

Financial Results, Corporate Information

In this chapter, we analyze the current status of business and management to communicate corporate value from both financial and non-financial aspects. We also organize investment strategy, shareholder-returns policy, and stock price trends, in addition to indicators such as net sales and ROE.

We clarify our commitment to achieving both capital efficiency and stable returns and communicate sustainability management through human capital and environmental KPIs.

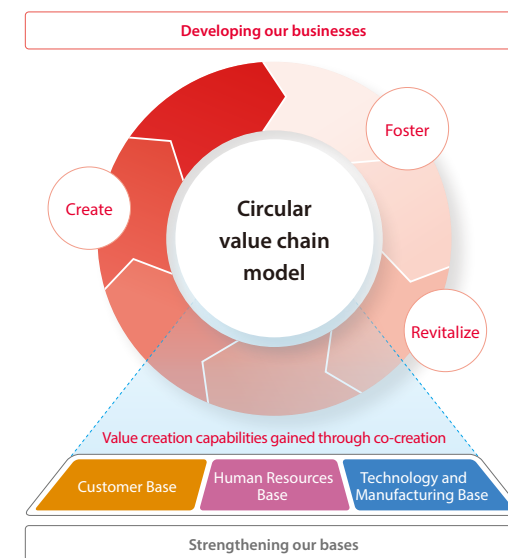
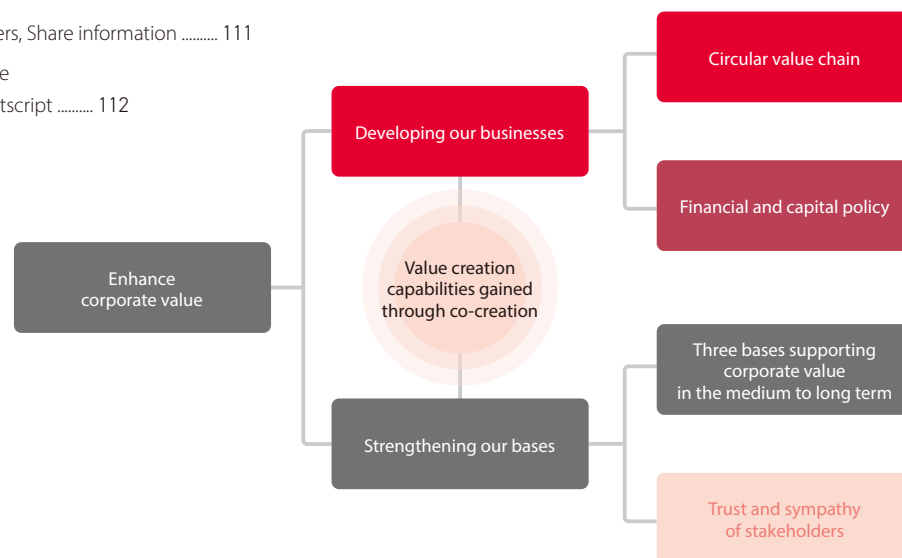
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Chapter 7 Financial Results, Corporate Information

Management's discussion and analysis of financial position and results of operations

[MD&A summary]

- I Assets increased due to expanding business in the US housing market, strengthening built-for-sale business, and investing in the development of logistics facilities, thereby exceeding the financial benchmark. Financial position ▶ P.100
- II Free cash flows were negative due to strong investment opportunities. We are frontloading investments for growth but have tightened our investment benchmark and are striking a balance between growth investments and financial soundness. Cash flows ▶ P.101
- III ROE is trailing our target of 13% or higher in our 7th Plan, but we are working to improve capital efficiency, including through optimization of the business portfolio. Profits and losses ▶ P.102
- IV We are advancing investments aimed at optimizing our business portfolio from the perspectives of growth potential and profitability. Business results by segment ▶ P.105
- V We are actively working to invest in human capital and in Digital transformation (DX) and IT, in an effort to expand our revenue opportunities and to strengthen the business foundation. Investments ▶ P.106
- VI We strive to maintain stable dividends, achieving dividend increases for 15 consecutive periods. We continue to realize management conscious of cost of capital and share prices as well as maximize corporate value by conducting dialogue with investors through IR activities. Shareholder returns and stock prices ▶ P.107

Note: This section analyzes the financial position and results of operations during the seven fiscal years from fiscal 2018 to fiscal 2024. For the list of financial data, see "Financial highlights" on pages 108 and 109.

I Financial position

Financial condition

Total assets as of the end of fiscal 2024 increased by ¥515.6 billion from the end of fiscal 2023 to ¥7,049.3 billion. This was mainly due to strengthened purchases of real estate for sales to promote built-for-sale business in each of the businesses and the increase in inventories, in particular for the Single-Family Houses and Commercial Facilities Businesses.

Total liabilities increased by ¥322.6 billion from the end of fiscal 2023 to ¥4,332.5 billion. This was mainly due to fund raising through borrowing for the purpose of acquiring real estate for sale and investment properties. Total net assets increased by ¥192.9 billion from the end of fiscal 2023 to ¥2,716.7 billion. This was mainly because of recording net income attributable to owners of the parent of ¥325.0 billion, despite ¥95.6 billion in dividends paid to shareholders and ¥100.0 billion in share buybacks. The balance of interest-bearing debt (excluding lease obligations) increased by ¥221.2 billion from the end of fiscal 2023 to ¥2,309.0 billion.

The debt-equity (D/E) ratio came to 0.80*¹ times, higher than the target of around 0.6 times for financial discipline. However, this owes to active investments in growth, and we are considering capital policies so as to adhere to financial discipline set out for fiscal 2026*², which had been scheduled to be the final fiscal year of the 7th Plan. At ¥2,571.6 billion, inventories account for the largest proportion of assets. As assets are expected to grow in the future due to the acquisition of inventories and investment properties, we will strive to maintain financial health by verifying the optimal capital structure.

*¹ Calculated by taking into account the 50% equity credit for a total of ¥250.0 billion in publicly offered hybrid bonds (subordinated bonds) and hybrid loans (subordinated loans).

*² The 7th Plan had initially been slated to be a five-year plan with fiscal 2026 as its final year. However, it will now conclude a year early, and the 8th Plan, with its first fiscal year being fiscal 2026, is set to be announced in May 2026.

Figure 1 Comparison of balance sheets (¥ billion)

Current/Fixed classification

Total assets 4,334.0		Total assets 7,049.3	
Total current assets	1,921.0	Total current assets	3,882.4
Fixed assets	2,412.9	Fixed assets	3,166.8
Total current liabilities	1,401.8	Total current liabilities	1,833.8
Long-term liabilities	1,288.4	Long-term liabilities	2,498.7
Total net assets	1,643.7	Total net assets	2,716.7
As of March 31, 2019		As of March 31, 2025	

Figures are compared with the final year of our Fifth Medium-Term Management Plan (fiscal 2018).

① The current ratio increased from 137% to 212%.

② The fixed ratio dropped from 151% to 121%.

③ The ratio of fixed assets to long-term capital dropped from 84% to 62%.

④ Net assets excluding non-controlling interests grew from ¥1,595.9 billion to ¥2,614.2 billion.

Figure 2

Classification by function

Cash and deposits	279.8	Trade payables	530.4
Trade receivables	390.9	Other liabilities	1,381.3
Inventories	955.6	Interest-bearing debt	778.5
Other assets	974.4	Total net assets	1,643.7
Real estate for rent	1,056.0		
Fixed assets	677.1		
As of March 31, 2019		As of March 31, 2025	

Cash and deposits	333.1	Trade payables	353.7
Trade receivables	474.7	Other liabilities	1,669.7
Inventories	2,571.6	Interest-bearing debt	2,309.0
Other assets	1,323.2	Total net assets	2,716.7
Real estate for rent	1,390.2		
Fixed assets	956.1		
As of March 31, 2025		As of March 31, 2025	

① Inventories increased from ¥955.6 billion to ¥2,571.6 billion (see **Figure 3**).

② Real estate for rent increased from ¥1,056.0 billion to ¥1,390.2 billion.

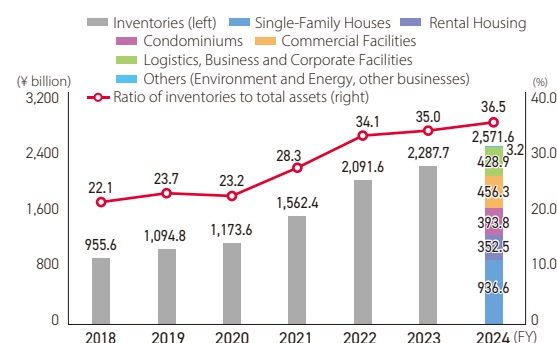
③ Interest-bearing debt (excluding lease obligations) increased from ¥778.5 billion to ¥2,309.0 billion. As a result, the debt-equity ratio increased from 0.49 to 0.80 (after taking the hybrid financing into account).

I Financial position

Analysis of asset increases

Inventories as of the end of fiscal 2024 amounted to ¥2,571.6 billion, an increase of 169% compared to fiscal 2018. Major contributing factors include an increase in purchases of real estate for sale for customers considering buying investment properties in each business. The purchases increased, especially in the Rental Housing and Commercial Facilities Businesses, as we strengthened our “capacity to offer comprehensive business ideas on optimally leveraging a land property,” one of our strengths. The rise in inventories is also the result of steady expansion of areas in the US housing market where our three US single-family housing companies (Stanley Martin, Trumark, and CastleRock) operate.

Figure 3 Inventories

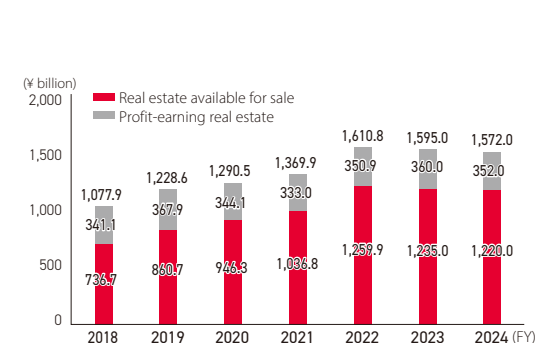


Investment properties totaled ¥1,572.0 billion, an increase of 46% over fiscal 2018. This includes ¥1,220.0 billion in real estate available for sale^{*3}, up 66%, and ¥352.0 billion in profit-earning real estate^{*4}, up 3%, indicating that the increase in real estate available for sale led to a rise in investment properties. This increase was chiefly due to our expanded investment in the development of logistics facilities, which is a profit driver.

The increase in assets is largely attributable to an increase in inventories and investment properties, which is a result of our aggressive investments for growth. Investment decisions are made based on the internal rate of return (IRR) as an important indicator; thus, we believe these properties should help us recoup funds and yield profits when sold. In an effort to improve capital efficiency, we intend to continue selling properties at optimal times based on market conditions and other factors.

^{*3} Real estate available for sale refers to real estate that becomes readily salable after investment to earn profit from price rise.
^{*4} Profit-earning real estate means real estate that we developed to earn rental income.

Figure 4 Balance of investment properties



II Cash flows

Basic approach

The basic approach to cash management is to invest in line with the amount of cash generated by business operations. While our 7th Plan sets a D/E ratio of about 0.6 as a criterion for financial discipline, we may exceed it temporarily due to frontloaded investment in growth as we must actively invest in attractive opportunities. To control the level of interest-bearing debt at around 0.6 in the medium to long term, we have set internal investment benchmark and apply them strictly, thereby balancing investment in growth with financial soundness.

Cash flow condition

Cash flows from operating activities during fiscal 2024 (adjusted for bank holidays) increased by ¥137.2 billion from fiscal 2023 to ¥430.0 billion. The ratio of cash flows from operating activities to net assets excluding non-controlling interests, assuming equity capital to be 1.0, was 0.16, up 0.04 of a percentage point from 0.12 in fiscal 2023. This was mainly due to ¥488.7 billion recorded in income before income taxes, despite payment of corporate income tax and the purchase of real estate for sale.

Cash flows from investing activities were -¥493.3 billion, due to the acquisition of real estate for rent, etc. and the implementation of the ¥311.7 billion investment into the real estate development business based on the investment plan under the 7th Plan. As a result, free cash flows (cash flows from operating activities + cash flows from investing activities) were -¥63.3 billion.

II Cash flows

Cash flows from financing activities were -¥44.6 billion due to activities such as share buybacks, redemption of corporate bonds, and dividend payments to shareholders, despite fund raising primarily through borrowing.

As a result of the above, the balance of cash and cash equivalents at the end of fiscal 2024 was ¥326.9 billion, a decrease of ¥112.6 billion from the end of the previous fiscal year.

Figure 5 Cash flows

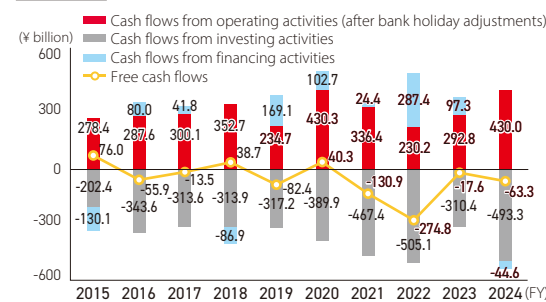
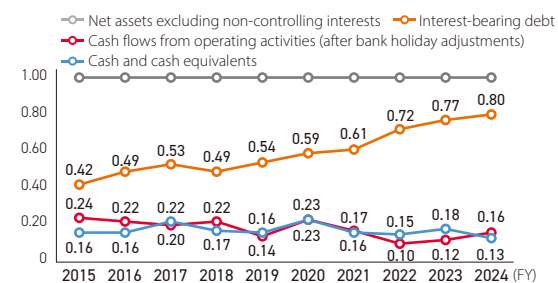


Figure 6 Indices to net assets excluding non-controlling interests (as a ratio where net assets excluding non-controlling interests is equal to 1)



Note: Since FY 2019, interest-bearing debt has been shown as an index after taking the equity of hybrid financing into account.

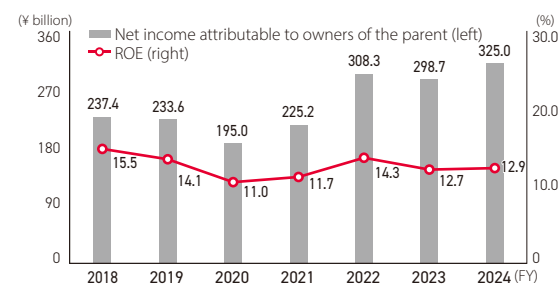
III Profits and losses

Return on equity (ROE)

Return on equity (ROE) for the period came to 12.9%. In fiscal 2026*, initially what had been the final year of the 7th Plan, we set a management target for ROE of 13% or higher. We believe it is important to expand our business performance while improving profitability, and will work to improve capital efficiency from various perspectives, including investments in growth areas through optimization of the business portfolio and reductions in inefficient assets. We will also flexibly execute share buybacks to achieve our target ROE.

*5 The 7th Plan had initially been slated to be a five-year plan with fiscal 2026 as its final year. However, it will now conclude a year early, and the 8th Plan, with its first fiscal year being fiscal 2026, is set to be announced in May 2026.

Figure 7 ROE

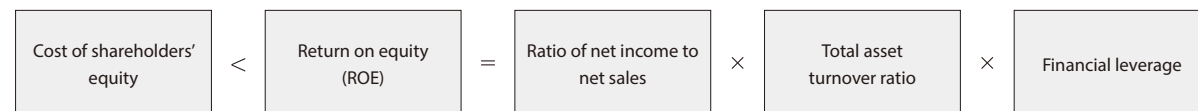
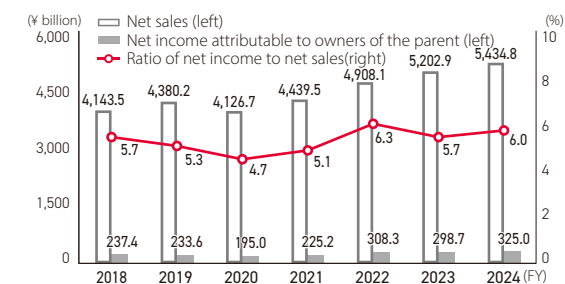


(Breakdown of ROE) Ratio of net income to net sales

Net income attributable to owners of the parent amounted to ¥325.0 billion and the average annual growth rate for the period of seven years starting from fiscal 2018 was 5.4%. Although impacted by amortization of actuarial differences in retirement benefits, the net income margin was 6.0%.

Despite escalating material prices and labor costs still having an impact, we proceeded to pass along prices and make other efforts in each business, and this is leading to an improved profit margin.

Figure 8 Ratio of net income to net sales



(Our shareholders' equity cost: around 7.0%)

III Profits and losses

(Breakdown of ROE) Total asset turnover ratio

Net sales amounted to ¥5,434.8 billion and the average annual growth rate for the period of seven years starting from fiscal 2018 was 4.6%. Total asset turnover ratio*⁶ was 0.80 times, declining 0.02 times from 0.82 times in the previous fiscal year. The Group's business has, from the construction contracting business that requires no investment, seen an increasing proportion of areas requiring upfront investment, such as real estate development. In line with this, the proportion of sales from investment properties in net sales is rising (see [Figure 10](#)). We are also strengthening our built-for-sale business selling land and buildings. The total asset turnover ratio is likely to fall due to the change in our business model, but we will continuously seek to ensure and improve the effective utilization of assets through measures that may include encouraging the sale of inventories and also selling investment properties and cross-shareholdings while maintaining a balance between the recurring-revenue business and the transactional-revenue business.

*⁶ Average during the fiscal year.

Figure 9 Total asset turnover ratio

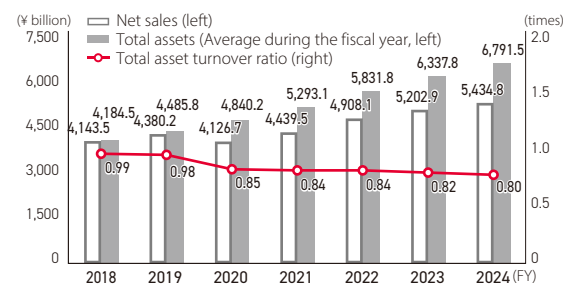
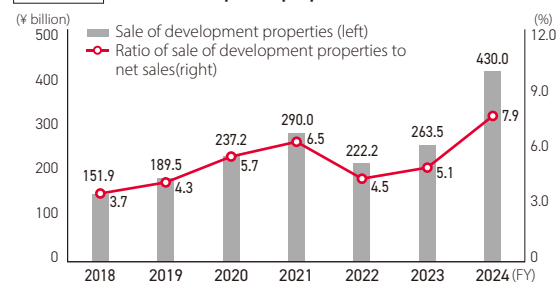


Figure 10 Sale of development properties

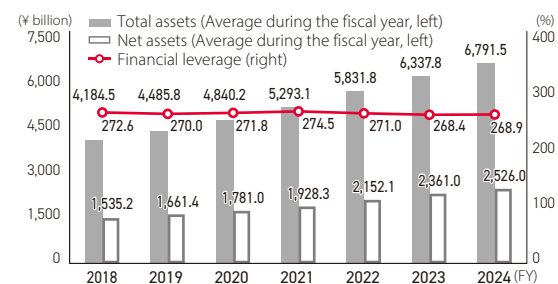


(Breakdown of ROE) Financial leverage

Net assets excluding non-controlling interests amounted to ¥2,614.2 billion and the average annual growth rate for the period of seven years starting from fiscal 2018 was 8.6%. Our financial leverage*⁷ was 268.9%, up 0.5 of a percentage point from the previous fiscal year. By setting a D/E ratio as a financial benchmark, we strive to secure funds for growth investments and solidify our financial base while controlling the financial leverage.

*⁷ Total assets and net assets excluding non-controlling interests are calculated as averages during the fiscal year.

Figure 11 Financial leverage



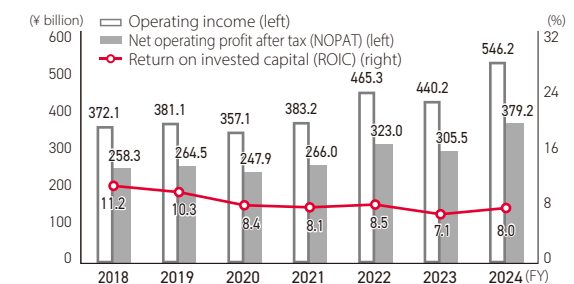
Return on invested capital (ROIC)

Net operating profit after tax (NOPAT)*⁸ was ¥379.2 billion and return on invested capital (ROIC), a ratio of NOPAT to the invested capital (= Net assets excluding non-controlling interests + Interest-bearing debt)*⁹ of ¥4,724.5 billion, was 8.0%. To realize return on invested capital with capital efficiency that exceeds the cost of shareholders' equity, we strive to improve ROIC at the frontline of business, with an attitude of "being complete in small things" as illustrated in [Figure 13](#).

*⁸ Net operating profit after tax (NOPAT):
Operating income × (1 - Effective corporate income tax rate)

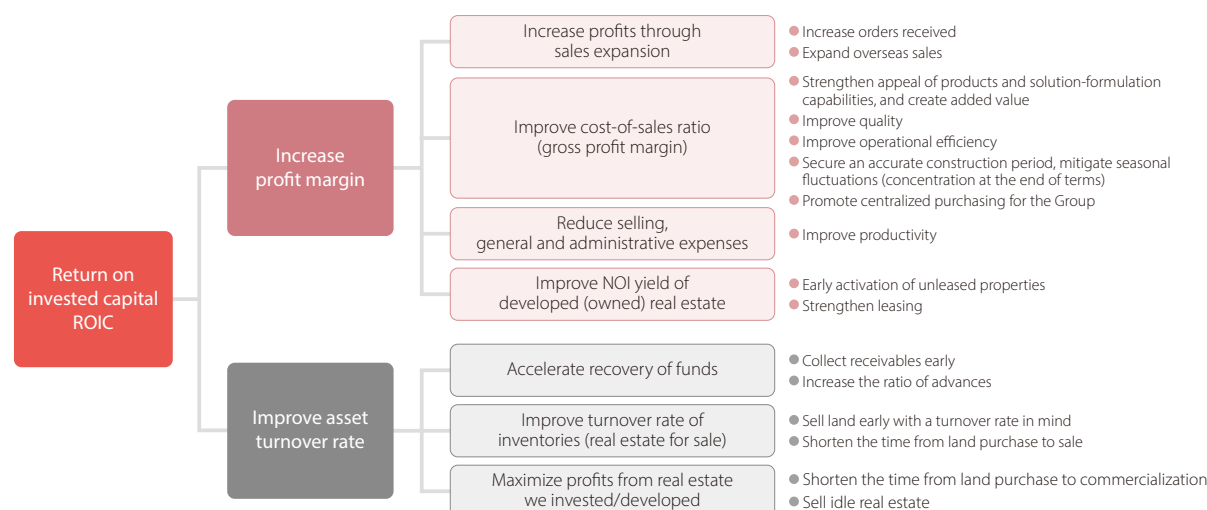
*⁹ Invested capital is calculated as average during the fiscal year.

Figure 12 Return on invested capital (ROIC)



III Profits and losses

Figure 13 Efforts to improve return on invested capital (ROIC) at operational frontline



Overseas business performance

Net sales and operating income from the overseas business amounted to ¥905.0 billion and ¥51.7 billion, respectively. The average annual growth rate for the period of seven years starting from fiscal 2018 was 21.7% for net sales and 26.0% for operating income. The proportion of overseas operations in our earnings is also on an upward trend, with net sales of 16.7% in fiscal 2024, a 10-point increase from fiscal 2018. The Company is actively engaged in businesses overseas such as M&A of housing companies in the US and overseas real estate development. In the 7th Plan, we have set accelerating growth of community-based overseas business as one of the focal themes, and in fiscal 2026*¹⁰, which had been scheduled to be the final year of the 7th Plan, we are targeting overseas net sales of ¥1 trillion and operating income of ¥100 billion.

*¹⁰ The 7th Plan had initially been slated to be a five-year plan with fiscal 2026 as its final year. However, it will now conclude a year early, and the 8th Plan, with its first fiscal year being fiscal 2026, is set to be announced in May 2026.

Figure 14 Sales

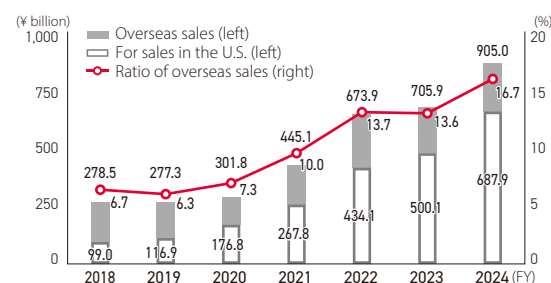
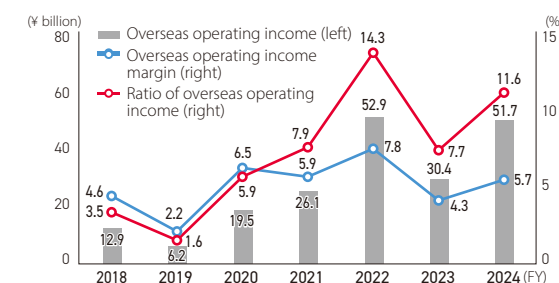


Figure 15 Operating income



IV Business results by segment

Profitability analysis

Nearly 80% of total operating income is accounted for by the three segments of Rental Housing, Commercial Facilities, and Logistics, Business and Corporate Facilities.

For the Single-Family Houses Business, the number of homes delivered in the US has been steadily rising, and profitability has also improved. We expect a decline in the number of new housing starts in Japan, although we are promoting sales that leverage the respective characteristics of both custom-built houses and built-for-sale houses in our efforts to improve profit margins.

Operating income margin to segment assets

Inventory balance is increasing due to the promotion of built-for-sale business, but the Rental Housing Business showed notably higher operating income margins to segment-specific assets, thanks to contribution from the contracting business and rental management business.

In the Logistics, Business and Corporate Facilities Business, we are aggressively investing in long-term, large-scale developments to address the growing markets of logistics facilities and data centers. The current return on assets is at a low level because construction investment is currently underway in the land we acquired, but is expected to significantly contribute to cash flows at the time of payback in the future.

Investments in businesses

With regard to investments in businesses, we are working to maintain aggressive investment with a view to sustainable growth. Our investment is expanding in the Logistics, Business and Corporate Facilities Business centered on logistics facilities as a profit driver, and in the Commercial Facilities Business which brings out the potential of regions and contribute to job creation and prosperity. In addition, investments in new businesses and overseas businesses, etc. will be made to develop new revenue streams through the use of funds generated by the above-mentioned segments.

[Business segments]

■ Single-Family Houses ■ Rental Housing ■ Condominiums ■ Commercial Facilities ■ Logistics, Business and Corporate Facilities ■ Environment and Energy ■ Other

Figure 16 [Business segments] Operating income margin/Net sales ratio by segment (FY2024)

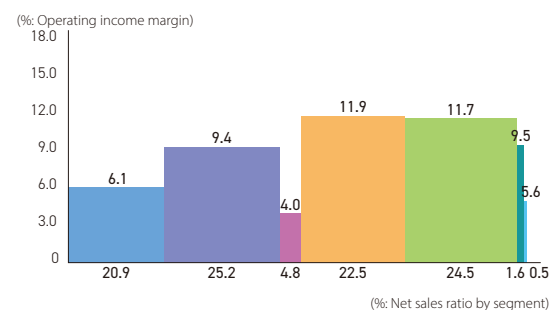
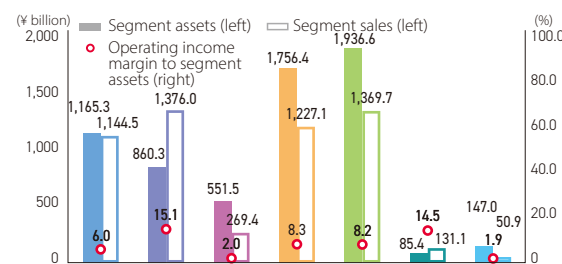
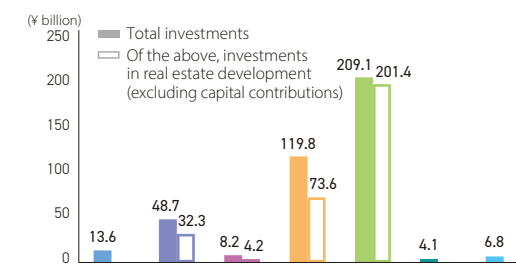


Figure 17 Operating income margin to segment assets (FY2024)



Note: Segment assets are averages during the fiscal year.

Figure 18 [Business segments] Total investments (FY2024)



V Investments

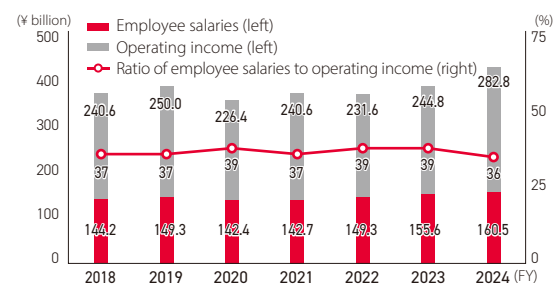
Returns to employees

One of the essential elements for sustaining corporate growth is to maintain and improve the living environment of employees. Employee salaries in fiscal 2024 on a non-consolidated basis increased by ¥16.3 billion from fiscal 2018 (an average increase of 9.3% or ¥844,000 per employee).

The ratio of employee salaries to operating income*¹¹ was 36%, showing no significant change in fiscal 2024. Regarding wage increases, we revised salary levels starting April 2025, raising average annual income by 10% while also increasing the starting monthly salary for new graduates from ¥250,000 to ¥350,000. We will continue to actively promote investments in human resources, which are an important source for corporate growth.

*¹¹ Employee salaries/(Operating income + Employee salaries)
Employee salaries include bonuses and non-standard wages.

Figure 19 Ratio of employee salaries to operating income (non-consolidated)



IT-related investments and research and development (R&D)

IT-related investments in fiscal 2024 were ¥28.5 billion, an increase of 135% over fiscal 2018. IT-related investments are positioned as key for promoting new value proposals and business model changes by improving the quality of services for customers, strengthening supply chains, and back office digitalization. Therefore, we will continue actively investing funds in this area.

R&D expenditures in fiscal 2024 were ¥10.8 billion, of which ¥4.6 billion was for the residential field, and ¥6.1 billion for the non-residential field and other businesses. Our research and development activities range from basic and applied research to the development of new technologies and new products, and further, to utilization and verification of these new technologies in architectural structures and community development.

Figure 20 IT-related investments/ Research and development expenditures

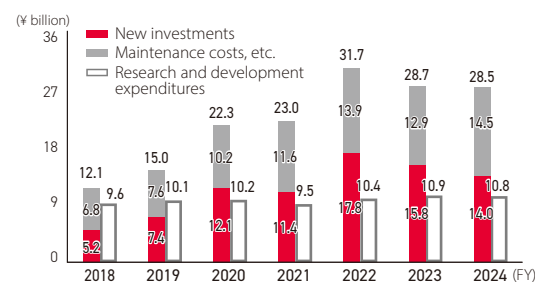
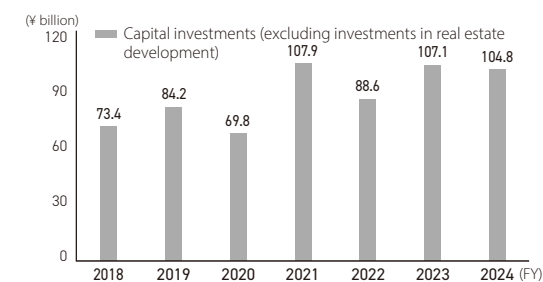


Figure 21 Capital investments (excluding investments in real estate development)



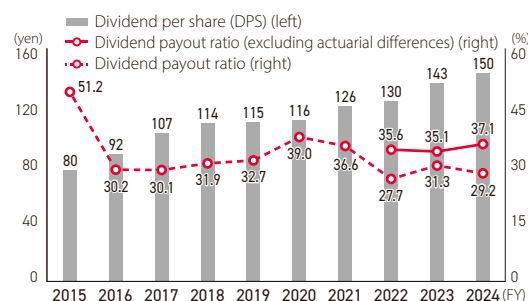
VI Shareholder returns and stock prices

Shareholder returns

Under the 7th Plan, we return profits linked to performance with a dividend payout ratio of 35% or higher. In fiscal 2024, our annual dividend was ¥150 per share, for a dividend payout ratio of 29.2%, achieving dividend increases for 15 consecutive periods. The dividend payout ratio was 29.2%, which would be 37.1% when excluding amortization of actuarial differences in retirement benefits. In addition, we carried out a share buyback of 21 million shares (at a total acquisition cost of ¥100.0 billion).

Additionally, in February 2025, as part of an expansion of the shareholder benefit program, we decided to increase the number of shareholder benefit vouchers issued and to introduce new long-term retention incentives. We will continue to strive to maintain stable dividends while considering flexible share buybacks.

Figure 22 Shareholder returns



Note: The dividend amount is determined excluding amortization of the actuarial differences in retirement benefit accounting.

Price to book-value ratio (PBR)

Book value per share (BPS) amounted to ¥4,226.17 and the average annual growth rate for the period of seven years starting from fiscal 2018 was 9.9%, while the price to book-value ratio (PBR) came to 1.17 times.

We are not satisfied with the current share price and will work to improve capital efficiency through continuous ROE improvement and optimization of the business portfolio. Furthermore, we work to enhance our financial soundness and governance and will continue to maximize corporate value through dialogue with investors through our IR activities.

Figure 23 BPS/PBR

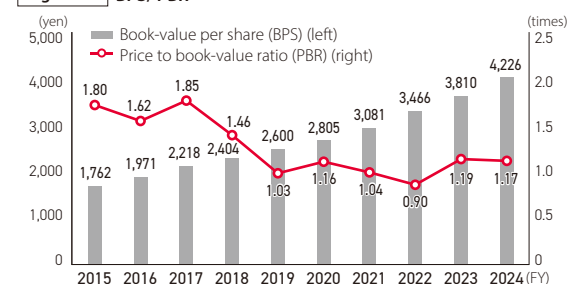
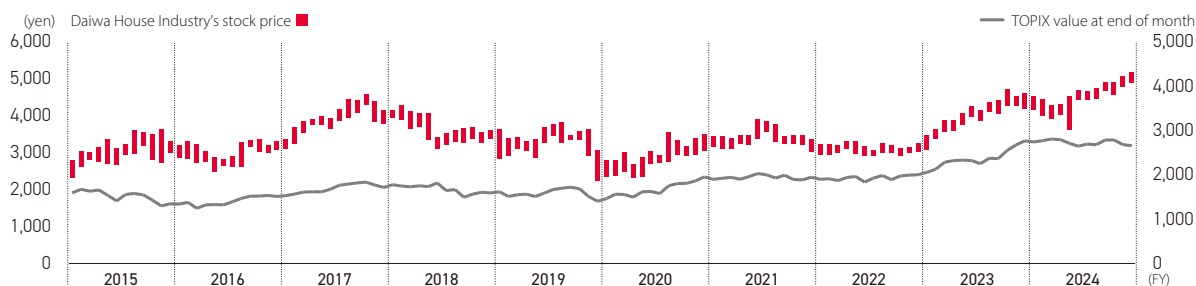


Figure 24 Trends in stock price of Daiwa House Industry and TOPIX



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market capitalization (¥ billion)	2,101.6	2,120.6	2,725.4	2,335.9	1,777.9	2,120.3	2,098.7	2,051.7	2,897.1	3,054.5
Highest stock price (yen)	3,654	3,367	4,594	4,293	3,819	3,552	3,900	3,320	4,718	5,175
Lowest stock price (yen)	2,326.0	2,500.5	3,096	3,119	2,230.5	2,332.0	3,037	2,907.5	3,080	3,633

Note: The highest and lowest stock prices are those quoted on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022. Market capitalization is calculated as end-fiscal year close price x end-fiscal year total issued shares (excluding treasury shares).

Financial highlights

	(¥ million)								
Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net sales	3,512,909	3,795,992	4,143,505	4,380,209	4,126,769	4,439,536	4,908,199	5,202,919	5,434,819
Gross profit	721,312	793,832	842,767	870,206	826,883	864,682	955,194	992,407	1,101,065
Selling, general and administrative expenses	411,220	446,690	470,571	489,091	469,761	481,425	489,824	552,197	554,785
Operating income	310,092	347,141	372,195	381,114	357,121	383,256	465,370	440,210	546,279
Operating income excluded amortization of actuarial differences	293,573	336,264	369,178	378,245	329,472	332,267	368,714	393,694	445,041
Operating income margin (%)	8.8	9.1	9.0	8.7	8.7	8.6	9.5	8.5	10.1
Net income attributable to owners of the parent	201,700	236,357	237,439	233,603	195,076	225,272	308,399	298,752	325,058
Return on equity (ROE) (%)	16.3	17.0	15.5	14.1	11.0	11.7	14.3	12.7	12.9
Total assets	3,555,885	4,035,059	4,334,037	4,627,388	5,053,052	5,521,662	6,142,067	6,533,721	7,049,323
Net assets	1,329,901	1,513,585	1,643,717	1,773,388	1,893,504	2,111,385	2,388,914	2,523,762	2,716,745
Net assets ratio (%)	36.8	36.5	36.8	37.3	36.3	36.6	37.2	37.3	37.1
Interest-bearing debt	640,671	780,574	778,546	1,043,478	1,274,886	1,425,407	1,849,481	2,087,838	2,309,077
Debt-equity ratio*1 (times)	0.49	0.53	0.49	0.54	0.59	0.61	0.72	0.77	0.80
Net cash provided by operating activities	287,691	382,365	355,599	149,651	430,314	336,436	230,298	302,294	420,561
Net cash used in investing activities	(343,643)	(313,664)	(313,989)	(317,273)	(389,980)	(467,423)	(505,181)	(310,419)	(493,370)
Net cash provided by (used in) financing activities	80,086	41,804	(86,979)	169,128	102,731	24,427	287,452	97,399	(44,682)
Market capitalization (¥100 million)	21,206	27,254	23,359	17,779	21,203	20,987	20,517	28,971	30,545
Stock prices (FYE) (yen)	3,196	4,100	3,519	2,677	3,241	3,201	3,114	4,528	4,938
Per share of common stock (yen):									
Earnings per share (EPS)	304.14	355.87	357.29	351.84	297.18	343.82	469.12	457.16	514.00
Book-value per share (BPS)	1,971	2,218	2,404	2,600	2,805	3,081	3,466	3,810	4,226
Cash dividends*2	92	107	114	115	116	126	130	143	150
Dividend payout ratio (%)	30.2	30.1	31.9	32.7	39.0	36.6	27.7	31.3	29.2
Price earnings ratio (PER) (times)	10.51	11.52	9.85	7.61	10.91	9.31	6.64	9.90	9.61
Price to book-value ratio (PBR) (times)	1.62	1.85	1.46	1.03	1.16	1.04	0.90	1.19	1.17
Number of employees*3 (FYE)	39,770	42,460	44,947	47,133	48,807	48,831	49,768	48,483	50,390
Number of group companies	196	317	387	360	444	480	488	497	667

*1 Since fiscal 2019, debt-equity ratio has been shown after taking the hybrid financing into account.

*2 Cash dividends for fiscal 2015 include a commemorative dividend of ¥10 to mark the 60th anniversary of the Company's foundation. Cash dividends of ¥126 for fiscal 2021 include a commemorative dividend of ¥10 to mark the 100th birthday of founder Nobuo Ishibashi. *3 Regular employees only.
Note: The total number of issued shares excludes treasury shares.

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales by segments (consolidated)**4 (¥100 million)									
Single-Family Houses	3,903	3,853	3,838	4,978	5,161	7,848	9,100	9,510	11,445
Rental Housing	9,772	10,308	10,613	10,059	9,827	10,525	11,494	12,502	13,760
Condominiums	2,628	2,850	2,805	3,727	3,397	3,799	4,843	4,418	2,694
Existing Homes	1,055	1,121	1,145	1,456	1,247	—	—	—	—
Commercial Facilities	5,697	6,208	6,939	8,067	8,083	10,385	10,921	11,815	12,271
Logistics, Business and Corporate Facilities	8,284	8,502	10,223	11,523	9,899	10,792	11,302	12,944	13,697
Environment and Energy	—	—	—	—	—	1,610	1,886	1,394	1,311
Other Businesses	5,135	6,371	7,161	5,300	5,073	630	818	680	509
Adjustment	(1,349)	(1,256)	(1,293)	(1,311)	(1,423)	(1,197)	(1,285)	(1,238)	(1,341)
Total	35,129	37,959	41,435	43,802	41,267	44,395	49,081	52,029	54,348
Operating income by segments (consolidated)**4 (¥100 million)									
Single-Family Houses	192	215	199	180	218	383	466	351	698
Rental Housing	942	1,066	1,022	985	908	966	1,097	1,157	1,299
Condominiums	134	133	135	158	53	97	408	373	109
Existing Homes	130	132	159	167	104	—	—	—	—
Commercial Facilities	1,007	1,141	1,377	1,406	1,228	1,241	1,329	1,436	1,459
Logistics, Business and Corporate Facilities	789	889	989	1,206	1,159	1,255	996	1,232	1,596
Environment and Energy	—	—	—	—	—	52	62	91	124
Other Businesses	168	230	325	192	107	(59)	54	24	28
Adjustment	(265)	(337)	(486)	(487)	(209)	(105)	237	(265)	147
Total	3,100	3,471	3,721	3,811	3,571	3,832	4,653	4,402	5,462
Housing starts*5 (thousands of units)									
Housing starts	974	946	952	883	812	865	860	800	816
Number of houses sold in Japan (non-consolidated) (units)									
Number of houses sold	54,925	51,641	48,410	43,703	38,991	40,758	40,562	37,453	32,239
Custom-built houses	7,106	6,907	6,524	5,917	5,178	5,164	4,191	3,424	2,810
Built-for-sale houses	2,180	2,320	2,192	2,066	1,841	1,596	1,571	1,760	2,257
Reference: Sales of houses (overseas)	—	973	2,621	2,875	4,184	4,857	6,332	6,971	7,469
Rental housing	43,428	40,254	37,905	33,502	29,488	31,202	32,224	29,841	25,668
Condominiums	2,211	2,160	1,789	2,218	2,484	2,796	2,576	2,428	1,504
Average sales per unit (¥ million)									
Custom-built houses	34.3	35.9	37.3	39.6	39.6	41.0	45.1	49.0	54.8
Built-for-sale houses	25.3	24.0	24.3	22.4	23.1	24.2	24.6	24.7	25.2
Rental Housing Business									
Rental housing units managed	510,208	543,124	572,238	595,182	611,874	630,555	649,891	684,460	702,859
Occupancy rates (%)	97.1	97.3	96.9	97.6	98.2	98.2	97.8	97.2	97.4
Commercial Facilities Business									
Average orders received per building (¥ million)	281	324	381	466	512	513	563	736	824
Subleasing floor space of commercial facilities									
Total leasing floor space (m ²)	5,736,312	6,157,287	6,375,278	6,765,150	6,871,560	6,964,194	7,163,733	7,159,607	7,333,590
Occupancy rates**6 (%)	99.1	99.1	99.0	98.8	98.5	98.6	98.9	98.9	98.9

*4 Including intersegment transactions. *5 Statistics for housing starts are from Housing Starts Survey by Ministry of Land, Infrastructure, Transport and Tourism. *6 Leasing floor space occupied/ Total leasing floor space.

Non-financial highlights

Carbon neutral indicators

Key indicators			Achievements (FY)		Targets (FY)		
			2023	2024	2025	2026*9	2030
Achieving carbon neutrality	Entire value chain	GHG emissions reduction rate (%) ^{*1}	35.6	46.2	—	35	40
	Business Activities: Scope 1 + 2	GHG emissions reduction rate (%) ^{*1}	-26.3	58.1	54	55	70
		Renewable energy utilization rate (%)	81.8	98.9	100	100	100
	Building use: Scope 3 (Category 11)	GHG emissions reduction rate (%) ^{*1}	52.2	59.8	56	58	63
		ZEH rate (%) ^{*2}	97	99	95	90	100
		Rental housing ZEH-M rate (%) ^{*3}	48.7	73.1	75	50	100
		Condominiums ZEH-M rate (%) ^{*4}	100	100	100	100	100
		ZEB rate (%) ^{*5}	68.5	66.2	70	80	100
	Renewable energy supply facilities constructed	Renewable energy generation equipment constructed (EPC) (MW) ^{*6}	3,075	3,311	3,750	4,200	5,000
		Renewable energy power plants developed and operated (IPP) (MW) ^{*7}	700	877	1,100	1,550	2,500
	Solar panel installation rate (non-residential) ^{*8}	Commercial Facilities Business (non-consolidated) (%)	40.1	56.7	Principles 100		
		Logistics, Business & Corporate Facilities Business (non-consolidated) (%)	62.2	76.7			
		Fujita	36.0	50.0			
		Daiwa Lease	23.7	30.3			

*1 vs FY2015

*2 Contracting and the subdivision development (built-for-sale) operated by Daiwa House Industry (non-consolidated) (in Japan excluding Hokkaido). Construction start basis.

*3 Contracting and the subdivision development (built-for-sale) and development real estate operated by Daiwa House Industry (non-consolidated) (domestic only). Construction start basis.

*4 Total of Daiwa House Industry (non-consolidated). Construction start basis.

*5 Total of Daiwa House Industry, Daiwa Lease, and Fujita. Only in Japan, construction start basis, percentage of land area.

*6 Cumulative total since FY2011

*7 In-house consumption is excluded

*8 Construction start basis, percentage of facilities.

*9 The Environmental Action Plan will conclude in FY2025, one year ahead of schedule and in conjunction with that of the 7th Medium-Term Management Plan. Therefore, FY2026 targets have not been revised.

Human capital indicators

Key indicators			Achievements (FY)			Targets
			2022	2023	2024	
Increase the value of our human capital	Recruitment	Ratio of newly employed females to total new employees (%)	24.9 (April 1, 2023)	27.6 (April 1, 2024)	24.7 (April 1, 2025)	30
		Number of career hires	145	182	185	—
	Diversity	Ratio of female employees in management (%)	5.2 (April 1, 2023)	5.8 (April 1, 2024)	6.1 (April 1, 2025)	8 (April 1, 2027)
		Ratio of female section chiefs (%)	21.3 (April 1, 2023)	23.4 (April 1, 2024)	24.0 (April 1, 2025)	25 (April 1, 2027)
		Ratio of employment of persons with disabilities (%)	2.50 (April 1, 2023)	2.48 (April 1, 2024)	2.51 (April 1, 2025)	2.70 (April 1, 2026)
		Ratio of retention of young employees (three years after joining the Company) (%) ^{*1}	76.6 (April 1, 2023)	77.6 (April 1, 2024)	81.4 (April 1, 2025)	85
		Ratio of seniors who continue to be employed at age 65 (%)	49.4 (April 1, 2023)	55.2 (April 1, 2024)	57.6 (April 1, 2025)	—
	Health management	Percentage of employees receiving periodic medical examinations (%)	100	100	100	Early achievement of 100%
		Percentage of follow-up testing of patients who were required to receive detailed tests or medical treatment (%)	95.3	89.5	96.1	Early achievement of 100%
	Childbirth and childcare	Ratio of male employees taking childcare leave (%) ^{*2}	62.2	66.5	68.9	80
		Lump-sum payment program for fostering the next generation (number of recipients/ amounts: ¥ million) ^{*3}	643/643	609/609	556/556	—
	Employment	Percentage of paid leave taken (%)	56.4	65.5	66.5	—
	Equity	Gender wage gap (ratio of average income of female to male employees) (%) ^{*4}	61.5	61.6	61.8	—
	Career support	Number of Multi-Experiential Career Support Program users ^{*5}	58	82	73	—

Note: The figures in human capital indicators are for Daiwa House Industry (non-consolidated) only.

*1 Retention rate of regular recruits three years after joining the Company in each fiscal year

*2 In an in-house questionnaire conducted in 2020 and 2024, 80% of male employees said that they wanted to take childcare leave. Therefore, the target for the end of the 7th Medium-Term Management Plan (FY 2026) was set at 80%.

*3 Cumulative total since the introduction of the system Payments in 2005 : ¥13,026 million

*4 Percentage of regular employees

*5 Career support program focusing on internal and external side jobs

Corporate data (as of June 27, 2025)

Corporate name	Daiwa House Industry Co., Ltd.		
Foundation	April 5, 1955 (Established: March 4, 1947)		
Paid-in capital	¥162,216,840,212		
Employees (consolidated)	50,390 (as of March 31, 2025)		
Securities traded	Prime Market of the Tokyo Stock Exchange		
Securities code	1925		
Head office	3-3-5 Umeda, Kita-ku, Osaka 530-8241, Japan Phone: +81-6-6346-2111		
Tokyo Head office	3-13-1 Iidabashi, Chiyoda-ku, Tokyo 102-8112, Japan Phone: +81-3-5214-2111		
Offices (9)	Kita-Nihon Minami-Kanto Chugoku	Kita-Kanto Hokuriku Shikoku	Higashi-Kanto Chubu Kyushu
Branches	43		
Factories	9		
Research center	Central Research Laboratory (Nara)		
Training center	Daiwa House Group MIRAI KACHI KYOSO Center (Nara)		
Countries and regions with overseas operations	26 countries, 55 cities		
Contact	Daiwa House Industry Co., Ltd. Finance and IR Department, Management Administration Headquarters Phone: +81-6-6225-7804 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 27, 2025)

Board of Directors (14)		Managing Executive Officers (9)	
Representative Director and Chairman, CEO	Keiichi Yoshii	Tatsuya Urakawa Yuji Yamada	Moritaka Noumura Junko Ishizaki
Representative Director and President, COO	Hirotsugu Otomo	Tetsuya Tamura Koji Harano	Takafumi Nakao Hiroaki Murata
Representative Director and Executive Vice President, CFO	Takeshi Kosokabe	Yukikazu Kataoka	
Representative Director and Executive Vice President	Yoshiyuki Murata	Senior Executive Officers (16)	
Representative Director and Senior Managing Executive Officer	Keisuke Shimonishi	Nobuhito Ishibashi Tetsuro Wada Hiroshi Kono Hirotaaka Najima Shigeki Ochiai Katsuyuki Murai Masafumi Sugimoto Norio Togashi	Kazumi Suwa Hidetoshi Tamiya Yoshimune Morizumi Keitaro Takebayashi Yoshinori Iwabuchi Keisuke Izumoto Katsunori Nobe Masatoshi Sarashina
Director and Senior Managing Executive Officer	Toshiya Nagase	Executive Officers (30)	
Director and Managing Executive Officer	Eiichi Shibata	Taro Kawamura Masataka Kanai Masatoshi Hatta Masao Kita Tadahiro Takayoshi Akira Matsuba Tetsuo Hatta Akira Kitamura Masao Noshi Masaaki Kikuchi Shingo Suzuki Akihiko Wada Toshiyuki Suminaga Toshiki Tanaka Shinichi Yamazaki	Naoya Honda Noboru Higuchi Yoshimitsu Kojima Shinji Tanioku Takeshi Wakita Yoichi Shimoyama Takahiro Zaitzu Masayuki Kanda Soei Iwamoto Shigeo Fujisawa Masaki Kawaguchi Shinji Ishino Tomoaki Kodaka Katsuhiro Koyama Atsuo Suzuki
Outside Directors	Yukinori Kuwano Miwa Seki Kazuhiro Yoshizawa Yujiro Ito Toshikazu Nambu Tomomi Fukumoto Yuichiro Kondo		
Audit & Supervisory Board (6)			
Audit & Supervisory Board Members	Yoshinori Hashimoto Ryuichi Oyaide Yoshihiro Takashige		
Outside Audit & Supervisory Board Members	Akihisa Watanabe Tatsuji Kishimoto Takashi Maruyama		

Share information (as of March 31, 2025)

Authorized	1,900,000,000 shares
Issued	659,478,962 shares
Number of shareholders	78,479

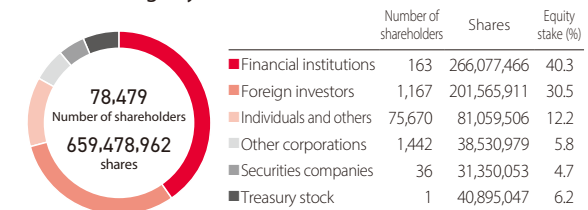
Principal shareholders

Name of shareholders	Thousands of shares	Equity stake (%)
The Master Trust Bank of Japan, Ltd. (trust account)	107,888	17.44
Custody Bank of Japan, Ltd. (trust account)	40,610	6.57
STATE STREET BANK AND TRUST COMPANY 505001	15,688	2.54
Daiwa House Industry Employee Shareholders Association	14,787	2.39
STATE STREET BANK WEST CLIENT - TREATY 505234	13,160	2.13
Sumitomo Mitsui Banking Corporation	12,087	1.95
Nippon Life Insurance Company	11,944	1.93
JPMorgan Securities Japan Co., Ltd.	9,482	1.53
JP MORGAN CHASE BANK 385781	8,516	1.38
Barclays Securities Japan Limited	7,783	1.26

Note1: The Company holds 40,895 thousand shares as treasury stock, but it is not included in the above list.

Note 2: The ratio of the number of shares held to the total number of issued shares (excluding treasury shares) is rounded down to the three decimal places.

Shareholdings by shareholders



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

Sustainable growth and greater corporate value over the medium and long term

■ Main dialogue (engagement) themes

- Business models, strategies, and performance for the domestic built-for-sale and custom-build businesses, as well as the rental management business
- Progress on real estate development investments, exit strategies, and sales plans
- Initiatives on data centers, hotels, and a wide variety of other asset types
- Business environment, performance, future outlook, and risks in overseas markets such as the US and Europe
- Financial targets of our medium-term management plans, shareholder return policy, ESG initiatives, and long-term vision, etc.

■ Results of IR activities in FY2024 (all figures are total numbers of people)

Institutional investors and analysts

- Individual interviews 350 people
 - Conferences sponsored by securities companies 136 people
 - Overseas IR 2 times (US and UK)
 - Business briefings and guided tours 4 times
- Others

Individual investors

- Online company information sessions 3 times
- The CFO and Manager, IR Department took the stage to explain the Company's strengths, ESG initiatives, and shareholder benefits program

Employees

- IR briefing for employees 1 time 1,759 people
- Senior management took the stage to explain the 7th Plan's progress and strategies for the single-family houses business and other areas.
- In the Q&A session, a wide range of responses were provided to the questions posed by employees.

■ Feedback system

We provide timely and appropriate feedback to management regarding opinions received from shareholders and investors through IR activities, thereby sharing in the recognition of issues. Starting in FY2025, as part of strengthening the feedback system to realize management mindful of capital costs and stock prices, the frequency of reports to the Board of Directors—previously once a year—was, based on the CFO's proposal, changed to twice a year. In tandem with reporting at the Board that are independent of the Board of Directors, we will share information on stock prices, consensus, comments from shareholders and investors, and other information four times a year to deepen discussions that serve to enhance corporate value.

Editorial postscript

Our Hopes for the Future through sustainable growth and maximum corporate value

Having reached our 70th anniversary, we would like to express our deepest gratitude to all our stakeholders, from private and institutional investors on down, for standing by us through thick and thin.

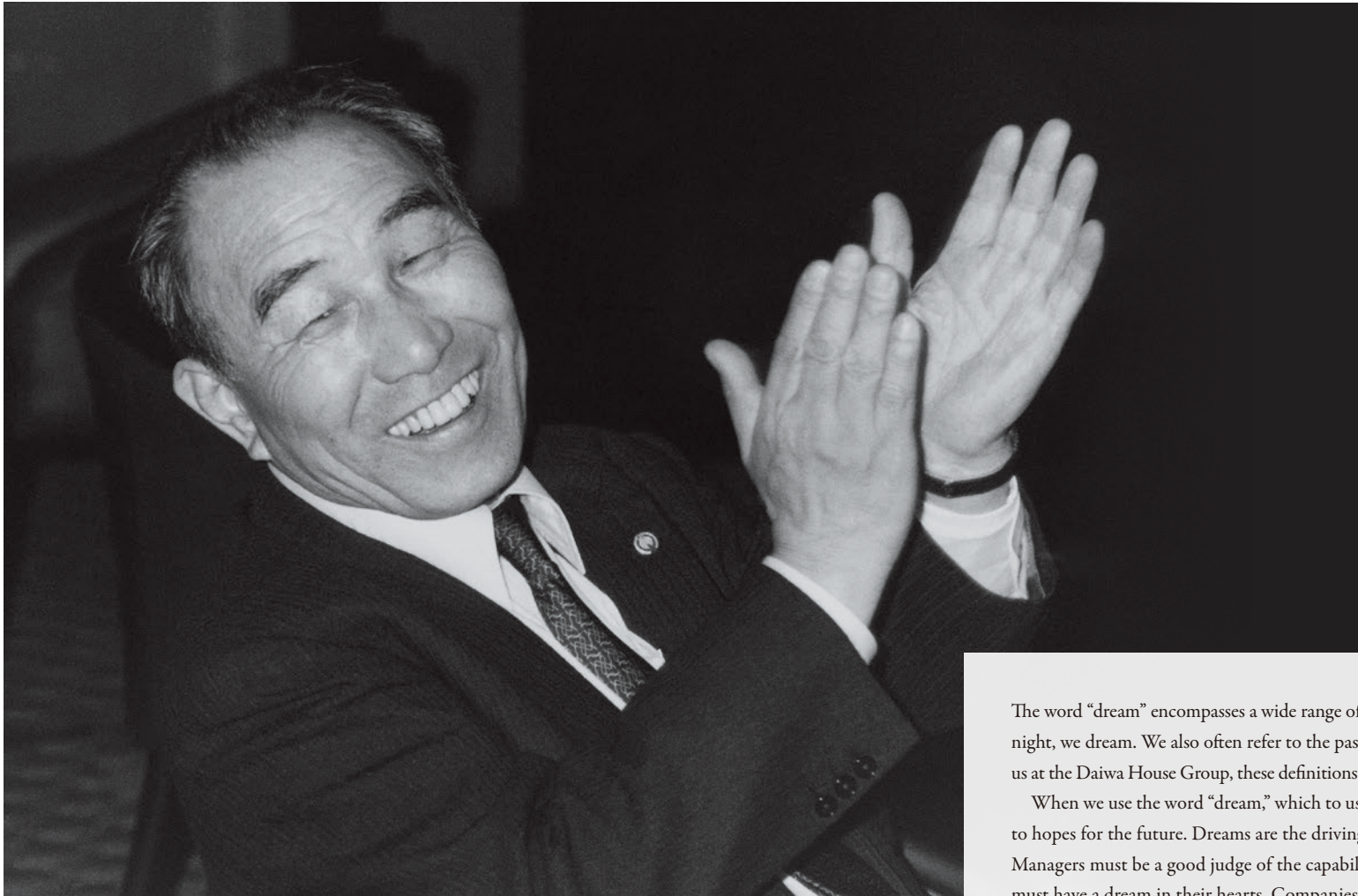
Over these seven decades we have grown by picking up on society's needs, developing new businesses to answer them, leveraging the strengths we honed in the process, and—most recently—driving growth forward by proactively investing in real estate development and expanding our interests into the US and other new territories, all in the spirit of our founder as embodied in our corporate ideals of advancing the industrialization of construction, engaging in businesses that benefit society, and fostering employees' personal growth through business. Sights firmly set on achieving sales of ¥10 trillion by the Company's centennial in 2055, since the 2022 launch of our Seventh Medium-Term Management Plan we have been moving ahead with a restructuring of our business foundations under the Plan's slogan, completing a sustainable growth model. Though progress has been and is steady, forecast-busting cost increases and rising uncertainty over the global economy have prompted us to wrap up the Plan a year ahead of schedule, a move we announced during FY2025. Now, under the banner of Our Future Landscape—Celebrating the Joys of Life as laid out in the Group's purpose, Our Hopes for the Future, we are working feverishly to finalize our next medium-term management plan in time for a May 2026 unveiling. We see plenty of scope to fulfill a role creating fundamental societal infrastructure and lifestyle culture rooted in regeneration. Thus we are committed to continue providing economic and social value in equal measure, whether in Japan through our Livness and regional-revitalization interests or overseas helping resolve housing shortages and building infrastructure. Making the most of Daiwa House Industry's aspirations and strengths, we are running our businesses with a watchful eye on cost of capital and share price. And, as we move steadily onward into our next growth stage, we are strategizing to optimize the Group's business portfolio and value chains for sustainable growth and maximum corporate value.

In closing, we would like to thank you for taking the time to read through this report, as well as all those without whose contributions it would never have seen the light of day. We hope you will continue to deepen your understanding of the Group's business activities and stand by us as we move forward.



Yuji Yamada

Managing Executive Officer
In charge of Finance and IR



Our founder, Nobuo Ishibashi (1921-2003)

The word “dream” encompasses a wide range of meanings. When we go to sleep at night, we dream. We also often refer to the past as “seeming like a dream.” But for us at the Daiwa House Group, these definitions of the word can be put to one side.

When we use the word “dream,” which to us is very important, we are referring to hopes for the future. Dreams are the driving force behind great achievements. Managers must be a good judge of the capabilities of their staff. Employees, too, must have a dream in their hearts. Companies grow along with the realization of such dreams. A company’s management and staff must all keep on trying to make their dream reality, and must never give up.

Our founder, Nobuo Ishibashi



Daiwa House Industry Co.,Ltd.

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