

## ■ 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

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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

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### 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