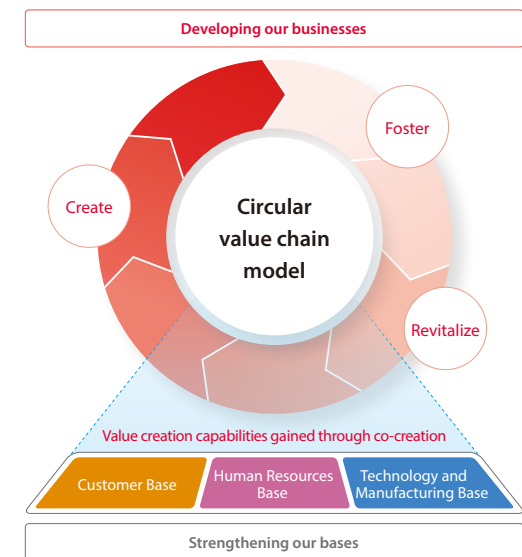
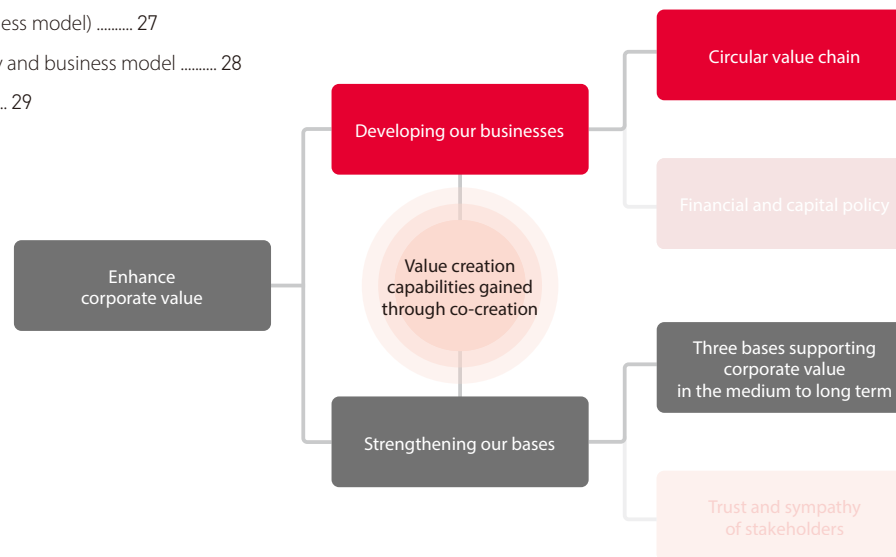


The Story of the Group's Value Creation

As we mark our 70th anniversary, we look back on the course that has taken us to where we are today.

Our value creation process, driven by the capabilities gained through co-creation which are generated by our three bases, promotes a circular value chain business model (create, foster, and revitalize) and contributes to building a sustainable society. This process is introduced along with our current progress.

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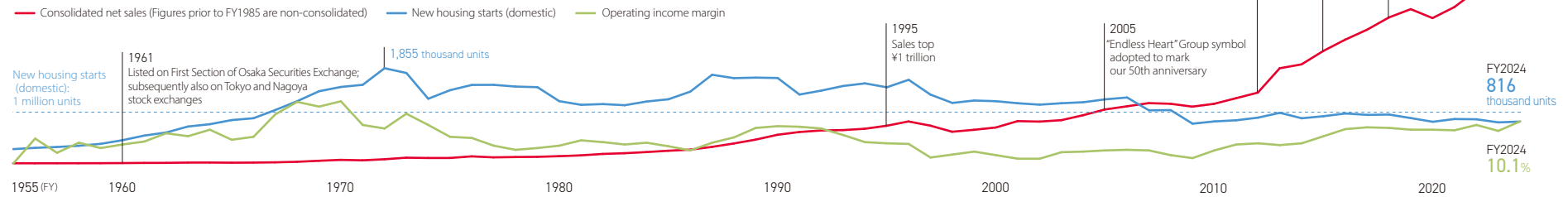


Chapter 2 The Story of the Group's Value Creation

1 Over the course of our 70-year journey, achieving growth through business portfolio transformation

From the starting point of the founder's spirit, which is "Don't do things because they will make a profit, but because they will be of service to society," we have anticipated the times and changed our business portfolio accordingly. Since 2000, we have grown our sales revenue at an accelerated pace.

Consolidated net sales and domestic housing starts

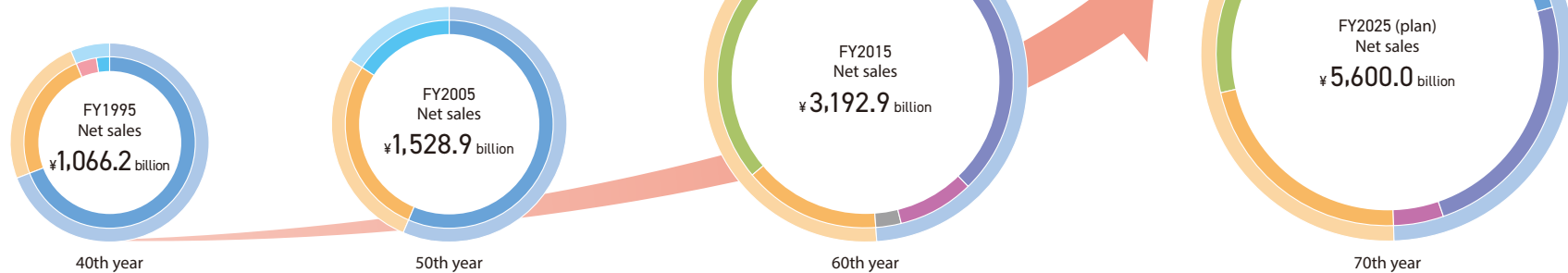


Our founding philosophy

Industrialization of construction / Supplier of prefabricated housing / Total lifestyle enterprise / Group that co-creates value for individuals, communities, and people's lifestyles

Net sales by segment

- Residential field: Single-Family Houses, Rental Housing, Condominiums, Housing stock
- Non-residential field: Commercial Facilities, Logistics, Business and Corporate Facilities, Environment and Energy
- Other: Tourism, Other

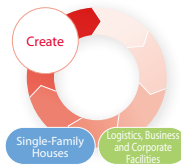


1 From 1955

From 1955 / 1960's to 1970's / 1980's to 1990's

1955 Pipe House

Following a major typhoon that destroyed large numbers of houses, we developed our first product by how both bamboo and rice were able to bend flexibly and gracefully. Standardized temporary buildings with steel pipe structures, which realized the industrialization of construction, were adopted primarily by government authorities and contributed to development from the postwar reconstruction period through to the era of high economic growth.



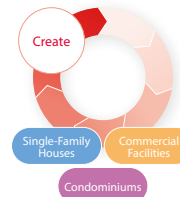
1959 Midget House

The Midget House was developed as a study room for children that could be erected in only three hours. As a solution to the housing shortage caused by a rapid population increase, it took the market by storm and became the cornerstone for today's prefabricated housing.



1962 Habikino Neopolis

With the sale of a large-scale housing complex as Japan's first in the private sector, we devised the nation's first residential mortgage loan system in cooperation with a private financial institution.



1976 Commercial facilities business

With the growth of motorization in Japan, Daiwa House devised a new business in which we would match the needs of landowners seeking effective ways to utilize their idle roadside land with companies looking to establish outlets such as restaurant chains and convenience stores. Subsequently, we established the commercial facilities business. Through this proprietary LOC (Land Owner and Company) System we help companies expand their business nationwide, and landowners to utilize their valuable assets over the long term.

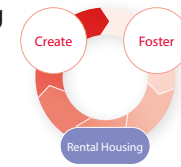


1977 Condominium business

Sales began for Green Coop Senju, a large-scale condominium

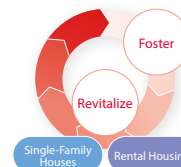
1989 Established Daiwa Living

In 1982, we specialized in the apartment building sector, established sales offices nationwide, and promoted apartment construction as an effective way for landowners to utilize their land. Subsequently, in 1989, we established Daiwa Living Co., Ltd. to support apartment management, handling everything from tenant recruitment to building maintenance. Daiwa Living, which today manages over 700,000 rental housing units and generates annual sales of approximately ¥600 billion, continues to provide support by meeting the needs of building owners and tenants.



2000 Renovation business

Full-scale expansion of the renovation business began with the launch of the Home Improvements Business Department within the Housing Business Division. This business assists customers who have built Daiwa House homes to raise the value of their housing assets. Currently, for single-family houses and rental housing, Daiwa House Reform Co., Ltd. and Daiwa House Chintai Reform Co., Ltd. handle all aspects of the renovation business through their maintenance work, renovation projects, paid after-sales work, and appropriate inspections (home inspections and diagnostics).



2 From 2000

2000's

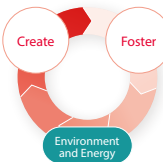
2002 Started logistics facilities development

Having embarked on "D Project," the development of logistics facilities, and while keeping a keen eye on societal changes, such as the expansion of the e-commerce market, the lineup we supplied encompassed everything from BTS (Build-To-Suit) facilities tailored for specific companies to multi-tenant facilities capable of accommodating diverse tenant needs. As a result, we currently boast the largest scale of logistics facility development in Japan.



2007 Commenced wind power generation business

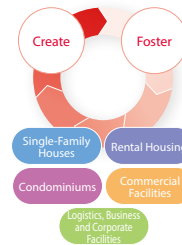
We completed nine turbines for wind power generation at Sadamisaki Peninsula in Ehime Prefecture. Based on our extensive construction experience, we provide optimal proposals tailored to existing buildings and site conditions, and promote the introduction of solar, wind, and hydroelectric power generation. In addition, we are engaged in the power generation business and electric power retail business through the development and operation of our own power plants. By maximizing the use of renewable energy, namely, wind, solar, and hydroelectric, which the founder foresaw as crucial, we are contributing to the realization of a decarbonized society.



2010's

2010's Expansion of overseas business

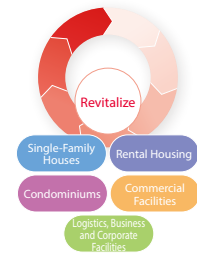
The delivery of condominium developments in China, which began in 2007, was realized around 2010. In 2011, with the purchase of rental housing in the US we entered the real estate business. From 2012, we started development of industrial parks in Indonesia and Vietnam. With US builder Stanley Martin becoming a consolidated subsidiary in 2017, we entered the US single-family houses business. Following that, this business grew with three local subsidiaries, becoming one of the major pillars of our overseas business.



2020's

2020's Expansion of Livness business

In light of the policy for the promoting transactions of existing residential properties, in 2018 we established "Livness," a new Groupwide brand, to strengthen our recurring-revenue businesses, including brokerage services for existing home sales, buy-and-resale operations, as well as renovation and remodeling. Subsequently, anticipating growing demand for repairs and renovations of non-residential buildings nationwide, and driven by an increase in aging industrial facilities and mixed-use commercial complexes operating for over 20 years, we launched "BIZ Livness" in 2024. In preparation for the era of declining new construction, we are promoting the Livness business as one of our new drivers of growth in our domestic operations, with sales exceeding ¥400 billion in FY2024.



Livness
[リブネス]

BIZ Livness
[ビスリブネス]

2 Daiwa House Group evolution over the past decade

We promote our business while evolving our business portfolio and revenue model. Furthermore, we aggressively move forward on non-financial efforts, and work to optimize corporate value and shareholder value.

| Corporate and shareholder value | | Revenue model change | | Non-financial information | |
|--|--|---|--|--|--|
| 2015 (60th year) | 2025 (70th year) | 2015 (60th year) | 2025 (70th year) | 2025 (70th year) | |
| Market capitalization*1 ¥2.1 trillion (March 31, 2016) | → ¥3.0 trillion (March 31, 2025) | Overseas business sales ¥72.6 billion (FY2015) | → ¥905.0 billion (FY2024) | Number of employees 50,390 (March 31, 2025) | GHG emissions reduction rate (vs FY2015) 46.2% (FY2024) |
| ROE 9.1% (FY2015) | → 12.9% (FY2024) | Sale of development properties ¥79.4 billion (FY2015) | → ¥430.0 billion (FY2024) | ZEH rate 99% (FY2024) | ZEH-M rate (Rental housing) 73.1% (FY2024) |
| EPS ¥156.4 (FY2015) | → ¥514.0 (FY2024) | Balance of real estate for sale ¥0.5 trillion (March 31, 2016) | → ¥2.4 trillion (March 31, 2025) | ZEH-M rate (Condominiums) 100% (FY2024) | ZEB rate 66.2% (FY2024) |
| Annual dividend ¥80 (FY2015) | → ¥150 (FY2024) | D/E ratio 0.42 (March 31, 2016) | → 0.80*2 (March 31, 2025) | Development and operation results of renewable energy power plants 877MW (March 31, 2025) | Ratio of outside directors 50.0% (June 30, 2025) |
| BPS ¥1,762.97 (FYE2015) | → ¥4,226.17 (FYE2024) | Long-term rating by Rating and Investment Information, Inc. AA- | → AA- | | |

*1 Excluding treasury shares

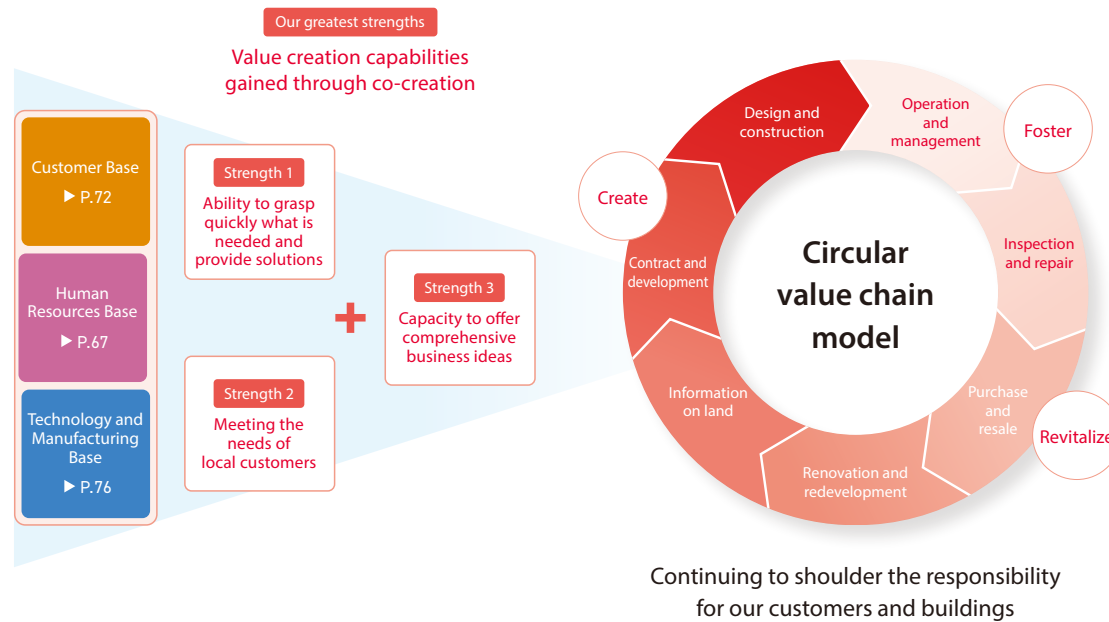
*2 After taking hybrid financing into account

3 Strengths and the circular value chain (business model)

Leveraging the strengths that arise from our three bases, we maximize customer LTV and building LTV over the long term while achieving both economic and social value

The Group's source of value creation are the bases of human resources, customers, and technology and manufacturing that we have built alongside our business expansion. The strengths generated from these three bases are the ability to quickly grasp what is needed and to provide solutions, and meeting the needs of local customers. Additional to this is the capacity to offer comprehensive business ideas owing to a diverse business portfolio, which gives rise to our greatest strength, namely, the ability to create value through co-creation. By combining our strengths, we enhance the competitive advantage of our circular value chain, maximizing both customer LTV*¹ and building LTV over the long term while achieving both economic and social value.

*1 Lifetime value (LTV): The revenue (value) generated from customers and buildings over the lifespan of the relationship.



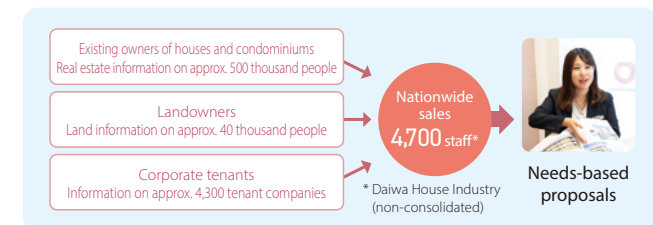
Ability to grasp quickly what is needed and provide solutions

Over many years, we have nurtured customer relationships based on our business track record and experience of finding solutions to the issues facing individual customers.

Meeting the needs of local customers

Since our founding we have placed importance on having a good grasp of actual conditions by being on site and seeing what is actually there. In particular, together with seeing for oneself the characteristics and issues that occur daily at business sites or that differ according to area, one of the Company's unique capabilities is to accumulate information on land and real estate data.

Land and real estate data aggregation, and business knowhow gained from customer relationships



4 Comprehensive business proposal capability and business model

Building a multi-faceted business portfolio through our proprietary circular value chain

Our business portfolio spans six core businesses and over 600 Group companies, and covers a wide range of business areas starting from land and real estate information, enabling us to provide integrated proposals that fit a full range of needs. Transcending the boundaries of a traditional housing manufacturer, our comprehensive system provides an array of solutions from planning through after-sales service. This establishes a circular value chain model (create, foster, and revitalize) that builds social infrastructure and enriches lifestyles and culture, forming our unique business model.



- ▶ Build a circular value chain with each business
- ▶ Bring about comprehensive business proposals while undertaking collaboration between businesses

| | | |
|--|--|---|
| Single-Family Houses | Daiwa House Industry, DesignArc, Daiwa Lantec Stanley Martin Holdings, Trumark Companies CastleRock Communities, Rawson Group | Daiwa House Reform Daiwa House Real Estate |
| Rental Housing | Daiwa House Industry Daiwa House Modular Europe | Daiwa Living Daiwa House Chintai Reform |
| Condominiums | Daiwa House Industry | Daiwa LifeNext |
| Commercial Facilities | Daiwa House Industry, Daiwa Lease Daiwa House Parking | Royal Home Center, Sports Club NAS Daiwa House Realty Mgt. |
| Logistics, Business and Corporate Facilities | Daiwa House Industry, Fujita Daiwa LogiTech | Daiwa House Property Management, Daiwa Logistics, Wakamatsu KONPOU UNYU SOKO, Kouyama UNYU |
| Environment and Energy | Daiwa House Industry Daiwa Energy | Eneserve Daiwa House REIT Daiwa House Global REIT Daiwa House Logistics Core Fund Daiwa House Logistics Trust Daiwa House Well-being Core Fund |
| Other | Daiwa Royal Golf, Media Tech, Shinwa Agency Daiwa House Financial, Daiwa House Insurance Daiwa House Real Estate Investment Management, Daiwa House Asset Management | |



(Artist's impression)

5 The Daiwa House value creation process

Value creation based on the belief of being of service to society and solving social issues through business

By strengthening our three bases and promoting a circular value chain model driven by the value creation capabilities that the bases generate, we develop products and services that meet a wide range of needs. Our business activities work to solve issues facing society and to earn the trust and sympathy of our stakeholders, while also regaining business opportunities. This virtuous cycle of the value creation process enables us to engage in materiality and pursue the realization of Our Hopes for the Future.

