

■ Workability and job satisfaction for employees

Concept and Policy

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

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



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

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

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

Management

Ensuring compliance regarding labor issues

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

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

• Survey on actual work hours to prevent unpaid wages

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

• New Work Style Reform Project

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

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



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

• Implementation of health checkups

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

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

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



P191 [Social Data](#)

[Basic information Average overtime hours worked](#)

Job location filing system

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

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



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

■ Workability and job satisfaction for employees

Introduction of flextime

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

Building interactive relationships

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

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

Self-Discovery Review System

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

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

[Housing sales] Adopted a “sales team system”

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

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

[Housing sales] System to choose commission-based compensation

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

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

[Housing sales] Sales staff with design knowledge Architect Advisor

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

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

■ Workability and job satisfaction for employees

Distribution and utilization of “ENGAGEMENT BOOK”

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

Promotion of health management

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

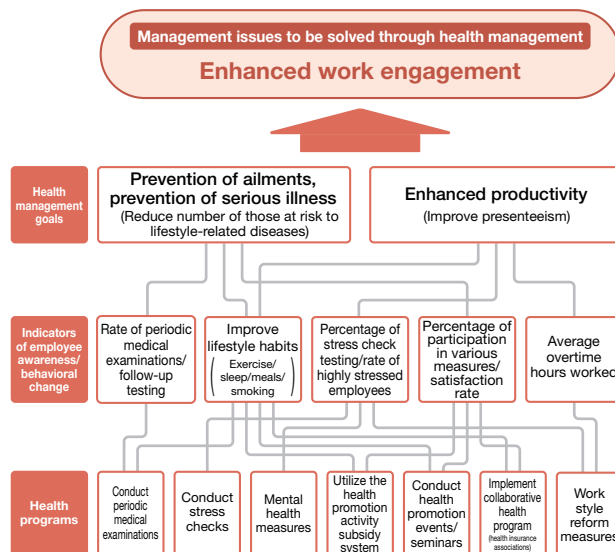
Having employees feel “healthy and happy” and eliciting their performance to its fullest potential leads to enhanced work engagement.

□ P195 Social Data
Health management

■ Chart for Health Management Promotion System



■ Health management strategy map



Mental and physical health counseling service

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

• EAP Service: E-Partner Inc.

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

• Cradle: Cradle Inc.

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

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

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

* Service of the health insurance association

• Chatbot health consultation: T-PEC Corporation

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

* Service of the health insurance association

■ Workability and job satisfaction for employees

Risk assessment concerning the health and safety of employees

・ Periodic medical examinations and stress checks

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

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

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

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

■ P195 Social Data
Health management

・ Implementation of asbestos health checkups

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

■ P048 Proper disposal of hazardous waste

・ Health promotion activity subsidy system

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



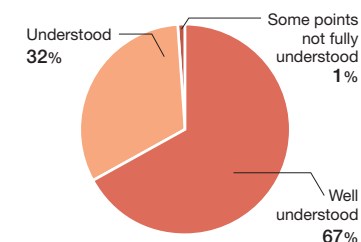
Saitama-Higashi Branch
Scene at a sports tournament

・ Mental health measures

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

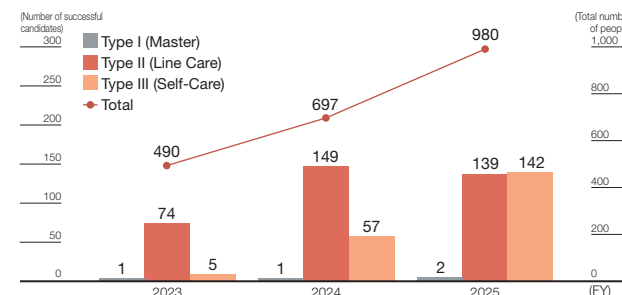
In addition, in response to the increasing tendency for employees to internalize their stress, we are promoting self-care by also making Type III (self-care course) eligible for the congratulatory allowance for obtaining a license, which is provided to those who have passed the Certification Test for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

■ Degree of understanding “line care training”



■ P199 Social Data
Safety and health education

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



Notice to employees regarding changes with significant impact

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

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

■ Workability and job satisfaction for employees

Main approach

Progress on the New Work Style Reform Project

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

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

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

Selected as Health & Productivity Management Outstanding Organization

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

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

Implementation of an online smoking cessation outpatient program

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

■ Past results

Fiscal 2021: 147 out of 176 people quit smoking (using Champix)
Smoking cessation success rate: 83.5%
Fiscal 2022: 134 out of 186 people quit smoking (using Nicotinell patches)
Smoking cessation success rate: 72.0%
Fiscal 2023: 142 out of 182 people quit smoking (using Nicotinell patches)
Smoking cessation success rate: 78.0%
Fiscal 2024: 118 out of 143 people quit smoking
Smoking cessation success rate: 82.5%

Response to social health issues

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

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

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