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News Release (Translation)

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Notice Concerning Outline of the Results of the Evaluation of the Effectiveness of Board of Directors

Daiwa House Industry Co., Ltd. (hereinafter “the Company”) announces that it has carried out an evaluation of the effectiveness of the Board of Directors for 2024. The following is an outline of the results of this evaluation.

1. Evaluation of the Effectiveness of Board of Directors

The Company has been carrying out an evaluation of the effectiveness of the Board of Directors every year since 2015, based on its “Corporate Governance Guidelines” formulated to obtain sustainable growth and better corporate value over the medium to long term.

For the evaluation of the effectiveness of the Board of Directors in 2024, same as last year, the Company obtained the cooperation of an outside organization for the evaluation process, after which the Board carried out a self-review.

2. Outline of the Evaluation

(1) Evaluation target

Analysis and evaluation of the Board of Directors as a whole by means of self-evaluations by each director as well as evaluations by the Audit & Supervisory Board and the Board of Directors itself

(2) Evaluation method

Anonymous questionnaire-based surveys

* Answers were given directly to an outside organization to ensure anonymity.

(3) Evaluation period

The period from January to November 2024

* This year, the period for conducting the questionnaire was brought forward by one month to secure time for results analysis and selection of issues, making the evaluation period 11 months.

(4) Evaluation process

(i) Questionnaire by all directors and audit & supervisory board members

(ii) Discussion by the Corporate Governance Committee based on the questionnaire results

(iii) Evaluation by the Audit & Supervisory Board

(iv) Self-review by the Board of Directors based on the questionnaire results and the evaluation of the Audit & Supervisory Board

(v) Review of initiatives for the next fiscal year based on results of evaluation

(5) Evaluation items

- Composition of Board of Directors
- The ideal state of Board of Directors
- Operation of Board of Directors
- Operation of Nomination and Remuneration Advisory Committees
- Monitoring function of Board of Directors
- Support structures for directors and audit & supervisory board members
- Performance of Board of Directors
- Training
- Dialogue with shareholders (investors)
- Directors' own efforts

3. Evaluation of Effectiveness for the Current Fiscal Year

As a result of the analysis and evaluation of the Board of Directors' effectiveness based on the findings of the outside organization and the evaluation of the Audit & Supervisory Board, it was evaluated that the effectiveness of the Board of Directors of the Company is secured.

Meanwhile, the Company will strive to improve the effectiveness of the Board of Directors through the following initiatives in relation to the items presented as key issues to be addressed.

(Key issues and initiatives going forward)

(1) Composition of Board of Directors	
<u>• Issue</u>	<u>• Initiatives</u>
In order to further enhance monitoring functions, the ideal state of the Board of Directors functions needs to be reviewed in accordance with changes in the environment on a continuous basis.	While being mindful of separating supervision and execution, we will examine appointment of personnel with greater diversity and the knowledge needed for the Company going forward. We will continue to examine the operation structure, including organizational design.

(2) Enhancement of discussion on management strategies and non-financial information, etc.	
<p><u>• Issue</u></p> <p>Continued efforts need to be made to address setting of agenda items and securing of discussion time.</p>	<p><u>• Initiatives</u></p> <p>We will aim to enhance discussion on management strategies and non-financial information, etc., through sharing and reporting, etc., of the content of deliberations at management strategy meetings and the Sustainability Committee, etc.</p>
(3) Internal control	
<p><u>• Issue</u></p> <p>From a perspective of defensive governance, there is a need to enhance discussions about risk management and compliance.</p>	<p><u>• Initiatives</u></p> <p>We will aim to enhance discussions about topics such as the status of internal controls, improvements regarding risk matters, and the status of monitoring, including Group companies, and to strengthen supervision further.</p>

4. Self-review on Corporate Governance Guidelines by Board of Directors

In parallel to the Board of Directors' evaluation, the Company carries out a self-review each year on the operation status of the items defined in the Corporate Governance Guidelines which was formulated and disclosed on May 27, 2015. This functions as an overhaul of the management system.

Through this year's self-review, the Company resolved, at a meeting of the Board of Directors, to partially revise the provisions of the Corporate Governance Guidelines, including the integration of the Companywide Environment Committee and Sustainability Committee, and the establishment of a new Sustainability Committee to deliberate on matters in the environmental and social fields.

Note: The Company's latest Corporate Governance Guidelines reflecting this revision are available on its website at

<https://www.daiwahouse.com/English/ir/governance/pdf/guidelines.pdf>

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Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated February 13, 2025.