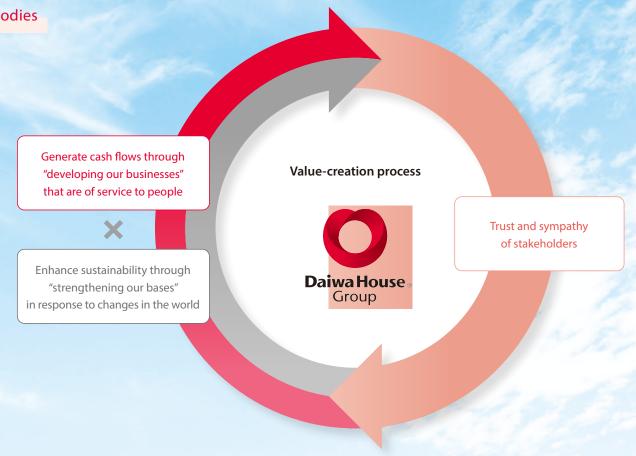
Our 2022 Integrated Report and Sentiment it Embodies

With the basic aim of Creating Dreams, Building Hearts, the Daiwa House Group has helped to address the issues society faces and earned the trust and sympathy of our stakeholders by developing our businesses that are of service to people and strengthening our bases in response to changes in the world. This is our value-creation process.

In May 2021, we launched a company-wide project and formulated a new Purpose, *Our Hopes for the Future*, to consider along with our stakeholders our continued significance to society.

We also initiated in fiscal 2022 our Seventh Medium-Term Management Plan, which will proceed with Our Hopes for the Future as its compass. Outlining our growth strategy and management structure based on the rework list of priority issues (materialities) we need to address, the Integrated Report before you is intended to give form to our employees' passion to contribute to society and their resolve to achieve continued growth.



1955

Daiwa House Group's Hopes

Our Hopes for the Future enable both individual and company growth

Daiwa House Group's founder, Nobuo Ishibashi, emphasized the importance of always being proactive and having big dreams for the future in order to remain viable in a new era. We carry on his ambitions of growing Daiwa House Group into ¥10 trillion enterprise by 2055, our centennial year.

To be a group of companies indispensable to society for a long time to come, we believe we must make a significant contribution by encouraging employees to have dreams and hopes for the future and enabling them to realize each and every one of them.



/ear

2055

Our Hopes for the Future—Our Compass to Our Centennial Year

Creating the fundamental societal infrastructure and lifestyle culture rooted in regeneration, ensuring a world where we live together in harmony embracing the Joys of Life

Today, what we mean by "Our Hopes for the Future", a world where we are our truest selves, respecting, and inspiring each other. Living together in harmony with our planet –in harmony with People and Nature.

Daiwa House Group commits to co-create value for individuals, communities and people's lifestyles.

 $\label{thm:connecting} \mbox{Together with you, connecting hearts to enable our future landscape,}$

nurturing communities that live together in vivid and vibrant harmony with People and Nature.

We are Daiwa House Group.





Highlights of the 2022 Integrated Report

▶ w	What Our Hopes for the Future means to the Daiwa House Group		Introduc	tion – Daiwa House Group's Our Hopes for the Future	P.1
→ O T	Our Hopes for the Future – The society we want to create in 2055 and our role in creating it		Chapter	Message from the CEO	P.6
▶ ті	he priority issues we must tackle to realize Our Hopes for the Future				
> 0	Our <mark>strengths</mark> in realizing Our Hopes for the Future		Chapter	The Story of the Group's Value Creation	P.19
▶ w	What priority issues we will tackle in our Seventh Medium-Term Management Plan)	Chapter	3 Our Seventh Medium-Term Management Plan	P.28
	Our approach to financial strategy and capital policy on our Seventh Medium-Term Management Plan		Chapter	4 Message from the CFO	P.35
▶ H	low we will generate cash flow in our Seventh Medium-Term Management Plan		Chapter	5 Developing our Businesses	P.45
▶ H	low we will improve sustainability in our Seventh Medium-Term Management Plan		Chapter	6 Strengthening our Bases	P.64
▶ o	Our Hopes for the Future through the lens of our Outside Directors		Chapter	7 Governance	P.82
) 0	Our achievements to date		Chapter	8 Financial Results, Corporate Information	P.101

CONTENTS

Chapter 1

Message from the CEO

Message from the CEO

	Adopting Our Hopes for the Future,			١
	sights firmly set on 2055	14		(
	Positioning of Hopes for the Future and		_	
	the Seventh Medium-Term Management Plan	18	Chapter	5 [
				Е
Chapter 2	The Story of the Group's Value Creation			F
	Daiwa House Group at a glance			k
	The story of the Group's value creation	21		9
	■The history of Daiwa House Group	22		F
	2 The source of our value creation	23		(
	Business model embodying the founder's spirit	24		(
	4 The Daiwa House value creation process	25		L
	5 The Daiwa House Group's strengths	26		(
	6 The society we want to create and our role			Е
	in creating it	27		F
Chapter 3	Seventh Medium-Term Management Pl	an		
	Results of the past medium-term management plans			
	and the positioning of the Seventh Medium-Term			
	Management Plan	29		
	Business environment, risks and opportunities	30		
	Three management policies and eight focal themes			
	of the Seventh Medium-Term Management Plan	31		orial po

Management policy: Evolve revenue model

Chapter 4	Message from the CFO	Chapter 6	Strengthening our Bases
	Message from the CFO	6	Stance on strengthening of our bases
	Management policy:		under the 7th Plan6
	Optimize management efficiency 40	0	Environmental Management
			Efforts at Social
Chapter 5	Developing our Businesses		
	Business Overview46	6 Chapter 7	Governance
	Performance targets by		Roundtable: Adopting our Purpose with eyes firmly
	business segment4	7	set on our goals for 2055
	Single-Family Houses Business 48	8	Management Structure8
	Rental Housing Business5	1 _	
	Condominiums Business 53	3 Chapter 8	Financial Results, Corporate Information
	Commercial Facilities Business 55	5	Management's Discussion and Analysis of Financial
	Logistics, Business and		Position and Results of Operations
	Corporate Facilities Business	7	Efforts at Environment
	Environment and Energy Business 59	9	Efforts at Social11
	Real estate investment6	1	Financial Highlights11
			Corporate Data, Board of Directors,
			Audit & Supervisory Board and Executive Officers,
			Share Information11

65 . 66 . 74

..... 87

..... 102 . 108 ... 112 115

.... 117

. 118

blicy: 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, customer, and technology and manufacturing) and our strengths (comprehensive business proposals), summarizing how we pursue Our Hopes for the Future that embodies the spirit of our founder. Referential guidelines: In the production of this document, we have referenced the International Integrated Reporting Framework (Value Reporting Foundation), 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 (421 consolidated subsidiaries, 57 equity method affiliated companies, and 1 affiliated company not accounted for by equity method as of March 31, 2022), with a focus on Daiwa House Industry Co., Ltd. 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.

Editorial Postscript