

■ 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.



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[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](#)

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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.

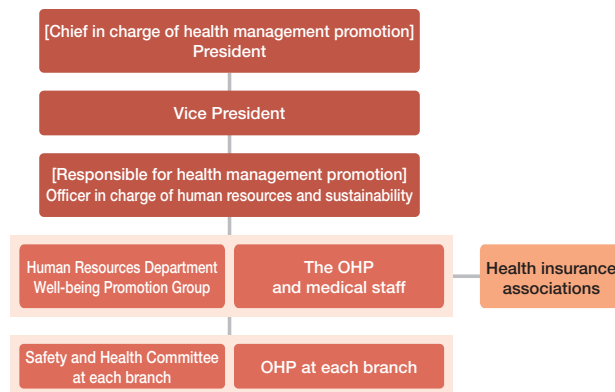
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Promotion of health management

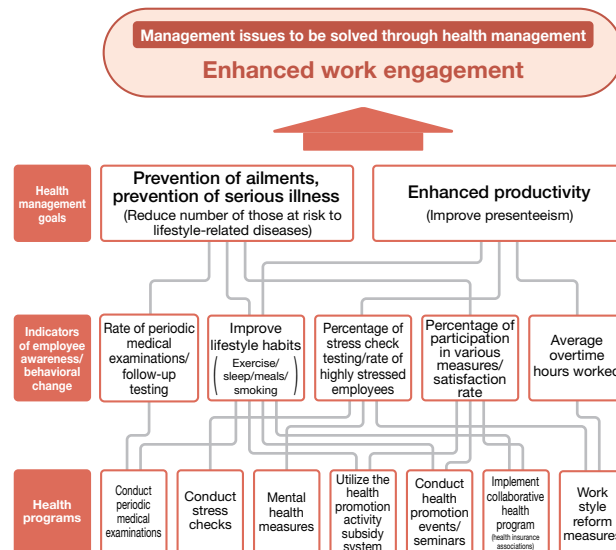
The Company has established a system in which the President is the chief in charge of health management promotion, the officer in charge of human resources and sustainability is responsible for promoting health management, and Well-being Promotion Group, Human Resources Department plays a central role 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

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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



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Health management

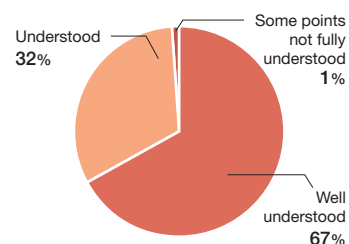
・ Health promotion activity subsidy system

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”



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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 \(Japanese text only\)](#)

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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.