Chapter 1 Messages from the CEO and COO



Message from the CEO

Creating future value to address societal challenges around the world, Carrying forward our founder's spirit to continue generating original insights

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Chairman, CEO

Onward to ¥10 trillion: Our 30-year roadmap

The Daiwa House Group celebrated its 70th anniversary in April 2025, leaving us 30 years to get ready for our centennial. That means it is time for us to formulate how we want to achieve growth over the coming three decades into a coherent vision embodying specific ideas and develop a roadmap to guide us forward. For me, that means continually postulating scenarios for reaching our ¥10 trillion sales target and what our Group will have achieved and be like when we do.

The ¥10 trillion sales target is a mere milestone. What matters most is not reaching the target, but how we reach it. The question most occupying my mind is: What do we need to do to bring up the kind of human resources who will enable us to reach our goal? If we simply pursue scale, we will not be able to maintain sustainable growth. Huge changes and shifts in externalities will inevitably take place over the coming three decades, so we need to begin positioning ourselves to deal with them. Now is the time for us to envision a business portfolio that will carry us forward and develop the human resources needed to drive that business portfolio forward.

The Daiwa House Group has always worked to be the living embodiment of our founder's spirit: *Don't do things because they will make a profit, but because they will be of service to society.* That means uncovering issues society needs resolved and fulfilling our role serving the public interest by providing solutions to them. This approach has always driven our growth, and we intend to ensure future generations of Daiwa House people continue to embody it in pursuing growth worthy of the Daiwa House Group name.

The wish encapsulated in this year's kanji, 創 (*sō:* "create," "originate"), is Continue creating new value as we move through our next 30 years

In looking ahead, my biggest concern is ensuring that our employees' actions are truly rooted in the founder's spirit. Our founder was driven by a powerful will to create new things and send them out into the world, and he had an uncanny ability to get things done. Interfering with the



fresh thinking that begets new ideas, overemphasis on short-term results entices people to view the future as a mere extension of the present.

That's why in times of change we need to return to our roots and handle with creativity and originality appropriate for the day. With that in mind, I chose 創 (*sō*: "create," "originate") as our kanji for 2026. *Sō* encapsulates the meaning *to create new things from original ideas*. Our founder's admonition, *stagnation is retreat,* emphasizes that we should always seek to create new value rather than to maintain the status quo.

Sō also symbolizes our commitment to long-term value creation with our centennial year, 2055, in our sights. Rather than seeing the future as an extension of the past 70 years, we must continually ask ourselves what kind of "future value" we want to deliver over the coming 30. Pursuing our ¥10 trillion sales target, we dare not sacrifice quality for quantity.

As we pioneer the Group's growth in the next era of its development up to our centennial, we will continue embodying Daiwa House's signature values: our foundational practices of fostering employees' personal growth through business and continually creating new value.

Implementing future value with focus on addressing societal issues

Our Group's approach to business has always been to identify a societal issue and then cultivate the expertise to help address it. To date we have picked up on various societal issues, carefully studied what future value needs to be created, and proposed ideas for new businesses and R&D topics. Our emphasis is on accurately reading societal changes and proactively moving to turn society's needs into actionable solutions, and we believe this should remain our path forward.

Our Group is at once a homebuilder, a general contractor, and a developer. We have challenged new fields, sometimes breaking free from the confines of our existing business framework, to respond to changing societal needs, a practice that brought us today's growth. New possibilities and growth opportunities lie within such boundary-transcending challenges.

An example is our venture into the data center arena. Data and digital infrastructure are fundamental to the workings of our world today, and their importance will continue to grow. Expanding our data center business, we intend to help build safe and stable digital infrastructure—our way of supporting the sustainable development of society and the business activities it depends on.

To reliably deliver this value to society, building out the technological foundation that underpins it is essential. The Company has been doing this by acquiring expertise it needs from outside sources. With Fujita joining the Group in 2013, the Group now possesses a vertically integrated organization covering the gamut from land acquisition to infrastructure development and building construction. Under the leadership of Yoshiyuki Murata, a former president of one of Japan's largest general contractors, we are shoring up our engineering capabilities





within Daiwa House Industry and across the entire Group, steadily reinforcing our technology and manufacturing foundations throughout the supply chain. The steady progress of large-scale projects such as Expo 2025 Osaka, Kansai, Japan; Minato Mirai 21 Central District 52 Block Development Project; Yodoyabashi Gate Tower redevelopment; and rebuilding Osaka Marubiru, is also attributable to these efforts. Also in this context, last year we welcomed Sumitomo Densetsu (Semlinks Co., Ltd. from 1 October 2026) into the fold. This is fortifying the Group's expertise in equipment installation and on-site capabilities, further building out the Group's technological foundation. Collaborations from the design stage should enhance our competitiveness and allow us to take on higher value-added projects.

Meanwhile, we do not confine our approach to addressing societal issues to Japan. We see the founder's original aim of addressing societal issues, as something that should be extended beyond Japan's borders. Overseas markets provide opportunities not only for Group growth but also spreading our business philosophy globally. Using our businesses to respond to difficulties people face is the Group's social mission. Our work to aid reconstruction in Eastern Europe is a prime example.

We are committed to thus creating future value to meet societal needs without being confined by existing frameworks.

Business is our tool for cultivating talent

A concept Daiwa House Group values highly is *fostering employees' personal growth through business*—so much so that it is written into our Corporate Creed. When one looks 30 years ahead, one realizes how much human resources impacts an enterprise's development. Much depends on the kind of human resources with which it pioneers new possibilities. People do not grow when all the answers are given to them. They develop best when they experience thinking for themselves, taking on challenges, and following through. Human resources development and organizational evolution are built on a running cycle of positing questions to the front-line units, thinking for oneself, and repeated dialog. In times of turbulent change, people are the drivers of new-value innovation. *People* are an enterprise's source of growth as well as their biggest strength. People who are eager to take up challenges and have the mettle to pick up the ball and run with it are the kind of human resources our Group seeks. We are confident that it is precisely such people who will pioneer new possibilities and carry the whole Group forward through the next era.

To our shareholders and investors

I see cost of capital as a hurdle embodying investors' expectations that the Company will be able to jump it. Our job is to continually ask ourselves what we need to do to clear the hurdle tidily by delivering expectation-beating value. This is not merely a question of numbers, but a litmus test of our very approach to running the Company.

I am happy to report that, for the second consecutive year, in February 2026 our share price hit a record high. Seeing the share price as an important message from investors that reflects how the market assesses our strategies and the Company's future prospects, we are deeply grateful. Personally, however, the current share price gives me no reason to relax in satisfaction.

During the coming three decades on the way to our centennial, we will continue making our founding ideal central to our ongoing challenge to create new value by addressing societal challenges.

I hope all our stakeholders will continue to support us in our quest to achieve sustainable growth and enhance corporate value. We promise to do our very best to reward the trust you place in us.