

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

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■ Mitigating and Adapting to Climate Change

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 results	2024 targets	2024 results	2025 targets	2026 targets	Pages	
(1) Challenge ZERO for CO ₂ in community development	GHG emissions reduction rate derived from use of product (total) vs FY2015	29.4% redction	39.3% redction	52.2% redction	54% redction	59.8% reduction	😊	56% redction	58% redction	P020, 141
	ZEH rate*a	53%	86%	97%	90%	99%	😊	95%	90%	P021, 142
	ZEH-M rate for rental housing	3%	14.2%	48.7%	50%	73.1%	😊	75%	50%	P021, 142
	ZEH-M rate for condominiums	35%	67.5%	90.5%	100%	100%	😊	100%	100%	P021, 142
	ZEB rate	38%	65.7%	68.5%	73%	66.2%	😐*1	70%	80%	P022, 142
	The number of ZEH- renovation equivalents	1,478	1,472	3,789	3,800	4,555	😊	4,700	4,000	P022, 143
	Renewable energy generation equipment construction results (EPC) *b	2,526MW	2,706MW	3,075MW	3,400MW	3,311MW	😐*2	3,750MW	4,200MW	P132
	Renewable energy power plants development and operating results (IPP) *c	561MW	602MW	700MW	800MW	877MW	😊	1,100MW	1,550MW	P022, 132
(2) Challenge ZERO for CO ₂ in business activities	GHG emissions reduction rate derived from business operations (total) vs FY2015	20.8% redction	33.5% redction	26.3% increase	52% redction	58.1% reduction	😊	54% redction	55% redction	P020, 147
	Promotion of Electric—Introduction rate of clean energy cars (Company vehicles)	0.3%	2.8%	6.3%	13%	9.3%	😞*3	16%	30%	P025, 152
	Promotion of Electric—Introduction rate of clean energy cars (Privately owned vehicles)		1.0%	2.0%	4%	2.5%	😞*3	7%	10%	P025, 152
	Energy efficiency (EP100) vs FY2015	Up 1.47 times	Up 1.50 times	Up 1.81 times	Up 1.83 times	Up 2.0 times	😊	Up 2.0 times	Up 1.9 times	P024, 148
	Renewable energy utilization rate (RE100)	18.2%	41.5%	81.8%	100%	98.9%	😐*4	100%	100%	P024, 149
	ZEB rate for newly constructed company-owned facilities	—	75.0%	38.7%	100%	68.1%	😞*5	100%	100%	P152
	Percentage of newly constructed company-owned facilities with solar power generation equipment	—	34.8%	55.6%	100%	53.8%	😞*5	100%	100%	P152
(3) Challenge ZERO for CO ₂ in the supply chain	Setting rate of principal suppliers' SBT standard*d GHG reduction targets	34.0%	65.9%	57.7%	80%	71.2%	😞*6	90%	90%	P026, 153
	The number of contracts for renewable energy and energy-efficiency solutions (The number of cases of support) (cumulative)	—	9	15	25	19	😞*7	29	50	P153

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

*1 In fiscal 2024, we achieved a ZEB ratio of 66.2%, falling short of our 73% target due to slow progress in ZEB conversion projects for offices and nursing care facilities. In the future, we will work to lift the overall ZEB ratio by promoting ZEB examples across the Company and making ZEB proposals at initial stages.

*2 In fiscal 2024, renewable energy generation equipment construction results (EPC) totaled 3,311MW, below our target of 3,400MW, reflecting offsite PPA projects not progressing as planned. In the future, we will advance offsite PPA projects by building alliances with major energy producers and increase our track record in renewable energy generation equipment construction.

*3 The driving range of the clean energy cars on the market falls short of the travel distance needed to conduct our business. Furthermore, as a result of the lack of progress in installing charging equipment at the commercial facilities and buildings where our branch offices are located, as well as difficulties in securing charging equipment near our branch offices, the introduction rate of clean energy cars stood at 9.3% for company use and 2.5% for private use in fiscal 2024, missing the respective targets of 13% and 4%. In the future, we will promote the adoption of clean energy cars by systematically installing charging equipment at our own facilities as well as consider securing charging-enabled parking lots for branch offices located in commercial facilities and buildings.

*4 While the Group has completed the switch to renewable energy to the extent possible, it has not been able to turn the power sources to renewable energy using gas co-generation systems as to the Company's Osaka and Tokyo buildings. In addition, the Group has not been able to obtain renewable energy certificates in some foreign countries. As a result, the renewable energy utilization rate came to 98.9% in fiscal 2024, falling short of our target of 100%. In the future, we will continue to closely watch external trends in renewable energy sourcing while continuing with similar initiatives to maintain our renewable energy utilization rate near 100%.

*5 In fiscal 2024, the ZEB rate for newly constructed company-owned facilities was 68.1%, and the percentage of newly constructed company-owned facilities with solar power generation equipment stood at 53.8%, both missing their targets of 100% each. This was due to equipment specifications decided by individual tenants for complex facilities occupied by multiple tenants and insufficient roof areas for installing solar power generation equipment. In the future, we will request tenants to adopt energy-saving technology from the initial planning stage and develop standardized small-capacity solar power generation systems in order to achieve our targets.

*6 In fiscal 2024, the setting rate of principal suppliers' SBT standard GHG reduction targets was 71.2%, below our 80% target, despite dialogues with suppliers, centering on decarbonization dialogue and study activities. In the future, we will enhance support for suppliers to raise GHG reduction target levels and achieve targets, focusing on dialogues with steel and cement suppliers, which generate high emissions, and SMEs that need to lift their target levels.

*7 The number of contracts for renewable energy and energy-efficiency solutions (number of cases of support; cumulative) came to 19 in fiscal 2024, below our target of 25, as we were unable to provide sufficient proposals for renewable energy and energy-efficiency solutions to suppliers. In the future, we will actively propose renewable energy plans and onsite PPA to support suppliers' decarbonization efforts.

*a Excluding Hokkaido.

*b Cumulative values since FY2011.

*c Operating capacity at the end of each fiscal year, excluding on-site consumption.

*d 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.)

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■ Harmony with the natural environment (Preservation of biodiversity)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 results	2024 targets	2024 results	2025 targets	2026 targets	Pages
(4) Challenge ZERO Deforestation	Rate of C-ranked timber in procurement	2.7%	3.1%	1.0%	1%	0.5% 😊	0.5%	0%	P032, 157
	Setting rate of zero deforestation policy (primary suppliers)	—	6.1%	45.6%	70%	81.1% 😊	90%	90%	P157
	Setting rate of zero deforestation policy (secondary suppliers and beyond)	—	0%	2.6%	30%	7.5% 😞 *8	20%	50%	P157
	Rate of sustainable concrete formwork use (no. of building basis)	—	—	—	50%	83.1% 😊	60%	70%	P032, 158
(5) Challenge ZERO Harm to Biodiversity	Eco-friendly surface area of green spaces (cumulative)	—	257,000m ²	464,000m ²	600,000m ²	711,000m ² 😊	900,000m ²	1,000,000m ²	P033, 158
	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	11.4%	14%	14.7% 😊	28%	100%	P159
	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%	Daiwa House Industry: 90.9% All Group: 92.6%	100%	Daiwa House Industry: 97.2% All Group: 94.4% 😐 *9	100%	100%	P159

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

*8 In fiscal 2024, the setting rate of zero deforestation policy (secondary suppliers and beyond) was 7.5%, below the target of 30%. This was despite requiring primary suppliers to set zero deforestation policies and secondary suppliers and beyond to take action. In the future, we will request the visualization of supply chains from our primary suppliers, as well as the endorsement of zero deforestation policies by secondary suppliers with large procurement volumes.

*9 In fiscal 2024, the rate of replacement of plastic goods for distribution (offices, etc.) was 97.2% on our own and 94.4% for all principal Group companies excluding ours, below our target of 100% for each, due to the use of some disposable plastic products in our inventory. We will thoroughly disseminate guidelines, switch to non-plastic materials, and implement the change of company gift packages to paper packaging in order to promote the proper use of plastic products.

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

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023 results	2024 targets	2024 results	2025 targets	2026 targets	Pages
(6) Challenge ZERO Waste and Reuse	Number of assets subject to effective use	3,989	4,276	3,289	2,900	2,713 😐 *10	2,800	3,100	P038, 160
	Number of buildings subject to durability extension	3,246	8,984	8,929	7,045	8,434 😊	8,400	7,150	P038, 160
	Recycling rate of waste plastics material (production)	10.9%	16.8%	21.6%	22%	24.5% 😊	26%	30%	P040, 160
	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	8.2% reduction	17% reduction	9.5% reduction 😞 *11	32% reduction	50% reduction	P040, 161
	Promotion of the Daiwa Plastics Smart Project Recycling rate of amenities that are plastic-containing products specified in law (hotels)	—	0%	0.03%	1%	0.6% 😞 *11	25%	50%	P161
	Setting rate of zero waste emissions targets by principal suppliers	34.5%	34.6%	41.8%	70%	49.5% 😞 *12	80%	90%	P040, 161
—	Construction waste emissions: Production (per unit of sales)	57.5kg/million yen	53.8kg/million yen	50.8kg/million yen	60kg/million yen	52.8kg/million yen 😊	60kg/million yen	60kg/million yen	P163
	Construction waste emissions: Construction (per m ²)	20.0kg/m ²	19.0kg/m ²	18.9kg/m ²	19kg/m ²	18.4kg/m ² 😊	19kg/m ²	19kg/m ²	P163
	Construction waste recycling rate	97.7%	97.9%	97.6%	98%	98.0% 😊	98%	99%	P162
(7) Challenge ZERO Water-Associated Risks	Water-saving device adoption rate (housing and hotels)	89.8%	96.8%	98.3%	99%	99.2% 😊	99.3%	99%	P042, 164
	Water consumption reduction rate (per unit of sales) vs FY2012	46.8% reduction	42.7% reduction	42.3% reduction	43% reduction	56.5% reduction 😊	44% reduction	45% reduction	P164
	Implementation rate of water risk surveys by principal suppliers	—	85.5%	93.9%	97%	98.6% 😊	99%	100%	P043, 166

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

*10 In fiscal 2024, the number of assets subject to effective use came to 2,713, which meant we missed our target of 2,900, due to a decline in the number of assets resulting from the larger size of projects. In the future, we will promote the effective use of assets by working for further market penetration of purchase and resale by the Livness brand through further development of model houses with greater value, including insulation upgrades.

*11 In fiscal 2024, due to slow progress in switching to environmentally friendly materials for amenities in Daiwa Roynet Hotels, which account for around 90% of hotel users within the Group, the specified amenity plastic product reduction rate (hotels) was 9.5%, failing to achieve our target of 17%. In the future, we will work to reduce plastic consumption volumes partly by switching to amenities made from plant-based materials and changing distribution methods. Additionally, it took some time to consider implementing plastic recycling programs in Daiwa Roynet Hotels, and we commenced a material recycling program at ten hotels from March 2025. However, the recycling rate of amenities that are plastic-containing products specified in law (hotels) was 0.6%, thus we were unable to achieve the target of 1%. In the future, we will seek material recycling suppliers in the areas of hotels that have not implemented the recycling program as we strive to expand the number of hotels implementing the program.

*12 Despite continuously conducting zero emissions dialogues since fiscal 2022, as well as confirming the status of waste disposal by suppliers and promoting the setting of recycling targets, the setting rate of zero waste emissions targets by principal suppliers came to 49.5% in fiscal 2024, falling short of our target of 70%. In the future, in addition to continuing zero emissions dialogues and strengthening engagement, we will work to raise awareness of recycling among suppliers.

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■ Prevention of chemical pollution

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—	Compliance with voluntary standards for indoor air quality	96%	97.1%	90.0%	100%	100% 😊	100%	100%	P045
	Release and transfer reduction rate of PRTR (per unit of sales) vs FY2023* ^e	—	—	—	0.1% reduction	10.3% reduction 😊	2% reduction	2% reduction	P045, 167
	VOC emission reduction rate (per unit of sales) vs FY2013	38.5% reduction	35.9% reduction	39.6% reduction	35% reduction	54.2% reduction 😊	40% reduction	35% reduction	P045, 167

*^e Subject substances were revised in fiscal 2023 following amendments to the PRTR Law. As a result, for fiscal 2024 onward, reduction rates are calculated by setting fiscal 2023 as a base year, with revised PRTR-listed substances subject to assessments.

■ Environmental management

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023results	2024 targets	2024 results	2025 targets	2026 targets	Pages
—	Sales of environmental contribution businesses	—	1,276.2 billion yen	1,581.4 billion yen	1,550.0 billion yen	1,765.2 billion yen 😊	1,750.0 billion yen	1,600.0 billion yen	P009, 136
	Number of those who acquired the Certification Test for Environmental Specialists (Eco Test) [®]	19,033	25,080	28,134	30,000	31,297 😊	33,000	38,000	P015, 137
	Green purchasing ratio	95.6%	97.5%	99.0%	95%	99.0% 😊	95%	95%	P138
	Implementation status of measures for adapting to climate change	—	Implementing	Implementing	—	Implementing —	—	Completing implementation	P027, 028