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Environmental Data | Calculation and Reporting of Environmental Data

Basics

◇ Report period: April 1, 2024 to March 31, 2025

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

Reference: Number of consolidated subsidiaries: 489 (167 in Japan, 322 outside Japan) (as of March 31, 2025)

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. 6.0)* 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. 2.7)* by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
- *Guideline for Quantifying GHG Emission Reduction Contribution* by the Ministry of Economy, Trade and Industry

◇ Report on preceding data

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

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

◇ Stance on greenhouse gas (GHG) emissions

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

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

◇ CO_2 emission factor

Regarding fuel, etc., we use values based on the Energy Efficiency Act (Act on the Rational Use of Energy and 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 (average values for purchases from unknown power companies) and average values in Japan for overseas purchases.

Purchased electricity	0.423kg-CO_2/kWh (average value)	City gas	2.050kg-CO_2/m³ (N)
Self-consumption of renewable energy (including PPA)	0.000kg-CO_2/kWh	LP gas (liquefied petroleum gas)	2.994kg-CO_2/kg
Gasoline	2,290kg-CO_2/kL	Cold, Warm Water	0.057kg-CO_2/MJ
Light oil	2,619kg-CO_2/kL	Imported coal (thermal coal)	2,326kg-CO_2/t
No. 2 fuel oil	2,753kg-CO_2/kL	Wood pellet	0.000kg-CO_2/t
Kerosene	2,503kg-CO_2/kL	Hydrogen	0.000kg-CO_2/kg
		Natural gas	1.957kg-CO_2/m³ (N)

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

◇ Heat quantity conversion factor

In the Daiwa House Group, energy consumption is calculated using the Joule (J), a derived unit of energy in the International System of Units (SI), and the following heat quantity conversion factors are used for each energy type. In addition, we use the same factors at overseas locations as well.

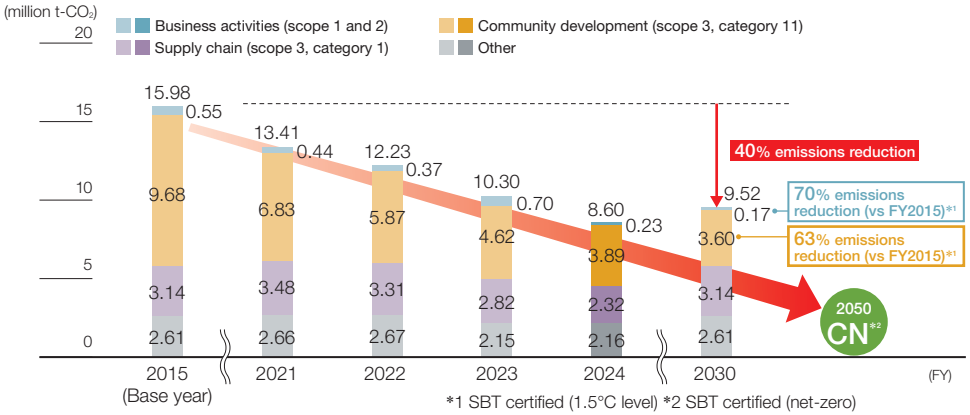
Purchased electricity (including renewable energy plans)	8.64GJ/MWh	City gas	40.0GJ/1000 m³ (N)
Renewable energy (self-consumption PV, on-site PPA)	3.60GJ/MWh	LP gas (liquefied petroleum gas)	50.1GJ/t
Gasoline	33.4GJ/kL	Cold, Warm Water	1.19GJ/GJ
Light oil	38.0GJ/kL	Imported coal (thermal coal)	26.1GJ/t
No. 2 fuel oil	38.9GJ/kL	Wood pellet	13.2GJ/t
Kerosene	36.5GJ/kL	Hydrogen	142GJ/t
		Natural gas	38.4GJ/1000 m³ (N)

Environmental Data | Progress of Carbon neutrality Strategy

Measures for Carbon neutrality Strategy	Indices	Unit	FY2021 results	FY2022 results	FY2023 results	FY2024 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	**–46.2**	–35	–40
Contributing to the spread of renewable energy	Renewable energy generation equipment construction results (EPC) * Cumulative values since FY2011	MW	2,526	2,706	3,075	**3,311**	4,200	5,000
	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	**877**	1,550	2,500

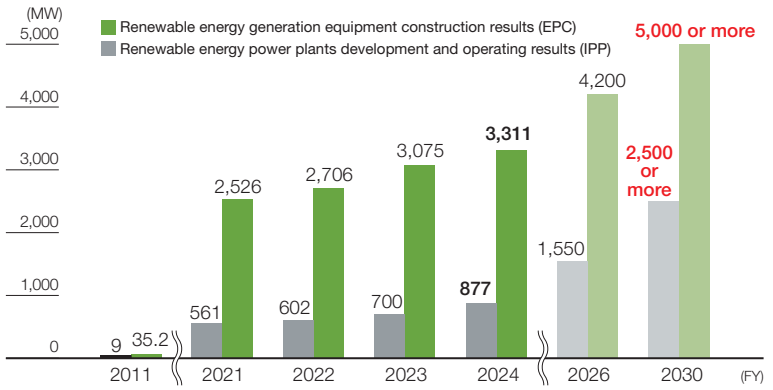
EPC: Contracting of facility construction work as a project that integrates Engineering, Procurement, and Construction.
IPP: Abbreviation for Independent Power Producer. An independent power producer is a company that owns power generation facilities and sells the power it generates.

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



*1 SBT certified (1.5°C level) *2 SBT certified (net-zero)

Supply results of renewable energy (EPC/IPP)



Calculation method and scope of coverage of environmental data

Target for GHG emissions across the entire value chain

◇ 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. 148 and p. 150.
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. 141
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. 155.

Calculation method and scope of coverage of environmental data

Renewable energy generation equipment construction results (EPC)

◇ 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 5 Group companies (Daiwa Lease, Fujita, Daiwa Energy, Eneserve, and Daiwa House Reform)

Renewable energy power plants development and operating results (IPP)

◇ 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 Hibikinada Thermal Power Station)

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

EGP2026 will conclude in fiscal 2025, a year earlier than originally planned, aligning with the 7th Medium-Term Management Plan.
As a result, we have not adjusted the fiscal 2026 targets. The next Environmental Action Plan (EGP2029) is scheduled for publication in the Sustainability Report to be released at the end of July 2026.

: Target for fiscal 2024 achieved
: Target for fiscal 2024 not achieved (achieved 90% or more)
: Target for fiscal 2024 not achieved (achieved less than 90%)

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.)

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

EGP2026 will conclude in fiscal 2025, a year earlier than originally planned, aligning with the 7th Medium-Term Management Plan.
As a result, we have not adjusted the fiscal 2026 targets. The next Environmental Action Plan (EGP2029) is scheduled for publication in the Sustainability Report to be released at the end of July 2026.

: Target for fiscal 2024 achieved
: Target for fiscal 2024 not achieved (achieved 90% or more)
: Target for fiscal 2024 not achieved (achieved less than 90%)

Harmony with the natural environment (Preservation of biodiversity)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023results	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)	—	257,000m²	464,000m²	600,000m²	**711,000m²**	900,000m²	1,000,000m²	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 m²)	20.0kg/m²	19.0kg/m²	18.9kg/m²	19kg/m²	**18.4kg/m²**	19kg/m²	19kg/m²	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.

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

EGP2026 will conclude in fiscal 2025, a year earlier than originally planned, aligning with the 7th Medium-Term Management Plan. As a result, we have not adjusted the fiscal 2026 targets. The next Environmental Action Plan (EGP2029) is scheduled for publication in the Sustainability Report to be released at the end of July 2026.

: Target for fiscal 2024 achieved
: Target for fiscal 2024 not achieved (achieved 90% or more)
: Target for fiscal 2024 not achieved (achieved less than 90%)

Prevention of chemical pollution

Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023results	2024 targets	2024 results		2025 targets	2026 targets	Pages
—	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

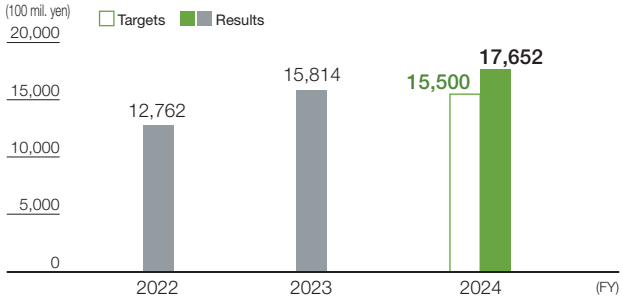
Challenge ZERO	Management indicator (KPI)	2021 results	2022 results	2023results	2024 targets	2024 results		2025 targets	2026 targets	Pages
—	Sales of environmental contribution businesses	—	1,276.2 billion yen	1,581.4 billion yen	1,550.0 billion yen	**1,765.2 billion yen**		1,750.0 billion yen	1,600.0 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

Environmental Data | Strengthening the foundation of environmental management

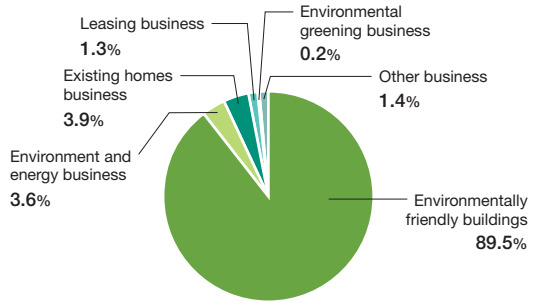
General

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	2024
Environmentally friendly buildings	11,001	13,955	**15,805**
Environment and energy business	682	731	**642**
Existing homes business	741	784	**692**
Leasing business	39	42	**235**
Environmental greening business	25	34	**37**
Other business	275	267	**241**

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 below.

◇ 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

Segment		Definition
Environmentally friendly buildings	Single-family housing business	Buildings that meet BEI standard values set for each application Housing: 0.8 or less Hotels, hospitals, department stores, restaurants, assembly halls, etc.: 0.7 or less Offices, schools, factories, etc.: 0.6 or less
	Rental housing business	
	Condominium business	
	Commercial and office buildings business	
Environment and 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 business	Home renovation business	Solar power generation systems, storage batteries, energy-efficiency renovation
	Purchase and resale	Resale of existing houses with renovation
Leasing business		Leasing of energy-efficient equipment, leasing of electric vehicles
Environmental greening 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, etc.

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

(as of end- March, 2025)

■ 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, 2027	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	Companywide (only domestic offices)	Japan Testing Center for Construction Materials	RE0002	November 30, 2026	August 15, 1997

(as of end- March, 2025)

■ Environmental fines and penalties

	2021	2022	2023	2024
Environmental fines and penalties	0 yen	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

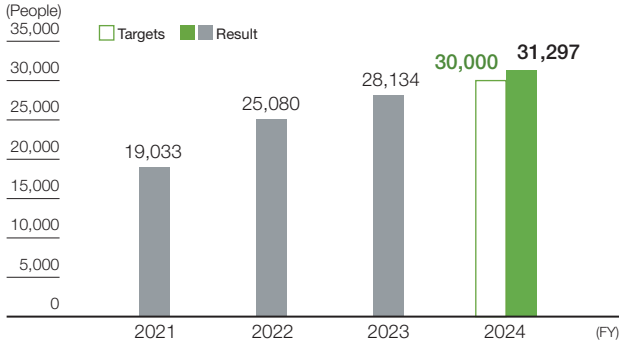
Supply chain management (Environment)

■ Supplier engagement implemented (FY2024)

Activity name	Details of main activity	No. of frequency	No. of participants (No. of participating companies)	Organizer
Decarbonization Dialogue	Sharing climate change problems, raising awareness for lifting targets for CO_2 reduction	35 times	69 attendees (38 companies)	Daiwa House Industry, Daiwa Lease, Fujita
Zero Emission Dialogue	Confirmation of waste disposal status and support to set zero emissions targets	27 times	50 attendees (30 companies)	Daiwa House Industry, Daiwa Lease
Briefings, workshops, etc.	Sharing climate change and deforestation status and social trends, sharing details about Daiwa House Group initiatives, presentations by experts	6 times	Approx. 330 attendees	Daiwa House Industry, Daiwa Lease
Speaking at seminars	Speaking at environment-related seminars and webinars hosted by various organizations	4 times	Approx. 440 attendees	Daiwa House Industry
Zero deforestation	Requests for the endorsement of Challenge ZERO Deforestation for achieving zero deforestation	12 times	16 attendees (12 companies)	Daiwa House Industry, Daiwa Lease, Royal Home Center

Environmental education

■ Number of those who acquired the Certification Test for Environmental Specialists (Eco Test)®*



Calculation method and scope of coverage of environmental data

■ Number of those who acquired the Certification Test for Environmental Specialists (Eco Test)®

◇ Reporting organizations

Daiwa House Industry and 40 Group companies (Domestic only)

* Certification Test for Environmental Specialists (Eco Test)® is a registered trademark of The Tokyo Chamber of Commerce and Industry.

■ Environmental education provided (FY2024)

Category		Contents	Number of participants and frequency
Specialized education	Waste management	e-learning	98 attendees in 4 courses
	Asbestos-related management	e-learning	68 attendees in 4 courses
	ZEB design	e-learning	32 attendees in 6 courses
	ZEB	Training	310 attendees in 11 courses
	ZEH, ZEH-M	Training	380 attendees in 3 courses
	Soil contamination countermeasures	Training	1,805 attendees in 12 courses
Grade-specific education	Environmental education	e-learning	16,863 attendees
	Newly appointed manager education	e-learning	154 attendees
	Mid-carrier recruit education	e-learning	194 attendees
	Basic education for new employees	e-learning	611 attendees
	Training for newly appointed branch managers	Training	4 attendees in 1 course
	Training for technical employees (yearly, by rank)	Training	927 attendees in 12 courses
	General training for new technical employees	Training	313 attendees in 5 courses
	Training for sales employees (yearly, by rank)	Training	392 attendees in 8 courses
	General training for new sales employees	Training	139 attendees in 2 courses
	Training for cost estimation managers	Training	41 attendees in 1 course
	Training for construction managers	Training	366 attendees in 2 courses
	Disaster preparedness and environment management section manager training	Training	Once: 9 attendees
	Disaster preparedness and environment management section staff training	Training	Once: 33 attendees
	Overseas administration division managers training	Training	Once: 27 attendees

■ Number of participants in environmental education for children

Unit: People

	~2020	2021	2022	2023	2024
Eco Workshop for Children	7,048	80	178	363	**261**
The King and His House	304	0	0	0	—
Total	7,352	80	178	363	**261**
Cumulative	7,352	7,432	7,610	7,973	**8,234**

* From fiscal 2024, conducted only Eco Workshop for Children

Calculation method and scope of coverage of environmental data

■ Environmental education provided (FY2024)

■ Number of participants in environmental education for children

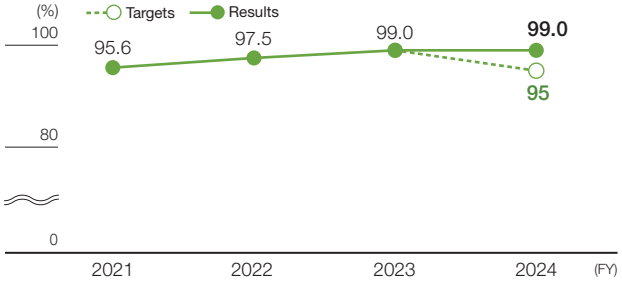
◇ Reporting organizations

Daiwa House Industry

Environmental Data | Strengthening the foundation of environmental management

Promotion of green purchasing

■ Green purchasing ratio



Calculation method and scope of coverage of environmental data

■ Green purchasing ratio

◇ Overview

We have adopted our own Green Purchasing Standards for the items used in offices of the Company and 21 principal Group companies. In calculating our green purchasing ratio, we use the following formula on a monetary basis.

◇ Calculation formula

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

◇ Scope of coverage

Segment	Target	Scope of coverage
Office work	The Company and 21 Group companies*.	Domestic worksites (Head Office, branches, offices, sales offices)

* 21 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, 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, KOUYAMAUNYU

■ Green purchasing standards

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

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

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

Environmental Data | Real estate portfolio

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

FY	Application	Number of properties	Area	GHG emissions				Energy consumption		Water consumption	
				Total			Intensity	Total	Intensity	Total	Intensity
				Scope1	Scope2	Scope1+2	kg-CO_2/m^2				
		Projects	m^2	t-CO_2	t-CO_2	t-CO_2		GJ	MJ/m^2	m^3	ℓ/m^2
2024	Offices	1	911	0	33	33	36.0	670	734.6	408	447.6
	Commercial facilities	160	2,411,438	32,344	122,512	154,856	64.2	3,169,876	1,314.5	1,384,668	647.6
	Logistics center	0	—	—	—	—	—	—	—	—	—
	Total	161	2,412,350	32,344	122,545	154,889	—	3,170,545	—	1,385,076	—
2023	Offices	1	911	0	40	40	44.2	811	890.0	795	872.2
	Commercial facilities	130	2,318,675	4,154	123,255	127,409	54.9	2,575,454	1,110.7	1,455,080	677.2
	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	—
2022	Offices	1	911	0	42	42	46.3	934	1,024.5	767	841.6
	Commercial facilities	146	2,370,505	4,256	126,382	130,638	55.1	2,884,954	1,217.0	1,387,097	623.9
	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	—
2021	Offices	1	911	0	87	87	95.3	1,871	2,053.1	686	752.6
	Commercial facilities	191	2,620,921	2,651	128,941	131,592	50.2	2,831,219	1,080.2	1,320,412	591.1
	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	—

Calculation method and scope of coverage of environmental data

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

◇ 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 CO_2 emission factor and heat conversion factor are the same as for the amounts of GHG emissions and energy consumption shown above. However, GHG emission factors for electricity are based on the location-based method, and average 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.

◇ Scope of coverage

Five Group companies that primarily engage in the rental real estate business. (Daiwa House Industry , Daiwa Lease, Daiwa House Realty Management, Daiwa Logistics, and Daiwa Living)

◇ Calculation formula

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

GHG emissions intensity (kg-CO_2/m^2)
= GHG emissions ÷ ∑ (total floor area)

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

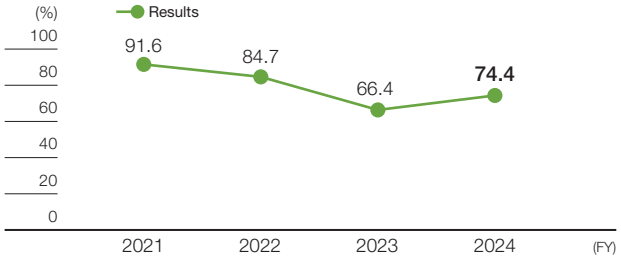
Energy consumption intensity (MJ/m^2)
= Energy consumption ÷ ∑ (total floor area)

Water consumption (m^3)
= ∑ (annual water consumption)

Water consumption intensity (ℓ/m^2)
= water consumption ÷ ∑ (total floor area)

Environmental Data | Rate of Green Building Certification obtained

Rate of Green Building Certification obtained



Green building certified area/total area

Unit: m²

Segment	2021	2022	2023	2024
Certified area	1,501,047	1,478,442	912,705	**756,914**
Total area	1,638,375	1,746,288	1,373,791	**1,017,183**

Calculation method and scope of coverage of environmental data

Rate of Green Building Certification obtained

◇ Scope of coverage

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

◇ Calculation formula

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

◇ 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.

Detailed data of Green Building Certification obtained

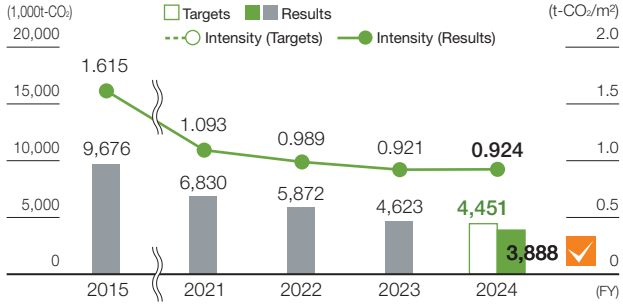
FY	Business	Total area	Green Building certified area	Number of Green Building certified properties	Breakdown of Green Building certified properties
2024	Rental housing	411,105m²	289,637m²	566	BELS: 566
	Commercial facilities	131,891m²	0m²	0	—
	Business facilities	474,188m²	467,277m²	9	BELS: 7 CASBEE for Buildings (new Construction): 2
2023	Rental housing	395,494m²	121,457m²	217	BELS: 217
	Commercial facilities	181,651m²	2,730m²	1	BELS: 1
	Business facilities	796,646m²	788,518m²	19	BELS: 14 CASBEE for Wellness Office: 1 CASBEE for Buildings (new Construction): 3 ABINC: 1
2022	Rental housing	150,809m²	0m²	0	—
	Commercial facilities	106,929m²	0m²	0	—
	Business facilities	1,488,550m²	1,478,442m²	23	BELS: 20 CASBEE for Wellness Office: 0 CASBEE for Buildings (new Construction): 9 ABINC: 0 * Of the 23 Green Building certified properties, six properties obtained both BELS and CASBEE for Buildings (New Construction) certifications. As a result, the sum of the number in the breakdown is higher than the total number of properties certified.

Environmental Data | Mitigating and adapting to climate change

(1) Challenge ZERO for CO_2 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.

Number of BELS Certifications acquired

■ Number of BELS Certifications acquired

Unit: Units

Name of certification	Application	2021	2022	2023	2024
BELS certification	Single-family housing Rental housing Condominiums Commercial and office buildings	1,899	4,017	16,811	**22,277**

■ Number of BELS Certifications acquired

◇ 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 of one to six stars (☆) are given according to the performance level.

◇ Scope of coverage

Daiwa House Industry (Single Family Housing Business Division, Apartment Business Division, Condominium Business Division, Commercial Construction Business Division, General Construction Business Division)

◇ Uses of buildings

Single-family housing, rental housing, condominiums, Nonresidential

◇ Scope of coverage

Contracted and self-developed properties (domestic only)

Calculation method and scope of coverage of environmental data

■ GHG emissions derived from use of products

◇ Overview

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

◇ Reporting organizations

Daiwa House Industry, Daiwa Lease, and Fujita, (all for domestic use only)

◇ Calculation formula

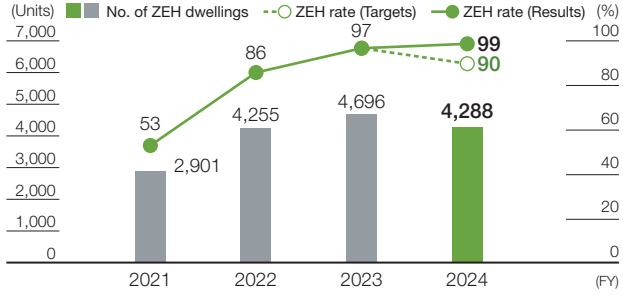
GHG emissions derived from use of products ($t\text{-}CO_2$)
= Design primary energy consumption × CO_2 emission factor for each energy type × useful life

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 housing	Daiwa House Industry Single Family Housing Business Division	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	Annual power generation [kWh/year] is calculated by multiplying the installed capacity [kW] by 1000	Based on individual calculations	Single-family housing 30 years Solar power systems 20 years
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				Rental housing (low-rise) 30 years Solar power systems 20 years
Rental housing (medium- and high-rise) Other apartment	Daiwa House Industry Apartment Business Division Commercial Construction Business Division General Construction Business Division Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted houses, built-for sales houses			(1) For fully electrified properties Electricity: 100% (2) In other cases Electricity: 72%, gas: 28%	Rental housing (medium- and high-rise) 60 years Solar power systems 20 years
Condominiums	Daiwa House Industry Condominium Business Division	Construction starts (Domestic only)	Self-developed properties JV-managed properties				Condominiums 60 years Solar power systems 20 years
Nonresidential	Daiwa House Industry Apartment Business Division Commercial Construction Business Division General Construction Business Division Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted, self-developed (sold) Total floor area of 300 m² or more (For Daiwa Lease, those less than 300 m² 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 floor area		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 60 years Meeting places 60 years Retail stores 30 years Restaurants 30 years Factories, warehouses 30 years Solar power systems 20 years

Environmental Data | Mitigating and adapting to climate change

ZEH rate

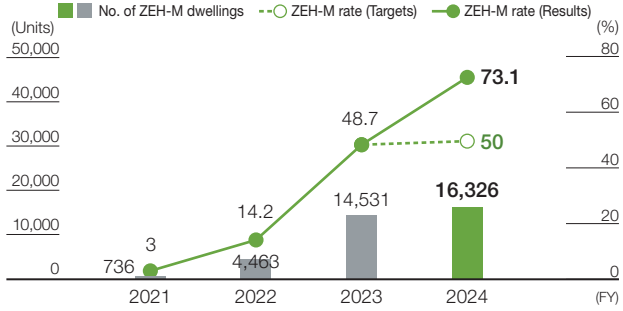
ZEH rate



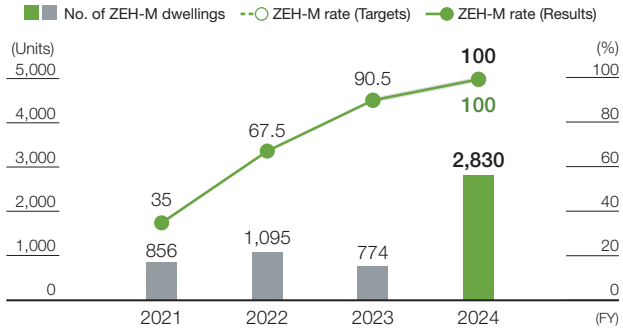
* Result for fiscal 2021 is based on order, while that for fiscal 2022 onward is based on construction start

ZEH-M rate

ZEH-M rate (rental housing)

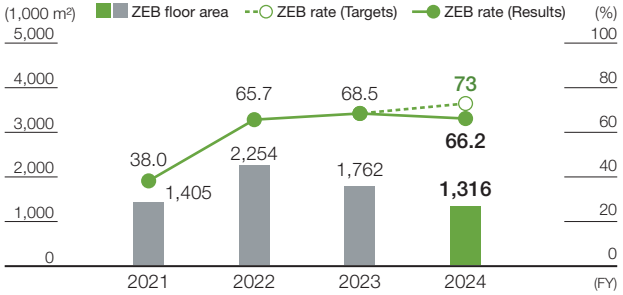


ZEH-M rate (condominiums)

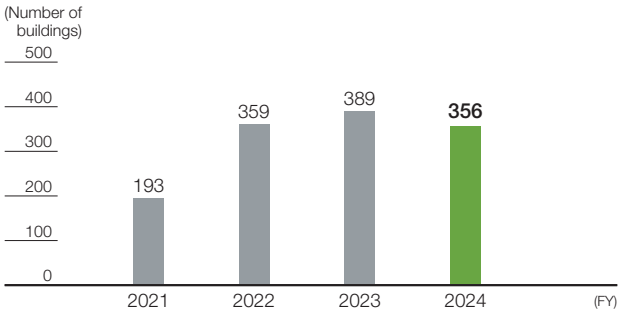


ZEB rate

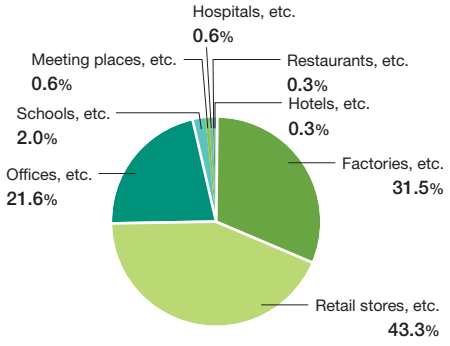
ZEB rate



ZEB units



Breakdown of ZEB units by intended use (FY2024)



Calculation method and scope of coverage of environmental data

ZEH rate

◇ Reporting organizations
Daiwa House Industry (Single Family Housing Business Division)

◇ Uses of buildings
Single-family housing

◇ 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

◇ 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

◇ Reporting organizations
Daiwa House Industry (Apartment Business Division, Condominiums Division)

◇ Uses of buildings
Apartments, Condominiums

◇ Scope of coverage
Rental housing: Contracted and 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 ÷ 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

◇ Reporting organizations
Daiwa House Industry (Commercial Construction Business Division, General Construction Business Division), Daiwa Lease, and Fujita

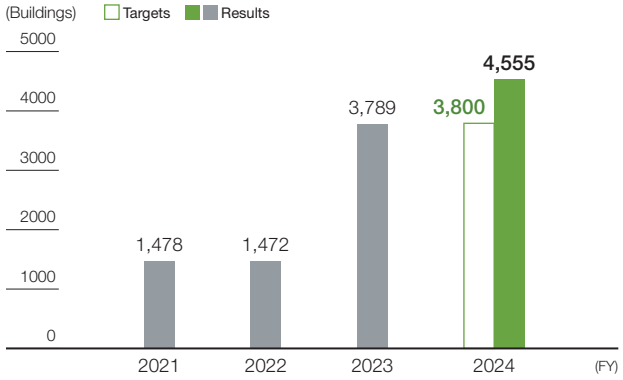
◇ Uses of buildings
All uses of non-residential properties

◇ 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)

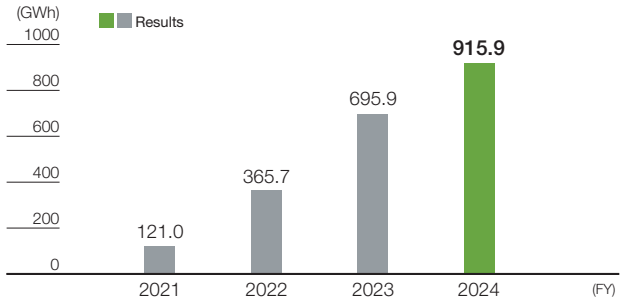
◇ Calculation formula
ZEB rate (%) = ZEB property floor area (m²) ÷ Total property floor area (m²)
ZEB judgment: Properties that have achieved the requirements for the definition of ZEB (“ZEB”, Nearly ZEB, ZEB Ready, and ZEB Oriented)

Environmental Data | Mitigating and adapting to climate change

The number of ZEH- renovation equivalents



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



Calculation method and scope of coverage of environmental data

The number of ZEH- renovation equivalents

◇ Overview

The number of ZEH- renovation equivalents 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 · Remodeling of warm-water washing toilet seats

◇ Calculation formula

$$\text{The number of ZEH- renovation equivalents} = \frac{\text{Total amount of primary energy reduction obtained through energy conservation retrofits [MJ] (excluding renewable energy)}}{\text{Primary energy reduction obtained by energy-saving renovation of one existing model house fitted for the ZEH specifications (equivalent to ZEH Oriented) [MJ] (18,635 [MJ])}}$$

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

◇ 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 CO_2 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

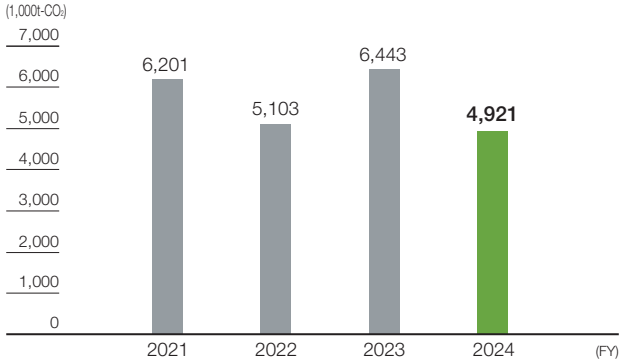
Reporting organizations	Main items for sale*
Daiwa House Industry	Electricity retailing (PPS), sale of renewable energy-based electricity under the PPA model, and brokerage of non-fossil fuel energy certificates
Eneserve	Electricity retailing (PPS), sale of renewable energy-based electricity under the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

* Including supply to our company and sales to Group companies

Environmental Data | Mitigating and adapting to climate change

Contribution to GHG reduction

Contribution to GHG reduction (Groupwide)



Contribution to GHG reduction (by segment)

Unit: 1,000t-CO₂

Segment	2021	2022	2023	2024
Single-family housing business	358	302	296	**247**
Rental housing business	360	421	713	**603**
Existing homes business	38	42	67	**69**
Condominium business	87	128	62	**160**
Commercial and office buildings business	3,535	3,091	2,624	**2,235**
Environment and energy business	1,824	1,121	2,680	**1,606**

Calculation method and scope of coverage of environmental data

Contribution to GHG reduction

◇ Overview

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

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

◇ Calculation formula

Example of flow base method

Method ① (New houses):
contribution to GHG reduction (t-CO_2) = {∑ (Annual GHG emissions (t-CO_2/year) in the usage or operation stages of the products being compared − ∑ (Annual GHG emissions (t-CO_2/year) in the usage or operation stage of products offered during the fiscal year)} × Number of assumed years of use (year)

Method ② (New buildings):
contribution to GHG reduction (t-CO_2) = ∑ {Annual primary energy consumption per unit of floor area by application or scale (MJ/m²·year) × Floor area (m²) × Energy reduction rate × CO_2 emission factor (t-CO_2/MJ) × Estimated number of years of use (year)}

Note: Energy reduction rate (%) = 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) = ∑ {Annual renewable energy generated (kWh/year) × CO_2 emission factor (t-CO_2/kWh) × Estimated number of years of use (year)}

Note: Includes power sales

Method ④ (Energy efficiency improvement):
contribution to GHG reduction (t-CO_2) = ∑ {(Annual GHG emissions (t-CO_2/year) before energy-efficiency retrofits − Annual GHG emissions (t-CO_2/year)) after energy-efficiency retrofits × Estimated number of years of use (year)}

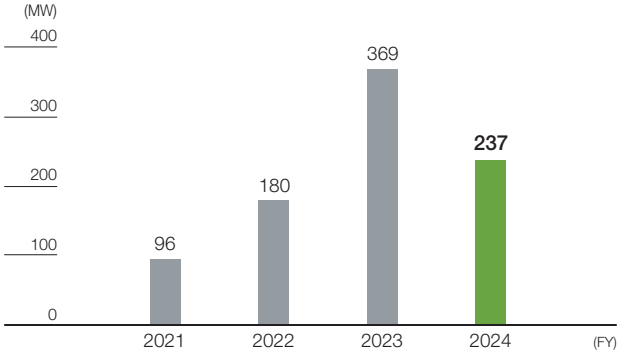
Method ⑤ (Electricity retailing):
contribution to GHG reduction (t-CO_2) = ∑ {(Alternative value emission factor in current fiscal year* (t-CO_2/kWh) − Adjusted CO_2 emission factor in current fiscal year (t-CO_2/kWh)) × Supplied electric energy (kWh)}

* Alternative values to the emission 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/year) = ∑ {(Annual GHG emissions (t-CO_2/year) of comparable facilities) − (Annual GHG emissions (t-CO_2/year) of equipment subject to ESCO services provided during year)}

Installed capacity of solar power generation systems

Trend in installed capacity of solar power generation systems



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

Unit: MW

Segment	2011–2020	2021	2022	2023	2024
Single-family housing business	218	17	19	20	**17**
Rental housing business	149	1	10	23	**30**
Existing homes business	161	0	2	2	**1**
Condominium business	0.5	0.01	0.02	0.1	**0.1**
Commercial and office buildings business	157	16	43	37	**31**
Environment and energy business	1,745	62	107	286	**158**
Total	2,430	96	180	369	**237**
Cumulative	4,663	2,526	2,706	3,075	**3,311**

Calculation method and scope of coverage of environmental data

Trend in installed capacity of solar power generation systems

◇ Scope of coverage

Same as "Renewable energy generation equipment construction results (EPC)" on P132.

Environmental Data | Mitigating and adapting to climate change

Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

◇ Scope* and calculation criteria [1/2] * All for domestic use only

Reporting organizations	Segment	Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Daiwa House Industry	Single-family housing business	All new housing of single-family housing business	Calculation method: Flow base method ①·③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings compliant with the 2016 standard specifications	Single-family housing: 30 years Solar power generation: 20 years
	Rental housing business	All newly built houses in rental housing business (low-rise)			Rental housing (low-rise): 30 years Solar power generation: 20 years
		All newly built houses of the rental housing business (medium- and high-rise)			Rental housing (medium- and high-rise): 60 years Solar power generation: 20 years
	Condominium business	All housing starts of condominium business			Condominiums: 60 years Solar power generation: 20 years
	Commercial and office buildings business	All construction starts of projects of at least 300 m² of the commercial and office buildings business, and installation of solar power generation systems	Calculation method: Flow base 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 and energy business	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method ⑤	Average values to the emission factors by electricity business operator based on the national “GHG emissions accounting, reporting and disclosure system (the SHK system)”	–
		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 ②·③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings compliant with the 2016 standard specifications	Store, warehouse, factories: 30 years Other applications: 60 years Solar power generation: 20 years
Fujita	Office buildings business	All construction starts of projects of at least 300 m² of the office buildings business and installation of solar power generation systems			

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Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

◇ Scope* and calculation criteria [2/2] * All for domestic use only

Reporting organizations	Segment	Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Daiwa House Reform	Existing home business	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. Calculation of power generated/energy-saving effect: Assumes that all the energy-efficiency retrofits and energy-generation installations for the fiscal year 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.	Construction sites: 6 areas Plan: Single-family house, Total floor area: 120.8m² Exterior insulation: 1992 Energy efficiency standard Ventilation: Air conditioning (C)* Hot-water supply: General gas water heater Lighting: All non-incandescent lighting Power generation facilities: None * Energy consumption efficiency classification	Insulation upgrade: 15 years Lighting fixture replacement: 15 years Hot-water supply replacement: 15 years Solar power generation: 20 years
Daiwa Living					
Daiwa House Chintai Reform		All energy-efficiency retrofits and energy-generation installation projects of the Rental housing renovation business			
Daiwa Energy, Eneserve	Environment and energy business	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method ⑤	Average values to the emission factors by electricity business operator based on the national “GHG emissions accounting, reporting and disclosure system (the SHK system)”	–
		All energy-efficiency and energy-generation solution projects	Calculation method: Flow base methods ③·④, existing home base method (ESCO projects only) Calculation of power generated/energy-saving effect: Calculated with our unique simulation (in combination with trial calculations by the manufacturer).	Example of energy-efficiency solutions: Before implementation of energy-efficiency retrofit Example of energy-generation solution: Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years

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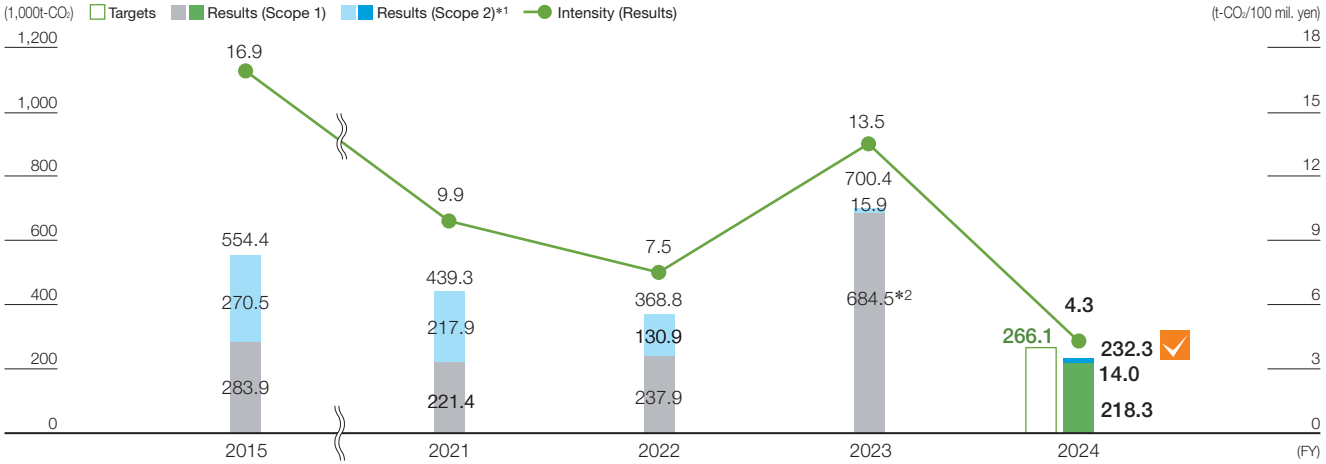
(2) Challenge ZERO for CO_2 in business activities

GHG emissions

■ GHG emissions and intensity

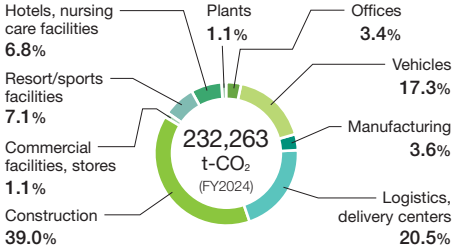


*1 Since FY2022, the Scope 2 calculation method has been revised to a market-based method.

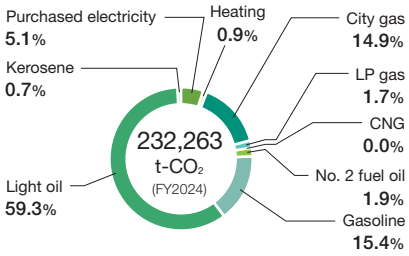
*2 Scope 1 emissions increased in fiscal 2023 due to converting Hibikinada Thermal Power Station into a Group company in January 2023.
(GHG emissions of Hibikinada Thermal Power Station in fiscal 2023: 446 thousand t-CO_2)
The operation of co-burning of coal and biomass fuel (wood pellets) ended in March 2024. The plant is scheduled to operate as a biomass-fired power station starting from April 2026.

■ Breakdown of GHG emissions

(by segment)



(by type)



■ GHG emissions (by segment)

Unit: t-CO_2

	2015	2021	2022	2023	2024
Offices	36,619	29,576	13,916	8,289	**7,997**
Vehicles	55,265	47,075	43,707	42,244	**40,284**
Manufacturing	36,094	28,647	9,469	8,386	**8,270**
Logistics, delivery centers	37,426	33,594	32,004	42,392	**47,605**
Construction	148,840	98,752	96,705	103,416	**90,665**
Commercial facilities, stores	69,072	58,797	36,787	1,940	**2,605**
Resort/sports facilities	137,337	94,810	92,982	30,425	**16,476**
Hotels, nursing care facilities	30,954	45,120	42,273	17,247	**15,740**
Parking lots	2,790	2,943	957	—	**—**
Plants	—	—	—	446,083	**2,622**

■ GHG emissions (by type)

Unit: t-CO_2

		2015	2021	2022	2023	2024
Scope 2	Purchased electricity	270,504	217,318	130,049	14,637	**11,939**
	Heating	0	548	854	1,304	**2,065**
Scope 1	City gas	34,522	39,592	44,227	39,051	**34,669**
	LP gas	9,147	6,929	7,976	4,946	**3,972**
	CNG	—	—	—	—	**31**
	No. 2 fuel oil	25,348	16,208	17,645	5,954	**4,372**
	Gasoline	55,765	40,531	39,929	37,822	**35,778**
	Light oil	153,894	115,968	125,777	148,865	**137,697**
	Kerosene	5,216	2,220	2,341	2,806	**1,741**
	Coal	—	—	—	445,038	**—**

■ GHG emissions (Japan, outside Japan)

Unit: t-CO_2

	2015	2021	2022	2023	2024
Japan	538,663	421,217	352,352	682,296	**205,481**
Outside Japan	15,734	18,096	16,447	18,127	**26,782**

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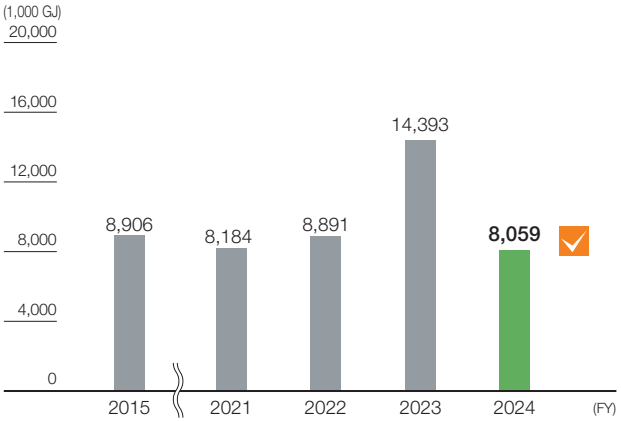
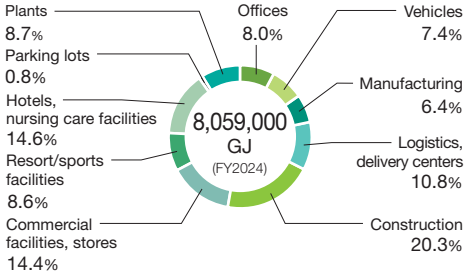
Energy consumption

Energy consumption

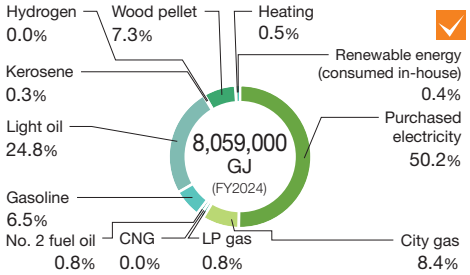


Breakdown of energy consumption

(by segment)



(by type)



Energy consumption (by segment)

Unit: 1,000 GJ

	2015	2021	2022	2023	2024
Offices	628	644	735	654	**644**
Vehicles	823	699	650	619	**592**
Manufacturing	604	592	619	546	**519**
Logistics, delivery centers	570	556	505	764	**867**
Construction	2,227	1,533	1,746	1,838	**1,636**
Commercial facilities, stores	1,179	1,263	1,369	1,138	**1,159**
Resort/sports facilities	2,288	1,880	1,974	957	**697**
Hotels, nursing care facilities	541	953	1,225	1,205	**1,180**
Parking lots	47	63	66	62	**67**
Plants	—	—	—	6,609	**698**

Energy consumption (by type)

Unit: 1,000 GJ

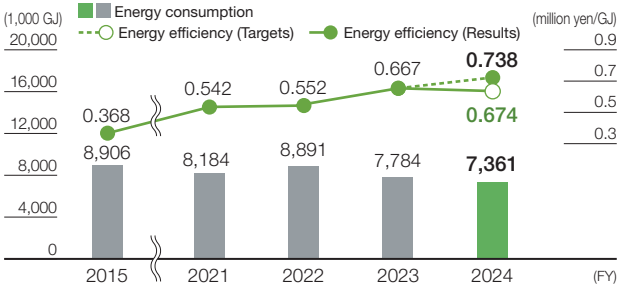
	2015	2021	2022	2023	2024
Purchased electricity	4,534	4,682	5,111	4,067	**4,047**
City gas	692	794	887	783	**676**
LP gas	155	117	135	83	**66**
CNG	—	—	—	—	**1**
No. 2 fuel oil	366	234	255	84	**62**
Gasoline	831	604	595	552	**522**
Light oil	2,244	1,691	1,834	2,160	**1,998**
Kerosene	77	33	35	41	**25**
Hydrogen	—	—	—	0	**0**
Coal	—	—	—	4,994	**—**
Wood pellet	—	—	—	1,584	**589**
Heating	0	13	20	27	**43**
Renewable energy (consumed in-house)	7	15	19	19	**29**

Energy consumption (Japan, outside Japan)

Unit: 1,000 GJ

	2015	2021	2022	2023	2024
Japan	8,683	7,880	8,599	14,086	**7,592**
Outside Japan	223	303	292	307	**467**

Energy efficiency (EP100)



Calculation method and scope of coverage of environmental data

GHG emissions

◇ Overview

GHG emissions refers only to CO_2 emissions originating from energy. The emissions are calculated by multiplying the CO_2 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.

◇ Calculation formula

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

GHG emissions intensity (t-CO_2/100 mil. yen) = ∑ (GHG emission) ÷ consolidated net sales

◇ Scope of coverage

See P150.

Energy consumption

◇ 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.

◇ Calculation formula

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

◇ Scope of coverage

See P150.

Energy efficiency (EP100)

◇ Calculation formula

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

Energy efficiency (million yen/ GJ) = Net sales*1 ÷ ∑ (Energy consumption)

*1 Figure excludes sales for the power generation business from consolidated sales.

◇ Scope of coverage

See P150 (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.

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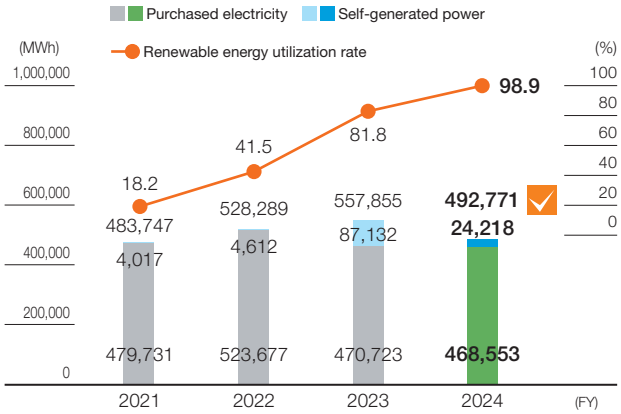
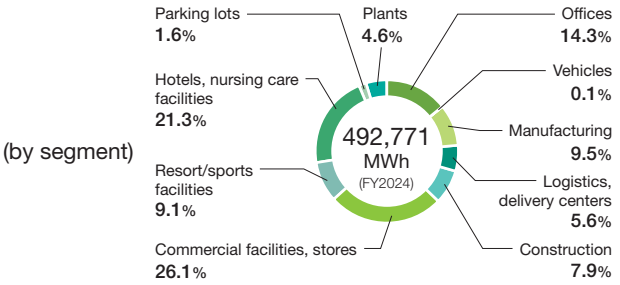
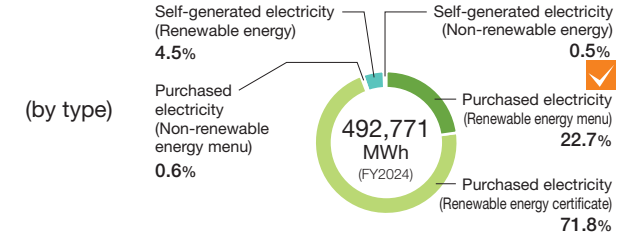
Electricity consumption

Electricity consumption and renewable energy utilization rate (RE100)



Breakdown of electricity consumption





Electricity consumption (by segment)

Unit: MWh

	2021	2022	2023	2024
Offices	58,117	66,342	69,199	**70,512**
Vehicles	0	9	373	**615**
Manufacturing	48,060	49,412	49,091	**46,966**
Logistics, delivery centers	20,978	12,361	17,253	**27,624**
Construction	29,226	36,189	40,156	**38,735**
Commercial facilities, stores	124,392	136,251	127,339	**128,437**
Resort/sports facilities	118,030	123,780	62,350	**44,625**
Hotels, nursing care facilities	78,448	97,197	103,622	**105,031**
Parking lots	6,496	6,748	7,189	**7,787**
Plants	—	—	81,282	**22,441**

Electricity consumption (by type)

Unit: MWh

		2021	2022	2023	2024
Purchased electricity	Renewable energy menu	81,940	118,043	117,298	**111,950**
	Renewable energy certificate*	4,650	99,345	333,947	**353,581**
	Non-renewable energy	393,141	306,288	19,478	**3,022**
Self-generated electricity	Renewable energy	1,558	1,925	5,102	**21,990**
	Non-renewable energy	2,459	2,687	82,030	**2,228**

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

Electricity consumption (Japan, outside Japan)

Unit: MWh

	2021	2022	2023	2024
Japan	472,709	514,593	542,173	**464,547**
Outside Japan	11,038	13,696	15,682	**28,224**

Calculation method and scope of coverage of environmental data

Electricity consumption

◇ Calculation formula

Electricity consumption (MWh) = ∑ {Annual purchased electricity + electricity generated by self-consumption generation (including renewable energy)}

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

* 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)

◇ Scope of coverage

See P150.

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GHG emissions/ energy consumption/ electricity consumption

◇ Scope and calculation criteria (Japan)

Segment	Target	Scope (Number of locations as of end- March, 2025)				Calculation criteria
Offices	Daiwa House Group	All offices (Head Office, affiliates, branches and sales offices), research labs, training centers and housing exhibition		Total	866 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Offices	694 locations	
				Housing exhibition	172 locations	
Vehicles	Daiwa House Group	All company vehicles and privately owned permitted vehicles		Total	12,780 vehicles	At each site, we use gasoline credit card billing data or refueling receipts to determine the amount of gasoline consumed, etc., and multiply it by the respective CO_2 emission factor.
Manufacturing	Daiwa House Group	All production sites		Total	29 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
Logistics, delivery centers	Daiwa House Group	Transport	All transportation in the logistics business (our company vehicles only)	Transport	1,092 vehicles	At each site, we use the monthly bill from the fuel supplier to identify the energy consumption and multiply it by the respective CO_2 emission factor.
		Delivery center	All delivery centers required for transporting materials (our company operations only)	Delivery center	99 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 and civil engineering works (excluding demolition/renovation)		Construction area: Total	3,813,000 m^2	We estimate* the overall situation by multiplying the sales floor area (sales amount) in the data collection period by the energy consumption per sales floor area (or sales amount) at a sample property. From this figure, we estimate the energy consumption by subtracting the energy consumption reduction estimated based on the implementation rate of energy-efficiency initiatives. This is calculated by multiplying the above energy consumption by the respective CO_2 emission factor. * We estimate data by application
				Housing construction	1,789,000 m^2	
				Building construction	2,024,000 m^2	
				Number of civil engineering sites: Total	162 locations	
Commercial facilities, stores	Daiwa House Group	Commercial facilities and stores operated by our company		Total	873 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor. Note: Excludes the tenants' portion.
				Commercial facilities	873 locations	
Resort/sports facilities	Daiwa House Group	Resort hotels, golf courses, fitness clubs, warm bathing facilities and restaurants operated by our company		Total	78 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Resort hotels	1 location	
				Golf courses	10 locations	
				Fitness clubs	65 locations	
				Warm bath facilities, Restaurants	2 locations	
Hotels, nursing care facilities	Daiwa House Group	Urban hotels and nursing care facilities operated by our company		Total	97 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO_2 emission factor.
				Urban hotels	87 locations	
				Nursing care facilities	10 locations	
Parking lots	Daiwa House Group	Parking lots operated by our company		Total	3,017 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	4 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.

◇ Scope and calculation criteria (Outside Japan)

Segment	Target	Scope (Number of locations as of end- March, 2025)		Calculation criteria
Offices	Daiwa House Group	Offices	151 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	498 vehicles	At each site, we grasp the amount of gasoline used, etc., 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	10 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)	8 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	6 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.

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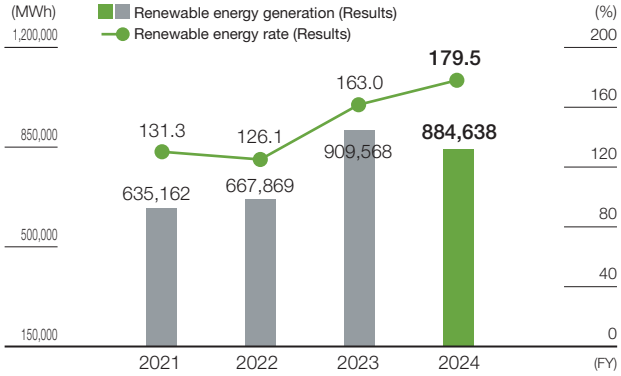
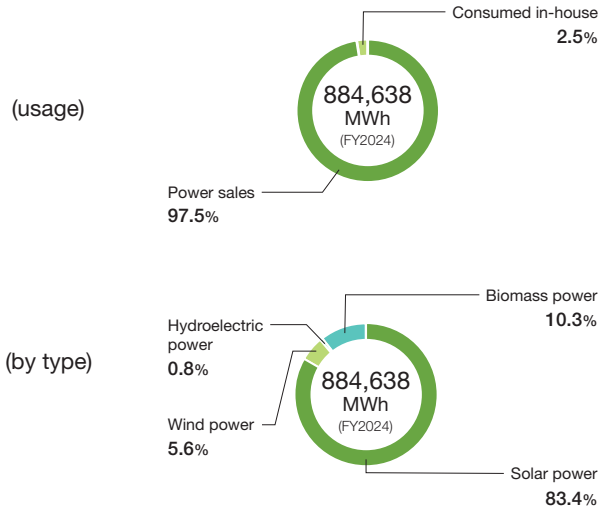
Renewable energy

Renewable energy-based power generation and renewable energy rate



Breakdown of renewable energy-based power generation



Renewable energy-based power generation (usage)

Unit: MWh

	2021	2022	2023	2024
Power sales	633,604	665,944	904,466	**862,648**
Consumed in-house	1,558	1,925	5,102	**21,990**

Renewable energy-based power generation (by type)

Unit: MWh

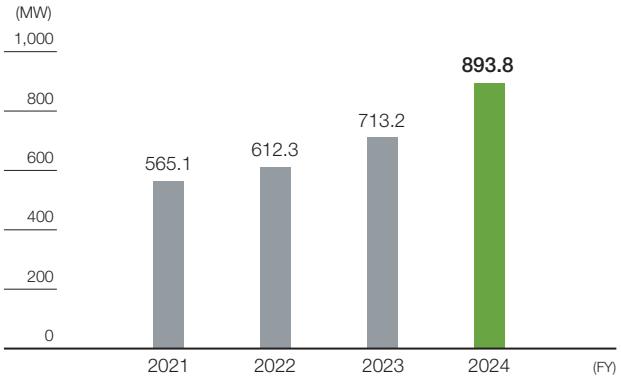
	2021	2022	2023	2024
Solar power	574,083	610,568	666,846	**737,653**
Wind power	49,519	47,522	47,295	**49,125**
Hydroelectric power	11,560	9,779	6,862	**6,798**
Biomass power	—	—	188,566	**91,062**

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

Unit: MWh

	2021	2022	2023	2024
Japan	635,162	667,869	909,568	**884,638**
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)

Unit: MW

	2021	2022	2023	2024
Power sales	560.9	601.6	699.9	**877.3**
Consumed in-house	4.2	10.7	13.3	**16.4**

Calculation method and scope of coverage of environmental data

Generated volume and installed capacity of renewable energy-based 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.

1) 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.

◇ Scope of coverage

1) Please refer to "Renewable energy power plants development and operating results (IPP)" on P132.
2) Entire Daiwa House Group

Renewable energy rate

◇ Calculation formula

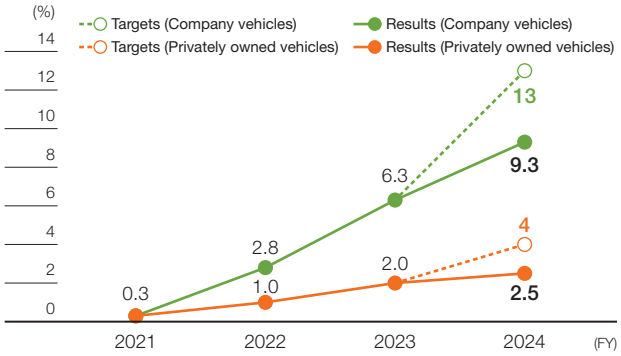
Renewable energy rate (%) = renewable energy-based power Generation ÷ electricity consumption

◇ Scope of coverage

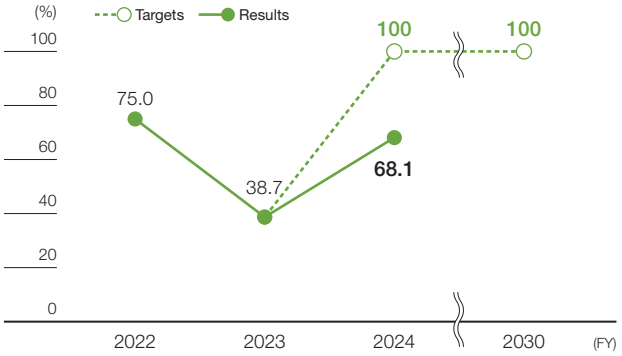
Please refer to P150 for electricity consumption. Please refer to the above for renewable energy generation.

Environmental Data | Mitigating and adapting to climate change

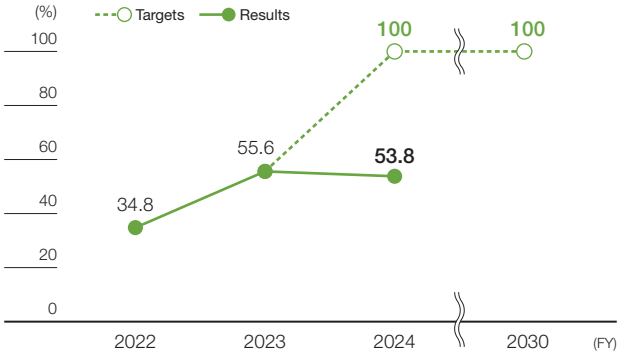
Introduction rate of clean energy cars



ZEB rate for newly constructed company-owned facilities



Percentage of newly constructed company-owned facilities with solar power generation equipment



Calculation method and scope of coverage of environmental data

Introduction rate of clean energy cars

◇ 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.

◇ 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)

◇ 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)

Calculation method and scope of coverage of environmental data

ZEB rate for newly constructed company-owned facilities, percentage of newly constructed company-owned 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.

◇ 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)

◇ Scope of coverage

Company facilities whose construction started in FY2024 (domestic only)
Properties with a floor area of 300 m² or more

◇ Calculation formula

ZEB rate for newly constructed company-owned facilities (%)
= 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)

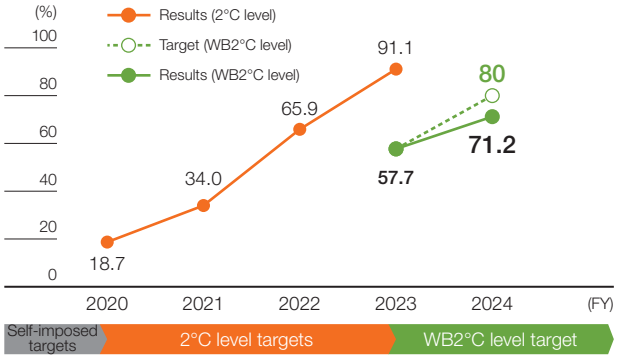
Percentage of newly constructed company-owned facilities with solar power generation equipment (%)
= Number of buildings with solar power generation equipment (buildings) ÷ Number of eligible properties with soar power generation equipment (buildings)

Environmental Data | Mitigating and adapting to climate change

(3) Challenge ZERO for CO_2 in the supply chain

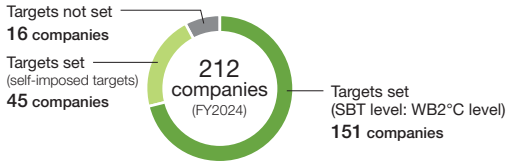
Principal suppliers' GHG emissions reduction

■ Setting rate of principal suppliers' SBT standard* GHG reduction targets

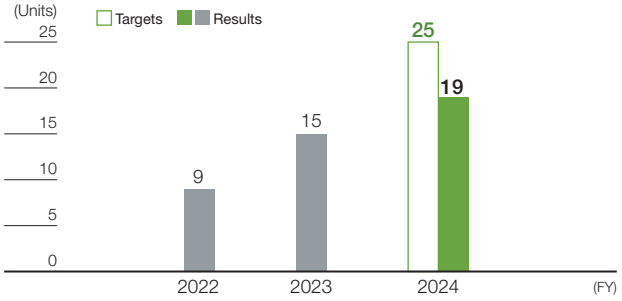


* We used the 2°C level (annual reduction in GHG emissions of 1.23% or more) for our target through fiscal 2022. However, we raised the target to the WB 2°C level (reduction of 2.5% or more) starting in fiscal 2023. (WB 2°C, or well-below 2°C, is a GHG reduction target to keep global temperature increase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

■ Breakdown of principal suppliers' GHG emissions reduction target



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



Calculation method and scope of coverage of environmental data

■ Setting rate of principal suppliers' SBT standard GHG reduction targets

◇ Overview

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.

◇ 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 (76 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (91 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

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 energy-efficiency solutions (The number of cases of support) (cumulative)

◇ 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 (76 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (91 companies)

Environmental Data | Mitigating and adapting to climate change

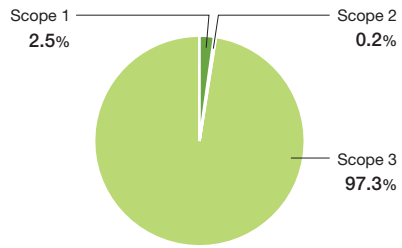
GHG emissions in our value chain Scope 1, 2 & 3 GHG emissions

Unit: 1,000 t-CO_2

Category				FY2021	FY2022	FY2023	FY2024	Percentage of total
Scope 1				221	238	684	**218**	**2.5%**
Scope 2*				218	131	16	**14**	**0.2%**
Scope 3				12,969	11,858	9,595	**8,366**	**97.3%**
	Upstream	1	Purchased products and services	3,479	3,312	2,822	✓ **2,320**	**27.0%**
		2	Capital goods	301	368	157	**379**	**4.4%**
		3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	43	41	42	**39**	**0.5%**
		4	Upstream transportation and distribution	34	33	32	**26**	**0.3%**
		5	Waste generated in operations	130	101	101	**85**	**1.0%**
		6	Business travel	5	11	16	**18**	**0.2%**
		7	Employee commuting	8	13	7	**7**	**0.1%**
		8	Upstream leased assets	0.3	0.3	0.3	**0.3**	**0.0%**
	Downstream	9	Downstream transportation and distribution	—	—	—	**—**	**—**
		10	Processing of sold products	—	—	—	**—**	**—**
		11	Use of products sold	6,830	5,872	4,623	✓ **3,888**	**45.2%**
		12	End-of-life treatment of sold products	2,006	1,976	1,667	**1,450**	**16.9%**
		13	Downstream leased assets	133	131	128	**155**	**1.8%**
		14	Franchises	—	—	—	**—**	**—**
		15	Investments	—	—	—	**—**	**—**
Total				13,408	12,226	10,295	**8,599**	**100.0%**

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

Breakdown of GHG emissions (FY2024)



■ 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 27.0%
- Other (upstream) 6.4%
- Use of products sold: Category 11 45.2%
- Repair and disposal of sold products: Category 12 16.9%
- Other (downstream) 1.8%

Under the GHG Protocol*, GHG emissions from biomass power must be reported separately from Scope 1, 2 and 3 GHG emissions.
GHG emissions from biomass power in the Group's Hibikinada Thermal Power Station (fiscal 2024) are presented below.

66,002 t-CO_2

* International standards for calculating and reporting greenhouse gas emissions

Environmental Data | Mitigating and adapting to climate change

Calculation method and scope of coverage of environmental data

■ GHG emissions in our value chain

◇ Overview

As for Scope 1 and Scope 2, refer to pages 148 and 150. 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.

◇ Target businesses (scope 3)

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

◇ Calculation formula

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

◇ Source (Secondary data used)

① Emission intensity database (ver. 3.5, Ministry of Economy, Trade and Industry, Ministry of the Environment) for calculation of greenhouse gas emissions of the organization throughout its supply chain

② LCI database IDEAv2 (for calculating greenhouse gas emissions in the supply chain) (Sustainable Management Promotion Organization (SuMPO))

③ The Comprehensive Assessment System for Built Environment Efficiency System (CASBEE) Single-family Housing (Newly Built) and Buildings (Newly Built), $LCCO_2$ Calculation Tool, 2021 edition (Japan Sustainable Building Consortium)

◇ Scope and calculation criteria

Category	Scope 3 target categories		Scope [Explanation of non-applicable categories (◆)]	Calculation criteria [Emissions = Activity × CO_2 emissions per activity (intensity)]	
				Activity	Intensity (source)
Upstream	1	Purchased products 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 ①)
	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)
	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)
	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)
Downstream	9	Downstream transportation and distribution	◆ Because there is no process of transportation/distribution of products (houses, buildings) sold, there is no CO_2 emission corresponding to this category.	Not applicable	Not applicable
	10	Processing of sold products	◆ Because there is no processing of products (houses and buildings) sold, no CO_2 emissions apply to this category.	Not applicable	Not applicable
	11	Use of products sold	Lifetime use of single-family housing, rental housing, condominiums, and non-residential buildings (inside Japan, Single-family housing/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 consumption × CO_2 emission factor for each energy type × useful life * Same as "GHG emissions derived from use of products" on p. 141	
	12	End-of-life treatment of sold products	Repair, renovation, demolition, disposal of single-family housing, rental housing, 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 consumption of subject properties	
	14	Franchises	◆ Since we operate no franchising system, no CO_2 emissions correspond to this category.	Not applicable	Not applicable
	15	Investments	◆ In terms of scope 1 and 2 emissions at the investment destination, as a result of estimates based on partial actual data, emissions total a maximum of 2% of total Scope 3 emissions. In light of the difficulty of collecting data, it is determined that the emissions are low enough to disregard.	Not applicable	Not applicable

Environmental Data | 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

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

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]
  - (1) Confirmation of legality
  - (2) Confirmation of sustainability
- Biodiversity Guideline [Development & Community Creation]

P046 Implementation of the Chemical Substance Management Guidelines

WEB ↗ Supply Chain Sustainability Guidelines

Biodiversity Guideline [Timber Procurement]

(Revised February 2025)

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

* For zero deforestation, conditions (a) through (d) must be met.
* FSC-certified timber is timber confirmed to have been legally and sustainably sourced.
* 100% recycled timber is post-consumer timber (timber that cannot be used for its original purpose), such as timber recovered from construction.
* For (h), consideration much be given to the rights of indigenous peoples and local communities, including the protection of customary land rights and the protection of rights based on customs and traditions, as well as the safety, health, and human rights of workers, including forced and child labor.

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.

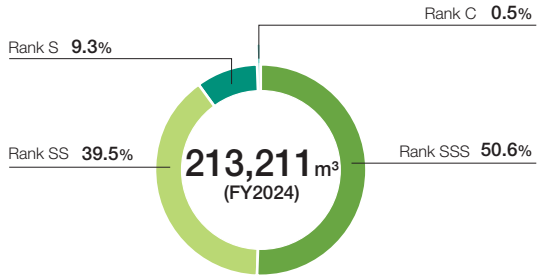
5. Take steps to minimize the environmental impact of construction work
We will consider the plants and animals inhabiting the surroundings as we strive to reduce the impact of noise, vibration, exhaust, and other such factors.

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

(4) Challenge ZERO Deforestation
Eco-friendly timber procurement

Rate of C-ranked timber in procurement

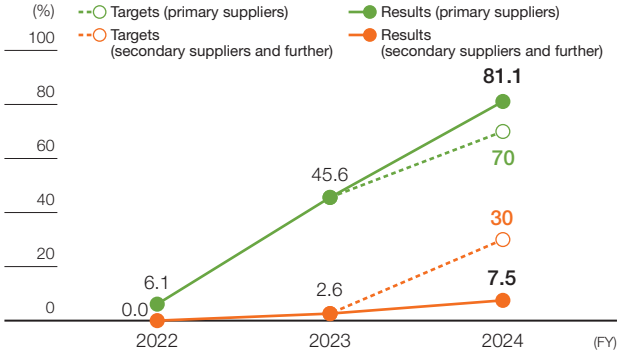


Volume of timber procured

Unit: m³

	2021	2022	2023	2024
Single-family housing and rental housing businesses (low-rise)	172,687	159,734	163,189	**157,969**
Rental housing business (medium- and high-rise)	—	13,893	3,867	**3,247**
Condominium business	13,394	4,263	1,731	**1,539**
Commercial and office buildings business	52,440	51,245	11,432	**24,170**
Existing homes business	146	266	231	**180**
Other	31,148	24,446	21,801	**26,106**
Total	269,815	253,848	202,252	**213,211**

Setting rate of zero deforestation policy



Companies endorsing Challenge ZERO Deforestation

- Aimokusha
- Akashimokuzai Co., Ltd.
- Asahi Woodtec Co., Ltd.
- ISHIMOK CORPORATION CO.,LTD.
- Willhousing Co., Ltd.
- Echigoya Mokuzai Corporation
- OAK Co., Ltd.
- Kanesho Corporation
- Kyowa Sangyo Inc.
- KOUWAKENSHO Co., Ltd.
- Kobayashi Mokuzai Co., Ltd.
- Shimizu Mokuzai Co., Ltd.
- Syuhoku Co., Ltd.
- Showayuki Corporation
- Senda Kogyo Co., Ltd.
- Takachiho Co., Ltd.
- Tamoyama Komuten Co., Ltd.
- Tsuda Sangyo Co., Ltd.
- Ta Build & Material Co., Ltd.
- Tokyo Central Timber Market Co., Ltd.
- Tohoku Shiraishi Bussan Co., Ltd.
- Tomishiro Kogei Co., Ltd.
- Nakai Shoji Corporation
- Nishiuragumi Co., Ltd.
- NIHON FLUSH CO., LTD.
- Hatano Co., Ltd.
- Higuchi Kenso Corporation
- Maruka Shoten Co., Ltd.
- MIURA Co., Ltd.
- Mobiria Co., Ltd.
- Yamaike Co., Ltd.
- Waklus Co., Ltd.
- IPC Co., Ltd.
- Akikogei Inc.
- AwajiGiken Co., Ltd.
- ITOCHU KENZAI CORPORATION
- Unnoseisakusho Co., Ltd.
- Oosako Co., Ltd.
- OG CORPORATION
- Kameoka Lumber Industry, Co., Ltd.
- Kirii Construction Materials Co., Ltd.
- KOKUYO Tohoku Sales Co., Ltd.
- Sanyo UD Co., Ltd.
- Jumbo Co., Ltd.
- Jomo Shoji Co., Ltd.
- Shinei, Inc.
- SOJITZ BUILDING MATERIALS CORPORATION
- Takumi Corporation
- Chugoku Mokuzai Co., Ltd.
- Tsuchiura Mokuzai Co., Ltd.
- TEC-CELL Co., Ltd.
- Tokyo Board Industries, Co., Ltd.
- Towa Kenko Co., Ltd.
- Toyo Materia Corporation
- NAFFICS CO., LTD.
- Japan Housing & Building Components Manufacturers Cooperative
- Numata Koumuten Co., Ltd.
- HAYASHI PLYWOOD INDUSTRIAL CO., LTD.
- Prestige Japan Inc.
- MARUKUNI FORESTRY CO., LTD.
- Mitsuya Co., Ltd.
- Morikenso Co., Ltd.
- UFG Co., Ltd.
- Watazai Co., Ltd.
- Asunaro Aoki Construction Co., Ltd.
- Asanuma Corp.
- Ikeda Mokuzai Co., Ltd.
- Impact Inc.
- SY Co., Ltd.
- Oshima Flooring Co., Ltd.
- OMNITSUDA Inc.
- Kinugasa Mokuzai Corporation
- Kodai Co., Ltd.
- Kodama Naiso LLC.
- Shinozaki Mokko Co., Ltd.
- JUTEC Corporation
- Showa Lumber Co., Ltd.
- Sumitakenso LLC.
- Daiei Kousan Co., Ltd.
- TASK Co., Ltd.
- TWO-KEN INDUSTRIES Inc.
- DIY Centuryl Co., Ltd.
- TOHKAI Co., Ltd.
- Toho Mokuzai Co., Ltd.
- Tohsen Ltd.
- Nice Corporation
- Niigata Gohan Co., Ltd.
- Nippon Paper Lumber Co., Ltd.
- NODA CORPORATION
- barco Co., Ltd.
- Matsumoto Shoten Co., Ltd.
- Maluko Co., Ltd.
- Miwaki Co., Ltd.
- Yamamotokoumuten Co., Ltd.
- Land TOOCX Co., Ltd.

Total 95 companies (as of March 31, 2025; Japanese alphabet order)

Calculation method and scope of coverage of environmental data

Rate of C-ranked timber in procurement

◇ 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) ÷ Total amount of timber procured (m³)

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	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
Other	Royal Home Center	Timber products sold
	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.

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

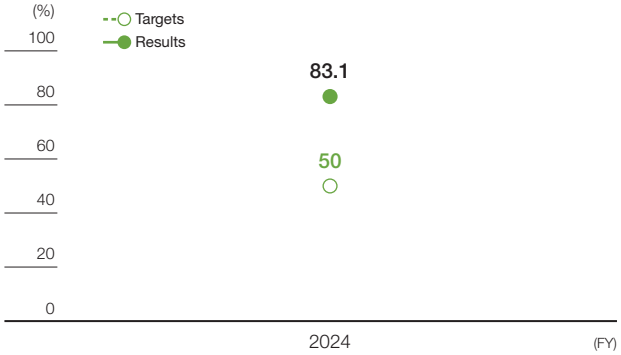
Setting rate of zero deforestation policy (secondary suppliers and further) (%)
= Number of primary suppliers that have completed the formulation of zero deforestation policy for their secondary suppliers and further ÷ Number of primary suppliers with minimum procurement of 50 m³/year

Environmental Data | Harmony with the natural environment

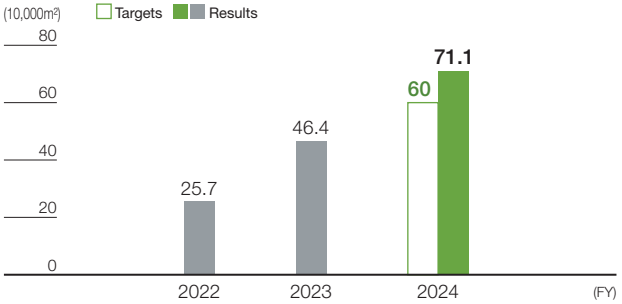
(5) Challenge ZERO Harm to Biodiversity

Preservation of biodiversity in development and community development

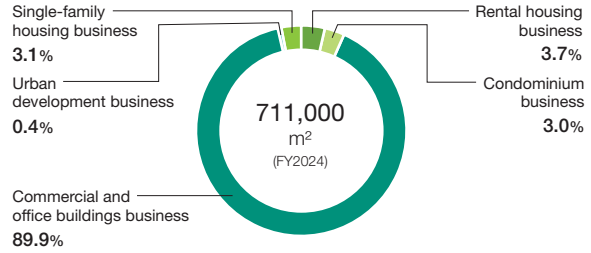
■ Rate of sustainable concrete formwork use (no. of building basis)



■ 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

■ Rate of sustainable concrete formwork use (no. of building basis)

◇ Overview

For concrete formwork used in the aboveground sections of RC and SRC frames, we calculate the percentage of buildings using at least 10% sustainable concrete formwork (incl. domestic coniferous plywood panels, plastic formwork, steel formwork).

◇ Calculation formula

Rate of sustainable concrete formwork use (%)
= number of buildings using at least 10% sustainable concrete for buildings with RC and SRC frames for which construction commenced
÷ the number of buildings with RC and SRC frames for which construction commenced

◇ Scope of coverage

Segment	Target	Scope of coverage*
Rental housing business	Daiwa House Industry	Medium- and high-rise rental housing construction commenced during the period employing RC and SRC frames
Condominium business	Daiwa House Industry	Buildings with RC and SRC frames for which construction commenced during the period (excludes properties for which budgets were finalized through fiscal 2023)
Commercial and office buildings business	Daiwa House Industry	Buildings with RC and SRC frames for which construction commenced during the period
	Fujita	Buildings with RC and SRC frames for which construction commenced during the period

* Domestic properties only

Calculation method and scope of coverage of environmental data

■ Eco-friendly surface area of green spaces (cumulative)

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

◇ Scope of coverage

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

* Domestic properties only

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)
Directly operated sites	1,735	—
Including sites in close proximity to important biodiversity	80	2,994
Including sites that have biodiversity management plans	5	234

Calculation method and scope of coverage of environmental data

■ Biodiversity assessments for Daiwa House Group sites

◇ Overview

For our directly operated sites (assessment locations), we determine the degree of impact on biodiversity*1 and conduct self-evaluations of our ecological management*2.

*1 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).

*2 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.

◇ Scope of coverage

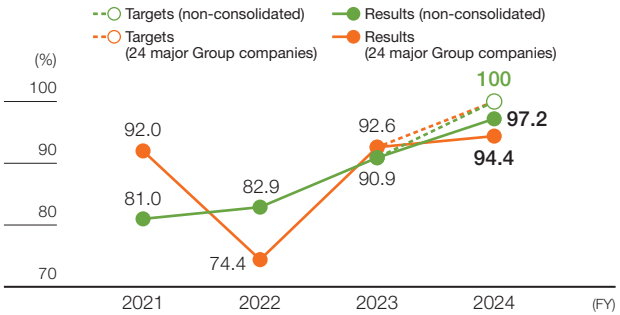
Target	Scope of coverage
Daiwa House Group	Sites that the Company directly operates under a central manager (Domestic only)

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 and wind power plants, Forest housing areas, company-owned forest sites
Fujita	Technological Center
Daiwa Lease	Factories, commercial facilities, solar and wind power generation plants
Daiwa House Realty Management	Commercial facilities, Hotels, solar and wind power generation plants
DesignArc	Factories, delivery centers
Daiwa Energy	Solar and wind power generation plants
Eneserve	Office, factories, solar and wind power generation plants
Royal Home Center	Commercial facilities
Sports Club NAS	Commercial facilities
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)

1	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.
2	In cases where it is difficult to replace disposable plastics due to functional restrictions, environmentally friendly materials such as 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.
3	As for office supplies used repeatedly in the company, environmentally friendly products such as green procurement will be adopted, and efforts will be made to use them carefully for a long period of time, and when disposing of them, they will be sorted and disposed of in a manner that ensures recycling.
4	The department that adopts or purchases such products shall take the lead in promoting the replacement or reduction of disposable plastics.

Supplementary explanation

○ 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.

○ For novelty and promotional goods, efforts will be taken to not use packaging or consideration given to using packaging other than disposable plastic.

○ 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.)

◇ 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 stirrers (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, 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, KOUYAMAUNYU, Hibikinada Thermal Power Station, Osaka Marubiru, Daiwa Wood Reform

◇ 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)
÷ Σ (number of target items per site)

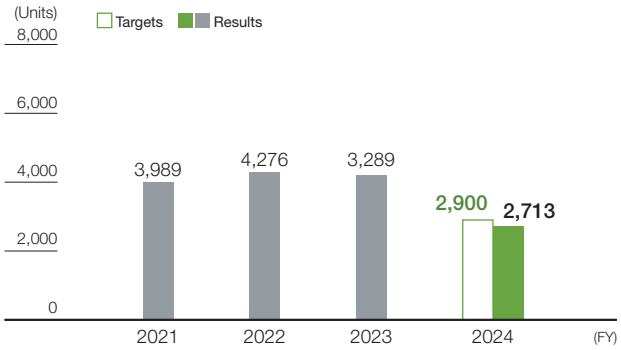
· 24 major Group companies

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

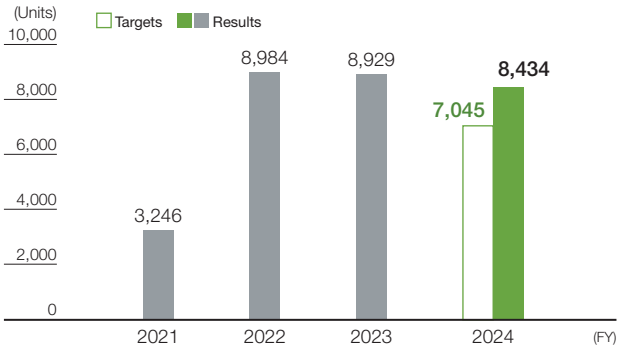
Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

(6) Challenge ZERO Waste and Reuse

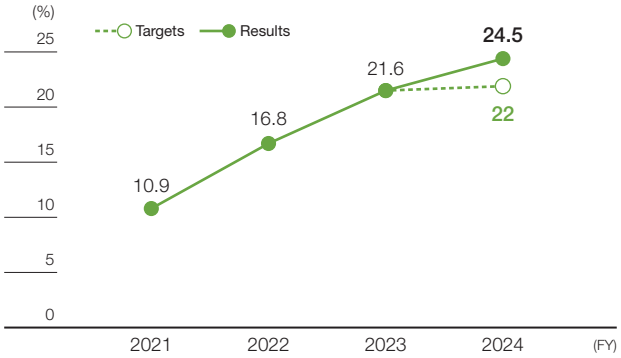
Number of assets subject to effective use



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

◇ 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	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 House Real Estate	
Daiwa LifeNext	

◇ 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 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 Chintai Reform	
Daiwa LifeNext	

◇ 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]

◇ 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 the Company’s 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

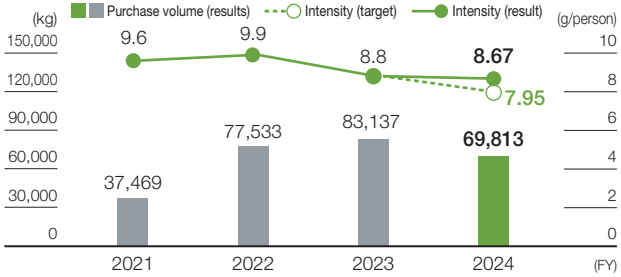
◇ Calculation formula

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)

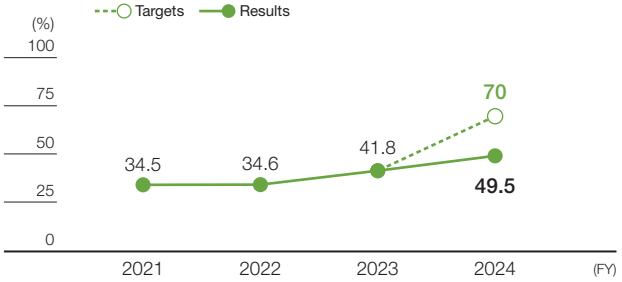
Environmental Data | Closed-loop resource sourcing and conservation of aquatic environments

(6) Challenge ZERO Waste and Reuse

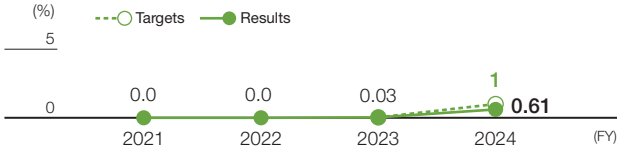
Purchase amount and intensity of amenities that are plastic-containing products specified in law [hotels]



Setting rate of zero waste emissions targets by principal suppliers



Recycling rate of amenities that are plastic-containing products specified in law [hotels]



Materials

Paper consumption

Unit: t

	2021	2022	2023	2024
Daiwa House Industry	849	662	590	**553**

Steel consumption

Unit: t

	2021	2022	2023	2024
Daiwa House Industry	177,438	179,566	176,867	**162,406**

Calculation method and scope of coverage of environmental data

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]

◇ 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 plastics, which will be distributed free of charge at domestic bases.
Daiwa House Realty Management	
Housing Complex Business Division (Daiwa Living)	

◇ Calculation formula

Annual purchases intensity of amenities that are plastic-containing products specified in law (g/person)
= ∑ (annual purchases of amenities that are plastic-containing products specified in law)
÷ ∑ (annual number of overnight guests)

Recycling rate of amenities that are plastic-containing products specified in law (%)
= ∑ (weight of recycled amenities that are plastic-containing products specified in law)
÷ ∑ (weight of annual purchases of amenities that are plastic-containing products specified in law)

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

Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (76 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (91 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

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

◇ Calculation formula

Paper consumption (t)
= ∑ (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

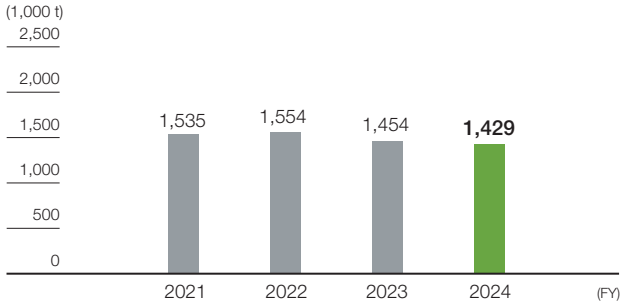
◇ Scope of coverage

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

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

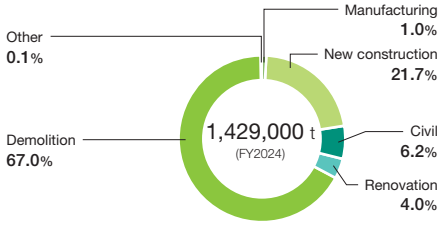
Construction waste emissions, Recycling rates

Overall Construction/demolition waste emissions

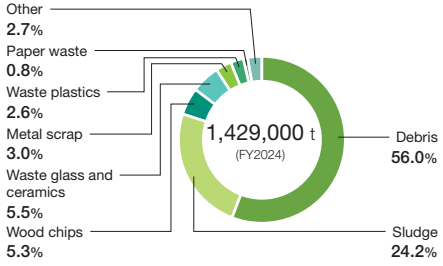


Overall Breakdown of construction/demolition waste emissions

(by process)



(by item)



Overall Construction/demolition waste emissions (by process)

Unit: 1,000 t

	2021	2022	2023	2024
Manufacturing	10	15	15	**14**
New construction	113	286	288	**310**
Civil	209	161	131	**89**
Renovation	46	49	46	**57**
Demolition	996	1,040	972	**956**
Other	161	3	2	**2**

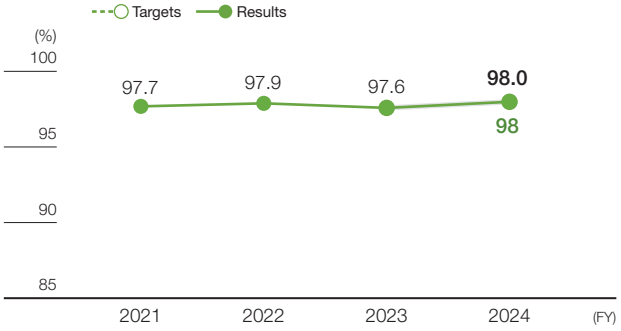
* The classification method per stage was partly changed in FY2022.

Overall Construction/demolition waste emissions (by item)

Unit: 1,000 t

	2021	2022	2023	2024
Debris	879	848	780	**800**
Sludge	328	360	378	**345**
Wood chips	88	98	89	**75**
Waste glass and ceramics	89	88	85	**79**
Metal scrap	47	47	33	**42**
Waste plastics	36	39	38	**37**
Paper waste	12	13	11	**11**
Other	56	59	39	**39**

Overall Recycling rate of construction waste



Overall Recycling rate of construction waste (by treatment)

Unit: %

		2021	2022	2023	2024
Recycling	Material recycling	95.2	93.9	94.7	**95.8**
	Thermal recycling	2.1	3.0	2.9	**2.2**
	Neutralization treatment	0.4	1.0	0.0	**0.1**
Final disposal	Simple incineration	0.003	0.003	0.0	**0.0**
	Landfill	2.3	2.1	2.4	**1.9**

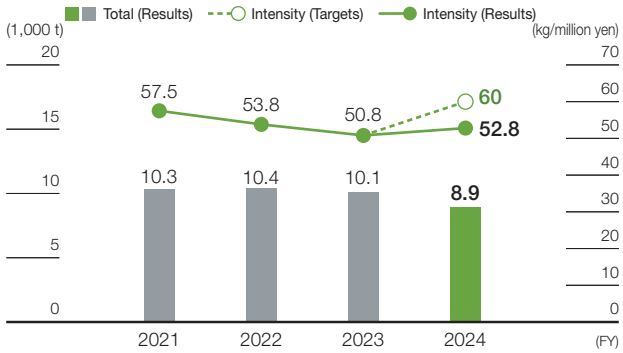
Overall Specially controlled industrial waste emissions (Daiwa House Industry)

Unit: t

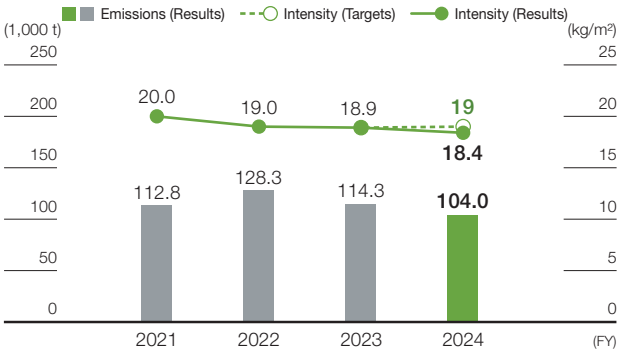
	2021	2022	2023	2024
Combustible waste oil	110.6	118.67	111.27	**96.03**
Corrosive waste acid, waste alkali	23.9	32.84	29.53	**17.75**
Specified hazardous industrial waste (e.g. waste asbestos, waste PCB)	197.9	95.38	47.91	**115.59**

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

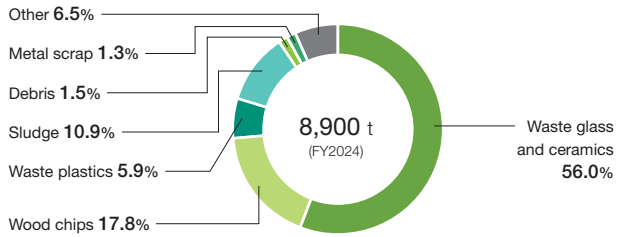
Manufacturing Construction waste emissions and intensity



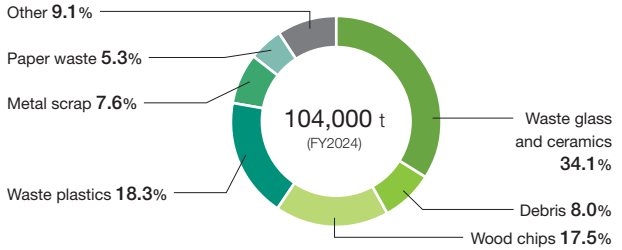
New construction Construction waste emissions and intensity



Manufacturing Breakdown of Construction waste emissions (by item)



New construction Breakdown of Construction waste emissions (by item)



Calculation method and scope of coverage of environmental data

Construction waste emissions, Recycling rates

◇ 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.

◇ 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	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

◇ 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)

◇ 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.

Number of Long-Life Quality Housing Certification acquired

Number of Long-Life Quality Housing Certification acquired

Unit: Units

Name of certification	2024
Long-Life Quality Housing Certification	4,133

Calculation method and scope of coverage of environmental data

Number of Long-Life Quality Housing Certification acquired

◇ Overview

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

◇ Reporting organizations

Daiwa House Industry

◇ Uses of buildings

Single-family housing

◇ Scope of coverage

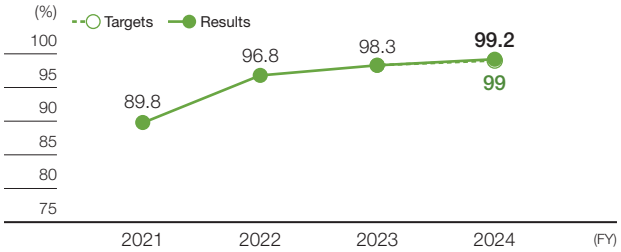
Contracted and built-for sales properties (domestic only)

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

(7) Challenge ZERO Water-Associated Risks

Water-saving device adoption rate

■ Water-saving device adoption rate (housing and hotels)



■ Water-saving device adoption rate by department (FY2024)

Department	Adoption rate
Single-family housing business	100%
Rental housing business	99.6%
Existing homes business	100%
Condominium business	99.4%
Commercial and office buildings business*	94.4%

* Only the hotel and residential care facilities

Calculation method and scope of coverage of environmental data

■ Water-saving device adoption rate (housing and hotels)

◇ 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.

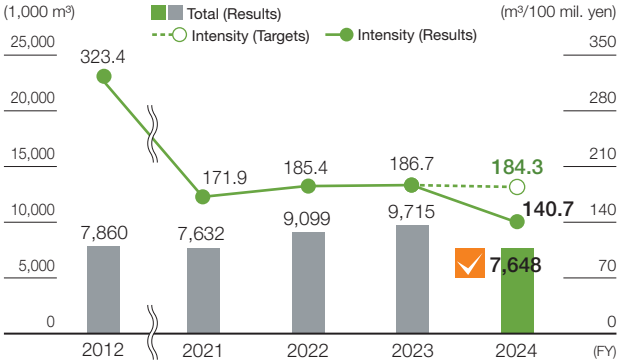
◇ Calculation formula

Water-saving equipment adoption rate (%)
= ∑ {No. of installed water-saving equipment (showers + kitchen faucets + toilets)}
÷ ∑ {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 certification standards

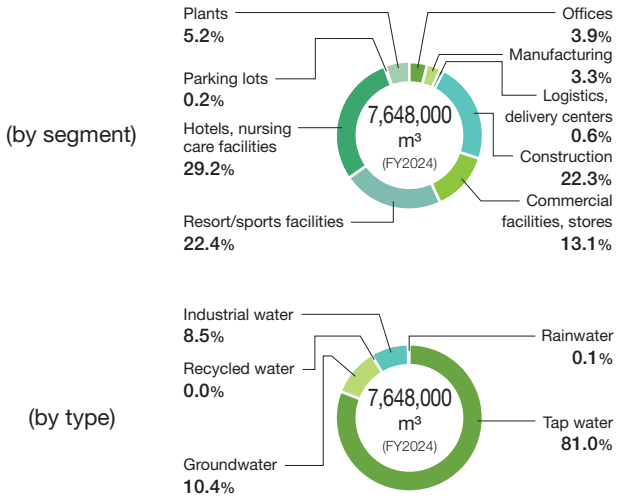
Segment	Target	Scope of coverage
Single-family housing business	Daiwa House Industry	All properties in Japan
Rental housing business	Daiwa House Industry	All properties in Japan
Condominium business	Daiwa House Industry	All properties in Japan
Commercial and office buildings business	Daiwa House Industry,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

Water consumption

■ Trend in water consumption (water intake) and intensity



■ Breakdown of water consumption (water intake)



■ Water consumption (water intake) (by segment)

Unit: 1,000 m³

	2021	2022	2023	2024
Offices	284	266	289	**295**
Manufacturing	288	292	273	**254**
Logistics, delivery centers	38	31	64	**44**
Construction	1,376	1,587	1,276	**1,702**
Commercial facilities, stores	1,029	1,090	1,070	**1,002**
Resort/sports facilities	3,354	3,826	2,193	**1,714**
Hotels, nursing care facilities	1,264	2,007	2,426	**2,231**
Parking lots	0.3	0.4	0	**12**
Plants	—	—	2,124	**394**

■ Water consumption (water intake) (by type)

Unit: 1,000 m³

	2021	2022	2023	2024
Tap water	6,092	7,458	6,471	**6,197**
Groundwater	1,318	1,448	955	**796**
Recycled water	55	31	2	**0**
Industrial water	164	161	2,283	**651**
Rainwater	3	3	5	**5**

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

Unit: 1,000 m³

	2021	2022	2023	2024
Japan	7,416	8,900	9,459	**7,348**
Outside Japan	217	199	257	**300**

Calculation method and scope of coverage of environmental data

■ Water consumption (water intake)

◇ 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.

◇ Scope of coverage

Same as the scope of coverage of "GHG Emissions, Energy Use, and Electricity Consumption" on p. 150.

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

Water conservation measures at each facility (FY2024)

Segment	Company name	Scale	Water conservation
Hotels	Daiwa House Realty Management	4 facilities	Change bathroom faucets to mixed faucets that shut off water at set volumes
		1 facility	Upgrades to water-saving toilets
Manufacturing	Daiwa House Industry	3 factories	Repair of water leaks
		1 factory	Switch to water-saving washers
		1 factory	Repair of steam traps
	Daiwa Lease	2 factories	Adoption of high-pressure cleaners
		1 factory	Upgrades to water-saving toilets
		1 factory	Installation of automatic bathroom faucets
		2 facilities	Installation of rainwater tanks
Commercial facilities, stores	Royal Home Center	2 stores	Upgrades to water-saving toilets

Drainage discharge

Drainage discharge (by point of discharge) (Japan)

Unit: 1,000 m³

	2021	2022	2023	2024
Rivers and lakes	762	900	491	**360**
Brackish water intake source/sea	253	360	941	**251**
Sewer system	4,566	5,603	5,245	**4,905**
Discharge to other areas	0	0	0	**0**
Total	5,581	6,863	6,677	**5,517**

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

Unit: 1,000 m³

	2021	2022	2023	2024
Rivers and lakes	0	0	0.2	**0**
Brackish water intake source/sea	0	0	0	**0**
Sewer system	40	40	133	**295**
Discharge to other areas	0	0	0	**0.0**
Total	40	40	133	**295**

Water consumption

Unit: 1,000 m³

	2021	2022	2023	2024
Total	2,011	2,196	2,905	**1,837**

Water quality

BOD (biochemical oxygen demand)

Unit: t

	2022	2023	2024
Total	0.220	0.167	**0.172**

Water data for key sites located in water risk areas* (FY2024)

		Unit	Daiwa House Industry		
			Tochigi Ninomiya Factory	Nara Factory	Osaka Head Office
Water intake	Total amount	m³	51,660	22,862	36,118
Drainage discharge	Total amount	m³	30,794	22,633	27,995
Wastewater concentration (maximum value for the current FY)	pH		7.2	7.1	—
	BOD	mg/L	3.9	13.0	—
	COD	mg/L	7.2	10.0	—
	Suspended solids	mg/L	6.8	25.0	—
	Normal hexane extracted substance content [mineral Oil]	mg/L	ND	ND	—
	Normal hexane extracted substance content [animal and vegetable oils]	mg/L	ND	1.2	—
	Phenols content	mg/L	ND	—	—
	Copper content	mg/L	ND	—	—
	Zinc content	mg/L	0.17	0.14	—
	Soluble iron content	mg/L	0.09	0.03	—
	Soluble manganese content	mg/L	0.02	0.01	—
	Chromium content	mg/L	ND	—	—
	Coliform group count	pcs/cm³	91.0	—	—
	Nitrogen content	mg/L	3.0	23.0	—
	Phosphorus content	mg/L	0.2	1.0	—
	Boron and its compounds	mg/L	ND	ND	—
	Fluorine and its compounds	mg/L	ND	ND	—
	Ammonia, ammonium compounds, nitrite compounds, nitrate compounds	mg/L	2.5	14.0	—
	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.

Water consumption

◇ Overview

Calculated by subtracting drainage discharge from water intake.

◇ Scope of coverage

Same as the scope of coverage of “GHG Emissions, Energy Use, and Electricity Consumption” on p. 150.

BOD (biochemical oxygen demand)

◇ Overview

Calculated by multiplying BOD concentrations at each factory by drainage discharge and adding the values for each factory.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Industry	Of our domestic production sites, sites with discharge into rivers (seven locations in total)

Water data for key sites located in water risk areas

◇ 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)
Source of drainage discharge (River): Tochigi Ninomiya Factory
(Sewer system): Nara Factory, Osaka Head Office

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

Water recycling

Water recycling in each facility (FY2024)

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.	8,950m³ (19.9%)
Hibikinada Thermal Power Station	Recycling of boiler coolant water	268,001m³ (40.5%)

Number of regulatory violations concerning water

Number of regulatory violations concerning water

Unit: Units

	2021	2022	2023	2024
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

Water-related costs

Costs related to water risk (fiscal 2024)

Unit: 1,000 yen

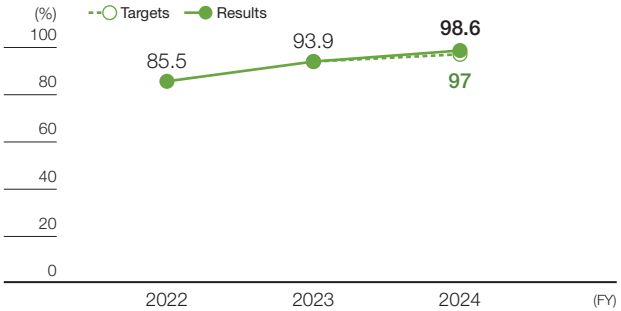
(1) Sewer system and groundwater charges, hot spring fees, industrial water fees, and other operating expenses	1,329,794
(2) Costs for water resource conservation measures	83,901

Investments in R&D to mitigate water-related risk (fiscal 2024)

Unit: 1,000 yen

R&D for rainwater gardens	15,000
R&D for sewerage	73,000
R&D for organic wastewater	4,900

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

◇ 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]
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

Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (76 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (91 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

Segment	Country	Unit	(Low) Risk level*1 (High) 1	2	3	4	5
Factories	Japan	locations	7	18	—	—	—
Golf courses	Japan	locations	—	10	—	—	—
Total water consumption for each risk level		1,000 m³	4.7	327.0*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 2025 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, 2025

Water Usage in Water Stress Areas (Water Intake)

Water stress		Total	Worksites, etc.	Hotels	Production	Construction
High (40-80%)	Number of sites	6	5	0	0	1
	Water intake (1,000 m³)	4.7	1.6	0.0	0.0	3.1
Extremely High (>80%)	Number of sites	11	8	1	1	1
	Water intake (1,000 m³)	51.8	16.0	22.2	10.7	2.9
Water stress area total	Water intake (1,000 m³)	56.5	17.6	22.2	10.7	6.0
	Percentage of total water intake	0.7%				
Group water intake (1,000 m³)		7,648				

Sites in water stress areas with water intake of over 10,000 m³: 2 sites (production factory in Thailand, hotel in Mexico). For 53 overseas worksites, commercial facilities, hotels and production sites in FY2024 for which there were water consumption reports, confirmed with WRI Aqueduct 4.0. For construction, we confirmed with Aqueduct 4.0 Country Rankings for countries where 12 overseas management bases are located 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.)
Ratio of procured timber		27.6%	17.9%	12.3%	6.3%	3.9%	9.5%	0.6%	22.0%
Risk level	Present	1	2	0	2	0	Less than 3	3 or more	—
	2030	1	2	0	2	0			
	2050	1	2	0	2	0			
	2080	1	2	1	2	0			

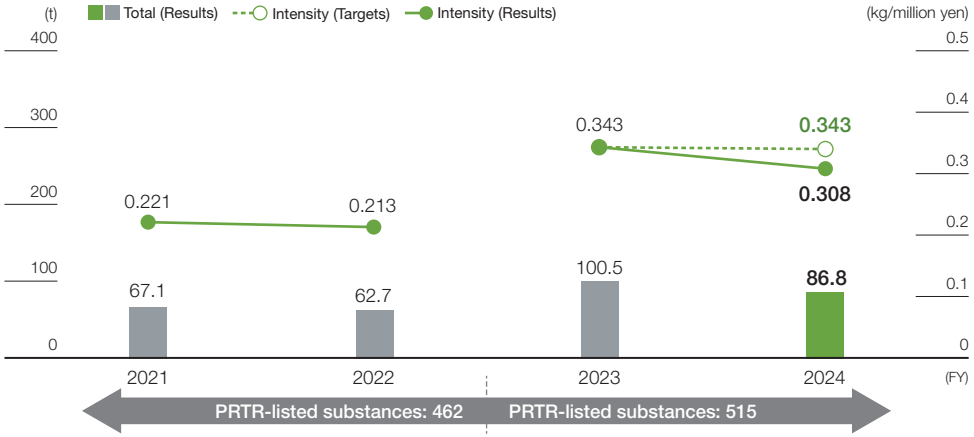
For water stress in countries producing procured timber for FY2024, we made evaluations with Aqueduct 4.0 Current and Future Country Rankings
Risk levels. 0: low, 1: low to medium, 2: medium to high, 3: high, 4: very high

Environmental Data | Prevention of chemical pollution

Business operations

Release and transfer of PRTR-listed substances

■ Release and transfer of PRTR-listed substances and intensity



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

Unit: t

Breakdown by segment	2021	2022	2023	2024
Daiwa House Industry (housing)	16.9	17.6	54.5	**40.9**
Daiwa House Industry (construction)	11.0	8.7	12.4	**15.9**
Daiwa Lease	17.8	16.6	13.9	**12.8**
DesignArc	4.7	5.6	4.1	**3.0**

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

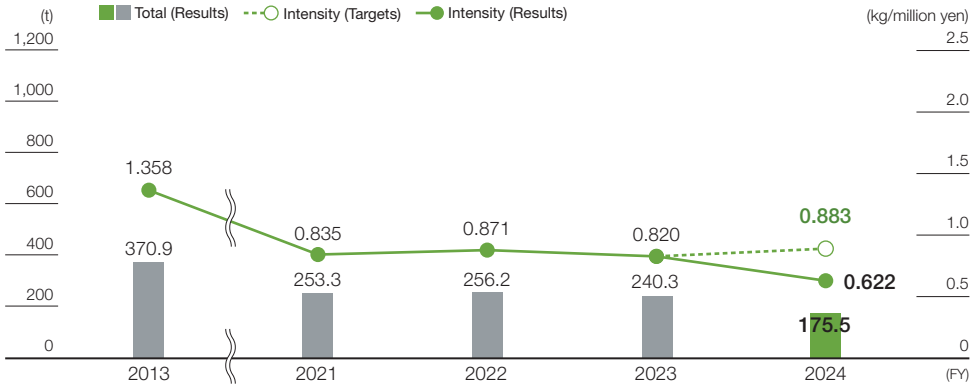
Unit: t

Breakdown by segment	2021	2022	2023	2024
Daiwa House Industry (housing)	11.3	9.1	10.5	**8.8**
Daiwa House Industry (construction)	4.9	4.7	4.8	**5.1**
Daiwa Lease	0.5	0.4	0.4	**0.4**
DesignArc	0.004	0.002	0.002	**0.002**

* PRTR-listed substances for fiscal 2023 were revised following amendments to the PRTR Law.
For fiscal 2021 and 2022, release and transfer quantities for PRTR-listed substances (462) were calculated based on the PRTR Law prior to amendments.
For fiscal 2023 and 2024, release and transfer quantities for PRTR-listed substances (515) were calculated based on the revised PRTR Law.

VOC emissions

■ VOC emissions and intensity



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

Unit: t

Breakdown by segment	2021	2022	2023	2024
Daiwa House Industry (housing)	130.7	118.4	110.9	**77.8**
Daiwa House Industry (construction)	26.6	32.0	21.8	**30.3**
Daiwa Lease	88.4	96.7	100.6	**62.2**
DesignArc	7.6	9.1	7.0	**5.2**

■ NOx and SOx emissions in the manufacturing phase

Unit: t

	2021	2022	2023	2024
NOx emissions	0.15	0.14	0.16	**0.11**
SOx emissions	0.02	0.0000	0.0005	**0.0000**

Environmental Data | Prevention of chemical pollution

Material balance of chemical substances subject to PRTR

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

Unit: kg

Target chemical substance	Amount handled	Amount consumed	Amount transferred			Emissions			Amount subjected to chemical removal processes
			Total transferred to sewer	Amount of (waste) transferred out of our worksites	Total amount transferred	Emissions into the atmosphere	Discharged to public water bodies	Total emissions	
Manganese and its compounds	36,184	25,641	0	9,316	9,316	1,227	0	1,227	0
Ethylene glycol monobutyl ether	24,396	0	0	366	366	24,030	0	24,030	0
Trimethylbenzene	15,054	0	0	222	222	14,746	0	14,746	86
Xylene	13,179	0	0	176	176	12,905	0	12,905	97
Methylenebis (4,1-phenylene) = diisocyanate	8,114	8,061	0	52	52	0	0	0	0
Ethylbenzene	7,826	0	0	105	105	7,704	0	7,704	17
Toluene	6,182	0	0	81	81	5,920	0	5,920	181
Water-soluble zinc compounds	5,926	4,617	20	1,166	1,186	0	123	123	0
Molybdenum and its compounds	3,007	1,776	0	1,230	1,230	0	0	0	0
Methyl isobutyl ketone	2,315	0	0	35	35	2,280	0	2,280	0
Cumene	1,476	0	0	22	22	1,454	0	1,454	0
Polymethylenepolyphenyl polyisocyanate	1,125	989	0	17	17	119	0	119	0
46 other substances	5,203	1,220	0	1,480	1,480	1,716	319	2,035	468
Grand total	129,982	42,304	20	14,266	14,286	72,102	442	72,544	848

WEB ↗ Supply Chain Sustainability Guidelines

Calculation method and scope of coverage of environmental data

■ Release and transfer of PRTR-listed substances and intensity

◇ Overview

Purchasing data at each site is used to calculate the amount released/transferred of 515 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 PRTR-listed substances for fiscal 2023 were revised following amendments to the PRTR Law. In "Release and transfer of PRTR-listed substances and intensity" (P. 167), release and transfer quantities of PRTR-listed substances (462) for fiscal 2021 and 2022 were calculated based on the PRTR Law prior to amendments. For fiscal 2023 and 2024, release and transfer quantities for PRTR-listed substances (515) were calculated based on the revised PRTR Law.

◇ 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

◇ Overview

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

◇ 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

◇ 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

Environmental Data | Flow of materials imparting environmental load

INPUT

❶ Research and development ❷ Sales and design

Energy consumption ··· 612,731 GJ

Breakdown

Gasoline (kl)	270,425
Electricity (kWh)	244,462
City gas (m³)	58,037
Renewable energy (consumed in-house)	6,610
Other	33,197

Water consumption ···· 180,300 m³

Breakdown

Tap water	160,100
Groundwater	8,800
Industrial water	6,200
Rainwater	5,100

❹ Manufacturing

Energy consumption ···· 405,634 GJ

Breakdown

Electricity (kWh)	312,730
LP gas (m³)	50,927
Kerosene (kl)	80
City gas	31,713
Light oil	5,652
Renewable energy (consumed in-house)	4,435
Other	97

Water consumption ···· 207,300 m³

Breakdown

Tap water	81,300
Groundwater	126,000

Amount of steel purchased ··· 162 t

Breakdown

Housing	96
Housing Architecture	67

Amount of timber purchased ··· 57,943 m³

❻ Construction

Energy consumption ···· 721,763 GJ

Breakdown

Electricity	128,695
Light oil	579,889
Kerosene	12,680
No. 2 fuel oil	499

Water consumption ··· 739,700 m³ (Tap water)

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

OUTPUT

❶ Research and development ❷ Sales and design

CO_2 emissions ····· 23,400 t-CO_2

❹ Manufacturing

CO_2 emissions ····· 5,100 t-CO_2
NOx emissions ····· 0.11 t
SOx emissions ····· 0.00004 t
Valuable resources discharged ····· 8,900 t

Waste emissions ····· 11,300 t

Breakdown

Metal scrap	40
Waste glass and ceramics	5,500
Wood chips	3,100
Waste plastics	700
Sludge	1,000
Other	900

❻ Construction

CO_2 emissions ····· 40,900 t-CO_2

Construction waste emissions (new construction) ····· 175,800 t

Breakdown

Metal scrap	7,200
Waste glass and ceramics	30,000
Wood chips	14,900
Waste plastics	15,200
Sludge	100,300
Paper waste	4,400
Other	3,800

Construction waste emissions (demolition) ····· 557,700 t

Breakdown

Metal scrap	17,000
Waste glass and ceramics	17,300
Wood chips	20,200
Waste plastics	6,600
Sludge	97,600
Debris	386,300
Paper waste	2,500
Other	10,200

Environmental Data | Environmental accounting

❶ Environmental preservation costs (Amount invested)

Unit: 1,000 yen

Item	Major content	FY2021	FY2022	FY2023	FY2024
		Amount invested			Amount invested
Cost within business area	Cost of measures to control pollution related to air, water, and noise	6,215	12,244	8,929	**9,493**
	Cost of prevention of global warming (energy efficiency)	154,457	32,629	59,217	**14,179**
	Cost of waste reduction measures	2,038	2,237	5,623	**7,668**
	Cost of reducing water consumption	1,175	3,345	7,623	**2,851**
Upstream/downstream costs	Green purchasing fees, cost of purchasing returnable boxes	115,923	88,067	2,315	**2,752**
Administrative costs	Environmental education costs, EMS maintenance expenses, etc.	11	0	58	**2,174**
Total		279,819	138,522	83,764	**39,116**

❷ Environmental preservation effect

Effect		Item	Unit	FY2021	FY2022	FY2023	FY2024
Business area	Effect on input resources	Energy consumption, calorie equivalent (production system)	GJ	506,958	513,023	447,698	**405,634**
		Energy consumption, calorie equivalent (distribution system)	GJ	501,727	476,951	470,832	**378,350**
	Effect on environmental load and waste	Waste generated	t	10,547	12,260	13,146	**11,268**
		CO_2 emissions (production system)	t-CO_2	24,572	6,674	5,851	**5,070**
		CO_2 emissions (distribution system)	t-CO_2	34,379	32,665	32,410	**26,047**
		Water resource consumption	m^3	253,559	254,384	228,339	**207,317**

❸ Economic effects of environmental preservation

Unit: 1,000 yen

Content		FY2021	FY2022	FY2023	FY2024
Revenue	Sales of valuable resources*	1	5,764	1,037	**144**
Cost savings	Cost savings from energy-efficiency efforts	54,825	16,736	47,468	**13,088**
	Cost savings from waste-reduction efforts	16,067	13,858	26,825	**17,320**
	Cost savings from water resource reduction efforts	69	5,451	5,239	**4,331**
Total		70,961	41,809	80,569	**34,883**

* 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, 2024 to March 31, 2025

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

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

◇ Calculation criteria
In addition to “Calculation and Reporting of Environmental Data” on P131 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

◇ Report period
April 1, 2024 to March 31, 2025

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

◇ Scope of coverage
9 factories in total

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