

CHAPTER

2

Implementation Report

Society

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Long-Term Social Vision

Looking ahead to 2055, which marks the 100th anniversary of Daiwa House Industry's founding, the Group has established its vision for each priority social theme.

We will also clarify our 2035 milestones and promote initiatives aimed at resolving issues related to a broad range of stakeholders.

Priority themes		Stakeholders	Milestones for 2035		Aspirations for 2055
Human capital	Human resources development	Employees	The creation of an environment where employees can autonomously shape their own careers and tackle challenges that transcend organizational boundaries, while also building a talent base that supports business continuity and securing successors for key positions.		Providing appealing opportunities and compensation to the human talent that supports business transformation and growth in the Daiwa House Group, and creation of an organization where employees and the Company grow together through dialogue.
	Motivation and working in comfort	Employees	Employees are physically and mentally healthy, working toward peak performance and high productivity, while also aiming to put in place systems that employees can utilize as they wish.		
	DE&I	Employees	Aiming to create an environment where diversity, including gender, disability, and nationality, functions organically and serves as a source of value creation.		
Compliance		Employees	Business Philosophy	Aiming for zero serious violations of compliance by instilling the Company's business philosophy.	Aiming to be a corporate group in which every employee makes decisions and acts with integrity and fairness, guided by high ethical standards.
			Preventive system	Enhancement of system to prevent compliance violations.	
Local communities		Local residents	Community development	In both urban areas and suburban housing projects, addressing social issues specific to each region and creation of new value to maintain and enhance the appeal of these communities.	Redesigning local communities with a focus on regeneration, circularity, and sustainability.
Occupational health and safety		Business partners	Industrial accidents	Strengthening our health and safety management system with the aim of achieving a frequency rate of less than 0.3 for on-site workplace accidents that result in four or more workdays of lost time at the Group's construction and production sites.	Creation of a comfortable, appealing, and employee-friendly environment that ensures the well-being of all who work at construction and production sites.
			Comfortable work environments	Aiming to enhance health and safety measures at construction and production sites, such as with heatstroke prevention, by properly positioning equipment, while also reducing workload and creating a work environment where all can approach their jobs in comfort.	

Long-Term Social Vision

Priority themes	Stakeholders	Milestones for 2035		Aspirations for 2055
CS and quality	Customers	Product quality	Ensuring thorough compliance with internal quality standards and elimination of similar defect cases, and aiming to reduce the lost profit rate (as a percentage of sales) to 0.15% or below, while providing our customers with safe and reliable products.	Consistently providing outstanding products with the aim of maximizing customer satisfaction, and earning trust as a company favored by society.
		Service quality	Through sincere and courteous service and our CS management system, aiming to earn our customers' satisfaction and trust, while also establishing a framework to measure customer loyalty and quantify and visualize true customer satisfaction.	
Supply chain	Suppliers	Strengthening partnerships	Actively listening to suppliers' opinions and requests, identifying areas for improvement, and taking corrective action with the aim of strengthening engagement and preventing compliance violations before they occur.	A resilient supply chain established by building mutually beneficial relationships with suppliers, and securing sustainable procurement practices and key players.
		Promoting CSR procurement through collaboration with supplier companies	Establishing a state in which the CSR procurement policy, the "Supplier Code of Conduct," is firmly established among supplier companies, and where they independently comply with and work to improve their practices in accordance with the Code of Conduct.	
		Establishing an emergency response system	Establishing a system that allows quick confirmation of the safety of technicians at partner contractors in the event of an emergency, while also promptly providing safe and secure housing to local residents.	
		Balancing construction quality and productivity	Utilizing digital transformation (DX) at construction sites to improve productivity and ensure quality.	
		Evolving into a group of skilled professionals capable of handling highly difficult properties	Securing highly skilled technicians and supporting the development of young technicians, aiming to evolve into a high-quality team of skilled workers capable of constructing highly difficult projects.	
Human rights	All	Due diligence	Working to ensure that our human rights due diligence initiatives also become firmly established across Group companies both in and outside Japan, and for Group companies to independently identify the details of any adverse impacts on their operations and implement corrective measures.	Maintaining a high level of awareness among employees regarding respect for human rights, fostering a corporate culture in which words and actions that respect human rights are consistently practiced, and ensuring that the human rights of all individuals engaged in Group business are respected.
		Raising awareness	Continuously implementing human rights education and aiming for an organization that respects the human rights of employees. (Over 80% of employees feel that their dignity is respected.)	
		Access to relief	Through an awareness of our consultation and whistleblowing hotlines, we aim to ensure that employees can use these internal channels at any time to address human rights issues, thereby enabling the early detection and prompt resolution of human rights infringements. (Over a 90% rate of employees making efforts to use consulting and whistleblowing hotlines when they have concerns of human rights issues.)	

Social Action Plan (Endless Social Program)

History of the Action Plan

The Daiwa House Group formulates specific goals and plans, known as the “Endless Social Program (ESP),” roughly every three to five years as we look toward realizing our purpose and vision for each priority theme. Being aligned with the Medium-Term Management Plan timeframe, we promote ESP initiatives.



Linking materialities and the Social Action Plan

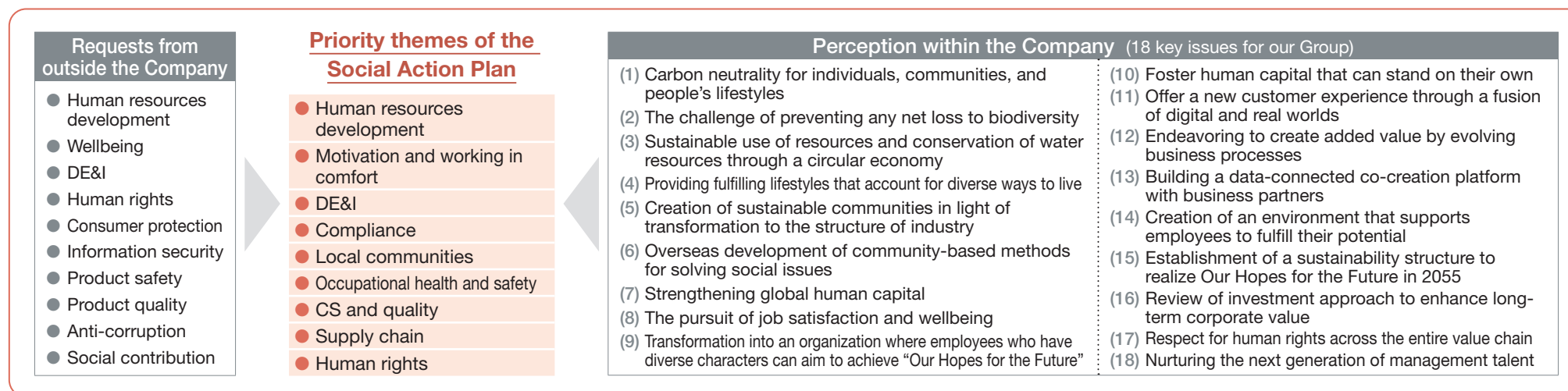
In fiscal 2022, the Daiwa House Group set forth priority issues (materiality) in order to realize Our Hopes for the Future (purpose). As part of this process, we considered what elements would be necessary to realize Our Hopes for the Future (purpose), given the direction of social change as we identified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

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

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

Overall Social Action Plan

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



Social Action Plan (Endless Social Program 2029)

As Endless Social Program 2029 is set to begin in fiscal 2026, fiscal 2025 results are for reference.

The key management metrics for “human capital” (specifically, “human resources development”), “local communities,” “CS and quality,” and “supply chain” are stated on a non-consolidated basis.

Priority themes		Elements	Key management metrics	FY2025 results (reference)	FY2029 targets
Human capital	Human resources development Motivation and working in comfort DE&I	General (KGI)	Productivity per man-hour	—	(Established in FY2026)
			Human capital ROI*1	—	
			Number of projects in the multi-complex business	10	
		Human resources development	Number of applicants for the open recruitment-type system	198	
			Positive response rate for items related to “challenge” and “growth” in the Self-Discovery System	82.1%	
			Succession coverage rate	—	
		Motivation and working in comfort	Presenteeism	—	
			Ratio of childcare leave taken by male employees	77.6%	
		DE&I	Ratio of females in managerial positions (construction industry)*2	—	
Compliance		General (KGI)	Zero serious compliance violations	0	0
		Instilling business philosophy	Rate of compliance training implementation	100%	100%
		Enhancing systems to prevent compliance violations	Ratio of compliance violation prevention measure implementation	100%	100%
Local communities	Community development		Number of development and management projects aimed at solving social issues	Urban areas 9	Urban areas 17
			Number of residential complexes that utilize community management	Suburban areas 10	Suburban areas 14
Occupational health and safety	General (KGI)		Frequency rate of industrial accidents resulting in four or more days of lost time at construction sites	0.39	Less than 0.4
			Frequency rate of industrial accidents resulting in four or more days of lost time at production sites	0.46	Less than 0.45

*1 Planned to be set using a different calculation standard from the Endless Social Program 2026

*2 Planned to designate eligible companies in FY2026

Social Action Plan (Endless Social Program 2029)

As Endless Social Program 2029 is set to begin in fiscal 2026, fiscal 2025 results are for reference.

The key management metrics for “human capital” (specifically, “human resources development”), “local communities,” “CS and quality,” and “supply chain” are stated on a non-consolidated basis.

Priority themes	Elements	Key management metrics	FY2025 results (reference)	FY2029 targets
CS and quality	General (KGI)	Lost profit/sales	0.24%	Less than 0.18%
	Housing solutions Product quality	Construction management and final inspection First time pass rate	78.8%	90%
	Housing solutions Service quality	Overall satisfaction rate (overall response: housing only)	—	95%
	Business solutions Product quality	Free of charge for the current fiscal year AF*1/ sales	0.21%	Less than 0.15%
	Business solutions Service quality	Customer satisfaction rate	—	—
Supply chain	Strengthening partnerships	Business partner questionnaire “Overall Satisfaction in Transactions”	74.3%	77%
	Promoting CSR procurement	Rate of procurement activity implementation by business partners based on key items in the CSR Purchasing Policy “Supplier Code of Conduct” (Key items: “legal compliance,” “human rights and labor,” “stable supply,” and “quality”)	—	100%
	Establishing an emergency response system	Creating a database of business partners’ track records and capabilities in assembling emergency housing	—	Completion of database creation
	Balancing construction quality and productivity	Partner account management system*2 enrollment rate	48%	85%
	Evolving into a group of skilled professionals capable of handling even highly difficult projects	Number of certified technicians in the Technician Career Up System	3,285	8,000
Human rights	General (KGI)	Rate of affirmative responses to questions regarding respect for human rights (in-house survey)	64.3%	72%
	Ongoing implementation of human rights education	Rate of participation in human rights education	96.7%	100%
	Improving access to relief	Rate of affirmative responses to questions regarding access to relief (in-house survey)	72.3%	82.5%

*1 Amount incurred with free post-construction work

*2 A common account management system for accessing systems related to our construction quality



Social Management

Concept and Policy

To realize our vision for priority social themes, the Group formulated its Social Action Plan and promotes sustainability management through a unified, global efforts across the Group, aiming to both address social issues and improve corporate profitability. Based on our action plan, we are enhancing the effectiveness of the PDCA cycle at our business sites by incorporating sustainability activities into performance evaluations.

Social management organization

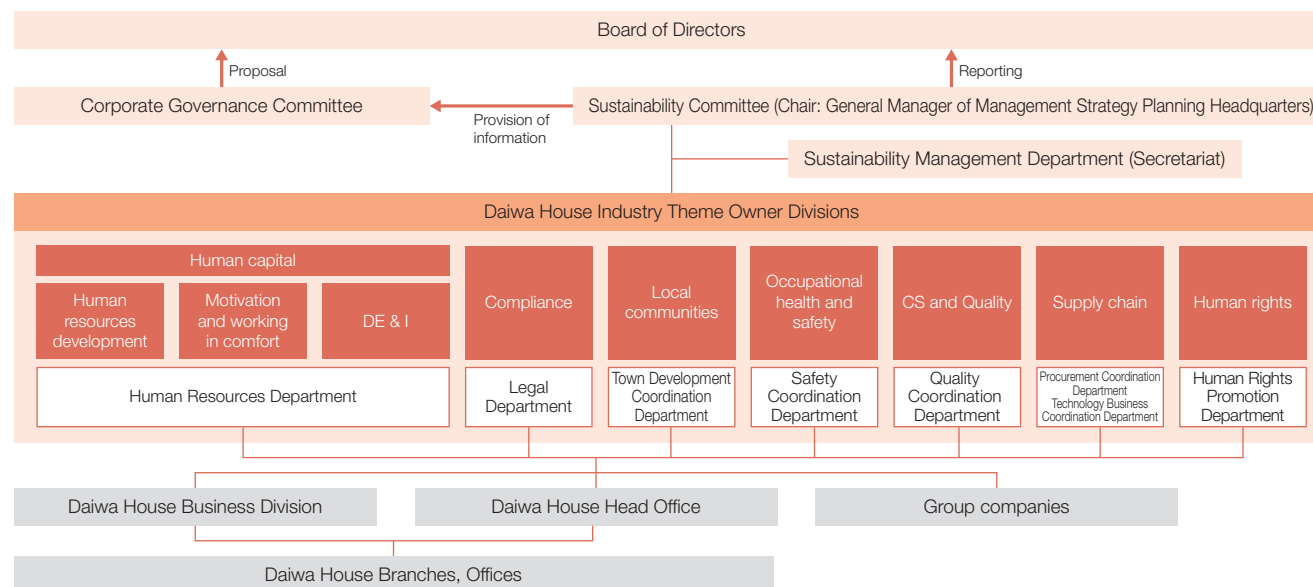
The Sustainability Committee, chaired by the head of the Management Strategy Planning Headquarters (Director and Managing Executive Officer), meets more than twice annually. This committee deliberates on and decides upon important issues to be addressed by the Group, particularly in the area of social responsibility, and directs and oversees Company-wide efforts related to these decisions. In addition, in order to raise the effectiveness of our vision and strategy for medium- and long-term corporate value enhancement, under this organization the Sustainability Committee provides information as necessary to the Corporate Governance Committee. The Corporate Governance Committee, which includes external directors and external auditors, discusses the provided reports from diverse and long term perspectives and makes recommendations to the Board of Directors to facilitate sustainable corporate management. Furthermore, the “Endless Social Program,” being a Social Action Plan formulated alongside the Medium-Term Management Plan, is a key aspect of our sustainability management and is designated as a matter to be reported to the Board of Directors. Once a year, the Sustainability Committee reports on its progress to the Board of Directors, and conducts a timely review of strategy, targets, and plans.

In fiscal 2025, the Board of Directors deliberated on an outline for the formulation of the next Social Action Plan, “Endless Social Program (ESP) 2029.” Regarding priority themes pertaining to human capital, we were instructed to expand the extent of our focus to align with the range of financial information, to promote the implementation of policies and measures across the entire Group, to set long-term goals

for 2035 as milestones for the next decade, and to formulate an action plan using a backcasting approach. Based on the newly formulated ESP2029, the Group will work as one to address

issues facing society in the social domain, while accelerating the enhancement of corporate value and steadily advancing toward the realization of Our Hopes for the Future (purpose).

Social management organization



P120 Corporate governance system

Roles of conference bodies

Conference body	Principal members	Conference frequencies	Principal roles
Board of Directors	Directors, external directors	Annually	Supervision of strategy
Sustainability Committee	General Manager of Management Strategy Planning Headquarters, Executive Officers in charge of priority themes in the environmental and social areas, Head of Head Office function	Over twice annually	Drafting and examining strategy and adopting the final text, managing the progress of the Group management metrics
ESP officer review (Held for each priority theme)	Executive Officers in charge of priority themes, heads of theme owner divisions, heads of KPI owner divisions	Biannually	Implementing strategy, managing the progress of individual management metrics

■ Respect for human rights

Basic policy on respect for human rights

In January 2018, after gaining an understanding of the corporate responsibility to respect human rights set forth in the United Nations Guiding Principles on Business and Human Rights, we established and announced the Daiwa House Group Human Rights Policy. This policy was developed with input from outside experts and has been approved by our Board of Directors.

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

The Company also stipulated the harassment prevention regulations pursuant to revisions in relevant laws in June 2020, and in 2025 formulated its policy pertaining to customer harassment.



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

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

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

• The Supply Chain Sustainability Guidelines

The Group established the Supply Chain Sustainability Guidelines for our business partners, consisting of (1) the Business Partner Code of Conduct, (2) the Corporate Activity Guidelines, and (3) the Guidelines for Products, and requires adherence with standards such as those related to human rights, quality, safety, the environment, and compliance. It also includes our commitment to respect for human rights, in line with the Group’s human rights policy, and explicitly states the prohibition of child labor, forced labor, discrimination, and harassment.



➤ [Supply Chain Sustainability Guidelines](#)

• Timber Procurement Policy to Achieve Zero Deforestation

In 2021, the Group established a “zero deforestation policy” aimed at the elimination of deforestation. In accordance with this policy, we seek to procure timber only from suppliers that handle timber products with due consideration for the rights and safety of indigenous peoples, local residents and workers in the country of origin.



P038 [Zero Deforestation Policy](#)

Management

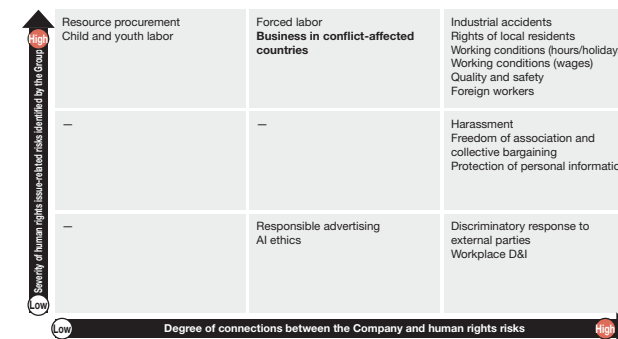
Human rights risk map

As a first step in human rights due diligence, in fiscal 2023 the Company identified and assessed significant human rights risks and developed and published a human rights risk map (domestic edition).

Starting in fiscal 2025, we formed a working group on human rights due diligence comprising multiple Head Office divisions, and expanded the scope of this initiative to include our overseas supply chains. That same year, with the assistance of external experts, we revised our human rights risk map to create a global version. In this way, we can compare general human rights risks related to the Group’s business with potential human rights risks that may arise in light of our future business development, so that we will ascertain the issues that require attention and formulate countermeasures, thereby striving to prevent and mitigate human rights risks in the supply chain for our products and services.

In fiscal 2026, based on the newly developed risk map, which identified foreign workers employed by our contractors and subcontractors as the most significantly affected stakeholder group, and recognizing the increasing number of such workers at our production and construction sites, we launched specific initiatives focused on this group. Looking ahead to future overseas operations, we also plan to expand these initiatives to our overseas sites.

■ Human rights risk map (consolidated; including overseas)



➤ [Sustainability Report 2024](#)

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

Conducting questionnaire survey

In order to identify general human rights risks related to Group business using the human rights risk map and to ascertain the actual state of human rights risks within the Group, we conducted a human rights questionnaire survey covering all employees in fiscal 2024. As a result of comparing response results from 38,638 participants, or about 95% of the total, with the human rights risk map, we determined that “harassment” and “work hours” were key issues. Based on those results, in fiscal 2025, the Company conducted a “human rights focus survey” focusing on “harassment” and “work hours.” We seek to better understand workplace-level trends (personal experiences and instances witnessed) and the factors contributing to long work hours at the workplace level and call for corrective measures and improvements at each workplace. In fiscal 2026, the next fiscal year, we plan to conduct another human rights focus survey to confirm the effectiveness of corrective measures and efforts to make improvements. Through ongoing monitoring, we will carry out human rights due diligence that involves corrective actions and improvements at the workplace level, as well as verification of the effectiveness of those measures.

■ Respect for human rights

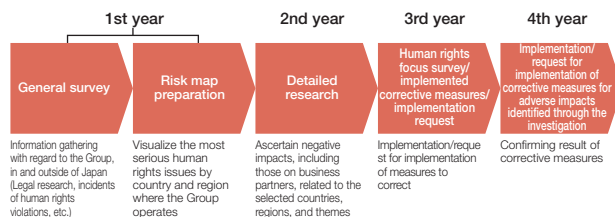
Implementation of human rights due diligence

Under our Social Action Plan (ESP2029), first launched in fiscal 2026, we promote human rights due diligence on a four-year cycle.

As human rights risks evolve over time, we plan to review our human rights risk map every four years and will implement corrective and improvement measures every year through human rights focus surveys and impact assessments* of rights holders. Following that, in line with the risk map review, we plan to once again identify key issues.

* A process for identifying and assessing the adverse impacts of business activities on the human rights of rights holders, and prioritizing responses in accordance with the UN Guiding Principles.

■ Overview of human rights due diligence (consolidated; including overseas)



Structure relating to human rights issues

The Group recognizes the importance of respecting human rights throughout our entire supply chain as well as our own business activities, and has established the Human Rights Promotion Department, which specializes in the day-to-day respect for human rights and is overseen by the General Manager of Management Administration Headquarters (Executive Vice President). In addition, human rights awareness promoters are assigned at our branch offices and Group companies to create a system to immediately respond to and report individual human rights problems. To facilitate access to consultation, harassment prevention staff are appointed as well as the human rights awareness promoters at every branch office in a way that maintains gender diversity to make consultations regarding harassment easier.

The Executive Vice President is designated as the person responsible for human rights issues within our business.

Monitoring is conducted primarily based on information received through various internally established whistleblowing hotlines, and significant matters are referred to the Internal Control Committee for discussion.

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

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

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

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

Fiscal 2025 training gave participants hands on experience of the entire consultation response process, with an introduction to business site harassment prevention training and roleplaying, among other activities. Based on case studies, they gained an understanding of initial response procedures and issues and a deepened understanding of harassment through exercises involving the determination of whether a situation constitutes harassment. The training was held at three venues and drew 136 participants. Feedback from attendees included comments such as, “It was helpful for my work to be able to reflect on and simulate actual counseling sessions,” and “Through

the discussions, I gained a clear understanding of how each person's feelings and perspectives differ regarding counseling cases, and I realize I need to take that into account when handling cases in the future.” We will continue work to improve our ability to handle harassment consultations through regular training sessions that use real-life case studies.

Response to employee harassment issues

・ Whistleblower hotline “Human Rights Hotline”

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

 P129 Various whistleblowing systems, target scope of consultation service, operational procedure

・ Harassment self-check

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

・ Harassment prevention staff

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

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

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

■ Respect for human rights

· Policy regarding customer harassment

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



➤ Policy regarding customer harassment (Japanese text only)

Human rights awareness activities for employees

· Company-wide human rights awareness training

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

In fiscal 2025, the Company held a session titled "Why Study Human Rights?" (attendance rate: 98.5%), in which employees learned about current trends in human rights, and a session titled "Recognize, Protect, Connect—Toward a Workplace Where Everyone Can Work with Peace of Mind (Preventing Sexual Harassment)" (attendance rate: 95.6%), in which employees learned how to respond when a third party witnesses behavior that may constitute sexual harassment. The training was conducted for all employees and part-time employees on indefinite contracts.

· Human rights awareness training for directors

We continuously conduct human rights training for management. In February 2026, we invited an external expert to give a lecture to directors, emphasizing the importance of shifting the perspective in managing subordinates from "management that tries to make people act" to "management that creates an environment where people want to act." All directors participated. (*16 directors responded to the survey.)

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

As part of our job-grade specific training, we conduct systematic and ongoing human rights training for executives, managerial staff, chief staff, and new recruits to ensure that they will fulfill their responsibilities in accordance with their respective roles.

· Human rights awareness training for new recruits

We conduct human rights awareness training via e-learning for employees who have newly entered the Company, and work to raise awareness on basic knowledge with regard to harassment, internal regulations, and consulting hotlines among all employees. In addition, sales staff primarily learn how to prevent complicity in discrimination, while purchasing staff learn how to prevent complicity in human rights violations occurring within the supply chain; by completing these training sessions and passing the confirmation test, they will have acquired knowledge regarding human rights.

· Training for managers

The Company regularly conducts training on harassment for managers. In addition to response records in the event that there is a whistleblowing case, and details with regard to the response given to a whistleblower, we offer training to facilitate whistleblowing by third parties, and that covers penalties in the event a harassment case arises, and other content. To prevent against serious cases, we aim to create an environment where employee concerns can be promptly and easily reported.

· Human rights slogan contest

The Group solicits human rights slogans every year. In the third round of judging, the votes of all employees select the top and outstanding runner-up entries, the authors of which are presented with commemorative gifts. Out of 24,554 entries in fiscal 2025, four top entries and 20 runner-up entries were chosen and displayed on posters throughout the Company during Human Rights Week (December 4 to December 10). Going forward, we will work to raise awareness of human rights through submission of human rights slogans and related voting.

· Response to human rights infringements

In fiscal 2025, among the consultations received through whistleblowing and other channels, as a result of investigations we imposed disciplinary action in 21 cases found to have violated harassment prevention regulations. Taking into account the details of a case and the wishes of the parties involved, we implement measures to prevent recurrence, such as conducting training and follow-up interviews with the parties, as appropriate, depending on the workplace situation.

Response to our employees risky behavior toward business partners

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

· Whistleblowing hotline "Partners Hotline"

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

· Questionnaire surveys for business partners

For the Company's employees to reveal and improve upon issues with our business partners, every year we conduct an anonymous survey of members (4,386 companies) of the Confederation of Partner Companies.

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



P109 Cooperation with business partners

■ Respect for human rights

Response to rights of indigenous people

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

In fiscal 2025, the percentage of wood procured from such high risk areas, excluding certified wood, was 0.3%. We also amend survey items when needed, including high-risk areas based on information obtained from NGOs and forest certification bodies possessing detailed information on logging areas worldwide.

* FPIC: Free, Prior and Informed Consent

Conducting human rights due diligence with sources of centralized purchasing

The Procurement Department undertakes human rights due diligence with all sources of centralized purchasing for housing to prevent risks materializing in supply chains and to prevent their occurrence in the first place.

We conduct a questionnaire survey on human rights, work environment, harassment, foreign workers, and risks in procurement of raw materials, etc., and all surveyed partners (243 companies as of the end of 2025) have responded. We provide feedback on the survey results to all suppliers to raise awareness of human rights. In addition to lectures on the SDGs and carbon neutrality, we provide briefings on human rights due diligence and report on the results during the annual meetings (two separate meetings, in Tokyo and Osaka, respectively) that we hold jointly with our business partners. We strive to raise awareness of human rights issues in supply chains and to prevent risks before they occur.

Measures to protect personal information

Daiwa House Industry fully recognizes the importance of protecting personal information and believes that the proper use and protection of this information not only forms the basis of our business activities, but also represents a key area of our social responsibility. From this perspective, we have established our Privacy Policy and disclose it inside and outside the Company. Based on this policy, we have formulated regulations for the protection of personal information. Having appointed the General Manager of Management Administration Headquarters, a Representative Director, as a personal information management officer, we are working to establish an organizational and personnel-based security management system. Furthermore, all employees undergo training upon joining the Company to ensure they fully understand our approach to personal information protection and our internal regulations. We recognize that personal information is of the utmost importance when using information technologies (IT); therefore, we have implemented a user authentication system, access restrictions, and operational log controls. We also take measures at various levels, including hard disk drive encryption and the detection of illegal external access.

In addition, we designated a person to be responsible for information management, not only for personal information, but for all of the information assets held by the Company, established rules governing the handling of information depending on its importance, and conduct employee training. In fiscal 2025, we invited an external instructor to conduct information security training for our executives. In addition, we reviewed our systems to enable a rapid response in the event of information security incidents, such as the cyberattacks that are increasing around the world, and worked to ensure strict compliance with our policies.



[Privacy Policy](#)

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

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

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

Each branch is in compliance with the agreement that, with the selection of employee representatives, covers overtime and holiday work (Article 36 Agreement), and provides opportunities for dialogue between employees and Company representatives.

■ Securing human resources linked to business strategies

Concept and Policy

To secure the human resources who will lead the Company into the future and build a diverse organization, we are working to recruit a broad range of human resources regardless of age, gender, educational background, or disability, based on a recruitment plan linked to our business strategy and a hiring strategy that flexibly responds to the recruitment market.

For new graduate recruitment, rather than selection based on application forms, we focus on individual interviews. In mid-career recruitment, we aim to secure a wide range of human resources by hiring those who have experience or potential, not only candidates who have a track record in the same industry but also people from different fields. Furthermore, in the belief that handing down technical expertise is essential for stable business continuity, we also place emphasis on the hiring of senior employees.

Management

Strengthening competitiveness in recruitment and securing optimal human resources

• New graduate recruitment

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

• Strategy to recruit young engineers

To sustainably recruit students who are hoping to work in

technical positions, we have implemented recruiting activities whereby alumni and alumnae from schools that wish to bolster hiring form close relationships with students at their alma mater. A recruitment team with three alumni/alumnae of different generations is formed for each school. The purpose of this program is to build relationships with universities and to make the Company more appealing by conducting extensive university visits and student follow-ups.

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

• Mid-career recruitment

The recruitment of human resources who have gained experience at other companies is, we believe, essential to the sustainable growth of the Company from the perspective of ensuring diversity. Given this, we have implemented a referral recruitment program in which we select employees through referrals from our own employees. Referral hiring is a system in which our employees introduce their friends and acquaintances, making it an effective recruitment method from the perspective of high matching rates and retention after employment. In October 2021, we introduced a system to provide a "referral allowance" to employees when their recommended candidates joined the Company as an incentive to all employees to cooperate in referral hiring activities.

Implementing open company internships

The Company holds open company events in person and online during the summer and winter to help participants gain a better understanding of the Company and the various job roles we offer.

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

Assessing suitability through interviews

Employees involved in hiring are kept up to date on the type of candidate the Company seeks to recruit as well as its hiring criteria. In addition, we have introduced AI-based interviews to conduct objective evaluations based on data derived from the talent requirements formulated for each job category. During in-person interviews, we place a high value on qualities such as proactivity and sincerity in building positive relationships with stakeholders, such as customers, business partners, and colleagues. For the students as well, we confirm that they are a good fit for the Company so that there is no mismatch. In this way, we carry out the selection process by dividing assessment roles, namely, between data-driven evaluations and face-to-face evaluations of compatibility.

■ Developing human resources linked to business strategies

Concept and Policy

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

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

To provide a workplace where all employees can thrive, we are implementing reforms to our human resources system that take into account changes in our business strategy and the external environment.

■ Human Resources Development Policy



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

[Daiwa House Group's Hopes for the Future \(purpose\)](#)
(Japanese text only)

P196 [Social Data](#)
Investment in human resource development

Management

Personnel system and promotion system

The Company's employees are either nationwide employees (who are available to work anywhere in Japan) or regional employees (who work only at branches within an area where it is possible to commute from a specific address). Nine grades are set for each respective position in line with their level of knowledge and skill. Grades 1 to 4 are classified as management positions such as department heads, deputy department heads, and managers, while grades 5 to 9 are classified as chiefs and general positions. The level of ability and knowledge required for each grade is clearly defined as competency requirements, and promotions are determined by an examination to assess whether the requirements for the next higher grade have been met. In addition, promotion to Grade 4 requires the acquisition of mandatory licenses specific to the job type and department.

Moreover, the skills and knowhow possessed by senior employees are precious assets for the Company, and in the belief that these should be passed on to the next generation, retirement age is extended. Furthermore, we will establish an evaluation system that ensures employees receive fair evaluations while choosing from a variety of work arrangements, including reduced-hour work schedules.



P087 [Promotion of active roles for the senior generation](#)

P090 [Job location filing system](#)

A dialogue-focused evaluation system

The Company conducts “evaluation and development consultations” designed to clarify role expectations and support employee growth through dialogue between supervisors and subordinates. We have established a once-a-year assessment cycle for individual performance evaluations, and revised our approach to include a year-round review of both results and processes, incorporating medium- and long-term initiatives rather than focusing solely on short-term results. Specifically, at the beginning of the fiscal year, we hold discussions to set goals (goals) expected within the organization. During the fiscal year, we schedule opportunities to review progress and make course adjustments or revise goals as needed. At the end of the fiscal year, we discuss the issues for future growth through feedback on results verification and evaluation results.

In addition, to ensure that goals are fair while also making

them more challenging, we implemented a system that allows evaluators to confirm goals and set their degree of difficulty.

For managerial staff, we promote management that balances individual growth with the achievement of organizational goals through goal-setting and progress reviews, leading to their continued growth as managers.

FA program and internal recruitment system

The Company implements the Free Agent (FA) Program that allows employees to voluntarily transfer to a position or department of their choice.* In fiscal 2025, applications were received from 70 individuals, and 29 of those made it through to the third round of judging and transferred to their preferred job type and division. Internal recruitment seeks out personnel for new businesses and specialized positions such as those in overseas operations, and details are communicated to all employees as necessary through official notices.

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

Employees who have taken advantage of this system have given positive feedback, noting that it allows them to choose their own career paths and tackle new challenges in different fields while leveraging their past experience.

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

Collaborative Training Support System linking business division/Group company

The Human Resources Department holds a Human Resources Development Liaison Council meeting every month, aiming for the sustainable enhancement of educational measures. Training representatives from business divisions and technology divisions share training content and effective methods, and discuss how education should be provided to develop the individuality and capabilities of employees. In addition, the Company's Human Resources Department and the training representatives at each Group company periodically get together and share their thoughts on human resource development in the Group, acquiring knowledge and exchanging information related to such development. In addition, we are strengthening our system for tracking KPIs, such as the amount of investment and time spent in training across all Group companies with the aim of improving human capital.

■ Developing human resources linked to business strategies

Company-wide education (training) system to promote growth

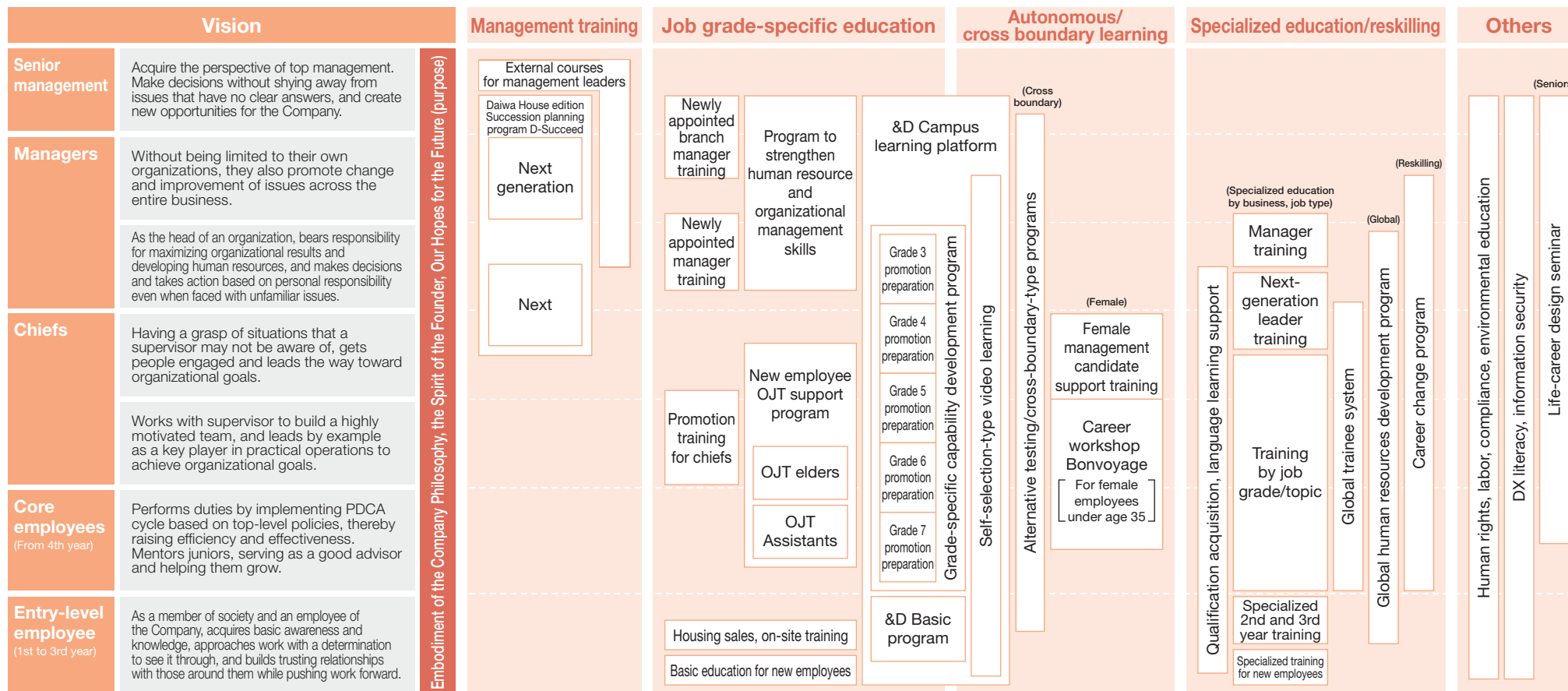
The Company provides job grade- and job type-specific training (including online training) and e-learning programs to help employees acquire the knowledge and skills they need for their duties, to learn about laws and regulations, and raise their awareness of compliance and other risk management issues.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

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



P084 Implementation of the “&D Campus” learning platform

■ Training system



■ Developing human resources linked to business strategies

Implementing succession planning program (D-Succeed)

We adopted the Daiwa House edition of the successor development plan, “D-Succeed,” as a systematic program to continuously, and in a deliberative manner, produce management leaders. Our training and assessment activities are divided into two categories: the “Next Generation,” (generally 40-50 year old candidates) which selects candidates for key positions in sales, engineering, and management, such as branch managers, with a view to their future promotions to the executive class; and “Next,” (generally candidates in their 30s) which selects candidates mainly in their 30s for systematic training as future management personnel. For fiscal 2025, based on recommendations from branch managers and head office department heads, 25 members of the “Next Generation” and 26 members of the “Next” group were selected following a screening process conducted by branch managers who oversee each area, executive officers in charge of the functions in which the candidates are engaged (such as sales, engineering, and administration), and senior management.

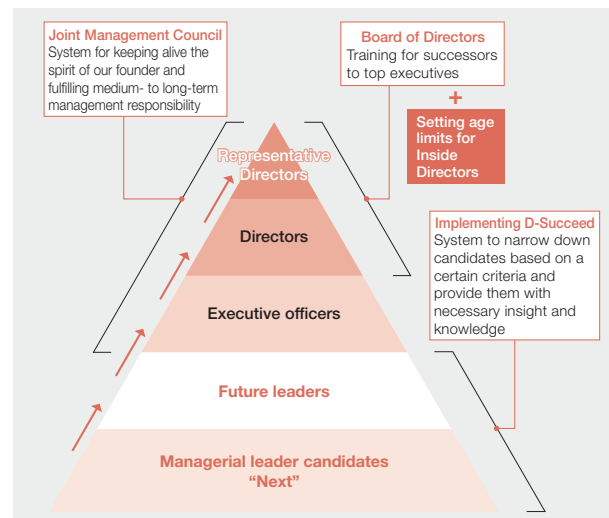
・ Next Generation

This structure is designed to identify, develop, and create a pool of diverse leadership candidates, regardless of job type or gender. Following development and assessment, a total of 43 individuals have been appointed to key positions since fiscal 2020, over the program’s six-year history.

・ Next

Next is a three-year program designed to provide early development opportunities to acquire the perspective and vision required of future business leaders. In the first year, participants learn and reflect inward upon leadership theories, while also focusing on the business environment and business issues, charting their vision for the future. The second year will see students expand their perspectives and horizons, think about their ideal future selves, and acquire basic management literacy. With the aim of strengthening awareness of oneself in society and further enhancing the ability to constantly change, the third year offers programs that are also taken by others, as well as individual programs that allow participants to interact with employees from other companies.

■ Framework for fostering successor candidates



Program to strengthen human resources and organizational management skills

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

Human resource development system through OJT for new employees

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

In addition, new sales and administrative employees who joined the Company in fiscal 2025 underwent approximately four months of practical training in housing sales, regardless of the division to which they were assigned. By experiencing OJT under veteran housing sales staff, they gained a practical understanding of the “spirit of housing,” a concept that our employees value, and through hands-on B2C sales, developed the ability to build trust with individual customers from the ground up, while experiencing for themselves the Company’s reputation and strengths in the market. We do this to help new employees use these experiences in their own work and to encourage communication within the workplace, which leads to a sense of unity and collaboration across businesses and job types.

Implementation of the “&D Campus” learning platform

The Company implemented “&D Campus” in fiscal 2024 as a learning platform that aggregates educational measures such as collective training and e-learning. In addition to our own e-learning program, we have made all courses on the external video learning service “Schoo” available to every employee, creating an environment where they can freely select and take courses according to their individual attributes and interests, thereby promoting independent learning among employees. In fiscal 2025, 75.5% of employees watched videos on the external video learning service “Schoo.”



■ Developing human resources linked to business strategies

Operation of the Multi-Experiential Career Support Program

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

In fiscal 2025, a total of 56 people (39 people with (3)) used the Multi-Experiential Career Support Program. Users are surveyed regularly, and after participating in the program, comments included: "I was able to gain experience not possible only in my main work," as well as

"Taking advantage of the secondary employment program has broadened my horizons, leading to new ideas and business opportunities, while also strengthening organizational collaboration through expanded professional networks," "I got into the habit of acting independently, which contributes to organizational vitality," and "Strengthening expertise enhances the competitiveness of both myself as an individual and the Company, and by broadening career opportunities, it leads to an increase in my personal market value and a stronger sense of commitment to the Company."

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

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

Introduction of support system to earn advanced degrees from domestic professional graduate schools

To drive growth and business expansion for the Company as we pursue Our Hopes for the Future (purpose), it will be critical to have management who can think a step ahead and leaders who can generate business. Therefore, starting in fiscal 2026, we introduced a support system to earn advanced degrees from domestic professional graduate schools for employees at the G4/L4 level and above, with the aim of supporting those who are proactively pursuing their education to become future leaders. To support employees who are motivated to chart their own career paths and independently pursue an MBA (Master of Business Administration) or MOT (Master of Technology Management), the Company will provide loans covering a portion of the associated costs (up to 1.5 million yen). (Repayment is not required if the employee remains with the Company for more than five years starting from April 1 of the year following graduation from graduate school.) Note that students at domestic professional graduate schools attend classes outside of work hours (such as weekday evenings and weekends) while continuing their regular business duties.

In fiscal 2025, there were 14 applicants, and five were admitted.

[Housing design] Training new employees

New employees at the Company who are assigned to intensive training or the Housing Design Section in preparation for acquiring a first-class architect license receive one year of training at the Head Office and a half year of training at a business site where they learn basic architectural knowledge, CAD operations, plan creation, and other aspects of the work processes and the mindset required of a designer. Subsequently, the system in which such employees are assigned to offices nationwide allows for efficient and well-balanced acquisition of specialized knowledge and prevents inconsistencies in training due to differences in office environments.

Branch offices where new employees were dispatched to stated their impressions, saying: "They have retained basic business knowledge, and they've immediately performed as assets as soon as they assumed their duties here." Conversely,

the new employees who had received training commented, "The knowledge gained from such long-term practical experience enabled me to understand my strong and weak points, and was extremely useful after my posting."

We will continue to promote the development of designers who can right from the start contribute at work sites.

[Housing design] Legal compliance training

As one measure we take to prevent recurrence of non-compliance with building standards, we hold training sessions on legal compliance for housing design. Having acquired knowledge of laws and regulations, such as a series of regulations related to type-certified specifications, each individual takes responsibility and works thoroughly to prevent recurrence. This is a system whereby employees cannot take the internal examination for internal qualifications for the system of type certified specifications without first having completed this training. The rate of attendance in fiscal 2025 was 100%.



P106 [Housing design] Internal qualifications for the system of type-certified specifications

[Housing sales] Compliance study sessions

Preventing incidents of risk before they occur requires an accurate performance of tasks through greater knowledge. Consequently, the Company conducts ongoing "compliance study sessions" and "proficiency tests" with the aim of heightening the knowledge of laws and regulations, and internal rules, among sales managers and representatives. Retesting will be administered to those who fail until all eligible candidates have passed. By conducting training sessions and tests with content tailored to real-world business practices, we work to raise awareness of compliance in day-to-day operations, thereby helping to prevent recurrence and deter future violations of laws and internal rules. The pass rate for proficiency assessment tests in fiscal 2025 was 100%.



P127 Compliance study sessions (Housing)

■ Developing human resources linked to business strategies

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

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

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

In fiscal 2025, two projects had one person each apply as a short-term exchange student, and they are currently working on large-scale projects.

[Construction] Specialized training

In construction design, we handle a wide variety of buildings according to customer specifications, including commercial facilities, distribution centers, medical facilities, and food factories. Therefore, so that employees acquire the knowledge necessary to design an array of building types, we hold study sessions organized by Head Office departments, which are equipped to follow up with the sales and design staff at each branch office for each building purpose.

In fiscal 2025, training sessions were held on 12 topics, including evacuation safety verification methods, design details, and measures to prevent condensation-related issues, and approximately 400 to 900 people participated in each session. Going forward, our offices and Head Office departments will continue to work as one to train exceptionally skilled technicians capable of delivering high-quality buildings of any type.

Developing Global Human Resources

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

· Global trainee system (overseas training)

The Company has introduced a global trainee system as an incremental program aimed at young, as well as mid-career technicians to develop technical human resources who can play an active role in overseas operations. In fiscal 2025, from each business division we selected participants (eight employees) in technical positions who are expected to be responsible for future overseas business operations, and after a preparatory period dispatched them to the U.S., Malaysia, Australia, and the Netherlands where our overseas bases are located, for a training program lasting approximately five months. At each location, participants learned about the unique local business practices, technologies, and management methods, and attained a mindset to deal with future overseas assignments. After completion of training, the employee's assignment is decided primarily by the business division to which the employee originally belonged, taking the employee's preferences into account and in consultation with the Overseas Division, as well as other relevant parties. Furthermore, training is also conducted prior to being assigned to overseas locations. In addition, we provide systematic training to management candidates in the overseas business.



➤ DAIALOG10 (Japanese text only)

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

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

In fiscal 2025, as was the case in the previous year, we provided training to our Hanoi, Vietnam staff who support the design of our single-family and rental housing. Being difficult to visualize the drawings they handle in their daily work, 11 of the employees visited Japan for a 12-day training program that availed them the opportunity to see our products first hand. With great enthusiasm they checked construction methods and materials at actual construction sites, completed sites and

factories, and deepened their understanding of drawings and fittings.

In addition, they were able to meet face-to-face and exchange opinions with the Japanese staff who request design support, and thereby raised the level of communication.

As a result of the training, participants reported a deeper understanding of buildings and increased motivation, while also boosting the accuracy of drawings and decreasing the number of reported drafting errors.

· Language learning support

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

Career change program

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

Career design support

We introduced a "career design support system" through which the Company supports its employees who plan to leave the Company before their mandatory retirement age, and take up new employment or become self-employed in accordance with their own lifestyle as a second stage in their life. This system has the goal of creating an environment where employees can develop independence and autonomy by reflecting on the know-how, skills, and strengths they have cultivated at the Company while considering the contours of their career, thereby cultivating a foundation for producing human resources who can play an active role in society in a wide range of fields.

■ Developing human resources linked to business strategies

Promotion of active roles for the senior generation

The Company has set its retirement age as 65, but has established a system in which employees nationwide can choose a retirement age of either 65 or 67. Allowing employees to choose their own retirement age promotes an environment where motivated senior employees can continue to thrive without being constrained by age. Furthermore, there are three courses available under the “Active Aging System,” a reemployment system for retirees offering multiple paths according to job responsibility, and allowing participants to choose the same number of working days and salary as when they were active employees. In addition, while this system’s participants can work until age 70, it also enables the possibility for those in technical positions to continue working in an environment where they can demonstrate their expertise regardless of age.

By taking the initiative to help senior employees play an active role, in addition to passing on advanced skills, technical expertise, and experience while securing talent, we also attract talented individuals from outside the Company. By shifting our focus from hiring recent graduates to expanding mid-career hiring, we are attracting talented individuals with advanced experience and skills, regardless of industry or job type, who see the potential to thrive here and are choosing to join the Company. As a result, the number of mid-career hires aged 50 and older is steadily increasing. This has been an enormous help to us as we tackle new businesses and business schemes.

・ Life design seminar

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



P194 Social Data

Diversity indicators Employment and hiring of seniors

In-house commendation system

・ Daiwa House Award

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

■ Overview of the Daiwa House Award

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



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

・ “Distinguished Service Award” honors technical employees

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

As a supplementary prize to the Distinguished Service

Award, we offer study tours to the overseas business sites we are working to develop. Among our goals is the exchange of opinions about what the tour members felt during their inspections, heightening interest and curiosity in overseas business, and also to cultivate technicians who will play an active role in overseas business.

■ Main awards in the in-house commendation system

Awards system name	Category	Job type
Owner's Introduction, Outstanding Employee Award	Housing	Sales
Exhibition Hall Route Contract Excellent Base Award		
Outstanding Sales Employee Award		
Team Sales Award	Housing/rental housing	Sales
Sales Promotion Competition Outstanding Employee Award	Livness	Sales
Design Competition	Housing/rental housing	Design
Product Competition “Daiwa Works”	Architecture	Design
Customer Support Office Branch Office-Individual Award	After-sales support	After-sales support
Housing Construction Division Award	Construction promotion	Construction
All-Japan Factory Enhancement Case Study Competition	Factory	Factory
Technology Competition (Invention)	Technology/production/purchasing departments	All job types
Technology Competition (Technology Enhancement)		Technology
Distinguished Service Award	Branch office, factory	Technology
Safety Competition		All job types
Safety Award	Technical, factory	Technology
Architect Advisor Outstanding Sales Award	Housing	Sales
Non-sales employees introduction competition	Housing	Non-sales

Daiwa Future100, a system to generate new business

From fiscal 2024, the Group launched Daiwa Future100, an in house entrepreneurship program, as part of its efforts to heighten the value of its human capital and foster future business generation. This is a system that solicits business ideas from all Group employees, regardless of age or position, with the aim of realizing business growth by bringing these ideas to market and

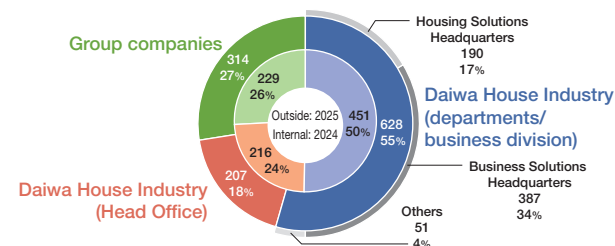
■ Developing human resources linked to business strategies

collaboration with external partners. Project proposals that are selected will be commercialized and growth driven primarily by the originator serving as the project manager. In fiscal 2025, in the second round, Daiwa Future100 received a total of 1,149 applications (first round: 896 applications). Through a three-stage screening process, a total of five business proposals passed final review, with one proposal selected on conditional approval.

We are proceeding with verification of the business proposals that passed final review in order to move them toward commercialization, and among the proposals approved in fiscal 2024, one has moved into the full-scale business operation phase, with the proposing employee serving as the project manager. Furthermore, according to a survey, 92% of past participants reported that “I felt personal growth,” and feedback indicates that what they learned through the program has had a positive impact on their day-to-day work. We operate the program with a focus on the cycle of challenge and learning, providing individualized feedback on all project proposals, even those that were not selected. Looking ahead to our goal of growing into a 10 trillion yen corporate group on our centennial anniversary and realizing Our Hopes for the Future (purpose), we will continue to work as one to foster a corporate culture that embraces the challenge of creating new business segments and to develop the next generation of leadership talent.

[!\[\]\(9208b08aaac7a2e8dbe35c838e5046e3_img.jpg\) Launch of Daiwa FUTURE100, an in house entrepreneurship system Human capital investment up to 30.0 billion yen \(Japanese text only\)](#)

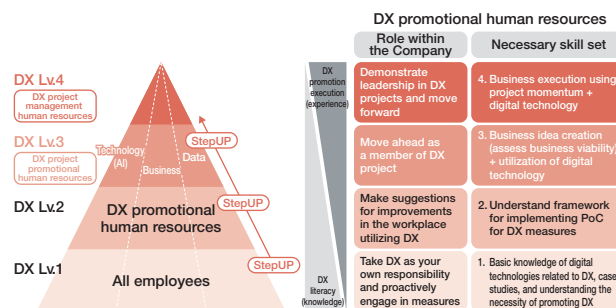
■ Breakdown in number of applicants



Developing DX human resources

Under the Seventh Medium-Term Management Plan, the Company treats initiatives for digital transformation (DX) as priority action areas, and from fiscal 2023 we have implemented DX literacy education for all employees to develop DX human resources. In fiscal 2025, we offered DX Lv.1 (basic mindset) to employees who joined the company in April or later, and DX Lv.2 (practical course) for those who wished to participate. In addition, in order to raise the data utilization skills of all employees, we conducted a “Data Utilization Course: Literacy Edition” (total number of participants: 16,239, five e-learning sessions totaling 180 minutes), and as an advanced course for those who wished to participate, we offered a “Data Utilization Course: Practical Edition” (new participants: 24, three e-learning sessions totaling 202 minutes). In addition, as part of our DX Level 3 (technology AI edition) initiatives, we conducted training within the Digital Strategy Department to develop talent in AI-driven development using Claude Code. We will continue to develop human resources who can proactively promote DX in each division and organization.

■ Diagram of DX talent capable of leveraging digital technology



■ Number of participants by level and class hours (FY2025)

Rank	Number of participants	Course time
DX Lv.1	1,197	80 minutes
DX Lv.2	725	440 minutes
DX Lv.3 Technology (AI)	6	—

Implementing Daiwa House Competition

Since 2005, the Company has been hosting the “Daiwa House Competition” with the support of Shinkenchiku-Sha Co., Ltd. This highly regarded idea competition has attracted attention not only from students but also from working professionals and even from overseas. Its purpose is to provide a stage for challenges, particularly for the generation that will shape the future of the construction industry, while also creating opportunities to deepen discussions about daily life and housing. Every year, renowned architects serve as judges.

Many Group employees have also applied to this competition as an opportunity to put their skills to the test by leveraging the experience and knowledge cultivated through their daily duties, and there are those who have been honored with awards. In the fiscal 2025 competition, held under the theme “A home you want to return to,” saw 341 entries, and while no entry was selected for the Grand Prize, a total of seven works received awards.

[!\[\]\(a76b33337bbc6bedc4894ead00234a73_img.jpg\) !\[\]\(61909d266f7cbdc275d0b488454dbc28_img.jpg\) Daiwa House Competition 20th Daiwa House Competition Results announcement \(Japanese text only\)](#)

■ Developing human resources linked to business strategies

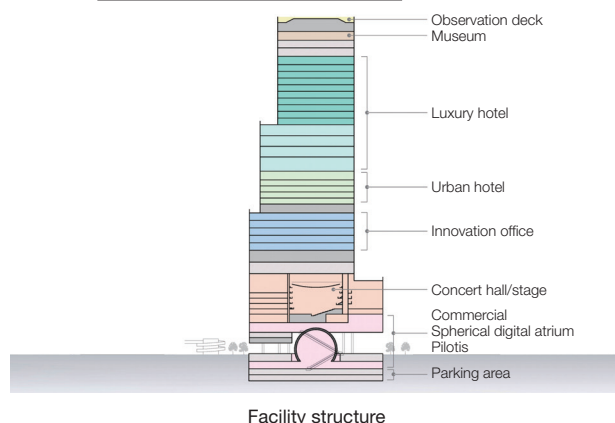
Main approach

[Building construction] Large-scale redevelopment project

Daiwa House Industry and Group company Fujita have commenced the Osaka Marubiru Redevelopment Project (tentative name) with the goal of completing construction by fiscal year 2030, with the utmost priority being the securing of safety and quality. The building to be constructed in this project will serve a variety of purposes and is set to be the tallest skyscraper in the Osaka Station area, which for the Company represents new technical challenges. As it carries out this initiative, the Company is recruiting personnel, primarily from those who are engaged in construction at work sites and factories nationwide, through voluntary applications and recommendations as it aims to enhance technical capabilities and experience. Throughout the duration of this project, scheduled to participate are approximately 50 employees who will be divided into three groups, namely, manager class, mid-level, and junior staff, being assigned tasks appropriate to their respective levels. Through this initiative, we plan to develop the human talent that will support the Group's future business and provide employees with experiences that will lead to the emergence of leadership skills.

Our ongoing efforts will work to create an environment that enables the Company's employees to continue fully utilizing their abilities as they tackle new challenges.

Full-scale start of Osaka Marubiru Redevelopment Project (tentative name) (Japanese text only)



Roundtable discussion with former overseas assignees

Looking to expand the Group's overseas operations, Daiwa House Industry, Fujita, and Daiwa Lease jointly host round tables for technicians who are interested in pursuing overseas careers in the future. At the 7th roundtable, after presentations on the work and lifestyles of employees involved in sales operations in the U.S. and the subway project in Manila, Philippines, a small-group discussion was held with the speakers.

A total of 83 people attended on the day of the event, and participants shared feedback such as, "I was able to get a concrete picture of what working abroad would be like" and "I was able to think about my career path before and after an overseas assignment," which served as a valuable reference for the future.

Holding a data utilization workshop

With the aim of improving business operations through data utilization, the Company held a data utilization workshop in which analytical tools were used. Through lectures and hands-on exercises led by external instructors, the workshop provided opportunities for participants to visualize how they can apply what they learn to their own work. To date, these sessions have been held at the Tokyo Head Office, the Kita-Nihon Branch, and the Hokuriku Branch, with a total of 359 participants, who shared their feedback, stating, "I realized that tasks I'd previously struggled with can now be done easily, so I'd like to try this out in my work," and "It looks like reporting tasks can be simplified." More than 85% of participants felt they could apply what they learned to their actual work, making it a very productive session.

Implementing 16th "New working practices / cross-border programs"

As the "New working practices / cross-border programs" component of our "Multi-Experiential Career Support Program," we invited applications in fiscal 2025 for participation in the "ALIVE Project," a cross-industry leadership development project. This project brings together the next generation of leaders from different industries who form teams to address real-world challenges faced by social bodies, and over the course of approximately three months (four sessions, total of seven days), participants develop their leadership skills and enhance an awareness and ability to understand actual social issues by proposing solutions to these challenges.

In fiscal 2025, 12 people participated, with one commenting that, "Tackling challenges with people other than my usual coworkers made me realize I had unrecognized abilities that had cultivated throughout my professional career."

■ Workability and job satisfaction for employees

Concept and Policy

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

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



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

➤ [The Daiwa House Group’s Business Philosophy](#)

➤ [Daiwa Lease Introduction of a System That Allows Employees to Choose Their Prescribed Working Hours According to Their Life Stage and Personal Values \(Japanese text only\)](#)

Management

Ensuring compliance regarding labor issues

At the Company, triggered by the 2024 problem*, we are actively working to correct long working hours under the strong will of the Representative Director and President.

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

• Survey on actual work hours to prevent unpaid wages

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

• New Work Style Reform Project

Under the leadership of the Executive Vice President, we are implementing the “New Work Style Reform Project,” in which headquarters divisions participate across boundaries. Our policy is to “ensure that work sites enable employees to do their work without stress and focus their efforts on their mission of value creation.” We collect requests for improvement from employees and work to quickly resolve issues by eliminating or simplifying tasks and improving efficiency through digital technology. We will also promote operational efficiency by incorporating digital technology to integrate information and other measures.

The status of responses to employee comments is announced internally on the project intranet each month.



P094 [Progress on the New Work Style Reform Project](#)

• Implementation of health checkups

All employees (including those in management) whose monthly overtime or holiday work exceeds 80 hours are subject to health checkups by occupational health physicians (OHP), and health guidance is provided with the aim of preventing health problems.

• Conclusion of an agreement on overtime and holiday work (Article 36 Agreement)

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



P191 [Social Data](#)

[Basic information Average overtime hours worked](#)

Job location filing system

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

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



P098 [Achieving equal pay for equal work and a guaranteed living wage](#)

■ Workability and job satisfaction for employees

Introduction of flextime

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

Building interactive relationships

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

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

Self-Discovery Review System

To realize Our Hopes for the Future (purpose), and in order to increase the value of human capital, one of the priority themes in the 7th Medium-Term Management Plan, we have established the Self-Discovery Review System, under which employees deepen their self-understanding regarding career development once a year. The system is designed to enable employees to gain a clearer vision for their own careers by asking specific questions about their strengths that can be applied to their work, and what kind of work they would like to do in the future and in what capacity. Analysis of the results of the system makes it possible to visualize career inclinations by age group, which serves as useful basic data in considering future strategic personnel and human resource development measures.

In addition, we have developed an environment in which employees can receive individual suggestions for learning content based on their responses, thereby establishing a mechanism that supports continuous learning and growth.

[Housing sales] Adopted a “sales team system”

In our single-family housing business, we faced issues such as uneven distribution of work, individual differences in ability, dependence on manpower, development of the next generation of managers, insufficient education for young employees, and early turnover. To address these issues, we introduced a “sales team system” in fiscal 2024, shifting from individual sales to teams of four to five people, and linking the evaluation of managers to team performance. As a result, the sharing of sales know-how and issues within teams has taken place, fostering a culture in which each team aims for higher achievements, which has led to an increase in the number of contracts per person, not only among young employees but overall. In addition, we are working to create a vibrant work environment by certifying managers with strong management skills as Prime Managers, while also developing the next generation of managers. Some managers have commented that they find it rewarding to see young employees growing. Furthermore, we have established a system to commend teams with outstanding performance and, by sharing best practices in sales and team management, aim to improve sales capabilities across the country. This has also had the effect of preventing turnover among young employees in their first few years with the company, and we will continue to develop a structure that makes it easier for sales representatives to demonstrate their skills.

In fiscal 2025, we established a system to evaluate sales representatives with strong comprehensive proposal capabilities as Prime Advisors. Approximately 20% of sales representatives nationwide have been certified. We aim to improve overall sales capabilities by selecting the initiatives of certified sales representatives as best practices and sharing and deploying them nationwide.

[Housing sales] System to choose commission-based compensation

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

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

[Housing sales] Sales staff with design knowledge Architect Advisor

Since fiscal 2024, we have had a system in place to certify sales representatives who have transferred from design (including interior coordinators) to housing sales after acquiring advanced design skills as Architect Advisors, and as of fiscal 2025, approximately 30 such employees are active.

Architect Advisors undergo a one-year training period after transferring to the sales division to acquire knowledge essential to sales. In addition, Architect Advisors share their design skills with other sales representatives, which improves the proposal capabilities of all members and promotes mutual improvement in abilities. Through this, we aim to establish a high value-added proposal system, thereby avoiding lost opportunities and increasing the average sales value per housing unit.

■ Workability and job satisfaction for employees

Distribution and utilization of “ENGAGEMENT BOOK”

The Group published the “ENGAGEMENT BOOK” as a booklet that provides an awareness of improving the work environment and organizational culture to realize Our Hopes for the Future (purpose). This booklet is structured with an emphasis on “dialogue,” as it also aims to learn about employees’ thoughts and what they value through work. It is used as a tool to encourage development from individual work to group work, and to enable employees to think and act independently. By discovering and addressing organizational issues through dialogue between supervisors and subordinates, and between seniors and juniors, we aim to improve job satisfaction and other factors.

Promotion of health management

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

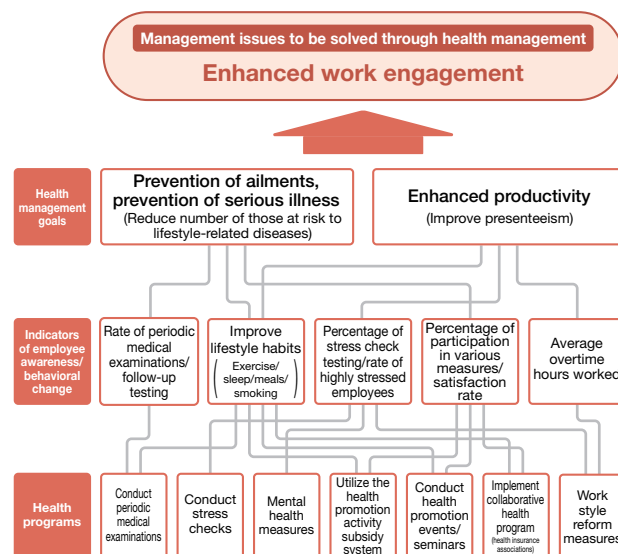
Having employees feel “healthy and happy” and eliciting their performance to its fullest potential leads to enhanced work engagement.

□ P195 Social Data
Health management

■ Chart for Health Management Promotion System



■ Health management strategy map



Mental and physical health counseling service

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

• EAP Service: E-Partner Inc.

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

• Cradle: Cradle Inc.

This service provides online seminars and healthcare support related to DE&I. It provides medical coupons that can be used at hospitals and clinics, as well as wellbeing coupons that can be used at home.

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

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

* Service of the health insurance association

• Chatbot health consultation: T-PEC Corporation

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

* Service of the health insurance association

■ Workability and job satisfaction for employees

Risk assessment concerning the health and safety of employees

・ Periodic medical examinations and stress checks

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

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

We analyze and monitor the physical and mental health conditions at each branch by using the “health analysis system,” in which the results of periodic health checkups are converted into points and totaled for each branch, and by using group (organizational) analysis of stress checks. The results are used to implement a population approach* aimed at lowering the overall health risk of the entire branch office.

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

■ P195 Social Data
Health management

・ Implementation of asbestos health checkups

We require executives, full-time employees (regular, non-regular, and contract), part-time and temporary employees, and former employees (voluntary) who have a history of involvement in asbestos-related work or peripheral work to undergo asbestos health checkups at least once every six months. The Company bears the cost of tests, including secondary tests, and retains copies of individual test results and labor reports for 40 years.

■ P048 Proper disposal of hazardous waste

・ Health promotion activity subsidy system

The Company provides subsidies for health promotion events, such as sports tournaments and seminars, planned and implemented at each branch to promote improvements in the workplace environment and as a population approach. In fiscal 2025, we set a target of having 80% of business worksites implement health promotion activities, and achieved an implementation rate of 78.1%.



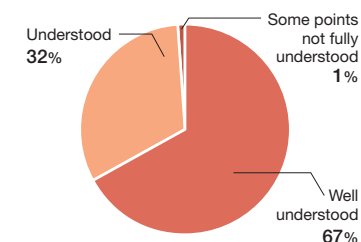
Saitama-Higashi Branch
Scene at a sports tournament

・ Mental health measures

The Company has provided mental health line care training (e-learning) for those in management since fiscal 2018. Participants learn about the points of “noticing, listening, and connecting,” which are the basics for early detection of persons with mental health issues, as well as of the importance of responding to persons with mental health issues and improving the work environment. In fiscal 2025, we implemented an e-learning program for newly appointed managers, incorporating “basic” and “applied” management skills. Approximately 95% of managers took the course, deepening their understanding of mental health line care.

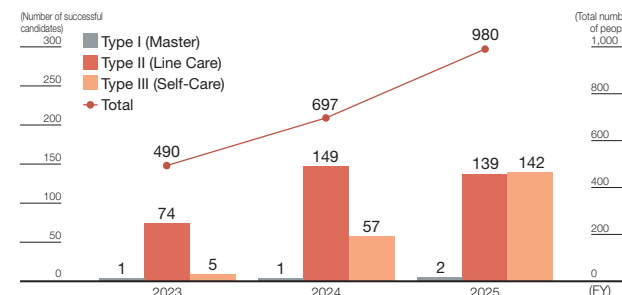
In addition, in response to the increasing tendency for employees to internalize their stress, we are promoting self-care by also making Type III (self-care course) eligible for the congratulatory allowance for obtaining a license, which is provided to those who have passed the Certification Test for Mental Health Management® (Osaka Chamber of Commerce and Industry). As of the end of January 2026, 980 employees have passed the Certification Test for Mental Health Management® (Type I, II, and III).

■ Degree of understanding “line care training”



■ P199 Social Data
Safety and health education

■ Number of successful candidates in the Certification Test for Mental Health Management



Notice to employees regarding changes with significant impact

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

The Company has not conducted any layoffs for the purpose of workforce adjustment in fiscal 2025.

■ Workability and job satisfaction for employees

Main approach

Progress on the New Work Style Reform Project

The Company viewed the 2024 problem (upper limits on overtime work) as an opportunity to improve business operations, and launched the “New Work Style Reform Project.” In the first year, we focused on issues that could be resolved quickly, starting with problems experienced by many employees. In the second year, which began in fiscal 2025, we have worked to fundamentally reform work styles through the resolution of issues that will have a greater impact, addressing 22 themes in seven areas: “workflow,” “expense reimbursement,” “contracts,” “internal information,” “reports to the Head Office,” “attendance and applications,” and “others.” Specifically, we have worked to smooth workflows, simplify expense reimbursement, digitize contract operations, enhance in-house information searches using generative AI, reduce reports to the Head Office by 37%, and reduce verification work for attendance and applications.

As a result, we were able to implement improvements through 95 measures. In the future, as the next stage of work style reform, we will introduce new methods, including generative AI, and promote efforts to transform work at job sites into an “exciting and stress-free way of working.”

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

Selected as Health & Productivity Management Outstanding Organization

In March 2026, the Company and 35 Group companies were selected as 2026 Certified Health & Productivity Management Outstanding Organizations engaging in superior health management in collaboration with insurers (health insurance associations and other main parties in the health insurance business), as certified by the Nippon Kenko Kaigi. In addition, four of the 35 companies were selected for the first time, and Cosmos Initia Co., Ltd., a Group company, was certified for the first time as one of the White 500, the top 500 companies in the large enterprise category, while Daiwa House Asset Management Co., Ltd. was certified for the fourth consecutive year as one of the Bright 500, the top 500 companies in the small and medium enterprise category.

 [35 Daiwa House Group companies selected as 2026 Certified Health & Productivity Management Outstanding Organizations \(Japanese text only\)](#)

Implementation of an online smoking cessation outpatient program

Since fiscal 2021, we have conducted an online smoking cessation outpatient program each year for insured members of the Daiwa House Industry Health Insurance Association. Under this program, participants receive guidance from physicians via smartphone at home, and smoking cessation aids are delivered to their homes. The program fee of 60,500 yen per person is fully subsidized for the first 200 applicants. In fiscal 2025, we also allowed 30 insured members who had not been able to quit smoking in the past to try the program.

■ Past results

Fiscal 2021: 147 out of 176 people quit smoking (using Champix)
Smoking cessation success rate: 83.5%

Fiscal 2022: 134 out of 186 people quit smoking (using Nicotinell patches)
Smoking cessation success rate: 72.0%

Fiscal 2023: 142 out of 182 people quit smoking (using Nicotinell patches)
Smoking cessation success rate: 78.0%

Fiscal 2024: 118 out of 143 people quit smoking
Smoking cessation success rate: 82.5%

Response to social health issues

As a company with overseas bases, the Daiwa House Group recognizes the importance of addressing global health issues such as the three major infectious diseases (tuberculosis, malaria, and HIV/AIDS). For overseas expatriates, we have established a system to ensure that they undergo health checkups not only when leaving Japan and returning to Japan as required by law but also annually at their place of assignment. In addition, we provide overseas insurance, necessary vaccinations against hepatitis A, rabies, etc., and consultation services for mental health and pediatric care, thereby establishing a health management system that includes accompanying family members.

Furthermore, in fiscal 2025, through the Daiwa House Group Investment Limited Partnership (“Our Hopes for the Future” Fund), our Group company Daiwa House Ventures invested in SORA Technology, which develops measures against infectious diseases such as malaria, primarily in Africa. Through this investment, the Daiwa House Group and SORA Technology will contribute to the healthy lives of people in developing countries by improving drainage infrastructure to improve public health and through other measures.

 [Investment in SORA Technology, Aiming to Eradicate Malaria in Africa \(Japanese text only\)](#)

■ DE&I (Diversity, Equity & Inclusion)

Concept and Policy

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

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

Management

Promotion system

We launched a project to empower women in 2005 as a touchstone for the promotion of diversity. Later, the project was established as a specialist section, and the promotion system was established in keeping with the times. In 2025, it was reorganized into the Well-being Promotion Group, with the officer in charge of human resources and sustainability also directly overseeing DE&I. We promote diversity in both knowledge and experience to leverage DE&I in management and create new ideas in products, services, and processes, as well as to strengthen decision-making from diverse perspectives.

Support for work-life balance

The Company is developing an array of systems where diverse human resources can choose from varied lifestyles and express themselves while playing an active role. We are pushing forward

to create a virtuous cycle in which the experiences gained through childbirth, childcare, and nursing care can be put to good use in the workplace.

■ Main systems related to support for work-life balance

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

Setting of diversity scores

The Company monitors four items (the percentage of female employees in management and chief positions, the rate of male employees taking childcare leave, the employment rate of persons with disabilities, and the retention rate of young employees) in order to measure and promote diversity in each division. Among these, the rate of male employees taking childcare leave has been incorporated into the Management Soundness Assessment to promote the realization of diverse work styles.



P192 Social Data Basic information

P193 Social Data Diversity Indicators

Family-career Support Program

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

・Expectant father and mother registration form

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

・Handbook for Fulfilling Work and Child Rearing

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



Handbook for Fulfilling
Work and Child Rearing

・Life-career balance interviews

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

■ DE&I (Diversity, Equity & Inclusion)

・Ikukyu MBA

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

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

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

Initiatives to address the declining birthrate

To support the life plans of employees and address the social issue of the declining birth rate, the Company introduced the Mirai Support System (Assisted Reproductive Technology Support System) on April 1, 2026, which supports fertility treatment and egg freezing. We have made it a basic stance to promote “Co-creating a Brighter Future,” and have provided support for balancing work and childcare through the payment of childbirth allowances and benefits at the start of childcare leave, time-based paid leave, and flexible working hour systems. In recent years, the number of births resulting from assisted reproductive technology has been increasing, and the ability to balance fertility treatment with work has become an issue. There is also growing public interest in egg freezing. Against this background, we have introduced this system as part of our efforts to create an environment in which employees can take the initiative in envisioning their future and continue working with peace of mind.

We will continue to give full consideration to the choices

and futures of each employee and strive to enable them to envision their future with hope.

	Overview
Fertility treatment support	Payment of actual out-of-pocket expenses for treatments covered by insurance
Fertility treatment benefit	A one-time payment of 30,000 yen upon starting fertility treatment
Egg freezing support	A one-time payment of 300,000 yen upon freezing eggs

Policies and measures for balancing work and nursing care

In a survey on the actual situation of nursing care conducted by the Company in November 2025, approximately 30% of employees aged 40 and older responded that they have family members who require nursing care. In addition, approximately 60% of employees who are not currently providing nursing care responded that they may be involved in nursing care within the next five years. In light of these circumstances, the Company regards nursing care as a form of diversity and positions support for balancing work and nursing care as an important initiative. With the aim of creating an environment in which employees who provide nursing care can continue working with peace of mind, we will widely consider and promote measures to support the balance between work and nursing care, such as continuing to conduct surveys and establishing consultation services in collaboration with external specialist organizations.

Policy of Support for Balancing Work and Nursing Care

- ・ Support employees in balancing work and nursing care, rather than having them focus solely on nursing care, so that they can continue working as much as possible without significant changes even when faced with the need to provide nursing care.
- ・ Provide information so that employees can prepare themselves in advance.
- ・ Foster an organizational culture in which employees help each other.

Mindset and advance preparation for nursing care

The Company has compiled information on public services available when nursing care is needed, as well as information on company systems, and posted them on the Support for

Balancing Work and Nursing Care Portal Site on the intranet, and disseminates information on a regular basis. We have also established consultation services so that employees do not have to handle problems on their own.

Empowering female employees

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

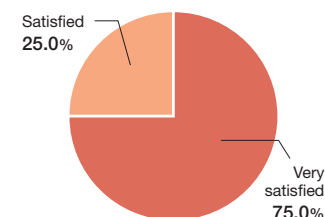
・ Training and strengthening of management staff

We are working to develop and strengthen female managers in order to incorporate diverse perspectives into management decision-making and enhance corporate value. We provide training for management candidates and their supervisors with the aim of building a pipeline for continuous appointment to management and senior management positions. In addition, we hold career workshops for young to mid-level employees to encourage autonomous career development in anticipation of life events.

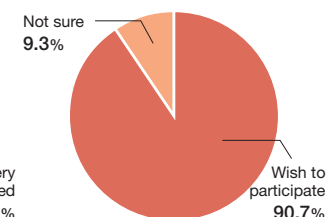
・ Addressing women's health issues

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

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



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



■ DE&I (Diversity, Equity & Inclusion)

· Retaining and nurturing female employees in sales and technology divisions

We are actively assigning and cultivating women to sales and engineering where the ratio of females is low.

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

As an effort to improve the working environment for female engineers and technicians working at construction sites, we have developed protective equipment such as lightweight helmets and safety belts. We also promote the introduction of temporary toilets for women. These improvements at the construction site have led to a comfortable work environment for all on-site workers, including men. Furthermore, many of our female construction staff participate in the National Low-rise Housing Work Safety Council's "Jutaku Komachi" program, and the entire low-rise housing industry is working to create a comfortable working environment for women. Through these efforts, female construction workers are more involved in site management, while the number of female site supervisors who are active while raising children has been increasing.

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

 [Kaji Share House \(Japanese text only\)](#)

· Efforts to avoid the effects of unconscious bias

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

Promoting employment for people with disabilities

· Introduction of the "Shared" model

In addition to complying with statutory employment rates, the Company views the employment of persons with disabilities as part of its efforts to promote DE&I, and assigns employees with disabilities to various departments such as sales, design, construction, and administration, depending on their aptitudes. Since September 2025, the Osaka Head Office has introduced a "Shared" model. Under this system, a task manager oversees work requested by various departments within the Company and assigns tasks to employees with disabilities in accordance with their aptitudes and abilities. As a result, employees with disabilities and general employees can perform duties that essentially contribute to business operations on the same floor, thereby deepening their understanding of each other on a daily basis.

· Introduction of universal support system

To promote active participation in each department and provide reasonable accommodation, the Company has established its own Universal Support System, which provides support, including costs, for the introduction of necessary tools and for employees around them learning about disabilities. We are also working to improve understanding of DE&I, including the presence or absence of disabilities, and to foster a supportive culture through the implementation of e-learning for all employees and in-house seminars, including those held at Group companies.

· Establishment of special-purpose subsidiary

The Daiwa House Group established Daiwa Life Plus*1 in 2011 and Daiwa House Bloom*2 on April 1, 2021, with the aim of creating a work environment that takes into account the characteristics of each individual's disability and appropriately managing employment. These companies have been certified as special-purpose subsidiaries.

*1 Special-purpose subsidiary of Daiwa LifeNext

*2 Special-purpose subsidiary of the Company

 P138 [Joining The Valuable 500](#)

Establishment of Daiwa House Bloom

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

The Cultivation Business Development Section of the Company developed the Daiwa Cultivation Method*, which enables anyone to participate in the cultivation of moth orchids even without experience or specialized knowledge. With a view to creating a workplace where people, primarily those with intellectual disabilities, can work with peace of mind throughout their lives using this cultivation method, the Company established Daiwa House Bloom in 2021. As a result of repeated consideration and trial operation of the type of work to be performed, the company started a contract cultivation business for miniature moth orchids "COCOLAN" in Miki City, Hyogo Prefecture, in fiscal 2022, and began employing persons with disabilities as a certified special-purpose subsidiary. At the same time, the company also hired elderly people living in the region, and cultivation work is carried out through work sharing in which persons with disabilities and elderly people cooperate with each other.

In addition, all mini orchids grown at Daiwa House Bloom are purchased and sold by the Company, allowing Daiwa House Bloom to operate in a stable manner. As well as sales on our e-commerce site, the mini orchards are also sent to building owners to congratulate them on taking delivery of their buildings.

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

In fiscal 2025, we received the White Ribbon Award at the Okinawa International Orchid Show and won a bronze medal at the Japan Grand Prix International Orchid and Flower Show.

* Patenting of the Daiwa cultivation method.

"Cultivation equipment and methods" Application No.: 2019-046438

Registration No.: Patent 6993370 (registration date: December 13, 2021)

 [COCOLAN \(Japanese text only\)](#)



Work scene of cultivation COCOLAN

■ DE&I (Diversity, Equity & Inclusion)

Initiatives for LGBTQ

We are working on two fronts to ensure that people in sexual minorities such as LGBTQ can perform to the best of their abilities with peace of mind: the establishment of systems and structures, and initiatives to promote workplace understanding. This includes the introduction of a Same-Sex Partnership System, under which same-sex partners are regarded as spouses and are eligible to enjoy leave, company housing, and other benefits programs. Since its introduction, the number of users of the system has been gradually increasing. We have also established an LGBTQ-specific consultation service staffed by outside counselors with specialized knowledge, so that LGBTQ employees can feel comfortable discussing any concerns they may have about working in the workplace, not just for themselves but also including superiors and colleagues.

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



➤ Introduced the “Same-Sex Partnership System”
(Japanese text only)

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

At our factories, we have established guidelines for the construction and reconstruction of factory buildings and welfare buildings. The guidelines take into account the management of the work environment, improvement of work methods, installation, maintenance, and management of facilities and equipment to help employees of factory business partners* recover from physical and mental fatigue. In addition to universal design, Comprehensive Assessment System for Built Environment Efficiency (CASBEE) certification, and disaster prevention measures, checks are performed based on reference values for the air environment, thermal conditions, brightness, noise levels, and other factors.

Furthermore, as many employees of factory business partners are women or elderly, the Company lends assistive devices such as powered suits to reduce the physical burden of loading and unloading heavy materials or performing standing work.

* Business partners that undertake contract work within the Company's factories

Multi-lingual signage at plants

Since foreign workers also work in the Company's factories, rules within the factory and information important for quality are provided in multiple languages and with illustrations. The languages used are tailored to the languages spoken by people working at each factory. In addition, we provide translations in advance of addresses delivered at safety conventions held within the Company, have introduced video manuals with multilingual support for work within the plant, and distribute the Technical Intern Trainees' Mate, published by the Japan International Trainee & Skilled Worker Cooperation Organization, which contains information useful for daily life in Japan. These information materials cover a total of 10 languages. In factory cafeterias, efforts are also made to provide a place where people of diverse backgrounds can work with peace of mind, such as by using clear displays in native languages and illustrations to show whether menu items include foods that cannot be eaten due to cultural reasons.



Attention panel



Factory emergency bell

Achieving equal pay for equal work and a guaranteed living wage

The Company classifies employees engaged in core business operations in Japan as either national employees or regional employees, with salary systems based on the abilities, performance, and degree of contribution of each employee in each category, and sets no difference in basic salary by gender for each job grade.

In addition, the Group complies with laws and regulations that set minimum wages in each country, and when revising wages, determines salary levels based on data such as the Basic Survey on Wage Structure conducted by the Ministry of Health, Labour and Welfare, thereby ensuring that employees

are paid appropriate wages.



P197 Social Data
Indicators related to wages and allowances Gender pay gap (by job position)

Main approach

Workshops for female employees

We hold career workshops for young to mid-career female employees. The purpose of these is to broaden the career options for female workers, whose careers are considerably impacted by life events, by creating opportunities for them to think about their own lives and careers at an early stage. Starting in 2024, we have also conducted basic workshops focusing on young female employees. Through lectures and group work, participants learned about knowledge that serves as a foundation for career development, such as talks by physicians on health issues specific to women and basic concepts of careers.

A total of 78 people participated in fiscal 2025, and many participants commented that they felt reassured by sharing their concerns, that it gave them an opportunity to think independently about their future careers, and that it gave them hope for balancing work with other responsibilities.

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

Received PRIDE Index 2025 Gold Award

The Company received a Gold rating in the PRIDE Index 2025, developed by the voluntary organization work with Pride, which evaluates initiatives for sexual minorities in the workplace. This marks the fifth consecutive year since 2021 that we have received the Gold award.



➤ Received Gold Award in PRIDE Index 2025 for Fifth Consecutive Year (Japanese text only)

■ DE&I (Diversity, Equity & Inclusion)

Development of torque wrench that can be turned with less strength

The number of female engineers working at our construction sites is increasing. At construction sites for rental housing, the site manager inspects bolts and nuts to ensure that they are properly tightened after the building structure is in place. However, it was found that women with less physical strength have difficulty tightening bolts and nuts that require the maximum tightening torque of 80 N m using only their arm strength. In response, we made a prototype that enabled rotation with less force than the torque wrenches that had remained unchanged in form for 60 years, and asked the manufacturer to lengthen the wrench, resulting in the development of a torque wrench that could obtain fair results under the manufacturer's guarantee.

This reduced the strength required for inspection by 30% and the time required for inspection by 35%. The increased length makes it easier to apply strength even in high places or where posture is unstable, enabling safer work.

We submitted an invention notification for this torque wrench, and will roll it out to all business partners as well as the Company's construction personnel and quality managers.



Photograph comparing torque wrenches



A petite female site manager using all her strength to turn a bolt

Holding webinars to improve understanding of disabilities

With the revision of the statutory employment rate for persons with disabilities in 2026 (from 2.5% to 2.7%), the need for initiatives to employ and utilize persons with disabilities is increasing.

Therefore, in fiscal 2025, the Company disclosed internally and to Group companies the results of a survey on the current status of employment of persons with disabilities conducted from spring to summer, shared on-site opinions collected from business worksites across the country, and provided opportunities to think about reasonable accommodations in the workplace.

Through case studies, group talks, and other activities, participants deepened their understanding of how to create a workplace culture in which diverse members can work effectively. Some participants commented that it was helpful to share issues faced by different companies and business sites, that they gained an understanding of the concept and basic details of reasonable accommodations, and that their understanding of the scope of reasonable accommodation to be provided in the workplace was deepened through concrete examples.

Socially inclusive community development

Concept and Policy

In 2015, the Group formulated the “Community value into the future” community development vision and has been working with local communities to address social issues by leveraging a broad range of business areas. Since 2022, we have engaged in multi-use redevelopments and other projects to “expand the circular value chain from the perspective of local communities and customers,” a key themes of our 7th Medium-Term Management Plan, and pursuing long-view community development. That means designing those communities so that they will gain attractiveness, and managing the locality so that it will retain its vibrance over time. This long-term, deeply community-rooted and -supporting commitment to development fosters long-lasting connections among residents and between their communities so they will maintain their value far into the future.

In pursuit of this vision, we have instituted our the Livness Town Project, a program for redeveloping Neopolis suburban residential estates we built during Japan’s period of rapid economic growth (ca. 1955–73). Over 50 years have gone by since their initial development, and they are seeing issues like population decline and rising vacancy rates. Via the Livness Town Project, we work with Neopolis stakeholders to revive, re-enliven, and make them communities attractive again.

Even in housing estates where issues are yet to surface, we have begun examining how area management could be to ensure that their communities avoid decline and retain their appeal.

We are being asked more and more to incorporate area management designed to enhance the value of large-scale developments already in the proposal stage. To meet it, Daiwa House Industry has a system that taps into head office functional divisions’ systems to check projects from multiple angles. We ascertain what needs to be done and apply our accumulated knowhow for making town value-enhancing measures succeed. This approach embodies the two pillar commitments of our community development: helping resolve societal issues and creating new value.



Community Development Vision

Management

Organized to pursue long-horizon community building

To contribute to local communities through community building, we have established specialized departments to take a long-horizon approach to building housing estates and forming communities in them.

And our approach to community development goes beyond narrow focus on projects’ tangible aspects, taking in their intangible side as well—things like ongoing enhancement of their value through area management so that residents will want to stay involved in the community.

Considerations for creating comfortable living

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

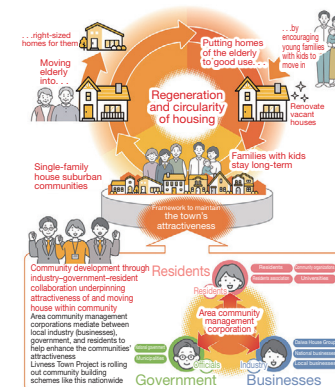
Livness Town Project (regeneration projects)

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

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

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

The future the Livness Town Project envisions



■ Socially inclusive community development

Daiwa House Industry has long exchanged opinions with experts and national and local government officials on legal and institutional issues. A result was the 2024 amendment of Japan's Local Revitalization Act.

In 2025 we began work using the housing estate regeneration model project recommended by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) at five suburban of our Neopolis housing developments. Residents councils to deliberate the futures of their communities are active at the Hannan Neopolis and Tokorozawa Neopolis in Osaka and Saitama Prefectures, and we are helping them to incorporate. Meanwhile, the Kaga Matsugaoka housing development in Ishikawa Prefecture saw in 2025 the formation of the Hito-Machi-Mirai Matsugaoka ("people, town, and future of Matsugaoka"), an incorporated civic organization for residents to steer their community's future development. And at the Midorigaoka-Aoyama Neopolis in Miki, Hyogo Prefecture, Daiwa House Industry serves as secretariat for the Miramachi Midorigaoka-Aoyama Association, that Neopolis's resident-led community development organization, as it moves to take advantage of the revised Regional Revitalization Act's redevelopment model. The city of Miki designated the association as a local revitalization corporation in 2025.

Mechanisms for erecting emergency housing

The Daiwa House Group is a member of the Japan Prefabricated Construction Suppliers and Manufacturers Association, which has concluded agreements covering emplacement of emergency housing when disaster strikes with all 47 of Japan's prefectures and the country's 15 cities empowered by the Disaster Relief Act to undertake relief operations autonomously (as of April, 2026).

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

The Daiwa House Group stands ready to respond to calls for emergency housing with its Dash Project, an organization that has all tasks from design to post-handover management done end-to-end by Group companies. Daiwa House Industry and Group companies Daiwa Lease, Daiwa

Logistics, DesignArc, and Daiwa LifeNext are all involved. They appoint about 100 employees from several functions, including design and equipment, procurement, production, and construction. Though appointees engage in their regular work most of the time, they need to be ready when disaster strikes and the Standardized Architecture Committee calls, so they hold periodic practice sessions characterized by laser-focus on role-playing. This ensures that they will be ready to spring into action as soon as a relief project goes live. They also make sure everything is in place—such as always up-to-date manuals for assembling emergency housing—to enable them to respond without delay whenever disaster strikes anywhere in Japan. We also have in place another team of separate members drawn mostly from Dash's, a Daiwa House Industry division that handles rental housing, who jump into action when the association's Housing Committee has also launched actions to erect temporary housing in response to requests for temporary housing exceeding 20,000 units within two months of a disaster. To date, we have built some 28,000*1 emergency housing units.

During fiscal 2025, 157 people, our Chairman and Executive Vice Presidents among them, participated in drills, and a working group presented on the occurrence and initial response to an earthquake, assuming an earthquake striking directly under the capital region. We are also revising our manuals to reflect lessons learned from the 2024 Noto Peninsula earthquakes.

Further afar, Daiwa House Modular Europe Ltd., a European member of the Group, has provided a cumulative 3,974 units*2 to house refugees, including people from Ukraine. The company markets modular building products, a type of buildings fabricated using industrial manufacturing methods.

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

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

*2 As of December 2025



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

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



P103 Recovery and reconstruction aid housing in Europe

Building permanent post-disaster public housing

Daiwa House Industry's aid to disaster areas does not stop with providing immediate emergency housing. We then go on to build new "recovery" public housing (disaster public housing) to help drive reconstruction forward.

The sluggishness of reconstruction work became a problem in the areas affected by the Great East Japan Earthquake (2011). Because the restoration of infrastructure and construction of disaster-relief public and other housing ran in parallel, shortages of labor and construction materials arose that led to long-lasting work delays.

To address the issue, we proposed erecting steel-frame prefabricated structures—a strength since our founding—for post-disaster public housing, which we then went on to build new. Prefabricating components in our factories allowed us to shift some of the workload out of the disaster area to alleviate the pressure due to the concentration of work.

We proposed this approach again following the Kumamoto Earthquakes of 2016, the West Japan Heavy Rain Disaster of 2019, and other later disasters. Our idea was accepted, and we built more post-disaster public housing than any other private-sector contractor: 3,547 units across Japan as of March 2026.

Further an issue that arises in post-disaster public housing is loss of interpersonal ties and interaction among residents, especially the elderly. We engage in ongoing recovery assistance to help residents form new communities, breathe life into them, and build new livelihoods so they can feel safe and a home in their new surroundings.



➤ [Post-disaster public housing | Technology Information | Daiwa House Industry \(Japanese text only\)](#)



Tenno Ohama Apartments, Kure City, Hiroshima Prefecture

Socially inclusive community development

Main approach

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

Daiwa House Industry was the project principal at Maaruku Shinsapporo, a large-scale development. Here, as we erected buildings and installed infrastructure we simultaneously set up an area-management mechanism to steer longer-term development of the new town and its surrounding area. Our job as developer done, post-handover we remain involved in the locality's development as member of the incorporated civic organization embodying the mechanism's task: keeping the area vital and enhancing its long-term value in close collaboration with the whole community. To date, under the slogan Building a Healthy Community Together, the organization has hosted food-and-health-themed events and other like initiatives. And through a public-private-academic collaboration with Sapporo Gakuin University and the city of Sapporo, we are studying the impact area-management activities have on the locality. The joint research launched in November 2024 and will run through March 2027, roughly two and a half years, to ascertain the effectiveness of initiatives for generating sustainable community vitality.

In fiscal 2025, the civic organization opened Active Salon sawa, a civic center to serve as a hub for routine community activities as well as host events. A framework has been put into place for sustainably managing the area that includes revenue-generating projects, such as one that places wall-poster advertisements. Events such as the Crafts Market & Music and the Shinsapporo Health Festival drew over 3,000 participants. Analyses afterwards demonstrated their utility, and the organization is collaborating with government entities, universities, and others to train human resources who will carry area management forward, at a school opened in April 2026.

In recognition of these activities' role as an advanced model for re-energizing the central hubs of regional cities, in June 2026 the City Planning Institute of Japan (CPIJ) honored the organization with its Planning and Design Award.



Joint research conducted by Sapporo Gakuin University and Daiwa House Industry (Japanese text only)

The CPIJ honored the complex development project for the Shinsapporo Station area with its Planning and Design Award (Japanese text only)

Active Salon sawa's achievements (Sept. 2025–March 2026)

Usage data	Achievements
Visitors	6,671
Events	117



An Active Salon sawa brochure

Hitotokimiki Miki Area Community Center (Miki City, Hyogo Prefecture)

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

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

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

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

the Midorigaoka and Aoyama districts.

* A space with a kitchen and leasable spaces for small retailers and food-and-beverage providers to set up shop. The community kitchen is envisioned as a hub for interaction among local residents.



The HITOTOKIMIKI Miki City Multigenerational Civic Hub opens (Japanese text only)



Outside view of the Hitotokimiki Civic Hub



Inside view of the Hitotokimiki Civic Hub

Social-impact assessment of the Hitotokimiki Civic Hub

Daiwa House Industry assessed the non-financial value of community development activities in Miki, Hyogo, from economic, social, and environmental perspectives in line with the Social Impact Real Estate practice guidelines issued by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). It was the first attempt in Japan to assess the extra-financial value of real estate in terms of social return on investment (SROI). Japan Credit Rating Agency (JCRA) furnished a third-party opinion of the assessment framework and results.

Economic, social, and environmental effects were calculated based on preliminary evaluation of 1) real estate planning, 2) boundary setting, 3) building of a logic model, and 4) impact assessments. The calculated E-NOI return came to 12.3%, far above the 4% social discount rate set forth in MLIT's cost-benefit analysis manual. This result indicates that economic, social, and environmental benefits can be expected.

Principal measures and their impacts

Economic: Non-employment spillover effects in the local economy due to inclusion of shops

Social: Job creation (via, e.g., a café and public-service facilities), generation of community vitality, disaster mitigation benefits (via, e.g., evacuation center function, hosting of events)

Environmental: Climate-change adaptations, effective resource use (via, e.g., use of wood construction materials; energy saving, generation, and storage capabilities as a ZEB)

Socially inclusive community development

SDG relevance

Areas identified as strongly impacted

- Good Health and Well-being (Goal 3): Measures to prevent harm to health, provisions of pleasant inside and outside environments
- Sustainable Cities and Communities (Goal 11): Provision of disaster mitigation equipment and assurance of its performance, crime prevention measures, placement of community spaces
- Affordable and Clean Energy (Goal 7) · Climate Action (Goal 13): Energy saving, generation, and storage
- Decent Work and Economic Growth (Goal 8): Provision of satellite offices, revitalization of local industry, job creation
- Quality Education (Goal 4) · Gender Equality (Goal 5) · Reduced Inequalities (Goal 10): Inclusivity-oriented design, provision of facilities for child rearing, improved accessibility

-  [Visualizing extra-financial value of social impact real estate \(Japanese text only\)](#)
- [Page 44 of MLIT's Social Impact Real Estate practice guidelines \(Japanese text only\)](#)
- [JCRA's third-party opinion on Daiwa House Group's social impact real estate assessment framework \(Japanese text only\)](#)

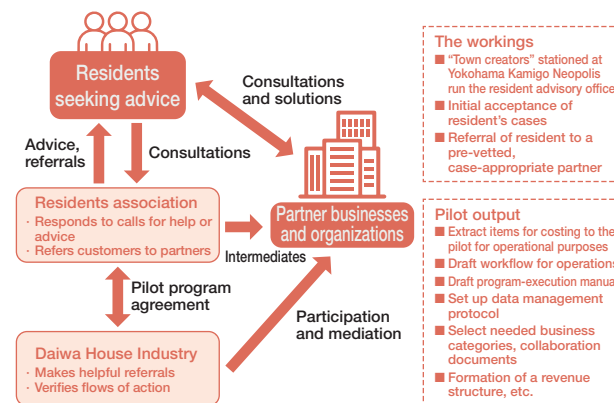
Full-scale operational trials launched for community hub (Yokohama, Kanagawa Prefecture)

At Yokohama Kamigo Neopolis, a housing development Daiwa House Industry built over half a century ago, we and the Yokohama Kamigo Neopolis Residents Association opened Sou Terrace, an activity hub for the local community. Given that role, the association will be setting up a resident advisory office in the hub where community members will be able to seek help on their home and living questions or grievances. The office will refer them to partners best suited to their needs, whether they want new curtains or to get a streetlamp fixed. In addition to selecting partners—businesses and organizations—and developing a collaborative mechanism for the program, we will be testing the program's business viability and suggesting operational improvements.

The residents association, which is incorporated, intends to use these activities to guide community development and further

enhance its attractiveness as a place to live in collaboration with the government. Meanwhile, Daiwa House Industry hopes to use Sou Terrace pilot programs as a laboratory for advancing industry–government–private partnership-led town management initiatives nationwide.

-  [Pilot programs on community hub operations using Sou Terrace go live \(Japanese text only\)](#)



Recovery and reconstruction aid housing in Europe

We are providing Ukraine with modular housing units to assist in its reconstruction amid the ongoing war. The activity is our response to calls for aid by Ukrainian officials visiting Japan in 2025.

Netherlands-based Daiwa House Modular Europe, a local subsidiary, operates a modular construction factory in Europe. It has already supplied 3,974 modular housing units to refugees from Ukraine in the Netherlands, the UK, and elsewhere. Now, in collaboration the UNICEF Ukraine, we are also donating modular housing inside Ukraine to help the country rebuild. The units go through the Olena Zelenska Foundation to foster families who have lost their homes due to the war.

The modular homes we fabricate in Europe feature reusable steel frames and concrete floors, and walls and ceilings can be reused or recycled. They boast a recycling rate of some 80% by weight. Since 2020, Modular Europe has also been providing

modular public housing across Europe to students and other relatively low-income groups. Going forward, we remain committed to supplying buildings needed by society.

-  [Daiwa House Industry donates modular housing for foster families to the Olena Zelenska Foundation to help Ukraine rebuild \(Japanese text only\)](#)

-  P101 [Organization for providing emergency housing](#)



Naarden, NL center housing Ukrainian refugees



Student dorm in Utrecht, NL

Daycare centers at DPL facilities

Daiwa House Industry's DPL Local Engagement Project envisions our multi-tenant logistics facilities as moving ahead hand-in-hand with local residents and tenants, making them than places that just handle goods shipping

For example, DPL facilities with leasable floorspace of over roughly 66,000 m² are required to set up daycare centers, and our Nagareyama I, II, and IV DPLs in Nagareyama, Chiba Prefecture and Ibaraki Kita DPL in Osaka Prefecture already have ones in place while many more are scheduled to open daycare centers soon. Having a daycare center in the workplace can greatly reduce the time and effort needed to pick up and drop off kids and giving parents working at tenant company greater flexibility for scheduling work shifts. They also enhance employee satisfaction, thus helping reduce employee turnover and increasing job opportunities for people with children. Both tenants and the DPLs themselves benefit from the enhanced value they provide.

-  [The DPL Local Engagement Project \(Japanese text only\)](#)

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

Concept and Policy

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

From development to delivery, we pursue “being complete in small things” to ensure that we not only comply with laws and regulations but also carry out our work responsibly and connect it to the next stages in the process, based on our strong commitment to providing high quality, safe, and secure products. To strengthen our quality management system, we formulated a Quality Policy for the Group in fiscal 2025. In accordance with this policy, we have newly established Company-wide Quality Assurance Regulations, which define the basic matters for quality assurance activities to ensure quality that meets customer requirements. In conjunction with the establishment of these regulations, the Company also established the Prevention Management Regulations and revised the existing Corrective Action Regulations, Technical Prevention Management Bylaws, and Type-certified Housing Design Audit Regulations.

Since collaboration with our business partners is essential to the provision of our products and services, we also demand high quality from our business partners and have established various support and systems that contribute to quality improvement. We aim to increase trust and satisfaction among stakeholders by providing products and services that exceed customer expectations.

Quality Policy

We strive to realize the dreams of all our customers by providing safe, secure, and impressive quality.
We pursue maximum customer satisfaction and aim to be a company trusted by society.

Action Guidelines (Specific Initiatives)

1. Set specific quality goals and establish a company-wide system to achieve them in order to improve quality.
2. Comply with relevant laws and regulations and fulfill social responsibilities.
3. Anticipate potential risks related to quality as much as possible and make thorough preparations.
4. Plan and conduct education and training to help employees acquire knowledge on quality and the abilities necessary to perform their duties, aiming to improve customer satisfaction.
5. Respond flexibly to changes in the market environment and continuously improve the quality management system.
6. Share information on quality appropriately both within and outside the Company to build trusting relationships with stakeholders.

Management

Various regulations regarding quality

· Company-wide Quality Assurance Regulations

These regulations set forth basic matters concerning the responsibilities and authority in quality assurance activities.

· Prevention Management Regulations

These regulations establish basic provisions concerning the responsibilities, roles, and promotion system for prevention activities aimed at maintaining and strengthening the foundation of quality assurance. The relevant departments are required to set goals for their initiatives and establish a system to prevent quality problems in advance, based on the premise of utilizing information on failures. In addition, upon request from relevant departments, the Quality Coordination Department monitors the status of efforts, checks evidence, conducts interviews, and provides advice, proposals, and recommendations for improvement.

· Technical Prevention Management Bylaws

These bylaws set forth matters to ensure that technical personnel of the Company not only prevent the recurrence of failures but also promote prevention activities using technical quality information to continuously improve quality, and that prompt and reliable measures are taken when quality risks arise. Relevant departments that receive recommendations are encouraged to review standards, rules, and business flows as necessary and to ensure thorough dissemination of such changes.

· Corrective Action Regulations

These regulations apply to problems caused by technical standards, specifications, etc., established by the business divisions and Head Office departments, among defects (malfunctions) that occur in buildings, etc., supplied by the Company in Japan, with an aim to take organizational measures to prevent the expansion of damage and to prevent recurrence and problems in advance. The regulations specify the actions to be taken, from investigation of causes to emergency measures, provisional measures, permanent measures, retrospective measures, and prevention of recurrence and problems in

advance through the use of corrective action records.

· Type-certified Housing Design Audit Regulations

These regulations set forth matters necessary for conducting design audits for type-certified housing, with reference to Ministry of Land, Infrastructure, Transport and Tourism Ordinance No. 73 of 2019. The regulations establish rules for the operation of design audits, from audit planning to implementation and the content of correction instructions based on the results.

Company-wide quality assurance system

The person responsible for company-wide quality management is the Head of the Technology Division (Representative Director and Executive Vice President), and the Quality Improvement Committee, for which the Quality Coordination Department serves as the secretariat, coordinates company-wide quality assurance responses. Quality assurance and improvement activities in daily operations are carried out in accordance with the quality management and assurance processes of each department, centered on the Head of the Technology Business Coordination Department for the housing solutions business and the business solutions business.

When an incident occurs, the relevant departments, such as design, construction, and procurement, conduct a root cause analysis, and corrective activities are carried out under the direction of the General Manager. If a serious incident such as a legal violation or recall occurs, information is promptly disclosed, and relevant departments are convened to formulate policies for response measures.

■ Quality assurance system



· Quality Improvement Committee

The committee meets as necessary to report on and resolve issues related to quality information. In principle, the committee meets every six months and is overseen by the Head of the Technology Headquarters (Representative Director and Executive Vice President).

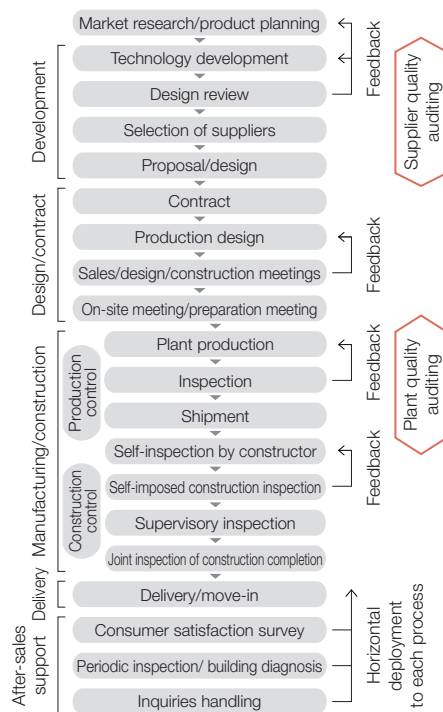
■ Developing and providing high quality, safe, and secure products

In addition, each business division holds working groups such as those focused on quality improvement and cost reduction on a regular basis, and strives to improve quality by submitting and reporting the results of these activities to the business division headquarters, thereby sharing best practices.

・ Quality assurance system in the housing business

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

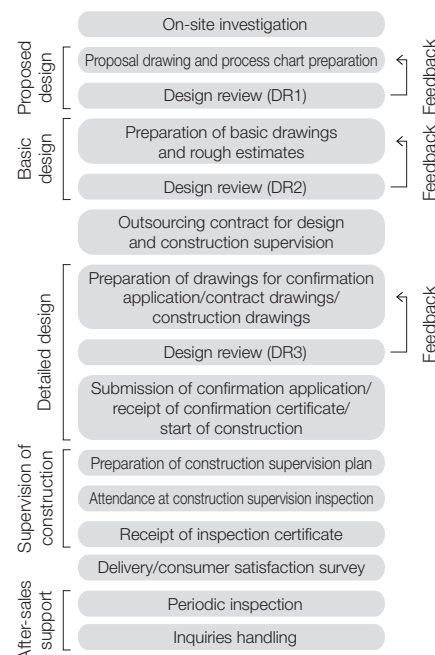
■ Quality assurance system flow (Housing)



・ Quality assurance system in the construction business

Design reviews (DR) are undertaken at each stage of design for all projects for our general construction and commercial construction businesses. Design reviews are multifaceted, with members with various perspectives, including persons responsible for design, the design support office, the production technology department, and the construction department, confirming laws, regulations, and specifications, and providing advice on each phase of the project. After the start of construction, construction accuracy is confirmed through self-inspection by the contractor and inspection by the construction manager. Construction supervisors perform close checks, make reports, and keep records regarding whether construction is in accordance with various drawings.

■ Quality assurance system flow (Construction)



Ensuring compliance with laws and regulations in design documents

In order to supervise design specifications in our single-family housing business, we conduct design audits and confirm conformity with advancement guidelines to ensure design quality. In fiscal 2025, the Company published the Commentary on Design Audit Items for Type-Certified Properties in-house, which summarizes key points for these audits. The purpose of this commentary is to clarify the items checked in design audits and provide explanations along with related past comments, thereby informing designers of key points in design audits, preventing errors, and improving design quality.

・ Design audits

Design auditors are appointed according to internal standards, such as holding architectural qualifications and having at least five years work experience. They examine the final drawings issued for construction in the current fiscal year, in a number equivalent to 5% or more of the properties completed across Japan in the previous fiscal year, to confirm that the design documents are free of legal and model violations based on the standards set by the Ministry of Land, Infrastructure, Transport and Tourism. Moreover, if any deficiencies are discovered, the design auditors can issue written directives to the design department for the branch office and other related departments requesting steps to correct these deficiencies and prevent any recurrence. They then proceed to confirm that these steps have been implemented. In fiscal year 2025 as well, all corrective actions for suspected cases have been completed.

・ Confirmation of conformity with advancement guidelines

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

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

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

Our housing division has obtained type-certified specifications*, and we have established an internal qualification system for employees engaged in design work, construction supervision, and specification management using the system of the said type-certified specifications. An internal examination is conducted annually, and only those who pass the examination are allowed to perform design work using the system. Online training is provided in preparation for this examination, and employees can study the material repeatedly.

In addition to the examination, the Company evaluates each designer's level of proficiency based on comprehensive factors such as knowledge and experience in design work. Depending on the proficiency level, the scope of duties is divided into five levels, ranging from "design assistance only" to "design and review for general building confirmation applications." The number of designers who improve their proficiency level is tallied for each business site and reflected in the management soundness evaluation.

* A system that pre-examines and certifies that houses built with standard specifications meet certain construction criteria. If type-certified specifications are obtained, the examination at the time of individual building confirmation is simplified.

■ Fiscal 2025 judgment results

Unit: people

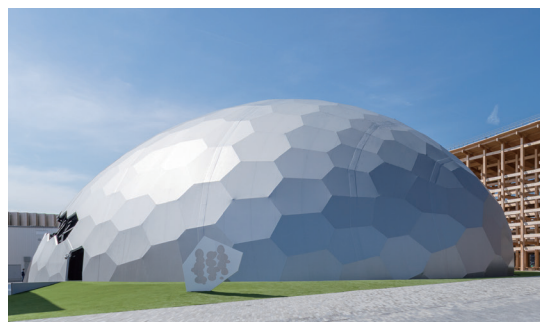
	Level 4	Level 3	Level 2	Level 1	Level 0
Housing Design	159	185	56	4	2
Apartment Design	199	314	171	10	2
Other Divisions	28	104	14	10	5
Total	386	603	241	24	9

[Construction design] Certification system for building design

The Company has established a Certification System for Structural Specialist with the aim of leading advanced technology and improving basic technical capabilities, as well as motivating structural designers. Every year, properties utilizing advanced technologies implemented by their designers are evaluated and selected, with the ranking rising according to the number of times they are selected. As of April 2026, 14 people have been certified. Employees selected through the Certification System for Structural Specialist will work toward the internal development of advanced technologies through various means, such as in-house design reviews, technical consultations, and expressing their opinions in technical presentations, thereby promoting the enhancement of structural technology capabilities across the entire company.

In addition, for architectural design, we have established a Design Meister and Design Leader Certification System to improve design capabilities from the bottom up and to create further growth opportunities for design leaders. As of April 2026, a total of 25 people have been certified. Certified employees will be involved in in-house design education and serve as judges for in-house competitions.

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



Design Meisters and Structural Specialists from the Company participated in the architectural design and structural design of the Federation of Electric Power Companies of Japan Pavilion "Electric Power Pavilion: Eggs of Possibilities" at EXPO 2025 Osaka, Kansai, Japan.

Use of legal consultation case studies, etc.

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

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

• Legal consultation service

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

• Legal consultation case studies

This is a compilation of advice and recommendations given as answers to past legal consultations regarding the interpretation of ambiguous matters (gray areas) in the Building Standards Act and related laws and regulations. It contains examples classified into 24 categories. As of December, 2025, a total of 733 case studies have been compiled. These will continue to be updated semi-annually and made available internally.

• Database of local laws and regulations

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

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

designs that conform to local laws and regulations, due to factors such as the expanding reach of architectural firms. In fiscal 2025, information on differences in the handling of the Building Standards Act and other regulations was updated.

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

At our plants throughout Japan, we are automating, streamlining, and using more robots to achieve an integrated production system with uniform and stable quality that extends from parts machining to assembly. Our plants nationwide, together with the Production Headquarters and the Procurement Headquarters of the Head Office, have acquired ISO 9001 certification for the quality management system established by the International Organization for Standardization (ISO) and implemented it as a framework for continuous improvement activities to enhance and stabilize product quality. (The certification rate is 100% for all eight factories where certification is required, as well as for the Production Headquarters and the Procurement Headquarters related to the factories.)

In addition, in operation of ISO 9001, we undergo an external audit by a certification body once a year to confirm that the quality management system is properly maintained and managed.

Quality assurance through certification grades

All construction materials used by the Company are manufactured at certified factories that have obtained a certification grade from the Minister of Land, Infrastructure, Transport and Tourism, thereby ensuring quality from the manufacturing stage. Among these, the Tochigi Ninomiya Factory has obtained “S Grade” certification, the highest grade, in recognition of its extremely high technical capabilities and quality control system.

The Company strives to stably supply high-quality products based on such advanced technical capabilities and quality control systems.

Employee training and qualification management in the Production Headquarters

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

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

In addition, to acquire the knowledge necessary for the Production Headquarters, we encourage employees to obtain the Quality Control (QC) certification and the Non-Destructive Inspection Technician (UT1) certification required for work, and hold in-house study sessions. As of the end of March 31, 2026, the number of QC certification holders totaled 68 for Level 2 and 270 for Level 3, and the number of non-destructive testing technicians was 1 for UT3, 9 for UT2, and 22 for UT1.

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

The inspection system for single-family and low-rise rental housing projects consists of construction business partners, the Company's construction managers and construction supervisors. Construction supervisors are members of the Construction Supervision Coordination Department, which is separate from the business site organization. Inspection items are organized in the Inspection Master, comprising over 4,700 items, which was created by the Head Office departments based on accumulated know-how. Based on this master list, inspection items are created for each residence. Inspection plans are developed for the standard six processes (reinforcement, concrete placement, foundation completion, framing, woodwork, and completion) and four additional processes such as ground reinforcement, fireproofing and flame retardancy, depending on the contract details. The results of inspections by construction business partners, construction managers, and construction supervisors are registered in the same inspection system and centrally managed.

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

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

In fiscal 2024, we started Techno Caravan, a technical sales and education program that introduces technologies developed by our laboratories to each division.

Techno Caravan was held a total of 20 times throughout Japan in fiscal 2025, introducing 26 technologies, including wood utilization technologies aimed at achieving carbon-negative operations and basic knowledge and countermeasures for condensation. By directly communicating with front-line personnel about the technologies we have developed, we endeavor to help them understand the attractiveness and usefulness of the fruits of our development activities and promote uptake by the market. We will continue to deepen our interaction with job sites to achieve more effective R&D.



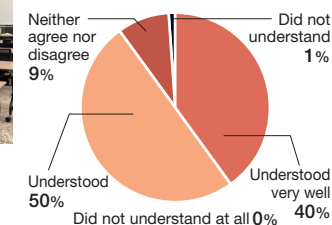
➤ Central Research Laboratory (Japanese text only)

➤ Technical Research Report (Japanese text only)



Scene at a Techno Caravan regional structural meeting

■ Understanding level of study session content (construction)



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

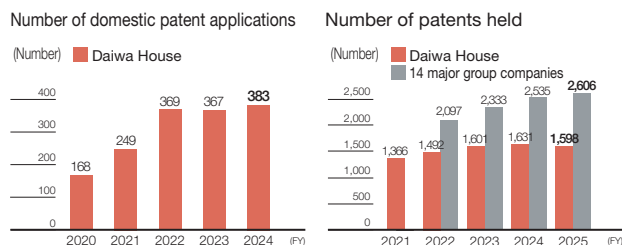
Intellectual property strategy

The Company recognizes intellectual property rights, such as patent rights and design rights resulting from research and development, trademark rights that form the basis of brand strength, and copyrights resulting from intellectual creation, as important company assets, and strictly manages them in accordance with established flows for acquisition, maintenance, and abandonment. We not only assert our own intellectual property rights but also respect the rights of other companies and conduct clearance searches to ensure that we do not infringe on the patent or trademark rights of other companies.

Furthermore, based on the importance of intellectual property information, as well as constructing a system to communicate and gather intellectual property information within the company, by actively carrying out licensing based on patent rights, which are the results of technical development, we are working to utilize our intellectual property rights. To further promote activity related to intellectual property rights, we publish an annual report on our activities related to intellectual property for internal use, pay a bonus for inventions that are implemented, and hold presentations to increase employees' awareness of intellectual property. The number of domestic patent applications in fiscal 2024 was 383. The breakdown of application fields shows that applications are made in a wide range of fields, not limited to the housing and construction fields, which are the core businesses of the Company, but also in response to the recent expansion of business areas.

As of the end of fiscal 2025, the Company held 1,598 patents (including patents acquired in foreign countries), which is a decrease of 33 patents since the end of fiscal 2024. As of the end of fiscal 2025, the 14 major group companies, including the Company, held 2,606 patents (counting only the patents registered in Japan).

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



Bonus for inventions

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

In addition, the bonus system is designed to evaluate the effectiveness of patent (invention) enforcement, such as cost reductions and construction work savings, thereby encouraging the creation of inventions with higher added value.

Horizontally deployed measures for quality improvement

· Feedback sheet system

This system allows all employees and contractors to make suggestions and requests for the improvement of inefficiencies and aspects that lack user-friendliness at any point. The system receives about 100 improvement requests every month, and many of these are being adopted as technical standards and design document improvements. In fiscal 2024, we launched an in-house newsletter, "FB News," with the aim of stimulating improvement activities through the use of feedback sheets. This is a compilation of selected content from proposals that have led to improvement examples or that should be widely known, and it is made available for use in information sharing and as reference materials for study groups. In fiscal 2025, 1,582 proposals were received, 590 of which were adopted, leading to improvements in the business environment, quality, and customer satisfaction.

· Quality White Paper

We publish a semi-annual "Quality White Paper" primarily for our technical employees. It provides quality-related information covering processes from contracting and construction through delivery and after-sales service, and summarizes the quality performance of each business site, in order to improve the quality of products and operations.

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

· Monthly Quality Report

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

In fiscal 2025, the report gave considerable attention to work cases and qualifications, including legal consultation cases, design audit cases, and architectural qualification information.

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

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

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

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

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

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

Follow-up evaluation of factory business partners

We have established standards for quality, management, delivery, safety, morale, and the environment for our business partners in our factories, and conduct evaluations annually based on their performance. Based on the results of the evaluation, we grade them into four levels from A to D. Business partners ranked B and C are asked to submit an implementation plan for improvement. Results of improvements are confirmed in reports regarding matters pointed out for improvement. When two consecutive C evaluations are received or a score of D is given to a business partner, a corrective action letter is issued and instructions are given for improvements. After confirming the effectiveness of the improvement, if the business partner is again ranked D in a special follow-up evaluation, we will meet with the relevant business owner and work together to implement improvements, while providing advice so that the business partner can maintain stable supply. In fiscal 2025, evaluations were conducted for 48 companies (72 business worksites).

Cooperation with business partners

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

・ The Confederation of Partner Companies (4,185 companies): Composed of manufacturing and construction companies

The Confederation of Partner Companies, an organization of partner subcontractors and factory business partners, has 70 branches nationwide and focuses on improving safety, quality, technology, and work efficiency, as well as promoting environmental conservation. Officers of the Company participate in each subcommittee as Executive Advisors, while the Company handles the role of secretariat. Confederation members share ideas and knowledge through the information site run by the Company “D-PC/WEB Ren” to ensure smooth communication and collaboration.

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

The Trillion Club helps improve the finances of both member businesses and Daiwa House Industry by enhancing material quality, respecting delivery schedules, developing new construction materials, and innovating technologies. Focusing on these promotional activities, we are deepening mutual development and friendship.

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

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



P023 Supply chain management (Environment)

P038 Establishing a cross-departmental timber survey system

Support aimed at technical improvement of partner subcontractors

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

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

with financial support to train the young technicians of our construction business partners, providing financial assistance for training to building contractors.

We also support recommendations and applications to become a Prefabricated Construction Meister, a certification offered by the Japan Prefabricated Construction Suppliers and Manufacturers Association. To date, a total of 187 carpenters have been certified, which helps ensure that each technician receives appropriate evaluation and treatment. Certified technicians also play a leading role in training others at construction sites.

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

* Construction business partners transitioned to the Technician Career Up System



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

■ Educational support programs

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

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

Training for business partners

In collaboration with the Confederation of Partner Companies, we conduct a certification of chief construction technicians to help new business partners involved in residential construction acquire the necessary knowledge and techniques. The system is designed to share the Company's issues and goals, ensure that each company understands its role, and provide learning opportunities on key points in construction and the latest trends in management systems. Separate exams are held for new technicians and those seeking renewal of their certification. In fiscal 2025, 940 people took the course and 875 passed. In addition, new semi-comprehensive building contractors and semi-full-time supervisors registered with the Company are required to undergo training provided by the Company, through which they acquire basic knowledge and improve their skills in areas such as quality control, safety and hygiene, and customer service.

Supporting skill improvement and skill transfer at factory business partners

• Nationwide factory skills contest

The aim of the nationwide factory skills contest is to improve the skills required in factory production activities by having representatives from different factories compete in terms of safety, quality, and productivity. Participants compete in ten events testing the seven skills of welding, woodwork, exterior wall, painting, crane, forklift, and information processing. They are assessed not only in terms of construction techniques and quality but also whether construction is performed safely. After the competition, contestants have the opportunity to exchange information about their skills while viewing the works they have created. Through this competition, we seek to improve technical skills, raise motivation, and transfer skills. A total of 74 people participated in fiscal 2025. We will continue to hold these events in the future while devising ways to improve the event categories and venues.



Exterior wall skill competition



Welding skill competition

Establishment of Technician Career Up System

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

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

In addition, starting in April 2020, we began managing the entry and exit of construction technicians at construction sites with face recognition so that work history information can be stored on the CCUS. We used various means to encourage others to register with the system, such as by creating a tool that makes it easy to apply for registration, even for those who are not familiar with operating computers. As a result, 75% have joined the CCUS as of fiscal 2025. Construction business partners that register with the CCUS become eligible to receive various subsidies from the Company in line with their CCUS level and the number of days worked at our sites.

[Housing] New award system for quality building contractors

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

In fiscal 2025, seven best-quality building contractors and 74 quality building contractors were selected from among 81 companies nominated from all over Japan, and were honored at the general meeting of the Confederation of Partner Companies, safety conventions, and other forums.

Issuance of mutual aid certificates for the Kentaikyo System

The Kentaikyo System (construction industry retirement allowance system) is a scheme established under the Small and Medium-sized Enterprise Retirement Allowance Cooperative Act for those who work at construction sites. No matter where or when a construction site technicians works in Japan, a mutual aid stamps (payable) corresponding to the number of days worked are affixed in a worker's Mutual Aid Guide, and a retirement allowance corresponding to the number of the certificates is paid upon retirement from the construction industry. This is a national system involving the entire industry. Employers hiring workers bear the expense of these payments. Since 1985, as a means of supporting compensation for construction workers and technicians, the Company has been issuing mutual aid certificates on behalf of contractors in cases that meet our own internally determined rules.

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

Concept and Policy

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

Management

Post-delivery customer support system

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

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



Daiwa House Support Desk (illustration only)

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

To ensure that these initiatives proceed smoothly, the business division in charge of CS Headquarters provides support the system.



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

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

Long-term quality assurance

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

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

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

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



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

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

Customer satisfaction surveys and long-term communication to earn trust

We conduct customer satisfaction surveys in our housing business. Questionnaire surveys are conducted periodically after customers take up residence to confirm customer satisfaction. Our Daiwa Family Club website for single-family house and condominium customers provides customer communication functions such as Messenger, in addition to maintenance notices and Web-based questionnaire surveys. We began operating an official LINE account in fiscal 2024. This has made it easier to provide information to customers, and the use of videos when reporting problems has made it easier to understand the nature of defects, enabling quicker arrangements for repair or replacement.

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

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



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

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

“Koe no Ie” (House of Feedback) delivers customer feedback to the Company

In our single-family houses business, we have established “Koe no Ie” on the in-house intranet to share within the Company comments received from customers, including dissatisfaction. Based on the concept of “creating a home from customer feedback,” we post improvement measures for more comfortable living, broken down by the different parts of the house. Beyond this, important comments from customers are reflected in efforts to improve quality within the Company through feedback sheets. In addition, we use submitted feedback as materials for training provided to design staff and coordinators.



“Koe no Ie”
Clicking on each room displays potential problems that may occur in that room and their countermeasures.

Provision of product information

The Company provides documents containing product information at the time a building is delivered to ensure that customers can use the building safely. For example, in the case of single-family houses, we provide customers with the Housing Guide, which contains information on how to maintain the building; in addition, for those who request it, we disclose performance evaluation reports for design and construction based on the Japanese Housing Performance Labeling Standards. Additionally, in the case of condominiums, we provide, along with the keys at the handover meeting, an instruction manual for the use of buildings and equipment, information on post-move-in support, “D’s File” (a home history file), and warranty certificates for each piece of equipment.

Voluntary restrictions in marketing and communications

The Company complies with relevant laws and regulations, including the Real Estate Brokerage Act, as well as voluntary industry regulations such as the Fair Competition Codes Concerning Indication of Real Estate, and promotes responsible marketing and communication, including consideration for human rights. These initiatives are promoted under a system headed by the General Manager in charge of the Corporate Brand (Senior Executive Officer).

For all advertising materials, we require an advance check by a specialized in-house department; in addition, we reduce risks in labeling and expression by using “D-Workplace,” an ad production system that standardizes ad materials into templates (with an usage rate of approximately 70%). Furthermore, we identify areas for improvement and make corrections through a verification process utilizing AI.

As part of the foundation supporting these initiatives, we include “fair advertising and marketing” as one of the themes in compliance training conducted at all business offices and worksites, striving to improve employees’ understanding and awareness on an ongoing basis.

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

For fines or settlements highly likely to occur in the future due to an event that took place in the previous fiscal year or earlier, the Company makes an estimate of the amount at the end of the period and records a provision. If a significant event occurs, it is noted in the securities report; however, there were no significant provisions in fiscal 2025.



[Securities Reports and Quarterly Reports](#)

Training to improve service quality

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

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

Main approach

Awarded Excellence Prize for the second consecutive year in the staff hospitality category under the condominium management company section in the SUUMO AWARD 2025 (Kansai region) (Daiwa LifeNext)

Daiwa LifeNext, a member of the Daiwa House Group, was awarded the Excellence Prize in the staff hospitality category under the condominium management company section in the SUUMO AWARD 2025 (Kansai region), sponsored by Recruit Co., Ltd. Companies are selected for the award based on the results of a survey of people who purchased new condominiums in the Kansai region (Osaka, Kyoto, Hyogo, Shiga, Wakayama, and Nara prefectures), asking them about satisfaction with condominium developers, condominium sales companies, and management companies in terms of quality, price, initiatives, and various other factors. Encouraged by this award, we will continue to strive to further improve our services and provide our customers with a more comfortable condominium life.



[Awarded Excellence Prize for the Second Consecutive Year in the Staff Hospitality Category under the Condominium Management Company Section in the SUUMO AWARD 2025 \(Kansai Region\) \(Japanese text only\)](#)

Sustainable procurement

Concept and Policy

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

In addition, we have established the “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy,” which is focused on purchasing activities by all business partners in Japan who do business with our Procurement Headquarters. We have had all business partners submit a letter of consent after gaining an understanding of our approach to sustainable procurement.

Furthermore, we participate in the Declaration of Partnership Building established by the Cabinet Office and other organizations, and have declared to society our “compliance with desirable business practices with small and medium-sized contractors,” reviewing this as appropriate.

The Supply Chain Sustainability Guidelines Business Partner Code of Conduct

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



➤ [Supply Chain Sustainability Guidelines](#)

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

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



P199 [Social Data](#)

[Supply Chain Sustainability Guidelines Agreement collection rate/Self-check response rate/ESG management evaluation of business partners](#)

Management

Operating the Supply Chain Sustainability Guidelines

The Group formulated the CSR Procurement Guidelines in 2015 to promote sustainable procurement together with our business partners, and revised them in 2023 as the Supply Chain Sustainability Guidelines in response to changes in social conditions.

These Guidelines establish seven principles concerning environmental and social aspects in the Business Partner Code of Conduct, and specify concrete request items for business partners in the Corporate Activity Guidelines, which are based on the Business Partner Code of Conduct. In addition, the Guidelines for Products set standards for the environmental and social aspects of products such as construction materials delivered to us by business partners, and procurement is carried out based on these standards.

The Group holds explanatory meetings for business partners and has them submit a letter of consent to ensure compliance with these guidelines. In addition, when entering into contracts with new business partners, we explain the purpose and outline of these guidelines and have them submit a letter of consent. In fiscal 2025, we received letters of consent from 640 new companies, and through awareness activities since 2024, 88.7% of our business partners have consented. Furthermore, to ensure that employees of our business partners understand these guidelines, we prepare and distribute explanatory materials for business partners based on the Business Partner Code of Conduct and the Corporate Activity Guidelines, and engage in awareness activities for their employees.

In fiscal 2025, we introduced “Nikkei Sustainable Link,” an ESG evaluation system provided by Nikkei Research, for our major business partners. This allows us to conduct ESG management evaluations of our business partners, monitoring and assessing their compliance with these guidelines and the extent to which ESG management is embedded in their operations. Going forward, based on the evaluation results, we will provide education through e-learning and webinars, conduct on-site audits, and strengthen engagement with our business partners.



P024 [Supply chain management \(Environment\) Increasing suppliers' awareness of our environmental policy](#)



P038 [Establishing a cross-departmental timber survey system](#)

P199 [Social Data](#)

[Supply Chain Sustainability Guidelines Agreement collection rate/Self-check response rate/ESG management evaluation of business partners](#)



➤ [Supply Chain Sustainability Guidelines](#)

Selecting and managing business partners in light of QCDSME

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

When selecting new partner companies to perform construction work at our sites, we review their management policies, future prospects, construction capabilities, and other factors through application documents and interviews, in accordance with our Technical Operations Regulations. We also verify legal compliance, occupational safety and health measures, the exclusion of criminal organizations or antisocial forces, the status of permits required under relevant laws and regulations, and enrollment in social insurance. Applicants that pass the review submit a Trading Name Notification Form and enter into a Basic Subcontractor Agreement with us before commencing business as partner companies.

■ Sustainable procurement

CSR Purchasing Policy in the Procurement Headquarters

The “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy,” which is formulated by the Procurement Headquarters, comprises three elements: “Basic Policy for CSR Purchasing,” a policy for sustainable procurement, the “CSR Purchasing Code of Conduct” to be implemented by the Company based on this policy, and the “Supplier Code of Conduct” to be implemented by suppliers. We have received letters of consent to the “Daiwa House Industry Procurement Headquarters CSR Purchasing Policy” from all suppliers that do business with our Procurement Headquarters.

For each of these business partners, we conduct annual follow-up evaluations on “quality” and “stable supply,” as stipulated in the CSR Purchasing Code of Conduct for each manufacturing factory, and rank them on a four-level scale (A, B, C, D). For business partners that receive a “D” rating, quality audits are conducted through on-site factory visits. We conduct on-site audits to ensure that controls are in place to guarantee product and operational quality, and provide advice for improvement as necessary. In fiscal 2025, we conducted five on-site audits.

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

CSR Purchasing Policy

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

Cooperating with trailblazing organizations in CSR procurement

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

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

· Registering with EcoVadis

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



P143 [Company receives Bronze EcoVadis sustainability rating](#)

Main approach

Training on social issues in cooperation with business partners

We hold training and study sessions twice a year (once each for the Osaka and Tokyo blocks) for the Trillion Club (234 companies), which is composed of material suppliers.

The training and study session held in the Osaka block in August 2025 was attended by 103 participants from 66 companies, while the session in the Tokyo block in March 2026 was attended by 102 participants from 57 companies.

The topics covered in the training and study sessions in fiscal 2025 were as follows.

1. Latest domestic and international trends toward achieving carbon neutrality
2. Case studies of decarbonization initiatives by the Trillion Club companies
3. Explanation of the CSR Purchasing Policy of our Procurement Headquarters
4. Supply chain human rights due diligence for centralized suppliers

We continue to raise awareness so that companies recognize the connection between their business activities and sustainability.



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

■ Enforcing safety and security

Concept and Policy

Safety management is extremely important for the Group, which is engaged in the construction industry. We are working with our business partners to strengthen safety and health systems for all people working on our sites, including employees of the Company and contractor companies, with the aim of achieving safety and security. The Daiwa House Group believes that providing job environments where diverse human resources can work with peace of mind helps our business partners secure and retain human resources. As such, we establish the “Daiwa House Group Basic Policy on Safety and Health” every year, and advance initiatives of each Group company.

We have also established safety and health management regulations in accordance with the Industrial Safety and Health Act. Based on these regulations, the Company sets and reviews the “Basic Guidelines to Promote Safety and Health at Work” every year. We establish a company-wide “Basic Policy to Promote Safety and Health at Work” each year based on these guidelines and efforts taken through the previous year. For safety and health management at each factory and branch office, the general safety and health manager establishes the “Business Managers’ Policy on Safety and Health Management” every year. Furthermore, to ensure the safety of foreign workers, we are making on-demand safety and health education courses and safety education videos available in multiple languages.

■ Safety targets for fiscal 2026 (non-consolidated)

Items	Targets
Incidents resulting in death	0
Incidents caused by a third party	0
Slip/fall incidents resulting in an absence of at least four workdays	20% reduction from the previous fiscal year
Heavy machinery-related incidents resulting in an absence of at least four workdays	20% reduction from the previous fiscal year
Heat stroke incidents resulting in an absence of at least four workdays	0
Major accidents (flying or falling objects, collapses, overturned heavy machinery, infrastructure damage)	0
Frequency rate (including heat stroke, workers only, targeted at disasters resulting in an absence of at least four workdays, covered by the Company's workers' compensation)	Less than 0.4



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



P199 **Social Data**
Safety and health education

Management

General management of safety and health by the Board of Directors

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

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

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

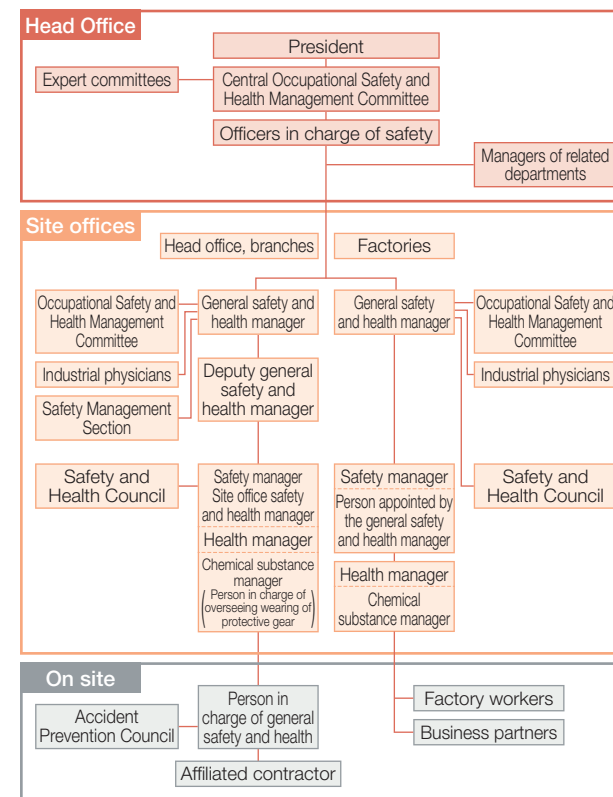
For our business partners, a Safety and Health Council is formed comprising safety managers and those promoting safety and health at branches, employees engaged in construction, and all workers at affiliated business partners. The council meets monthly. Safety and health management is promoted by discussing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

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



➤ **Executives**

■ Safety and health management organization chart

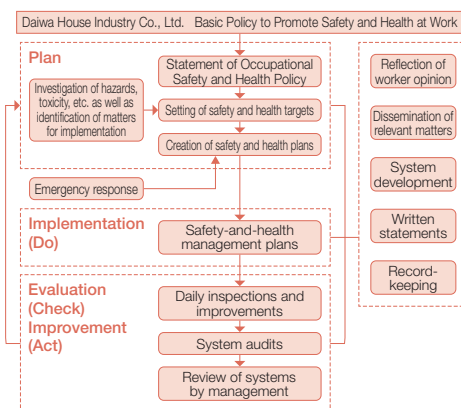


■ Enforcing safety and security

Occupational safety and health management system

In order to clarify the safety and health management activities to be addressed and effectively promote these activities at each branch office, the chair of the Central Occupational Safety and Health Management Committee instructs branch office managers (general safety and health managers) and others each March on the Basic Policy to Promote Safety and Health at Work concerning safety and health management for the following fiscal year. Based on this policy, general safety and health managers at each branch office formulate policies and targets for safety and health and announce them in April. These policies and targets are communicated to all relevant personnel at each branch office, and an annual safety and health management plan is prepared in accordance with them. Specific measures are set out in the plan based on a review of the previous year's activities, and the plan is disseminated to those associated with the branch offices and business partners for implementation. Safety and health management activities aimed at achieving our targets are monitored, and improvement instructions are given at regular meetings of the Occupational Safety and Health Management Committee and the Safety and Health Councils to ensure that the PDCA cycle is followed. In addition, not only do we aim to create "zero accident" working environments, but we also seek to enhance the workplace environment with high safety by holding monthly "Accident Prevention Council" meetings, including our business partners, to check the safety of properties under construction.

■ Factory occupational safety and health management system flow



Safety and health training for employees and business partners

In our "Safety and Health Management Regulations" and the "Basic Guidelines to Promote Safety and Health at Work," we stipulate that safety managers and health managers formulate an annual plan for safety and health education necessary for employees, and that general safety and health managers examine and approve the plan. In addition to providing training for employers of business partners, we also provide guidance and assistance in safety and health training for employees and skilled workers of business partners.

To ensure that business partners can conduct safety and health education for their employees both efficiently and effectively, the Confederation of Partner Companies has been developing and offering on-demand web-based safety and health education courses since fiscal 2023, with a total of 10 courses available as of March 2026.

In fiscal 2025, we created a course that summarizes the differences in customs and culture, communication styles, and other points to consider when accepting foreign workers, as well as a course that teaches the basics of safety to foreign workers. These courses are designed so that subtitles can be displayed in 15 different languages. By supporting 15 languages, we are able to accommodate approximately 97% of the foreign workers employed by the Company. We are also adding subtitles in 15 languages to existing courses one by one, and plan to complete the process for all targeted courses by the end of September 2026. Currently, more than 30,000 people from business partners are registered in the system and are taking courses as needed (as of the end of March 2026).

In addition, since the first four courses of this web-based safety and health education series are basic courses intended for all skilled workers, we are working toward the goal of having all skilled workers complete these courses (completion rate: 75.4% as of the end of March 2026).

Furthermore, from the perspective that efforts should be made to prevent industrial accidents by providing additional necessary education, we provide training for new personnel from business partners who enter our sites. In addition to primary business partners, we ensure that personnel from secondary and subsequent business partners also complete the courses. Those who submit a new entrant questionnaire receive a helmet sticker for new entrants. Affixing the sticker to their helmet certifies completion of the training and permits entry to construction sites.

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

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

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

(2) Safety and health training for business partners (conducted at business sites)

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

Risk management at factories in cooperation with business partners

The Company's factories array the various factory-specific committees (Occupational Safety and Health Management Committee, Quality Committee, Environment Committee, etc.) around the factory's Factory Risk Management Committee, which acts as a conduit for sharing information and coordinating operations with departments and divisions at the Head Office. The Factory Risk Management Committee also immediately shares with factory business partners information about risk

■ Enforcing safety and security

events that have occurred and that are foreseen at other plants. The Factory Risk Management Committees at Daiwa House Industry's factories are instrumental in reducing risks and solving issues, uniting our factories, head office departments and factory business partners in efforts to manage risks.

Factories have numerous emergency response procedures to address various risks, and we conduct training based on these procedures as well as disaster prevention drills in preparation for large-scale earthquakes together with our factory business partners.

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

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

 **P135 Formulation of business continuity plans (BCP) in the supply chain**

Voluntary factory health and safety audits

We conduct voluntary audits based on our own management system that refers to Occupational Safety and Health Management System (OSHMS). In addition, we work to prevent accidents at factories by collecting information on foreseeable risks and utilizing near-miss examples.

We also place importance not only on ensuring safety but also on maintaining and promoting the health of people working in factories, and are implementing measures such as installing air conditioning equipment in workplaces, introducing air-conditioned clothing, and renovating break areas as heatstroke prevention measures, thereby promoting initiatives aimed at improving the satisfaction of people working in factories.

Introduction of AI cameras

To prevent accidents during loading and unloading operations, we have installed AI cameras on a trial basis at the Nara Factory. These cameras detect the positions of people and vehicles during forklift operations and issue warnings for unsafe conditions or behaviors. We plan to expand the number of targeted factories and roll out the system in stages.

Safety and health management activities at construction sites

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

■ Main approach · Preparation of construction plans

Prior to the start of construction on all properties, including individual new construction, demolition work, etc., the operating routes for construction machinery, work methods, and procedures are confirmed at the site. After that, a meeting is held to discuss construction methods that can ensure safety, and construction begins only after the construction manager approves the construction plan prepared by our construction personnel. In addition, business partners prepare work plans and procedure manuals.

· Safety patrols

To ensure that safety and health are maintained at construction sites, employees in charge of safety management, general safety and health managers, deputy general safety and health managers, construction managers, business partners, and others convene to hold Safety and Health Council meetings, and regular and special patrols are conducted monthly on an unannounced basis. When poor safety is a concern, the situation is pointed out and corrected on the spot, and the issues pointed out are shared at the Safety and Health Councils, and we strive to prevent recurrence. In addition, participation of general safety and health managers and deputy general safety and health managers is reflected in the branch office evaluations.

· Provision of safety education video "D-ST (Daiwa-Safety Training)"

At each construction site, short videos are created on dangerous behaviors to watch out for and safety compliance items based on the work to be performed that day. Skilled workers are encouraged to raise their awareness of safety by watching these videos on large screens at the site (signage, etc.) during morning meetings or new entrant training, by having construction companies use them as pre-work safety training, or by viewing them on their own smartphones. Among these short videos, those that cover the basics of safety are translated into five languages to ensure that foreign workers can also

understand them.

 **P116 Safety and health training for employees and business partners**

· Near-miss reports

We have adopted a system that enables business owners and skilled workers to report near-misses at construction sites via computers, smartphones, and other devices. Reports are made not as failure cases but as successful examples where no disaster occurred. As of the end of fiscal 2025, more than 150,000 cases have been collected, which the Safety Coordination Department analyzes and provides feedback on as useful information that can be utilized in safety activities. By having business owners and foremen share and review this information with all skilled workers during morning meetings and at other times, we ensure that everyone understands what precautions to take each day, thereby helping to prevent hazards.

· Accident case studies

We use industrial accidents that have actually occurred as case studies. Immediately after occurrence, we study the details of the industrial accident using a common company-wide form. Based on the results of the study, we discuss causes, relevant laws, and other factors in depth, evaluate risk hazards, determine countermeasures, and implement measures to prevent recurrence. We also call on the entire company to prevent recurrence by sending out notices and conducting special patrols.

· Response to older workers at construction sites

The Act on Stabilization of Employment of Elderly Persons now requires companies to ensure employment opportunities until age 65, and in response, we have raised the age criterion for elderly persons at our construction sites to 65. Furthermore, based on the Guidelines for the Prevention of Industrial Accidents Among Older Persons provided by the Ministry of Health, Labour and Welfare, we are promoting efforts to prevent industrial accidents involving older workers at our sites, such as by requiring business owners to improve the work environment, manage work, and take other necessary measures that consider the characteristics of older workers.

 **Ministry of Health, Labour and Welfare Guidelines for the Prevention of Industrial Accidents Among Older Persons (Japanese text only)**

■ Enforcing safety and security

・ Designation of branch offices requiring safety management improvement guidance

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

□ P199 Social Data
Safety and health education

Dissemination of safety and health information

For all Company employees and all skilled workers at our sites, we are promoting digitalization by directly providing information in real time on key points to be aware of in terms of safety management through digital signage at construction sites and other media starting in January 2026, in order to raise safety awareness.

Each transmission has its own theme, providing examples as well as explanations for causes and countermeasures. In fiscal 2025, we covered topics such as introductions to laws and regulations concerning heatstroke prevention measures and examples of near-misses at construction sites.



Digital signage installed at construction sites

Main approach

Number of construction site industrial accidents and their countermeasures

When an industrial accident occurs, we prepare an accident report and provide an initial report, after which the persons in charge of safety in the relevant departments and the Safety Coordination Department investigate and analyze the cause of the accident. To prevent recurrence, we disseminate information and issue notices on countermeasures to the entire company as appropriate.

In fiscal 2025, there were 22 industrial accidents (including zero due to heatstroke) at construction sites involving employees of business partners that resulted in an absence of four or more workdays. Three of these 22 accidents were due to slips/falls.

Because slip/fall accidents occur every year, we are working to prevent their recurrence by introducing the main causes of slips/falls through e-learning courses on preventing fall accidents from heights and lower elevations.

■ Number of industrial accidents (FY2025) (business partner employees at construction sites)

Type	Number
Slips/falls	3
Flights and drops	3
Trips	5
Getting caught in machinery	2
Cut/scratch	4
Motion recoil / forceful motion	1
Collapse	2
Crashes	2
Heat stroke	0

□ P199 Social Data
Number of construction site industrial accidents

・ Accidents at construction sites

In fiscal 2025, two accidents occurred in which temporary materials were loaded onto a truck-mounted crane (Unic truck) and a telescopic arm boom caught guy wires and communication cables above the road, resulting in broken wires and partial damage to neighboring houses. In both cases, the driver left the construction site without retracting the boom during the removal of temporary offices. In response, we have distributed a “Notice Record” to drivers of temporary material leasing companies and hired truck companies, which states that they must submit a Unic truck pre-work inspection checklist and a photograph showing the stowed boom after loading is completed to the mobile phone or other device of the construction supervisor before leaving the site. We have received signed copies of the record from the drivers. We will continue to raise awareness of safety management when leaving the site, such as the proper storage of equipment, and strive to prevent recurrence.

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

Amid increasingly harsh summers each year, we have continued to subsidize the purchase of heat stroke-prevention products for all business partner technicians as heat stroke countermeasures at construction sites and factory workplaces to provide a safer working environment as the prime contractor. A subsidy of 10,000 yen is provided, depending on conditions, for heat stroke-prevention items, such as vest-type and short-sleeved fan-equipped work clothes and cool vests, by combining the subsidy from the Confederation of Partner Companies with the Company’s subsidy. In fiscal 2025, there were no cases of absence from work for four days or more due to heatstroke. In fiscal 2026, we will conduct questionnaire surveys targeting skilled workers at construction sites and factories, and implement heatstroke measures that reflect feedback from the field.

□ P034 Working to prevent heatstroke on construction sites