

■ 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).

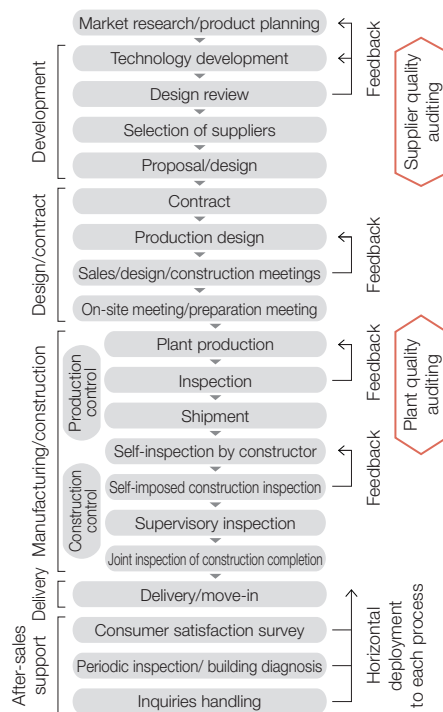
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In addition, each business division holds working groups such as those focused on quality improvement and cost reduction on a regular basis, and strives to improve quality by submitting and reporting the results of these activities to the business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

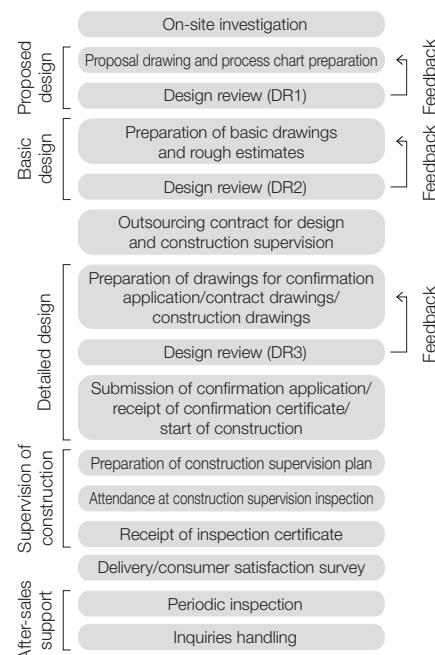
■ Quality assurance system flow (Housing)



・ 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.

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[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

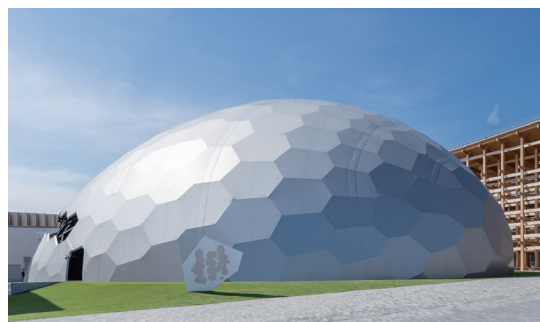
	Level 4	Level 3	Level 2	Level 1	Level 0
Housing Design	159	185	56	4	2
Apartment Design	199	314	171	10	2
Other Divisions	28	104	14	10	5
Total	386	603	241	24	9

[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

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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.



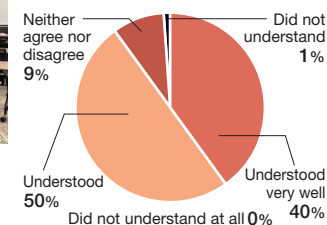
➤ Central Research Laboratory (Japanese text only)

➤ 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

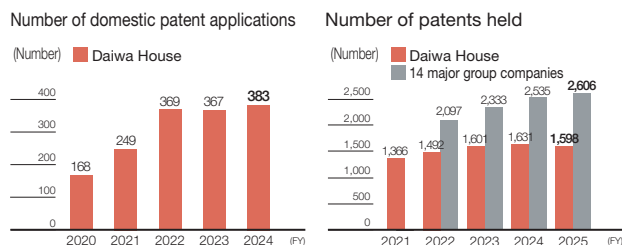
Intellectual property strategy

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 \(Kansai Region\) \(Japanese text only\)](#)