Daiwa House Group



Our Future Landscape: Embracing the Joys of Life.

Daiwa House Group Integrated Report 2026

Our founder's spirit and business philosophy

The founder's spirit

"Don't do things because they will make a profit, but because they will be of service to society"

Our founder, Nobuo Ishibashi



The Daiwa House Group's business philosophy



The basis of the Group's thinking, including "we foster employees' personal growth through business," to be shared by each employee of our Group from now on.

A set of conduct guidelines for us to keep in mind at every stage of daily operations based on the perspective of various stakeholders as employees of a group that co-creates value for individuals, communities, and people's lifestyles.

Our new compass for the journey to Daiwa House Group's centennial, formulated in 2022: 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.

The five values most important to us —the ones we embrace in pursuing Our Hopes for the Future and our quest to make the Daiwa House Group indispensable to people around the world.

Official website: The Daiwa House Group's Business Philosophy

A 70-year journey

With the spirit of the founder as our starting point, Daiwa House Group has expanded its business domains by helping solve social issues

1950s
Population growth and housing shortages

More homes for more people, and helping to resolve financial challenges





In addition to offering the Midget House product—which gained popularity as a study room for children—and developing and selling large-scale housing complexes, we pioneered the introduction of mortgages to help those without sufficient savings become homeowners.

1960s and 1970s
Rapid motorization

Providing new value at roadside locations





Amid the rapid car orientation of Japanese society and a surge in traffic accidents, Daiwa House donated Japan's first pedestrian bridge with combined steel pipes. We also proceeded with the construction of roadside stores and promoted the total lifestyle enterprise.

1980s
Falling birthrates and aging society

Offering living environments with peace of mind, even in old age





In 1989, we established the Silver Age Research Center to support research and studies in the medical and nursing care fields, as well as the development of related facilities. Since then, Daiwa House has built nearly 8,000 medical and nursing care facilities, driving efforts to address the needs of an aging society.

2000s
Intensifying environmental issues and natural disasters

Mitigating and adapting to environmental challenges: providing disaster-resilient living environments





In our renewable energy business, we have worked to bring about a sustainable society. Furthermore, in Japan, where disasters such as typhoons and earthquakes are frequent, we support the recovery and reconstruction of affected areas through measures such as the provision of temporary housing when large-scale disasters occur.

2010s
Labor issues and advances in digitalization

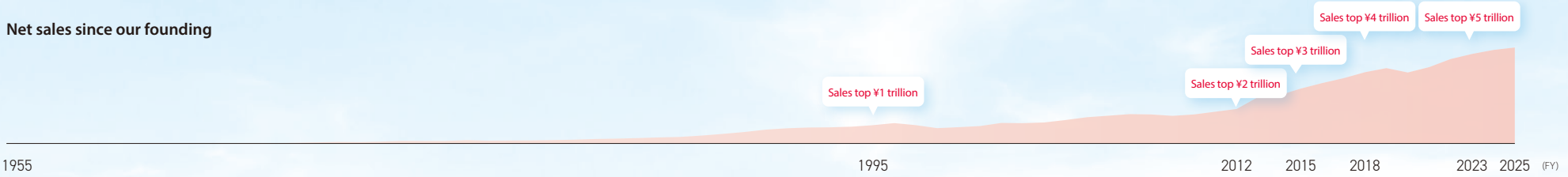
Supporting infrastructure in the age of AI and digital technologies





By addressing long working hours and labor shortages in the logistics industry, we provide solutions to reduce labor requirements and improve efficiency in logistics facilities. Furthermore, anticipating growing demand for data, we have begun industrializing data centers and are developing modern social infrastructure.

Net sales since our founding



Looking ahead from today over the next 30 years

We will continue to strive to create “future value” and work toward realizing “a world where we live together in harmony embracing the Joys of Life.”

We will achieve both financial soundness and improvements in ROE and corporate value by converting growth investments from the Seventh Medium-Term Management Plan into profits and cash flow through measures such as improving asset turnover and reinvesting those proceeds into growth areas and our three bases.

Results and issues from the 7th Plan

Results

Grew net sales and profits through proactive investment in overseas business, the built-for-sale business, real estate development, and M&A

Issues

ROE and the D/E ratio fell short of initial targets due to increases in assets and interest-bearing debt

Beyond the 7th Plan

Leveraging results

Converting investments made under the 7th Plan into profits and cash flow

Leveraging proactive investments made into future growth

- Expanding construction work for data centers, semiconductor-related factories, and other facilities
- Synergizing with a new Group member Sumitomo Densetsu
- Expanding the overseas business portfolio
- Helping human capital who take on challenges to thrive even more
- Accelerating real estate sales in Japan
- Further expanding the Livness business
- Promoting timber construction and lignification materials





Looking ahead to the next 30 years

Taking on the challenge of solving social issues globally

Consistently tackling the challenge of creating “future value”





Resolving issues

Through improving asset turnover, optimizing our business portfolio, and enhancing capital efficiency, we will strive to balance growth and financial soundness

Toward the society we aspire to in 2055: Our Hopes for the Future

Our Future Landscape: Embracing the Joys of Life.

Net sales (illustration)

Net sales ¥5.9 trillion

Net sales ¥10 trillion

The 7th Plan

2026

2055 (FY)

Our editorial policy and communications at a glance

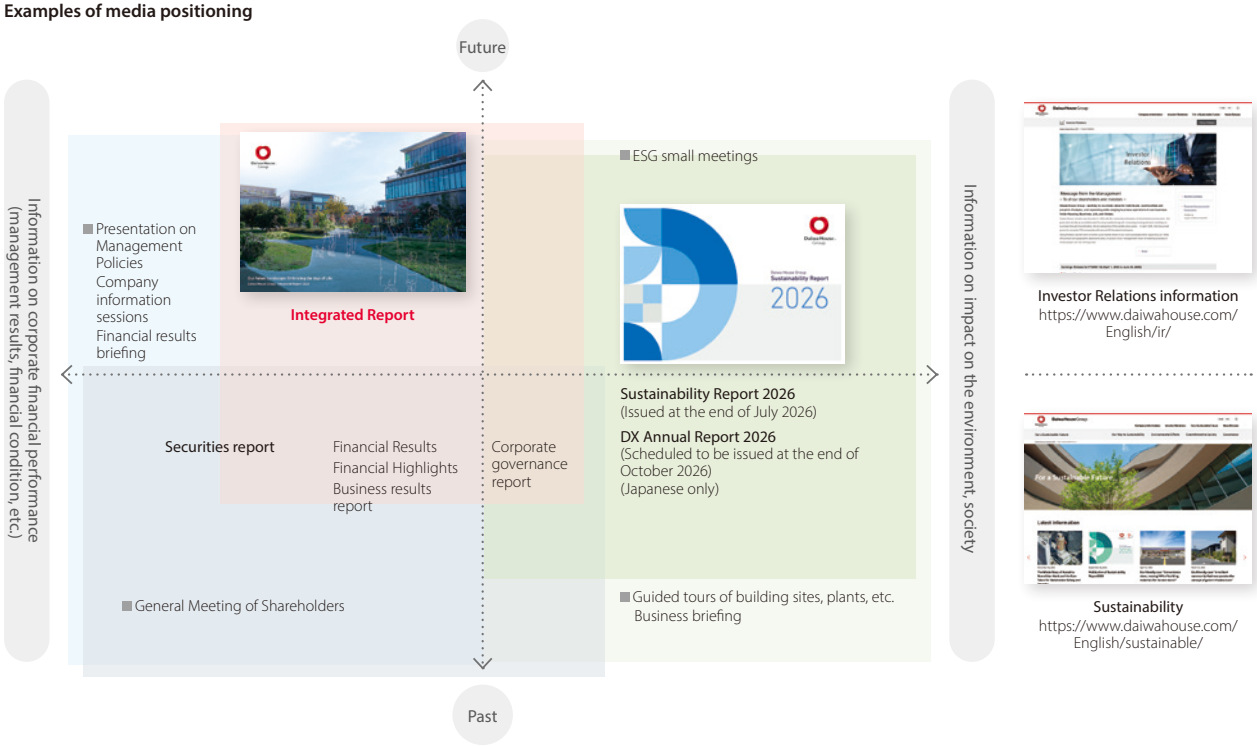
Editorial policy

This report presents an overview of our Group's sustainable value creation as a value creation story and is issued for a broad range of stakeholders, including shareholders and institutional investors.

As we look toward the 100th anniversary of our founding in 2055, we have established our raison d'etre and the future we aim to create in Our Hopes for the Future (Purpose), as a corporate group that takes on the challenge of solving social issues on a global scale and continues to create new value. In the current fiscal year, we review our Seventh Medium-Term Management Plan, which concluded in FY2025, and introduce Sumitomo Densetsu, a new addition to the Group. We also integrate financial information such as business performance and financial strategies together with non-financial information, including environmental and social initiatives that contribute to future corporate value enhancement and robust corporate governance. We also explain the economic and social value generated by our unique business model, which leverages our distinctive strengths. Please note that our securities report, Sustainability Report, and other disclosure materials provide information on our expansive initiatives and achievements. In this report as well, we focus specifically on materiality and key themes that have a significant impact on corporate value enhancement.

Our communications at a glance

Examples of media positioning



Investor Relations information
https://www.daiwahouse.com/English/ir/

Sustainability
https://www.daiwahouse.com/English/sustainable/

About the cover:
D Project Kawasaki Tonomachi (TONOMACHI Project) (Kanagawa Prefecture)
In collaboration with Kawasaki City, the Company is advancing the redevelopment of the site as the TONOMACHI Project, a research and development hub in the life sciences and environmental fields. Under the theme of creating "prosperity and interaction functions," the Company is developing green spaces where researchers and local residents can gather and pursuing sustainable community development in harmony with the local community.

Seeking to achieve both social impact and corporate profitability through businesses that will be of service to society ▶ P.76

Referential guidelines: In the production of this document, we have referenced the International Integrated Reporting Framework issued by the IFRS Foundation, as well as the Guidance for Collaborative Value Creation issued by the Japanese Ministry of Economy, Trade and Industry.

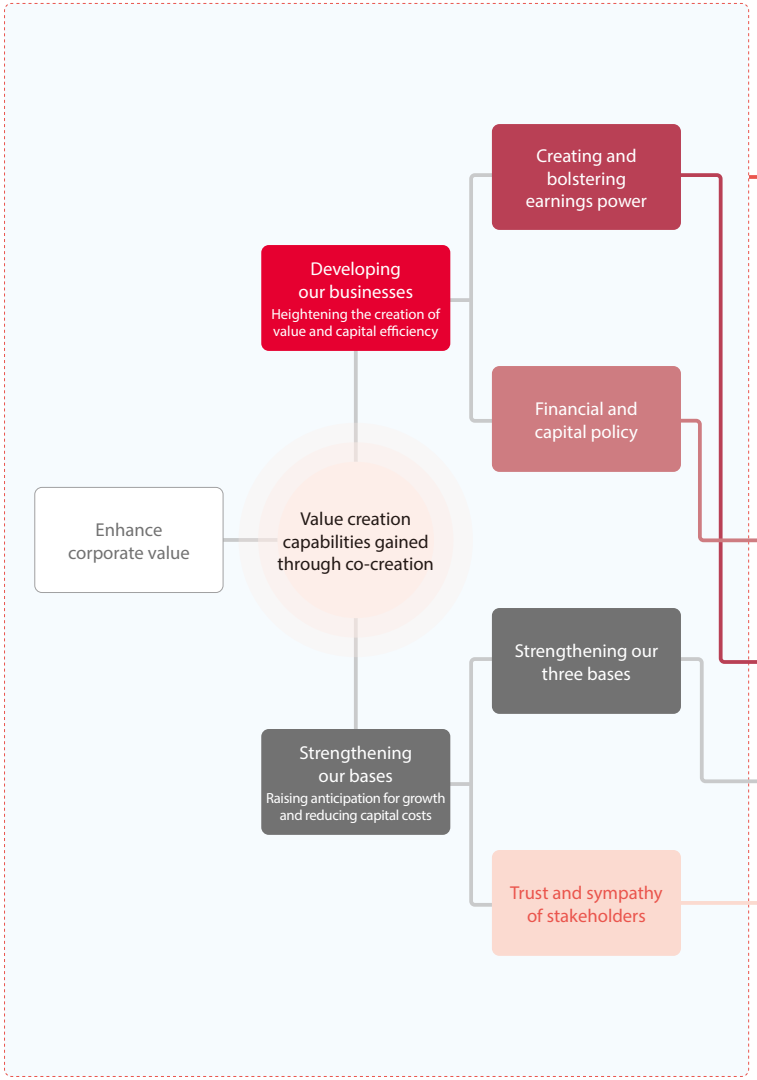
Scope of this report: This report provides information on the Daiwa House Group overall (507 consolidated subsidiaries, 207 equity method affiliated companies as of March 31, 2026), with a focus on Daiwa House Industry Co., Ltd.

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.

Note: Sumitomo Densetsu Co., Ltd., a consolidated subsidiary, plans to change its name to Semlinks Co., Ltd. effective October 1, 2026.

Integrated Report 2026 contents and key messages conveyed in each chapter

Stance on enhancing corporate value



	Introduction	Our growth journey and outlook for the future, rooted in the spirit of our founder Results of the 7th Plan
Chapter 1	Messages from the CEO and COO	Taking on the challenge of creating "future value" with an eye toward our centennial
Chapter 2	The Story of the Group's Value Creation	Realizing Our Hopes for the Future through value creation leveraging our strengths and business portfolio
Chapter 3	Results of Past Medium-Term Management Plans	Results of past medium-term management plans and achievements of the Seventh Medium-Term Management Plan
Chapter 4	Financial and Capital Strategies	Financial and capital strategies supporting sustainable growth and corporate value enhancement
Chapter 5	Developing our Businesses	Evolution of earning power through a circular value chain Cash flow generation
Chapter 6	Strengthening our Bases	Initiatives to strengthen the foundations supporting future value creation
Chapter 7	Management Structure	Long-term evolution of our governance system
Chapter 8	Financial Results, Corporate Information	MD&A and environmental and human capital indicator results



Message from the CEO ▶ P.8



Message from the COO ▶ P.11



Message from the CFO ▶ P.30



Dialogue: Human resources and sustainability ▶ P.58



Message from the Head of Technology Headquarters ▶ P.70



Message from an outside director ▶ P.79

Contents

Chapter 1 Messages from the CEO and COO

Message from the CEO 8
Message from the COO 11

Chapter 2 The Story of the Group's Value Creation

1 The Daiwa House value creation process 16
2 The three bases (source of value creation) 17
3 Circular value chain model 18
4 A multi-faceted business portfolio 19
5 Environmental consciousness (opportunities and risks) and materiality 20
6 Solutions to social issues through business 21
7 Looking to realize Our Hopes for the Future in 2055 22

Chapter 3 Results of Past Medium-Term Management Plans

1 Evolution over the four-year period of the Seventh Medium-Term Management Plan 24
2 Results of past medium-term management plans 25
Management policy 1: Evolve revenue model 26
Management policy 2: Optimize management efficiency 27
Management policy 3: Strengthen management base 28

Chapter 4 Financial and Capital Strategies

Message from the CFO 30
Basic strategy for capital policy under the Seventh Medium-Term Management Plan 34
Capital allocation and shareholder return under the Seventh Medium-Term Management Plan 35

Chapter 5 Developing our Businesses

Performance targets by business segment 37
Single-Family Houses Business 38
Rental Housing Business 42
Condominiums Business 44
Commercial Facilities Business 46
Logistics, Business and Corporate Facilities Business 48
Environment and Energy Business 51
Overseas business initiatives 53
Status of real estate holdings 56

Chapter 6 Strengthening our Bases

Dialogue: Institutional investor × Officer in charge of human resources and sustainability 58
Environmental Action Plan (EGP2029) and Social Action Plan (ESP2029) 62
Climate-related and nature-related risks and opportunities 63
Environmental Action Plan
Initiatives for carbon neutrality 64
Initiatives for the circular economy 65
Social Action Plan Human capital
Human resource strategies, Human capital ROI 66
Human resource management 67
Diversity management linked to growth strategy 68
Broadening scope to include global supply chains and strengthening human rights due diligence efforts 69
Message from the Head of Technology Headquarters 70
Technology and manufacturing base 72
Feature: Welcoming Sumitomo Densetsu to the Group 73
Customer base 75
Progress Report: Seeking to achieve both social impact and corporate profitability through businesses that will be of service to society 76

Chapter 7 Management Structure

Message from an outside director 79
Management structure 82

Chapter 8 Financial Results, Corporate Information

Management's discussion and analysis of financial position and results of operations 96
Financial highlights 105
Non-financial highlights 107
Corporate data, Board of Directors, Audit & Supervisory Board and Executive Officers, Share Information 108
Toward sustainable growth and higher corporate value over the medium and long term, Editorial postscript 109