

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.

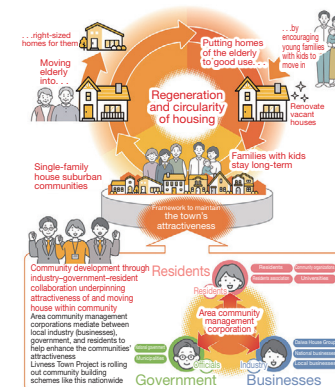
Livness Town Project (regeneration projects)

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 \(Japanese text only\)](#)

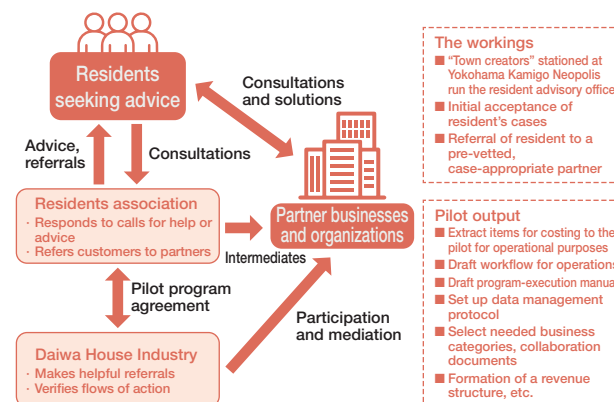
Full-scale operational trials launched for community hub (Yokohama, Kanagawa Prefecture)

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 \(Japanese text only\)](#)