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Environmental Data | Calculation and Reporting of Environmental Data

Basics

◇ Report period: April 1, 2025 to March 31, 2026

◇ Reporting organizations: Daiwa House Industry Co., Ltd. and its consolidated subsidiaries Reference: Number of consolidated subsidiaries: 507 (176 in Japan, 331 outside Japan) (as of March 31, 2026)

The scope of these environmental data encompasses the business operations of Daiwa House Industry and its consolidated subsidiaries, which are the target organization of Endless Green Program 2026, our Environmental Action Plan. Excluded from the data, however, are smaller companies that impart no environmental impact for each indicator. The coverage rate of the target companies is 100%. In addition, in the event of a change in the number of consolidated subsidiaries subject to environmental management, the following measures are undertaken in order to facilitate the comparison of any such change.

When the number of relevant organizations decreases during the term (due to a sale, etc.)

Data of such an organization shall be collected for the fiscal year (until it is sold) and excluded from data collection from the next fiscal year on. This measure shall not be applicable to the past data.

When the number of relevant organizations increases during the term (due to an acquisition etc.)

Data on the relevant organization is included beginning with the subsequent fiscal year.

◇ Main referential guidelines

- *Sustainability Reporting Standards* by the GRI (Global Reporting Initiative)
- *GHG Protocol Corporate Accounting and Reporting Standard (Revised)* by the WBCSD/WRI
- *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* by the WBCSD/WRI
- *Environmental Report Guideline (2018 Edition)* by the Ministry of the Environment
- *Manual for Calculating and Reporting GHG Emissions (Ver. 6.0)* by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
- *Basic Guidelines on Calculating Greenhouse gases Emissions through Supply Chain (Ver. 2.7)* by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
- *Guideline for Quantifying GHG Emission Reduction Contribution* by the Ministry of Economy, Trade and Industry

◇ Report on preceding data

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

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

◇ Stance on greenhouse gases (GHG) emissions

At Daiwa House Group, among GHG emissions, we calculate and report exclusively on carbon dioxide (CO₂) emissions originating from energy.

We exclude GHG other than CO₂ originating from energy. Specifically, these are CO₂ from nonenergy sources, as well as methane (CH₄), Nitrous Oxide (N₂O), and the fluorinated gases of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). With regard to these, as the result of the Group's calculation of emissions based on the Act on Promotion of Global Warming Countermeasures, we have determined that these gases accounted for less than 1% of our total GHG emissions, and the degree of their impact on our activities was nominal.

◇ CO₂ emission factor

Regarding fuel, etc., we use values based on the Energy Efficiency Act (Act on the Rational Use of Energy and Shifting to Non-fossil Energy) and the Act on Promotion of Global Warming Countermeasures*. For purchased electric power, we use market-based values for purchases in Japan (average values for purchases from unknown power companies) and average values in Japan for overseas purchases.

Purchased electricity	0.423 kg-CO ₂ /kWh (average value)	City gas	2.050 kg-CO ₂ /m ³ (N)
In-house consumption of renewable energy (including PPA)	0.000 kg-CO ₂ /kWh	LP gas (liquefied petroleum gas)	2.994 kg-CO ₂ /kg
Gasoline	2,290 kg-CO ₂ /kL	Cold, Warm Water	0.0532 kg-CO ₂ /MJ
Light oil	2,619 kg-CO ₂ /kL	Imported coal (thermal coal)	2,326 kg-CO ₂ /t
No. 2 fuel oil	2,753 kg-CO ₂ /kL	Wood pellet	0.000 kg-CO ₂ /t
Kerosene	2,503 kg-CO ₂ /kL	Hydrogen	0.000 kg-CO ₂ /kg
		Natural gas	1.957 kg-CO ₂ /m ³ (N)

The calculation of CO₂ is affected by inherent uncertainty resulting from the incomplete scientific knowledge used to determine emission factors and numerical data.

* Under the Act on Promotion of Global Warming Countermeasures, CO₂-equivalent values that take into account global warming potentials are used.

◇ Heat quantity conversion factor

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

Purchased electricity (including renewable energy plans)	8.64 GJ/MWh	City gas	40.0 GJ/1000 m ³ (N)
Renewable energy (in-house consumption PV, on-site PPA)	3.60 GJ/MWh	LP gas (liquefied petroleum gas)	50.1 GJ/t
Gasoline	33.4 GJ/kL	Cold, Warm Water	1.19 GJ/GJ
Light oil	38.0 GJ/kL	Imported coal (thermal coal)	26.1 GJ/t
No. 2 fuel oil	38.9 GJ/kL	Wood pellet	13.2 GJ/t
Kerosene	36.5 GJ/kL	Hydrogen	142 GJ/t
		Natural gas	38.4 GJ/1000 m ³ (N)

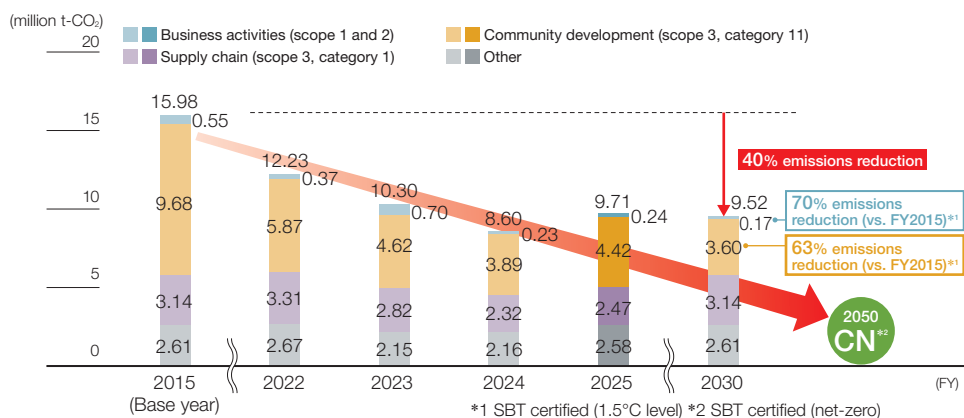
Environmental Data | Progress of Carbon neutrality Strategy

Measures for Carbon neutrality Strategy	Indices	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2026 targets	FY2030 targets
Decarbonization across the value chain	Reduction rate of GHG emissions across the value chain (vs. FY2015)	23.5% reduction	35.6% reduction	46.2% reduction	39.2% reduction	35% reduction	40% reduction
Contributing to the spread of renewable energy	Renewable energy generation equipment construction results (EPC) * Cumulative values since FY2011	2,706 MW	3,075 MW	3,311 MW	3,592 MW	4,200 MW	5,000 MW
	Renewable energy power plants development and operating results (IPP) * Operating capacity at the end of each fiscal year, excluding in-house consumption	602 MW	700 MW	877 MW	1,028 MW	1,550 MW	2,500 MW

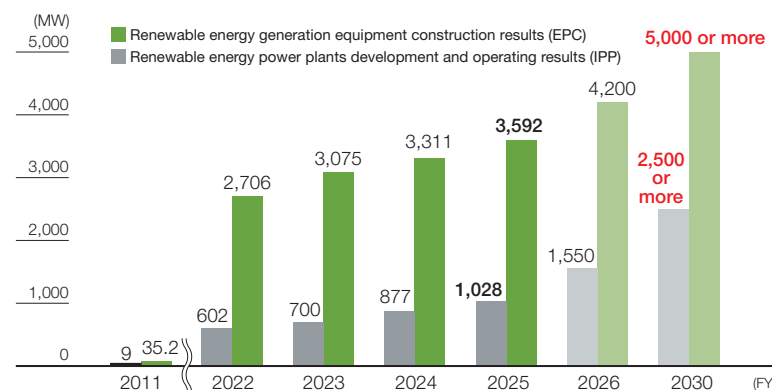
EPC: Contracting of facility construction work as a project that integrates Engineering, Procurement, and Construction.

IPP: Abbreviation for Independent Power Producer. An independent power producer is a company that owns power generation facilities and sells the power it generates.

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



■ Supply results of renewable energy (EPC/IPP)



Calculation method and scope of coverage of environmental data

■ Target for GHG emissions across the value chain

◇ Scope of coverage and Calculation methods

For Scopes 1 and 2, please refer to the calculation methods and scope of coverage for "GHG emissions" on p. 165 and p. 167.

For Scope 3, Category 11, please refer to the calculation methods and scope of coverage for "GHG emissions derived from use of products" on p. 158.

For Scope 3, Category 1 and Others, please refer to the calculation methods and scope of coverage for "GHG emissions in our value chain" on p. 172.

Calculation method and scope of coverage of environmental data

■ Renewable energy generation equipment construction results (EPC)

◇ Overview

Daiwa House Group's installation, construction, and renovation work of renewable energy-based generation equipment based on customer orders, as well as construction of renewable energy-based generation equipment attached to the Group's self-developed buildings for sale in the future.

* The results include cases where the installation of renewable energy-based generation equipment was planned at the time construction began for a property for which the Group was contracted to design and construct the main body of the building, and only the installation of renewable energy-based generation equipment was executed by another company for the customer's convenience.

◇ Scope of coverage

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

■ Renewable energy power plants development and operating results (IPP)

◇ Overview

Renewable energy-based power plants developed and operated by the Group for the power generation business.

* The results include cases in which we acquired renewable energy-based power generation plants planned or developed by other companies (secondary properties).

* Exclude renewable energy-based power generation equipment that is in-house consumption at the Group's business facilities.

◇ Scope of coverage

The company and 14 Group companies (Daiwa Energy, Daiwa Lease, Eneserve, Daiwa House Realty Management, Daiwa Logistics, Daiwa Living, KOUYAMAANYU, DesignArc, Fujita, FUJITA BUILDING MAINTENANCE, Royal Home Center, Wakamatsu KONPOU UNYU SOKO, DB Logitec, and Hibikinada Thermal Power Station)

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

EGP2026 concluded in fiscal 2025 — one year ahead of the original schedule — together with the 7th Medium-Term Management Plan.

😊 : Target for fiscal 2025 achieved

😐 : Target for fiscal 2025 not achieved (achieved 90% or more)

😞 : Target for fiscal 2025 not achieved (achieved less than 90%)

■ Mitigating and Adapting to Climate Change

Challenge ZERO	Management indicator (KPI)	2022 results	2023 results	2024 results	2025 targets	2025 results	Pages
(1) Challenge ZERO for CO ₂ in community development	GHG emissions reduction rate derived from use of products (total) vs. FY2015	39.3% reduction	52.2% reduction	59.8% reduction	56% reduction	54.3% reduction	😊*1 P027, 158
	ZEH rate* ^a	86%	97%	99%	95%	98%	😊 P028, 159
	ZEH-M rate for rental housing	14.2%	48.7%	73.1%	75%	77.7%	😊 P028, 159
	ZEH-M rate for condominiums	67.5%	90.5%	100%	100%	100%	😊 P028, 159
	ZEB rate	65.7%	68.5%	66.2%	70%	66.2%	😐*2 P029, 159
	The number of ZEH- renovation equivalents	1,472	3,789	4,555	4,700	8,173	😊 P029, 160
	Renewable energy generation equipment construction results (EPC) * ^b	2,706 MW	3,075 MW	3,311 MW	3,750 MW	3,592 MW	😐*3 P149
(2) Challenge ZERO for CO ₂ in business activities	Renewable energy power plants development and operating results (IPP) * ^c	602 MW	700 MW	877 MW	1,100 MW	1,028 MW	😐*4 P029, 149
	GHG emissions reduction rate derived from business operations (total) vs. FY2015	33.5% reduction	26.3% increase	58.1% reduction	54% reduction	57.6% reduction	😊 P027, 164
	Promotion of Electric—Introduction rate of clean energy cars (Company vehicles)	2.8%	6.3%	9.3%	16%	15.8%	😐*5 P032, 169
	Promotion of Electric—Introduction rate of clean energy cars (Privately owned vehicles)	1.0%	2.0%	2.5%	7%	3.4%	😞*5 P032, 169
	Energy efficiency (Smart Energy Coalition (formerly EP100)) vs. FY2015	Up 1.50 times	Up 1.81 times	Up 2.0 times	Up 2.0 times	Up 2.03 times	😊 P031, 165
	Renewable energy utilization rate (RE100)	41.5%	81.8%	98.9%	100%	99.3%	😐*6 P031, 166
	ZEB rate for newly constructed company-owned facilities	75.0%	38.7%	68.1%	100%	68.4%	😐*7 P169
(3) Challenge ZERO for CO ₂ in the supply chain	Percentage of newly constructed company-owned facilities with solar power generation equipment	34.8%	55.6%	53.8%	100%	63.6%	😐*7 P169
	Setting rate of principal suppliers' SBT standard* ^d GHG reduction targets	65.9%	57.7%	71.2%	90%	73.9%	😐*8 P033, 170
	The number of contracts for renewable energy and energy-efficiency solutions (The number of cases of support) (cumulative)	9	15	19	29	32	😊 P170

Self-assessment (reasons for not achieving targets, future actions)

- *1 In ZEB conversion of commercial and office buildings, the floor area under construction for building uses with high energy consumption per floor area (hotels, nursing care facilities, etc.) increased from fiscal 2024 levels, as a result of which we were unable to achieve our reduction target of 56%. In the future, while continuing to promote ZEB conversion, we will work to increase both the installation rate and capacity of solar power generation systems to curb increases in GHG emissions accompanying business expansion, thereby aiming to improve the reduction rate.
- *2 Due to an increase in the floor area under construction for hotels, nursing care facilities, and other types of buildings where ZEB conversion is difficult, which changed the composition of ZEB buildings by use, the ZEB rate in fiscal 2025 was 66.2%, falling short of our target of 70%. In the future, we will aim to improve the ZEB rate by promoting best practices in proposal and design methods for different building uses across the Company and strengthening our initiatives.
- *3 In fiscal 2025, renewable energy generation equipment construction results (EPC) totaled 3,592MW, below our target of 3,750MW, reflecting offsite PPA projects not progressing as planned. In the future, we will continue to secure land for solar power generation through offsite PPA projects and strengthen our approach to electricity consumers by collaborating with major energy producers, thereby increasing our track record in renewable energy generation equipment construction.
- *4 With the start of power plant operations accompanying PPA projects, renewable energy power plants development and operating results (IPP) in fiscal 2025 totaled 1,028MW, below our target of 1,100MW. We will continue to promote PPA projects and expand our renewable energy power plants.
- *5 The driving range of the clean energy cars on the market falls short of the travel distance needed to conduct our business. Furthermore, as a result of the lack of progress in installing charging equipment at the commercial facilities and buildings where our branch offices are located, as well as difficulties in securing charging equipment near our branch offices, the introduction rate of clean energy cars stood at 15.8% for company use and 3.4% for private use in fiscal 2025, missing the respective targets of 16% and 7%. In fiscal 2026 as well, we will continue to promote the adoption of clean energy cars by systematically installing charging equipment at our own facilities as well as consider securing charging-enabled parking lots for branch offices located in commercial facilities and buildings.
- *6 While the Group has completed the switch to renewable energy to the extent possible, it has not been able to turn the power sources to renewable energy using the gas co-generation system in the Company's Osaka building. In addition, the Group has not been able to obtain renewable energy certificates in some foreign countries. As a result, the renewable energy utilization rate came to 99.3% in fiscal 2025, falling short of our target of 100%. In the future, we will continue to closely watch external trends in renewable energy sourcing while continuing with similar initiatives to maintain our renewable energy utilization rate near 100%.
- *7 The ZEB rate and solar power installation rate for newly constructed company-owned facilities remained at 68.4% and 63.6%, respectively, both missing their targets of 100% each. Factors include difficulties in ensuring profitability for hotel applications and insufficient internal awareness. In the future, we will ensure thorough internal dissemination of our ZEB conversion policy and horizontally deploy examples of ZEB conversion to improve the ZEB rate. We will also work to increase the solar power installation rate by adopting small-scale packages developed in-house for commercial and office buildings.
- *8 We have worked to raise awareness about setting GHG reduction targets, primarily through dialogue with suppliers such as decarbonization dialogue; however, it can be difficult to set targets in certain business types where reducing GHG emissions is challenging or for small suppliers. As a result, the setting rate of principal suppliers' SBT standard GHG reduction targets was 73.9% in fiscal 2025, falling short of our target of 90%. In the future, we plan to continue dialogue, focusing on suppliers that have not made sufficient progress in reducing emissions, while also confirming the progress of plans for the GHG reduction targets set by suppliers.

*a Excluding Hokkaido.

*b Cumulative values since FY2011.

*c Operating capacity at the end of each fiscal year, excluding in-house consumption.

*d Through fiscal 2022, we set a target at the 2°C level (annual reduction in GHG emissions of 1.23% or more), but from fiscal 2023 we raised the target to the WB2°C level (reduction of 2.5% or more). (WB2°C, or well-below 2°C, is a GHG reduction target to keep the increase in the global temperature to well below 2°C compared to pre-industrial levels.)

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

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😊 : Target for fiscal 2025 achieved

😞 : Target for fiscal 2025 not achieved (achieved 90% or more)

😡 : Target for fiscal 2025 not achieved (achieved less than 90%)

■ Harmony with the natural environment (Preservation of biodiversity)

Challenge ZERO	Management indicator (KPI)	2022 results	2023 results	2024 results	2025 targets	2025 results	Pages
(4) Challenge ZERO Deforestation	Rate of C-ranked timber in procurement	3.1%	1.0%	0.5%	0.5%	0.4%	😊 P039, 174
	Setting rate of zero deforestation policy (primary suppliers)	6.1%	45.6%	81.1%	90%	88.9%	😞*9 P174
	Setting rate of zero deforestation policy (secondary suppliers and beyond)	0%	2.6%	7.5%	20%	15.7%	😡*9 P174
	Rate of sustainable concrete formwork use (no. of building basis)	—	—	83.1%	60%	70.3%	😊 P039, 175
(5) Challenge ZERO Harm to Biodiversity	Area of ecosystem-considerate vegetation cover (cumulative)	257,000 m ²	464,000 m ²	711,000 m ²	900,000 m ²	1,003,000 m ²	😊 P040, 175
	Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities	Assessing priority Levels Primary screening completed Assessment of priority levels in progress	11.4%	14.7%	28%	48.8%	😊 P176

Self-assessment (reasons for not achieving targets, future actions)

*9 In order to achieve zero deforestation associated with timber procurement in housing and construction businesses by 2030 as set forth in our Group's Long-Term Environmental Vision, we have explained the current status of deforestation occurring around the world and the importance of formulating a zero-deforestation policy to our suppliers, encouraging each supplier to formulate its own policy. However, in fiscal 2025, the rate of setting zero-deforestation policies was 88.9% for primary suppliers and 15.7% for secondary suppliers and beyond, below our targets of 90% and 20%, respectively. We will continue to encourage suppliers to gain their endorsement of our Group's zero-deforestation policy, aiming to achieve zero deforestation.

* As the rate of replacement of plastic goods for distribution (offices, etc.) had reached a high level, it was removed from the EGP management indicators beginning in fiscal 2025.

■ Closed-loop resource sourcing and conservation of aquatic environments (Greater durability and waste reduction)

Challenge ZERO	Management indicator (KPI)	2022 results	2023 results	2024 results	2025 targets	2025 results	Pages
(6) Challenge ZERO Waste and Reuse	Number of assets subject to effective use	4,276	3,289	2,713	2,800	3,138	😊 P045, 177
	Number of buildings subject to durability extension	8,984	8,929	8,434	8,400	9,623	😊 P045, 177
	Recycling rate of waste plastics material (production)	16.8%	21.6%	24.5%	26%	29.5%	😊 P047, 177
	Promotion of the Daiwa Plastics Smart Project Reduction rate of amenities that are plastic-containing products specified in law (hotels) vs. FY2021	3.0% increase	8.2% reduction	9.5% reduction	32% reduction	21.0% reduction	😡*10 P047, 178
	Promotion of the Daiwa Plastics Smart Project Recycling rate of amenities that are plastic-containing products specified in law (hotels)	0%	0.03%	0.6%	25%	9.1%	😡*10 P178
	Setting rate of zero waste emissions targets by principal suppliers	34.6%	41.8%	49.5%	80%	51.2%	😡*11 P045, 178
—	Construction waste emissions: Production (per unit of sales)	53.8 kg/million yen	50.8 kg/million yen	52.8 kg/million yen	60 kg/million yen	50.3 kg/million yen	😊 P180
	Construction waste emissions: New construction (per m ²)	19.0 kg/m ²	18.9 kg/m ²	18.4 kg/m ²	19 kg/m ²	22.3 kg/m ²	😡*12 P180
	Construction waste recycling rate	97.9%	97.6%	98.0%	98%	97.9%	😞*13 P179
(7) Challenge ZERO Water-Associated Risks	Water-saving device adoption rate (housing and hotels)	96.8%	98.3%	99.2%	99.3%	99.5%	😊 P049, 181
	Water consumption reduction rate (per unit of sales) vs. FY2012	42.7% reduction	42.3% reduction	56.5% reduction	44% reduction	58.9% reduction	😊 P181
	Implementation rate of water risk surveys by principal suppliers	85.5%	93.9%	98.6%	99%	99.0%	😊 P050, 183

Self-assessment (reasons for not achieving targets, future actions)

*10 We have made some progress in reducing amenities that are plastic-containing products specified in law by expanding the installation of amenity bars and reducing product weight. However, due to slow progress in switching to plant-derived plastic materials, the reduction rate of amenities that are plastic-containing products specified in law (hotels) was 21.0% in fiscal 2025, below our target of 32%. In the future, we will further promote efforts to reduce the use of fossil-fuel-derived virgin plastics, including switching to plant-derived plastic materials. Also, although we are working on material recycling for used amenities, the material recycling rate (hotels) was 9.1%, below our target of 25%, as the expansion of the implementation area did not progress as planned. In the future, we will work to establish material recycling routes in areas where material recycling is not yet implemented and expand our efforts.

*11 Despite continuously conducting zero emissions dialogues since fiscal 2022, as well as confirming the status of waste disposal by suppliers and promoting the setting of recycling targets, the setting rate of zero waste emissions targets by principal suppliers came to 51.2% in fiscal 2025, falling short of our target of 80%. In the future, we will continue dialogue with suppliers to realize a circular economy, including zero emissions.

*12 Due to an increase in the number of buildings for uses with high waste emissions per floor area, construction waste emissions (construction) in fiscal 2025 were 22.3 kg/m², and we were unable to achieve our target of 19 kg/m². In the future, in addition to increasing the use of pre-cut materials, we will continue efforts to reduce waste volume at construction sites (reducing waste volume through compression, sorting, etc.) and promote efforts to curb waste emissions.

*13 Although we maintained the same recycling rate as in fiscal 2024, the recycling rate for construction waste in fiscal 2025 was 97.9%, below our target of 98%, partly due to the addition of new Group companies. In the future, we will ensure even more thorough sorting of waste at each property and continue to develop waste disposal contractors capable of recycling to maintain and improve the recycling rate.

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

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■ Prevention of chemical pollution

Challenge ZERO	Management indicator (KPI)	2022 results	2023 results	2024 results	2025 targets	2025 results		Pages
—	Compliance with voluntary standards for indoor air quality	97.1%	90.0%	100%	100%	100%	😊	P052
	Release and transfer reduction rate of PRTR (per unit of sales) vs. FY2023*e	—	—	10.3% reduction	2% reduction	12.3% reduction	😊	P052, 184
	VOC emission reduction rate (per unit of sales) vs. FY2013	35.9% reduction	39.6% reduction	54.2% reduction	40% reduction	57.9% reduction	😊	P052, 184

*e Subject substances were revised in fiscal 2023 following amendments to the PRTR Law. As a result, for fiscal 2024 onward, reduction rates are calculated by setting fiscal 2023 as a base year, with revised PRTR-listed substances subject to assessments.

■ Environmental management

Challenge ZERO	Management indicator (KPI)	2022 results	2023 results	2024 results	2025 targets	2025 results		Pages
—	Sales of environmental contribution businesses	1,276.2 billion yen	1,581.4 billion yen	1,765.2 billion yen	1,750.0 billion yen	1,646.9 billion yen	😐*14	P015, 153
	Number of those who pass the Certification Test for Environmental Specialists (Eco Test)*	25,080	28,134	31,297	33,000	34,870	😊	P022, 154
	Green purchasing ratio	97.5%	99.0%	99.0%	95%	97.8%	😊	P155
	Implementation status of measures for adapting to climate change	Implementing	Implementing	Implementing	—	Implementing	—	P034, 035

Self-assessment (reasons for not achieving targets, future actions)

*14 Due to a decrease in sales of environmental consideration buildings, a type of environmental contribution businesses, sales of environmental contribution businesses in fiscal 2025 were 1,646.9 billion yen, below our target of 1,750 billion yen. In the future, we aim to increase sales from environmental contribution businesses by improving the ZEB rate, particularly for commercial and office buildings.

Review of EGP2026 and looking toward EGP2029

During the EGP2026 period, the business environment surrounding the Company changed significantly, with soaring energy prices, materialization of geopolitical risks, development of sustainability disclosure standards, and other factors. In particular, we recognize that the transition to an era in which environmental performance directly affects corporate value and evaluations in capital markets is a most critical management issue for the Group.

To respond to these changes, we have ensured thorough operation of the Environment Committee (Business Division) established in 2021, establishing an autonomous management system with each division head serving as committee chair. As a result, we have achieved the rapid promotion of measures suited to business characteristics and improved the effectiveness of our PDCA cycle in environmental management.

Under this system, the proactive efforts of each business division have resulted in improvements in key indicators. In fiscal 2025, the ZEH rate for single-family housing was 98%, and the ZEH-M rate was 77.7% for rental housing and 100% for condominiums. In addition, leveraging know-how cultivated at our own facilities, the ZEB rate for commercial and office buildings was 66.2%, demonstrating steady progress in decarbonization through our products and services. Furthermore, in our business activities, we have achieved nearly 100% renewable energy use for electricity used by the Group as a whole, and more than 70% of our principal suppliers have set greenhouse gases reduction targets at the SBT level, showing progress in initiatives across the value chain. Additionally, as a result of greening efforts using native species

that contribute to biodiversity conservation, the area of ecosystem-considerate vegetation cover was 1,003,000 m², ahead of schedule in achieving our fiscal 2026 target (1,000,000 m²). As a result of these initiatives, sales of environmental contribution businesses in fiscal 2025 were 1,646.9 billion yen (approximately 29.5% of consolidated net sales), achieving both environmental sustainability and corporate profitability that the Group has aimed for.

In EGP2029, which begins in fiscal 2026, we will continue our policy in Japan of making all buildings ZEH (-M) or ZEB in principle and installing solar power generation equipment, while also working to popularize the GX-ZEH (-M) series that the government will begin operating in fiscal 2027. We will also expand initiatives that we have conducted in Japan to overseas operations and promote the expanded use of low-carbon building materials at the procurement stage. Moreover, we aim to realize a circular economy that evolves conventional 3R activities into resource-circulating businesses, in anticipation of the transition to a society committed to recycling. Specifically, we will establish a resource-circulating business model in the Livness brand, which enhances the value of existing stock, to achieve further growth.

We will continue to deepen initiatives at all stages, from procurement and business activities to products and services, under EGP2029 to reduce environmental impact and increase corporate profitability.



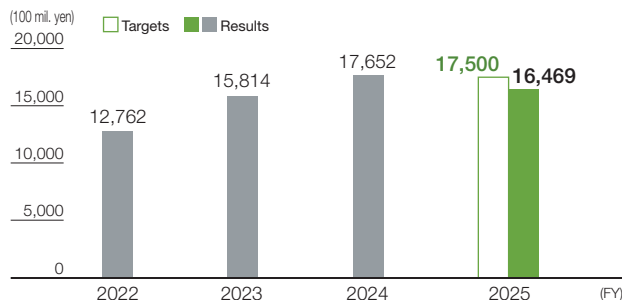
Yutaka Yamashita
Head of Sustainability
Management Department
Daiwa House Industry Co., Ltd.

Environmental Data | Strengthening the foundation of environmental management

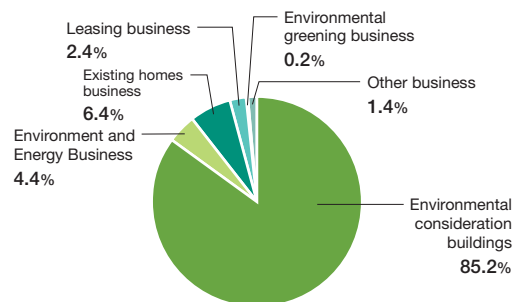
General

Expansion of sales of environmental contribution businesses

■ Sales of environmental contribution businesses



■ Breakdown of environmental contribution businesses (by segment)



■ Sales of environmental contribution businesses (by segment)

Unit: 100 mil. yen

	2022	2023	2024	2025
Environmental consideration buildings	11,001	13,955	15,805	14,031
Environment and Energy Business	682	731	642	718
Existing homes business	741	784	692	1,057
Leasing business	39	42	235	401
Environmental greening business	25	34	37	36
Other business	275	267	241	225

* In fiscal 2025, stock business includes non-residential renovations. For housing stock only, the amount is 78.9 billion yen.

Calculation method and scope of coverage of environmental data

■ Sales of environmental contribution businesses

◇ Overview

Each of the businesses in Daiwa House Group works toward the realization of a carbon-free society and a society that is committed to recycling. The combined revenue from businesses capable of contributing to the environment is defined as sales generated by environmental contribution businesses. In specific terms, we have established definitions for environmental contribution businesses as shown below.

◇ Scope of coverage

Daiwa House Industry Co., Ltd. and all consolidated subsidiaries (Domestic only)

* However, only companies with businesses that match definitions of environmental contribution businesses

Segment		Definition
Environmental consideration buildings	Single-family housing business	Buildings that meet BEI standard values set for each application
	Rental housing business	Application
	Condominium business	Housing
	Commercial and office buildings business	Hotels, hospitals, department stores, restaurants, assembly halls, etc.
Environment and Energy Business		Electricity retailing*1, sales of power fueled by renewable energy, PPA*2 business, contract work to install renewable energy facilities / energy-efficient equipment, energy-efficiency solutions, non-fossil fuel energy certificates brokerage
Existing homes business	Home renovation business	Solar power generation systems, storage batteries, energy-efficiency renovation
	Purchase and sale	Resale of existing houses with renovation
Leasing business		Sale of energy-efficient equipment, leasing of electric vehicles
Environmental greening business		Overall environmental greening business, Park- Private Finance Initiative (Park-PFI)*3 business
Other business		Sales of LED lighting systems, energy-efficient air conditioners and blackout curtains, etc.

*1 Electricity retail business: Sales of renewable energy-based electricity and electricity with an emission factor of 0.388 kg/kWh or less
 *2 PPA: A system in which electricity generated by photovoltaic power generation equipment installed by a company, which owns and manages such equipment, on land or roofs provided by building owners is provided to electricity users in the building for a fee.
 *3 Park-PFI (Publicly solicited installation and management system): A system for publicly soliciting and selecting private operators to develop parks in order to improve the attractiveness and convenience of urban parks.

Environmental management

■ ISO 14001 certification

Company name	Scope certified by ISO 14001 Figures in parentheses indicate rate of acquisition
Daiwa House Industry	Production Department and all 9 factories (100%)
Daiwa Lease	Company-wide* (100%) * No overseas offices, only domestic offices
Fujita	Company-wide* (100%) * Only domestic offices

(as of end of March, 2026)

■ Sites that have the ISO 14001 certification

Company name	Site name	Certification body	Certification No.	Validity of the current certificate	Date of certification acquisition
Daiwa House Industry	Production Department	Japan Testing Center for Construction Materials	RE0008	July 31, 2027	April 15, 1998
Daiwa Lease	Entire company	Union of Japanese Scientists and Engineers	Registration No. JUSE-EG-056	August 28, 2026	August 29, 2002
Fujita	Companywide (only domestic offices)	Japan Testing Center for Construction Materials	RE0002	November 30, 2026	August 15, 1997

(as of end of March, 2026)

■ Environmental fines and penalties

	2022	2023	2024	2025
Environmental fines and penalties	0 yen	0 yen	0 yen	0 yen

Calculation method and scope of coverage of environmental data

■ Environmental fines and penalties

◇ Scope of coverage

Daiwa House Industry Co., Ltd. and all consolidated subsidiaries

Environmental Data | Strengthening the foundation of environmental management

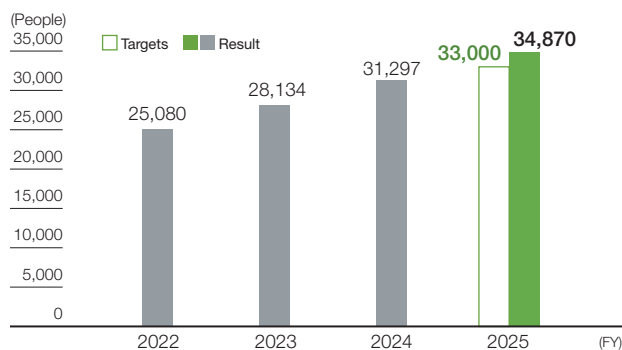
Supply chain management (Environment)

■ Supplier engagement implemented (FY2025)

Activity name	Details of main activity	No. of frequency	No. of participants (No. of participating companies)	Organizer
Decarbonization Dialogue	Sharing climate change problems, raising awareness for lifting targets for CO ₂ reduction	18 times	57 attendees (19 companies)	Daiwa House Industry, Daiwa Lease, Fujita
Zero Emission Dialogue	Confirmation of waste disposal status and support to set zero emissions targets	10 times	26 attendees (10 companies)	Daiwa House Industry, Daiwa Lease
Briefings, workshops, etc.	Sharing climate change and deforestation status and social trends, sharing details about Daiwa House Group initiatives, presentations by experts	2 times	Approx. 200 attendees	Daiwa House Industry, Daiwa Lease
Zero deforestation	Requests for the endorsement of Challenge ZERO Deforestation for achieving zero deforestation	1 time	18 companies	Daiwa House Industry, Daiwa Lease, Royal Home Center

Environmental education

■ Number of those who pass the Certification Test for Environmental Specialists (Eco Test)^{®*}



Calculation method and scope of coverage of environmental data

■ Number of those who pass the Certification Test for Environmental Specialists (Eco Test)[®]

◇ Reporting organizations

Daiwa House Industry and 46 Group companies (Domestic only)

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

■ Environmental education provided (FY2025)

	Category	Contents	Number of participants and frequency
Specialized education	ZEB design	e-learning	9 attendees in 7 courses
	ZEB	Training	985 attendees in 12 courses
	ZEH-M, biodiversity (greening)	Training	360 attendees in 6 courses
	Soil contamination countermeasures	Training	592 attendees in 5 courses
Grade-specific education	Environmental education	e-learning	16,777 attendees
	Newly appointed manager education	e-learning	102 attendees
	Mid-carrier recruit education	e-learning	199 attendees
	Basic education for new employees	e-learning	719 attendees
	Training for newly appointed branch managers	Training	5 attendees in 1 course
	Training for technical employees (yearly, by rank)	Training	845 attendees in 6 courses
	General training for new technical employees	Training	357 attendees in 4 courses
	General training for new sales employees	Training	61 attendees in 2 courses
	Disaster preparedness and environment management section manager training	Training	Once: 9 attendees
	Disaster preparedness and environment management section staff training	Training	Once: 44 attendees

■ Number of participants in environmental education for children

	Unit: People				
	~2021	2022	2023	2024	2025
Eco Workshop for Children	7,128	178	361	219	152
The King and His House	304	0	0	—	—
Total	7,432	178	361	219	152
Cumulative	7,432	7,610	7,971	8,190	8,342

* From fiscal 2024, conducted only Eco Workshop for Children

Calculation method and scope of coverage of environmental data

■ Environmental education provided (FY2025)

■ Number of participants in environmental education for children

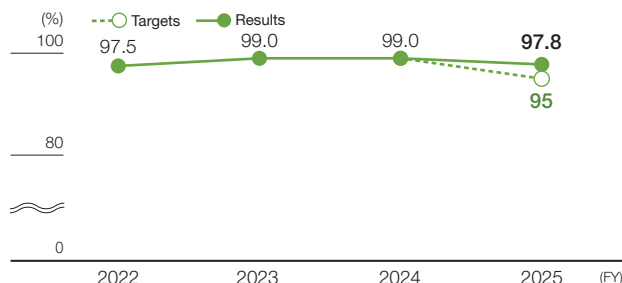
◇ Reporting organizations

Daiwa House Industry

Environmental Data | Strengthening the foundation of environmental management

Promotion of green purchasing

Green purchasing ratio



Calculation method and scope of coverage of environmental data

Green purchasing ratio

◇ Overview

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

◇ Calculation formula

Green purchasing ratio (%) = Σ (Amount of Green Purchasing Standards-compliant goods purchased (yen)) $\div$ Σ (Total purchase price of target items (yen))

◇ Scope of coverage

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

* 21 Group companies: Daiwa Lease, DesignArc, Daiwa Logistics, Royal Home Center, Daiwa House Realty Management, Sports Club NAS, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Energy, Daiwa Royal Golf, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Life Support, Daiwa House Parking, Eneserve, Nishiwaki Royal Hotel, Wakamatsu KONPOU UNYU SOKO, Daiwa House Chintai Reform, KOUYAMAUNYU

Green purchasing standards

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

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

*1 An environmental label attached to products recognized as contributing to environmental preservation following a review by the Japan Environmental Association

*2 A database of environmental consideration products managed by the Green Purchasing Network (GPN)

*3 A logo mark displayed on office equipment that meets energy efficiency standards set by the International Energy Star Program

*4 A labeling system for environmental consideration personal computer products operated by the PC 3R Promotion Center

Environmental Data | Real estate portfolio

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

FY	Use	Number of properties	Area	GHG emissions				Energy consumption		Water consumption	
				Total			Intensity	Total	Intensity	Total	Intensity
		Projects	m ²	Scope1	Scope2	Scope1+2					
				t-CO ₂	t-CO ₂	t-CO ₂	kg-CO ₂ /m ²	GJ	MJ/m ²	m ³	ℓ/m ²
2025	Offices	1	911	0	32	32	35.2	656	719.8	137	150.3
	Commercial facilities	156	2,365,599	2,977	120,248	123,225	52.1	2,547,940	1,077.1	1,456,808	681.3
	Logistics center	5	89,433	0	516	516	5.8	10,545	117.9	2,515	28.1
	Total	162	2,455,944	2,977	120,797	123,774	—	2,559,142	—	1,459,460	—
2024	Offices	1	911	0	33	33	36.0	670	734.6	408	447.6
	Commercial facilities	160	2,411,438	3,646*	122,512	126,159*	52.3*	2,594,380*	1,075.9*	1,384,668	647.6
	Total	161	2,412,350	3,646	122,545	126,192	—	2,595,050	—	1,385,076	—
2023	Offices	1	911	0	40	40	44.2	811	890.0	795	872.2
	Commercial facilities	130	2,318,675	4,154	123,255	127,409	54.9	2,575,454	1,110.7	1,455,080	677.2
	Logistics center	1	17,010	0	166	166	9.7	3,338	196.3	442	26.0
	Total	132	2,336,596	4,154	123,462	127,615	—	2,579,604	—	1,456,317	—
2022	Offices	1	911	0	42	42	46.3	934	1,024.5	767	841.6
	Commercial facilities	146	2,370,505	4,256	126,382	130,638	55.1	2,884,954	1,217.0	1,387,097	623.9
	Logistics center	3	11,781	0	319	319	27.1	7,066	599.8	764	64.8
	Total	150	2,383,198	4,256	126,743	130,999	—	2,892,954	—	1,388,629	—

* The total number of commercial facilities was revised following the correction of errors in counting in FY2024.

Calculation method and scope of coverage of environmental data

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

◇ Overview

We surveyed the energy and water consumption of the entire buildings of the real estate properties we own in Japan that are leased for profit, leased for square footage, and nonresidential properties, and calculated the annual GHG emissions (total amount) and GHG emissions per square meter (intensity). The CO₂ emission factor and heat conversion factor are the same as for the amounts of GHG emissions and energy consumption shown above. However, GHG emission factors for electricity are based on the location-based method, and average values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)" are used.

◇ Scope of coverage

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

◇ Calculation formula

GHG emissions (t-CO₂)
= $\sum \{(\text{Annual consumption of electricity and fuel}) \times (\text{CO}_2 \text{ emission factor for each type of energy})\}$

GHG emissions intensity (kg-CO₂/m²)
= GHG emissions $\div \sum$ (total floor area)

Energy consumption (GJ)
= $\sum \{(\text{Annual consumption of electricity and fuel}) \times (\text{Energy conversion factor for each type of energy})\}$

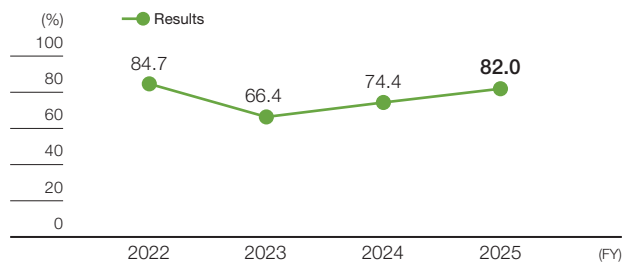
Energy consumption intensity (MJ/m²)
= Energy consumption $\div \sum$ (total floor area)

Water consumption (m³)
= $\sum$ (annual water consumption)

Water consumption intensity (ℓ/m²)
= water consumption $\div \sum$ (total floor area)

Environmental Data | Rate of Green Building Certification obtained

■ Rate of Green Building Certification obtained



■ Green building certified area/total area

Unit: m²

Segment	2022	2023	2024	2025
Certified area	1,478,442	912,705	756,914	1,094,424
Total area	1,746,288	1,373,791	1,017,183	1,335,312

Calculation method and scope of coverage of environmental data

■ Rate of Green Building Certification obtained

◇ Scope of coverage

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

◇ Calculation formula

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

◇ Subject Certifications

- BELS: Building-Housing Energy-efficiency Labeling System
- CASBEE for Wellness Office: System for evaluating building specifications, performance, and initiatives that support the maintenance and promotion of the health and comfort of building users
- CASBEE for Buildings (New Construction): Comprehensive Assessment System for Built Environment Efficiency for new construction
- ABINC: Certification systems for biodiverse facilities, buildings, etc.

■ Detailed data of Green Building Certification obtained

FY	Business	Total area	Green Building certified area	Number of Green Building certified properties	Breakdown of Green Building certified properties
2025	Rental housing	469,466 m ²	445,593 m ²	667	BELS: 667*
	Commercial facilities	155,730 m ²	3,245 m ²	2	BELS: 2
	Business facilities	710,116 m ²	645,587 m ²	5	BELS: 5
2024	Rental housing	411,105 m ²	289,637 m ²	566	BELS: 566*
	Commercial facilities	131,891 m ²	0 m ²	0	—
	Business facilities	474,188 m ²	467,277 m ²	9	BELS: 7 CASBEE for Buildings (new Construction): 2
2023	Rental housing	395,494 m ²	121,457 m ²	217	BELS: 217*
	Commercial facilities	181,651 m ²	2,730 m ²	1	BELS: 1
	Business facilities	796,646 m ²	788,518 m ²	19	BELS: 14 CASBEE for Wellness Office: 1 CASBEE for Buildings (new Construction): 3 ABINC: 1
2022	Rental housing	150,809 m ²	0 m ²	0	—
	Commercial facilities	106,929 m ²	0 m ²	0	—
	Business facilities	1,488,550 m ²	1,478,442 m ²	23	BELS: 20 CASBEE for Wellness Office: 0 CASBEE for Buildings (new Construction): 9 ABINC: 0 * Of the 23 Green Building certified properties, six properties obtained both BELS and CASBEE for Buildings (New Construction) certifications. As a result, the sum of the number in the breakdown is higher than the total number of properties certified.

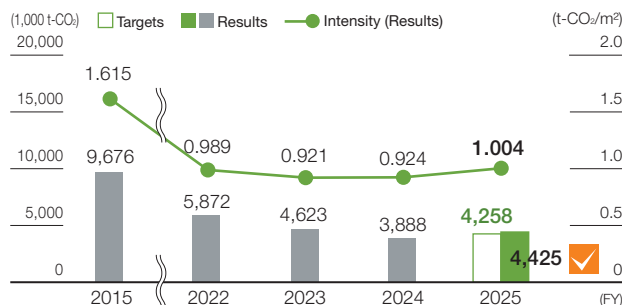
* For rental housing, the number of cases that have received whole-building evaluation

Environmental Data | Mitigating and adapting to climate change

(1) Challenge ZERO for CO₂ in community development

GHG emissions derived from use of products

■ GHG emissions* derived from use of products and Intensity



* GHG emissions associated with Scope 3/Category 11 (use of products sold) in the Company's group

Number of BELS Certifications acquired

■ Number of BELS Certifications acquired

Unit: Units

Name of certification	Use	2022	2023	2024	2025
BELS certification	Single-family housing Rental housing Condominiums Commercial and office buildings	4,017	16,811	22,277	24,344

■ Number of BELS Certifications acquired

◇ Overview

BELS is the abbreviation for Building-Housing Energy-efficiency Labeling System, a system whereby third-party assessment agencies evaluate and certify the energy efficiency of newly built and existing buildings. Ratings of one to six stars (☆) are given according to the performance level.

◇ Scope of coverage

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

◇ Uses of buildings

Single-family housing, rental housing, condominiums, Nonresidential

◇ Scope of coverage

Contracted and self-developed properties (domestic only)

* For rental housing, the total number of cases that have received both whole-building and unit evaluations

Calculation method and scope of coverage of environmental data

■ GHG emissions derived from use of products

◇ Overview

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

◇ Reporting organizations

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

◇ Calculation formula

GHG emissions derived from use of products (t-CO₂)

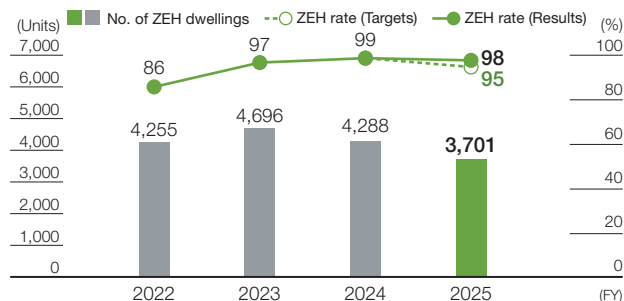
= Design primary energy consumption × CO₂ emission factor for each energy type × useful life

Purpose of use	Reporting organizations	Scope	Target property	Design primary energy consumption	Electricity generated by solar power facilities	Energy composition ratio	Useful life
Single-family housing	Daiwa House Industry Single Family Housing Business Division	Construction starts (Domestic only)	Contracted houses, built-for sales houses	Calculation results for the dwelling unit portion using the "Program compliant with the energy conservation standards for houses" of the Building Research Institute, a national research and development agency	Annual power generation [kWh/year] is calculated by multiplying the installed capacity [kW] by 1000	Based on individual calculations	Single-family housing 30 years Solar power systems 20 years
Rental housing (low-rise)	Daiwa House Industry Apartment Business Division	Construction starts (Domestic only)	Apartment houses Tenement houses Dwelling houses combined with other uses (Rental housing parts only) Contracted houses, built-for sales houses				Rental housing (low-rise) 30 years Solar power systems 20 years
Rental housing (medium- and high-rise)	Daiwa House Industry Apartment Business Division Commercial Construction Business Division General Construction Business Division	Construction starts (Domestic only)	Contracted houses, built-for sales houses			(1) For fully electrified properties Electricity: 100% (2) In other cases Electricity: 72%, gas: 28%	Rental housing (medium- and high-rise) 60 years Solar power systems 20 years
Other apartment	Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted houses, built-for sales houses				Condominiums 60 years Solar power systems 20 years
Condominiums	Daiwa House Industry Condominium Business Division	Construction starts (Domestic only)	Self-developed properties JV-managed properties	Calculated by multiplying the BEI after excluding the effect of solar power generation, as calculated by the Building Research Institute's "Program compliant with the energy conservation standards for non-housing", by the actual statistics of primary energy consumption based on the 2016 edition CASBEE – Building (new construction) and floor area		CASBEE – Building (new construction) Based on actual primary energy consumption statistics from the FY2016 edition	Offices 60 years Hospitals, medical/nursing care facilities 60 years Hotels 60 years Schools 60 years Meeting places 60 years Retail stores 30 years Restaurants 30 years Factories, warehouses 30 years Solar power systems 20 years
Nonresidential	Daiwa House Industry Apartment Business Division Commercial Construction Business Division General Construction Business Division Daiwa Lease Fujita	Construction starts (Domestic only)	Contracted, self-developed (sold) Total floor area of 300 m ² or more (For Daiwa Lease, those less than 300 m ² are included)				

Environmental Data | Mitigating and adapting to climate change

ZEH rate

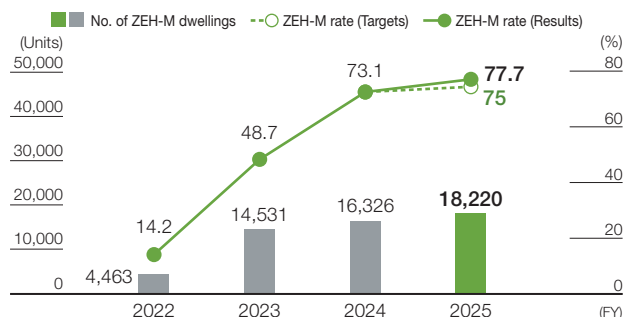
■ ZEH rate



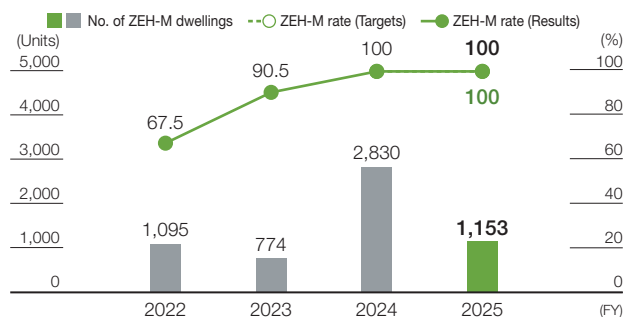
* Results are based on construction starts

ZEH-M rate

■ ZEH-M rate (rental housing)

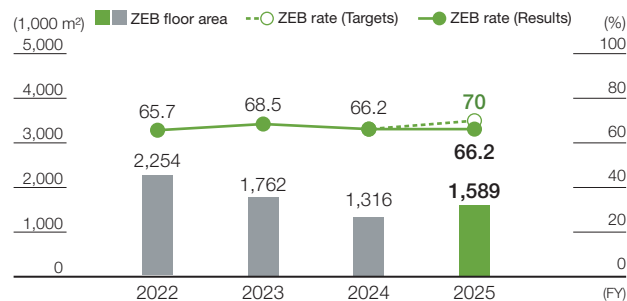


■ ZEH-M rate (condominiums)

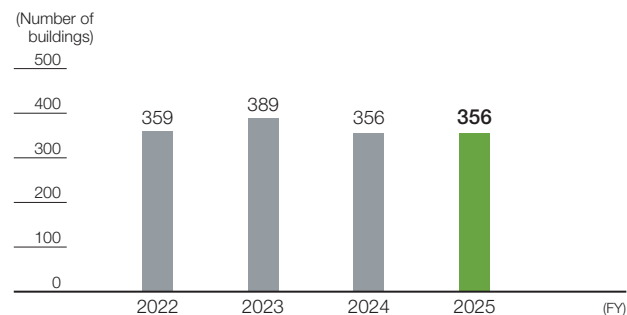


ZEB rate

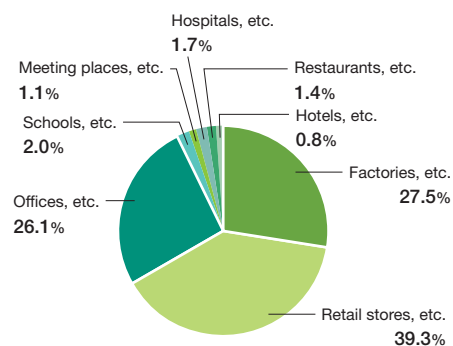
■ ZEB rate



ZEB units



■ Breakdown of ZEB units by intended use (FY2025)



Calculation method and scope of coverage of environmental data

■ ZEH rate

◇ Reporting organizations

Daiwa House Industry (Single Family Housing Business Division)

◇ Uses of buildings

Single-family housing

◇ Scope of coverage

Contracted and built-for sales properties (Domestic only*, based on construction starts)

* Excluding Hokkaido

◇ Calculation formula

ZEH rate (%) = ZEH units achieved ÷ total units built
(Calculated based on ZEH builder performance reporting standards)
ZEH judgment: Properties that have achieved the requirements for the definition of ZEH ("ZEH", Nearly ZEH, and ZEH Oriented)

■ ZEH-M rate

◇ Reporting organizations

Daiwa House Industry (Apartment Business Division, Condominiums Division)

◇ Uses of buildings

Apartments, Condominiums

◇ Scope of coverage

Rental housing: Contracted and self-developed properties (domestic only, based on construction starts)

Condominiums: Self-developed properties, JV projects (only those managed by the Company) (domestic only, based on construction starts)

◇ Calculation formula

ZEH-M rate (%) = Total number of dwelling units that have achieved the ZEH-M requirements ÷ total number of dwelling units in all properties

ZEH-M judgement:
(Rental housing) Properties that have achieved the ZEH-M standards defined by the government
3 stories or less: At least Nearly ZEH-M
4-5 stories: At least ZEH-M Ready
6 stories or more: At least ZEH-M Oriented
(Condominiums) Properties that have achieved the requirements for the government definition of ZEH-M (at least ZEH-M Oriented)

■ ZEB rate/ZEB units

◇ Reporting organizations

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

◇ Uses of buildings

All uses of non-residential properties

◇ Scope of coverage

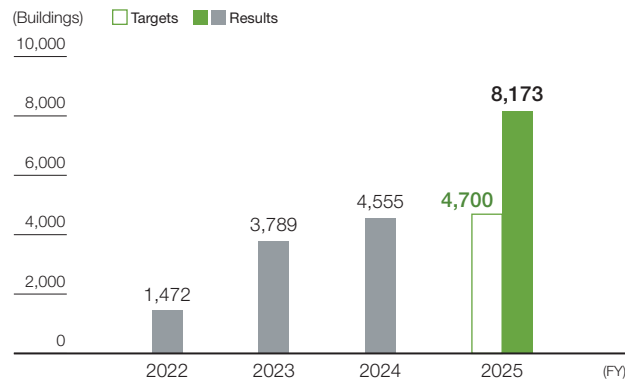
New in-house designed and newly self-developed properties (domestic only, based on construction starts)
Properties with total floor area of 300 m² or more (For Daiwa Lease, those less than 300 m² are included)

◇ Calculation formula

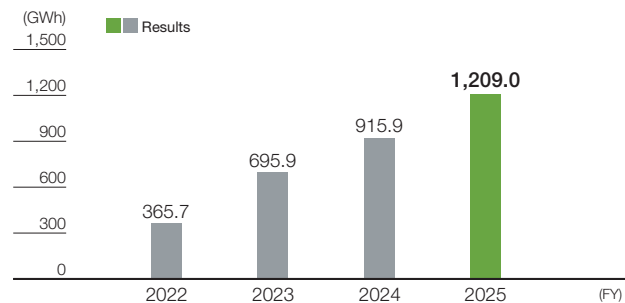
ZEB rate (%) = ZEB property floor area (m²) ÷ Total property floor area (m²)
ZEB judgment: Properties that have achieved the requirements for the definition of ZEB ("ZEB", Nearly ZEB, ZEB Ready, and ZEB Oriented)

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■ The number of ZEH- renovation equivalents



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



Calculation method and scope of coverage of environmental data

■ The number of ZEH- renovation equivalents

◇ Overview

The number of ZEH- renovation equivalents is an index that represents "the annual effect of energy-efficiency retrofits, in terms of reduction in primary energy consumption as a result of various energy-saving retrofits (insulation, equipment) for each building, by converting the reduction into that achieved by the assumed number of existing model houses renovated into the ZEH specifications (equivalent to ZEH Oriented)."

◇ Scope of coverage

Target	Eligible energy-saving retrofits
Daiwa House Reform	· Insulation remodeling
Daiwa House Chintai Reform	· Bathroom remodeling
Daiwa Living	· Water heater remodeling
	· Lighting remodeling
	· Remodeling of warm-water washing toilet seats

◇ Calculation formula

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

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

◇ Overview

Renewable energy-based electricity sales volume is a value indicating the sales volume of renewable energy-based electricity and renewable energy value that fall under the following categories.

- Electricity retailing that can be counted as zero CO₂ emissions under the Global Warming Law (excluding non-fossil fuel energy certificates derived from nuclear power generation)
- Electricity retailing compliant with the RE100 technical requirements
- Renewable energy-based electricity supplied by PPA projects (on-site and off-site)
- Sales of renewable energy value (J-credits, non-fossil fuel energy certificates, and green power certificates designated for renewable energy)

◇ Scope of coverage

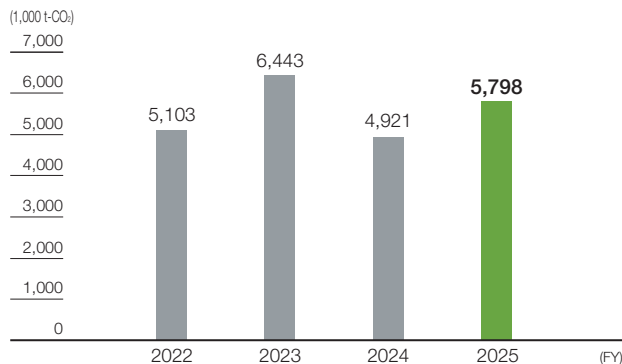
Reporting organizations	Main items for sale*
Daiwa House Industry	Electricity retailing (PPS), sale of renewable energy-based electricity under the PPA model, and brokerage of non-fossil fuel energy certificates
Eneserve	Electricity retailing (PPS), sale of renewable energy-based electricity under the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

* Including supply to our company and sales to Group companies

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Contribution to GHG reduction

■ Contribution to GHG reduction (Groupwide)



■ Contribution to GHG reduction (by segment)

Unit: 1,000t-CO₂

Segment	2022	2023	2024	2025
Single-family housing business	302	296	247	235
Rental housing business	421	713	603	696
Existing homes business	42	67	69	108
Condominium business	128	62	160	42
Commercial and office buildings business	3,091	2,624	2,235	2,819
Environment and Energy Business	1,121	2,680	1,606	1,899

Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

◇ Overview

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

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

◇ Calculation formula

Example of flow base method

Method ① (New houses):

contribution to GHG reduction (t-CO₂) = $\{ \sum (\text{Annual GHG emissions (t-CO}_2\text{/year) in the usage or operation stages of the products being compared} - \sum (\text{Annual GHG emissions (t-CO}_2\text{/year) in the usage or operation stage of products offered during the fiscal year}) \times \text{Number of assumed years of use (year)} \}$

Method ② (New buildings):

contribution to GHG reduction (t-CO₂) = $\sum \{ \text{Annual primary energy consumption per unit of floor area by application or scale (MJ/m}^2\text{-year)} \times \text{Floor area (m}^2\text{)} \times \text{Energy reduction rate} \times \text{CO}_2\text{ emission factor (t-CO}_2\text{/MJ)} \times \text{Estimated number of years of use (year)} \}$

Note: Energy reduction rate (%) = $1 - \text{BEI}^*$ *Design primary energy consumption (excluding renewable energy) (MJ/year) ÷ Reference primary energy consumption (MJ/year)

Method ③ (Energy generation facility):

contribution to GHG reduction (t-CO₂) = $\sum \{ \text{Annual renewable energy generated (kWh/year)} \times \text{CO}_2\text{ emission factor (t-CO}_2\text{/kWh)} \times \text{Estimated number of years of use (year)} \}$

Note: Includes power sales

Method ④ (Energy efficiency improvement):

contribution to GHG reduction (t-CO₂) = $\sum \{ (\text{Annual GHG emissions (t-CO}_2\text{/year) before energy-efficiency retrofits} - \text{Annual GHG emissions (t-CO}_2\text{/year) after energy-efficiency retrofits} \times \text{Estimated number of years of use (year)} \}$

Method ⑤ (Electricity retailing):

contribution to GHG reduction (t-CO₂) = $\sum \{ (\text{Alternative value emission factor in current fiscal year}^* (\text{t-CO}_2\text{/kWh}) - \text{Adjusted CO}_2\text{ emission factor in current fiscal year (t-CO}_2\text{/kWh)}) \times \text{Supplied electric energy (kWh)} \}$

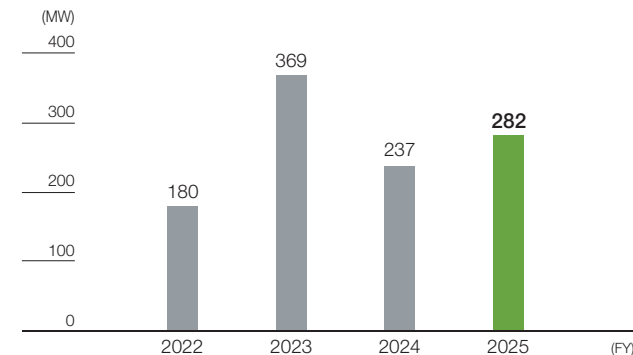
* Alternative values to the emission factors by electricity business operator based on the "GHG emissions accounting, reporting and disclosure system (the SHK system)"

Example of base method for existing home

contribution to GHG reduction (t-CO₂/year) = $\sum \{ (\text{Annual GHG emissions (t-CO}_2\text{/year) of comparable facilities} - (\text{Annual GHG emissions (t-CO}_2\text{/year) of equipment subject to ESCO services provided during year}) \}$

Installed capacity of solar power generation systems

■ Trend in installed capacity of solar power generation systems



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

Unit: MW

Segment	2011-2020	2022	2023	2024	2025
Single-family housing business	218	19	20	17	15
Rental housing business	149	10	23	30	35
Existing homes business	161	2	2	1	1
Condominium business	1	0	0.1	0.1	0
Commercial and office buildings business	157	43	37	31	43
Environment and Energy Business	1,745	107	286	158	189
Total	2,430	180	369	237	282
Cumulative	4,663	2,706	3,075	3,311	3,592

Calculation method and scope of coverage of environmental data

■ Trend in installed capacity of solar power generation systems

◇ Scope of coverage

Same as "Renewable energy generation equipment construction results (EPC)" on P149.

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Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

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

Reporting organizations	Segment	Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Daiwa House Industry	Single-family housing business	All new housing of single-family housing business	Calculation method: Flow base method ①-③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings compliant with the 2016 standard specifications	Single-family housing: 30 years Solar power generation: 20 years
	Rental housing business	All newly built houses in rental housing business (low-rise)			Rental housing (low-rise): 30 years Solar power generation: 20 years
		All newly built houses of the rental housing business (medium- and high-rise)			Rental housing (medium- and high-rise): 60 years Solar power generation: 20 years
	Condominium business	All housing starts of condominium business			Condominiums: 60 years Solar power generation: 20 years
	Commercial and office buildings business	All construction starts of projects of at least 300 m ² of the commercial and office buildings business, and installation of solar power generation systems	Calculation method: Flow base method ②-③ Calculation tool used: Energy Consumption Performance Calculation Program	Average values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)"	Store, warehouse, factories: 30 years Other applications: 60 years Solar power generation: 20 years
	Environment and Energy Business	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method ⑤		—
		All energy-efficiency and energy-generation solution projects	Calculation method: Flow base method ③-④, existing home base method (ESCO projects only) Calculation of power generation amount/energy-saving effect: Calculated with our proprietary simulation tool (in combination with trial calculations by the manufacturer).	Example of energy-efficiency solutions: Before implementation of energy-efficiency retrofit Example of energy-generation solution: Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years
Daiwa Lease	Commercial and office buildings business	All construction starts of the commercial and office buildings business (excluding lease items), and installation of solar power generation systems	Calculation method: Flow base method ②-③ Calculation tool used: Energy Consumption Performance Calculation Program	Building Energy Efficiency Act /Buildings compliant with the 2016 standard specifications	Store, warehouse, factories: 30 years Other applications: 60 years Solar power generation: 20 years
Fujita	Office buildings business	All construction starts of projects of at least 300 m ² of the office buildings business and installation of solar power generation systems			

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Calculation method and scope of coverage of environmental data

■ Contribution to GHG reduction

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

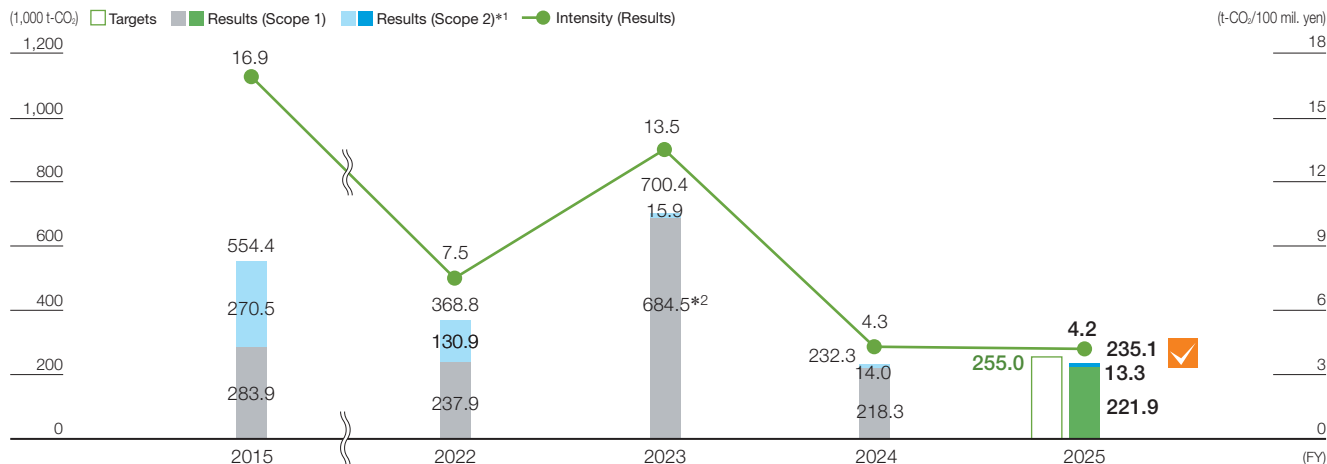
Reporting organizations	Segment	Scope	Calculation criteria		
			Calculation methods and calculation tools	Comparison	Estimated number of years of use
Daiwa House Reform	Existing home business	All energy-efficiency retrofits and energy-generation installation projects of the home renovation business	Calculation method: Flow base method ③-④ Calculation tool used: Primary energy consumption reduction effects calculated by industry organization.	Construction sites: 6 areas Plan: Single-family house, Total floor area: 120.8m ² Exterior insulation: 1992 Energy efficiency standard Ventilation: Air conditioning (C)* Hot-water supply: General gas water heater Lighting: All non-incandescent lighting Power generation facilities: None	Insulation upgrade: 15 years Lighting fixture replacement: 15 years Hot-water supply replacement: 15 years Solar power generation: 20 years
Daiwa Living		All energy-efficiency retrofits and energy-generation installation projects of the Rental housing renovation business	Calculation of power generated/energy-saving effect: Assumes that all the energy-efficiency retrofits and energy-generation installations for the fiscal year share the same regional classification and plan as the comparable dwelling unit. The effect of each energy-efficiency measure is calculated with the Energy Consumption Performance Calculation Program, and the reduction effect is multiplied by the number of units constructed during the year.	* Energy consumption efficiency classification	
Daiwa House Chintai Reform					
Daiwa Energy, Eneserve	Environment and Energy Business	All Power Producer and Supplier (PPS) business	Calculation method: Flow base method ⑤	Average values to the emission factors by electricity business operator based on the national "GHG emissions accounting, reporting and disclosure system (the SHK system)"	—
		All energy-efficiency and energy-generation solution projects	Calculation method: Flow base methods ③-④, existing home base method (ESCO projects only) Calculation of power generated/energy-saving effect: Calculated with our unique simulation (in combination with trial calculations by the manufacturer).	Example of energy-efficiency solutions: Before implementation of energy-efficiency retrofit Example of energy-generation solution: Before introduction of energy-generating facility	Lighting fixture replacement: 15 years Air conditioner replacement: 15 years Solar power generation: 20 years

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(2) Challenge ZERO for CO₂ in business activities

GHG emissions

■ GHG emissions and intensity



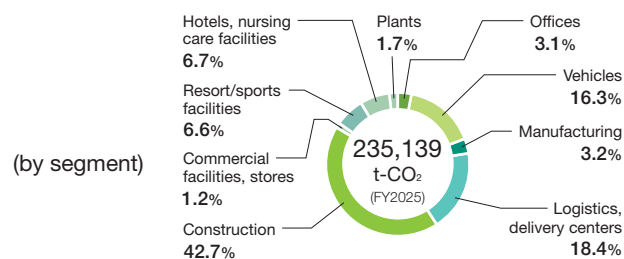
*1 Since FY2022, the Scope 2 calculation method has been revised to a market-based method.

*2 Scope 1 emissions increased in fiscal 2023 due to converting Hibikinada Thermal Power Station into a Group company in January 2023.

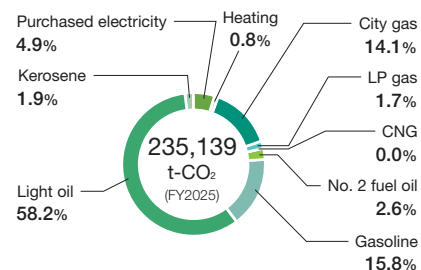
(GHG emissions of Hibikinada Thermal Power Station in fiscal 2023: 446 thousand t-CO₂)

The operation of co-burning of coal and biomass fuel (wood pellets) ended in March 2024. The plant is scheduled to resume operation as a biomass-fired power station during fiscal 2026.

■ Breakdown of GHG emissions



(by type)



■ GHG emissions (by segment)

Unit: t-CO₂

	2015	2022	2023	2024	2025
Offices	36,619	13,916	8,289	7,997	7,297
Vehicles	55,265	43,707	42,244	40,284	38,345
Manufacturing	36,094	9,469	8,386	8,270	7,529
Logistics, delivery centers	37,426	32,004	42,392	47,605	43,187
Construction	148,840	96,705	103,416	90,665	100,496
Commercial facilities, stores	69,072	36,787	1,940	2,605	2,837
Resort/sports facilities	137,337	92,982	30,425	16,476	15,590
Hotels, nursing care facilities	30,954	42,273	17,247	15,740	15,793
Parking lots	2,790	957	—	—	—
Plants	—	—	446,083	2,622	4,065

■ GHG emissions (by type)

Unit: t-CO₂

		2015	2022	2023	2024	2025
Scope 2	Purchased electricity	270,504	130,049	14,637	11,939	11,407
	Heating	0	854	1,304	2,065	1,862
	City gas	34,522	44,227	39,051	34,669	33,216
Scope 1	LP gas	9,147	7,976	4,946	3,972	3,952
	CNG	—	—	—	31	47
	No. 2 fuel oil	25,348	17,645	5,954	4,372	6,003
	Gasoline	55,765	39,929	37,822	35,778	37,238
	Light oil	153,894	125,777	148,865	137,697	136,895
	Kerosene	5,216	2,341	2,806	1,741	4,518
	Coal	—	—	445,038	—	—

■ GHG emissions (Japan, outside Japan)

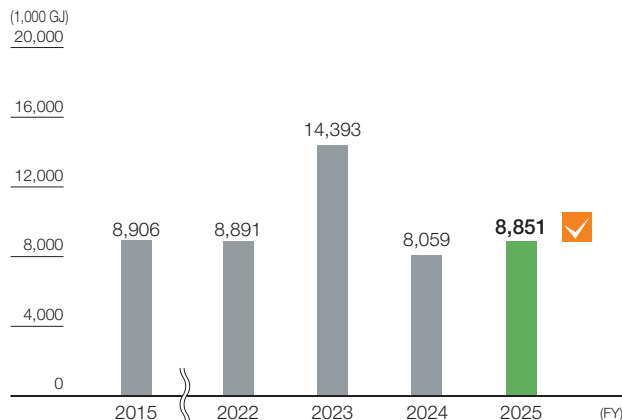
Unit: t-CO₂

	2015	2022	2023	2024	2025
Japan	538,663	352,352	682,296	205,481	192,922
Outside Japan	15,734	16,447	18,127	26,782	42,217

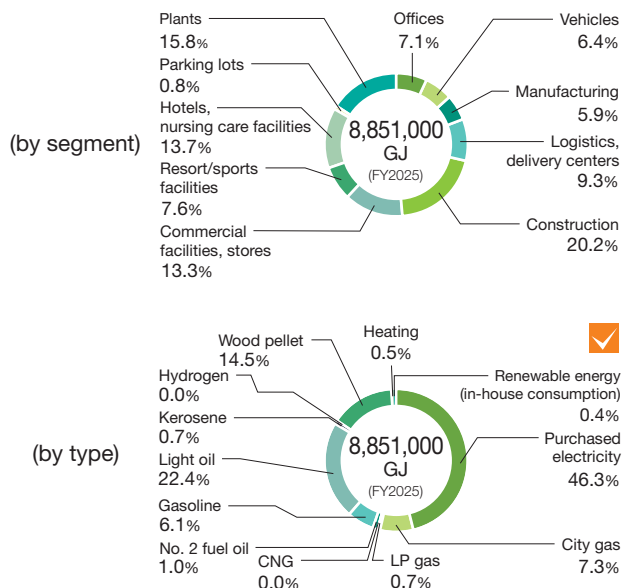
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Energy consumption

■ Energy consumption



■ Breakdown of energy consumption



■ Energy consumption (by segment)

Unit: 1,000 GJ

	2015	2022	2023	2024	2025
Offices	628	735	654	644	632
Vehicles	823	650	619	592	566
Manufacturing	604	619	546	519	519
Logistics, delivery centers	570	505	764	867	822
Construction	2,227	1,746	1,838	1,636	1,790
Commercial facilities, stores	1,179	1,369	1,138	1,159	1,173
Resort/sports facilities	2,288	1,974	957	697	668
Hotels, nursing care facilities	541	1,225	1,205	1,180	1,210
Parking lots	47	66	62	67	72
Plants	—	—	6,609	698	1,398

■ Energy consumption (by type)

Unit: 1,000 GJ

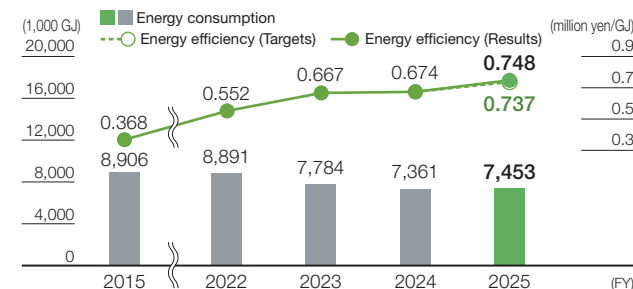
	2015	2022	2023	2024	2025
Purchased electricity	4,534	5,111	4,067	4,047	4,098
City gas	692	887	783	676	648
LP gas	155	135	83	66	66
CNG	—	—	—	1	1
No. 2 fuel oil	366	255	84	62	85
Gasoline	831	595	552	522	543
Light oil	2,244	1,834	2,160	1,998	1,986
Kerosene	77	35	41	25	66
Hydrogen	—	—	0	0	0
Coal	—	—	4,994	—	—
Wood pellet	—	—	1,584	589	1,280
Heating	0	20	27	43	42
Renewable energy (in-house consumption)	7	19	19	29	37

■ Energy consumption (Japan, outside Japan)

Unit: 1,000 GJ

	2015	2022	2023	2024	2025
Japan	8,683	8,599	14,086	7,592	8,163
Outside Japan	223	292	307	467	689

■ Energy efficiency (Smart Energy Coalition (formerly EP100))



Calculation method and scope of coverage of environmental data

■ GHG emissions

◇ Overview

GHG emissions refers only to CO₂ emissions originating from energy. The emissions are calculated by multiplying the CO₂ emission factor for each type of energy based on purchasing data for electricity and fuel, respectively. It also includes a partial estimate for the construction segment.

◇ Calculation formula

$$\text{GHG emissions (t-CO}_2\text{)} = \sum \{ (\text{Annual consumption of electricity and fuel}) \times (\text{CO}_2 \text{ emission factor for each type of energy}) \}$$

$$\text{GHG emissions intensity (t-CO}_2\text{/100 mil. yen)} = \frac{\sum (\text{GHG emission})}{\div \text{consolidated net sales}}$$

◇ Scope of coverage

See P167.

■ Energy consumption

◇ Overview

Energy consumption is calculated on a heat quantity basis and is calculated by multiplying the heat quantity conversion factor for each type of energy based on purchasing data for electricity and fuel, respectively. It also includes a partial estimate for the construction segment.

◇ Calculation formula

$$\text{Energy consumption (GJ)} = \sum \{ (\text{Annual consumption of electricity and fuel}) \times (\text{Energy conversion factor for each type of energy}) \}$$

◇ Scope of coverage

See P167.

■ Energy efficiency (Smart Energy Coalition (formerly EP100))

◇ Calculation formula

$$\text{Energy consumption (GJ)} = \sum \{ (\text{Annual consumption of electricity and fuel}) \times (\text{Energy conversion factor for each type of energy}) \}$$

$$\text{Energy efficiency (million yen/GJ)} = \frac{\text{Net sales}^*1}{\div \sum (\text{Energy consumption})}$$

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

◇ Scope of coverage

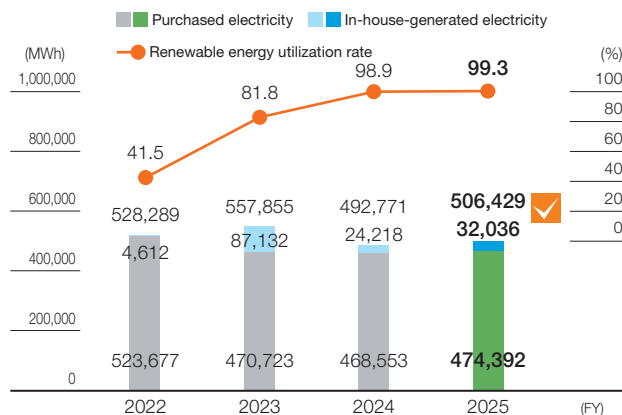
See P167 (but excludes power plant department*2)

*2 Due to the nature of the energy efficiency (Smart Energy Coalition (formerly EP100)) indicator, power producers selling energy to other companies are not included.

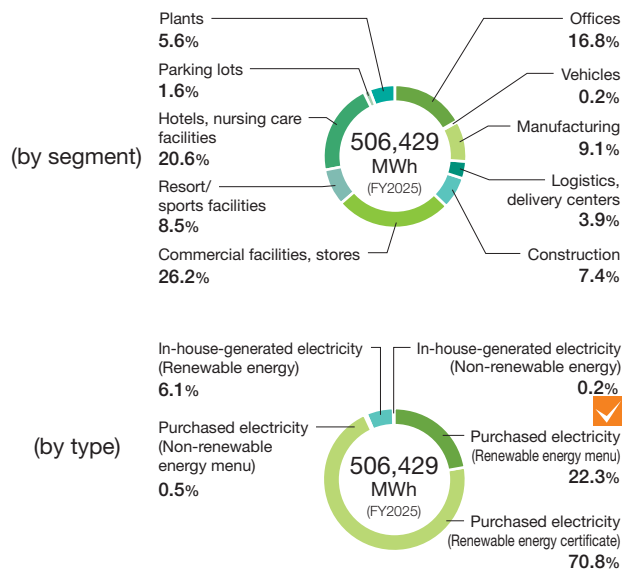
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Electricity consumption

Electricity consumption and renewable energy utilization rate (RE100)



Breakdown of electricity consumption



Electricity consumption (by segment)

Unit: MWh

	2022	2023	2024	2025
Offices	66,342	69,199	70,512	85,152
Vehicles	9	373	615	792
Manufacturing	49,412	49,091	46,966	46,008
Logistics, delivery centers	12,361	17,253	27,624	19,705
Construction	36,189	40,156	38,735	37,716
Commercial facilities, stores	136,251	127,339	128,437	132,737
Resort/sports facilities	123,780	62,350	44,625	43,300
Hotels, nursing care facilities	97,197	103,622	105,031	104,487
Parking lots	6,748	7,189	7,787	8,356
Plants	—	81,282	22,441	28,176

Electricity consumption (by type)

Unit: MWh

		2022	2023	2024	2025
Purchased electricity	Renewable energy menu	118,043	117,298	111,950	113,136
	Renewable energy certificate*	99,345	333,947	353,581	358,526
	Non-renewable energy	306,288	19,478	3,022	2,730
In-house-generated electricity	Renewable energy	1,925	5,102	21,990	31,077
	Non-renewable energy	2,687	82,030	2,228	959

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

Electricity consumption (Japan, outside Japan)

Unit: MWh

	2022	2023	2024	2025
Japan	514,593	542,173	464,547	479,463
Outside Japan	13,696	15,682	28,224	26,966

Calculation method and scope of coverage of environmental data

Electricity consumption

◇ Calculation formula

Electricity consumption (MWh) = Σ {Annual purchased electricity + in-house-generated electricity (including renewable energy)}

Renewable energy utilization rate (%) = $\frac{\text{renewable energy utilization}^*}{\text{electricity consumption}}$

* For electricity consumption, total of in-house-generated electricity (renewable energy), purchased electricity (renewable energy plans, on-site PPA, off-site PPA) and purchased electricity (renewable energy certificates)

◇ Scope of coverage

See P167.

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■ GHG emissions/ energy consumption/ electricity consumption

◇ Scope and calculation criteria (Japan)

Segment	Target	Scope (Number of locations as of end of March, 2026)		Calculation criteria	
Offices	Daiwa House Group	All offices (Head Office, affiliates, branches and sales offices), research labs, training centers and housing exhibition	Total	828 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
			Offices	654 locations	
			Housing exhibition	174 locations	
Vehicles	Daiwa House Group	All company vehicles and privately owned permitted vehicles	Total	13,093 vehicles	At each site, we use gasoline credit card billing data or refueling receipts to determine the amount of gasoline consumed, etc., and multiply it by the respective CO ₂ emission factor.
Manufacturing	Daiwa House Group	All production sites	Total	31 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
Logistics, delivery centers	Daiwa House Group	Transport	Transport	1,100 vehicles	At each site, we use the monthly bill from the fuel supplier to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
		Delivery center	Delivery center	115 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
Construction	Daiwa House Group	Construction sites for new houses and buildings and civil engineering works (excluding demolition/renovation)	Construction area: Total	3,166,000 m ²	We use the daily invoice from the electric power suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor (some estimates included)*. The total fuel is estimated by multiplying the energy consumption per floor area (or sales amount) in sample properties by the total floor area (sales amount) during the data collection period. From this figure, we estimate the energy consumption by subtracting the energy consumption reduction estimated based on the implementation rate of energy-efficiency initiatives. This is calculated by multiplying the above energy consumption by the respective CO ₂ emission factor. * Temporary electricity at construction sites only (excluding permanent electricity)
			Housing construction	1,575,000 m ²	
			Building construction	1,591,000 m ²	
			Number of civil engineering sites: Total	113 locations	
Commercial facilities, stores	Daiwa House Group	Commercial facilities and stores operated by our company	Total	901 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor. Note: Excludes the tenants' portion.
			Commercial facilities	901 locations	
Resort/sports facilities	Daiwa House Group	Resort hotels, golf courses, fitness clubs, warm bathing facilities and restaurants operated by our company	Total	75 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
			Resort hotels	1 location	
			Golf courses	10 locations	
			Fitness clubs	62 locations	
Hotels, nursing care facilities	Daiwa House Group	Urban hotels and nursing care facilities operated by our company	Warm bath facilities, Restaurants	2 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
			Total	107 locations	
			Urban hotels	97 locations	
Parking lots	Daiwa House Group	Parking lots operated by our company	Nursing care facilities	10 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.
			Total	3,123 locations	
Plants	Daiwa House Group	Thermal power plant operated by the company	Total	4 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.

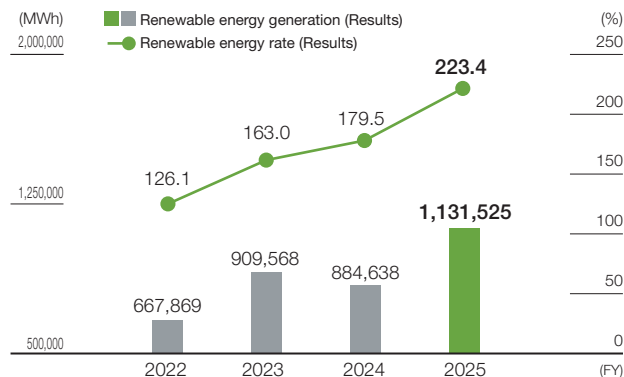
◇ Scope and calculation criteria (Outside Japan)

Segment	Target	Scope (Number of locations as of end of March, 2026)		Calculation criteria	
Offices	Daiwa House Group	Offices	136 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption* and multiply it by the respective CO ₂ emission factor. * At some sites, based on estimates from amount billed and space in use	
Vehicles	Daiwa House Group	Company vehicles	1,039 vehicles	At each site, we grasp the amount of gasoline used, etc., from invoice data or receipts issued at the time of fueling and multiply it by the CO ₂ emission factor.	
Manufacturing	Daiwa House Group	All production sites	9 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.	
Hotels	Daiwa House Group	All hotels	2 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.	
Construction	Daiwa House Group	Construction sites for new houses and buildings (excluding demolition/renovation)	7 companies	We calculate the total estimate by multiplying the energy consumption per floor space (or per unit of sales) in domestic sample properties for each application by floor space sold for each application (sales amount). The total estimate is then multiplied by the respective CO ₂ emission factors.	
Logistics, delivery centers	Daiwa House Group	All Logistics, delivery centers	9 locations	At each site, we use the monthly invoice from the electric power and fuel suppliers to identify the energy consumption and multiply it by the respective CO ₂ emission factor.	

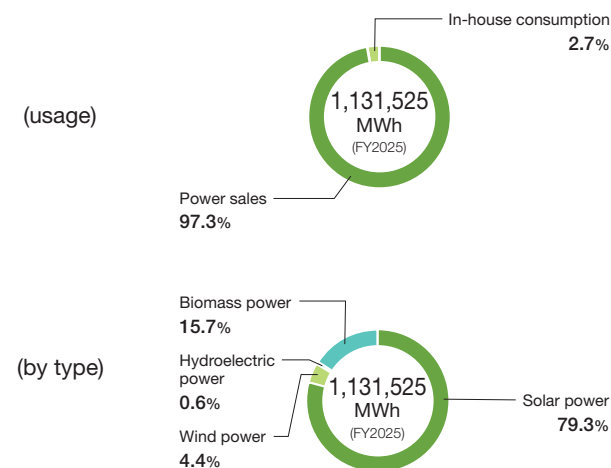
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Renewable energy

Renewable energy-based power generation and renewable energy rate



Breakdown of renewable energy-based power generation



Renewable energy-based power generation (usage)

Unit: MWh

	2022	2023	2024	2025
Power sales	665,944	904,466	862,648	1,100,448
In-house consumption	1,925	5,102	21,990	31,077

Renewable energy-based power generation (by type)

Unit: MWh

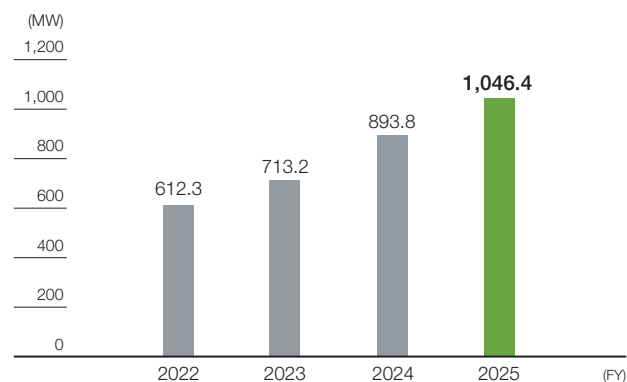
	2022	2023	2024	2025
Solar power	610,568	666,846	737,653	896,984
Wind power	47,522	47,295	49,125	49,656
Hydroelectric power	9,779	6,862	6,798	7,222
Biomass power	—	188,566	91,062	177,663

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

Unit: MWh

	2022	2023	2024	2025
Japan	667,869	909,568	884,638	1,131,525
Outside Japan	0	0	0	0

Installed generation capacity of renewable energy-based power generation equipment



Installed generation capacity of renewable energy-based power generation equipment (usage)

Unit: MW

	2022	2023	2024	2025
Power sales	601.6	699.9	877.3	1,028.4
In-house consumption	10.7	13.3	16.4	18.0

Calculation method and scope of coverage of environmental data

Generated volume and installed capacity of renewable energy-based power generation equipment

◇ Overview

Generated volume and installed capacity of renewable energy-based power generation equipment is the total of 1) Power sales and 2) In-house consumption below.

- 1) The power-generation capacity of renewable power-generation facilities (wind power, solar power, and hydroelectric power generation) that the Group manages (and operates) as a power producer as of the end of the fiscal year and the amount of power sold (including PPA model) during the fiscal year.
- 2) The power-generation capacity of equipment for in-house consumption, as well as the power generated during the fiscal year, with renewable energy power-generation facilities (such as wind power and solar power) held (and operated) by the Group, or within such Group premises, as of the end of the fiscal year.

◇ Scope of coverage

- 1) Please refer to "Renewable energy power plants development and operating results (IPP)" on P149.
- 2) Entire Daiwa House Group

Renewable energy rate

◇ Calculation formula

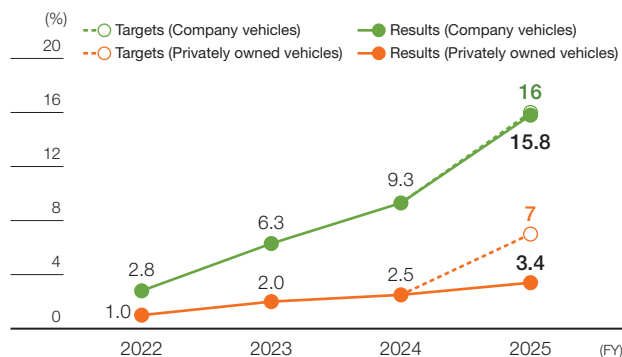
Renewable energy rate (%) = renewable energy-based power Generation ÷ electricity consumption

◇ Scope of coverage

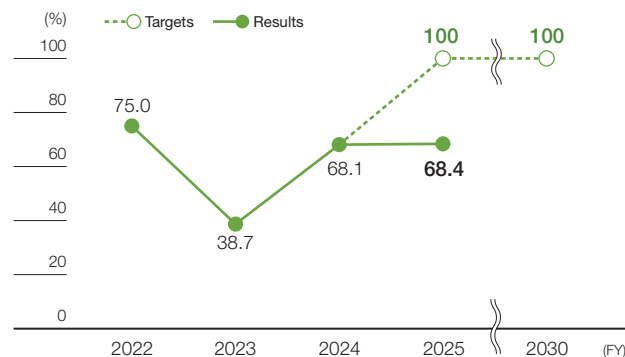
Please refer to P167 for electricity consumption. Please refer to the above for renewable energy generation.

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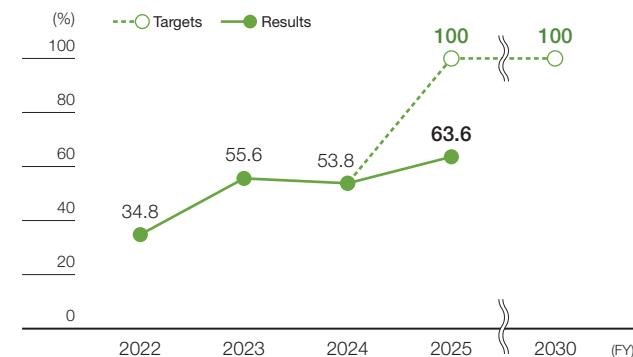
■ Introduction rate of clean energy cars



■ ZEB rate for newly constructed company-owned facilities



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



Calculation method and scope of coverage of environmental data

■ Introduction rate of clean energy cars

◇ Overview

We calculate the introduction rate of clean energy cars*1 for the domestic companies in our Group that own 30 or more company vehicles.

*1 Definition of clean energy vehicles: EVs (electric vehicles), PHVs (plug-in hybrid vehicles) and FCEVs (fuel cell vehicles). Gasoline-fueled HVs (hybrid vehicles) are not included.

◇ Reporting organizations

Introduction rate of clean energy company vehicles

Daiwa House Industry and 12 Group companies (Daiwa Lease, DesignArc, Daiwa Logistics, Fujita, Daiwa House Reform, Daiwa Life Next, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Parking, Eneserve, and Daiwa House Chintai Reform)

Introduction rate of clean energy privately owned vehicles

Daiwa House Industry and 7 Group companies (Daiwa House Reform, Daiwa Life Next, Daiwa Lantec, Daiwa House Real Estate, Daiwa Living, Daiwa House Parking, and Daiwa House Chintai Reform)

◇ Calculation formula

Introduction rate of clean energy company vehicles (%)

= Number of clean energy company vehicles
÷ total number of company vehicles

Introduction rate of clean energy privately owned vehicles (%)

= Number of clean energy privately owned vehicles
÷ total number of privately owned vehicles*2

*2 Type 1 privately owned permitted vehicles: Private vehicles with permission that their owners are able to continuously use them for commuting and work (in case of Daiwa House Industry)

Calculation method and scope of coverage of environmental data

■ ZEB rate for newly constructed company-owned facilities, percentage of newly constructed company-owned facilities with solar power generation equipment

◇ Overview

The term "the Company's facilities" refers to facilities in which the Group conducts business operations (subject to GHG emissions reporting), and includes not only facilities owned and occupied by the Company, but also facilities that the Company rents on its own use or sub-leases to tenants. These facilities do not include asset buildings that are leased to tenants in their entirety, such as whole convenience store buildings leased to their tenants.

◇ Reporting organizations

Daiwa House Industry and 7 Group Companies (Daiwa Lease, Daiwa Logistics, Royal Home Center, Sports Club NAS, Daiwa House Realty Management, Wakamatsu KONPOU UNYU SOKO, KOUYAMAUNYU)

◇ Scope of coverage

Company facilities whose construction started in FY2025 (domestic only)

◇ Calculation formula

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

= ZEB property floor area (m²) ÷ Total property floor area (m²)

ZEB judgment: Properties that have achieved the requirements for the definition of ZEB ("ZEB", Nearly ZEB, ZEB Ready, and ZEB Oriented)

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

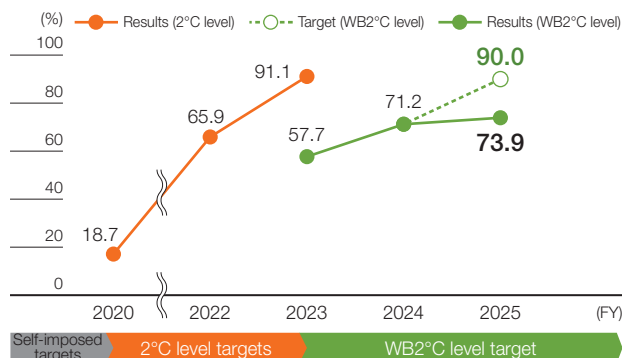
= Number of buildings with solar power generation equipment (buildings) ÷ Number of eligible properties with solar power generation equipment (buildings)

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(3) Challenge ZERO for CO₂ in the supply chain

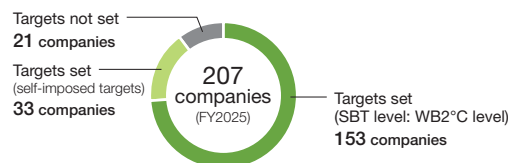
Principal suppliers' GHG emissions reduction

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

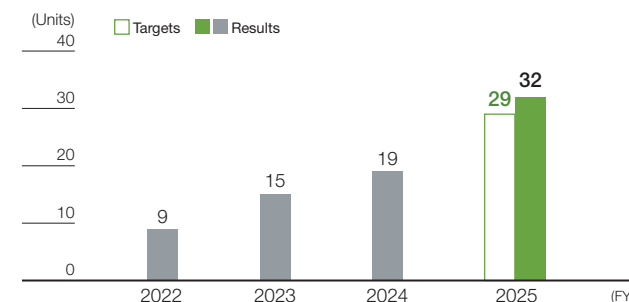


* We used the 2°C level (annual reduction in GHG emissions of 1.23% or more) for our target through fiscal 2022. However, we raised the target to the WB 2°C level (reduction of 2.5% or more) starting in fiscal 2023. (WB 2°C, or well-below 2°C, is a GHG reduction target to keep global temperature increase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

■ Breakdown of principal suppliers' GHG emissions reduction target



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



Calculation method and scope of coverage of environmental data

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

◇ Overview

The rate of principal suppliers' SBT standard GHG reduction targets is set based on data from the following principal suppliers: the Trillion Club, which supplies our materials and the Setsuwa Club, which supplies our facility equipment, as well as Fujita Corporation's sources of procurement.

◇ Scope of coverage

Reporting organizations	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (88 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (94 companies)
Fujita	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

◇ Calculation formula

Setting rate of principal suppliers' SBT standard GHG reduction targets (%) = Number of principal suppliers that have already set a standard SBT targets ÷ Number of principal suppliers

Calculation method and scope of coverage of environmental data

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

◇ Overview

For the members of the Trillion Club, which supplies our materials, and the Setsuwa Club, which supplies our facility equipment, we have proposed solutions to support their achievement of GHG reduction targets. We calculate the number of solutions contracts on a cumulative basis.

◇ Reporting organizations

Daiwa House Industry, Daiwa Energy and Eneserve

◇ Calculation criteria

Number of solutions contracts to help principal suppliers to reduce GHG emissions

Reporting organizations	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (88 companies)
Daiwa House Industry (The Setsuwa Club)	Companies with membership in the Setsuwa Club, excluding sales companies and those with less than 100 employees (94 companies)

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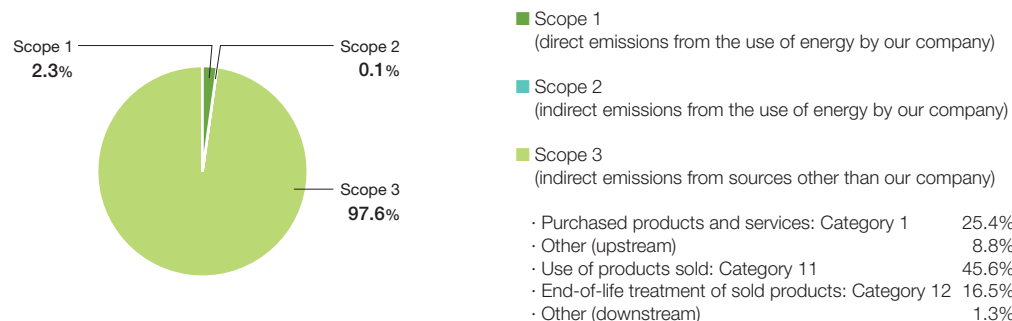
GHG emissions in our value chain Scope 1, 2 & 3 GHG emissions

Unit: 1,000 t-CO₂

Category				FY2022	FY2023	FY2024	FY2025	Percentage of total
Scope 1				238	684	218	222	2.3%
Scope 2*				131	16	14	13	0.1%
				11,858	9,595	8,366	9,479	97.6%
Scope 3	Upstream	1	Purchased products and services	3,312	2,822	2,320	✔ 2,469	25.4%
		2	Capital goods	368	157	379	689	7.1%
		3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	41	42	39	37	0.4%
		4	Upstream transportation and distribution	33	32	26	26	0.3%
		5	Waste generated in operations	101	101	85	75	0.8%
		6	Business travel	11	16	18	18	0.2%
		7	Employee commuting	13	7	7	7	0.1%
		8	Upstream leased assets	0	0	0	0	0.0%
	Downstream	9	Downstream transportation and distribution	—	—	—	—	—
		10	Processing of sold products	—	—	—	—	—
		11	Use of products sold	5,872	4,623	3,888	✔ 4,425	45.6%
		12	End-of-life treatment of sold products	1,976	1,667	1,450	1,607	16.5%
		13	Downstream leased assets	131	128	155	124	1.3%
		14	Franchises	—	—	—	—	—
		15	Investments	—	—	—	—	—
Total				12,226	10,295	8,599	9,714	100.0%

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

Breakdown of GHG emissions (FY2025)



Under the GHG Protocol*, GHG emissions from biomass power must be reported separately from Scope 1, 2 and 3 GHG emissions. GHG emissions from biomass power in the Group's Hibikinada Thermal Power Station (fiscal 2025) are presented below.

143,336 t-CO₂

* International standards for calculating and reporting greenhouse gases emissions

Environmental Data | Mitigating and adapting to climate change

Calculation method and scope of coverage of environmental data

■ GHG emissions in our value chain

◇ Overview

As for Scope 1 and Scope 2, refer to pages 165 and 167. Scope 3 is calculated based on the calculation standard shown on the right. Primary data based on actual results of subject companies is used for activity volume, and highly reliable secondary data is used for GHG emissions per activity volume*. The secondary data is the latest version available every year, and no retroactive revisions are made.

* Actual measurement data is used only for Category 13.

◇ Target businesses (scope 3)

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

◇ Calculation formula

$$\text{GHG emissions (t-CO}_2\text{)} = \sum \{(\text{Amount of activity}) \times (\text{CO}_2 \text{ emissions per amount of activity})\}$$

◇ Source (Secondary data used)

- ① Emission intensity database (ver. 3.6, Ministry of Economy, Trade and Industry, Ministry of the Environment) for calculation of greenhouse gases emissions of the organization throughout its supply chain
- ② LCI database IDEAv2 (for calculating greenhouse gases emissions in the supply chain) (Sustainable Management Promotion Organization (SuMPO))
- ③ The Comprehensive Assessment System for Built Environment Efficiency System (CASBEE) Single-family Housing (Newly Built) and Buildings (Newly Built), LCCO₂ Calculation Tool, 2021 edition (Japan Sustainable Building Consortium)

◇ Scope and calculation criteria

Category	Scope 3 target categories	Scope [Explanation of non-applicable categories (◆)]	Calculation criteria [Emissions = Activity × CO ₂ emissions per activity (intensity)]	
			Activity	Intensity (source)
Upstream	1 Purchased products and services	Extraction, manufacture, and transportation of materials required for the construction of detached houses, rental housing, condominiums, and non-residential buildings (inside Japan)	Area supplied by use and structure	Specific energy consumption per area by use and structure (Source ③)
	2 Capital goods	Collection, manufacture, and transportation of purchased or acquired capital goods	Capital investment	Intensity per amount of capital investment (Source ①)
	3 Fuel- and energy-related activities (not included in scope 1 or 2)	Collection, production, and transportation of purchased or acquired energy (those not included in scope 1 or 2)	Purchased energy consumption	Intensity per unit of energy used in collection, production, and transportation stages (Source ①, ②)
	4 Upstream transportation and distribution	Procurement and transfer of cargo owned by our company; transportation of waste responsible for emissions (domestic only)	Heat output of fuel related to shipper's transport	Intensity per unit of heat generated (according to Energy Efficiency Act)
	5 Waste generated in operations	Disposal and treatment of industrial waste generated at production sites and construction/demolition sites (domestic only)	Waste emissions per item	Intensity of the disposal/treatment stage by item (Source ①)
	6 Business travel	Employee travel & accommodations for business reasons (inside or outside Japan)	Business trip expenses by means of travel and travel/transportation expenses	Intensity per transportation expense by means of travel (Source ①)
	7 Employee commuting	Employee travel between home and work locations	Commuting expenses by means of travel	Intensity per transportation expense by means of travel (Source ①)
	8 Upstream leased assets	Operation of data center and document management warehouse on leased property	Occupation area (warehouse/data center)	Intensity per area (Source ③)
Downstream	9 Downstream transportation and distribution	◆ Because there is no process of transportation/distribution of products (houses, buildings) sold, there is no CO ₂ emission corresponding to this category.	Not applicable	Not applicable
	10 Processing of sold products	◆ Because there is no processing of products (houses and buildings) sold, no CO ₂ emissions apply to this category.	Not applicable	Not applicable
	11 Use of products sold	Lifetime use of single-family housing, rental housing, condominiums, and non-residential buildings (inside Japan, Single-family housing/Rental housing/Sale of goods/Food stores/Factories/Warehouses: 30 years, Other: 60 years) We include the use of products provided together with the lease. CO ₂ emissions associated with repair and renovation are included in Category 12.	Design primary energy consumption × CO ₂ emission factor for each energy type × useful life * Same as "GHG emissions derived from use of products" on p. 158	
	12 End-of-life treatment of sold products	Repair, renovation, demolition, disposal of single-family housing, rental housing, condominiums, and non-residential buildings in their service life (inside Japan)	Supply area by application	Intensity per area (Source ③)
	13 Downstream leased assets	Operation of rental buildings owned by our Company	Calculated from measured data of electricity and fuel consumption of subject properties	
	14 Franchises	◆ Since we operate no franchising system, no CO ₂ emissions correspond to this category.	Not applicable	Not applicable
	15 Investments	◆ In terms of scope 1 and 2 emissions at the investment destination, as a result of estimates based on partial actual data, emissions total a maximum of 2% of total Scope 3 emissions. In light of the difficulty of collecting data, it is determined that the emissions are low enough to disregard.	Not applicable	Not applicable

Environmental Data | Harmony with the natural environment Biodiversity Declaration

Biodiversity Declaration

(Adopted October 2010)

Philosophy of Biodiversity

As a global corporate citizen cognizant of the natural blessings granted by biodiversity while remaining committed to ecosystem-considerate business operations, we shall contribute to the sustainable development of society in order to "Co-creating a Brighter Future" for humanity and the natural world.

Biodiversity Action Guidelines

1. We shall promote business operations that enable people to live in harmony with nature.

Recognizing the importance of nature's blessings, we aim to ensure our business operations are in harmony with the air, water, earth, living creatures, and other aspects of nature's circulation functions.

2. We shall introduce communities co-created by humanity and the natural world.

We shall recognize how biodiversity is affected by construction and shall strive to avoid and reduce any damage while proposing ecosystem-considerate city planning.

3. We shall use natural resources with care, mindful of any impact on the ecosystem.

To maintain high ethical standards, we shall collaborate with suppliers to ensure we utilize only sustainable resources and shall not merely comply with laws and regulations concerning biodiversity.

4. We shall contribute to biodiversity through research and development.

We shall promote R&D related to biodiversity preservation from a global perspective and share the results with society.

5. We shall maintain open communication and collaborate with our stakeholders.

We shall broaden the range of initiatives related to biodiversity preservation in terms of both our business operations and social contribution initiatives through communication and collaboration with local government, NGOs, and other stakeholders.

Supply Chain Sustainability Guidelines

(Revised April 1, 2023)

(1) Business Partner Code of Conduct

(2) Corporate Activity Guidelines

(3) Guidelines for Products

Chemical Substance Management Guidelines [Basics]

Biodiversity Guideline [Timber Procurement]

- (1) Confirmation of legality
- (2) Confirmation of sustainability

Biodiversity Guideline
[Development & Community Creation]P053 Implementation of the Chemical Substance Management Guidelines

Supply Chain Sustainability Guidelines

Biodiversity Guideline [Timber Procurement]

(Revised February 2025)

"To achieve zero deforestation, we procure timber, whose legality and sustainability are confirmed by us, or 100% recycled timber from suppliers that have a zero-deforestation policy and human rights and labor policies"

(1) Confirmation of legality

- (a) Ensure the source of supply has been clearly identified (traceable to the logging site).
- (b) Confirm that the cutting rights have been secured.
- (c) Confirm compliance with forestry laws and other relevant rules.

(2) Confirmation of sustainability

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

* For zero deforestation, conditions (a) through (d) must be met.

* FSC-certified timber is timber confirmed to have been legally and sustainably sourced.

* 100% recycled timber is post-consumer timber (timber that cannot be used for its original purpose), such as timber recovered from construction.

* For (h), consideration must be given to the rights of indigenous peoples and local communities, including the protection of customary land rights and the protection of rights based on customs and traditions, as well as the safety, health, and human rights of workers, including forced and child labor.

Biodiversity Guideline
[Development & Community Creation]**1. Ascertain the potential of the natural environment**

We will identify the local characteristics related to the biological environment, including the site and its surroundings, and will adopt a policy concerning preservation and creation of the biological environment on which it is based.

2. Preserve and plant greenery

We will actively incorporate indigenous species and make efforts to ensure the quantity and quality of greenery, and we will propose the development of green spaces with consideration for the habitat of small wild animals and planting conditions.

3. Be careful to preserve a sufficient natural environment as a habitat for small animals

We will make efforts to consider preserving the habitat and natural environment by improving green spaces and water areas that promote the habitat behavior of small wild animals and other creatures.

4. Take care to create a connected network of habitable environments for the ecosystem

In emphasizing the interconnection of ecosystems, we strive to ensure the continuity of green space arrangements and land use by considering adopting indigenous species in the area and taking the scope of travel of living creatures into account.

5. Take steps to minimize the environmental impact of construction work

We will consider the plants and animals inhabiting the surroundings as we strive to reduce the impact of noise, vibration, exhaust, and other such factors.

6. Pay adequate consideration to ecological maintenance and management

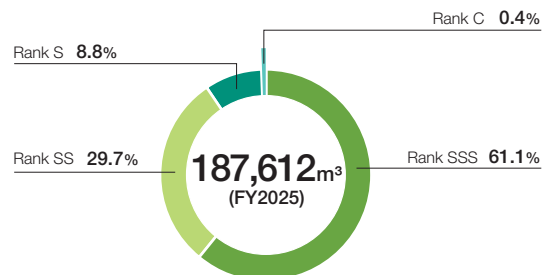
In order to maintain a good biological environment, we will plan and propose facilities and management policies necessary for maintaining and managing green spaces.

Environmental Data | Harmony with the natural environment

(4) Challenge ZERO Deforestation

Ecosystem-considerate timber procurement

■ Rate of C-ranked timber in procurement

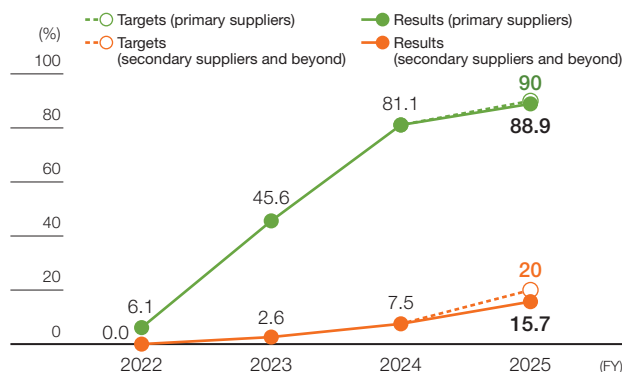


■ Volume of timber procured

Unit: m³

	2022	2023	2024	2025
Single-family housing and rental housing businesses (low-rise)	159,734	163,189	157,969	137,375
Rental housing business (medium- and high-rise)	13,893	3,867	3,247	2,673
Condominium business	4,263	1,731	1,539	5,217
Commercial and office buildings business	51,245	11,432	24,170	19,172
Existing homes business	266	231	180	180
Other	24,446	21,801	26,106	22,995
Total	253,848	202,252	213,211	187,612

■ Setting rate of zero deforestation policy



■ Companies endorsing Challenge ZERO Deforestation

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

Total 111 companies (as of March 31, 2026; Japanese alphabet order)

Calculation method and scope of coverage of environmental data

■ Rate of C-ranked timber in procurement

◇ Overview

We have established the assessment criteria for legality and sustainability based on the Biodiversity Guideline [Timber Procurement]. Once a year, we conduct a factfinding survey of delivered timber to our timber suppliers to confirm conformity to the assessment criteria, and rate the timber on four levels: SSS, SS, S, and C grades.

◇ Calculation formula

Rate of C-ranked timber (%) = amount of C-ranked timber procured (m³) ÷ Total amount of timber procured (m³)

Statistics for SSS, SS, and S-ranked timber are also calculated in the same way.

◇ Scope of coverage

Segment*1	Target	Scope of coverage*2
Single-family housing business	Daiwa House Industry	Single-family houses constructed (steel frame/wooden construction)
Rental housing business	Daiwa House Industry	Industrialized rental housing constructed (steel frame), medium-rise rental housing (RC/steel frame)
Condominium business	Daiwa House Industry	Condominiums sold
Commercial and office buildings business	Daiwa House Industry, Daiwa Lease, Fujita	Wooden buildings, medical/nursing care & residential buildings constructed
Existing homes business	Daiwa House Reform	Flooring materials installed
Other	Royal Home Center	Timber products sold
	DesignArc	Wooden building materials manufactured

*1 Each department covers only domestic operations

*2 Target materials are includes construction materials, framing/crosspieces, wood used below grade, plywood, and flooring.

■ Setting rate of zero deforestation policy

◇ Overview

For primary suppliers (timber suppliers, general contractors, and builders) with an annual timber procurement volume of 50 m³ or more, and their domestic secondary suppliers and beyond, we calculate the rate of suppliers establishing zero deforestation policies or suppliers agreeing to Challenge ZERO Deforestation.

◇ Scope of coverage

Same as the scope of coverage for the rate of C-ranked timber

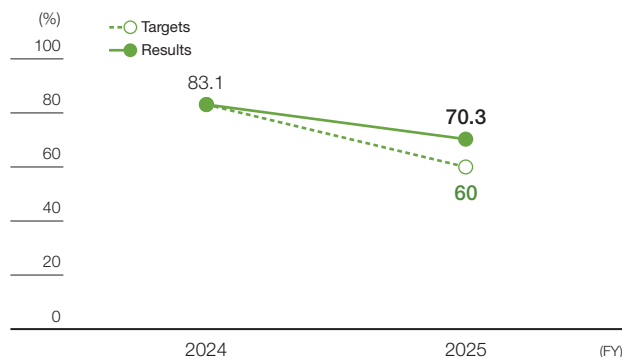
◇ Calculation formula

Setting rate of zero deforestation policy (primary suppliers) (%) = Number of primary suppliers that have established a zero-deforestation policy with minimum procurement of 50 m³/year ÷ Number of primary suppliers with minimum procurement of 50 m³/year

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

Environmental Data | Harmony with the natural environment

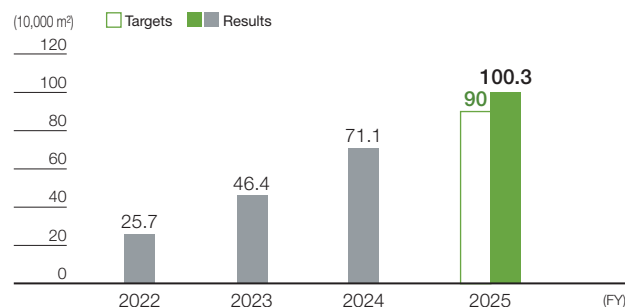
■ Rate of sustainable concrete formwork use (no. of building basis)



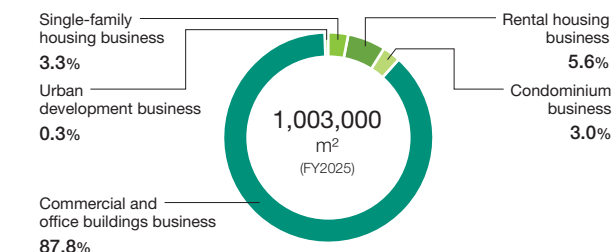
(5) Challenge ZERO Harm to Biodiversity

Preservation of biodiversity in development and community development

■ Area of ecosystem-considerate vegetation cover (cumulative)



■ Breakdown of area of ecosystem-considerate vegetation cover



Calculation method and scope of coverage of environmental data

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

◇ Overview

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

◇ Calculation formula

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

◇ Scope of coverage

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

* Domestic properties only

Calculation method and scope of coverage of environmental data

■ Area of ecosystem-considerate vegetation cover (cumulative)

◇ Overview

Area of ecosystem-considerate vegetation cover, where more than half of the new trees (tall trees and shrubs) are planted with indigenous species that match the nature of each region, or the horizontal crown projection area of indigenous tree species, in the greening of the outer structures that the Company Group conducts in conjunction with the sale of built-for-sale houses and implementation of construction contracts.

◇ Calculation formula

Area of ecosystem-considerate vegetation cover (m²)
 = Σ (Area of ecosystem-considerate vegetation cover of target properties in each project (m²))

◇ Scope of coverage

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

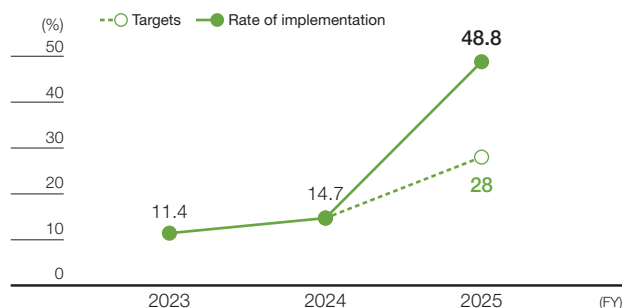
* Domestic properties only

Environmental Data | Harmony with the natural environment

(5) Challenge ZERO Harm to Biodiversity

Conservation of biodiversity at Company facilities

- Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities



■ Biodiversity assessments for Daiwa House Group sites

	Number of locations	Surface area (ha)
Directly operated sites	1,773	—
Of which, sites located in biodiversity priority areas	41	3,029
Sites with biodiversity considerations already in place	20	269.7

- Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities

■ Biodiversity assessments for Daiwa House Group sites

◇ Overview

We confirm whether directly operated sites (assessment locations) are located in biodiversity priority areas*.

* Method of determination: We use the Ministry of the Environment's environmental assessment database (Environmental Impact Assessment Database System (EADAS)) to determine whether a site is within protected areas. Examples of protected areas include international protected areas under laws such as the UNESCO World Heritage Convention, the Ramsar Convention, and the Key Biodiversity Areas (KBA); areas designated under laws such as the Nature Conservation Act, the Natural Parks Act, the Wildlife Protection and Hunting Management Law, and the Act on Conservation of Endangered Species of Wild Fauna and Flora; and areas designated as Important Socio-ecological Production Landscapes (Satohi-satojama) for Biodiversity Conservation.

◇ Calculation formula

Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities (%)

$$= \frac{\text{Number of sites with biodiversity considerations already in place}}{\text{Number of directly operated sites located in biodiversity priority areas}}$$

◇ Scope of coverage

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

Breakdown of application by target company

Target company	Application
Daiwa House Industry, Group companies	Sites (Head Office, branches, offices), Factories, research laboratories, training centers, solar and wind power plants, Forest housing areas, company-owned forest sites
Fujita	Technological Center
Daiwa Lease	Factories, commercial facilities, solar and wind power generation plants
Daiwa House Realty Management	Commercial facilities, Hotels, solar and wind power generation plants
DesignArc	Factories, delivery centers
Daiwa Energy	Solar and wind power generation plants
Eneserve	Office, factories, solar and wind power generation plants
Royal Home Center	Commercial facilities
Sports Club NAS	Commercial facilities
Daiwa Royal Golf	Golf courses
Daiwa Logistics	Delivery centers
Wakamatsu KONPOU UNYU SOKO	Delivery centers
KOUYAMAUNYU	Delivery centers, solar power generation plants

Promotion of the Daiwa Plastics Smart Project

■ Plastics Usage Guidelines (revised January 2024)

1	In principle, Daiwa House Group companies do not use disposable plastics for office items and promotional goods distributed for free to external parties, novelty goods packaging, catalog bags, cutlery, and the like.
2	In cases where it is difficult to replace disposable plastics due to functional restrictions, environmental consideration materials such as biomass plastic and recycled plastic will be used as much as possible. Efforts will be made to limit the amounts used and disposed to the necessary minimum, including setting limits on their use, distribution to only those making requests, and recycling post distribution.
3	As for office supplies used repeatedly in the company, environmental consideration products such as green procurement will be adopted, and efforts will be made to use them carefully for a long period of time, and when disposing of them, they will be sorted and disposed of in a manner that ensures recycling.
4	The department that adopts or purchases such products shall take the lead in promoting the replacement or reduction of disposable plastics.

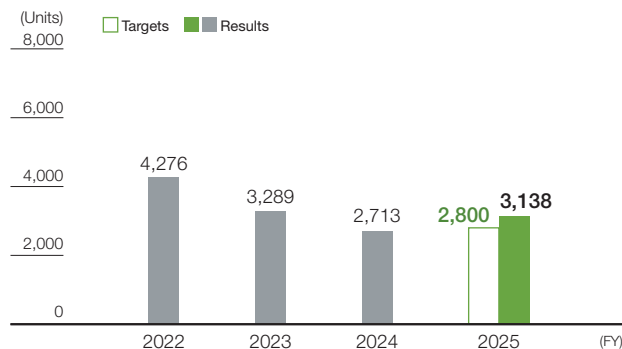
Supplementary explanation

- Disposable plastics are those that are not designed for repeated use, or those that are discarded after one or a few uses, or those that the Company distributes only once, leaving the repeated use to the user, and have a high risk of being released at the distribution site.
- For novelty and promotional goods, efforts will be taken to not use packaging or consideration given to using packaging other than disposable plastic.
- Plastic bags and polyethylene terephthalate (PET) bottles that fall under the Containers and Packaging Recycling Law should be collected appropriately so that they are not released into the environment, and efforts should be made to recycle them according to the sorted collection system of each municipality. In addition, the company will encourage resource recycling and weight reduction efforts for containers and packaging, etc., in response to societal demands.

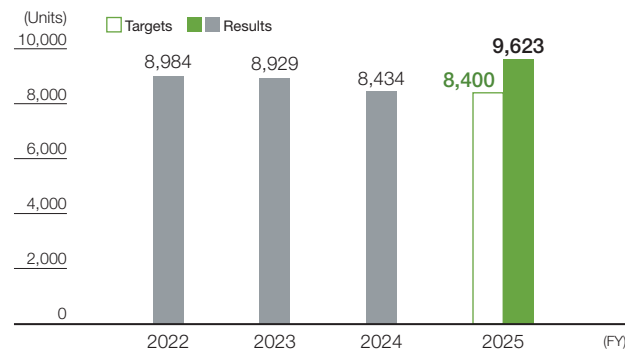
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(6) Challenge ZERO Waste and Reuse

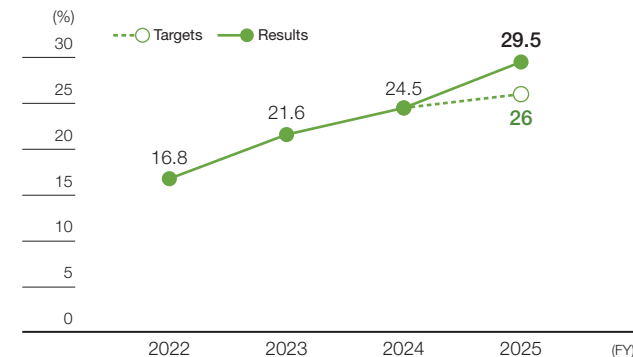
■ Number of assets subject to effective use



■ Number of buildings subject to durability extension



■ Recycling rate of waste plastics material [Manufacturing]



Calculation method and scope of coverage of environmental data

■ Number of assets subject to effective use

◇ Overview

The number of buying single-family houses and rental houses for purchase and sale them and mediating purchase and sales of them in Japan is calculated.

◇ Scope of coverage

Target	Scope of coverage
Daiwa House Industry	The number of buying single-family houses and rental houses for purchase and sale them and mediating purchase and sales of them in Japan
Daiwa House Real Estate	
Daiwa LifeNext	

◇ Calculation formula

Number of assets subject to effective use (No.)
= Purchase for purchase and sale (No.) + Mediating purchases and sales (No.)

■ Number of buildings subject to durability extension

◇ Overview

We calculate the number of construction projects required to extend the warranty periods with respect to "structural strength," "prevention of rainwater infiltration," and "termite protection" for domestic single-family houses and rental housing constructed by the Company, as well as the number of other domestic seismic reinforcement and waterproofing projects.

◇ Scope of coverage

Target	Scope of coverage
Daiwa House Reform	Work to extend the warranty periods on existing single-family houses and rental housing constructed by the Company in Japan, and other work related to seismic reinforcement and waterproofing of existing single-family houses and rental housing in Japan
Daiwa House Chintai Reform	
Daiwa LifeNext	

◇ Calculation formula

Number of buildings subject to durability extension (No.)
= Number of construction projects for warranty extension (No.)
+ Number of other construction projects than those for warranty extension related to seismic reinforcement and waterproofing (No.)

■ Recycling rate of waste plastics material [Manufacturing]

◇ Overview

The recycling rate of waste plastics material byproducts from the manufacturing sector is calculated on a weight basis. RPF (Refuse derived paper and plastics densified fuel) is not considered recycled waste plastics material.

◇ Scope of coverage

Target	Scope of coverage
Daiwa House Industry	Waste plastics discharged in the production process at domestic factories and waste plastics discharged at the Company's construction sites of new single-family houses and apartment complexes (collected by the Factory Depot system)
Daiwa Lease	Waste plastics discharged in the production process of domestic factories
DesignArc	Waste plastics discharged in the production process of domestic factories

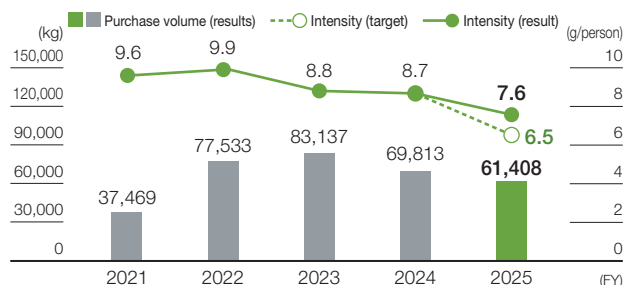
◇ Calculation formula

Recycling rate of waste plastics material (%)
= Amount of recycled plastic waste and valuable resources (kg)
÷ Total amount of discharged plastic waste and valuable resources (kg)

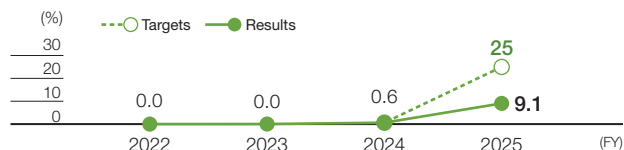
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(6) Challenge ZERO Waste and Reuse

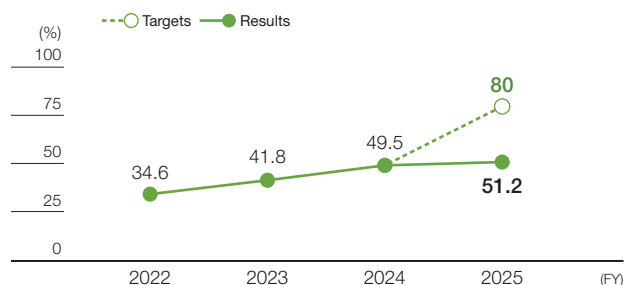
■ Purchase amount and intensity of amenities that are plastic-containing products specified in law [hotels]



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



■ Setting rate of zero waste emissions targets by principal suppliers



Materials

■ Paper consumption

	2022	2023	2024	2025
Daiwa House Industry	662	590	553	392

Unit: t

■ Steel consumption

	2022	2023	2024	2025
Daiwa House Industry	179,566	176,867	162,406	167,186

Unit: t

Calculation method and scope of coverage of environmental data

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

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

◇ Overview

Of the five single-use plastic amenity products that are designated as specified plastic products for the lodging industry under the Plastic Resource Circulation Act, we calculated the intensity reduction rate per guest (compared to FY2021) and the recycling rate for the products that are distributed free of charge at our domestic sites.

◇ Scope of coverage

Target	Scope of coverage
Nishiwaki Royal Hotel	Single-use products among the five products (hairbrushes, combs, razors, shower caps, and toothbrushes) designated as products using specified plastics, which will be distributed free of charge at domestic bases.
Daiwa House Realty Management	
Housing Complex Business Division (Daiwa Living)	

* For the Company's Housing Complex Business Division (Daiwa Living), results through December 2025 have been included in the calculation.

◇ Calculation formula

Annual purchases intensity of amenities that are plastic-containing products specified in law (g/person)
= $\frac{\sum (\text{annual purchases of amenities that are plastic-containing products specified in law})}{\sum (\text{annual number of overnight guests})}$
Recycling rate of amenities that are plastic-containing products specified in law (%)
= $\frac{\sum (\text{weight of recycled amenities that are plastic-containing products specified in law})}{\sum (\text{weight of annual purchases of amenities that are plastic-containing products specified in law})}$

■ Setting rate of zero waste emissions targets by principal suppliers

◇ Overview

The zero waste emission target rates by principal suppliers are set based on data from the following principal suppliers: The Trillion Club, which supplies our materials and the Setсуwa Club, which supplies our facility equipment, as well as Fujita Corporation's sources of procurement.

◇ Scope of coverage

Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (88 companies)
Daiwa House Industry (The Setсуwa Club)	Companies with membership in the Setсуwa Club, excluding sales companies and those with less than 100 employees (94 companies)
Fujita	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

◇ Calculation formula

Zero waste emissions target setting rate (%)

= $\frac{\text{Number of principal suppliers that have set zero emission targets}^*}{\text{Number of principal suppliers}}$

* Targets set for zero emissions or recycling rate of 99% or higher (includes targets already achieved)

■ Paper consumption

◇ Overview

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

◇ Calculation formula

Paper consumption (t)
= $\sum (\text{Purchased paper per type (m}^2\text{)} \times \text{weight per unit area (t/m}^2\text{)})$

◇ Scope of coverage

Segment	Target	Scope of coverage
Office work	Daiwa House Industry	All offices (Head Office, branches, offices, sales offices) and research centers in Japan

■ Steel consumption

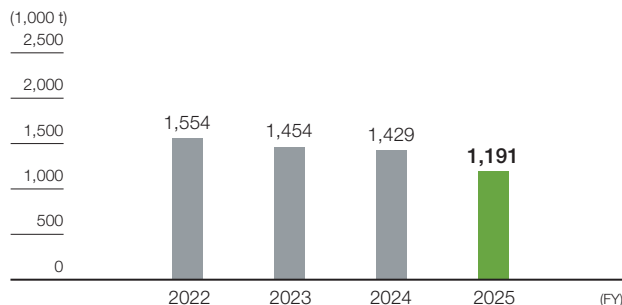
◇ Scope of coverage

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

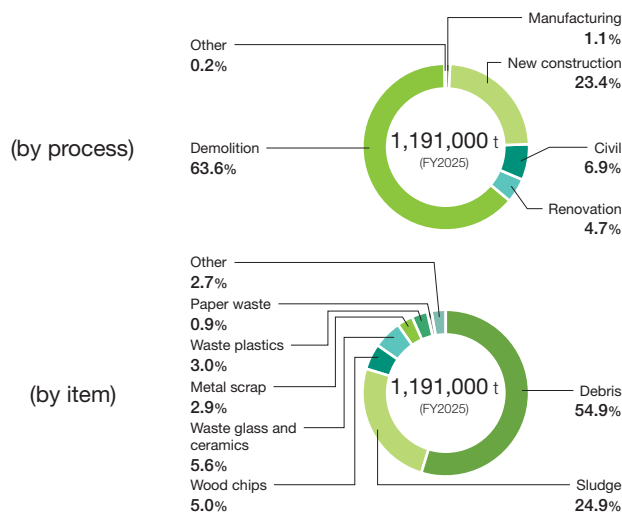
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Construction waste emissions, Recycling rates

Overall Construction waste emissions



Overall Breakdown of construction waste emissions



Overall Construction waste emissions (by process)

Unit: 1,000 t

	2022	2023	2024	2025
Manufacturing	15	15	14	14
New construction	286	288	310	279
Civil	161	131	89	82
Renovation	49	46	57	56
Demolition	1,040	972	956	757
Other	3	2	2	2

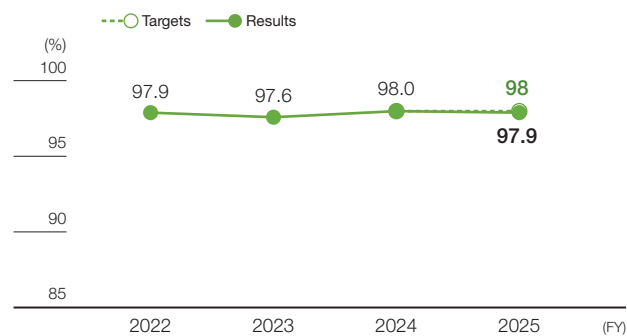
* The classification method per stage was partly changed in FY2022.

Overall Construction waste emissions (by item)

Unit: 1,000 t

	2022	2023	2024	2025
Debris	848	780	800	655
Sludge	360	378	345	297
Wood chips	98	89	75	60
Waste glass and ceramics	88	85	79	67
Metal scrap	47	33	42	35
Waste plastics	39	38	37	36
Paper waste	13	11	11	10
Other	59	39	39	32

Overall Recycling rate of construction waste



Overall Recycling rate of construction waste (by treatment)

Unit: %

	2022	2023	2024	2025
Recycling				
Material recycling	93.9	94.7	95.8	94.9
Thermal recycling	3.0	2.9	2.2	2.9
Neutralization treatment	1.0	0.0	0.1	0.1
Final disposal				
Simple incineration	0.0	0.0	0.0	0.0
Landfill	2.1	2.4	1.9	2.0

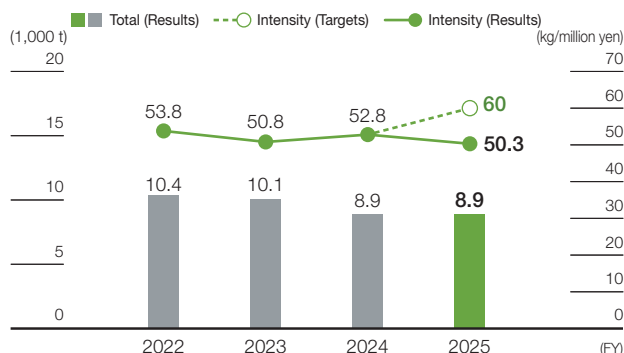
Overall Specially controlled industrial waste emissions (Daiwa House Industry)

Unit: t

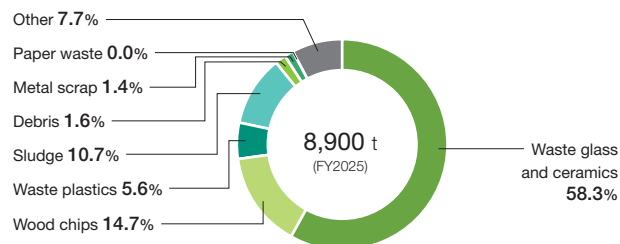
	2022	2023	2024	2025
Combustible waste oil	118.67	111.27	96.03	82.11
Corrosive waste acid, waste alkali	32.84	29.53	17.75	34.79
Specified hazardous industrial waste (e.g. waste asbestos, waste PCB)	95.38	47.91	115.59	212.31

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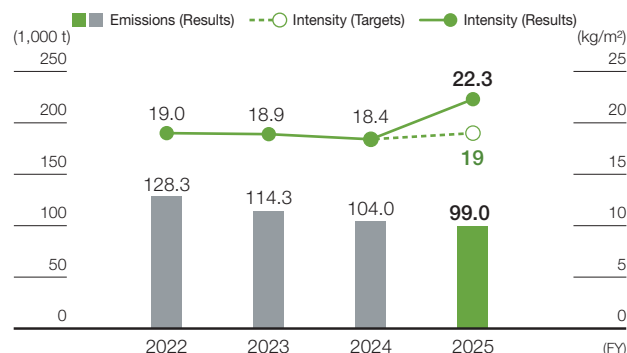
Manufacturing Construction waste emissions and intensity



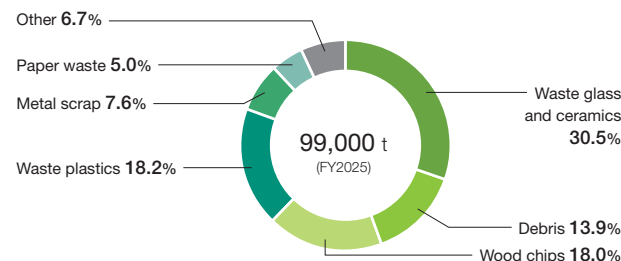
Manufacturing Breakdown of Construction waste emissions (by item)



New construction Construction waste emissions and intensity



New construction Breakdown of Construction waste emissions (by item)



Number of Long-Life Quality Housing Certification acquired

Number of Long-Life Quality Housing Certification acquired

Unit: Units		
Name of certification	2024	2025
Long-Life Quality Housing Certification	4,133	4,349

Calculation method and scope of coverage of environmental data

Number of Long-Life Quality Housing Certification acquired

◇ Overview

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

◇ Reporting organizations

Daiwa House Industry

◇ Uses of buildings

Single-family housing

◇ Scope of coverage

Contracted and built-for-sales properties (domestic only)

Calculation method and scope of coverage of environmental data

Construction waste emissions, Recycling rates

◇ Overview

Construction byproducts generated in factories and at construction sites, excluding those that have been sold as valuable resources, are defined as "construction waste." Construction waste is defined as waste generated from the start of construction to the completion of the projects that were completed during the fiscal year. Furthermore, "construction-generated soil" and "construction sludge" accompanying ground preparation are excluded from calculations of "construction waste." In addition, the total "sales" of each factory are used as the intensity denominator of the production division of the manufacturing segment, and the total "floor area" of each site is used as the basic denominator of the construction segment.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Group	All production sites in Japan
New construction	Daiwa House Group	All new construction sites in Japan
Civil	Fujita	All civil engineering sites in Japan
Renovation	Daiwa House Group	All renovation sites in Japan (except for some small-scale sites)
Demolition	Daiwa House Group	All demolition sites in Japan

◇ Calculation formula (Emissions)

Manufacturing Construction waste emissions (t)
= (Construction byproducts generated (t)
– Sales of valuable resources (t))

New construction Construction waste emissions (t)
= Construction byproducts generated (t)
– Sales of valuable resources (t)
– Construction sludge generated (t)

◇ Calculation formula (Intensity)

Manufacturing Intensity (kg/million yen)
= Construction waste emissions (kg) ÷ Factory sales (million yen)

New construction Intensity (kg/m²)
= Construction waste emissions (kg) ÷ Floor area (m²)

◇ Calculation formula (Recycling rate)

Recycling rate of construction waste (%)
= (Amount of material recycled (t) + Amount thermally recycled (t)
+ Neutralization treatment amount (t)) ÷ Construction waste emissions (t)

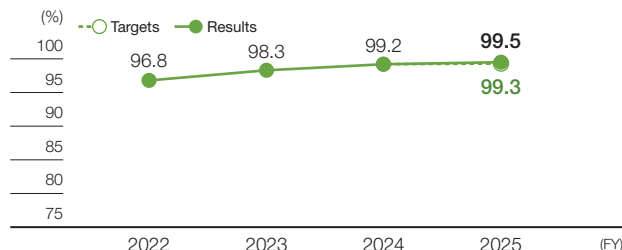
Note: Construction sludge is included in the calculation of the recycling rate.

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(7) Challenge ZERO Water-Associated Risks

Water-saving device adoption rate

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



■ Water-saving device adoption rate by department (FY2025)

Department	Adoption rate
Single-family housing business	100%
Rental housing business	99.8%
Existing homes business	100%
Condominium business	100%
Commercial and office buildings business*	96.1%

* Only the hotel and residential care facilities

Calculation method and scope of coverage of
environmental data

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

◇ Overview

We consider the adoption rate to be the rate of water-saving devices installed in the bathroom showers, kitchens and toilets of the single-family housing, rental housing, condominiums, hotels, residential care facilities, and existing homes business we have provided to customers.

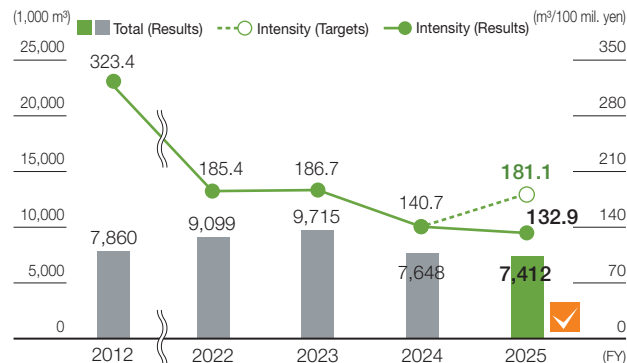
◇ Calculation formula

Water-saving equipment adoption rate (%)
= $\frac{\sum \text{[No. of installed water-saving equipment (showers + kitchen faucets + toilets)]}}{\sum \text{[No. of relevant facilities installed (showers + kitchen faucets + toilets)]}}$
Water-saving equipment: Building energy consumption performance standards:
Hot water-saving A1, Hot water-saving B1
The Japan Valve Manufacturers' Association's voluntary standards: Hot water-saving A, Hot water-saving B
Water-saving faucets in the low-carbon building certification standards

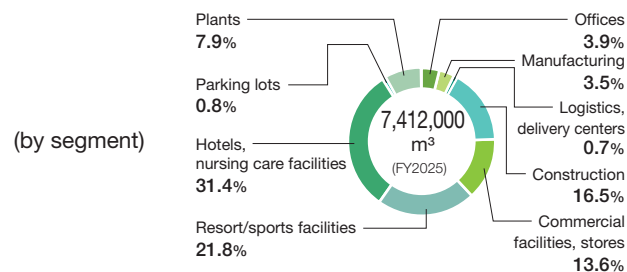
Segment	Target	Scope of coverage
Single-family housing business	Daiwa House Industry	All properties in Japan
Rental housing business	Daiwa House Industry	All properties in Japan
Condominium business	Daiwa House Industry	All properties in Japan
Commercial and office buildings business	Daiwa House Industry,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

Water consumption

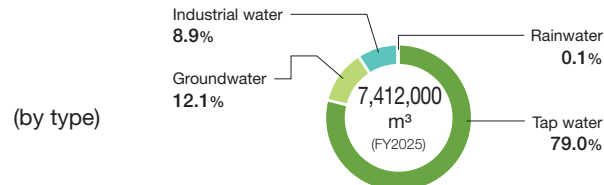
■ Trend in water consumption (water intake) and intensity



■ Breakdown of water consumption (water intake)



(by segment)



(by type)

■ Water consumption (water intake) (by segment)

	2022	2023	2024	2025
Offices	266	289	295	287
Manufacturing	292	273	254	256
Logistics, delivery centers	31	64	44	55
Construction	1,587	1,276	1,702	1,225
Commercial facilities, stores	1,090	1,070	1,002	1,006
Resort/sports facilities	3,826	2,193	1,714	1,612
Hotels, nursing care facilities	2,007	2,426	2,231	2,325
Parking lots	0.4	0	12	58
Plants	—	2,124	394	587

Unit: 1,000 m³

■ Water consumption (water intake) (by type)

	2022	2023	2024	2025
Tap water	7,458	6,471	6,197	5,853
Groundwater	1,448	955	796	893
Recycled water	31	2	—	—
Industrial water	161	2,283	651	660
Rainwater	3	5	5	6

Unit: 1,000 m³

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

	2022	2023	2024	2025
Japan	8,900	9,459	7,348	7,139
Outside Japan	199	257	300	273

Unit: 1,000 m³

Calculation method and scope of coverage of
environmental data

■ Water consumption (water intake)

◇ Overview

This represents the total annual water consumption from the water supply, groundwater, industrial-use water, recycled water and rainwater, and is calculated based on purchasing data at each location (from measurements when purchasing data is unavailable). For the construction segment, we estimate the total consumption by multiplying the water usage for the sales floor area as determined by a sample survey of the sales floor area during the counting period.

◇ Scope of coverage

Same as the scope of coverage of "GHG Emissions, Energy Use, and Electricity Consumption" on p. 167.

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Water conservation measures at each facility (FY2025)

Segment	Company name	Scale	Water conservation
Hotels	Daiwa House Realty Management	7 facilities	Replacement with wall-mounted thermostat faucets that shut off water at set volumes
Resort hotels	Nishiwaki Royal Hotel	1 facility	Reduction of the load on cooling towers through air conditioning equipment upgrades
Sports facilities	Sports Club NAS	2 stores	Adoption of shower water-saving systems
Manufacturing	Daiwa Lease	2 factories	Adoption of self-contained high-pressure cleaners
		1 factory	Upgrades to water-saving toilets
		4 factories	Installation of rainwater tanks
Commercial facilities, stores	Royal Home Center	1 store	Installation of water-saving components

Drainage discharge

Drainage discharge (by point of discharge) (Japan)

Unit: 1,000 m³

	2022	2023	2024	2025
Rivers and lakes	900	491	360	376
Brackish water intake source/sea	360	941	251	272
Sewer system	5,603	5,245	4,905	5,017
Discharge to other organizations	—	—	—	—
Total	6,863	6,677	5,517	5,665

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

Unit: 1,000 m³

	2022	2023	2024	2025
Rivers and lakes	0	0	0	0
Brackish water intake source/sea	—	—	—	—
Sewer system	40	133	295	643
Discharge to other organizations	0	0	0	0
Total	40	133	295	644

Water consumption

Unit: 1,000 m³

	2022	2023	2024	2025
Total	2,196	2,905	1,837	1,103

Water quality

BOD (biochemical oxygen demand)

Unit: t

	2022	2023	2024	2025
Total	0.172*	0.167	0.220*	0.237

* Figures have been corrected due to errors in the aggregations for FY2022 and FY2024.

Water data for key sites located in water risk areas* (FY2025)



		Unit	Daiwa House Industry		
			Tochigi Ninomiya Factory	Nara Factory	Osaka Head Office
Water intake	Total amount	m ³	67,261	21,097	39,452
	Drainage discharge	m ³	32,656	21,012	31,152
Wastewater concentration (maximum value for the current FY)	pH		7.8	6.9	—
	BOD	mg/L	2.0	12.0	—
	COD	mg/L	4.8	10.0	—
	Suspended solids	mg/L	1.2	22.0	—
	Normal hexane extracted substance content [mineral oil]	mg/L	ND	ND	—
	Normal hexane extracted substance content [animal and vegetable oils]	mg/L	ND	ND	—
	Phenols content	mg/L	ND	—	—
	Copper content	mg/L	ND	—	—
	Zinc content	mg/L	0.03	0.18	—
	Soluble iron content	mg/L	0.03	0.13	—
	Soluble manganese content	mg/L	ND	0.01	—
	Chromium content	mg/L	ND	—	—
	Coliform group count	pcs/cm ³	ND	—	—
	Nitrogen content	mg/L	5.7	20.0	—
	Phosphorus content	mg/L	0.3	0.9	—
	Boron and its compounds	mg/L	ND	ND	—
	Fluorine and its compounds	mg/L	ND	ND	—
	Ammonia, ammonium compounds, nitrite compounds, nitrate compounds	mg/L	5.4	17.0	—
	Lead	mg/L	ND	—	—
	Arsenic	mg/L	ND	—	—
	Hexavalent chromium	mg/L	ND	ND	—

* Inundation areas on hazard maps

—: No measurement is required.

ND: Below the lower limit of determination

Calculation method and scope of coverage of environmental data

Drainage discharge

◇ Overview

The total annual wastewater discharged to rivers and lakes, blackish water intake sources/seas, sewers, and other organizations. The amount is calculated based on measured data at each site, purchasing data, and, in the absence of data, estimates based on water intake. For the construction segment, all water used is assumed to evaporate or percolate into the ground, and the amount of wastewater discharged is assumed to be zero.

Water consumption

◇ Overview

Calculated by subtracting drainage discharge from water intake.

◇ Scope of coverage

Same as the scope of coverage of "GHG Emissions, Energy Use, and Electricity Consumption" on p. 167.

BOD (biochemical oxygen demand)

◇ Overview

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

◇ Scope of coverage

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

Water data for key sites located in water risk areas

◇ Overview

We measure water intake, wastewater discharge, and wastewater concentration at each site (the maximum value for the current FY) at our factories and the Osaka Head Office building located in water risk areas.

◇ Scope of coverage

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

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

Water recycling

Water recycling in each facility (FY2025)

Facility name	Recycling method	Recycled water volume (Recycling rate)
Daiwa House Industry Osaka Head Office	Reusing wastewater from air conditioners, etc. and rainwater for washing toilets after treating them for recycling.	5,435 m ³ (12.1%)
Hibikinada Thermal Power Station	Recycling of boiler coolant water	569,740 m ³ (49.3%)

Number of regulatory violations concerning water

Number of regulatory violations concerning water

Unit: Units

	2022	2023	2024	2025
Number of violations	0	0	0	0

Calculation method and scope of coverage of environmental data

Number of regulatory violations concerning water

◇ Overview

Wastewater is regularly measured for its quality at Daiwa House Industry factories. The results state the number of cases for which we received fines, penalties, and injunctions for exceeding and violating the control values for laws and bylaws.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Industry	Total of 9 production sites in Japan

Water-related costs

Costs related to water risk (FY2025)

Unit: 1,000 yen

(1) Water and sewage system charges, industrial water fees, groundwater charges, hot spring fees, and other operating expenses	1,938,981
(2) Costs for water resource conservation measures	148,481

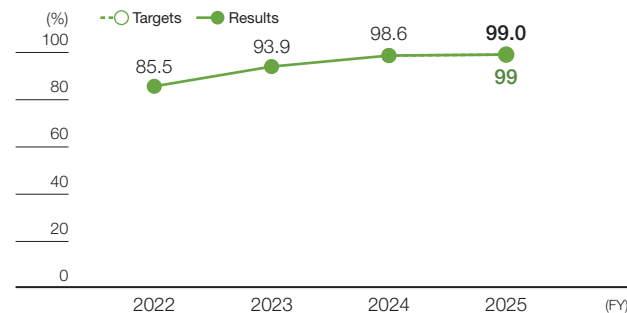
Investments in R&D to mitigate water-related risk (FY2025)

Unit: 1,000 yen

R&D for rainwater gardens	18,000
R&D for sewerage	68,000
R&D for organic wastewater	4,550
Membership fees for water-related academic societies, etc.	713

Investigation of water-related risks

Implementation rate of water risk surveys by principal suppliers



Calculation method and scope of coverage of environmental data

Implementation rate of water risk surveys by principal suppliers

◇ Overview

In order to identify water risks (water depletion, water pollution, water damage, etc.) in the supply chain and implement countermeasures, the following are surveyed [Survey targets]

Water intake, wastewater discharge, water-related issues, legal compliance status, water targets, results of hazard map checks at suppliers' domestic plants and status of water damage and countermeasures, results of assessment by the assessment tool Water Risk Filter for overseas plants, water-related issues, and improvement plans

◇ Scope of coverage

Target	Scope of coverage
Daiwa House Industry (The Trillion Club)	Among sources of centralized purchasing, approx. 90% of companies with the top transaction amounts (88 companies)
Daiwa House Industry (The Setсуwa Club)	Companies with membership in the Setсуwa Club, excluding sales companies and those with less than 100 employees (94 companies)
Fujita	Companies that account for 2/3 of materials purchases of major construction types (25 companies)

◇ Calculation formula

Percentage of principal suppliers subject to water risk survey (%)
= Number of suppliers that responded to the water risk survey (cumulative)
÷ Number of principal suppliers.

Results of Comprehensive Water Risk Assessment at Group Facilities

Segment	Country	Unit	Risk level*1				
			(Low) 1	2	3	4	(High) 5
Factories	Japan	locations	7	18	—	—	—
Golf courses	Japan	locations	—	10	—	—	—
Total water consumption for each risk level*2			1,000 m ³	4.5	461.1	—	—

*1 For total risk for all areas, including the status of drought, flood, water quality, and biodiversity services for factories and golf courses, we confirmed Basin Risk for 2025 and Operational Risk for 2022 in Water Risk Filter 6.0, developed by WWF and DEG.

Risk levels. 1: Very low risk, 2: Low risk, 3: Moderate risk, 4: High risk, 5: Very high risk

*2 As of end of March, 2026

Water Usage in Water Stress Areas (Water Intake)

Water stress		Total	Business sites, etc.	Hotels	Construction
High (40-80%)	Number of sites	4	3	0	1
	Water intake (1,000 m ³)	3.1	2.0	0.0	1.1
Extremely High (>80%)	Number of sites	7	5	1	1
	Water intake (1,000 m ³)	49.3	8.8	26.4	14.1
Water stress area total	Water intake (1,000 m ³)	52.3	10.8	26.4	15.1
	Percentage of total water intake	0.7%			
Group water intake (1,000 m ³)		7,412			

Sites in water stress areas with water intake of over 10,000 m³: 1 site (hotel in Mexico). For 28 overseas business sites, commercial facilities and hotels in FY2025 for which there were water consumption reports, confirmed with WRI Aqueduct 4.0. For construction, we confirmed with Aqueduct 4.0 Country Rankings for countries where 11 overseas management bases are located and listed the number of management bases.

Water risk assessment results in timber-producing countries

	Japan	China	Finland	Indonesia	Sweden	Other 20 countries	Other 2 countries	Unknown (recycled materials, etc.)
Ratio of procured timber	29.3%	18.9%	17.8%	5.6%	2.9%	8.5%	0.5%	16.4%
Risk level	Present	1	2	0	2	0		
	2030	1	2	0	2	0		
	2050	1	2	0	2	0		
	2080	1	2	1	2	0		

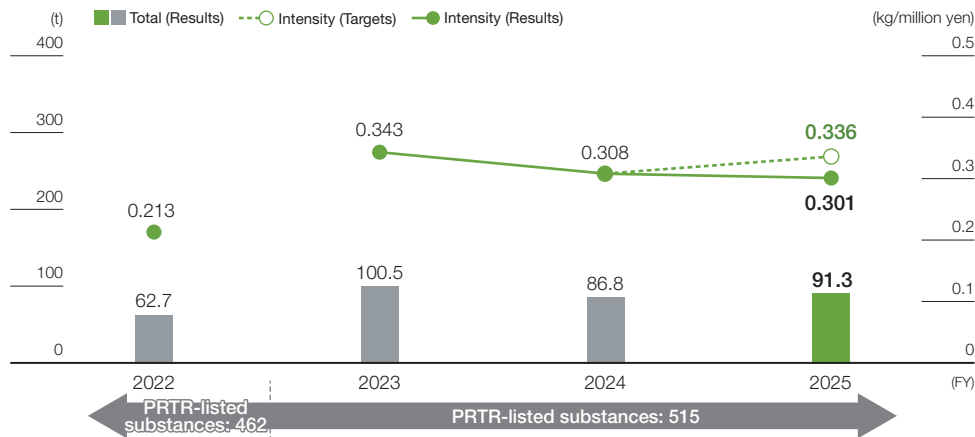
For water stress in countries producing procured timber for FY2025, we made evaluations with Aqueduct 4.0 Current and Future Country Rankings
Risk levels. 0: low, 1: low to medium, 2: medium to high, 3: high, 4: very high

Environmental Data | Prevention of chemical pollution

Business operations

Release and transfer of PRTR-listed substances

■ Release and transfer of PRTR-listed substances and intensity



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

Breakdown by segment	2022	2023	2024	2025
Daiwa House Industry (housing)	17.6	54.5	40.9	48.1
Daiwa House Industry (construction)	8.7	12.4	15.9	12.4
Daiwa Lease	16.6	13.9	12.8	13.4
DesignArc	5.6	4.1	3.0	2.4

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

Breakdown by segment	2022	2023	2024	2025
Daiwa House Industry (housing)	9.1	10.5	8.8	9.0
Daiwa House Industry (construction)	4.7	4.8	5.1	5.6
Daiwa Lease	0.4	0.4	0.4	0.3
DesignArc	0.0	0.0	0.0	0.0

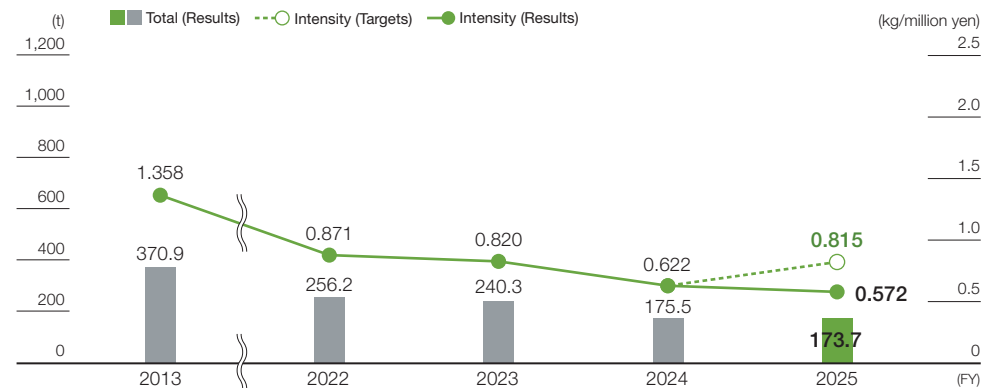
* PRTR-listed substances for fiscal 2023 were revised following amendments to the PRTR Law.

For fiscal 2022, release and transfer quantities for PRTR-listed substances (462) were calculated based on the PRTR Law prior to amendments.

For fiscal 2023, 2024, and 2025 release and transfer quantities for PRTR-listed substances (515) were calculated based on the revised PRTR Law.

VOC emissions

■ VOC emissions and intensity



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

Breakdown by segment	2022	2023	2024	2025
Daiwa House Industry (housing)	118.4	110.9	77.8	87.6
Daiwa House Industry (construction)	32.0	21.8	30.3	28.8
Daiwa Lease	96.7	100.6	62.2	53.0
DesignArc	9.1	7.0	5.2	4.3

■ NOx and SOx emissions in the manufacturing phase

	2022	2023	2024	2025
NOx emissions	0.14	0.16	0.11	0.10
SOx emissions	—	0.0	—	—

Environmental Data | Prevention of chemical pollution

Material balance of PRTR-listed substances

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

Unit: kg

Category name	Amount handled	Amount consumed	Amount transferred			Emissions			Amount subjected to chemical removal processes
			Total transferred to sewer	Amount of (waste) transferred out of our business sites	Total amount transferred	Emissions into the atmosphere	Discharged to public water bodies	Total emissions	
Manganese and its compounds (compound group)	36,641	25,927	—	9,470	9,470	1,244	—	1,244	—
Ethylene glycol monobutyl ether	30,834	—	—	462	462	30,372	—	30,372	—
Trimethylbenzene (compound group)	16,384	—	—	243	243	16,083	—	16,083	59
Xylene (compound group)	10,750	—	—	144	144	10,541	—	10,541	65
Methylenebis (4,1-phenylene) = diisocyanate	7,325	7,280	—	45	45	—	—	—	—
Ethylbenzene	6,283	—	—	85	85	6,189	—	6,189	10
Water-soluble zinc compounds (compound group)	5,382	4,229	17	1,027	1,044	—	108	108	—
Toluene	5,130	—	—	68	68	4,939	—	4,939	124
Molybdenum and its compounds (compound group)	2,934	1,733	—	1,201	1,201	—	—	—	—
Methyl isobutyl ketone	2,556	—	—	38	38	2,518	—	2,518	—
Polymethylenepolyphenyl polyisocyanate	1,411	544	—	21	21	846	—	846	—
Cumene	1,387	—	—	21	21	1,366	—	1,366	—
N-Methyl-2-pyrrolidone (NMP)	1,110	—	—	17	17	1,093	—	1,093	—
49 other substances	4,566	1,076	—	2,062	2,062	804	271	1,076	352
Grand total	132,695	40,792	17	14,902	14,920	75,995	380	76,375	609


[Supply Chain Sustainability Guidelines](#)

Calculation method and scope of coverage of environmental data

■ Release and transfer of PRTR-listed substances and intensity

◇ Overview

Purchasing data at each site is used to calculate the amount released/transferred of 515 Class-I Designated Chemical Substances*1 prescribed by the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law).

*1 PRTR-listed substances for fiscal 2023 were revised following amendments to the PRTR Law. In "Release and transfer of PRTR-listed substances and intensity" (P. 184), release and transfer quantities of PRTR-listed substances (462) for fiscal 2022 were calculated based on the PRTR Law prior to amendments. For fiscal 2023, 2024, and 2025 release and transfer quantities for PRTR-listed substances (515) were calculated based on the revised PRTR Law.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Group	All production sites in Japan (Total 29 locations*2)

*2 Factories that are required to make release and transfer registration according to the PRTR law

■ VOC emissions and intensity

◇ Overview

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

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Group	All production sites in Japan (Total 29 locations*)

* Factories that are required to make release and transfer registration according to the PRTR law

■ NOx emissions/ SOx emissions

◇ Overview

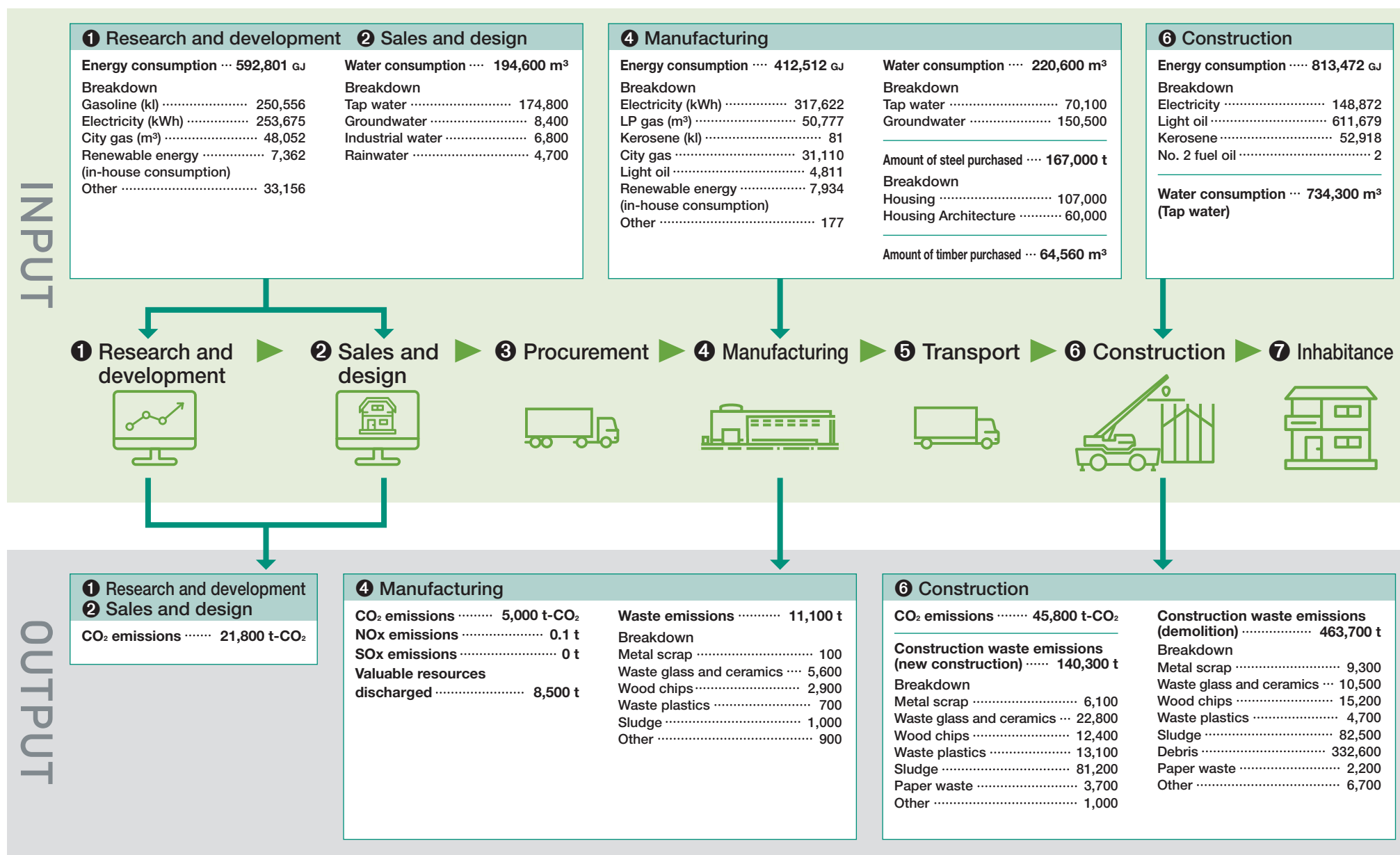
Calculated based on "Environmental Report Guidelines (2018 edition)" by the Ministry of the Environment.

◇ Scope of coverage

Segment	Target	Scope of coverage
Manufacturing	Daiwa House Industry	All production sites in Japan (Total 4 locations*)

* Factories that are included in soot generation facilities specified in the Air Pollution Control Act

Environmental Data | Flow of materials imparting environmental load



Environmental Data | Environmental accounting

① Environmental preservation costs (Amount invested)

Unit: 1,000 yen

Item	Major content	FY2022	FY2023	FY2024	FY2025
		Amount invested			Amount invested
Cost within business area	Cost of measures to control pollution related to air, water, and noise	12,244	8,929	9,493	22,128
	Cost of prevention of global warming (energy efficiency)	32,629	59,217	14,179	79,027
	Cost of waste reduction measures	2,237	5,623	7,668	2,113
	Cost of reducing water consumption	3,345	7,623	2,851	37,061
Upstream/downstream costs	Green purchasing fees, cost of purchasing returnable boxes	88,067	2,315	2,752	3,859
Administrative costs	Environmental education costs, EMS maintenance expenses, etc.	0	58	2,174	107
Total		138,522	83,764	39,116	144,295

② Environmental preservation effects

Effect		Item	Unit	FY2022	FY2023	FY2024	FY2025
Business area	Effect on input resources	Energy consumption, calorie equivalent (production system)	GJ	513,023	447,698	405,634	422,704
		Energy consumption, calorie equivalent (distribution system)	GJ	476,951	470,832	378,350	383,307
	Effect on environmental load and waste	Waste generated	t	12,260	13,146	11,268	11,089
		CO ₂ emissions (production system)	t-CO ₂	6,674	5,851	5,070	4,978
		CO ₂ emissions (distribution system)	t-CO ₂	32,665	32,410	26,047	26,402
		Water resource consumption	m ³	254,384	228,339	207,317	220,640

③ Economic effects of environmental preservation

Unit: 1,000 yen

Content		FY2022	FY2023	FY2024	FY2025
Revenue	Sales of valuable resources*	5,764	1,037	144	582
Cost savings	Cost savings from energy-efficiency efforts	16,736	47,468	13,088	42,383
	Cost savings from waste-reduction efforts	13,858	26,825	17,320	14,405
	Cost savings from water resource reduction efforts	5,451	5,239	4,331	6,480
	Total	41,809	80,569	34,883	63,850

* Revenue obtained from effects of environmental conservation implemented during the fiscal year

Calculation method and scope of coverage of environmental data

■ Flow of materials imparting environmental load

◇ Report period

April 1, 2025 to March 31, 2026

◇ Reporting organizations

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

◇ Scope of coverage

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

◇ Calculation criteria

In addition to "Calculation and Reporting of Environmental Data" on P148 and the calculation methods of environmental data in the previous sections, the criteria include values that are not subject to target management in the Endless Green Program 2026.

■ Environmental accounting

◇ Report period

April 1, 2025 to March 31, 2026

◇ Reporting organizations

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

◇ Scope of coverage

9 factories in total

◇ Referential guidelines

"Environmental Accounting Guidelines 2005 Edition" by the Ministry of the Environment