

Implementation Report

Society

CHAPTER

02

Main results in fiscal 2024

▶ Ratio of females in management

Non-consolidated

6.1%

Consolidated

6.7%

▶ Ratio of childcare leave taken
by male employees

Non-consolidated

68.9%

Consolidated

66.4%

▶ Average female salary as
percentage of male
(Regular employees)

Non-consolidated

61.8%

Consolidated

62.3%

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Social Action Plan (Endless Social Program)

Linking materialities and the Social Action Plan

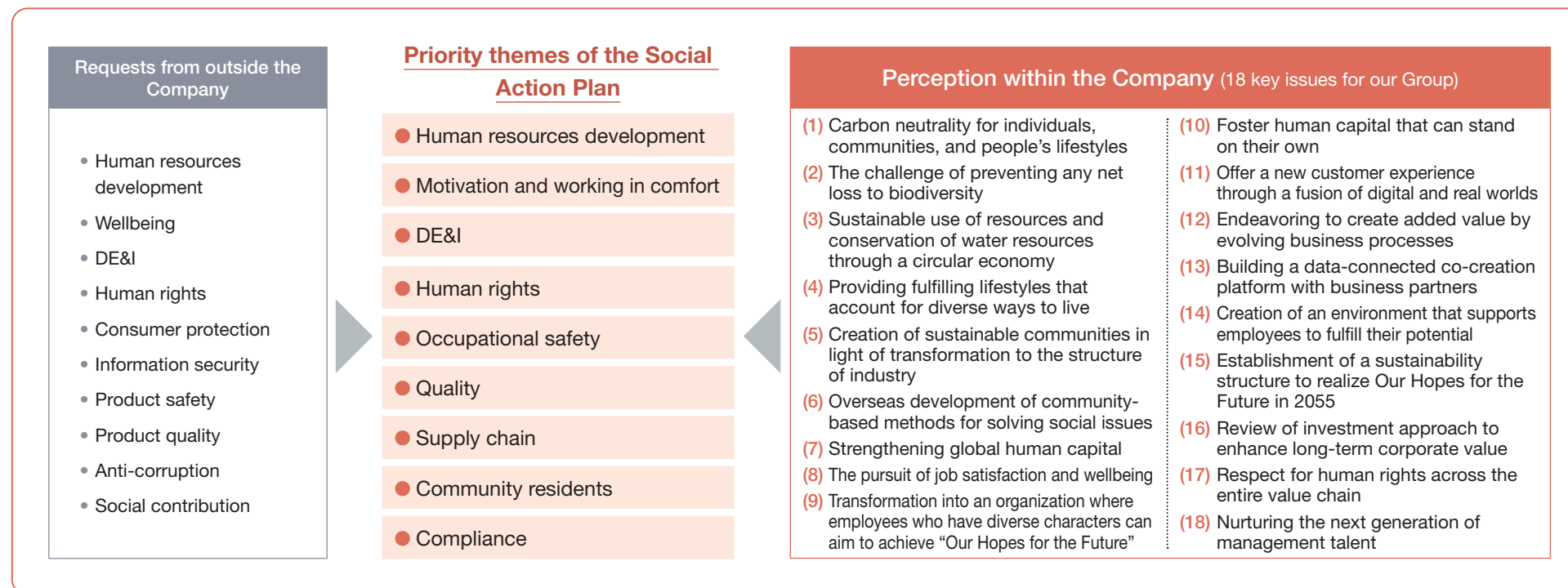
In fiscal 2022, we identified priority issues (materiality) in order for us to realize Our Hopes for the Future (purpose), which constitute the Daiwa House Group's corporate purpose. As part of this process, we considered the aspects necessary to realize Our Hopes for the Future (purpose), given the direction of social change. We selected 18 key issues, including the pursuit of job satisfaction and wellbeing, fostering human capital that can stand on their own, respect for human rights across the entire value chain, and other matters pertaining to society.

As for the external environment, we identified items requested by GRI (Global Reporting Initiative), an international guideline for sustainability information disclosure, and items evaluated by ESG evaluation bodies, among other external requests.

Consequently, we identified "nine social themes," which are of much interest to stakeholders and closely related to our business. For these priority social themes, we have formulated the Social Action Plan, Endless Social Program (ESP), in accord with the period covered by the Medium-Term Management Plan.

Overall Social Action Plan

In the ESP, we formulate concrete targets and plans, and work toward achieving the identified "nine social themes."



Social Action Plan (Endless Social Program)

Sustainability management organization

The Sustainability Committee, chaired by the head of the Management Strategy Planning Headquarters, meets twice annually to deliberate and decide upon important issues that should be addressed by the Group, particularly in the area of social responsibility, and directs and oversees companywide efforts related to these decisions. In addition, in order to raise the effectiveness of our vision and strategy for medium- and long-term corporate value enhancement, the Sustainability Committee provides information to the Corporate Governance Committee on important matters related to the social field in which the Company operates.

In fiscal 2024, to further promote sustainability management, the Sustainability Committee deliberated on the formulation of a social action plan and identified priority issues in the area of social responsibility and the divisions that would take ownership. Subsequently, for each priority theme, respective theme owner divisions set forth their aspirations, KPIs and target values, and formulated the Social Action Plan “Endless Social Program (ESP) 2026.”

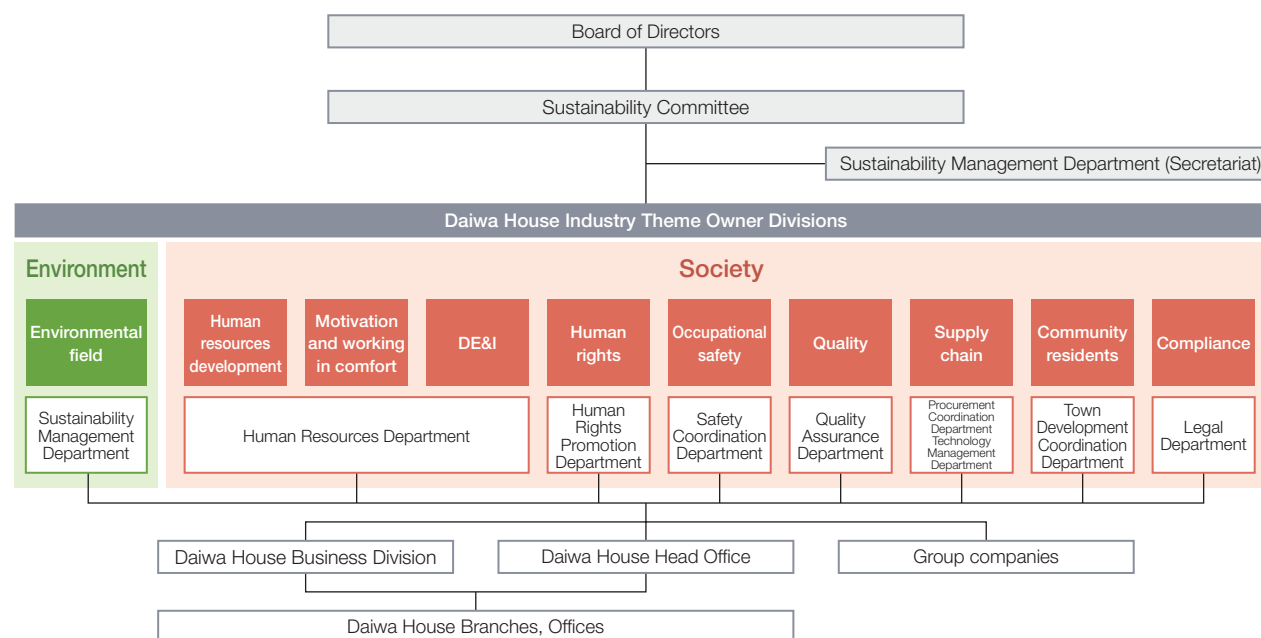
From fiscal 2025, we started PDCA management of ESP2026 based on improvement plans to be implemented in fiscal year increments. We will manage the progress of targets and performance for each KPI, review future issues with the executives in charge of each priority theme, and periodically review measures, targets, and plans. In addition, important matters, including ESP progress, will be reported to the Board of Directors through the Sustainability Committee for resolution and instructions.

In response to the recent growing demand for management and disclosure of non-financial information on a consolidated basis, going forward, we will further expand the scope of activities and promote sustainability management on a consolidated basis by setting plans and targets for Group companies as a whole while managing their progress.

Up until fiscal 2024, environment and society-related issues had been covered by separate committees. From fiscal 2025, however, these two areas were integrated into a new Sustainability Committee that serves as a forum for unified supervision and decision-making. The committee will identify medium- and long-term environmental and social risks and opportunities and key issues throughout the Group, and deliberate on policies, systems, and programs.

Based on Social Action Plan “Endless Social Program (ESP) 2026” and the currently underway Environmental Action Plan (Endless Green Program 2026), we will push forward on a strategic companywide effort to address social issues related to both the environment and society, thereby accelerating solutions to social issues and the enhancement of corporate value, steadily advancing toward realizing Our Hopes for the Future (purpose).

■ Sustainability management organization



Social Action Plan (Endless Social Program 2026)

As Social Action Plan (Endless Social Program 2026) begins from FY2025, the figures for FY2024 results are for reference.

Priority themes	Aspirations	Key management metrics	FY2024 results (reference)	FY2026 targets	Key actions
Human resources development	Foster an organizational culture in which employees work on their own career development and continue to learn. More than such personal growth contributing only to business development, aim to link it to the realization of an individual's "joys of life" and the "future they see for themselves."	Companywide training hours (per person) Companywide training cost (per person)	35.5 hours ¥143 thousand	(Results management) (Results management)	<ul style="list-style-type: none"> Sustained development of managerial personnel Producing innovative human resources Organizational development that gives rise to co-creation Fostering global human resources
		&D Campus self-study enrollment rate	52.2%	60%	
Motivation and working in comfort	To challenge ourselves in an environment where, with our colleagues, we achieve mutual betterment and create an environment where each individual tackling challenges leads to organizational revitalization. In addition, aim to foster a corporate culture where each and every employee can work in a healthy and vigorous manner and maximize their performance in a psychologically sound work environment.	Engagement Survey score	Motivation 84% Pride 88% Sense of growth 89%	(Results management)	<ul style="list-style-type: none"> Raising employee engagement Maintaining and improving mental and physical health Promoting diverse and flexible ways of working
		Human capital ROI	131.5%	(Results management)	
DE&I	Aim to foster a workplace culture that respects employees' diverse values, gender, disability, gender identity, sexual orientation, gender expression, age, nationality, language, and lifestyle, etc., and where each employee's perspective and ideas are recognized and utilized, and that shine together.	Ratio of females in managerial positions	6.1%	8%	<ul style="list-style-type: none"> Empowering female employees Promoting men's participation in housework and childcare Enabling active roles for seniors Promoting hiring of those with disabilities
		Ratio of childcare leave taken by male employees	68.9%	80%	
Human rights	To conduct business activities that respect the human rights of all people involved in what we do, including those of our employees and employees of our business partners, as well as customers, consumers, and residents of the communities where our business is conducted, while raising the level of human rights literacy among all employees associated with the Company's business. Through such activities we aim to realize a society where human rights are firmly established from a corporate perspective.	Human rights DD score	64.1	71	<ul style="list-style-type: none"> Prevention of harassment Protection of personal information
		Attendance rate of human rights awareness training, etc.	95.8%	100%	
Occupational safety	Together with caring for the health and safety of employees and business partners, aim to create an open and fair work environment.	Frequency rate (our employees)	(Survey from FY2025)	(Formulation in FY 2025)	<ul style="list-style-type: none"> Occupational safety for employees New <i>hiyarihatto</i> (near miss) Report Health and safety WEB education
		Frequency rate (employees of prime contractor's construction companies)	0.507	0.3	
		Frequency rate (employees of production partner companies)	0.351	0.3	
Quality	Compliance with laws, regulations, and internal rules, and establishment and implementation of systems and management methodologies that enable us to efficiently and economically produce quality products and services that meet customer requirements.	Clarify quality assurance system and roles	Planning and development of quality assurance system	System-based quality assurance practices	<ul style="list-style-type: none"> Quality management in production and construction Enhancing customer satisfaction
Supply chain	Together with suppliers and construction business partners, implement sustainable procurement and build healthy relationships.	"CSR Purchasing Policy" Agreement collection rate (centralized purchasing)	100%	100%	<ul style="list-style-type: none"> Strengthen "CSR Purchasing Policy" relations Bolster engagement with the Confederation of Partner Companies
		"SSG"* Agreement collection rate (Confederation of Partner Companies)	74.6%	100%	
		"SSG"* Agreement collection rate (Setsuwa Club)	44.7%	100%	
Community residents	Co-creating, with regional residents, sustainable and developing towns where people can continue to stay, and also attract new residents.	Number of revitalized residential complexes in Neopolis	8 sites	10 sites	<ul style="list-style-type: none"> Accelerate Neopolis "revitalization" <i>Miraimachi Sengen</i> (Futuretown Declarations) in practice
Compliance	In order to remain a corporation trusted by society, for normal times, establish systems for preventing accidents and to respond quickly to emergencies, heightening management resiliency.	Rate of compliance training implementation	(Survey from FY2025)	100%	<ul style="list-style-type: none"> Prevention of legal violations Prevention of corruption and bribery

* SSG: Supply Chain Sustainability Guidelines

■ Framework for raising social value

The Daiwa House Group Principles of Corporate Ethics and Code of Conduct

Given the goal of maintaining and heightening the trust that society places in the Group, we have formulated the Daiwa House Group Principles of Corporate Ethics and Code of Conduct.

The Group's corporate ethics principles are grounded in our business philosophy, being comprised of our Corporate Creed, Employee Charter, Our Hopes for the Future (purpose) and the values we embrace, and are set forth in the "Principles of Corporate Ethics," which is put into practice by the Company's officers and employees as the Code of Conduct. In addition, any revisions to this will be based upon approval by the Board of Directors. Moreover, there are seven components to the principles, namely, "with our customers," "with compliance," "with an ideal work environment," "with business partners," "with the environment," "with the communities," and "respect for human rights." For each of these there are more specific codes of conduct.

The top management of each Group company is responsible for the strict adherence to the Principles of Corporate Ethics and Code of Conduct by all officers and employees, and together with leading by example, bears the responsibility for ensuring transparency and fairness in business operations. In this way we are working to realize the Group's proper compliance and risk management.

The Daiwa House Group Principles of Corporate Ethics and Code of Conduct has been translated into English and Chinese to ensure it is conveyed to employees worldwide.



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



P113 [Internal control](#)

The management soundness assessment at branch offices

To maintain sustainable management practices, the Company believes that we must go beyond mere figures on business performance, and be a sensible company that is needed by society. Therefore, we conduct management soundness assessments to evaluate branch offices that have achieved sound business management. The assessments cover eight categories, including safety and environmental initiatives, work environments, labor management, and nurturing human talent. This is a system which uses point-based scores provided for each of these assessment categories, which in total are then used for branch office ranking that is in turn reflected to bonuses.

Engagement Survey

The Company conducts an annual organization diagnostic survey that covers all employees. By conducting this survey on a regular basis, we are able to quantitatively assess the actual state of workplace environments. The results of the survey, aggregated by each department and by Group, are communicated internally by the heads of respective departments.

From fiscal 2024, simultaneously with the Engagement Survey, the Company has conducted a human rights due diligence survey to examine risks associated with human rights, harassment, etc., in the course of business. The information gained will be used to create measures to reduce human rights risks within the Company.



P179 [Social Data Indicators related to motivation](#)

Various whistleblowing systems

The Daiwa House Group has several whistleblowing hotlines, accessible to all stakeholders, in place to check, detect, and correct infringements of human rights, violations of law, and acts of dishonesty at an early stage. When a problem is reported, while protecting the whistleblower, the Company promptly confirms the facts and takes corrective measures in accordance with the Whistleblowing Protection Act and internal regulations.

Furthermore, a Risk Management Subcommittee has been established comprising the departments in charge of the whistleblowing hotlines. This subcommittee monitors the status of responses to the inquiries made through the hotlines, and while facilitating appropriate and prompt responses, takes disciplinary action when serious misconduct is confirmed and works to maintain internal order.

・ Protection of whistleblowers

From the perspective of achieving the rationality and uniformity of each whistleblowing system, we developed the Daiwa House Group Whistleblowing Regulations to apply to all hotlines*. Whistleblowers and those who cooperate with surveys are thoroughly protected as these regulations mandate strict confidentiality regarding information that could identify a whistleblower and the content of reports, prohibit actions that could identify whistleblowers, and prohibit discriminatory treatment of whistleblowers or survey cooperators, etc. All whistleblowing hotlines accept anonymous reporting to protect whistleblowers.

* The Auditors' Whistleblowing System has a different nature as it allows access to Auditors, who are outside of the Company's business execution functions, and is separately covered by the Auditors' Whistleblowing Regulations.



P172 [Social Data The results of the whistleblowing system operation](#)

■ Framework for raising social value

■ Various whistleblowing systems, target scope of consultation service, operational procedure

	Titles	Main departments	Purpose	Scope	Main means of reporting
Whistleblowing systems	Human Rights Hotline	Human Rights Promotion Department	Detect harassment and other human rights infringements early and work to resolve them. Field complaints and work to rectify issues when blatant unfairness is suspected in performance evaluations.	All employees of Daiwa House Group*	(External service provider) Telephone, Email, Website
	Risk Information Hotline	Legal Department	Collection of information on and addressing risks, noncompliance, and irregularities across the entire group in line with our Risk Management Regulations.	All employees of Daiwa House Group*	Telephone, Intranet reporting form
	Partners Hotline	Human Rights Promotion Department	Early detection and resolution of problems that may lead to violations of law or other inappropriate behavior by Group employees in their relationships with business partners (including labor problems, human rights, and preventing corruption).	All business partners that deal with Daiwa House Group	(External service provider) Telephone, Website
	Lawyer Hotline	Legal Department	Establish external consultation hotline to improve psychological safety and expand channels for gathering risk information.	All employees of Daiwa House Group*	(External service provider) Telephone, Email
	Global Whistleblowing System	Legal Department	Provide a whistleblowing system that allows reports from overseas worksites in their local languages. * The languages supported are those of the Group's main overseas worksites.	All employees of Daiwa House Group based in overseas*	(External service provider) Email
	Auditors Whistleblowing System	Audit and Supervisory Board Member's Office	In line with Supplementary Principle 2.5.1 of the Corporate Governance Code of Japan, more objective verification and appropriate action can be taken due to the establishment of a means of direct reporting to Auditors, who have a supervisory function independent from operation departments.	All employees of Daiwa House Group*	Intranet reporting form
Consultation services	Reporting using the form available on the Daiwa House Industry Official website	Depends on content	Accept inquiries from community residents or other stakeholders and take appropriate action.	Community residents or other stakeholders	Form on the Daiwa House Industry Official website
	Customer Consultation Service	CS Promotion Department	Established a system for sincerely and quickly responding to complaints and opinions received from customers on the basis of company rules that comply with the ISO 10002 international standards for complaint handling aimed at consumer protection.	Customers	Telephone, Email, Form on the Daiwa House Industry Official website

* Anyone—director, employee (whether full-time, post-retirement specially commissioned, limited-term contractual, part-time, temporary)—working for Daiwa House Group within one year of the incident-report date.


■ Respect for human rights


Basic policy on respect for human rights

In January 2018, after gaining an understanding of the corporate responsibility to respect human rights set forth in the United Nations Guiding Principles on Business and Human Rights, and after receiving advice from outside experts, we established the Daiwa House Group Human Rights Policy.

It is clearly stated in the Daiwa House Group Principles of Corporate Ethics and Code of Conduct that: “we respect basic human rights and the dignity of all people, we shall not discriminate against anyone on the grounds of race, nationality, ethnicity, gender, sexual orientation, gender identity, disability, age, creed, religion, or social status, and we shall not engage in workplace harassment.” We also prohibit forced labor and child labor in Group companies and our supply chains.


The company also stipulated the harassment prevention regulations pursuant to revisions in relevant laws in June 2020.

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

 [Human Rights Policy of Daiwa House Group \(PDF\)](#)


• The Supply Chain Sustainability Guidelines

The Daiwa House Group established principles that underline the responsibilities we expect of our business partners regarding human rights, quality, safety, environment, and compliance. The Guidelines clearly set forth the importance of human rights to ensure our business partners understand the Daiwa House Human Rights Policy.

 [Supply Chain Sustainability Guidelines](#)

• Timber Procurement Policy to Achieve Zero Deforestation

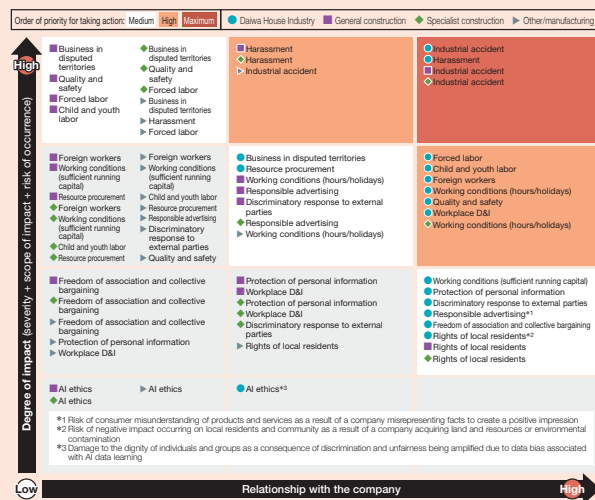
In 2021, we adopted a timber procurement policy aimed at achieving zero deforestation. In accordance with this policy, we aim to purchase timber only from suppliers that handle products harvested or manufactured with due consideration for the safety and rights of indigenous peoples, local residents and workers in the country of origin.


 P031 Zero deforestation policy

• Human rights risk map

We painted a clear picture of our overall assessment in terms of identifying human rights risks in supply chains and their impact. In fiscal 2023, we conducted surveys of our business partners regarding human rights risk related to our business based on the standards set by the government and public organizations, and created a “human rights risk map” from the results.

■ Human rights risk map



 [Sustainability Report 2024](#)
Identifying and assessing negative impact on people in human rights due diligence

Management

Structure relating to human rights issues

In the Daiwa House Group, the momentum for human rights protection is increasing across our entire supply chain as well as in our own business activities. To build on it, we established the Human Rights Promotion Department within our Management Administration Headquarters, which specializes in the day-to-day protection of human rights. In addition, human rights awareness-raising promoters are assigned at our branch offices and Group companies to create a system to immediately respond to and report individual human rights problems. To facilitate access to consultation, harassment prevention experts are appointed as well as the human rights awareness-raising promoters at every branch office in a way that maintains gender diversity to make consultations regarding harassment easier.

Information received by whistleblowing hotlines is reported to the President by the director responsible for human rights every month.

The information is also reported to the Internal Control Committee once every six months.

■ Main committees/departments relating to human rights and themes discussed therein

Committee/department	Main themes discussed (human rights-related)
Human Rights Promotion Department	Human rights in general, harassment, whistleblowing hotlines (Human Rights Hotline)
Human Resources Department	Wages, work hours, freedom of association, collective bargaining rights, etc.
Sustainability Management Department	Whistleblowing hotlines (Partners Hotline)
Disciplinary Committee	Deliberation of inappropriate behavior and disciplinary action
CSR Procurement Subcommittee	Human rights in supply chains
Human rights awareness-raising promoters and harassment prevention experts	Provides consultation relating to human rights at each branch office

■ Respect for human rights

Response to employee harassment issues

· Whistleblower hotline “Human Rights Hotline”

The hotline accepts consultations with regard to harassment, striving for the early detection, and solutions to, harassment in the workplace.



P068 Various whistleblowing systems, target scope of consultation service, operational procedure

· Harassment self-check

The Company has all employees conduct harassment self-checks four times per year. Through these periodic self-checks, we foster a harassment-free workplace culture by reflecting on one's own words and actions, viewing harassment as a personal matter, updating knowledge of harassing behavior, and endeavoring to improve behavior.

· Harassment prevention staff

Harassment prevention staff appointed at branch offices around the country attend regular specialized training courses on harassment, and are also given backup and advice as needed by the Human Rights Promotion Department of the Head Office on how to handle and resolve harassment cases so that they can accept queries at branch offices.



P072 Joint training by human rights awareness-raising promoters around Japan and harassment prevention staff

· Distribution of “Sexual Harassment Self-defense Guidebook” and carrying a personal safety alarm

In addition to distributing to all employees the Sexual Harassment Self-defense Guidebook aimed at preventing sexual harassment and raising awareness of self-defense, women salespeople and those in construction are equipped with personal safety alarms. Rules were also established to cover visits to clients and participation in social gatherings in the course of sales activities to prevent sexual harassment outside the company.

· Policy regarding customer harassment

In April 2025, the Company formulated and announced its policy on customer harassment so as to protect employees from harassment by customers. To appropriately respond to and prevent customer harassment, we have established response methods and procedures, and provide education and training for employees.



[Policy regarding customer harassment \(Japanese text only\)](#)

Human rights awareness-raising activities for employees

· Human rights awareness training for all employees

We conduct training to raise awareness of human rights for all officers and employees via e-learning at least once a year. Through such training, we seek to improve each individual's sense of human rights, thereby leading to the prevention of harassment, while fostering an organizational culture of mutual respect and recognition based on respect for self and others.

· Job grade-specific training to raise awareness of human rights

The Daiwa House Group is focused on training to raise awareness of human rights with the aim of gaining proper knowledge. All employees across the Group, including managers, attend training courses on human rights awareness-raising at least once a year. Further, a program of ongoing human rights-related job grade-specific training for executives, managerial staff, chief staff, and new recruits works to ensure that they will fulfill their responsibilities in accordance with their respective roles.

· Human rights awareness training for new recruits

We conduct human rights awareness training via e-learning for employees who have newly entered the Company. In addition to providing basic knowledge on harassment, internal regulations, and consultation services for all job categories, sales staff and purchasing staff will learn primarily about preventing complicity in discrimination, and about preventing complicity in human rights violations that exist in the supply chain, respectively. Concluding with a confirmation test, they will have acquired knowledge related to human rights.

· Human rights due diligence digital survey

The Group conducts a human rights due diligence digital survey to assess employees' human rights literacy for items considered as high risk on the human rights risk map, with the objective of identifying priority items for mitigating human rights risks and fostering organizational culture. The results of the survey are analyzed and measures are taken to address “items with a high risk of human rights violations.” The human rights due diligence digital survey utilizes services provided by an outside consulting firm, and incorporates the types of human rights risks presented in the United Nations Guiding Principles on Business and Human Rights.

· Human rights slogan contest

The Group solicits human rights slogans every year. In the third round of judging, the votes of all employees select the top and outstanding runner-up entries, the authors of which are presented with commemorative gifts. Out of 29,950 entries in fiscal 2024, four top entries and 20 runner-up entries were chosen and displayed on posters throughout the Company during Human Rights Week (December 4 to December 10). Going forward, we will continue work to raise human rights awareness through the creation of human rights slogans.

■ Respect for human rights

Responding to the Company's employees risky behavior toward our business partners

The Group has established a system to obtain feedback from our business partners with the aim of fostering a corporate structure that enables safe and sustained business activities based on a spirit of co-existence and co-prosperity.

・ Whistleblowing hotline “Partners Hotline”

This hotline is used to identify any speech or behavior by Group employees that may be problematic from an ethical or compliance standpoint, as well as any issues among suppliers, and to strengthen relationships of trust with business partners. The Company corrects any problems identified by the reporting as appropriate. From fiscal 2024, the psychological safety of whistleblowers has been ensured by subcontracting the acceptance of whistleblower reports to an external specialized company.

・ Questionnaire Surveys for Business Partners

To determine if there is any problematic behavior in the relationship the Company's employees have with our business partners, every year we conduct an anonymous survey of members of the Confederation of Partner Companies.

The results of the questionnaire survey are reported to the relevant division executives, including the Company's representative director, and feedback is provided to the offices that serve as the actual contact points with business partners. The results are communicated to business partners, and include improvement measures provided by branch offices.

Response to rights of indigenous people

As we procure timber globally, we have established our Biodiversity Guidelines [Timber Procurement] to avoid complicity in biodiversity loss or human rights violations. In accordance with these Guidelines, we carry out an annual procurement of timber survey and confirm the rights and working conditions of indigenous people. The survey establishes areas with a strong possibility of destroying forests and violating human rights as “high risk areas.” When we ascertain ongoing procurement from such areas, we demand that the relevant suppliers take

corrective action. In fiscal 2024, the percentage of wood procured from such high risk areas, excluding certified wood, was 0.1%. We also amend survey items when needed, including high-risk areas based on information obtained from NGOs and forest certification bodies possessing detailed information on logging areas worldwide.

Conducting human rights due diligence with sources of centralized purchasing

The Procurement Department undertakes human rights due diligence with all sources of centralized purchasing for housing to prevent risks materializing in supply chains and to prevent their occurrence in the first place. We conduct a questionnaire survey on human rights, working environment, harassment, foreign workers, and risks in procurement of raw materials, etc. and all surveyed partners (248 companies as of the end of July 2024) have responded. We convert the answers into scores and rank them into four grades (S, A, B, or C), while providing an evaluation form with comments for each evaluation item. Business partners ranked C and for which risk has become apparent are interviewed and requested to make improvements. We will visit the factories of our business partners as necessary and confirm the status of improvements.

In addition to lectures on the SDGs and carbon neutrality, we hold briefings on human rights due diligence and report on the results during the annual meetings (two separate meetings, in Tokyo and Osaka, respectively) held jointly with our business partners. We are working to raise awareness of human rights issues in supply chains and to prevent risks before they occur.

Measures to protect privacy

Daiwa House Industry fully recognizes the importance of protecting personal information and believes that the proper use and protection of this information not only forms the basis of our business activities, but also represents a key area of our social responsibility. From this perspective, we have established our Privacy Policy and disclose it inside and outside the Company. In accordance with the Privacy Policy, we have built a secure organizational and personal information management system such as by formulating internal rules and assigning a personal information manager, and all employees participate in training when they join the company to ensure compliance with this privacy policy and internal rules. In addition, we recognize the greatest importance of personal information and the importance of protecting it when using information technologies (IT); therefore, we have implemented a user authentication system, access restrictions, and operational log controls. We also take measures at various levels, including hard disk drive encryption and the detection of illegal external access.

In addition, we have appointed an employee to be responsible for information management, not only for just personal information, but for all of the information assets held by the Company, established rules governing the handling of information depending on its importance, and conduct employee training. However, in fiscal 2024, we caused a serious information leakage incident that required a report to the Personal Information Protection Committee, and will in fiscal 2025 therefore work to develop a system to prevent recurrence.



[Privacy Policy](#)

[DX Annual Report \(Japanese text only\)](#)

[Notice Concerning External Leak of Customer Information, etc. \(Apology\) \(Japanese text only\)](#)

■ Respect for human rights

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

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

Providing product information

Daiwa House Industry provides product information documents at the time of building handover to ensure the customer can use it safely. For single-family houses, for example, we provide the customer with "Lifestyle Guidebook" that contains building maintenance information. For customers that request, we disclose a design and construction performance evaluation certificate based on Japanese housing performance labeling standards. For condominiums, along with the key at the handover, we also give the customer an instruction manual on the use of the building and facilities, a document detailing support after moving, "D's File" (a document showing the history of the residence), and equipment warranties.

Human rights violations by armed guards

As we expand our business around the world, we may employ security companies to ensure the safety and security of our employees. In fiscal 2024, no human rights violations by armed guards were reported at any of our business partners.

Main approach

Implementation status of human rights awareness-raising activities for employees

· For directors and executive officers

In February 2025, we invited outside experts to an event entitled "The Potential Human Rights Risks of the Daiwa House Group." After lectures on domestic and international trends in business and human rights and expectations for corporate human rights initiatives, the participants received an explanation of the results of the analysis of the Group's human rights due diligence digital survey, enhancing their literacy in human rights.

· Implementation of e-learning

In fiscal 2024, we implemented e-learning themed "microaggression" for all employees of the Company. Conducted in two parts, the first and second sessions, the courses were completed upon successfully passing respective tests. The attendance rates were 94.7% for the first session and 96.3% for the second session. We also requested each Group company to conduct human rights training and confirm the status of implementation. The educational materials produced by the Company have also been provided for utilization by each Group company.

Joint training by human rights awareness-raising promoters around Japan and harassment prevention staff

The Company conducts annual training for those responsible for consulting hotlines (human rights awareness-raising promoters) and harassment prevention staff stationed at branch offices, factories, and research centers across Japan, with the objective of raising the quality of consulting hotline responses.

The training instills an understanding of the importance and usefulness of interview records and learn how to create them, enabling information to be shared and reported to relevant departments accurately and quickly. In addition, the training develops skills to identify key points and risks in determining harassment based on precedents and past cases, with a link

to problem solving.

In fiscal 2024, gathered at eight venues were 151 participants who enthusiastically exchanged opinions on what they learned that day during their discussions, as well as the actual consultations they received, their concerns and other issues. Comments from participants included, "When responding to consultations, there is a risk of misinterpretation when working alone, so I realized the importance of collaborating with experts," and "It was very helpful to learn specifically about methods to proceed and ways of sharing information based on actual consultation cases." We will continue to improve our ability to respond to harassment consultations through regular training using case studies.

■ Securing human resources linked to business strategies

Concept and Policy

To secure the human resources who will lead the Company into the future and build a diverse organization, we are working to recruit a broad range of human resources regardless of age, gender, educational background, or disability, based on a recruitment plan linked to our business strategy and a recruitment strategy that flexibly responds to the recruitment market. For new graduate recruitment, we do not conduct selection based on application forms, but rather focus on individual interviews. In mid-career recruitment, we aim to secure a wide range of human resources by hiring those who have experience or potential, not only candidates who have a track record in the same industry but also people from different fields.

Management

Strengthening competitiveness in recruitment and securing optimal human resources

· New graduate recruitment

Due to an earlier start to employment search activities, a period of approximately one year elapses from the job offer until a recruit actually joins the Company, so throughout that year we can provide follow-up and support. In our follow-up program for prospective employees, we hold job-specific social gatherings, events to gain an understanding of job content, one-on-one consultations, and seminars by external lecturers on changing one's mentality to that of a working adult. These and other activities showcase the Company's appeal and provide any number of opportunities to dispel the anxieties of prospective employees, thereby minimizing the gap between their expectations and reality after joining the Company.

· Strategy to recruit young engineers

To sustainably recruit students who are hoping to work in technical positions, we have implemented recruiting activities whereby alumni and alumnae from schools that wish to bolster hiring form close relationships with students at their alma mater.

A recruitment team with three alumni/alumnae of different generations is formed for each university or college. The purpose of this program is to build relationships with universities and to make the Company more attractive by conducting extensive university visits and student follow-ups.

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

· Mid-career recruitment

The recruitment of human resources who have gained experience at other companies is, we believe, essential to the sustainable growth of the Company from the perspective of ensuring diversity. Given this, we have implemented a referral recruitment program in which we select employees through referrals from our own employees. Referral hiring is a system in which our employees introduce their friends and acquaintances, making it an effective recruitment method from the perspective of high matching rates and retention after employment. In October 2021, we introduced a system to provide a "referral allowance" to employees when their recommended candidates joined the Company as an incentive to all employees to cooperate in the referral hiring activities. In addition, as part of our efforts to strengthen the recruitment of construction management personnel in response to the 2024 problem, we held an online seminar to convey the reality of our construction sites and introduced initiatives such as "four-week, eight-site-closure"* and construction DX.

* An initiative to close construction sites, etc. for the number of days equivalent to Saturdays, Sundays, and holidays included in a four-week period.

Implementing internships

The Company conducts internships online and in person twice a year (summer and winter) for students with the aim of promoting understanding of the Company and the work involved for each job type.

Furthermore, in the architectural design field, we offer long-term internships lasting two weeks at our branch offices in each area. The aim is to provide a deeper understanding of business and work-related matters by accepting students at actual workplaces where business is conducted, and to make the Company more attractive.

 [Internship information \(Japanese text only\)](#)

Initiatives to raise interview abilities

All employees at every branch office involved in hiring are informed and educated so that they share the same image of the ideal candidate and our hiring criteria. Employees who have undergone interview training by outside instructors serve as interviewers and conduct the selection process to perform recruitment activities without the influence of biases, feelings, or assumptions. Moreover, we have introduced artificial intelligence in interviews that visualize human resource requirements as data. Utilizing AI in the interview process enables efficient and more objective hiring decisions.

■ Securing human resources linked to business strategies

Main approach

Holding “Daiwa Mirai Seminar”

The Company held its online Daiwa Mirai Seminar for students who are studying architecture. Participants were not limited to students who are currently seeking employment, as our goal is to have students learn from our initiatives.

In July 2024, the Company introduced Funabashi Grand Oasis, which it actually developed, and held a panel discussion with employees involved in the project and a Q&A session with students. A total of 194 students from across the country participated in the event. Among the comments from students was “I was impressed to see people from various occupations within Daiwa House Industry bringing together their respective technical skills to work on a single project.”



Scene at “Construction College”

Daiwa House Group Holding “Construction College”

The Company, together with two of its Group companies, Daiwa Lease and Fujita, held a “Construction College” event in February 2025 for students interested in architecture (university students, technical high school students, and vocational school students). Thirty-nine students participated on the day of the event, and Group technical employees involved in design/construction (single-family housing, rental housing, medium- and high-rise, architecture), structures, facilities, estimates, and research and development set up booths for each job type and conveyed to students how attractive and rewarding the construction industry is by answering their questions and showing them actual CAD screens. Students who participated in the program voiced their impressions, saying, “Rather than a vague corporate perspective, we were able to hear the real voices of people working in construction, which was very satisfying.” Technical employees conveyed first-hand the appeal of the construction industry, dispelling negative images and doubts about the industry, and creating opportunities for students to add the construction industry as a future career option.

■ Developing human resources linked to business strategies

Concept and Policy

Ever since its founding, the Company has believed that the heightened value of our human resources is the source of our corporate value, based on “developing people through business” as espoused in our Corporate Creed. The Company establishes a variety of human resource systems that serve as foundations for the concrete implementation of human resource strategies aimed at realizing our Our Hopes for the Future. The Company, which operates a wide range of businesses globally, pursues the development of diverse human resources in line with its business strategy, and designs systems that accommodate an array of career paths.

In addition, we have established a “Human Resources Development Policy” and a “Human Resource Development Ecosystem” with the aim of promoting business development and thereby allowing employees to lead more fulfilling lives. We are promoting the creation of three foundations for individual growth (creation of opportunities, coworkers and workplaces) in each workplace to foster an environment where everyone can grow.

■ Human Resources Development Policy



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



Our Hopes for the Future (Japanese text only)



P178 Social Data

Investment in human resource development

Management

Personnel system and promotion system

Employees at the Company hold either a “G” position, where they can be assigned to work at locations throughout Japan, or an “L” position, in which they have a specific address from which they commute in a defined area. Nine grades are set for each respective position in conjunction with their level of knowledge and skill. Grades 1 to 4 are classified as management positions such as department heads, deputy department heads, and managers, while grades 5 to 9 are classified as chiefs and general positions. The level of ability and knowledge required for each grade is clearly defined as competency requirements, and promotions are determined by an examination to assess whether the requirements for the next higher grade have been met. In addition, promotion to Grade 4 requires the acquisition of mandatory licenses specific to the job type and department.

Moreover, the skills and knowhow possessed by senior employees are precious assets for the Company, and in the belief that these should be passed on to the next generation, retirement age is extended.



P079 Promotion of active roles for the senior generation

P081 Job location filing system

An evaluation system that emphasizes dialogue

The Company believes that having one’s work fairly evaluated and recognized is a major factor in feeling a sense of fulfillment, and we have therefore established an evaluation and development interview system in which supervisors and subordinates consult four times a year. First, “at the beginning of the period, a discussion on the roles and results or goals expected within the organization,” “at the midpoint, progress is confirmed and course corrections made,” “at the end of the period, results and efforts of the past six months are reviewed,” and “through feedback on the evaluation results, issues are shared for future growth.” This series of cycles is implemented through the evaluation and development interview system. Providing opportunities to explain evaluation results in this way works to promote more effective training.

In addition, a target management system has been established for managers, and individual goals are set and evaluated regularly through interviews with supervisors. Taking into account achieving organizational goals also promotes further growth as a manager.

FA program and internal recruitment system

The Company has implemented the FA program that allows employees to voluntarily transfer to a position or department of their choice.* In fiscal 2024, applications were received from 96 individuals, and 58 of those passed, having made it through to the third round of judging. Internal recruitment seeks out personnel for new businesses and specialized positions such as those in overseas operations, and details are communicated to all employees as necessary through official notices.

Utilizing these systems enables motivated human resources to be placed in appropriate positions, thereby simultaneously improving individual abilities and motivation, revitalizing the organizations to which they are transferred, and working to energize and strengthen the character of the Company as a whole.

* Age, years of service, and other conditions apply.

Collaborative Training Support System linking business division/Group company

The Human Resources Department holds a Human Resources Development Liaison Council meeting every month, aiming for the sustainable enhancement of educational measures. Training representatives from business divisions and technology divisions share training content and effective methods, and discuss how education should be provided to develop the individuality and capabilities of employees. In addition, the Company’s Human Resources Department and the training representatives at each Group company periodically get together and acquire knowledge and exchange information related to human resource development. Going forward, we will begin to track the educational investment amounts and time spent on education across the entire Group of companies with the aim of improving human capital.

■ Developing human resources linked to business strategies

Companywide education (training) system to promote growth

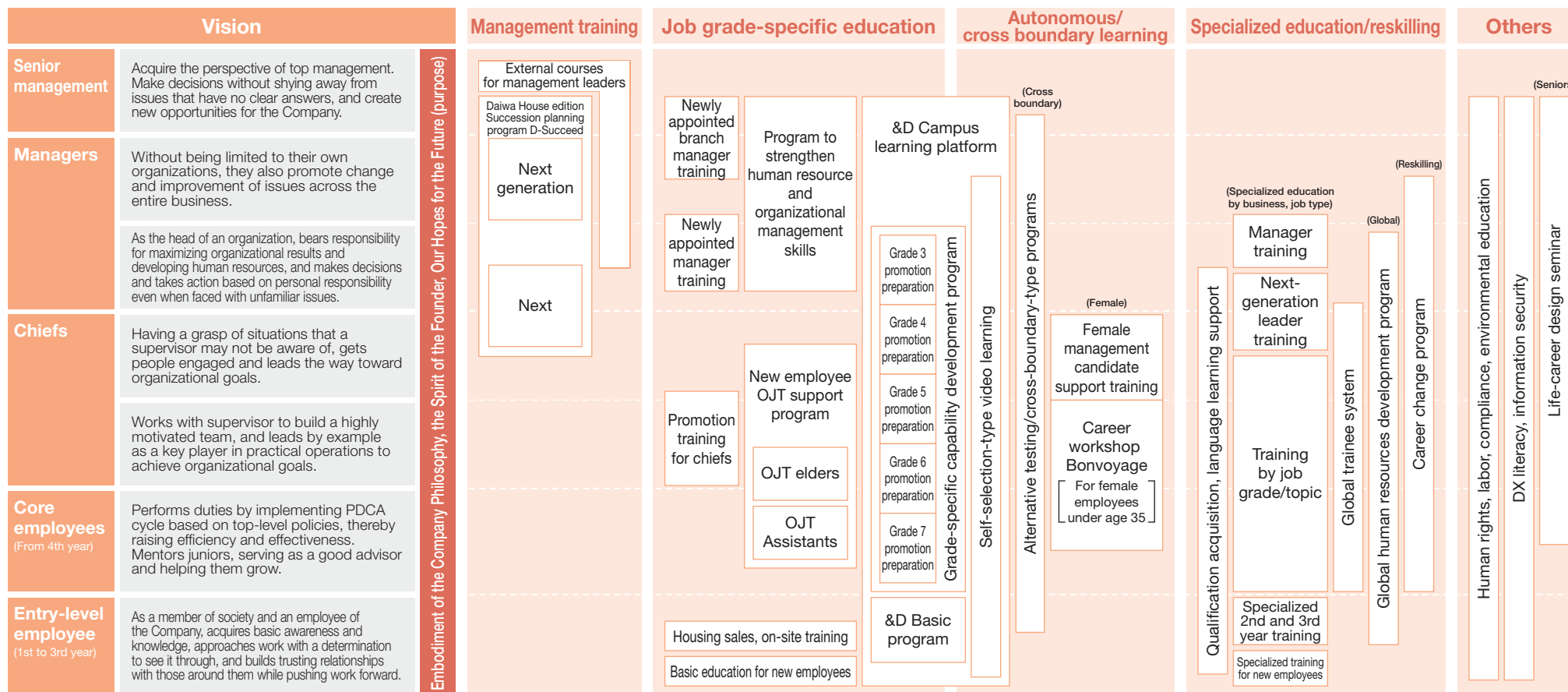
The Company provides job grade- and job type-specific training (including online training) and e-learning programs to help employees acquire the knowledge and skills they need for their duties, to learn about laws and regulations, and compliance and other risk management awareness. In particular, with regard to job grade-specific education, after learning the basic theories required for each job function in joint training, the program involves putting that knowledge into practice in each workplace.

We also provide support for self-improvement and skill enhancement, such as learning to obtain public qualifications, hands-on business literacy, and language learning. In addition, we have established a bonus system for passing major qualifications necessary for work, and we encourage employees to obtain these qualifications.



P077 Implementation of the “&D Campus” learning platform

■ Training system



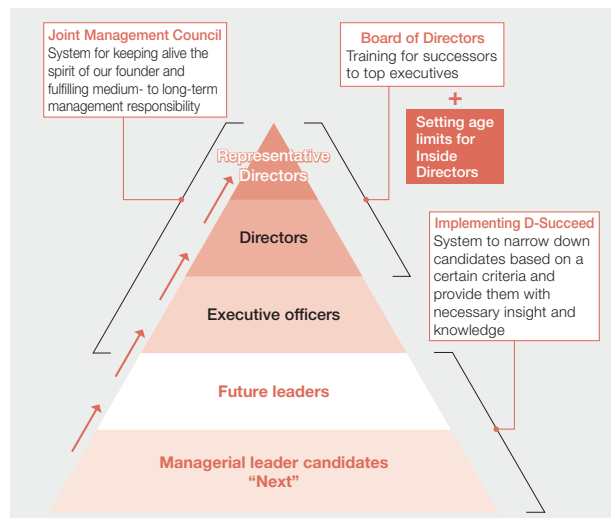
■ Developing human resources linked to business strategies

Fostering successor candidates

We adopted the Daiwa House edition of the successor development plan, “D-Succeed,” as a systematic program to continuously, and in a deliberative manner, produce management leaders. Our training and assessment activities have been divided into two categories: the “Next Generation,” which selects candidates for key positions in sales, engineering, and management, such as branch managers, with a view to their future promotions to the executive class; and “Next,” which selects candidates mainly in their 30s for systematic training as future management personnel. Selection is based on recommendations from each business site, and is conducted from multiple perspectives, including the opinions of executives in charge of each job category, branch managers who oversee each area, and human resources assessment information. We strive to develop and maintain a pool of diverse managerial candidates, regardless of occupation type or gender.

In addition, we promote human resource development to support overseas operations by sending employees to external courses attended by management personnel from various companies and organizing our own global management personnel programs.

■ Framework for fostering successor candidates



Program to strengthen human resources and organizational management skills

To further develop our business and nurture human resources, it is essential to strengthen the management skills of line managers who play key roles in each workplace. Consequently, from fiscal 2024 and over the course of four years, we are implementing a program to strengthen human resources and organizational management skills, available to all line managers (approximately 1,600). In this six-month program, participants reflect on their own management styles in an off-site training-type format, learn the latest management theories, apply them to their daily management activities, and receive regular coaching based on their learning progress. In this way, participants are able to acquire the ability to achieve both “management that raises business performance,” and “management to help people thrive.”

Human resource development system through OJT for new employees

At the Company, we provide training and support for new and entry-level employees throughout the organization so that they may steadily acquire basic skills. Managers, such as sales office managers and section managers, are responsible for OJT, and OJT elders are appointed as leaders to conduct OJT. Furthermore, we appoint OJT Assistants who are close to newcomers in seniority and can provide informal counsel. In addition, we distribute an “OJT Handbook” to OJT managers and OJT elders to help them understand basic knowledge and skills related to OJT, and we conduct online training sessions prior to new employees joining the Company to efficiently support their growth.

In addition, new sales and administrative employees who have joined the Company will undergo approximately four months of practical training in housing sales, regardless of the division to which they are assigned. By experiencing OJT under veteran housing sales staff, they gain a practical understanding of the “spirit of housing,” a concept that our employees value, and through hands-on B2C sales, they develop the ability to build trust with individual customers from the ground up, while experiencing for themselves the Company’s reputation and strengths in the market. We do this to help new employees use these experiences in their own work and to encourage communication within the workplace, which leads to a sense of unity and collaboration across businesses and job types.

Implementation of the “&D Campus” learning platform

The Company implemented “&D Campus” in fiscal 2024 as a learning platform that aggregates educational measures such as collective training and e-learning. In addition to our own e-learning program, we have made all courses on the external video learning service “Schoo” available to every employee, creating an environment where they can freely select and take courses according to their individual attributes and interests, thereby promoting independent learning among employees.

Operation of the Multi-Experiential Career Support Program

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

In fiscal 2024, a total of 73 people (25 people with (3)) used the Multi-Experiential Career Support Program, with a user commenting, “I was able to gain experience I never could have received in my main work, and I was able to acquire skills that would have been out of reach at my main job.”

Utilization of this program works to develop employees with diverse experience and thereby sustainably enhance corporate value.

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

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

■ Developing human resources linked to business strategies

Training new employees assigned to Housing Design

At the Company, new employees assigned to the Housing Design Section receive 1.5 years of training at the Head Office, where they learn basic architectural knowledge, CAD operations, plan creation, and other aspects of the work process and the mindset required of a designer. Subsequently, such employees are assigned to offices nationwide, which allows them to efficiently acquire specialized knowledge and prevents inconsistencies in training due to differences in office environments.

Impressions from branch offices where new employees were dispatched to, were stated as “They have retained basic business knowledge, and they’ve immediately performed as assets as soon as they assumed their duties here.” Conversely, the new employees who had received training commented, “The knowledge gained from such long-term practical experience was extremely useful after my posting.”

We will continue to promote the development of designers who can propose higher value-added housing to our customers.

[Housing design] Compliance training

As one measure we take to prevent recurrence of non-compliance with building standards, we hold training sessions on legal compliance for housing design in each district. Having acquired knowledge of laws and regulations, such as a series of regulations related to type-certified specifications, each individual takes responsibility and works thoroughly to prevent recurrence. This is a system whereby employees cannot take the internal examination for internal qualifications for the system of type certified specifications without first having completed this training.



P094 [\[Housing design\] Internal qualifications for the system of type-certified specifications](#)

[Housing] Compliance study sessions for the sales division

Preventing incidents of risk before they occur requires an accurate performance of tasks through a further increase of knowledge. Consequently, every year, the Company conducts

“compliance study sessions” and “proficiency tests” with the aim of heightening the knowledge of laws and regulations, and internal rules, among sales managers and representatives. Those who fail the test are required to attend additional study sessions and retake the test. The test results are disclosed internally as a ranking by sales branch.

Developing Global Human Resources

The Company is looking to discover and nurture talented individuals who will succeed in rolling out future overseas business as we move forward with our global expansion plans.

・ Global trainee system (overseas training)

The Company has introduced a global trainee system as an incremental program aimed at young engineers to develop technical human resources who can play an active role in overseas operations. In fiscal 2024, from each business division we selected four employees in technical positions who are expected to be responsible for future overseas business operations, and after a preparatory period dispatched them to the U.S., China, and Malaysia, where our overseas bases are located, for a training program lasting approximately 10 months. At each location, participants learned about the unique local business practices, technologies, and management methods, and attained a mindset to deal with future overseas assignments. As a general rule participants return to the divisions where they were originally assigned, although in the final month, their original division, Overseas Division, and others deliberate to decide where to assign the participant, who is also asked about their preference as a reference. Starting in fiscal 2025, the training will be divided into two periods, the first half and latter half, with eight participants per year. Furthermore, not limited to those in technical positions, we will systematically continue this program to train management candidates in the overseas business.



DAIALOG10 (Japanese text only)

・ Daiwa In-Tech Program (short-term training in Japan for national staff)

In anticipation of future overseas business expansion, we established a training program in Japan to improve the technical skills of national staff (local staff) working in our overseas

subsidiaries.

In fiscal 2024, our staff in Hanoi, Vietnam, who support the design of our single-family and rental housing, had not had the opportunity to visit Japan since the COVID-19 pandemic began, and therefore had difficulty visualizing the drawings they handle in their daily work. To address this issue, they visited Japan for a 10-day training program. With great enthusiasm they checked construction methods and materials at actual construction sites, completed sites, and factories, and deepened their understanding of drawings and fittings. In addition, they were able to meet face-to-face and exchange opinions with the Japanese staff who request design support, and thereby raised the level of communication.

・ Language learning support

Advancing global business development requires improving the language skills of all employees. The Company has therefore prepared designations of external language learning courses and provides support to encourage learning, such as subsidizing part of the course fees. In addition, we also enable the taking of TOEIC® IP tests for those who wish to periodically confirm their language ability.

Career change program

As part of the restructuring of our business portfolio to promote sustainable management, we will need to reassign personnel and provide reskilling. Therefore, in order to support employees who have been transferred across businesses and job types, we are implementing a career change program from fiscal 2024. This program involves inventorying an employee's career to date and developing a mindset that will enable them to proactively engage in reskilling in a new environment.

Career design support

We introduced a “career design support system” through which the Company supports its employees who plan to leave the Company before their mandatory retirement age, and take up new employment or become self-employed in accordance with their own lifestyle as a second stage in their life. This system has the goal of creating an environment where employees can develop independence and autonomy by reflecting on

■ Developing human resources linked to business strategies

the know-how, skills, and strengths they have cultivated at the Company while considering the contours of their career, thereby cultivating a foundation for producing human resources who can play an active role in society in a wide range of fields.

Promotion of active roles for the senior generation

The Company has set its retirement age as 65, but employees nationwide can choose between 65 and 67. Furthermore, there are three courses available under the “Active Aging System,” a reemployment system for retirees offering multiple paths according to job responsibility, and allowing participants to choose the same number of working days and salary as when they were active employees. In addition, while this system’s participants can work until age 70, it also enables the possibility for those in technical positions to continue working in an environment where they can demonstrate their expertise regardless of age.

Taking the initiative to help senior employees play an active role also leads to attracting talented individuals from outside the Company. Regardless of their industry or job type, such individuals bring with them their top-level experience and skills that work to accelerate our growth. They sense the potential for success, and the number of mid-career hires over the age of 50 is steadily increasing. This has been an enormous help to us as we tackle new businesses and business schemes.

· Life design seminar

We carry out a “life design seminar” each year for employees who turn 60 years old. In an era where people are living to 100, this seminar’s content seeks to convey to participants an understanding of the importance of constantly acquiring new knowledge and skills that will enable post-retirement life planning while keeping in mind each individual’s overall work and life balance. In addition, the seminar provides lectures on personnel systems, public pensions, corporate pension systems, health management, and other topics for people aged 61 and older, supporting each individual in creating a fulfilling life plan.



P176 Social Data

Diversity indicators Employment and hiring of seniors

In-house commendation system

· Daiwa House Award

Once a year the Company honors and rewards its branches, sales offices, individuals, and Group companies that have achieved outstanding results, with the goal of further raising the overall strength of the Company. In this way, we spotlight exemplary workplaces and individuals, thereby raising awareness among other employees.

■ Overview of the Daiwa House Award

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



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

· “Distinguished Service Award” honors technical employees

The Company has established a “Distinguished Service Award” with the goal of recognizing and boosting the morale of technical employees who have made outstanding achievements and significant contributions during the year. Since fiscal 2021, we have continued to promote the theme of “actively working toward the SDGs.” We quantitatively evaluate each of the nine departments involved in manufacturing based on established evaluation criteria and their achievements during the year.

As a supplementary prize to the Distinguished Service Award, we offer study tours to the overseas business sites we are working to develop. Among our goals is the exchange of opinions about what the tour members felt during their inspections, the creation of opportunities to spark interest in overseas business, and also to nurture young engineers who will play an active role in overseas business.

■ Main awards in the in-house commendation system

Awards system name	Category	Job type
Owner's Introduction, Outstanding Employee Award	Housing	Sales
Exhibition Hall Route Contract Excellent Base Award		
Sales Promotion Competition Outstanding Employee Award	Livness	Sales
Design Competition	Rental housing	Design
Product Competition “Daiwa Works”	Architecture	Design
Customer Support Office Branch Office-Individual Award	CS	CS
All-Japan Factory Enhancement Case Study Competition	Factory	Factory
Technology Competition (Invention)	Technical	All job types
Technology Competition (Technology Enhancement)		Technical position
Distinguished Service Award		Technical position
Safety Competition	Branch office, factory	All job types
Safety Award	Technical, factory	Technical position

Daiwa FUTURE100, an in house entrepreneurship system


From fiscal 2024, the Group launched Daiwa Future100, an in house entrepreneurship program, as part of its efforts to heighten the value of its human capital. All Group employees, regardless of age or position, are invited to submit business ideas, and business verification will be conducted in collaboration with external partners. The project proposal that is selected through the screening process will be commercialized and its growth promoted, with the originator becoming the project’s president.

In its first year, Daiwa Future100 received a total of 896 applications. Through a three-stage screening process, a total of five business proposals (three approved and two conditionally approved) were selected. Those that had passed the selection process spoke optimistically, saying, “With the cooperation

■ Developing human resources linked to business strategies

of the outside experts and the secretariat, it was a good opportunity to learn things that I would not have noticed on my own,” and “Thanks to the information and advice I received with this opportunity, I was able to see a path to maximizing the use of internal assets.” In addition, in a survey of those who did not make it through the selection process, 89% responded that they “Would like to try again.” We expect that it will contribute to the creation of an organizational culture that tackles challenges and the development of management talent who will lead the Daiwa House Group in the future.

We launched the second Daiwa Future100 in April 2025 with the aim of creating an array of new businesses that will contribute to achieving our goal of becoming a 10 trillion yen-company on our centennial anniversary.

 **Launch of Daiwa FUTURE100, an in-house entrepreneurship system**
Human capital investment up to 30.0 billion yen
(Japanese text only)

Main approach

Implementing succession planning program (D-Succeed Next)

As part of our succession planning program, “D-Succeed Next,” approximately 45 people are selected each year through a screening process conducted by those who have oversight in an area, namely branch managers, directors in charge, and those in management. “Next” is a three-year program that aims to create “development opportunities” for acquiring perspective and vision as a business leader.

In the first year, participants learn and reflect inward upon leadership theories, while also focusing on the business environment and business issues, charting their vision for the future. The second year will see students expand their perspectives and horizons, think about their ideal future selves, and acquire basic management literacy. With the aim of strengthening awareness of oneself in society and further enhancing the ability to constantly change, the third year offers programs that are also taken by others, as well as individual programs that allow participants to interact with employees from other companies. We will continue to develop and pool management human resources through D-Succeed.

P077 Fostering successor candidates

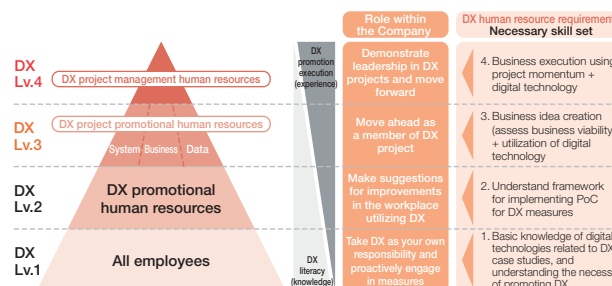


Overview and challenges of the D-Succeed Next training program

Developing DX human resources

Under the Seventh Medium-Term Management Plan, the Company treats initiatives for digital transformation (DX) as priority action areas. Therefore, from fiscal 2023 we have implemented DX literacy education Lv.1 for all employees to develop DX human resources. In fiscal 2024 we implemented DX Lv. 2 (practical course) for those who wished to participate. In addition, in order to raise the data utilization skills of all employees, we conducted a “Data Utilization Course: Literacy Edition” (number of participants: 14,419, five e-learning sessions totaling 180 minutes), and as an advanced course for those who wished to participate, we offered a “Data Utilization Course: Practical Edition” (total number of participants: 4,800, three e-learning sessions totaling 202 minutes). We will continue to develop human resources who can proactively promote DX in each department and organization.

■ DX literacy training



Rank	Number of participants	Course time
DX Lv.1	14,439	150 minutes
DX Lv.2	477	300 minutes
DX Lv.3	Not supplemented	370 minutes

[Architectural design] Adoption of an internal short-term study abroad system

The Company has introduced an internal short-term program to study overseas with the aim of broadening the horizons of employees engaged in architectural design and providing them with further opportunities for growth. We began accepting applications for the program in fiscal 2024.

To achieve growth as an engineer, widening a perspective through involvement in a great variety of applications and large-scale projects is vital. However, the fact is that the branch office an engineer is attached to will be the determining factor behind what applications and scale of a property can be experienced. Moreover, frequent transfers to gain experience places a heavy burden on employees' lives. This system functions to improve skills and knowledge through study abroad during the design phase of a large-scale project or special properties, without changing the engineer's original worksite.

Start of engineer experience registration

As part of our efforts to strengthen technical capabilities, we started operation of a “technician information database” in fiscal 2024. As a company, we centrally manage the skills held by each employee, which we utilize for effective placement of engineers and to address the needs of projects requiring advanced skills. Employees themselves can also visualize their personal track record and gain a sense of self-growth.

Information on past projects is collected based on self-reports from employees. Going forward, we will collect and accumulate accurate information on a regular basis using such internal systems.

■ Workability and job satisfaction for employees

Concept and Policy

The Daiwa House Group Corporate Creed states that “We ensure a good working environment for all employees, conscious that it ties directly into our progress.” We are committed to creating a workplace environment for employees that is conducive to safety and health and designing a flexible personnel system that allows each employee to choose their own way of living and working.

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



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

➤ [The Daiwa House Group's Business Philosophy \(Japanese text only\)](#)

Management

Ensuring compliance regarding labor issues

· New Work Style Reform Project

Under the leadership of Executive Vice President, we are implementing the “New Work Style Reform Project,” in which headquarter divisions participate across boundaries. Our policy is to “ensure that work sites enable employees to do their work without stress and focus their efforts on their mission of value creation.” We collect requests for improvement from employees and work to quickly resolve issues by eliminating or simplifying tasks and improving efficiency through digital technology. The status of responses to employee comments is announced internally on the project intranet each month.

· Work Style Suggestion BOX

We established the “President 2024 Problem Box” system as a special measure to address the 2024 problem*. In the past, employees set their own overtime hours based on work plans for the upcoming month, reporting hours worked in excess of that number. However, with increasing employee awareness of overtime work, the number of reports of employees exceeding the maximum number of working hours has declined. We have therefore changed the name of the system to “Work Style Suggestion BOX,” retaining it as a way of collecting opinions and suggestions from employees about work styles and sharing information to facilitate work improvement actions. Submissions are sent to the President, who analyzes the causes and works with related departments to improve the situation, as under the previous system. Specific improvement measures are disclosed on our intranet.

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

· Implementation of health checkups

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

· Survey on actual work hours to prevent unpaid wages

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

· Article 36 Agreement

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



P173 [Social Data](#)

[Basic Information Average overtime hours worked](#)

Job location filing system

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

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



P089 [Achieving equal pay for equal work and a guaranteed living wage](#)

■ Workability and job satisfaction for employees

Introduction of flextime

In fiscal 2022, we introduced a flextime program, which has no core hours, for all employees with some exceptions. Through this we are promoting flexible and more productive work styles.

Building interactive relationships

We hold one-on-one meetings at a frequency determined by individual departments and divisions as an opportunity for communication to support subordinates' growth and to improve performance.

Recently, we have reassessed real relationships to enhance creativity and strengthen risk prevention through face-to-face interactions, to formally train new and young employees, and to ensure psychological safety. Therefore, from April 2025, we switched to a five-day in-person work week, in principle, except in special circumstances.

Self-Discovery System

With the goal of deepening a self-understanding of one's own career development based on an individual's own initiative, the Company operates the Self-Discovery System each year. Through this system, we aim to promote our policies under the 7th Medium-Term Management Plan to "increase the value of our human capital" and "maximize the motivation of the entire workforce," thus achieving Our Hopes for the Future (purpose). Using the system, individuals are asked specifically about which of their strengths they can apply to their own tasks and what kind of work, and from what position, they would like to do in the future, which will enable them to develop a deeper outlook on their own career. In addition, the individual can share the results with their supervisor and convey their wish for an assignment, thus maximizing their motivation.

Distribution and utilization of "ENGAGEMENT BOOK"

The Group published the "ENGAGEMENT BOOK" as a booklet that provides an awareness of improving the work environment and organizational culture to realize Our Hopes for the Future (purpose). This booklet is structured with an emphasis on "dialogue," as it also aims to learn about employees' thoughts and what they value through work. Discovering and improving upon organizational issues through dialogue among supervisors and subordinates, and senior and junior staff, will lead to heightened job satisfaction and other accomplishments.

[Housing sales] Adopted a "sales team system"

In our single-family housing business, we introduced a "sales team system" in fiscal 2024 with the aim of creating an organization that can resolve a range of issues through team cooperation. These include issues such as work bias, individual disparities, dependence on manpower, training for upcoming managers, insufficient training for young employees, and early retirement. We aim to foster a cooperative and bottom-up culture led by leaders (managers), so that members are able to feel a sense of fulfillment and achievement in contributing to the attainment of organizational goals, thus gaining a sense of growth. In addition, we aim to create a vibrant work environment and train the next generation of managers by establishing a system in which leaders perform their duties from the perspective of team management and managers with strong management skills are certified as "Prime Managers." We also have a system in place to recognize teams that achieve outstanding results. By deploying the methods used by these teams and their team management methods horizontally, we are working to improve sales capabilities in our teams across Japan.

In a survey on team sales conducted in fiscal 2024, our team leaders responded that "the team is energized" and the "growth of team members brings joy to my job," while team members commented that "there is a strong sense of willingness to let younger staff win contracts" and that "there is a stronger sense of belonging to a team, with the team rallying together in responding to each customer." In addition, about 80% of our

younger employees indicated that the team sales system has led to their personal growth. We will continue to build a better team sales system based on these survey results.

[Housing sales] System to choose commission-based compensation

We have established a system that allows employees to state their preference for "commission-based" compensation, which features a relatively higher proportion of performance-linked pay (sales promotion allowance) for orders received than "standard" compensation.

By providing the opportunity for employees to choose a compensation system in which results (orders received) are directly reflected in their compensation, we aim to increase the satisfaction and fairness of compensation and increase their motivation to win orders. With the introduction of the "sales team system" in fiscal 2024, managers are expected to play a team management role, and as such, managers who wish to switch to commission-based compensation will in principle be removed from the position of manager.

[Housing sales] Sales staff with design knowledge Architect Advisor

In fiscal 2024, the Company launched a system to certify sales representatives who have acquired advanced design skills in residential design (including interior coordinators) and transfer them to housing sales as Architect Advisors to provide high-quality proposals to customers. Architect Advisors are given a one-year training period after transfer to gain sales knowledge. They also share their design skills with sales representatives, thus raising the level of all team members' proposals and mutually enhancing their capabilities.

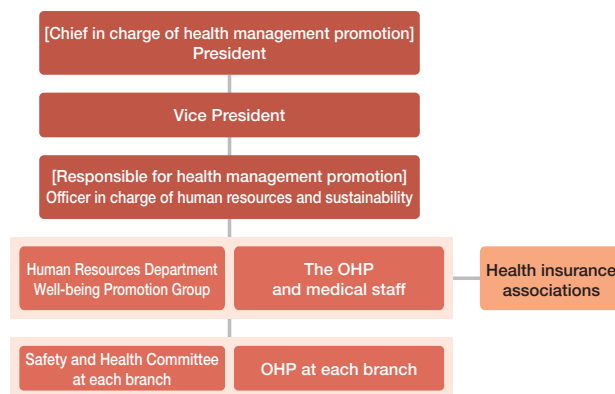
■ Workability and job satisfaction for employees

Promotion of health management

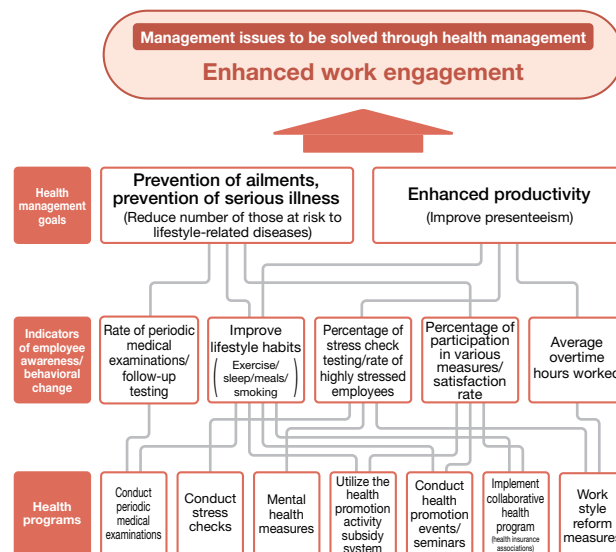
The Company has established a system in which the President is the chief in charge of health management promotion, the officer in charge of human resources and sustainability is responsible for promoting health management, and Well-being Promotion Group, Human Resources Department plays a central role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

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

■ Chart for Health Management Promotion System



■ Health management strategy map



Mental and physical health counseling service

As part of our efforts to promote the mental and physical health of our employees, we have established a dedicated external consultation service.

· EAP Service: E-Partner Inc.

Employees can call a dedicated number to talk with a professional counselor by phone, in person, or by e-mail about personal or professional challenges and concerns, including work, family, individual matters. Family members can also use the service. In addition, persons responsible for general affairs, as well as supervisors and others can consult with and receive advice on how to deal with individuals with health issues. Privacy is protected and the details of consultations will not be revealed to the Company. In addition, “Kokoro Monogatari” (consultation case studies) and “Hotto Times” (newsletters based on interviews with counselors) are distributed monthly by E-Partner Inc. to support mental health.

· Free 24-hour telephone consultation: T-PEC Corporation

Telephone consultations with medical staff are available 24 hours a day, 7 days a week, free of charge.

* Service of the health insurance association

· Chatbot health consultation: T-PEC Corporation

This is a chatbot service that answers health-related concerns and questions. It can also help with health concerns and questions regarding family members, including young children.

* Service of the health insurance association

Risk assessment concerning the health and safety of employees

· Periodic medical examinations and stress checks

We collaborate with the health insurance association to conduct periodic, comprehensive medical examinations, including lifestyle-related disease checkups. We have achieved a medical examination participation rate of 100% for twelve consecutive years starting in 2013, focusing on the early detection and treatment of diseases and health risk management. We also support employees to maintain and improve their health by ensuring that those who require further examination or treatment are thoroughly reexamined. An external instructor provides specific health guidance through health improvement training to employees identified by the health insurance association as suffering from metabolic syndrome, to encourage them to take the initiative in improving their health.

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

We analyze and monitor the physical and mental health conditions at each branch by using the “health analysis system,” in which the results of periodic health checkups are converted into points and totaled for each branch, and by using group (organizational) analysis of stress checks. The results are used

■ Workability and job satisfaction for employees

to implement a population approach* aimed at lowering the overall health risk of the entire branch office.

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



P177 Social Data
Health management

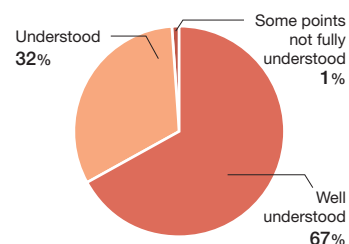
・ Health promotion activity subsidy system

The Company provides subsidies for health promotion events, such as sports tournaments and seminars, planned and implemented at each branch to promote improvements in the workplace environment and as a population approach. In fiscal 2024, more than 70% of our branches utilized the system.

・ Mental health measures

The Company has provided mental health line care training (e-learning) for those in management since fiscal 2018. Participants learn about the points of “noticing, listening, and connecting,” which are the basics for early detection of persons with mental health issues, as well as of the importance of responding to persons with mental health issues and improving the work environment. In fiscal 2024, we implemented an e-learning program for newly appointed managers, incorporating “basic” and “applied” management skills. Approximately 95% of managers took the course, deepening their understanding of mental health line care. In addition, in response to the increasing tendency for employees to internalize their stress, we are promoting selfcare by also making Type III (self-care course) eligible for the congratulatory allowance for obtaining a license, which is provided to those who have passed the Certification Test for Mental Health Management® (Osaka Chamber of Commerce and Industry). As of the end of January 2025, 781 employees have passed the Certification Test for Mental Health Management® (Type I, II, and III).

■ Degree of understanding “line care training”



P181 Social Data
Health and safety education

Health management for business partners

The Company has established health and safety management regulations for business partners to provide the necessary guidance for health management for their employees and workers. For business owners, we request confirmation of technicians' health and the recording of health checkup dates, with the Company also confirming health status.

Notice to employees regarding changes with significant impact

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

The Company has not conducted any layoffs for the purpose of workforce adjustment in fiscal 2024.

Main approach

Progress on the New Work Style Reform Project

We launched the “New Work Style Reform Project” to address the “2024 problem” (the overtime work limit), which we perceived as an opportunity to improve our business operations. In fiscal 2024, the first year of the program, we began by reflecting on the business improvement activities that each department has promoted to date and thoroughly discussing areas for improvement regarding these activities. Sharing the belief that the success of these activities is “gratitude at work sites and increased trust,” we collected approximately 6,000 complaints and requests for improvement through visits to branch offices and questionnaires. After intensive analysis, we decided to address 30 themes and other immediate needs with a policy of concentrating on those that will help the greatest number of employees and can be resolved within a year. The status and results of activities are presented at various meetings, and a project intranet has been established for internal use, which is updated monthly and delivered to employees. These efforts have expanded the circle of employees who have voiced their desire for improvement and are willing to cooperate.

As a result, in fiscal 2024, we were generally able to complete our short-term actionable solutions. In fiscal 2025, the second year of the project, we will implement even deeper and more radical solutions and take on the challenge of creating significant results that will enable all employees to feel the progress of work style reform.



DX Annual Report
Work style reform (Japanese text only)

■ Workability and job satisfaction for employees

Selected as Health & Productivity Management Outstanding Organization

In March 2025, the Company and 32 Group companies were selected as 2025 Certified Health & Productivity Management Outstanding Organizations engaging in superior health management in collaboration with insurers (health insurance associations and other main parties in the health insurance business), as certified by the Nippon Kenko Kaigi. Five of these 32 companies were selected for the first time. Moreover, Daiwa House Asset Management Co., Ltd. was selected as one of the Bright 500, the top 500 companies in the small and medium enterprise category for the third consecutive year.



➤ [32 Daiwa House Group companies selected as 2025 Certified Health & Productivity Management Outstanding Organizations \(Japanese text only\)](#)

Health portal site PepUp

PepUp, a health portal site for persons insured by Daiwa House Industry Health Insurance Association, aims to promote a review of lifestyle habits by using the results of regular health checkups to show employees' "health age" and improve health literacy by visualizing health status, including by providing health trivia, recipes, disease-related news, medical cost notifications, information on generic drugs, and other health-related information.

In addition, health points are awarded based on the results of regular health checkups, "health quizzes," responses to questionnaires, participation in health events, and the number of steps walked. These points can be exchanged for various types of e-money and prizes in an initiative to promote health.

Response to social health issues

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

■ DE&I (Diversity, Equity & Inclusion)

Concept and Policy

It is vital that we incorporate diverse perspectives and different values and enhance our ability to adapt to change so that we can accurately identify the challenges facing our uncertain and increasingly complex society and solve them through our business. For this reason, we believe that promoting diversity is essential for us to achieve sustainable growth.

The significance of our commitment to diversity management lies in our focus on creating even better products and services, including housing and urban development, as well as in our business processes. To this end, we respect our employees' diverse values, gender, abilities and disabilities, gender identity, sexual orientation, gender expression, age, nationality, language, culture, lifestyle, and other aspects of their knowledge and experience. We foster a workplace culture where each employee's perspectives and ideas are recognized and all employees can demonstrate their abilities by working together, based on fair opportunities.

Management

Promotion system

We launched a project to empower women in 2005 as a touchstone for the promotion of diversity. Later, the project was established as a specialist section, and the promotion system was established in keeping with the times. In 2019, this section was reorganized as "DE&I promotion." The Director in charge of Human Resources and Well-being Management has direct jurisdiction over DE&I as well. We leverage DE&I in management and promote a diversity of knowledge and experiences to generate new ideas for products, services, and processes, and utilize diverse perspectives to enhance decision-making.

Office diversity scores

We have introduced office diversity scores to aid in assessing

office management soundness with the aim of measuring and promoting diversity at our branch offices. We monitor four categories: ratio of female managers/chiefs, ratio of childcare leave taken by males, ratio of disabled workers, and retention rate of young workers. We are making progress in human resources diversity throughout the Company.



P173 [Social Data Basic Information](#)

P175 [Social Data Diversity indicators](#)

Support for work-life balance

The Company is developing an array of systems where diverse human resources can choose from varied lifestyles and express themselves while playing an active role. We are pushing forward to create a virtuous cycle in which the experiences gained through childbirth, childcare, and nursing care can be put to good use in the workplace.

■ Main systems related to support for work-life balance

System name	Overview
Paid leave reserve system	A system that allows employees to accumulate up to 100 days of annual paid leave that would otherwise legally expire and use the reserve as needed
Paid leave per hour	A system that allows employees to take annual paid leave on a per-hour basis
Home holiday program	A system to take planned annual paid leave for the purpose of spending time with their family, personal refreshment, self-development, etc.
Consecutive holidays (Re Vacation)	A system that encourages employees to take multiple annual paid leave vacations and to take at least five consecutive days off, including regular holidays
Nursing care leave system	A system for balancing work and nursing care, allowing eligible employees to take leave indefinitely until the reason for termination of nursing care leave arises
Subsidy program to support with travel expenses for elderly parents' nursing care (filial support program)	A system that provides a "filial support subsidy" to take care of employees' parents who live far away and need nursing care, paying an amount equivalent to the transportation expenses based on the distance of return trip, up to four times a year per employee
Telework	In case of having small children or feeling unwell, you can use telework
Flextime program	A program that allows employees to decide their own start and end times and working hours

Family-career Support Program

We are committed to creating workplaces that match the diverse life stages of each employee and enable a balance between work and family life, regardless of gender. In particular, the child-rearing stage is a major turning point for reexamining personal values and work styles. In order to link this opportunity to the growth of human resources and the evolution of workplaces, we are working to create an environment where all employees, including those who are raising children, can safely demonstrate their abilities without restrictions. One such program is the Family-career Support Program, which offers a range of assistance to employees and their families in balancing their careers and child rearing.

・Expectant father and mother registration form

We encourage employees to register when their or their partner's pregnancy enters the stable period. This ensures that necessary information is provided in a timely manner and support is provided across the entire workplace, beginning with preparations for childcare leave.

・Handbook for Fulfilling Work and Child Rearing

We have released a handbook containing information about child rearing and tips for returning to work. It provides useful information on return-to-work support and team management that is useful not only for the individual but also for supervisors and co-workers, fostering a culture of understanding and cooperation with child rearing throughout the workplace.



Handbook for
Fulfilling Work
and Child
Rearing

■ DE&I (Diversity, Equity & Inclusion)

・ Life-career balance interviews

Interviews are conducted with supervisors before and after childcare leave. Flexible work arrangements are designed together in line with each employee's career outlook and desires, supporting a smooth return to work as well as long-term career development.

・ Ikukyu MBA

We have introduced an external educational program for employees on childcare leave or just returning to work. By providing opportunities to continually hone business skills, we ensure workers are able to hit the ground running after their return, as well as facilitating their career growth.

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

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

Empowering female employees

We are working to promote the empowerment of women, based on our belief that a company where women can work and play an active role is a company where everyone can work and play an active role.

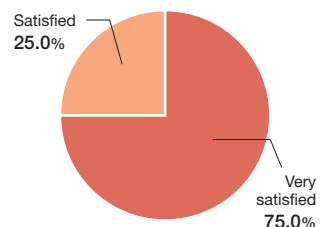
・ Training and strengthening of management staff

We are working to develop and strengthen female managers in order to diversify the management decision-making process. To build a pipeline for continuing promotion to management and senior management positions, we conduct training for management candidates and their supervisors, as well as career workshops for young to mid-career employees. In this way, we aim to encourage autonomous career development in consideration of life events.

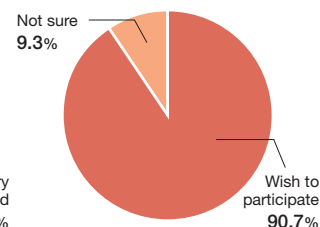
・ Addressing women's health issues

Focusing on the impact of women's health issues on their work, we provide video screenings for managers and information services concerning DE&I as opportunities to learn about the health issues for each generation and life stage. We also provide health support, such as medical coupons that can be used at hospitals and clinics, for gender-based health issues.

■ Career workshops: Satisfaction with lectures on women's health issues (N value: 44 participants)



■ Video screening: Wish to participate in next screening (video on women's health issues) (N value: 75 participants)



・ Retaining and nurturing female employees in sales and technology divisions

We are actively assigning and cultivating women to sales and

engineering where the ratio of females is low.

In the sales division, we hold internal information exchange meetings and conduct training sessions for networking purposes about once a year. In addition, since 2007, we have held the Housing Manufacturers Female Salesperson Meet-up, which has now expanded to nine participating companies, including Daiwa House Industry, as of April 2025.

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

Furthermore, many of our female construction staff participate in the National Low-rise Housing Work Safety Council's "Jutaku Komachi" program, and the entire low-rise housing industry is working to create a comfortable working environment for women. Through these efforts, female construction workers are more involved in site management, while the number of female site supervisors who are active while raising children has been increasing.

Additionally, by expanding the scope of jobs to include positions where there are few women, such as after-sales service staff who make regular visits after the delivery of a house, we are attracting the support of customers of the same gender. This has also led to a lifestyle proposal called Housework Share House, which aims to shift the concept of household chores, the burden of which tends to fall on women, to chores shared between all family members.

・ Efforts to avoid the effects of unconscious bias

In order to avoid the impact of gender role stereotyping on human resources development, the theme of unconscious bias is included in training for new managers to prompt a shift in mindset for developing diverse human resources.

■ DE&I (Diversity, Equity & Inclusion)

Promoting employment for people with disabilities

In addition to complying with the legally mandated employment ratio for persons with disabilities, we view the employment of persons with disabilities as part of our DE&I promotion efforts. Instead of assigning employees with disabilities to specific positions, we assign them to various departments, including sales, design, construction, and management, depending on suitability.

We have also launched our unique Universal Support System with the aim of promoting the activities of people with disabilities in various departments and providing them with reasonable assistance. The system provides support, including costs, for the introduction of the necessary work tools for people with disabilities and for learning by their colleagues. We also provide e-learning courses on reasonable assistance and the nature of disability for all employees, and conduct in-house seminars for those who wish to attend, including the employees of Group companies, to promote understanding and foster a culture of diversity among human resources, including those with disabilities.

With the aim of creating a work environment that takes into consideration the nature of individual disabilities and appropriate employment management, the Group established Daiwa Life Plus*1 in 2011 and Daiwa House Bloom*2 on April 1, 2021. These companies have been recognized as special-purpose subsidiaries. We will continue to create an environment in which people with disabilities can play a more active role in all areas of the Group.

*1 Special-purpose subsidiary of Daiwa LifeNext

*2 Special-purpose subsidiary of the Company

 P123 [Joining The Valuable 500](#)

Initiatives for LGBTQ

We are working on two fronts to ensure that people in sexual minorities such as LGBTQ can perform to the best of their abilities with peace of mind: the establishment of systems and structures, and initiatives to promote workplace understanding. This includes the introduction of a Same-Sex Partnership System, under which same-sex partners are regarded as spouses and are eligible to enjoy leave, company housing, and

other benefits programs. Since its introduction, the number of users of the system has been gradually increasing. We have also established an LGBTQ-specific consultation service staffed by outside counselors with specialized knowledge, so that LGBTQ employees can feel comfortable discussing any concerns they may have about working in the workplace, not just for themselves but also including superiors and colleagues.

In addition to including LGBTQ as one of the themes of mandatory training for new hires, we also collaborate with other companies to promote understanding in the workplace by holding events such as film screenings and lectures.



➤ [Introduced the "Same-Sex Partnership System" \(Japanese text only\)](#)

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

Our factories have established guidelines for the construction and renovation of factories and control and welfare buildings. We strive to create a comfortable work environment by taking into consideration the management of the work environment, improvement of work methods, installation and maintenance of facilities and equipment for recovery from mental and physical fatigue, and maintenance of other facilities and equipment. Our basic approach is to use universal design, CASBEE (Comprehensive Assessment System for Built Environment Efficiency) and fire prevention measures, and to promote the installation of break rooms, smoking areas, infirmaries, and other amenities for personnel from factory's business partners*. When it comes to building cafeterias, we use surveys and other means to gather opinions from both our business partners' employees and our own workforce so that the resulting facilities are built to a greater level of satisfaction. In addition, we establish standards and perform checks for air quality, thermal conditions, brightness and sound.

For the improvement of work methods, since many of the employees of the business partners are female or elderly, we lend them auxiliary devices such as assistive suits for lifting and lowering heavy materials, as well as for standing work, which alleviates workload.

By promoting the creation of safe and comfortable work environments for factory employees, we hope to improve

employee retention rates, which in turn will facilitate the transfer of skills.

* Subcontractors performing subcontracting work in our plants

Multi-lingual signage at plants

Since we also have non-Japanese workers in our plants, we use multiple languages and illustrations to describe the plant rules and other important information on quality. The specific languages used are in accordance with those used by workers at each plant. In addition, we translate and distribute in advance the teachings given at in-house safety meetings, and distribute "Technical Intern Trainees' Mate" published by the Japan International Trainee & Skilled Worker Cooperation Organization, which contains useful information for living in Japan. This information is available in a total of 10 languages. In addition, the plant cafeteria provides a safe place for diverse human resources by clearly indicating in respective native languages and with pictograms and illustrations whether culturally inappropriate items are on the menu.

Establishment of Daiwa House Bloom

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

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

In addition, all mini orchids grown at Daiwa House Bloom are purchased and sold by the Company, allowing Daiwa House

■ DE&I (Diversity, Equity & Inclusion)

Bloom to operate in a stable manner. As well as sales on our e-commerce site, the mini orchards are also sent to building owners to congratulate them on taking delivery of their buildings.

As expressed in the floral symbolism of orchids, "Happiness will come your way," the workers cultivate them with all their heart so that they will be a bond between people and weave warm relationships.

* Patenting of the Daiwa cultivation method.
"Cultivation equipment and methods" Application No.: 2019-046438
Registration No.: Patent 6993370 (registration date: December 13, 2021)



➔ [COCOLAN \(Japanese text only\)](#)



Work scene of cultivation



COCOLAN

Achieving equal pay for equal work and a guaranteed living wage

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

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



P179 [Social Data](#)

[Indicators related to wages and allowances Gender pay gap](#)

Main approach

Workshops for female employees

We hold career workshops for young to mid-career female employees. The purpose of these is to broaden the career options for female workers, whose careers are considerably impacted by life events, by creating opportunities for them to think about their own lives and careers at an early stage. Beginning in 2024, we have run a basic version of the workshops, with content focused on younger female employees. In these workshops, physicians give talks about women's health issues and participants learned about the basics of career development through lectures and group work. A total of 90 people participated in fiscal 2024, with many participants commenting that the program helped them to alleviate concerns about their careers and boost their motivation.

Talks given by physicians are also made available on the intranet for all managers to view.

Workshops for male employees on housework and childcare

We held workshops for male employees and their partners to discuss housework and childcare with their partners. The program was designed to address concerns from employees who want to be more involved in housework and childcare but don't know how, want to reduce the burden on their partners, or want to rethink their work style based on their roles at home, for example.

On the day of the event, five families participated with their children. Many commented that they appreciated hearing the stories of other families during group work. There even appeared to be a change in participants' awareness of the need to continuously discuss the division of housework and child rearing roles.

Webinar on understanding the nature of disability

In fiscal 2024, the Group held a webinar on understanding the

nature of disability to improve human capital management skills from the perspective of neuro-diversity. We invited lecturers from companies specializing in employment support for people with disabilities, with lectures and discussions held on the basics of how to relate to neuro-diverse individuals, problems likely to be encountered when working with such individuals and ways to solve them, and how to balance productivity and fairness. The webinar was attended by a total of 217 participants, including those in senior management positions and those in charge of human resources at group companies. Participants commented that through the webinar, they had gained an understanding of the nature of disability and realized the importance of creating an environment from the perspective of universal design.

Events to deepen understanding of LGBTQ Part 1 (film screening)

Diversity West Japan Study Group, in which we participate, hosted an LGBTQ-themed film screening, which was attended by 21 employees from our company. On the day, participants from other companies joined us for a discussion and exchange session after the online movie viewing. Some participants commented that they now had a better understanding of the LGBTQ community and would like to become allies, while others said that they now felt more connected to the LGBTQ community, which was the purpose of the screening.

Received PRIDE Index 2024 Gold Award

The Company and a Group company, Royal Home Center, were awarded Gold in the PRIDE Index 2024, which was established by the volunteer organization work with Pride as an index to evaluate corporate efforts for sexual minorities in the workplace. In fiscal 2024, Royal Home Center introduced the Same-Sex Partnership System, expanding it to include same-sex partners in some benefit programs, such as marriage leave, housing allowances, and congratulatory and condolence payments.



➔ [Two Daiwa House Group Companies Awarded Gold in PRIDE Index 2024 \(Japanese text only\)](#)

■ Socially inclusive community development

Concept and Policy

In 2015, the Group formulated the “Community value into the future” community development vision and has been working with local communities to address social issues by leveraging a broad range of business areas. Since 2022, we have been working on multi-use redevelopments and other projects to “expand the circular value chain from the perspective of local communities and customers,” one of the key themes of our 7th Medium-Term Management Plan, and pursuing long-view community development. That means designing those communities so that they will not lose, but gain attractiveness, and managing the locality so that it will retain its vibrance over time. This type of long-term, deeply community-rooted and -supporting commitment to development fosters long-lasting connections among residents and between their communities so they will maintain their value far into the future.

This approach deeply informs new developments, of course; but it is also embodied in the Neopolis residential projects we developed during Japan’s period of rapid economic growth. Our Neopolis communities, themselves starting to manifest challenges like population loss and increases in vacant properties, are now the focus of Livness Town Project. We pursue Livness Town Project to regenerate Neopolis communities by creating together with community stakeholders to renew their attractiveness as places to live and work.

We have also begun exploring how to best carry out “area management” of developments that have reached about the 30 years of age and not yet begun to manifest issues (like the 50 years and older Livness Towns have) to ensure that they remain vibrant and maintain their vitality when the reach 50.

More recently, we are being asked more and more to incorporate area management designed to enhance the value of large-scale developments already in the proposal stage. In response, all across Japan the Company is pursuing sustainable and inclusive town and community development: We tap into head office functional divisions’ systems for checking the projects from multiple angles to ascertain what needs to be done and applying our accumulated knowhow for making town value-enhancing measures succeed.



Management

Organized to pursue long-horizon community building

To contribute to local communities through community building, we have established specialized departments to take a long-horizon approach to building housing estates and forming communities in them. This approach is intended to be responsive to the diversifying values and lifestyles of the people who live, work, and play in them. We are also moving to enhance cross-project collaboration so that new knowhow amassed through Livness Town Project (regeneration projects) can be incorporated into the planning of new housing developments from the earliest stages. And our approach to community development goes beyond narrow focus on projects’ tangible aspects, taking in their intangible side as well—things like ongoing enhancement of their value through area management so that residents will want to stay involved in the community.

Considerations for creating comfortable living

When Daiwa House Industry undertakes community development projects, we begin by establishing a set of design guidelines. These are the starting point for considerations formulated from multiple perspectives encompassing safety and security, universal design, the environment, beauty, secular change, and maintenance of the resulting communities over the long run. Aiming to create broadly inclusive, highly livable communities for diverse people, including the elderly, children, and those with disabilities, we incorporate considerations that include pedestrian flow lines designed on barrier-free principles to eliminate steps and reduce gradients, pedestrian areas to stimulate interaction and communication among residents, and planting to contribute to biodiversity and make for pleasant townscapes. Further, routes to certain facilities (central community locations like medical, shopping, and public facilities, and service and business centers) and transportation facilities (stations, bus stops) are planned with minimal road crossings. We also formulate zoning plans and, as voluntary agreements, institute community development guidelines. These are intended to ensure maintenance of a pleasant living

environment, for instance by regulating aspects of properties above a certain size to ensure that they harmonize with the surrounding community.

Livness Town Project (regeneration projects)

Suburban housing projects were developed systematically in Japan to address housing shortages in the period of rapid economic growth as urban areas became increasingly populated. They provide good living environments, but some half a century later, issues are emerging in the form of changes to the community, a lack of services for the elderly, and growing numbers of vacant houses and land.

The Neopolis detached residential suburban communities we developed and sold at 61 locations nationwide face similar problems. We launched Livness Town Project to co-create, with local residents, sustainable and thriving towns that would attract new residents as well as retain ones already living in them. To these ends we prioritize relationship building over intensive marketing at Neopolis communities, and we have deepened our communication with residents, who keep us informed on various developments in the community such as when houses become vacant.

Currently, our employees are discussing with local residents how to address issues uncovered through dialogue at eight Neopolises. We also frequently exchange information with government administrators and provide proposals for things like making effective use of public land inside Neopolis developments. We also have cooperation agreements with five local governments covering community development, as well as partner with external organizations via joint research with universities and participation in the Cabinet Office’s Strategic Innovation Promotion Program.

Further, we continue to exchange opinions with experts and national and local government officials on legal and institutional issues. This resulted in amendment of the the Local Revitalization Act in 2024. Going forward, we will advance initiatives along these lines while making the most of model housing project revitalization projects.

In addition, inspired by the Neopolis Summit 2024—Toward the Revitalization of Neopolises held in January 2024, a committee was formed at the Kaga Matsugaoka Housing Development (Ishikawa Prefecture) to form a corporation led by

■ Socially inclusive community development

residents, and at Tokorozawa Neopolis (Saitama Prefecture), a committee was set up to explore the possibilities of community development by residents. We intend to move forward with these projects by building and deploying frameworks to support such resident-led community development organizations.

・ Frameworks and mechanisms

Partnerships with universities, local businesses, and civic organizations are essential to moving Livness Town Project (regeneration projects) forward. We develop communities by recruiting participants from within them who will be necessary for collaborating with residents on addressing localities' and communities' issues while also moving to work closely with public-sector players.

Mechanisms for erecting emergency housing

The Daiwa House Group is a member of the Japan Prefabricated Construction Suppliers and Manufacturers Association, which has concluded agreements covering emplacement of emergency housing when disaster strikes with all 47 of Japan's prefectures and the country's 13 cities empowered by the Disaster Relief Act to undertake relief operations autonomously.

When the association is asked by a local government to erect emergency housing in the wake of a major disaster, it puts out a call to the 14 members of its Standardized Architecture Committee to erect temporary housing. Daiwa Lease, a Group company, is one of the committee's five coordinating members.

The Daiwa House Group stands ready to respond to calls for emergency housing with its Dash Project, an organization that has all tasks from design to post-handover management done end-to-end by Group companies. Daiwa House Industry and Group companies Daiwa Lease, Daiwa Logistics, DesignArc, and Daiwa LifeNext are all involved. They appoint about 100 employees from several functions, including design and equipment, procurement, production, and construction. Though appointees engage in their regular work most of the time, they need to be ready when disaster strikes and the Standardized Architecture Committee calls, so they hold periodic practice sessions characterized by laser-focus on role-playing. This ensures that they will be ready to spring into action as soon as a relief project goes live. They also make sure

everything is in place—such as always up-to-date manuals for assembling emergency housing—to enable them to respond without delay whenever disaster strikes anywhere in Japan. We also have in place another team of separate members drawn mostly from Dash's, a Daiwa House Industry division that handles rental housing, who jump into action when the association's Housing Committee has also launched actions to erect temporary housing in response to requests for temporary housing exceeding 20,000 units. To date, we have built some 28,000*1 emergency housing units.

Divisions involved in relief efforts after the January 2024 Noto Peninsula earthquakes have reported on and shared their ideas for improvements that derived from their experience.

Further afar, Daiwa House Modular Europe Ltd., a European member of the Group, has provided a cumulative 1,800 units*2 to house refugees, including people from Ukraine. The company markets modular building products, a type of buildings fabricated using industrial manufacturing methods.

Moving forward, we will continue training and improving our manuals to be ready to erect emergency housing whenever crisis strikes.

*1 Total emergency housing units built following recent major earthquakes, the Great Hanshin (1995), Great East Japan (2011), Kumamoto (2016), and Noto Peninsula (2024)

*2 As of March 2024



➤ [Daiwa Lease website: Disaster Recovery Relief and Mitigation \(Japanese text only\)](#)

➤ [Standardized Architecture Committee, Japan Prefabricated Construction Suppliers and Manufacturers Association \(Japanese text only\)](#)

Main approach

Area management of a large area (Sapporo City, Hokkaido)

At Maaruku Shinsapporo, a large-scale development Daiwa House Industry is undertaking as project principal, in parallel to constructing building and installing infrastructure we are putting together an area management mechanism. Post-handover—when our job as developer is done, we will remain involved in the town and community's development as member of an

incorporated body tasked with managing the area in a holistic manner to enhance the locality's value through cooperation with the whole community. To date, food-and-health-themed events and other like initiatives have been staged to draw in people from across the area to energize the townscape. And with a public-private-academic collaboration between Sapporo Gakuin University and the city of Sapporo that started in November 2024 and will run till the end of March 2027 (roughly three and a half years), we launched joint research to ascertain the impacts of area-management activities on localities. Going forward we will run pilot programs based on societal-capital concepts to jointly study the effectiveness of initiatives for generating and maintaining community vitality.

In fiscal 2024, we staged three events: the Reducing Food Waste × Children's Cafeteria-Style Free Space, the Winter Walkability Promotion at the Sapporo Science Center Park pilot program, and the Shinsapporo Health Festival. Responses to survey questionnaires after each one were analyzed, including cross classification of personal attributes and measures of happiness and behavioral-change potential. Analysis results showed how much students' activities helped enhance societal capital in the area, and calculation of the events' economic impact demonstrated their utility.



➤ [Joint research conducted by Sapporo Gakuin University and Daiwa House Industry \(Japanese text only\)](#)



A scene from the Reducing Food Waste × Children's Cafeteria-Style Free Space event



A scene from the Winter Walkability Promotion at the Sapporo Science Center Park pilot program

■ Socially inclusive community development

Miki Area Community Center (tentative name) construction launched (Miki City, Hyogo Prefecture)

Daiwa House Industry runs Livness Town Project (regeneration projects), which are initiatives to reshape communities for sustainability. In 2015, one was launched at Midorigaoka Neopolis, suburban housing estate we built straddling the Midorigaoka and Aoyama districts in Miki, Hyogo. As part of it, in 2021 we set up “Takahashisanchi” a community center to spark greater interaction and communication among the community’s residents. Summing up their input, we found that to regenerate the estate, a multi-use center was needed that would gather functions like workplaces, welfare and other citizen services, and venues conducive to cross-generational communication under one roof.

This led us to adoption of our proposal for the Miki Area Community Center (tentative name) when we responded to the city of Miki’s call for an entity to build and run a community center to serve as the staging base for a project to regenerate the Aoyama 7-Chome section of town. Our proposed center adds several new service offerings as well as venues for community interaction and experiences.

The center includes co-working spaces, a startup incubation hub, a citizen-services outpost, flexible multi-use spaces, and a playground. They are arranged so users can see what is going on in each of the others from wherever they are. This provides an environment intended to encourage cross-generational interaction and communication and foster new connections among people using the facility.

During the planning phase we also conducted a study to assess the center’s potential social impact to ascertain how much it was likely to contribute positively to society in general. The assessment framework and results are the first of their kind in Japan*. Its evaluation of a property’s non-financial value in terms of returns garnered a third-party opinion from the Japan Credit Rating Agency (JCA). Once the building is finished, we will monitor its impact to determine the validity of the planning-phase assessment.

Using the corporate version of Japan’s Hometown Tax Program, Daiwa House Industry paid a portion of its fiscal 2024 tax bill to city of Miki to facilitate renewed public-private partnership-driven community development bring about greater intergenerational interaction and communication within the locality. To further community formation and help energize the local economy, Daiwa House Industry is committed to

strengthening partnership with the city of Miki, working with the city to ensure sustainable community development in Neopolis straddling the Midorigaoka and Aoyama districts.

* Source: Japan Credit Rating Agency, Ltd.



➤ Visualization of the non-financial value of a property with social impact (Japanese text only)

Community creation and regional revitalization support (Ichihara City, Chiba Prefecture)

In June 2024, we opened Chiharadai TENT, a community facility in Chiharadai Park. A public-private partnership between the company and Ichihara City, Chiba, its purpose is to revitalize Chiharadai Park and the nearby Chiharadai area where we have built a housing development. Local businesses will open shops, with activities and events at the heart of community building. The idea is to make the park more appealing and create new opportunities for connection. This should help liven up the community and breathe new life into the locality. The housing development is in a pivotal phase of its lifespan. Some 30 years have passed since the first residents moved in, and newcomers are still arriving. Chiharadai TENT is intended to serve as a gathering place for residents where, on their own, they can shape the community, heighten its attractiveness, and develop mechanisms to draw in new residents from afar. Exploration of the possibilities is underway.

Our vision for Chiharadai includes the hope that in 20 years’ time, it will still be full of children’s laughter. At Chiharadai TENT, we plan and stage events to ensure plenty of laughter—game competitions, opportunities to experience sports, outdoor festivals, and even fairs to mark special days on the community calendar. They are held in the community spaces inside the facility or the plaza out front. And the Mirai Supporters, a volunteer group of residents with whom the Chiharadai TENT concept resonates, host events for the area’s kids and undertake activities like watching over them and reaching out to them on their way to and from school. Local businesses get involved too, providing breaktimes at restaurants or giving yoga, dance, flower-arrangement, and other lessons in the facility’s rental spaces to create a lively community atmosphere. Daiwa House Industry will continue running Chiharadai TENT as part of our commitment to keeping Chiharadai vibrant and alive.



➤ Developing mechanisms to ensure community vitality emanating from the area community center (Japanese text only)



From the outside: Chiharadai Tent

Completion of the Kapalua Village Project in Hawaii: The Group’s first venture into providing emergency housing in the US

Daiwa House Industry and Group company Daiwa Lease were involved in the Kapalua Village Project undertaken by TY Management Corporation to erect emergency housing in the Kapalua area of Maui, Hawaii, USA. The emergency housing was for people affected by western Maui wildfires that burned Lahaina to the ground in August 2023. Daiwa Lease provided and completed 50 units in August 2024.

Our involvement in the project entailed close cooperation with TY Management and drew on the Group’s extensive empirical knowledge of erecting temporary housing.

Our steadfast commitment to helping tackle societal issues extends far beyond Japan’s borders to wherever we are active around the world. In this spirit, Daiwa House Industry will continue “Creating the fundamental societal infrastructure and lifestyle culture rooted in regeneration, ensuring a world where we live together in harmony embracing the Joys of Life” together with all stakeholders.



➤ Completion of the Kapalua Village Project (Japanese text only)



Kapalua Village Project



The Kapalua Village Project completion ceremony

■ Developing and providing high quality, safe, and secure products

Concept and Policy

The Group provides safe and secure products and services to realize healthy and comfortable lives for our customers and the users of our products and services.

From development to delivery, we pursue “being complete in small things” to ensure that we not only comply with laws and regulations but also carry out our work responsibly and connect it to the next stages in the process, based on our strong commitment to providing high quality, safe, and secure products.

Since collaboration with our business partners is essential to the provision of our products and services, we also demand high quality from our business partners and have established various support and systems that contribute to quality improvement. We will strive to enhance the trust and satisfaction of our stakeholders through the provision of high-quality products and services.

Management

Quality Assurance System

In our housing business, all related departments pursue quality improvement throughout the production process, from development to design and contract, production and construction, to after-sales service. In the production and construction processes, products must pass a quality inspection at each step before proceeding to the next process.

· Quality improvement activities

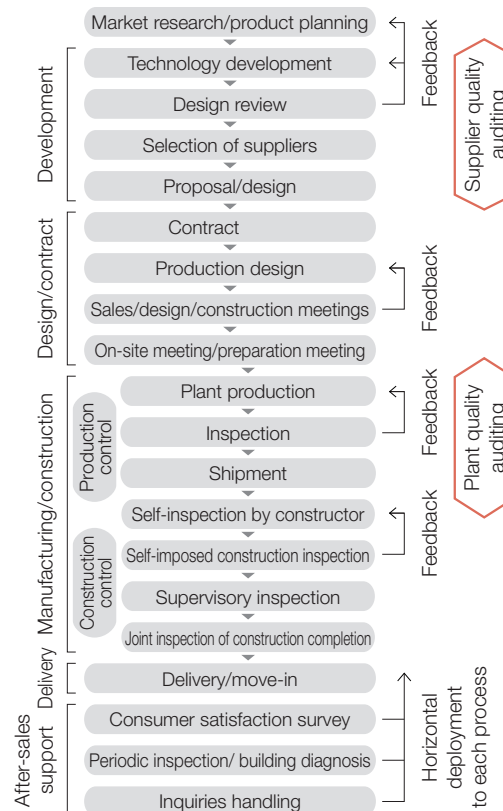
Once a month, we hold interdepartmental discussions on quality-related issues that have arisen, presenting case studies and failures from development through construction, as well as engaging in recurrence prevention activities.

· Quality assurance system in the construction business

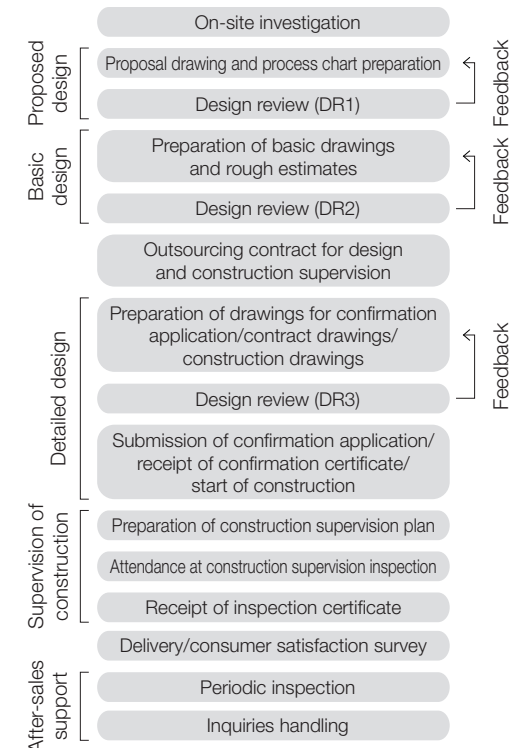
Design reviews (DR) are undertaken at each stage of design for all projects for our general construction and commercial construction businesses. Design reviews are multifaceted, with members with various perspectives, including persons responsible for design, the design support office, the production technology department, and the construction department, confirming laws, regulations, and specifications,

and providing advice on each phase of the project. After the start of construction, construction accuracy is confirmed through self-inspection by the contractor and confirmation by the construction manager. Construction supervisors perform close checks, make reports, and keep records regarding whether construction is in accordance with various drawings.

■ Quality assurance system flow (Housing)



■ Quality assurance system flow (Construction)



■ Developing and providing high quality, safe, and secure products

Ensuring compliance with laws and regulations in design documents

In order to supervise design specifications in our single-family housing business, we conduct design audits and confirm conformity with advancement guidelines to ensure design quality.

・ Design audits

Design auditors are appointed according to internal standards, such as holding architectural qualifications and having at least five years work experience. They examine the final drawings used to commence construction in the previous fiscal year for 5% or more of the properties completed across Japan in that year, to confirm that the design documents are free of legal and model violations based on the standards set by the Ministry of Land, Infrastructure, Transport and Tourism. If any deficiencies are discovered, the design auditors can issue written directives to the design department for the branch office and other related departments requesting steps to correct these deficiencies and prevent any recurrence. They then proceed to confirm that these steps have been implemented.

・ Confirmation of conformity with advancement guidelines

In the case of shared rental apartment buildings designed according to the same specifications and constructed based on the same specifications and construction manuals, any deficiencies or violations of laws or regulations in the drawings, manuals, or construction-related documents prepared in advance (hereinafter “common specifications, etc.”) will result in multiple deficiencies and defects with the same cause arising at the same time. Therefore, when we establish or revise common specifications, etc., our engineers who hold architectural qualifications check for conformity with laws and regulations, as well as consistency across various drawings, based on the advancement guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism.

[Housing design] Internal qualifications for the system of type-certified specifications

The Company's Housing Headquarters has an internal qualification system for employees who have obtained the type-certified specifications* and are engaged in design work that uses this specification system. Exams are held internally every year, and those who do not pass the exam are not allowed to carry out design operations that use the system of type-certified specifications. Online training is held to prepare for this exam, allowing for repeated learning.

In addition to the exams, we evaluate each designer's skill proficiency based on a comprehensive assessment of their knowledge and experience in design work. The available tasks are classified into five levels according to proficiency rank, ranging from “design assistance work only” to “design and verification of general building permit applications.” The number of these proficiency rank increases is tallied for each branch office and incorporated into the management soundness assessment.

* An advance assessment and certification of compliance with certain building standards, such as a residence built to standard specifications. If the subject has already obtained the type-certified specifications, then the evaluation at the time of individual building permits will be simplified.

[Construction] Specialized training

Because our Construction Facilities Division handles a wide variety of buildings, including commercial facilities, distribution centers, medical facilities, and food factories, Head Office departments are equipped to follow up with the sales and design staff at each branch office for each building purpose. In addition, as times change and the requirements for buildings evolve, we provide training as needed to input the latest knowledge about construction. In fiscal 2024, our training program covered a wide variety of topics, including carbon neutrality in data centers, semiconductor factories, and buildings. Our branch offices and Head Office departments will continue to work as a single team to provide buildings that are also of value to society.

[Construction design] Certification system for building design

In recent years, due to the increasing size of projects ordered and the use of advanced technology, it has become necessary to strengthen our structural technology capabilities to facilitate our efforts to win orders for buildings such as hospitals, data centers, and precision machine factories. In addition, advanced technical knowledge has become necessary for determining performance when ordering our own development projects.

Therefore, in fiscal 2021, we internally established the Certification System for Structural Specialist, which impartially evaluates and celebrates the technical abilities of structural engineers. The system was created to drive cutting-edge technology, improve foundational technical skills, and motivate structural engineers. Every year, properties utilizing advanced technologies implemented by their designers are evaluated and selected, with the ranking rising according to the number of times they are selected. Employees selected through the Certification System for Structural Specialist will work toward the internal development of advanced technologies through various means, such as in-house design reviews, technical consultations, and expressing their opinions in technical presentations, thereby promoting the enhancement of structural technology capabilities across the entire company.

In addition, for architectural design, we have established a Design Meister and Design Leader Certification System to improve design capabilities from the bottom up and to create further growth opportunities for design leaders. Certified employees will be involved in in-house design education and serve as judges for in-house competitions.

Through these certification programs, we are strengthening our systems for producing better architecture.



The AQURIO welfare building at Kawamura Electric Inc.'s Koriyama Factory (Fukushima Pref.)

■ Developing and providing high quality, safe, and secure products

[Construction] Appointment of solar engineers

In order to promote the installation of solar power generation equipment and improve quality, our construction design divisions have appointed solar engineers to provide proposal, design, and construction support for solar power generation projects. Appointed personnel are actively involved in work related to the construction of solar power generation equipment, providing technical support to improve adoption and installation rates and ensure quality. We have established a system whereby the person in charge at the branch office can consult with the engineer in charge if any questions arise or support is needed regarding solar power equipment construction.

Use of legal consultation case studies, etc.

A wide variety of laws and regulations apply to construction, depending on the construction site. As a result, the building possibilities, construction conditions, and applications necessary for construction can sometimes be complicated. We carefully conduct preliminary investigations from the planning stage to confirm the application period, construction period and whether any ancillary work is needed, as well as to clarify the documents required for the application, so that customers can feel confident in signing a contract.

We also collect information and case studies related to laws and regulations and make them available internally to help improve the skills of our design staff and share know-how.

· Legal consultation service

For general legal consultation, the design staff consult with the in-house legal group and the legal group responds after confirming the opinion of the legal consulting firm. For consultations regarding specific administrative agency permits and to obtain opinions from former building officials, or in special cases, the design staff consult directly with the legal consultancy firm. In each case, a response is provided within three business days, in principle.

· Legal consultation case studies

This is a compilation of advice and recommendations given as answers to past legal consultations regarding the interpretation of ambiguous matters (gray areas) in the Building Standards Act

and related laws and regulations. It contains examples classified into 24 categories. As of June 6, 2025, a total of 687 case studies have been compiled. These will continue to be updated semi-annually and made available internally.

· Database of local laws and regulations

This is a database of ordinances, regulations and the like that have been established by individual local governments in Japan for each specific administrative agency. The database is subject to periodic general checks by Head Office departments. If there are any omissions in the registration of ordinances or regulations that should be included in the database, employees nationwide are notified and the information is updated as soon as possible. The database can also be utilized for projects in unfamiliar construction areas to quickly develop designs that conform to local laws and regulations, due to factors such as the expanding reach of architectural firms.

Implementation of the ISO 9001 Quality Management System Standards at the Production Headquarters

At Daiwa House Industry's plants throughout Japan, we are automating, streamlining, and using more robots to achieve an integrated production system with uniform quality that extends from parts machining to assembly. Our plants nationwide, together with the Production Headquarters and the Procurement Headquarters of the Head Office, have acquired ISO 9001 certification, the quality management systems of the International Organization for Standardization and implemented it as a tool to further promote efforts to enhance and stabilize product quality.

Regarding the implementation of ISO 9001, an external certification body performs annual checks to assure product and service quality and safety.

In addition, we ensure quality when subcontracting the production of the components used in building systems by choosing factories that have acquired a grade certified by the Minister of Land, Infrastructure, Transport and Tourism, and by obtaining a certificate from an inspection company.

Employee training and qualification management in the Production Headquarters

We conduct training each year according to rank for employees involved with the Production Headquarters and those engaged in 20 professional specializations such as disaster prevention and quality. Through this process, we develop human resources with knowledge of product quality, safety in the manufacturing processes, environmental performance, and more, and who are able to put this knowledge into practice.

We also manage how many qualification holders are working at each factory for the purposes of notifying the Japanese government of information on qualification holders, as well as obtaining manufacturer certification and for factory grade certification, which are necessary for factory production. We will work to systematize this management in the future.

In addition, to acquire the knowledge necessary for the Production Headquarters, we encourage employees to obtain the Quality Control (QC) certification and the Non-Destructive Inspection Technician (UT1) certification required for work, and hold in-house study sessions. As of the end of March 31, 2025, the number of QC certification holders totaled 68 for Level 2 and 25 for Level 3, and the number of non-destructive testing technicians was 1 for UT3, 10 for UT2, and 19 for UT1.

[Residential and low-rise rental housing] Conducting inspections of building quality

The inspection system for single-family and low-rise rental housing projects consists of three levels: construction business partners, the Company's construction managers, and the Company's construction supervisors (inspectors from the Construction Supervision Coordination Department). Inspection items are created for each residence based on the Inspection Master, comprising over 4,700 items, which was created by the Head Office departments based on accumulated know-how. Inspection items for each residence are reflected in the inspection system. These items concern seven processes, including reinforcement, concrete placement, and foundation completion (depending on the order status, they are also implemented for the processes of construction, ground reinforcement, fireproofing, and exterior construction). Each inspection is conducted at the three levels of construction business partners, construction

■ Developing and providing high quality, safe, and secure products

managers, and construction supervisors, and the results are entered into the inspection system and centrally managed.

With the goal of improving the efficiency of inspections, since fiscal 2021, we have conducted validation experiments of inspections by personnel equipped with wearable devices capable of both visual and audio communication in collaboration with inspectors at remote locations other than construction sites (offices, satellite offices, etc.) as a way for construction supervisors to carry out inspections. Since the effectiveness of remote inspections was confirmed from the validation experiments, the official operation began within the Housing Construction Supervision Department in fiscal 2024. From fiscal 2025, the scope of operation will be expanded through collaboration between the Construction Supervision Department and the Construction Department to further improve productivity, and veteran Construction Supervision Department personnel will train younger engineers to pass on skills.

Research and development structure that takes social issues as its starting point

Our Central Research Laboratory was established in 1994 with “environmental friendliness” as the basic theme of its research and development activities. Inheriting our founder’s spirit of “continually foreseeing future trends and working to produce the products and services that society needs,” we have conducted diverse technology development activities by utilizing the technological know-how we have accumulated since our founding. In addition to conducting technology development aligning with the strategies and requirements of each division, we also promote technological development with an awareness of social issues. We are engaged in research and development to address issues such as achieving carbon-negative operations, renewable energy, resilience, water and food, and to make the “places we live” more sustainable.

In fiscal 2024, we started Techno Caravan, a technical sales and education program that introduces technologies developed by our laboratories to each division. Techno Caravan was held a total of 61 times throughout Japan in fiscal 2024 and introduced 31 technologies. By directly communicating with front-line personnel about the technologies we have developed, we endeavor to help them understand the attractiveness

and usefulness of the fruits of our development activities and promote uptake by the market. We will continue to deepen our interaction with job sites to achieve more effective R&D.

 [Central Research Laboratory \(Japanese text only\)](#)



Techno Caravan (Osaka Head Office)

Technology Committee

We have established the Technology Committee, including members from all business divisions and the Central Research Laboratory, to develop technologies aimed at expanding existing businesses and strengthening growth areas. The Technology Committee solicits a wide range of requests not only from the Central Research Laboratory members but also from business division and Head Office employees. After reviewing these requests, the Technology Committee selects technology project themes. Selected themes are researched and developed with the target of commencing business operations within three years. The Technology Committee has been effective in making a greater contribution to our business through research and development.

Strategy for intellectual property

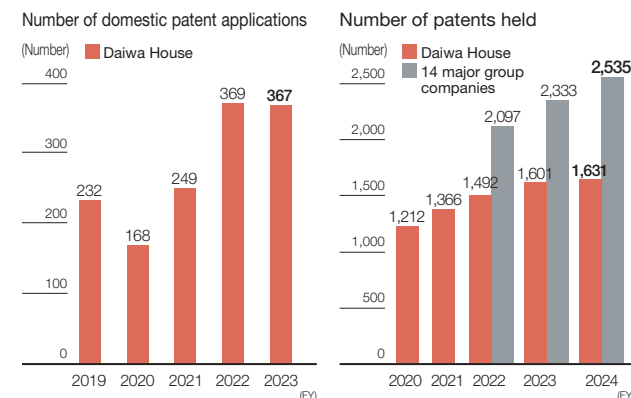
We recognize that intellectual property rights such as patent rights and design rights, which are the results of our research and development, trademark rights, which form the basis of our brand strength, and copyright, which is the result of our intellectual creativity, are important assets of our company. We strictly control all matters regarding their acquisition, maintenance and abdication based on an established flow. We

do not only assert the intellectual property rights of our company, but also respect the rights of other companies. We carry out clearance investigations to ensure the non-infringement of other companies’ patent and trademark rights.

Furthermore, based on the importance of intellectual property information, as well as constructing a system to communicate and gather intellectual property information within the company, by actively carrying out licensing based on patent rights, which are the results of technical development, we are working to utilize our intellectual property rights. To further promote activity related to intellectual property rights, we publish an annual report on our activities related to intellectual property for internal use, pay a bonus for inventions that are implemented, and hold presentations to increase employees’ awareness of intellectual property. The number of domestic patent applications in fiscal 2023 was 367. Regarding the breakdown of fields of those applications, in addition to our core business of housing and construction, in recent years, the ratio of applications related to the fields of IT and IoT, and the environment, are increasing.

As of the end of fiscal 2024, the Company held 1,631 patents (including patents acquired in foreign countries), which is an increase of 30 patents since the end of fiscal 2023. As of the end of fiscal 2024, the 14 major group companies, including the Company, held 2,535 patents (counting only the patents registered in Japan).

■ Number of domestic patent applications over the past five years, number of patents held



■ Developing and providing high quality, safe, and secure products

Bonus for inventions

The Company has established the Regulations for Handling Inventions and Devices and Detailed Regulations for Providing Incentives for Inventions, and pays employees a bonus for inventions as compensation for the enforcement of patent rights on inventions. This is not only a requirement under the Patent Act but is also intended to stimulate intellectual property creation activities, improve employee motivation to develop technologies and inventions, and enhance the Company's technological capabilities.

In addition, the bonus system is designed to evaluate the effectiveness of patent (invention) enforcement, such as cost reductions and construction work savings. For this reason, our researchers use the assessment items as a reference to create inventions with higher added value.

Horizontally deployed measures for quality improvement

・ Feedback sheet system

This system allows all employees and contractors to make suggestions and requests for the improvement of inefficiencies and aspects that lack user-friendliness at any point. The system receives about 100 improvement requests every month, and many of these are being adopted as technical standards and design document improvements. In fiscal 2024, we launched an in-house newsletter, "FB News," with the aim of stimulating improvement activities through the use of feedback sheets. This is a compilation of selected content from the proposals and is utilized by study groups.

・ Quality White Paper

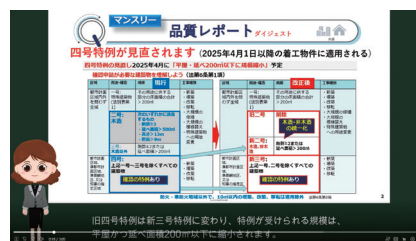
We publish a semi-annual "Quality White Paper" primarily for our technical employees. Its purpose is to provide information on quality, such as lead time and the introduction of best practices in construction supervision records, and to summarize the quality competence values of each business worksite in order to stimulate quality improvement.

We will continue to work on quality improvement so that we can provide outstanding products to our customers.

・ Monthly Quality Report

We distribute the Monthly Quality Report to our technical employees. The report comprises a three-minute video each month containing fixed-point data on construction-related laws and regulations and quality, as well as information on seasonal technology. Detailed information can be viewed by clicking on links in the report. Through these efforts, we are increasing opportunities to check quality information, improve operations, enhance quality, and comply with laws and regulations.

In fiscal 2024, the report gave considerable attention to work cases and qualifications, including legal consultation cases, design audit cases, and architectural qualification information.



Monthly Quality Report screen

[Housing] Use of Inspection and Diagnosis Manual and Renovation and Repair Manual

At the time of periodic inspections after delivery, our professionally trained inspectors visit the property to check and make decisions based on the Inspection and Diagnosis Manual, which is a compilation of our know-how.

For areas determined to require renovations or repairs, the person in charge of construction, the person in charge at the Customer Consulting Center, or the person in charge of renovation will discuss ways to address these requirements based on the Renovation and Repair Manual.

This allows us to provide a high level of uniformity in inspections and renovations anywhere in the country.

These manuals are also used to reduce customer concerns by ensuring that construction personnel, Customer Consulting Center personnel, and renovation personnel understand their contents and explain to customers in advance about issues that may occur over time.

Main approach

Development of comprehensive disaster monitoring system "DoKo-moni"

Using technology from Knowledge Foresight, Inc., we have developed "DoKo-moni," a comprehensive disaster monitoring system for logistics facilities as well as general buildings such as offices and stores. The system can centrally manage information relating to building safety in the event of natural disasters such as earthquakes, strong winds, and heavy rain, and remotely monitor information from multiple buildings. This system continuously monitors building conditions using acceleration sensors, weather sensors, and cameras installed in buildings. In the event of an earthquake, it determines the degree of damage within approximately one minute after the event. These data can be viewed anytime, anywhere on the "DoKo-moni" system screen.

Utilizing the system for first checks in the event of a large-scale natural disaster will enable faster initial responses. Going forward, we will propose this system as a BCP measure in the future.



Developed "DoKo-moni," a comprehensive disaster monitoring system (Japanese text only)

■ Developing and providing high quality, safe, and secure products (business partners)

Follow-up evaluation of factory business partners

We have established standards for quality, management, delivery, safety, morale, and the environment for our business partners in our factories, and conduct evaluations annually based on their performance. Based on the results of the evaluation, we grade them into four levels from A to D. Business partners ranked B and C are asked to submit an implementation plan for improvement. Results of improvements are confirmed in reports regarding matters pointed out for improvement. When two consecutive C evaluations are received or a score of D is given to a business partner, a corrective action letter is issued and instructions are given for improvements. If, after confirming the effectiveness of the improvement, the business partner is again ranked D in a special follow-up evaluation, we will meet with the relevant business owner and work together to implement improvements.

Cooperation with business partners

Daiwa House Industry assists three member organizations in its supply chains, which comprise contractors, manufacturers and material suppliers. Through these organizations, we learn of demands and issues our business partners have with us and inform them occasionally of business process issues we want them to respect through closely knit communications.

・ The Confederation of Partner Companies (4,257 companies): Composed of manufacturing and construction companies

The Confederation of Partner Companies, an organization of partner subcontractors and factory business partners, has 71 branches nationwide and focuses on improving safety, quality, technology, and work efficiency, as well as promoting environmental conservation. Officers of the Company participate in each subcommittee as Executive Advisors, while the Company handles the role of secretariat. Confederation members share ideas and knowledge through the information site run by the Company "D-PC/WEB Ren" to ensure smooth communication and collaboration.

・ The Trillion Club (234 companies): Composed of material suppliers

The Trillion Club helps improve the finances of both member

businesses and Daiwa House Industry by enhancing material quality, respecting delivery schedules, developing new construction materials, and innovating technologies. Focusing on these promotional activities, we are deepening mutual development and friendship.

・ The Setsuwa Club (162 companies): Composed of equipment manufacturers and sales companies

The Setsuwa Club enhances cooperation and collaboration regarding equipment technology through the planning and operation of product and technology exhibitions by the Exhibition Subcommittee, and through the activities of the Technical Information Subcommittee, Public Relations Subcommittee, Introduction Promotion Subcommittee, and other subcommittees. The Club has a branch in each of the Kansai, Kanto, Chubu, and Kyushu regions.



P016 Supply chain management (Environment)

P031 Establishing a cross-departmental timber survey system

Support aimed at technical improvement of partner subcontractors

The internal Certification System for Skilled Engineers and Technicians* certifies engineers and technicians with outstanding skills to secure technicians and improve the technical capabilities of construction companies, improve the production systems of factory business partners and enhance their quality, and raise the motivation of technicians. The system is organized by job classification, including worker, technician, advanced technician, and skilled technician, and clearly defines the skills required for each job class. In addition, allowances are paid to business partners in accordance with rank as payment for skill transferring and training. Payment by the business partner to the subject individual is at the discretion of each business partner. Of our skilled technicians, seven were selected for the Minister of Land, Infrastructure, Transport and Tourism Award for Excellence in Construction (Construction Master), setting a good example for other technicians.

As for its initiative to support the improvement of its business partners' skills, the Company has established regulations for financial assistance to train technicians for housing constructors with financial support to train the young technicians of our construction business partners, providing

financial assistance for training to building contractors. In the following year, eligible participants of this support were able to satisfy the requirements established by the Ministry of Land, Infrastructure, Transport and Tourism in the system to achieve Level 2 certification (mid-level technicians), by undertaking the Training Program for New Housing Technicians, apart from the required number of working days (645 days).

We will continue to work together with our business partners through support to improve quality, secure human resources, and strengthen our management base by increasing productivity.

* From fiscal 2025, construction business partners will transition to the Technician Career Up System



➤ [MLIT \[CCUS Portal\]: About the Skills Evaluation System](#)
(Japanese text only)

■ Educational support programs

Development measure	Target	Details
Technical improvement training	Factory business partners	Skill transfer from excellent technicians to other technicians
Skills contest (qualifying round)	Factory business partners	Competing in skills such as welding, woodworking, exterior work, painting, forklift operation, and information processing. Judging performed by the Company
Nationwide building skills contest	Factory business partners	Certification of winners as "excellent technicians" and "senior technicians"
Supervisor training	Factory business partners Supervisors	Training to improve on-site management skills. Training on safety, quality, and environmental issues
National improvement contest	Various factories and factory business partners	Case studies of cost reductions, productivity improvements, and other improvements at various factories. Qualifying sessions held at each factory
Training for new housing technicians	Nominees among new technicians (foundation, interior, exterior)	Behavioral and safety training, explanations regarding benefits of working at our sites
Certification of chief construction technicians (new and renewal)	Technicians (foundation, interior, exterior)	Safety summary lecture, explanation of technical bulletins, certification tests, etc.
Full-time supervisor training	Supervisors of building contractors	Lectures on safety, quality and environmental management, CS improvement, use of construction DX, etc.
Training for prospective applicants for deputy full-time supervisor	Lectures on safety, quality and environmental management, CS improvement, use of construction DX, practical training for foundation and erection inspection, etc.	Training for owners of semi-comprehensive building contractors
Training for owners of semi-comprehensive building contractors	Owners of building contractors	Lectures on safety, quality and environmental management, CS improvement, use of construction DX, etc.
Certification of chief construction technicians (new and renewal)	Technicians (foundation, interior, exterior)	Safety summary lecture, explanation of technical bulletins, certification tests, etc.
Financial assistance for technician training	New technicians	Limited-time subsidies to help building contractors train technicians

■ Developing and providing high quality, safe, and secure products (business partners)

Supporting skill improvement and skill transfer at factory business partners

・ Nationwide factory skills contest

The aim of the nationwide factory skills contest is to improve the skills required in factory production activities by having representatives from different factories compete in terms of safety, quality, and productivity. Participants compete in ten events testing the seven skills of welding, woodwork, exterior wall, painting, crane, forklift, and information processing. They are assessed not only in terms of construction techniques and quality but also whether construction is performed safely. After the competition, contestants have the opportunity to exchange information about their skills while viewing the works they have created. Through this competition, we seek to improve technical skills, raise motivation, and transfer skills.



Exterior wall skills, Nationwide factory skills contest



Participants sharing tips and the like

Issuance of mutual aid certificates for the Kentaikyo System

The Kentaikyo System (construction industry retirement allowance system) is a scheme established under the Small and Medium-sized Enterprise Retirement Allowance Cooperative Act for those who work at construction sites. No matter where or when a construction site worker works in Japan, a mutual aid certificate (payable) corresponding to the number of days worked are affixed in a worker's Mutual Aid Guide, and a retirement allowance corresponding to the number of the certificates is paid upon retirement from the construction industry. This is a national system involving the entire industry. Employers hiring workers bear the expense of these payments. Since 1988, as a means of supporting compensation for construction workers and technicians, the Company has been issuing mutual aid certificates on behalf of contractors in cases that meet our own internally determined rules.

Establishment of Technician Career Up System

With the Construction Career Up System (CCUS), a Japanese government initiative, now in full swing, the Company has established a new "Technician Career Up System" for construction business partners in order to ensure an all-encompassing scheme in line with the intent of the CCUS. The new system will be combined with the existing Certification System for Skilled Engineers and Technicians, and launch in fiscal 2025. Through this, we strive to ensure a healthy working environment and attractive construction industry by improving the efficiency of on-site management and optimizing working hours through improved compensation according to worker level and a record of the work history of technicians.

The Certification System for Skilled Engineers and Technicians will continue to operate as before for factory business partners, since they are not eligible for the CCUS.

In addition, starting in April 2020, we began managing the entry and exit of construction technicians at construction sites with face recognition so that work history information can be stored on the CCUS. We used various means to encourage others to register with the system, such as by creating a tool that makes it easy to apply for registration, even for those who are not familiar with operating computers. As a result, 87% have joined the CCUS as of fiscal 2024. Construction business partners that register with the CCUS become eligible to receive various subsidies from the Company in line with their CCUS level and the number of days worked at our sites.

[Housing] New award system for quality building contractors

In fiscal 2023, the Company established a new award system for quality building contractors to express our gratitude to those building contractors who maintain a high level of accuracy in construction quality and contribute to the Company, as well as to realize further quality improvement. Award recipients are selected from each of the 11 areas in Japan based on the designated assessment items for a total of six categories, three each for the single-family housing and rental housing businesses.

In fiscal 2024, six best-quality building contractors and 59 quality building contractors were selected from among 279 companies nominated from all over Japan, and were honored at the general meeting of the Confederation of Partner Companies, safety conventions and other forums.

Main approach

Received the Minister of Land, Infrastructure, Transport and Tourism Award in the 3rd Awards for Excellence in Construction Human Resource Development

The Company received the Minister of Land, Infrastructure, Transport and Tourism Award in the 3rd Awards for Excellence in Construction Human Resource Development sponsored by the Ministry of Land, Infrastructure, Transport and Tourism and the Construction Industry Human Resource Development Promotion Council. The award recognized the Company's 100% onsite work history accumulation environment for CCUS, the establishment of a new internal, proprietary skill evaluation system, Technician Career Up System (operating since April 2025), which provides allowances according to the level of ability, and various initiatives such as company-wide common education and specialized training by job category aimed at retaining female employees.

■ Providing high quality, safe, and secure products (customer service)

Concept and Policy

The Daiwa House Group aims to be an enduring partner that can respond to all kinds of building inquiries from customers under our customer service philosophy of “being a company that is loved and trusted by our customers.” We are taking the same approach to the construction of large-scale commercial and logistics facilities by leveraging our core competencies in single-family housing to meet the needs of each and every customer. We believe that our mission is not only to provide safe and secure buildings but also to ensure that these buildings remain in good condition and continue to have value as assets for many years, so that they can be used by coming generations.

Management

Post-delivery customer support system

We have established a system whereby the Daiwa House Support Desk handles all post-delivery problems for housing business customers, while the CS Center is the single point of contact for construction business customers. The service is available 24 hours a day, 365 days a year, and the details received are communicated to the person in charge at each branch, who takes over the handling of the case. In addition to providing information on periodic inspections and support for safe maintenance for customers in normal times, the support desks and branch offices work in unison to respond even in times of disaster.

The Daiwa House Support Desk also functions as a desk to handle queries regarding houses, rental houses, and condominiums from owners. The system enables the Daiwa House Group offers a wide variety of services ranging from house cleaning



Daiwa House Support Desk (illustration only)

to renovation, the buying and selling of houses, leasing, and moving services.

To ensure that these initiatives proceed smoothly, the division in charge of CS within the Head Office provides support in system development, education, and other areas.



➤ [Daiwa House Support Desk \(Japanese text only\)](#)

➤ [24-hour call center \(Japanese text only\)](#)

Long-term quality assurance

In our single-family houses business, the company has established a system for long-term guarantees and after-sales service tailored to the structure of buildings and circumstances of the customer. We offer an industry-leading initial guarantee period of 30 years for building structures and waterproofing, and also provide a periodic building diagnostic service, with free inspections from the first month through the 30th year. A timely response helps to reduce maintenance costs. We visit individual customers and conduct maintenance work to repair areas requiring improvement identified in the building diagnosis, thereby maintaining and improving the value of housing as an asset.

If a customer sells their home in the future, the Provision of Quality Housing Stock Association*, a general incorporated association, conducts an appraisal based on established criteria to appropriately determine the value of the property.

In the construction business, we propose maintenance and management that enhance buildings into quality assets from a long-term perspective. Facilities are designed with maintenance in mind at the planning stage, and regular visits are conducted at the sixth month, 1st year, and 2nd year after construction is completed.

* An association established by 10 major home builders with the aim of boosting the liquidity of quality housing stock and market formation.



➤ [Long-term warranty and after-sales support \(Japanese text only\)](#)

➤ [SumStock \(Japanese text only\)](#)

Customer satisfaction surveys and long-term communication to earn trust

In our housing business, to ensure we develop, design, manufacture, and build good, high-quality products according to company standards that lead to customer satisfaction, we conduct customer satisfaction surveys. Questionnaire surveys are conducted periodically after customers take up residence to confirm customer satisfaction.

For the general construction business, we also conduct surveys at the time of delivery to confirm customer satisfaction. Our Daiwa Family Club website for the owners of single-family houses and condominiums provides customer communication functions such as Messenger, in addition to maintenance notices and Web-based questionnaire surveys.

In the rental housing business, we run a membership organization for owners, Daiwa House Owners Clubs, that serves as a forum for information exchange and friendship among building owners throughout Japan. Seminars and consultations are held by experts in asset utilization; members gain access to the latest information; and owners receive assistance with the maintenance of buildings they own or asset utilization of apartments they manage, for example. The commercial facilities business also has an Owners Clubs. Owners socialize with one another through organized trips and social events, and communication with them gives us insights into customer satisfaction over the long term following building delivery.

Furthermore, in the construction business, we operate the “Good Relations System,” which is aimed at creating better long-term relationships with both the customer and the building, even after delivery. In addition to two-year periodic inspections, we also provide a 24-hour call center to respond to emergencies and disasters, hold seminars for customers who have chosen us for construction, and publish a biannual magazine with information on our customers’ business areas to help our customers to establish new businesses. By facilitating these interactions, we are also fostering their relationships with the Company.



➤ [Good Relations System \(Japanese text only\)](#)

■ Providing high quality, safe, and secure products (customer service)

Training to improve service quality

In our single-family houses business, we hold training seminars around twice per year according to rank for employees who communicate directly with customers to go a step beyond a textbook customer-oriented approach to make sure they get to know each individual's way of thinking and see things from each customer's perspective. In addition to lectures, the training includes the sharing of know-how and work efficiency improvements based on case studies from our own business worksites.

We will continue to enhance our training programs to provide higher quality services.

Sanction measures due to a violation of law and litigation (including ESG-related issues)

The company may be led to make an estimate at the year-end for payment of fines or settlements highly likely to occur in the future due to an event that took place in the previous fiscal year or earlier, and book these under provision for warranties for completed construction. Details of these are contained in securities reports.

At the end of fiscal 2024, there were no significant provisions.

 [Securities Reports and Quarterly Reports](#)

Main approach

“Dai-Bo-Ken” housing disaster preparedness events

In March 2024, the Group and the Daito Trust Construction Group signed a disaster cooperation and support agreement, paving the way for disaster awareness activities and rapid disaster response for residents and owners of rental housing managed by companies in the two groups.

The first disaster preparedness event under normal conditions was held in Yokohama in July 2024, followed by events in Nagoya in September and Osaka in November.

More than 1,000 people attended each venue, including

the tenants and owners of both groups' rental housing, as well as local residents. At each site, children enjoyed making newspaper slippers, playing a target shooting game using a water fire extinguisher, and experiencing CPR and AED, while adults had the opportunity to experience disaster preparedness, raising awareness of disaster prevention.

We will continue to ensure the safety and security of the community by holding disaster prevention events in various locations and jointly conducting disaster coordination drills in preparation for emergencies.



Hands-on CPR and AED experience



Newspaper slippers

Awarded Grand Prize for second consecutive year in the staff hospitality category (100 or more units) under the condominium management company section in the SUUMO AWARD 2024 (Tokyo metropolitan area) (Daiwa LifeNext)

Daiwa LifeNext, a member of the Daiwa House Group, was awarded the Grand Prize in the staff hospitality category (100 or more units) under the condominium management company section in the SUUMO AWARD 2024 (Tokyo metropolitan area), sponsored by Recruit Co., Ltd. Companies were ranked based on the results of a survey of people who purchased new condominiums in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama, and Ibaraki prefectures), asking them about satisfaction with condominium developers, condominium sales companies, and management companies in terms of quality, price, initiatives, and various other factors. Encouraged by this award, we will continue to strive to further improve our services and provide our customers with a more comfortable condominium life.

Relationship magazine “Kurashi Tanoshi”

We publish our relationship magazine “Kurashi Tanoshi” twice each year in March (spring/summer issue) and September (fall/winter issue) to encourage owners of our single-family houses, condominiums, and commercial facilities to enrich and enjoy their lives. The magazine includes case studies of owners enjoying life in our homes, tips on everyday foods, health, storage and care, travel plans utilizing our Group's hotels, and information on upgrading, renovations, and after-sales services.

We have published approximately 460,000 copies of the magazine in March 2025 and provide a digital version on our exclusive website for owners, as a communication tool for maintaining long-lasting relationships with the owners who have contracted with us.



Cover of “Kurashi Tanoshi”



Inside the magazine

■ Sustainable procurement

Concept and Policy

The Group has formulated its Supply Chain Sustainability Guidelines to promote sustainable procurement together with its business partners, and to not only keep with the spirit of the law, but also by specifying requirements for business partners.

In addition, we have established the “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy,” which is focused on purchasing activities by all business partners in Japan who do business with our Procurement Headquarters. We ask our business partners to submit their written agreement to both the guidelines and the policy, based on their understanding of our approach to sustainable procurement.

Furthermore, Daiwa House Industry participated in the Declaration of Partnership Building established by the Cabinet Office and other organizations. Through this declaration, we have affirmed to society that we will adhere to appropriate business practices with subcontractors.

■ The Supply Chain Sustainability Guidelines Business Partner Code of Conduct

- 1) Establish a relationship of trust with customers
- 2) Business activities with high ethical standards
- 3) Considerations for occupational safety and health
- 4) Fair business activities
- 5) Environmental conservation
- 6) Co-creating a Brighter Future with local communities
- 7) Respect for human rights



➤ [Supply Chain Sustainability Guidelines](#)

➤ [Participation in the Declaration of Partnership Building \(Japanese text only\)](#)

➤ [Daiwa House Industry Procurement Headquarters CSR Purchasing Policy \(Japanese text only\)](#)



P181 [Social Data
Supply Chain Sustainability Guidelines Agreement
collection rate/Self-check response rate](#)

Management

Operating the Supply Chain Sustainability Guidelines

In order to promote sustainable procurement with our business partners, we formulated the CSR Procurement Guidelines in 2015. In April 2023, we revised the guidelines and renamed them the Supply Chain Sustainability Guidelines to cope with changes in society.

Our guidelines establish seven principles that underline the social and environmental responsibilities we expect of our business partners in a “Business Partner Code of Conduct.” They expand off this code to more articulately define social and environmental requirements for our business partners under our “Corporate Activity Guidelines.” Furthermore, the “Guidelines for Products” define the criteria for environmental and social features of products (such as construction materials) delivered to us, and procurement is carried out based on these criteria.

When contracting with new business partners, we explain to them the purpose and overview of these guidelines and have them submit a letter of consent that they will honor them. If and when necessary, we also have long-standing business partners resubmit such letters of consent.

The explanatory document for business partners is in line with the “Business Partner Code of Conduct” and the “Corporate Activity Guidelines,” and is provided to all employees of business partners for educational and training purposes.

Furthermore, compliance with these guidelines is regularly monitored through self-checks that we periodically request from our business partners. In the future, based on the results, we will provide feedback to each division regarding high-risk business partners and consider improvement activities together with the business partners.



P017 [Supply chain management \(Environment\) Increasing suppliers' awareness of our environmental policy](#)

P031 [Establishing a cross-departmental timber survey system](#)

P181 [Social Data
Supply Chain Sustainability Guidelines Agreement
collection rate/Self-check response rate](#)



➤ [Supply Chain Sustainability Guidelines](#)

Selecting and managing business partners in light of QCDSME

Based on our Supply Chain Sustainability Guidelines, we select and manage new business partners in accordance with QCDSME (Quality, Cost, Delivery, Safety, Moral, and Environment). For housing materials in particular, the Procurement Headquarters selects suppliers who provide the parts and materials that are defined as key and make up products manufactured at our factories that have obtained the type-certified specifications. In making the selections, we first screen documented evidence of their quality, environmental considerations, delivery performance, costs, management and CSR against our regulations on purchasing operations. Upon passing the screening, we visit the manufacturing company's production factory to verify the quality management system in accordance with ISO 9001 requirements. The flow requires that an initial lot verification is carried out to confirm that manufacturing is being done according to the contracted specifications before shipment is approved. Even after transactions have begun, we conduct annual follow-up evaluations of all suppliers regarding quality and delivery. If there are any defects in quality or delivery, both the supplier and the Company confirm that measures have been taken to prevent recurrence and that the system is capable of stable supply.

In selecting new partner companies that carry out onsite construction, we review their application against their management policy, construction technology, number of qualified workers, and construction price levels and interview them as per our engineering regulations on subcontractors and product subcontractor management regulations. In addition, these processes help us to verify the candidate company's compliance record, safety and health assurances, their distancing from antisocial forces, legal permits in their possession, their participation in Japan's public health insurance program, and other defining features. With those that pass, we conclude a Basic Subcontractor Agreement and Factory Business Partner Subcontractor Agreement, as well as obtain a trade name proof of registration from them.

■ Sustainable procurement

CSR Purchasing Policy in the Procurement Headquarters

The “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy,” which is formulated by the Procurement Headquarters, comprises three elements: “Basic Policy for CSR Purchasing,” a policy for sustainable procurement, the “CSR Purchasing Code of Conduct” to be implemented by the Company based on this policy, and the “Supplier Code of Conduct” to be implemented by suppliers. We have received written agreement to the “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy” from all centralized and factory-distributed suppliers.

For each of these business partners, we conduct annual follow-up evaluations on “quality” and “stable supply,” as stipulated in the CSR Purchasing Code of Conduct for each manufacturing factory, and rank them on a four-level scale (A, B, C, D). For business partners that receive a “D” rating, quality audits are conducted through on-site factory visits. We conduct on-site audits to ensure that controls are in place to guarantee product and operational quality, and provide advice for improvement as necessary.

Through dialogue with our business partners, we will continue to deepen understanding of sustainable procurement together with suppliers and advance our initiatives.

CSR Purchasing Policy

1. Fair trade
2. Environmental preservation
3. Corporate social responsibility
4. Co-creation and coexistence
5. Confidentiality

Cooperating with trailblazing organizations in CSR procurement

· Global Compact Network Japan (GCNJ) Taking part in the Supply Chain Subcommittee

Since April 2018, Daiwa House Industry has been participating in the UN Global Compact (UNGC), a universal principle advocated by the UN on human rights, labor, the environment, and corruption prevention. We are also member to the GCNJ Supply Chain Subcommittee consisting of UNGC member companies. These subcommittees feature case studies and lectures by experts on recent CSR trends. Knowledge obtained from the subcommittee is reflected in the Daiwa House Group's business activities.

· Registering with EcoVadis

Daiwa House Industry registered with EcoVadis, which carries out sustainability assessments of supplier companies, from fiscal 2019 as a supplier and started to disclose required information. We have continuously received evaluations.



P127 [Company receives Bronze EcoVadis sustainability rating](#)

Main approach

Conducting human rights training for business partners

In September 2024, the Company reported on its human rights due diligence activities and gave a lecture on the significance of addressing human rights at a training and study activity held by the Trillion Club, which is composed of material suppliers.

These lectures touch on business-related topics, such as trends related to human rights worldwide and in Japan, and how our individual business partners can work out their priorities for initiating initiatives. They are designed to encourage awareness of the relevance of human rights to our business partners' own businesses. The Osaka block training and study session was attended by 148 participants from 75 companies, with some commenting that the session helped them to see human rights issues as a contributing factor to the labor shortage, and that they feel it is essential for companies to take action to address this issue. We plan to continue with these training sessions in the future.



➤ [Daiwa House Industry Procurement Headquarters CSR Purchasing Policy \(Japanese text only\)](#)

■ Enforcing safety and security

Concept and Policy

Safety management is extremely important for the Group, which is engaged in the construction industry. Therefore, we are working with our business partners to strengthen safety and health systems for people working on our sites with the aim of achieving safety and security. The Daiwa House Group believes that providing job environments where diverse human resources can work with peace of mind helps our business partners secure and retain human resources. As such, we have established the “Daiwa House Group Basic Policy on Safety and Health.” It is reviewed every year and based on this, we advance initiatives of each group companies. We have also established health and safety management regulations in accordance with the Industrial Safety and Health Act. Based on these regulations, the Company sets and reviews the “Basic Guidelines to Promote Safety and Health at Work” every year. We establish a company-wide “Basic Policy to Promote Safety and Health at Work” each year based on these guidelines and efforts taken through the previous year. For safety and health management at each factory and business worksite, the general safety and health manager establishes the “Business Managers’ Policy on Safety and Health Management” every year. Furthermore, to ensure the safety of foreign workers, we are making educational materials and videos available in multiple languages.

■ Safety targets for fiscal 2025

Items	Targets
Incidents resulting in death	0
Incidents caused by a third party	0
Slip/fall incidents resulting in an absence of at least four workdays	20% reduction from the previous fiscal year
Heavy machinery-related incidents resulting in an absence of at least four workdays	20% reduction from the previous fiscal year
Heat stroke incidents resulting in an absence of at least four workdays	0
Major accidents (flying or falling objects, collapses, overturned heavy machinery, infrastructure damage)	0
Frequency rate (including heat stroke, workers only, targeted at disasters resulting in an absence of at least four workdays, covered by the Company's workers' compensation)	Less than 0.3



➤ Daiwa House Group Basic Policy on Safety and Health
(Japanese text only)



P181 Social Data
Health and safety education

Management

General management of safety and health by the Board of Directors

We have appointed the Executive Vice President as Chair of the Central Occupational Safety and Health Management Committee, at the center of safety and health management. In this way, we ensure the general management of safety by the Board of Directors.

The Company holds regular meetings of the Central Occupational Safety and Health Management Committee, which is composed of company executives of the technology, production, and administrative departments and related division heads. The committee meets to get a solid grasp of the current state of occupational safety and health at the company, and to discuss related issues. The details of the meetings are announced at a joint board of directors' meeting, with the participation of directors and executive officers, whose viewpoints are incorporated into the process of setting the “Basic Policy to Promote Safety and Health at Work.”

Occupational Safety and Health Management Committees have also been established at each factory and branch office. Important matters reported to these committees are assessed for risks and those deemed “serious” are reported to the Company's Directors and Audit and Supervisory Board Members via the Central Occupational Safety and Health Management Committee. Through the general management of measures related to safety and health as above, the routes of orders to each factory and branch office are clarified. Each branch has a safety manager and a health manager who have undergone external training such as RST* and the training for appointed safety managers stipulated by the Minister of Health, Labour and Welfare.

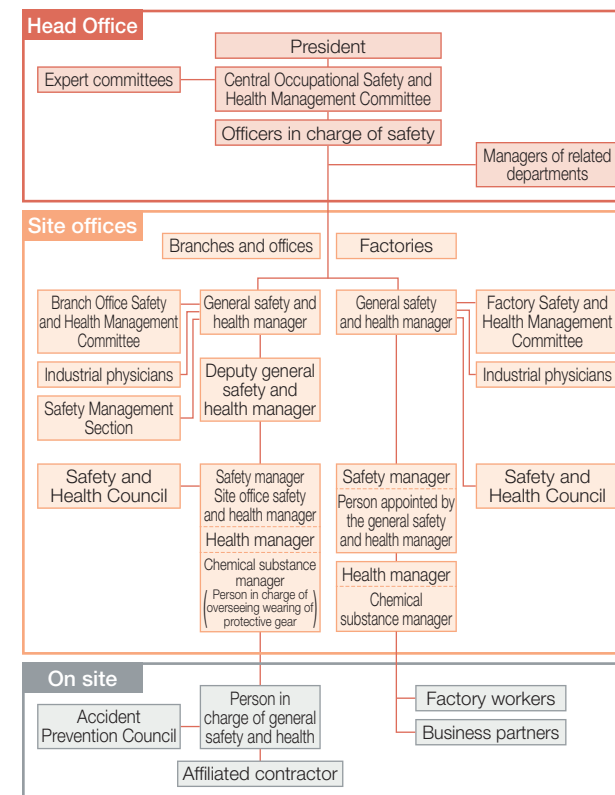
For our business partners, a Safety and Health Council is formed comprising safety managers and those promoting safety and health at branches, employees engaged in construction, and all workers at affiliated business partners. The council meets monthly. Health and safety management is promoted by discussing specific measures against various risks that may be anticipated on sites.

* Ministry of Labour (currently Ministry of Health, Labour and Welfare) On-site Health and Safety Education Trainer



➤ Executives

■ Safety and health management organization chart



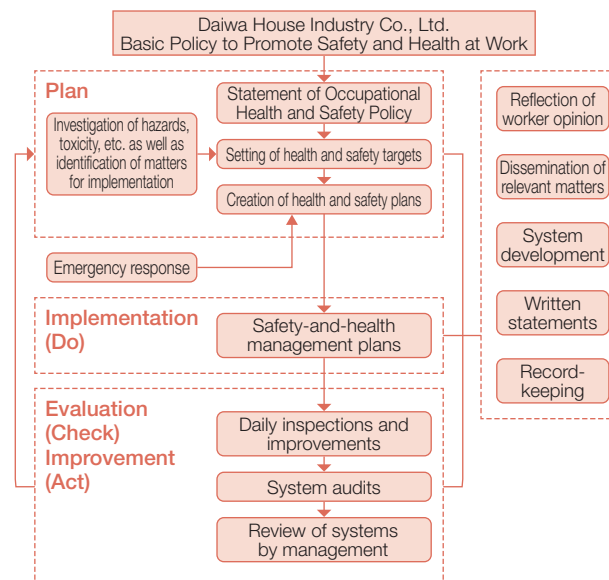
■ Enforcing safety and security

Occupational health and safety management system

We have clarified the safety and health management activities to be undertaken. In order to effectively promote safety and health management activities at branch offices, the chair of the Central Occupational Safety and Health Management Committee presents the Basic Policy to Promote Safety and Health at Work concerning safety and health management for the following fiscal year to branch managers (general safety and health managers) and others each March. Based on this policy, each department/division formulates its own policies and targets for health and safety and announces them in April. In addition to these communicated to all relevant personnel within the worksite, safety-and-health management plans are formulated for each fiscal year in accordance with the policy. Specific measures are set out in the plan based on a review of the previous year's plan, and the new plan is disseminated to those associated with our branches, business workplaces, and business partners for implementation. Safety and health management activities aimed at achieving our targets are monitored and improvement instructions are given at regular meetings of the Occupational Safety and Health Management Committee and the Safety and Health Council to manage occupational safety and health throughout the company. The safety-and-health management plans include frequency rates* that show the frequency of disaster incidents. These are reflected in the branch office evaluations. In addition, not only do we aim to create "zero accident" working environments, but we also seek to make our workplaces highly efficient, by holding monthly "Accident Prevention Council" meetings, including our business partners, to check the safety of all properties under construction.

* The number of work-related fatalities and injuries per million actual working hours, which represents the frequency of accidents

■ Factory occupational health and safety management system flow



Health and safety training for employees and business partners

In our health and safety management regulations, we stipulate that the general safety and health manager and others formulate an annual safety and health education plan and provide employees with necessary safety and health education, and have them attend necessary external safety and health education as well as training to prevent overwork and health problems. In addition to providing training for employers of business partners, we also provide guidance and assistance in safety and health training for employees and workers of subcontractors.

In fiscal 2024, four online courses were offered to employees and business partners, including on the prevention of fall incidents and prevention of incidents caused by machinery, with over 22,000 registrants from business partners. Courses can

be taken as needed. In fiscal 2025 (as of end-February 2025), we plan to create a course that summarizes the differences in customs and culture and communicate styles and other points that should be considered when employing foreign workers, as well as a course in five languages to communicate the basics of safety for foreign workers. Creating a course in five languages means that it can be used by 97% of our foreign workers.

■ Specific measures for safety and health education (excerpts from the Basic Guidelines to Promote Safety and Health at Work)

(1) Job level-specific training for our employees (by the Safety Coordination Department and external training organizations)

- 1) Training of new employees and career hires at start of employment
- 2) Skills training (safety training about heavy equipment incidents, collapses, public disasters, accidents caused by slips/falls, etc.)
- 3) Education on prevention of overwork and health problems (mental health stress check)

(2) Job level-specific education for business partners (conducted at business sites)

- 1) Support plans developed by the Safety, Health and Environment Subcommittee of the Confederation of Partner Companies and their implementation
- 2) Assist in the implementation of training for new site workers
 - (i) Implement on a site-by-site basis for designated sites
 - (ii) For non-designated housing sites, implement training at least once at the start of every six month period. Provide additional training for those who have not yet taken courses
- 3) Support training conducted by employers when workers start at sites

■ Enforcing safety and security

Risk management at factories in cooperation with business partners

The Company's factories array the various factory-specific committees (Safety and Health Committee, Quality Committee, Environment Committee, etc.) around the factory's Factory Risk Management Committee, which acts as a conduit for sharing information and coordinating operations with departments and divisions at the Head Office. The Factory Risk Management Committee also immediately shares with factory business partners information about risk events that have occurred and that are foreseen at other plants. The Factory Risk Management Committees at Daiwa House Industry's factories are instrumental in reducing risks and solving issues, uniting the Company and factory business partners in efforts to manage risks. Factories have manuals regarding communication systems in the event of fires and for initial fire extinguishing. To ensure action in accordance with these manuals, we conduct annual fire drills together with our factory business partners.

In addition, monthly working hours are capped to be below the legal limit, and the factory business partner's employees' overtime work must be reported to the Company.

We also make arrangements with our business partners to handle the busy season by planning production process and volume, taking into account the problems (financial conditions, production capacities, etc.) identified through hearings and visits to factory business partners.



P117 Formulation of business continuity plans (BCP) in the supply chain

Voluntary factory health and safety audits

We carry out our own audits based on Occupational Safety and Health Management System (OSHMS) certification. In addition, we continually list near-misses in factories and implement countermeasures, beginning with those that have the highest risk level. When we request our factory business partners to take preventive measures to address the issues reported as near-misses, we audit the status of such measures once every six months.

Safety and health management activities at construction sites

In order to achieve the targets in our health and safety plans, we undertake various measures, as well as providing improvement guidance and education for employees of the Company and business partners.

■ Main approach

· Work plans and procedure manuals

Prior to the start of construction on all properties, including individual new construction and renovation projects, the operating routes for machinery and work methods and procedures are confirmed at the site. Later, a meeting is held to discuss construction methods for ensuring safety, and a work plan and procedure manuals are prepared for each project. Construction is started only after receiving approval from the construction manager.

· Safety patrols

We hold meetings of the Safety and Health Council, bringing together employees in charge of safety management, the managers of each branch, sales managers, construction managers, and business partners, and regular and special patrols are conducted monthly on an unannounced basis to determine whether work on sites is progressing in accordance with work plans. When poor safety is a concern, the situation is pointed out and corrected on the spot, and is also checked during the next month's patrol. In addition, participation in safety patrols is reflected in the branch office evaluations.

· Distribution of the “D-st” hazard prediction video in multiple languages

At each construction site, a video providing precautions on unsafe behaviors to be avoided based on each day's work is shown on a large screen at the work site during the morning meeting or on worker's own smartphones. The video is translated into five languages so that foreign workers can also understand these precautions.

· Confirmation of training when workers start at sites

In order to ensure the safety of our workers, when workers start work at our sites, we ensure that a report is received stating whether the employer has properly provided training on safety and health conditions, along with the content of the training.

· Near-miss reports

We have adopted a system that enables employees to report near-misses at construction sites via smartphones and other devices. Reports include not only examples of failures but also the successful avoidance of incidents. As of the end of fiscal 2024, we have collected information on more than 110,000 incidents. By narrowing down searches to work to be performed on a particular day, the employer and foreman communicate during morning meetings and at other times regarding the precautions to be taken for to all workers to prevent hazards.

· Accident case studies

We use industrial accidents that have actually occurred as case studies. Immediately after occurrence, a common company-wide form is used to report the details of the industrial accident. The Accident Prevention Council discusses causes and laws in depth based on the content of each report, evaluates risk hazards, determines countermeasures, and calls on the entire company to prevent recurrence by sending out notices and conducting special patrols.

■ Enforcing safety and security

・ Support for safety activity expenses

The Company offers safety training in collaboration with the Confederation of Partner Companies and helps to cover the related expenses. In fiscal 2024, 24 activities were conducted, including special training on scaffolding assembly and disassembly.

・ Designation of branch offices requiring safety management improvement guidance

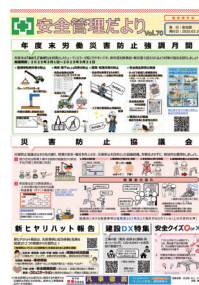
If the direct cause of an accident is analogous to past cases designated by the Company, the branch office in question will be designated as a “branch office requiring safety management improvement guidance” and placed under the supervision of the officer in charge of safety and receive direct guidance. The branch office in question must define indicators for improvement based on the results of the analysis of the accident case study and prepare a remedial action plan based on these indicators. The branch must then work intensively for about three months to improve its facilities and raise awareness in accordance with the action plan. After that, the Safety Management Department at the Head Office and the officer in charge of safety will check whether these initiatives have become established and then make a decision on whether to remove the designation.

□ P181 Social Data
Health and safety education

Publication of the safety management newsletter

For all Company employees and all workers at our sites, we publish a single page of key points to be aware of in terms of safety management each month in order to raise safety awareness.

Each newsletter has its own theme, providing examples as well as explanations for causes and countermeasures. This safety management newsletter is posted at construction sites and communicated via signage to ensure that all employees at the site are aware of the importance of safety management.



Safety management
newsletter

Main approach

Number of construction site industrial accidents and their countermeasures

In fiscal 2024, there were two industrial accidents (heat stroke) at a construction site resulting in an absence of at least four workdays for an employee of the Company. There were 32 industrial accidents involving employees of business partners. Of these 32 accidents, 11 were slips/falls. We have therefore issued a notice calling for measures to prevent heat stroke, slips, and falls, and are working to ensure awareness of these issues.

■ Number of industrial accidents (construction sites; workers)

Type	Number
Slips/falls	11
Flights and drops	5
Trips	5
Getting caught in machinery	4
Cut/scratch	2
Toxic substance	2
Collapse	1
Crashes	0
Heat stroke	2

□ P181 Social Data
Number of construction site industrial accidents

Subsidies for heat stroke-prevention items for business partners (construction and production divisions) and new technicians

Amid increasingly harsh summers each year, we have continued to subsidize the purchase of heat stroke-prevention products for all business partner technicians as heat stroke countermeasures at construction sites and factory workplaces to provide a safer working environment as the prime contractor. A subsidy of 10,000 yen is provided, depending on conditions, for heat stroke-prevention items, such as vest-type and short-sleeved fan-equipped work clothes and cool vests, by combining the subsidy from the Confederation of Partner Companies with the Company's subsidy.

□ P027 Working to prevent heatstroke on construction sites

Online course on preventing slip accidents

Employees working on our construction sites and workers of our construction business partners undertake safety and health courses. In fiscal 2024, we provided two courses on preventing slip accidents from tall heights and on preventing slip accidents from low heights. The videos show how human behavior is characterized by reflexive movement, that human attention is limited, and that even when aware of a gap nearby, humans are unable to pay attention to it when concentrating on our work. This is discussed while showing reenactments of slip accidents. The videos are short and work-specific. They are used in conjunction with study sessions as well as with work to be performed on the day and reviewed on smartphones during morning meetings at work sites before starting work.