who are interested in the Company but have not yet made a firm decision on the business type or work category they prefer should choose the “To Be Course.” Through the selection process and dialogue with employees, we will assess their individual aptitudes before assigning them to the most suitable type of business or position.

In addition, to sustainably recruit students who are hoping to work in technical positions, we have implemented “recruiting activities” where alumni and alumnae from schools that wish to bolster hiring form close relationships with students at their alma mater. A recruitment team with three alumni/alumnae of different generations is formed for each university or college. The purpose of this program is to build relationships with universities and to make the Company more attractive by conducting extensive university visits and student follow-ups.

* The ability to select the “To Do Course” and the “To Be Course” is available only to those in sales positions. Those in technical positions are limited to the “To Do Course.”

· Mid-career recruitment

The recruitment of human resources who have gained experience at other companies is, we believe, essential to the sustainable growth of the Company from the perspective of ensuring diversity. Given this, we have implemented a referral recruitment program in which we select employees through referrals from our own employees. Referral hiring is a system in which our employees introduce their friends and acquaintances, making it an effective recruitment method from the perspective of high matching rates and retention after employment. In

October 2021, we introduced a system to provide a “referral allowance” to employees when their recommended candidates joined the Company as an incentive to all employees to cooperate in the referral hiring activities. Furthermore, we also hold online seminars related to the construction industry in order to discover potential career changers and endeavor to attract their interest in the Company’s initiatives.

Initiatives to raise interview abilities

Under the leadership of the Human Resource Recruitment and Development Department, all employees at all branches involved in hiring are informed and educated so that they share the same image of the ideal candidate and our hiring criteria. Employees who have undergone interview training by outside instructors serve as interviewers and conduct the selection process to perform recruitment activities not influenced by biases, feelings, or assumptions.

In addition, for new graduate recruitment for fiscal 2025, we have introduced an online interview support system that utilizes AI as an initiative to further raise interview abilities.

Nurturing human resources through workplace practice

We believe that employee growth is achieved through “practice” in the workplace, and therefore consider OJT to be of the utmost importance for not only new employees, but also for supervisors and senior employees in the workplace to provide guidance with actual hands-on work experience.

To ensure that human resource development is deliberately and systematically incorporated into daily OJT training, we have developed an evaluation and development interview system whereby chiefs and those in general positions discuss with supervisors about setting semiannual work achievement goals and growth targets. Subsequently, once a quarter they meet with supervisors to review and to discuss how to overcome the challenges they face in achieving their goals. In addition, we operate a target management system for managers to encourage their further growth as well as the achievement of organizational goals by regularly setting and evaluating goals through interviews with their supervisors.

■ Human capital

Securing and developing human resources linked to business strategies

In addition, from fiscal 2023, we have introduced a program to update management skills for all middle managers who are the line managers that bridge management and general employees. In this context, we also provide training to have OJT and one-on-one meetings function effectively. In the future, we will roll out this training to all middle managers to strengthen human resource development through practical application in the workplace.

Collaborative Training Support System linking business division/Group company

We hold a Human Resources Development Liaison Council meeting every month, aiming for the sustainable enhancement of educational measures. Training representatives from each business unit are invited to share training content and methods, and to discuss how education should be provided to develop the individuality and capabilities of employees. In addition, the Company's Human Resources and Interpersonal Relationships Development Department and the training representatives at each Group company periodically conduct information exchange, thus strengthening human resource development across the Group.

Human resource development system through OJT for new employees

At the Company, we provide training and support for new employees throughout the organization. Managers, such as sales office managers and section managers, are responsible for OJT, and OJT elders are appointed as leaders to conduct OJT. In addition, we appoint OJT Assistants who are close to newcomers in seniority and can provide informal counsel. To facilitate efficient on-the-job training in the workplace, following their appointment they use means such as e-learning to study basic OJT knowledge and skills, methods of instruction and how to engage.

Main job-grade-specific training for human resource development

・ Recruit training

This program is positioned as an important period for recruits to build a “foundation,” not only as a member of society, but also as an employee of the Company, and throughout the year, they learn everything from basic behavior to practical training at construction sites, regardless of their job type. Training is then conducted multiple times to acquire practical knowledge and skills and to confirm the extent of their learning. As for those in sales positions, regardless of the department to which they are assigned, they experience our core business of housing sales within about four months after joining the Company.

・ Training for mid-career recruits

Mid-career recruits study the Company's history, founder's spirit, sustainable activities and other topics, preparing them for their jobs, and giving them an understanding of our approach.

・ Training for newly appointed branch managers

This training is for employees who have been newly appointed as a branch manager, and by learning the role of a branch manager, preparedness, and the concepts for evaluation criteria, they will be able to put these to practical use at worksites.

・ Program to strengthen human resource and organizational management skills

This program, intended for middle managers, seeks to help them learn the skills to generate virtuous cycles of “management that raises business performance,” and “management to help people thrive.” The training will update each person's management skills through repeated learning, practice, and reflection.

・ Training for newly appointed managers

Newly appointed line managers (branch managers, section managers, group leaders, office leaders and others) are given this training to develop preparedness, leadership skills, practical knowledge and thinking skills to use in practice as persons in charge within the organization.

・ Training for team leaders

This training looks at the changes in expectations and roles


that come along with promotion to chief. Participants reflect on their career aspirations and the Company's future, and through dialogue with other participants, they examine what constitutes the epitome of leadership, which offers an opportunity for self-transformation toward that ideal.

・ Training for female manager candidates

This training, conducted from 2011 and intended for female management candidates, seeks to instill the mindset needed to become a member of management.

Daiwa FUTURE100, an in house entrepreneurship system

In June 2024, the Group launched Daiwa Future 100, an in-house entrepreneurship program, as part of its efforts to heighten the value of its human capital. All Group employees, regardless of age or position, are invited to submit business ideas, and business verification will be conducted in collaboration with external partners. The project proposal that is selected through the screening process will be commercialized and its growth promoted, with the originator becoming the project's president. By introducing this system, we hope to foster an organizational culture that leads to the creation of innovation without fear of failure, while discovering and developing management personnel who will lead the Daiwa House Group in the future and create business units that will support the goal of becoming a 10 trillion yen-company on our centennial anniversary.

 [Launch of Daiwa FUTURE100, an in house entrepreneurship system Human capital investment up to 30.0 billion yen \(Japanese text only\)](#)



Poster

■ Human capital

Securing and developing human resources linked to business strategies

“Seminar on Future Community Development Envisioned by Daiwa House”

We regularly hold the “Seminar on Future Community Development Envisioned by Daiwa House” for students who are studying architecture. Participants are not limited to students who are currently seeking employment, as our goal is to have as many students as possible learn from our initiatives. We also expect a secondary effect of students, from among those who have attended, who will become fans of the Company and join the Group in the future.

The second seminar meeting was held in August 2023 under the theme “Urban Planning for Regeneration and Recycling” and was attended by 137 students from across the country. On the day of the seminar, after our young employees introduced the various community development projects we are engaged in, four young employees spoke in a panel discussion format about their areas of responsibility, their discretionary authority, their thoughts on community development and other matters, and at the end of the session they gave earnest answers to the enthusiastic questions posed by the students.

Training program for newly hired high school graduates

In an educational program for recruits who have graduated from industrial high schools, we have instituted a two-year construction college (full time) study exchange scheme. During their first two years of employment, they do no practical work except for practical training at our construction sites during long vacations from vocational school, so that they can concentrate on acquiring specialized knowledge and skills as an engineer, and are fully paid during this period. In addition, They maintain contact with the Company while the education program is running via regular on-site training and face-to-face meetings. Regular consultations with a public health nurse provide lifestyle support. The high school graduates gain expertise and acquire qualifications quickly. The program also aims to equip them to function as adult members of society and help their personal development.

Developing Global Human Resources

・ Global trainee system (overseas training)

In fiscal 2023, the Company introduced a global trainee system to discover and nurture human resources that would succeed in rolling out future overseas business. From each business division we selected four employees in technical positions who are expected to be responsible for future overseas business operations, and dispatched them to the U.S., China, and Malaysia, where our overseas bases are located, for a training program lasting approximately 10 months. At each location, participants learned about the unique local business practices, technologies, and management methods, and gained a mindset to deal with overseas assignments. We will continue this program in the future to systematically train candidates as overseas human resources and overseas executives.



P089 Global Talent Program (short-term training in Japan for national staff)



Global trainee system training (China)

・ Practical training for overseas crisis management

In order to respond to overseas contingency risks that may arise as our overseas business expands, we are preparing a business continuity plan (BCP) and an evacuation plan for our expatriate employees. In fiscal 2023, we conducted practical crisis management training with outside instructors who specialize in crisis management. The participants learned how to react when faced with emergency situations by gaining a grasp of the criminal mentality and the characteristics of firearms, and practicing evacuations. Through these efforts, we are striving to raise employee awareness of safety and to build a crisis management system for both contingency and day-to-day situations overseas.

In-house commendation system

The Daiwa House Award is presented once a year to recognize branches, sales offices, individuals, and Group companies that have achieved outstanding results, with the goal of further raising the overall strength of the Company.

■ Overview of the Daiwa House Award

	Name	Evaluation category	Details
President's Award	Nobuo Ishibashi (the founder) Award	Branch	Branch with the most excellent management in terms of both performance evaluation and management soundness evaluation
	Excellent Group Company Award	Group company	Group company with excellent management, with high overall evaluation including financial and non-financial aspects
	Award for the Best Sales Office Management	Sales office	Sales office with the most excellent evaluation including financial and management soundness evaluation
	Special President's Award for Safety	Branch	Branch that exceeded 5,000 days without any workplace accidents
	Challenge! We Build ECO Contest	Branch/ Employees	An exceptional case from among the environmental activities conducted at each branch and factory
	President's Award for Outstanding Employee	Employees	Employee with outstanding business performance



➤ Establishment of the Daiwa House Award, an in-house award system to maximize employee job satisfaction and pride (Japanese text only)



At the Daiwa House Award ceremony

■ Human capital

Nurturing a psychologically sound organizational culture

Concept and Policy

The Daiwa House Group company philosophy (Corporate Creed) states that “We ensure a good working environment for all employees, conscious that it ties directly into our progress.” And we believe that creating a workplace environment for employees that is conducive to safety and health encourages employees’ development and leads to utilizing their capabilities. Maximizing each employee’s strengths and individuality in an organization that shines brightly with synergies is essential to maintaining our sustainable growth. For this reason, we have designed a flexible personnel system that allows each employee to choose their own way of living and working.

We also place emphasis on building interactive relationships and supporting our employees’ autonomous career development, thereby enhancing their growth and engagement.

In addition, as our health management policy we set forth that “Health is the basis for building homes and developing communities. We support the creation of a lifestyle environment in which employees and their families can be active and thrive.” Furthermore, the Daiwa House Group Principles of Corporate Ethics and Code of Conduct also states “caring for health and safety.” Together with advancing the maintenance and promotion of employees’ health, we seek to create a climate for work that elicits the full potential of each and every employee so that they can work with health and vitality in a psychologically sound workplace environment.



➤ [The Daiwa House Group Principles of Corporate Ethics and Code of Conduct](#)

➤ [The Daiwa House Group’s Business Philosophy](#)

Management

Flexible work styles

In order to leverage the respective advantages of both telecommuting and face-to-face work, we promote a flexible and more productive work style based office attendance for a majority of the work week. We have also set up satellite offices for employees who have difficulty working from home.

In addition, in fiscal 2015 we launched a staggered work shift system as a way to support employees who deal with circumstances such as looking after children or family members, and in fiscal 2022, we revised our flextime program to eliminate core time for all employees, with some exceptions, thereby enhancing convenience.

Job location filing system

We created this system to enable employees to express their preferences regarding where they would like to work. As a company that holds branches nationwide, we conduct a course-by-course employment management system with two categories: nationwide employees (who are available to work anywhere in Japan) and regional employees (who work only at branches within an area where it is possible to commute from a specific address). The job location filing system, conducted every year, allows nationwide employees to apply to switch their status to a regional employee or, if preferred, to change work location due to personal circumstances.

By limiting work location, the system enables employees to choose a work style suitable to their personal circumstances that require consideration, such as childcare, nursing care, and medical treatment, thereby promoting employee retention and performance improvement. Nationwide employees are provided with a higher salary standard and benefits than regional employees, in consideration of the burden of relocating nationwide.



P075 [Achieving equal pay for equal work and a guaranteed living wage](#)

Operation of the Multi-Experiential Career Support Program

In addition to the existing internal recruitment system*1, the FA program*2, and other systems, in fiscal 2022 we introduced the Multi-Experiential Career Support Program with the goal of supporting self-realized employee growth and career development. This program is designed to allow the knowledge and experience gained from secondary employment to flow back into the Company’s core business. The Company has established a menu of secondary jobs, consisting of (1) Company-arranged (open recruitment-type) secondary employment; (2) individual self-arranged secondary employment (application-type); (3) in-house secondary employment whereby the employee spends some of their working hours on a project or other work at a different department while remaining as a member of their current department; and (4) human resources exchange with other companies in which employees are transferred to other companies for a certain period to experience work outside their own company. This program is designed to create cross-border experiences for employees.

In fiscal 2023, a total of 49 people (not including secondees and those in educational programs) used the Multi-Experiential Career Support Program, with a user commenting, “I’m glad that I was able to utilize my past career, putting that experience to good use. I think it’s important to take on challenges in everything I do.” In addition, a supervisor of the core business said “I was able to make a proposal for improvement at my main work and could see a change in the job.”

This program is designed to develop experienced employees and thereby sustainably enhance corporate value.

*1 This system allows candidates to apply to publicly advertised divisions.

*2 A program that allows employees to voluntarily transfer to a position or department of their choice.

■ Human capital

Nurturing a psychologically sound organizational culture

Self-Discovery System

With the goal of deepening a self-understanding of one's own career development based on an individual's own initiative, the Company established the Self-Discovery System in fiscal 2022. Using the system, individuals are asked specifically about which of their strengths they can apply to their own tasks and what kind of work, and from what position, they would like to do in the future, which will enable them to develop a realistic outlook on their own career. In addition, the individual can share the results with their supervisor and convey their wish for an assignment, thus maximizing their motivation.

Building interactive relationships

In response to concerns that the spread of teleworking may reduce opportunities for communication between supervisors and subordinates, and that interest in colleagues may diminish, we hold one-on-one meetings roughly once every two weeks as an opportunity for communication to support subordinates' growth and to improve performance.

In addition, as internal systems we have the "Suggestion Box for the President" and the "Advance Board" that allow employees to make various suggestions for improvement directly to management and the Head Office departments in charge. We have also arranged for a way to receive responses to such suggestions.

Ensuring compliance with labor issues

In accordance with Japan's Labor Standards Act, we have an Article 36 Agreement with representatives of a majority of employees at each branch in Japan. The agreement concerns overtime and holiday work and covers all employees except for managers and supervisors.

In fiscal 2021, we introduced a new attendance management system with the aim of visualizing and accurately grasping actual working conditions in order to rectify long working hours and to comply with the Article 36 Agreement. The entire company is working to correct the issue of long working hours by accurately monitoring working hours by using computer logs and reviewing the way work is performed.

In fiscal 2023, we set a monthly overtime limit for all employees. If they exceed the limit, they can report or consult with their supervisors and post the reason for the overtime and other problems to the "President 2024 Problem Box," a system specially set up to address the 2024 problem*. The President personally checks the contents of the postings and, if necessary, instructs the relevant department to take action.

Furthermore, all employees (including those in management) whose monthly overtime or holiday work exceeds 80 hours are subject to health checkups by occupational health physicians (OHP), and health guidance is provided with the aim of preventing health problems. We have also introduced an online OHP service as a means of ensuring that these health checks occur in a timely manner.

We conduct a status survey on work hours once every quarter in order to identify the actual work hours and effectively prevent unpaid wages. When undeclared work is discovered, we retroactively pay the overtime put in and reprimand the responsible managers.

* Changes in the working environment are being sought as the overtime work limit restrictions in the Workplace Reform Act come into effect.



P157 Social Data 2-1

Basic Information Average overtime hours worked

Notice to employees regarding changes with significant impact

In the event of a major business change that may have a significant impact on our employees, we aim to notify them six months prior to its implementation.

The Company has not conducted any layoffs for the purpose of workforce adjustment in fiscal 2023.

Building codes that make it easier for business partners to work at our factories

Daiwa House factories have established guidelines for the construction and renovation of Company factories and control buildings. Our basic approach is to use universal design, CASBEE (Comprehensive Assessment System for Built Environment Efficiency) and fire prevention measures, and to promote the installation of break rooms, smoking areas, infirmaries, and other amenities for personnel from factory's business partners*. Moreover, when it comes to building cafeterias, we use surveys and other means to gather opinions from both our business partners' employees and our own workforce so that the resulting facilities are built to a greater level of satisfaction. In addition, since many of the employees of the business partners are female or elderly, we lend them auxiliary devices such as assistive suits for lifting and lowering heavy materials, as well as for standing work, which alleviates workload.

By promoting the creation of a safe and comfortable work environment for factory employees, we hope to improve employee retention rates, which in turn will lead to the transfer of skills.

* Subcontractors performing subcontracting work in our plants.

Human capital

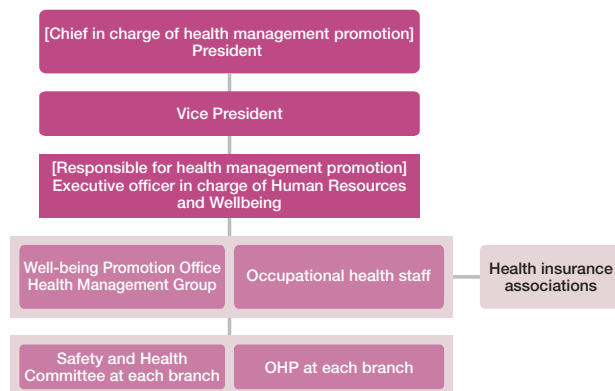
Nurturing a psychologically sound organizational culture

Promotion of health management

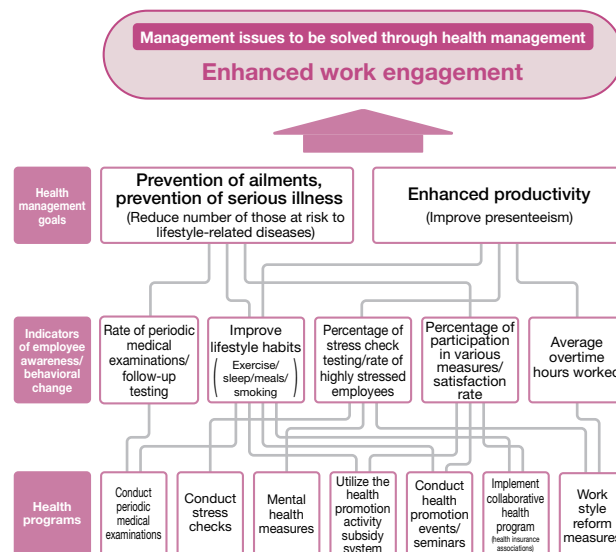
The Company has established a system in which the President is the chief in charge of health management promotion, the officer in charge of human resources and overall well-being management is responsible for promoting health management, and the Health Management Group of the Well-being Promotion Office plays a central role in promoting health management in cooperation with the occupational health staff and health insurance associations. In addition, the General Affairs Department at each branch is tasked with serving as the headquarters for the Safety and Health Committee. To find solutions to issues at each branch, the OHP, employee representatives, and Safety and Health Committee members work together and promote initiatives in line with the health management strategy map.

Having employees feel “healthy and happy” and eliciting their performance to its fullest potential leads to enhanced work engagement.

Chart for Health Management Promotion System



Health management strategy map



Response to social health issues

As a company that operates overseas bases, we recognize the importance of addressing global health challenges, including the world's three main infectious diseases (tuberculosis, malaria, and HIV/AIDS). For expatriates, in addition to the legally required medical checkups at the time of assignment and upon return, annual medical checkups are mandatory. We have also established a health management system that includes accompanying family members by providing overseas insurance, vaccinations against hepatitis A, rabies, and other diseases, and consultation services for mental health and pediatric care.

Main approach

Risk assessment concerning the health and safety of employees

Periodic medical examinations and stress checks

We collaborate with the health insurance association to conduct periodic, comprehensive medical examinations, including for lifestyle-related disease checkups. We achieved a medical examination rate of 100% for eleven consecutive years from 2013, focusing on early detection and treatment of diseases and health risk management. We support employees in maintaining and improving their health by ensuring that employees who require further examination or treatment are thoroughly reexamined. For those selected by the health insurance association, we also provide specific health guidance and “health improvement training” to encourage employees to take the initiative in improving their health.

Moreover, stress checks have been conducted regularly once a year since 2016 for all employees, including those at branches with fewer than 50 employees, for which there is a legal obligation to make efforts, and the mental health status of employees is verified and monitored by a specialized external organization. We also recommend interview meetings for those employees who have been determined to be dealing with high levels of stress.

P159 Social Data 2-3
Health management

Implementation of population approach

To foster a safe and healthy work environment, we analyze and monitor the physical and mental health conditions at each branch by using the “health analysis system,” in which the results of periodic health checkups are converted into points and totaled for each branch, and by using group (organizational) analysis of stress checks. In addition, we are implementing a population approach* to reduce overall health risks at branches, such as a system that provides subsidies to branches that proactively implement measures, such as sports tournaments, seminars and other events, to promote health and improve the workplace environment (the health promotion activity subsidy system). In fiscal 2023, more than 60% of our branches participated.

* An effort to work with entire groups to reduce risk as a whole

■ Human capital

Nurturing a psychologically sound organizational culture

・ Mental health measures

The Company has provided mental health line care training (e-learning) for those in management since fiscal 2018. Participants learn about the points of “noticing, listening, and connecting,” which are the basics for early detection of persons with mental health issues, as well as of the importance of responding to persons with mental health issues and improving the work environment. In fiscal 2023, we incorporated learning of management skills as “applied skills” that lead to improved engagement based on the concept of positive mental health, and implemented an e-learning program for all those in management, with approximately 83% of managers taking the course.

In addition, in response to the increasing tendency for employees to internalize their stress, we are promoting self-care by also making Type III (self-care course) eligible for the congratulatory allowance for obtaining a license, which is provided to those who have passed the Certification Test for Mental Health Management (Osaka Chamber of Commerce and Industry).

📖 P162 Social Data 4-3
Health and safety education

Award for health management

The Company and 24 Group companies were selected in March 2024 as 2024 Certified Health & Productivity Management Outstanding Organizations engaging in superior health management in collaboration with insurers (health insurance associations and other main parties in the health insurance business), as certified by the Nippon Kenko Kaigi. Also, for the second consecutive year and from among more than 10,000 certified companies, Daiwa House Asset Management Co., Ltd. was selected as one of the Bright 500, the top 500 companies in the small and medium enterprise category.



➔ 25 Daiwa House Group companies selected as 2024 Certified Health & Productivity Management Outstanding Organizations (Japanese text only)

Support for creating a comfortable work environment

Since fiscal 2022, the Company has been working to create an environment that facilitates availability of support for balancing work and medical treatment for illnesses, due to its presenteeism (reduced work productivity due to health problems), which is measured for all employees, being lower than the Japanese average*.

In fiscal 2023, we conducted e-learning training focused on health support for working women as an initiative to empower female employees. Participants acquired an accurate understanding of the health issues facing women, becoming aware of their assumptions with regard to “women’s health,” and the necessity for health measures. In a post-training survey, 99.4% of participants responded that they had “Understood” the course’s content.

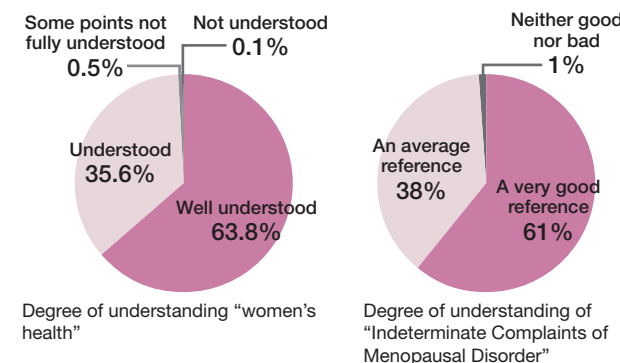
Furthermore, during Women’s Health Week, which includes International Women’s Day on March 8, all employees were encouraged to watch the video seminar “Indeterminate Complaints of Menopausal Disorder,” which was the most popular topic among employees requesting information on menopausal disorders. We also made efforts to promote understanding of health issues specific to women. A post-video survey revealed that 99% of viewers considered it a “A useful reference.”

Through these efforts, we aim to improve the health literacy

of our employees and create a work environment where each and every employee can work in a healthy and vigorous manner and maximize their performance in a psychologically sound work environment.

* The figure was calculated using the Single-Item Presenteeism Question (SPQ) of the University of Tokyo.

■ Survey results



■ Human capital

Generating new value, DE&I (Diversity, Equity & Inclusion)

Concept and Policy

We respect the diverse values of our employees, including with regard to their gender, presence of a disability, gender identity, sexual orientation, gender expression, age, nationality, language, culture, and lifestyle. We will foster a workplace culture in which each employee's perspectives and ideas are mutually recognized, utilized, and celebrated through interactions and dialogues among management and employees.



P156 Social Data 2-1
Basic Information

P158 Social Data 2-2
Diversity indicators

P160 Social Data 2-6
Indicators related to wages and allowances

Management

Promotion system

Keeping with the times, we have constructed a promotion system, starting with the launch of the project to empower women in 2005 as a touchstone for the promotion of diversity for the empowerment of female employees, which is one form of diversity. In 2019, we reorganized as “DE&I promotion” and the Director in charge of Human Resources and Well-being Management has direct jurisdiction over DE&I as well. We promote diversity in order to leverage DE&I in management, to generate new ideas in products, services, and other products and processes, and to enhance decision-making from diverse perspectives.

Support for work-life balance

We believe that it is essential to promote work-life balance in response to diversifying work styles. To this end, we are developing an array of systems where diverse human resources can choose from varied lifestyles and express themselves while playing an active role. We are pushing forward to create a virtuous cycle in which the experiences gained through

childbirth, childcare, and nursing care can be put to good use in the workplace.

・ Support program for returning to work after childcare leave

The supervisor and the returning employee hold discussions with the aim of having a smooth return to work.

This program promotes the creation of a work environment in which employees can balance work and childcare after returning from childcare leave, not only by dispelling the employees' anxiety about taking leave and returning to work, but also by encouraging the supervisors' understanding of work-life balance.

Discussion I **When pregnancy is determined (supervisor, individual employee, person in charge, General Affairs)**

Discussion II **Prior to leave (supervisor, individual employee, person in charge, General Affairs)**

Discussion III **After returning from leave (supervisor, individual employee, person in charge, General Affairs)**

Reporting **During childcare leave, recent developments reported to supervisor every six months (supervisor, individual employee)**

Discussion IV **Within six months of return (supervisor, individual employee, person in charge, General Affairs)**

・ Childbirth and childcare support

To facilitate career building that balances childcare and work, the Company established a childcare support system (a support system for balancing childcare/childrearing with career building) in 2015.

In April 2016, we reviewed our childcare leave system, making the first five days of childcare leave paid to create an environment in which even men can easily take childcare leave. As a result, the ratio of childcare leave taken by male employees has increased year by year.



P158 Social Data 2-2
Diversity indicators Childbirth and childcare support

■ Main systems related to support for work-life balance

System name	Overview
Paid leave reserve system	A system that allows employees to accumulate up to 100 days of annual paid leave that would otherwise legally expire and use the reserve as needed
Paid leave per hour	A system that allows employees to take annual paid leave on a per-hour basis
Home holiday program	A system to take planned annual paid leave for the purpose of spending time with their family, personal refreshment, self-development, etc.
Consecutive holidays (Re Vacation)	A system that encourages employees to take multiple annual paid leave vacations and to take at least five consecutive days off, including regular holidays
Nursing care leave system	A system for balancing work and nursing care, allowing eligible employees to take leave indefinitely until the reason for termination of nursing care leave arises
Subsidy program to support with travel expenses for elderly parents' nursing care (filial support program)	A system that provides a “filial support subsidy” to take care of employees' parents who live far away and need nursing care, paying an amount equivalent to the transportation expenses based on the distance of return trip, up to four times a year per employee
Telework	A system that allows employees to work from home, at satellite offices, etc., without being restricted by location
Flextime program	A program that allows employees to decide their own start and end times and working hours
Telecommuting allowances	Subsidized utilities when telecommuting

■ Major support systems related to childcare (our own support systems that exceed the statutory level)

System name	Overview
Lump-sum payment program for fostering the next generation	A program that employees receive a one-time payment of ¥1 million for each child born
Childcare leave system	A system that allows employees to take leave of absence until their children become three years old; paid for the first five days
Shorter working hour system for childbirth & childcare	A system that allows employees to work shorter hours until their children reach the third grade of elementary school
Family nursing care leave	A system that allows employees to take up to five days of leave per year to care for their children, spouses, parents, or grandparents, as well as spouses' parents or grandparents
Support system for balancing childcare/childrearing with career building	Providing information for early return from childcare leave and staggered working hours to ensure more working hours after return, and assistance in using childcare and school facilities, babysitters, etc.
Reemployment opportunity priority system	A system in which employees who have retired due to life events are given priority in the selection process when filling vacancies based on their wishes

■ Human capital

Generating new value, DE&I (Diversity, Equity & Inclusion)

Empowering female employees

We endeavor to empower active women and aim to become a company where all can work comfortably through the creation of workplace environments in which female employees can further develop their abilities and achieve personal growth.

・ Training and strengthening of management staff

We are working to develop and strengthen female managers in order to diversify the management decision-making process. To build a pipeline that continuously produces managers, we conduct training for management candidates and their supervisors, as well as career workshops for core employees with the aim of autonomous career development in consideration of life events. We also actively dispatch employees to external cross-industrial study groups, networking events, and recurrent programs.

・ Retaining and nurturing female employees in sales and technology divisions

We are actively assigning and cultivating women to sales and engineering where the ratio of females is low.

In the sales division, we hold information exchange meetings and conduct training sessions for networking purposes. Since 2007, we have held the Housing Manufacturers Female Salesperson Meet-up, which originally involved three housing manufacturers, but has now expanded to nine as of April 2024.

In addition, as an effort to improve the working environment for female engineers and technicians working at construction sites, we have developed protective equipment such as lightweight helmets and safety belts. We also promote the introduction of temporary toilets for women. These improvements at the construction site have led to a comfortable work environment for all on-site workers, including men.

Furthermore, many of our female construction staff participate in the National Low-rise Housing Work Safety Council's "Jutaku Komachi" program, and the entire low-rise housing industry is working to create a comfortable working environment for women.

 P158 Social Data 2-2
Diversity indicators Women exerting efforts



Office diversity scores

In fiscal 2019, we introduced office diversity scores to aid in assessing office management soundness with the aim of measuring and promoting diversity in each workplace by visualizing status at the individual branch level. We evaluate four categories: ratio of female managers/chiefs, ratio of childcare leave taken by males, ratio of disabled workers, and retention rate of young workers. We are making progress in human resources diversity throughout the Company.

Initiatives for LGBTQ

We are striving to foster a workplace culture where sexual minorities such as LGBTQ people can perform to the best of their abilities with peace of mind. This includes the introduction of a Same-Sex Partnership System. Under the system, same-sex partners are also eligible to receive our benefits as spouses.

We have also established an LGBTQ-specific consultation service staffed by outside counselors with specialized knowledge, so that LGBTQ employees can feel comfortable discussing any concerns they may have about working in the workplace.

  Introduced the "Same-Sex Partnership System"
(Japanese text only)

Promotion of active roles for the senior generation

The skills and expertise developed by our senior employees are valuable assets to the Company and should be passed on to the next generation. We also believe that creating an environment in which employees can work vigorously throughout their lives will contribute to employee retention in companies and enhanced job satisfaction.

The Company extended its retirement age to 65 in 2013 and introduced a reemployment system after retirement at the age of 65 ("Active Aging System") in 2015. In 2022, we abolished the uniform retirement age of 60, which was previously based solely on age, and created a personnel system that allows employees to pursue their careers up to their retirement age. In addition, from 2023, the upper age limit for post-retirement rehiring was abolished for technical staff, and the previously

uniform treatment system was extended to include multiple job assignments, creating an environment where employees can continue to demonstrate their expertise without being restricted by age.

 P158 Social Data 2-2
Diversity indicators Employment and hiring of seniors

・ Life design seminar

We carry out a "life design seminar" each year for employees who turn 60 years old. The seminar is designed to help employees envision their career development over the five years until retirement at age 65, and to help them understand the importance of continuing to acquire new knowledge and skills in order to achieve this goal. In addition, lectures are given on personnel systems, public and corporate pension plans, and health management after age 61 to support each individual's planning for a fulfilling life.

■ Human capital

Generating new value, DE&I (Diversity, Equity & Inclusion)

Career design support

We introduced a “career design support system” in 2008, through which the Company supports its employees who plan to leave the company before their mandatory retirement age, and take up new employment or become self-employed in accordance with their own lifestyle. This system is aimed at highlighting the life of each individual one step closer, and preparing an environment where our employees can nourish autonomy and independence, thereby providing opportunities for creating human resources who will broadly exercise their abilities in society.

Support for those with disabilities

Starting in fiscal 2023, we have established a new external consultation service available to employees with disabilities working at the Company. Employees can consult anonymously about any problems they may have at work.

Main approach

Establishment of Daiwa House Bloom

We are promoting a co-creation initiative involving both agriculture and welfare, in which people with disabilities and the elderly can gain confidence and a sense of fulfillment in life and participate in society through their activities in the agricultural field.

Our Cultivation Business Development Section has developed the “Daiwa Cultivation Method”*, which allows anyone to cultivate moth orchids. Using this cultivation method, the Group’s Daiwa House Bloom was established in 2021 with the aim of creating a workplace where mainly people with intellectual disabilities can work for the rest of their lives. After examining and experimenting with work content, the company became the first special-purpose subsidiary in the region to hire people with disabilities to grow COCOLAN miniature orchids on consignment starting in fiscal 2022. In tandem with this, we are also recruiting elderly residents in the community to be involved in the cultivation work in a work-sharing arrangement. In addition, all mini orchids grown at Daiwa House Bloom are purchased and sold by the Company, allowing Daiwa House Bloom to operate in a stable manner.

As expressed in the “floating scent of happiness,” which is the language of miniature orchid flowers, the workers cultivate them with all their heart so that they will be a bond between people and weave warm relationships.

* Patenting of the Daiwa cultivation method.

“Cultivation equipment and methods” Application No.: 2019-046438
Registration No.: Patent 6993370 (registration date: December 13, 2021)



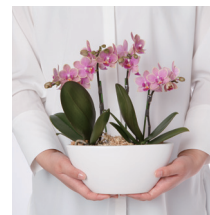
➤ COCOLAN (Japanese text only)



Daiwa House Bloom
employees



COCOLAN logo



COCOLAN

Multi-lingual signage at plants

Since we have non-Japanese workers in our plants, we use multiple languages and illustrations to describe the plant rules and other important information on quality. The specific languages used are in accordance with those working at each plant. In addition, the plant cafeteria provides a safe place for diverse human resources by clearly indicating in respective languages and with pictograms and illustrations whether culturally inappropriate items are on the menu.

Achieving equal pay for equal work and a guaranteed living wage

In our Japanese operations, employees engaged in general work to handle core operations are divided into national and regional employees. These employees are paid based on their capabilities, performance and contribution, with no gender gap in the payment of basic salary for each position.

The Daiwa House Group, moreover, abides by each country’s minimum wage laws and regulations, paying fair wages to all employees, taking into account local cost of living.

Percentage of all employees covered by collective bargaining agreements and agreement details

At the Company, while there is no organized labor union, we support international standards such as the International Labour Organization’s (ILO) Core Labour Standards, which consist of “the effective recognition of the right to freedom of association and collective bargaining,” “the prohibition of all forms of forced and compulsory labor,” “the effective abolition of child labor,” and “the elimination of discrimination in employment and occupation,” and we respect and recognize basic labor rights such as “the right to collective bargaining” and “freedom of association” for all employees.