

■ 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.

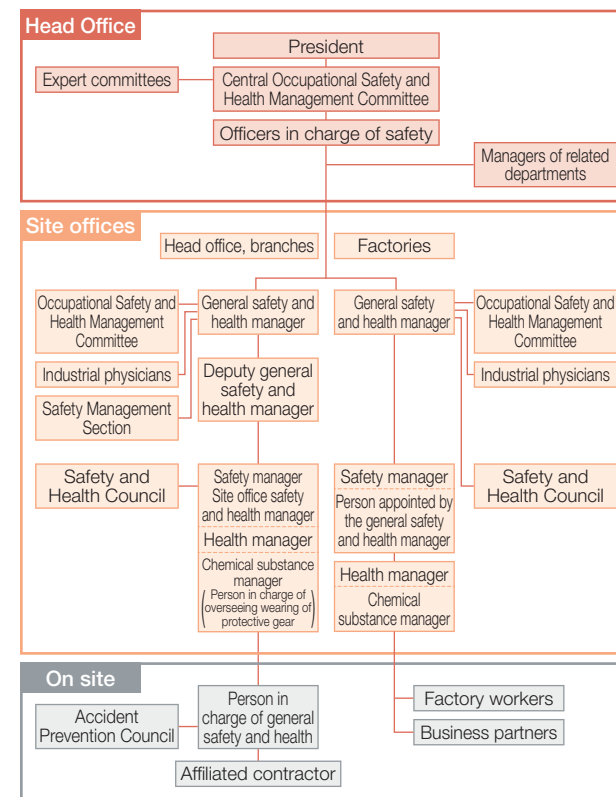
For our business partners, a Safety and Health Council is formed comprising safety managers and those promoting safety and health at branches, employees engaged in construction, and all workers at affiliated business partners. The council meets monthly. Safety and health management is promoted by discussing 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

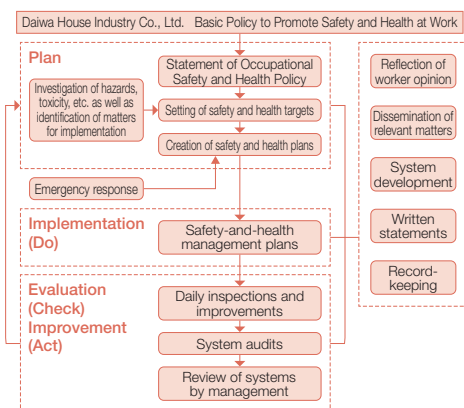


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Occupational safety and health management system

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

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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)**

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・ 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.

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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