### **Dialogue with Shareholders and Investors**

To realize purposeful dialogue with our shareholders and investors, we constantly work to enhance mutual communication in the spirit of "co-creating a brighter future," which is embedded within our management vision.

We strive to disclose information that will enable our shareholders and investors to assess our corporate value over the medium and long term.

In addition, our directors, executive officers, and outside officers receive timely and appropriate feedback in the form of the opinions and desires of shareholders and investors, as obtained through this dialogue. In this way, we facilitate a shared awareness of issues facing the Group, and work to realize sustained growth and improvement in corporate value.

### Our activities for FY2019

General meeting of shareholders (June 26, 2020) 165 Shareholder attendance

• Percentage of voting rights exercised **85.70**%

Communication with institutional investors and analysts
Total 678 companies

Face-to-face and telephone interviews with		
Japanese and overseas institutional investors	As needed	306 companies
Financial results briefing session via teleconferencing	4 times	190 companies
Briefing sessions from top management	Twice	99 companies
Tours of our facilities for institutional investor representatives	3 times	37 companies
Dialogue on ESG	As needed	46 companies
Overseas roadshows by top management	1 /	orth America, e, Hong Kong
Communication with individual share		d investor 93 investor
Tours of our facilities for individual shareholders		
(Nara, Tokyo)	3 times	125 shareholders

(Nara, Tokyo)	
Online explanatory sessions for individual investors	Once 1,568 investors
•	

### Feedback on shareholder and investor opinions and requests obtained through IR activities

equests obtailled through in activities	
Reports on IR activities at Board meetings	Annually
Reports on IR activities to outside directors	Semi-annually
Opinions on business performance and market trends exchanged with business divisions	Quarterly



### Small meeting on ESG

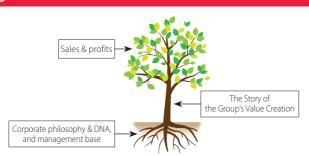
ESG small meeting held as a tool for communication with investors on the 2019 Integrated Report.

Date	Dec. 16, 2019
Attendees	28 institutional investors
Daiwa House departments represented	CFO, IR officer, General A Sustainability Planning D

Affairs, Environment, Department, IR

In fiscal 2019, we explained the materiality (management issues) identified as challenges to be tackled in terms of business, society, and environment in pursuit of our management vision to "Realize a society in which people can live fulfilling lives," as well as our environment and social initiatives, the Endless Green Program 2021 and the Endless Social Program 2021, both of which started along with the Sixth Medium-Term Management Plan. We also laid out the Daiwa House Group Governance Enhancement Measures, our governance initiative announced in November 2019, as well as our views on the future management structure.

The participating institutional investors left many opinions for us, a selection of which we reprint here: "We believe that you have been promoting ESG successfully combined with the founder's spirit"; "We would like to know what is discussed at the



Board of Directors on the environmental KPI"; "What is your view on the linkage between the environmental KPI and remuneration for directors?"; "What are your priorities in the governance initiatives going forward?"; and "We will be closely monitoring how the new governance reforms will function."

As we promote ESG initiatives, we are aware that achieving sound management and governance system, and fulfilling accountability with enhanced disclosure of both financial and non-financial information must be realized in pairs. Based on this recognition, we strive to lower capital costs with a trustworthy and transparent management structure. The IR Department will continue proactive information disclosure and dialogue with our shareholders and investors so that they find it rewarding to communicate with the Company.



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# **Data Section**



# **Data Section**

## **Financial Highlights**

									(¥ million)
Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net sales	1,848,797	2,007,989	2,700,318	2,810,714	3,192,900	3,512,909	3,795,992	4,143,505	4,380,209
Gross profit	379,952	415,771	507,903	540,868	632,417	721,312	793,832	842,767	870,206
Gross margin (%)	20.6	20.7	18.8	19.2	19.8	20.5	20.9	20.3	19.9
Selling, general and administrative expenses	264,996	287,746	344,326	360,516	389,316	411,220	446,690	470,571	489,091
Operating income	114,955	128,024	163,576	180,352	243,100	310,092	347,141	372,195	381,114
Operating income margin (%)	6.2	6.4	6.1	6.4	7.6	8.8	9.1	9.0	8.7
Ordinary income	108,506	145,395	176,366	202,628	233,592	300,529	344,593	359,462	367,669
Net income attributable to owners of the parent	33,200	66,274	102,095	117,133	103,577	201,700	236,357	237,439	233,603
Return on equity (ROE) (%)	5.1	9.5	11.9	11.2	9.1	16.3	17.0	15.5	14.1
Return on total assets (ROA) (%)	1.7	3.0	4.1	4.1	3.3	5.9	6.2	5.7	5.2
Total assets	2,086,097	2,371,238	2,665,946	3,021,007	3,257,805	3,555,885	4,035,059	4,334,037	4,627,388
Net assets	657,891	734,883	992,686	1,112,817	1,181,986	1,329,901	1,513,585	1,643,717	1,773,388
Net assets excluding non-controlling interests	657,111	733,623	986,518	1,105,628	1,170,278	1,308,290	1,474,539	1,595,991	1,726,995
Net assets ratio (%)	31.5	30.9	37.0	36.6	35.9	36.8	36.5	36.8	37.3
Interest-bearing debt	383,625	374,788	393,568	563,530	491,964	640,671	780,574	778,546	1,043,478
Debt-equity ratio (times)	0.58	0.51	0.40	0.51	0.42	0.49	0.53	0.49	0.60
Net debt-equity ratio (times)	0.20	0.17	0.18	0.29	0.26	0.32	0.31	0.31	0.44
Current ratio (%)	133.7	136.8	127.2	138.7	136.5	137.5	144.4	137.0	162.2
Fixed ratio (%)	188.9	189.4	161.2	158.3	164.8	164.4	156.3	151.2	146.1
Net cash provided by operating activities	248,771	164,247	78,451	139,465	278,497	287,691	382,365	355,599	149,651
Net cash used in investing activities	(117,226)	(140,736)	(240,439)	(235,027)	(202,447)	(343,643)	(313,664)	(313,989)	(317,273)
Net cash provided by (used in) financing activities	(28,766)	(28,633)	110,131	129,202	(130,185)	80,086	41,804	(86,979)	169,128
Market capitalization	656,313	1,091,856	1,156,397	1,565,858	2,109,310	2,129,297	2,731,576	2,344,492	1,783,852
Stock prices (FYE) (yen)	1,094	1,820	1,751	2,371	3,166	3,196	4,100	3,519	2,677
Per share of common stock (yen):									
Earnings per share (EPS)	57.36	114.52	161.08	177.74	156.40	304.14	355.87	357.29	351.84
Book-value per share (BPS)	1,135	1,267	1,496	1,678	1,762	1,971	2,218	2,404	2,600
Cash dividends*1	25	35	50	60	80	92	107	114	115
Dividend payout ratio (%)	43.6	30.6	31.0	33.8	51.2	30.2	30.1	31.9	32.7
Price earnings ratio (PER) (times)	19.07	15.89	10.87	13.34	20.24	10.51	11.52	9.85	7.61
Price to book value ratio (PBR) (times)	0.96	1.44	1.17	1.41	1.80	1.62	1.85	1.46	1.03
Number of employees (FYE)*2	27,130	30,361	32,628	34,903	37,191	39,770	42,460	44,947	47,133
Number of group companies	89	113	129	145	172	196	317	387	360
Consolidated to non-consolidated net sales ratio (times)	1.66	1.62	1.89	1.91	1.94	2.04	2.09	2.15	2.22
Consolidated to non-consolidated net income ratio (times)	1.84	1.35	1.26	1.21	1.26	1.37	1.19	1.30	1.19

\*1 Cash dividends for fiscal 2015 include a commemorative dividend of ¥10 to mark the 60th anniversary of the Company's foundation.

\*2 Regular employees only.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales by segments (consolidated)*3 (¥100 million)									
Single-Family Houses	3,363	3,511	3,944	3,753	3,783	3,903	3,853	3,838	4,978
Rental Housing	5,267	5,925	6,887	7,729	8,801	9,772	10,308	10,613	10,059
Condominiums Existing Llongs	1,288 681	1,567 764	2,427 867	2,313 916	2,793 955	2,628	2,850 1,121	2,805 1,145	3,727
Existing Homes Commercial Facilities	3,069	3,472	4,219	4,562	4,955	1,055 5,697	6,208	6,939	1,456 8,067
Logistics, Business and Corporate Facilities	2,570	2,514	5,921	5,815	7,363	8,284	8,502	10,223	11,523
Other Businesses	3,129	3,353	3,939	4,265	4,588	5,135	6,371	7,161	5,300
Adjustment	(881)	(1,030)	(1,205)	(1,248)	(1,311)	(1,349)	(1,256)	(1,293)	(1,311)
Total	18,487	20,079	27,003	28,107	31,929	35,129	37,959	41,435	43,802
Operating income by segments (consolidated)*3 (¥100 million)									
Single-Family Houses	110	125	133	88	165	192	215	199	180
Rental Housing Condominiums	529	522	642	695	819	942	1,066	1,022	985
Existing Homes	37 45	99 61	107 93	108 99	157 112	134 130	133 132	135 159	158 167
Commercial Facilities	331	459	607	672	803	1,007	1,141	1,377	1,406
Logistics, Business and Corporate Facilities	258	206	269	384	680	789	, 889	989	1,206
Other Businesses	82	96	140	102	95	168	230	325	192
Adjustment	(246)	(291)	(358)	(348)	(403)	(265)	(337)	(486)	(487)
Total	1,149	1,280	1,635	1,803	2,431	3,100	3,471	3,721	3,811
Housing starts*4 (thousands of units)									
Housing starts	841	893	987	880	921	974	946	952	883
Custom-built houses	305	317	353	278	284	292	282	288	283
Houses in housing development projects	118 290	125 321	134 370	124 358	126 384	135 427	138 410	145 390	146 334
Rental housing Condominiums	120	124	124	110	564 118	427	108	120	554 111
	120	121	121	110	110		100	120	
Sales of houses in Japan (non-consolidated) (units) Sales of houses	39,486	43,203	46,018	49,087	51,207	54,925	51,641	48,410	43,703
Custom-built houses	8,323	7,965	8,088	7,280	6,999	7,106	6,907	6,524	5,917
Houses in housing development projects	1,676	1,916	2,433	2,614	2,333	2,180	2,320	2,192	2,066
Rental housing	27,115	30,514	32,424	36,757	38,903	43,428	40,254	37,905	33,502
Condominiums	2,372	2,808	3,073	2,436	2,972	2,211	2,160	1,789	2,218
Reference : Cosmos Initia Co., Ltd.*5 Condominiums for sale	_	_	799	772	896	744	558	414	325
Single-Family Houses Business									
Average sales per unit (¥ million)									
Custom-built houses	29.7	30.1	31.1	32.7	33.7	34.3	35.9	37.3	39.6
Houses in housing development projects	24.0	23.8	23.5	24.0	24.5	25.3	24.0	24.3	22.4
Rental Housing Business									
Number of rental housing units sold	27,115	30,514	32,424	36,757	38,903	43,428	40,254	37,905	33,502
Average sales per unit (¥ million)	11.2	107	11.2		11.0		12.0	12.4	10.0
Rental housing Steel-frame (low-rise)	11.3 10.1	10.7 10.3	11.2 10.9	11.4 11.1	11.6	11.4	12.0	12.4	12.3 11.7
Steel-frame (high- and mid-rise)	10.1	10.5	10.9	14.9	11.3 15.2	11.1 16.6	11.6 17.8	12.0 18.1	20.2
Number of rental housing units managed	12.2	14.0	17.7	17.2	13.2	10.0	17.0	10.1	20.2
Rental housing units managed	306,586	346,068	391,778	435,515	471,342	510,208	543,124	572,238	595,182
Lump-sum contracted units (occupancy guarantee)	265,219	305,808	352,341	397,282	433,628	471,845	505,313	531,356	552,625
Occupancy rates (%)	97.4	97.6	97.2	97.5	97.4	97.1	97.3	96.9	97.6
Condominiums Business									
Sales (non-consolidated) (¥ million)									
Average sales per unit	35.8	34.4	41.1	37.9	44.2	48.4	53.2	55.8	62.2
Number of condominium units managed									
Condominium units managed	283,457	295,002	309,330	320,488	332,299	341,705	353,026	360,619	371,524
Commercial Facilities Business									
Subleasing areas of commercial facilities	4 450 305	1701 575	4 0 0 0 0 0 0	E 10 107 -	F 444 40 1	5 70 4 94 5	6 4 5 3 9 9 5	6 275 275	
Total leasing floor space (m <sup>2</sup> )	4,453,785	4,701,563	4,829,902 4,791,228	5,134,274	5,441,604	5,736,312	6,157,287 6,099,232	6,375,278	6,765,150
Leasing floor space occupied (m <sup>2</sup> ) Tenants	4,387,426 7,593	4,656,848 7,936	4,791,228 8,524	5,087,813 8,989	5,399,137 9,532	5,684,372 10,038	6,099,232 10,843	6,311,331 11,220	6,684,037 12,032
Occupancy rates <sup>*6</sup> (%)	98.5	99.0	99.2	99.1	99.2	99.1	99.1	99.0	98.8
								0	

\*5 Cosmos Initia became a consolidated subsidiary in June 2013. \*6 Leasing floor space occupied/ Total leasing floor space.

\*3 Including intersegment transactions. \*4 Statistics for housing starts are from Housing Starts Survey by Ministry of Land, Infrastructure, Transport and Tourism.

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Data Section

### Non-Financial Highlights (Medium-Term Plan Self-Assessment Indices)

In fiscal 2006, the Daiwa House Group introduced a CSR self-assessment index to measure and "visualize" the results of our activities for the environment and society. This has been beneficial in making improvements to CSR activities.

Along with the start of the Sixth Medium-Term Management Plan, we formulated Endless Green Program 2021 and Endless Social Program 2021. Progress is managed annually by each related department using indices to assess the results of the plan (implementation period: fiscal 2019 to fiscal 2021), with the goal of achieving performance objectives and strengthening management foundations.

The results of our self-assessment for fiscal 2019, the first year of the plan, are as follows. For the factor analysis, also see our Sustainability Report 2020.

### Key results and targets of the Social Medium-Term Plan (Endless Social Program 2021)

Pass	Driority	Assessment indices (KGI)				
Base	Priority issues	Indices	2018 results	2019 targets	2019 results	2021 targets
workplace environments that		Improvement in "motivation" of entire workforce * Calculated based on question about "motivation" on a sustainability survey.	65%	65%	65%	80%
Human resources base	Upgrade human resource development and recruit- ment (by building programs based on projected 2030 group requirements)	Retention rate of young employees (3 years after joining the company)	73.9%	80%	75.4%	90%
Irces		① Percentage of women managers	3.6%	4%	4.1%	5%
base		Percentage of line leaders amongst women managers	24.1%	30%	25.0%	40%
	Promote diversity and inclusion	③ Percentage of women engineers	4.6%	5%	4.9%	6%
		④ Percentage of women sales reps	9.9%	11%	10.2%	13%
		⑤ Percentage of women amongst new college recruits	27.2%	30%	24.8%	30%
Customer base	Upgrade corporate commu- nications (new customers)	Interbrand Japan's Best Domestic Brand/ Brand monetary value	668 million USD	800 million USD	700 million USD	1,000 million USD
ier base	Promote customer support to maintain long-term elationships		38.7%	50%	37.4%	70%
Tech	Enforce safety/security at construction sites	Frequency of worksite industrial accidents * Number of industrial accidents related fatalities/ injuries per 1 million hours of work (Injuries requiring 4 or more days-off)	0.23	0.21	0.19	0.21
nology a	Improve productivity in manufacturing operations	Number of days off per annum for construction site workers	77 days	88 days (6 days-off for every 4 weeks)	88 days*1	112 days (8 days-off for every 4 weeks)
ind ma	with the cooperation of business partners	Number of days off per annum for factory workers	108 days	111 days	111 days	117 days
Promote and improve the efficiency of CSR procure- ment across the Group		<ul> <li>Percentage of important suppliers that comply with our CSR Procurement Guidelines (Scores of 80 or higher are judged as compliant)</li> <li>* Important supplier: Suppliers with 300 or more employees</li> </ul>	_	50%	42.4%	70%
		② Reply rate to CSR Procurement Guidelines self-check sent to all suppliers	—	50%	19.7%	70%
Risk countermeasures base	Prepare business continuity plans on the premise of natural disasters/extreme weather	Business continuity plan score (points)* <sup>2</sup> (Scoring based on status of efforts in six themes, as assessed by the BCM Subcommittee)	_	30 points	44 points	100 points
measures. e	Establish corporate ethics and compliance rules	Internal control system attainment score*3	408.1	376	397.4	447

\*1 Results for fiscal 2019 construction site target days off of 88 days are unconfirmed. For fiscal 2018, 93% of partners had obtained the 77 target days off (from questionnaire survey for business partners 2019)

\*2 Calculated based on the degree of progress in six indices ① Ensuring employee safety ② Ensuring power and backing up information systems ③ Upgrading aftersales support services for customers 
 O Maintaining production purchasing capacity
 Seeping the group functional as a whole 
 Establishing a development system based on the long-term risks of customers \*3 Calculated from the below 1. Completeness of internal control system ① Systems for collecting and sharing information (Reporting and sharing of risk information, etc.) ② Management and supervisory systems (Operation of Internal Control Committee and other organizations) ③ Training and awareness programs (Implementation of internal training programs and awareness activities via internal notices, etc.) 2. Degree of damages and losses ① Degree of financial losses and occurrence of serious incidents, etc.

### Key results and targets of the Action Plan for the Environment (Endless Green Program 2021)

(FY)

Environmental theme		Focal themes	Management indicator (KPI)	2018 results	2019 targets	2019 results	2021 targets
General	Products and services	Pursue both environmental stewardship and corporate earnings by developing and selling products/ services that are tied to the environment	Sales of environmental contribution business	1,117.2 billion yen	1,250.0 billion yen	1,227.7 billion yen	*4
		Continue ZEB practices with new constructions, and energy-efficiency	GHG emissions (from the fiscal 2015 level, per unit of sales)	26.3% reduction	28% reduction	31.9% reduction	35% reduction
	Business	improvements and systematic equipment replacement with existing facilities	Energy efficiency (EP100) (from the fiscal 2015 level)	1.27 times	1.28 times	1.34 times	1.4 times
c c	activities	• Expand power generation projects driven by renew-	Renewable energy utilization rate (RE100)	0.23%	0.30%	0.30%	10%
Slowing and adapting		able energy (wind, solar, hydro and biomass)	Renewable energy rate	84.5%	85%	96.4%	100%
to climate change (energy)	e	GHG emissions derived from use of products (from the fiscal 2015 level, per area)	20% increase	2% reduction	19% increase	6% reduction	
	Products and	Promote ZEH, ZEB and	ZEH sales rate	29%	50%	41%	60%
	services	Green Building certification	ZEB sales rate	22%	25%	33.4%	35%
			Rate of Green Building Certification obtained	15%	30%	5%	70%
Environmental	Develop human resources for environmental management and improve environmental awareness and knowledge of the entire workforce		Number of those who acquired the Eco Test certification	4,402	5,000	8,218	12,000

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CEO

CFO

Data Section

### **Corporate Data**

### **Editorial Postscript**

### Corporate Data (as of June 26, 2020)

Corporate name: Founding: Paid-in capital: Employees: (consolidated) Securities traded: Securities code: Head office:	Daiwa House Industry Co., Ltd. April 5, 1955 (Established: March 4, 1947) ¥161,699,201,496 47,133 (as of March 31, 2020) Tokyo stock exchange 1925 3-3-5 Umeda, Kita-ku, Osaka 530-8241, Japan					
Tokyo Head office:	Phone: +81-6	-6346-2111 shi, Chiyoda-ku, 1	Tokyo 102-81	12 Janan		
Tokyo neud onice.	Phone: +81-3		10ky0 102 01	12, 50,0011		
Offices (37): Branches:	Hokkaido Iwate Sendai Fukushima Tsukuba Ibaraki Utsunomiya Gunma Saitama Saitama Saitama-nishi 37	Saitama-higashi Chiba Kashiwa Chiba-chuo Joto Musashino Yokohama Kawasaki Atsugi	Niigata Gifu Nagoya Okazaki Aichi-kita Yokkaichi Shiga Kyoto Sakai Hokusetsu	Kobe Nara Okayama Hiroshima Fukuoka Kita-Kyushu Kumamoto		
Factories:	9					
Research center: Training centers:	-	rch Laboratory (1 nd Tokyo	Nara)			
Overseas offices/ Representative offices:	Shanghai (Ch Taipei (Taiwai Jakarta (Indor Manila (Philip	n) nesia)	Hanoi (Viet Ho chi min Yangon (M Mexico city	h (Vietnam) yanmar)		
Contact:	Daiwa House Industry Co., Ltd. IR Department, Management Administration Headquarters Phone: +81-6-6225-7804 Fax: +81-6-6342-1419 e-mail: dh.ir.communications@daiwahouse.jp					
Website:	https://www.daiwahouse.com/English					

### Board of Directors, Audit & Supervisory Board and Executive Officers (as of June 26, 2020)

Board of Directors				
President, CEO and COO	Keiichi Yoshii			
Executive Vice	Tamio Ishibashi			
Presidents	Takeshi Kosokabe			
Director and	Hirotsugu Otomo			
Managing Executive Officers	Tatsuya Urakawa			
	Kazuhito Dekura			
	Yoshinori Ariyoshi			
	Keisuke Shimonishi			
	Nobuya Ichiki			
Outside Directors	Kazuyoshi Kimura			
	Yutaka Shigemori			
	Yukiko Yabu			
	Yukinori Kuwano			
	Miwa Seki			
Audit & Supervisory Board				

Audit & Supervisory Tatsushi Nishimura Board Members

Board Members Kenji Hirata Tomoyuki Nakazato Outside Audit & Supervisory Board Members Akihisa Watanabe

Kohei Yamasaki	Tetsuya Tamura
Senior Executiv	ve Officers
Yasuo Nakamura	Yoshin Minagawa
Koji Harano	Tetsuro Wada
Hirofumi Hama	Moritaka Noumura
Kazuhiro Tada	Toshiya Nagase
Nobuhito Ishibashi	Yoshinori Hashimoto
Naoki Hayashi	Hitoshi Fukushima
Naoki Nishioka	Hiroshi Kono
Yukikazu Kataoka	Takafumi Nakao
Isao Mizutani	Hirotaka Najima
Executive Office	rs

Managing Executive Officers

Makoto Yamamoto Takaki Hiromori Yoshiaki Tanabe Eiichi Shibata

Takashi Mivatake

Keigo Okada Yuji Yamada

Mikio Sasaki

Kacutive onicersKazuhiro KotakaKeitaro TakebayashiShigeki OchiaiYoshinori IwabuchiKazunori NibeMasatoshi HattaYuichi SugiuraKeisuke IzumotoHideharu HashimotoMasafumi SugimotoRyuichi OyaideFumiaki KuboTaro KawamuraKenichi YoshiokaNorio TogashiTadatoshi MaedaYukio TakamatsuKatsunori NobeMasataka KanaiKazumi SuwaMitsuhiro ItoRyuzo Matsuyama

### Share Information (as of March 31, 2020)

Authorized Issued Number of shareholders	1,900,000,000 shares 666,238,205 shares 51,605		
Principal shareholders	Thousands of shares <sup>*1</sup>	Equity stake <sup>*2</sup> (%)	
The Master Trust Bank of Japan, Ltd. (trust account)	64,449	9.70	
Japan Trustee Services Bank, Ltd. (trust account)	39,323	5.92	
Japan Trustee Services Bank, Ltd. (trust account 7)	16,453	2.48	
Sumitomo Mitsui Banking Corporation	16,117	2.43	
MUFG Bank, Ltd.	15,470	2.33	
JP MORGAN CHASE BANK 385151	13,856	2.09	
Japan Trustee Services Bank, Ltd. (trust account 5)	12,638	1.90	
Daiwa House Industry Employee Shareholders Association	12,623	1.90	
Japan Trustee Services Bank, Ltd. (trust account 9)	12,599	1.90	
Nippon Life Insurance Company	11,944	1.80	

\*1 Number of shares held is rounded down to the nearest thousand.

\*2 Equity stake is calculated excluding treasury stock.

Equity stake is rounded down to three decimal places

### Shareholdings by shareholders



### Shareholdings by scale

 July Co		Number of shareholders	Shares	Equity stake (%)
	10 million or more	10	215,476,054	4 32.34
51,605	1 million or more	96	288,740,902	2 43.34
Number of shareholders	100 thousand or more	279	91,200,202	2 13.69
666,238,205 shares	10 thousand or more	1,147	31,064,936	5 4.66
	1 thousand or more	15,517	32,219,828	8 4.84
	1 hundred or more	29,609	7,373,410	D 1.11
	Less than 1 hundred	4,947	162,87	3 0.02

Note: Equity stake shows the percentages of the total outstanding shares.

### The Daiwa House Group—imagining the future, creating the future

### Thank you for reading our report.

The Daiwa House Group has set itself the goal of achieving ¥10 trillion in net annual sales by 2055, the 100th anniversary of the Company's founding, and as such, we have drawn up a corporate vision of realizing a society in which people can live fulfilling lives. To make this possible, we are working to integrate ESG factors to strengthen the sustainability of the Group's management. The business environment is constantly changing, and is dominated by a number of factors, including the unprecedented series of natural disasters that has recently hit Japan, the necessity to live always with the threat of COVID-19 infection, the rapidly increasing use of digital technologies, and a global situation that is difficult to foresee. In these circumstances, I believe it is becoming more and more important for us to foster the ability to look beyond the immediate future horizons and to respond promptly and urgently when faced with the emergence of unforeseen factors.

Now is the time for us to deeply reflect on the true meaning of the philosophy of "being of service to people." This is the dream of the future that Nobuo Ishibashi, the founder of Daiwa House, passed on to us. It seems to me that if we are to think in an integrated manner, we must ask ourselves: "What ideals or philosophy is it based on, what is it for, and what will it give rise to?" Translated into the specific case of the Daiwa House Group, we must go back for inspiration to the corporate philosophy and business spirit propounded and demonstrated by Mr. Ishibashi, which constitute the starting point for Daiwa House, and think about what sort of future society would be ideal. On this basis, we should ask ourselves what role the Group can play in realizing this ideal. We must then ask ourselves further questions. How can we strengthen and make effective use of our business base and our capabilities toward that end? How can we handle the positive effects and negative impacts on society of these changes, rather than solely considering the financial aspects ("value," i.e. sales and profits) of our business operations? If we do these things, the future that we imagine will be a future that the Daiwa House Group has helped create.

In closing, I would like to thank all those who gave us their assistance in the making of this report, in addition to everyone who has taken the trouble to read it. I hope that it has succeeded in increasing your understanding of the Daiwa House Group's business operations, and that we will continue to receive your support as we go forward.

The word "dream" encompasses a
When we go to sleep at r
We also often refer to the past as
But for us at the Daiwa House Group, these defin
When we use the word "dream," which to us is very imp
Dreams are the driving force be
Managers must be a good judge of t
Employees, too, must have a
Companies grow along with the r
company's management and staff must all keep on trying

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Yuji Yamada Managing Executive Officer General Manager, Finance Department and IR Department

es a wide range of meanings. at night, we dream. as "seeming like a dream." finitions of the word can be put to one side. mportant, we are referring to hopes for the future. behind great achievements. of the capabilities of their staff. a dream in their hearts. e realization of such dreams. og to make their dream reality, and must never give up. Our founder. Nobuo Isbibashi reation Message from th