



Our founder, Nobuo Ishibashi (1921-2003)

1955

Everything started with this

Our Founder's Spirit

**Don't do things because they will make a profit,
but because they will be of service to society.**

"Don't start off from the thought: 'What can I do that will make a profit?' A company is a public organ of society, and we must ask ourselves what kind of product – or what kind of business – will be of use to the world around us and make people happy."

The above is what Nobuo Ishibashi, the founder of Daiwa House Industry, often used to say to the Company's employees. This is the concept from which the Daiwa House Group started.



Daiwa House®
Group

2005

Guided by our founder's spirit

Group's Symbol Message

Creating Dreams, Building Hearts

The Daiwa House Group symbol—the Endless Heart—represents our vision of building endless emotional connections with each and every one of our customers, as well as the solidarity of the Daiwa House Group.

As a group that co-creates value for individuals, communities and people's lifestyles, we aim to think outside the box and always to create new value in each successive generation. We will continue to pass on the ideals on which the Company was founded, and work to help realize a sustainable society.

The Focus of the Daiwa House Group

The Daiwa House Group focuses its efforts on three tasks—creating value by offering solutions to social issues, resolving issues of particular importance (materiality), and enhancing governance. By these means, we aim to achieve continued growth and raise the Group’s corporate value over the medium-to-long term.



As a group that co-creates value for individuals, communities, and people’s lifestyles, we have constantly worked together with our customers and society as a whole to realize new value in each successive generation. The Endless Heart—the Daiwa House Group symbol—represents the bonds between the Group and its stakeholders and the solidarity of the Group, as well as our vision of continuous growth and development.

In line with the Daiwa House Group’s Sixth Medium-Term Management Plan, a three-year plan which commenced in fiscal 2019, we have been focusing our efforts on aggressive real estate development projects as well as on expanding the Business Segment in which we are engaged and speeding up our developments in overseas markets. However, our prospects for fiscal 2020 have been rendered increasingly uncertain by the COVID-19 pandemic, and the Group’s future course is becoming more and more unclear.

Despite this operating environment, we at the Daiwa House Group are working to resolve priority issues we have identified. We will do this by leveraging the strengths that we have accumulated to address social issues by developing our businesses, and by strengthening our bases through stronger ties with stakeholders. By repeating these initiatives to realize a virtuous cycle, we aim to continually create new value in pursuit of our management vision—to realize a society in which people can live fulfilling lives. To achieve this, we are enhancing governance as an issue of the utmost importance.

I hope that this report will help readers to understand the management stance of the Daiwa House Group, which is to aim for continued growth and enhanced corporate value over the medium-to-long term.

Keiichi Yoshii
Keiichi Yoshii
 President, CEO and COO

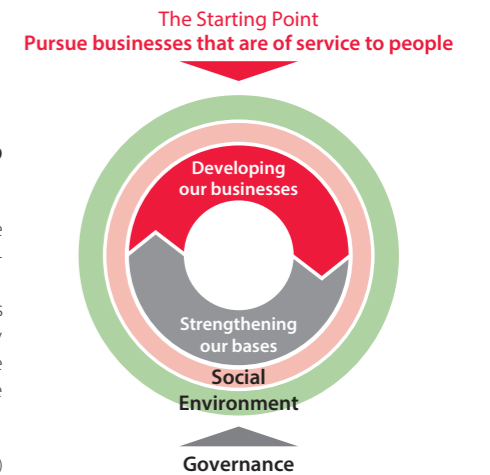
Principal Contents of the Daiwa House Group 2020 Integrated Report

1 Continuing to create value by offering solutions to social issues

Starting from the basic idea of “pursuing businesses that are of service to people,” we will realize continuous enhancement of our corporate value

The core characteristic of the Group’s business model is our value-creation process, whereby we develop our businesses—which are involved with individuals, communities, and people’s lifestyles—to strengthen our bases, and then leverage those bases to give birth to new business opportunities. In addition, we coordinate this value-creation process, which supports the Group’s continuous growth, from the social and environmental perspectives over the medium-to-long term, thereby contributing to society via our business operations. By developing businesses that are of service to people, and by strengthening our bases, we realize a virtuous cycle that enables us to achieve continuous enhancement of the Group’s corporate value.

P.07-08 (The Group’s value-creation process)



2 Measures to resolve issues of particular importance

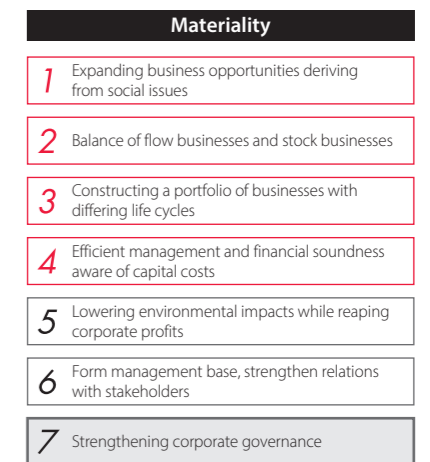
Working toward our corporate vision—realizing a society in which people can live fulfilling lives

In full recognition of the Group’s operating environment and following the four management items laid down by our Corporate Governance Guidelines, we have identified a number of issues of particular importance that we must address in the areas of business, society, and the natural environment.

By taking measures in line with the basic policy established by the Group’s Sixth Medium-Term Management Plan, we aim to resolve issues of material importance and realize our corporate vision.

P.31-32 (Social issues affecting our businesses and their actions for adapting)

P.45-46 (Our Three Bases and ESG engagement)



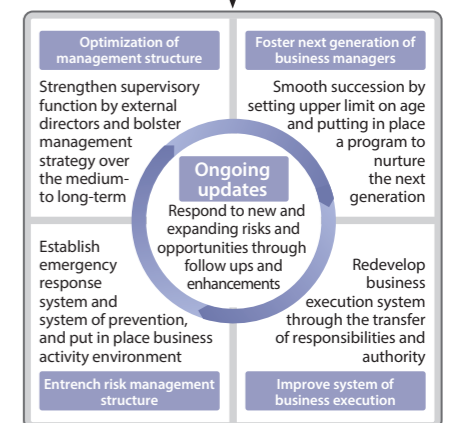
3 Enhancing governance

Redeveloping our business execution system to effectively manage diversifying risks and take advantage of diversifying opportunities

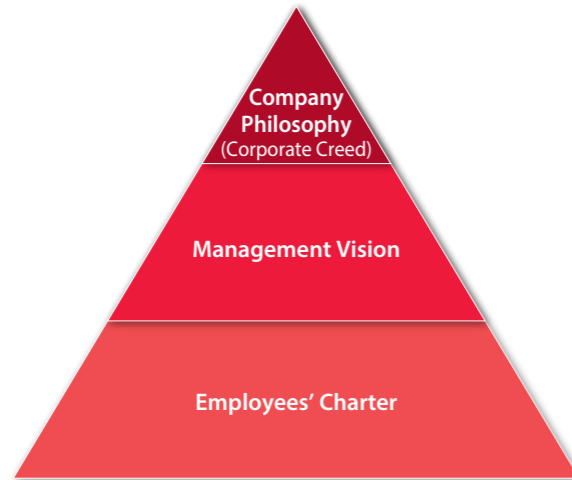
Restructuring our governance is the top-priority issue under the Sixth Medium-Term Management Plan, a three-year plan that commenced in fiscal 2019.

To facilitate growth going forward in pursuit of our corporate vision, we are taking steps to manage risks, which are diversifying, and to take optimal advantage of business opportunities, which are also diversifying. These steps include optimizing our management structure, fostering the next generation of business managers, improving our system of business execution, entrenching a risk management structure, and pursuing greater flexibility throughout the whole Group. And by continuously updating these processes, we aim to build a solid management base capable of supporting business activities across a wide range of fields.

P.53-62 (Management Structure)



The Daiwa House Group's Core Philosophy



Company Philosophy (Corporate Creed)

- Develop people through business.
- A company's progress depends directly on ensuring a good working environment for its employees.
- Products created in good faith by honest labor through modern facilities will contribute to society in general.
- Our Company will develop thanks to the complete solidarity and tireless efforts of all executives and employees.
- Through mutual trust and cooperation, by always reflecting deeply on past mistakes, valuing responsibility, and actively engaging in mutual criticism, we will advance along the road to growth and success.

Management Vision

Connecting Hearts
The Daiwa House Group aims to create, use and enhance new values together with its customers as a group that co-creates value for individuals, communities and people's lifestyles. In doing so, we hope to realize a society in which people can live fulfilled lives. In addition, we cherish our ties with each and every customer, and continue to strive to build life-long trust as a partner in experiencing the joys of a lifetime.

Employees' Charter

As employees of a group that co-creates value for individuals, communities, and people's lifestyles, we pledge the following:

- Strive to improve quality, skill and communications to provide safe, reliable products that are in harmony with the environment, and help create comfortable, relaxing living spaces for our customers.
- Serve our customers in good faith, and share their excitement and joy.
- Work to improve society's evaluation of our company and increase its corporate value by conducting ourselves fairly according to society's expectations and rules.
- Aim to grow and develop with our business partners by never forgetting our gratitude to them and dealing with them fairly.
- Pursue our own growth and happiness through our work.
- Help people gain fulfillment in their lives and build a better society, with co-creation of a brighter future as our basic aim.

Editorial policy

This report has been produced for our shareholders, investors and other stakeholders. In the Story of the Daiwa House Group's Value Creation, we integrate financial information on our business and financial strategies and non-financial information about what we see as our primary corporate value. We also introduce the three management bases essential for such processes (our human resources base, customer base, and technology and manufacturing base) and our strengths (comprehensive business proposals), summarizing how we pursue our management vision that embodies the spirit of our founder.

Referential guidelines

In the production of this document, we have referenced the International Integrated Reporting Framework (IIRC), as well as the Guidance for Collaborative Value Creation issued by the Japanese Ministry of Economy, Trade and Industry.

Scope of this report

This report provides information on the Daiwa House Group overall (317 consolidated subsidiaries, 40 equity method affiliated companies, and 2 affiliated companies not accounted for by equity method as of March 31, 2020), with a focus on Daiwa House Industry Co., Ltd.

Notice regarding financial data (numerical data in graph form or otherwise)

Amounts less than one unit are omitted in this report. With regards to overseas business included in Other Businesses segment, we will reclassify the segments from FY2019, altering how facts are indicated for the segments based on business operations.

Forward-looking statements

This Integrated Report contains future estimates, targets, plans and strategies of the Daiwa House Group. These are based on judgments employing information available at the time of writing. For various reasons, actual results may differ substantially from these estimates.

CONTENTS



P17 > Message from the CEO



P65 > Message from the CFO

Chapter 1 The Story of the Group's Value Creation

- 07 The Group's value-creation process
- 09 The history of the Daiwa House Group
- 11 Evolving our business by strengthening and expanding our value chain (Developing our businesses)
- 13 The source of our value creation (Strengthening our bases)
- 15 A vision of the Daiwa House Group's future

Chapter 2 Message from the CEO

- 17 Message from the CEO
- 23 Our response to and impact of COVID-19
- 27 Risks and opportunities

Chapter 3 Developing our Businesses

- 29 Business Overview
- 31 Social issues affecting our businesses and their actions for adapting
- 33 Single-Family Houses Business/ Rental Housing Business
- 35 Condominiums Business/ Existing Homes Business
- 37 Commercial Facilities Business/Logistics, Business and Corporate Facilities Business
- 39 Other Businesses
- 41 Feature: Daiwa House Group's Real Estate Development
- 43 Feature: Daiwa House Group's Overseas Businesses

Chapter 4 Strengthening our Bases

- 45 Our Three Bases and ESG engagement
- 47 Strengthening the Human Resources Base
- 48 Strengthening the Customer Base
- 49 Strengthening the Technology and Manufacturing Base
- 50 Bases to Strengthen Anew
- 51 Efforts at Environment
- 53 Management Structure
- 63 Progress of Recurrence Prevention Measures

Chapter 5 Message from the CFO

- 65 Message from the CFO
- 69 Basic Strategy for Capital Policy
- 70 Management's Discussion and Analysis of Financial Position and Results of Operations
- 75 Dialogue with Shareholders and Investors

Data Section

- 77 Financial Highlights
- 79 Non-Financial Highlights (Medium-Term Plan Self-Assessment Indices)
- 81 Corporate Data
- 82 Editorial Postscript

