



Presentation on Management Policies for institutional investors and securities analysts

FY2020 2Q

November 16, 2020
Daiwa House Industry Co., Ltd.
Code No:1925
(First section of the Tokyo Stock Exchange)

**Strengthen measures for “New Normal” environment to live with COVID-19
placing the highest priority on protecting the lives and health of all our stakeholders**

Lifestyle changes

- Expansion of working at home
- Growing demand for suburban housing
- Self-restraint in going out
- Increase in home time
- Growing demand among consumers choosing to stay at home
- Acceleration of Digital Transformation (DX)



Our initiatives

- New products adapted for working at home
- Strengthening single-family houses and condominiums in suburban areas
- Conduct online meetings and webinars
- Launch of rental housing products with high sound insulation performance
- Strengthen development of logistics facilities
- Start data center development

Developing products that cater to new working and living styles
Offering also services such as web-based home designing and online housing exhibition tours

Providing products adapted for working at home



Single-family houses products for working at home
“Comfortable workplace” and “Connecting work pit”



Online home building



Online housing exhibition tours and home building simulations at our website

Providing comfortable living spaces and responding to increasing use of delivery services



New rental housing product with high sound insulation performance “GRACA”



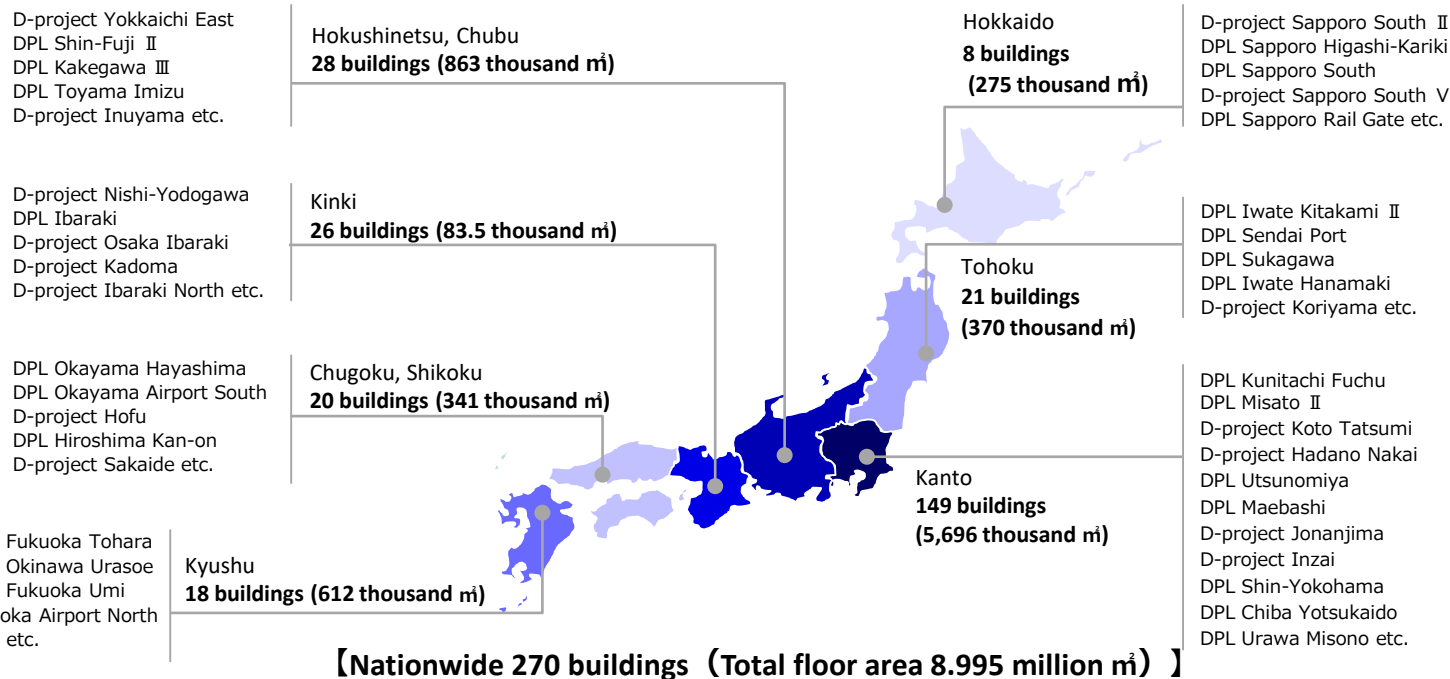
Multifunctional delivery lockers for rental housing that allows residents to pick up packages using smartphones
“D-room BOX”



Condominiums located in the suburbs of major cities
“PREMIST Shimura 3-chome”

Accelerating logistics facility development for which demand is growing due to in-home consumption
Strengthening logistics solutions while developing facilities with higher performance

Developed area of logistics facilities (Japan) *As of Sept. 30, 2020, incl. under construction



Properties scheduled to be completed



DPL Toyama Imizu (May 2021)



DPL Sapporo Rail Gate (May 2022)



DPL Hiroshima Kan-on (Nov. 2021)



DPL Shin-Yokohama (Mar. 2022)



DPL Tosu (Mar. 2021)



DPL Ibaraki North (Aug. 2022)

Frameworkx

Logistics strategy
Network optimization



Digitization using blockchains

Hacobu

Efficient transport and delivery



Building a system infrastructure
to provide optimal route creation through AI

acca

Daiwa House Group



Horizontal development of know-how
such as proprietary automated warehouse systems

GROUND

United Logistics Corporation

muji



Reduce variable delivery costs while maintaining
service levels in response to demands
for multi-product, multi-frequency delivery

Started development of Japan’s largest data center to capture the demand for digitization, given the progress in digitization among corporations due to COVID-19

Air Trunk TOK1(Tokyo-one) Data Center



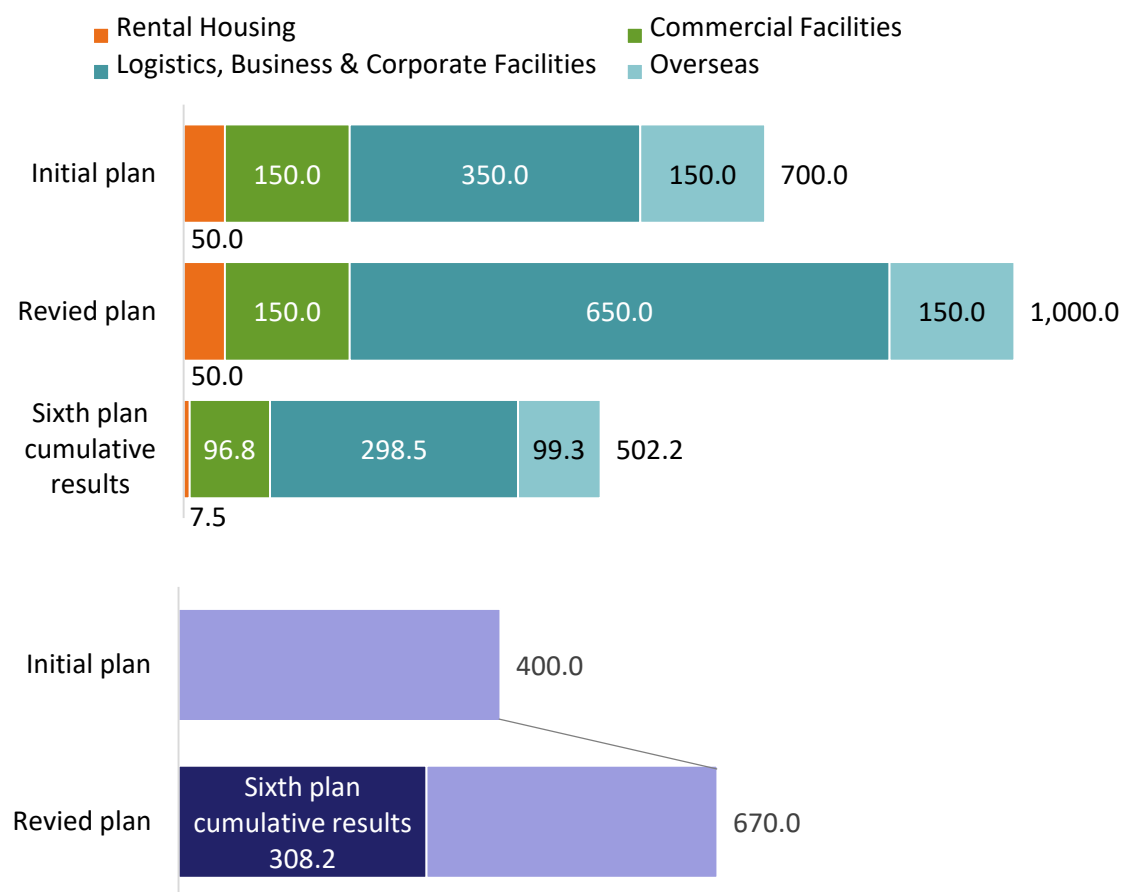
Location	Inzai city, Chiba pref. (in Chiba New Town)
Total site area	Approx. 235,000m ²
Total floor area	Approx. 330,000m ²
Total construction period	From Oct. 2020 to 2030 (scheduled)

- It is located on the Shimosa plateau which has a solid ground
- Japan’s largest data center park (maximum 15 buildings)
- The total floor area is 330,000 square meters, which is equivalent to 7 Tokyo Domes
- The maximum capacity of electricity that can be supplied : 600MW
- Inviting an extra-high-voltage substation capable of supplying up to 1,000 MW of electricity within the park

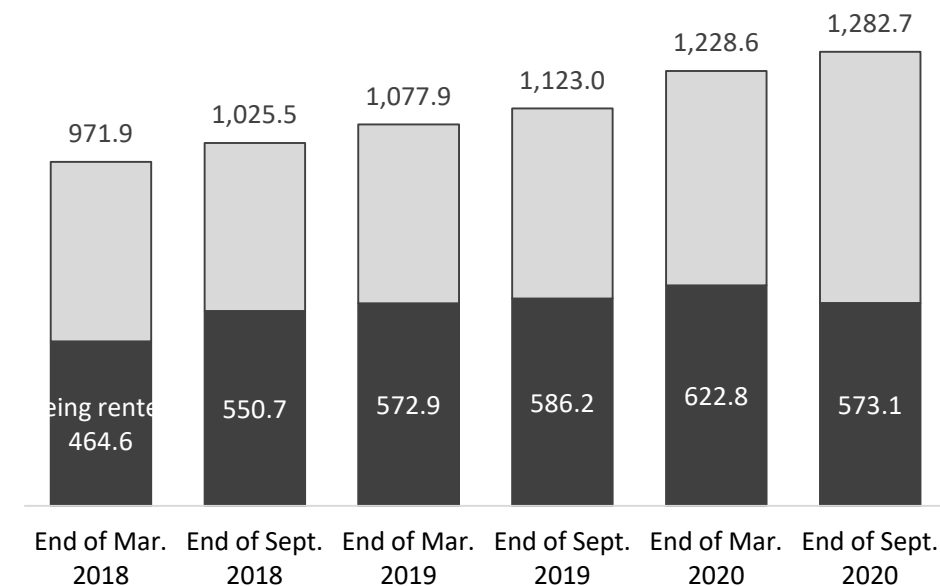
Investment plans for logistics, business and corporate facilities were revised upward to meet changes in customer needs due to COVID-19

Plans for sale were also revised upward while securing new exit options

Real estate investment and sales (¥billion)



Investment balance (¥billion)



Outline of “Daiwa House Logistics Core Fund”

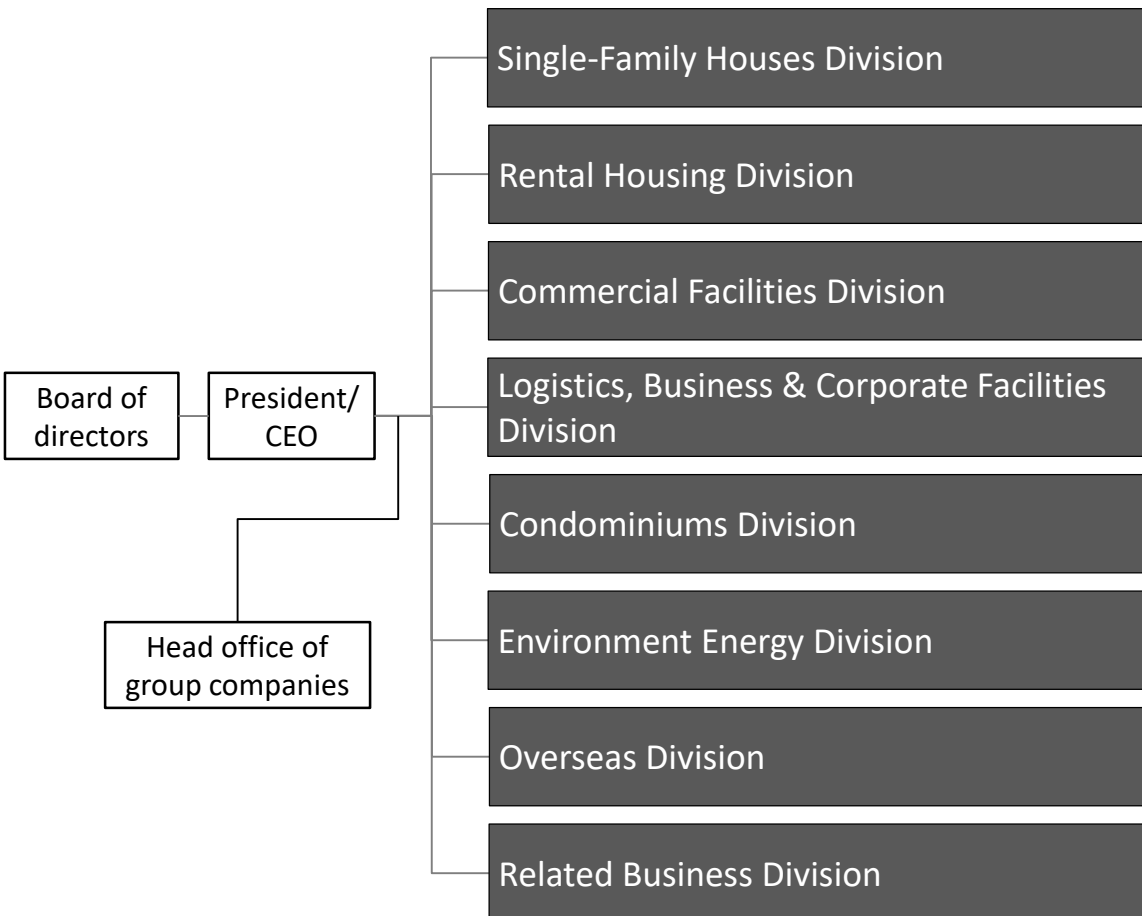
Asset size	¥300.0 billion (medium-term goal)
Asset composition	Logistics facilities (100%)
Target property	Next-generation logistics facilities and environmentally-friendly logistics facilities developed by Daiwa House Group
Date of establishment	2020 years (schedule)

**The dividend amount was revised upward to 110 yen per share
in line with the revised earnings forecasts for FY2020**

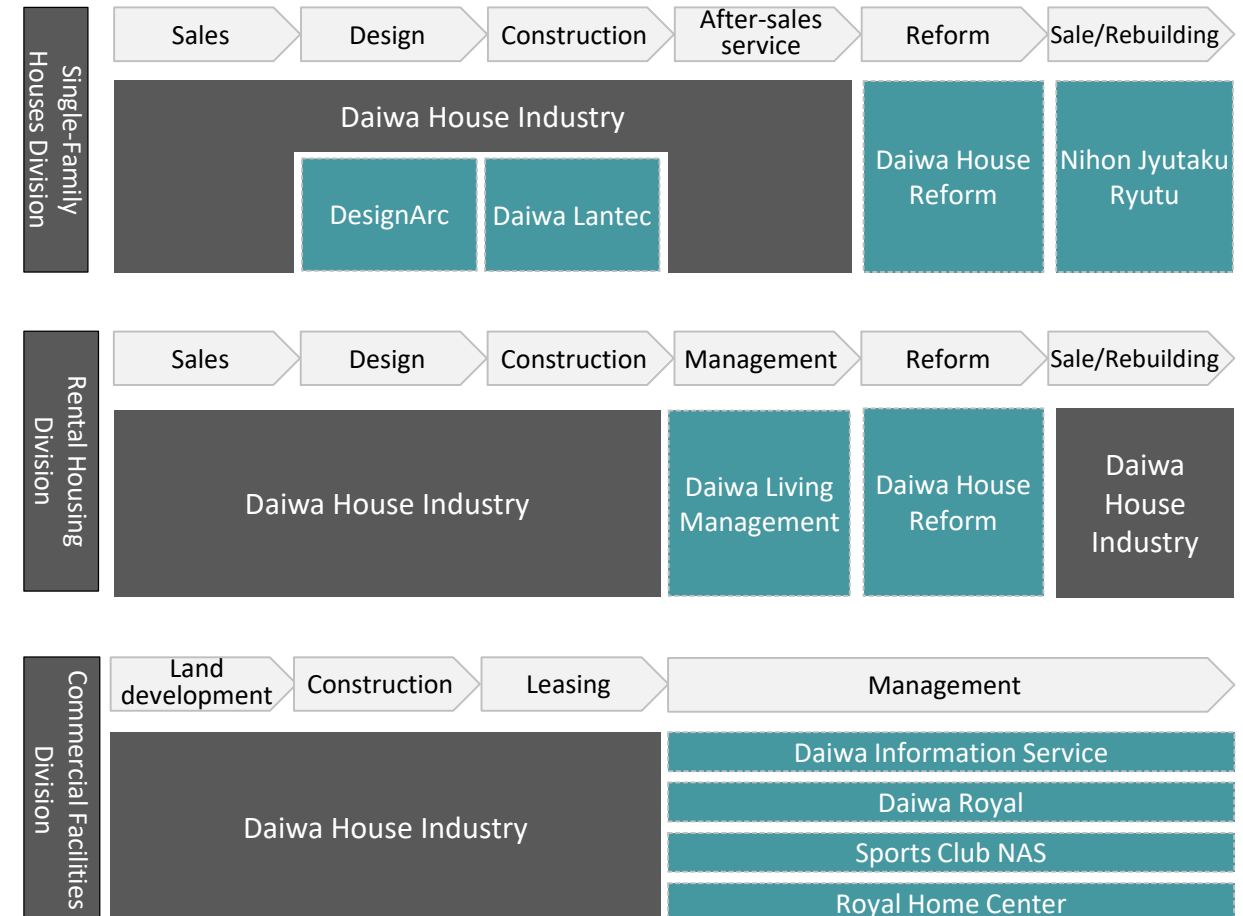
	(¥billion)	Previous Forecasts	Revised Forecasts	Change
Net sales		3,650.0	4,000.0	350.0
Operating income		170.0	258.0	88.0
Ordinarily income		164.0	243.0	79.0
Net income attribute to owners of the parent		105.0	130.0	25.0
Net income per share (Yen)		159.96	198.05	38.09
Dividend amount (Yen)		90.00	110.00	20.00
Dividend payout ratio		56.9%	55.5%	-1.4pt

Enhancing governance while optimizing the supply chain and maximizing the value chain of the entire Group

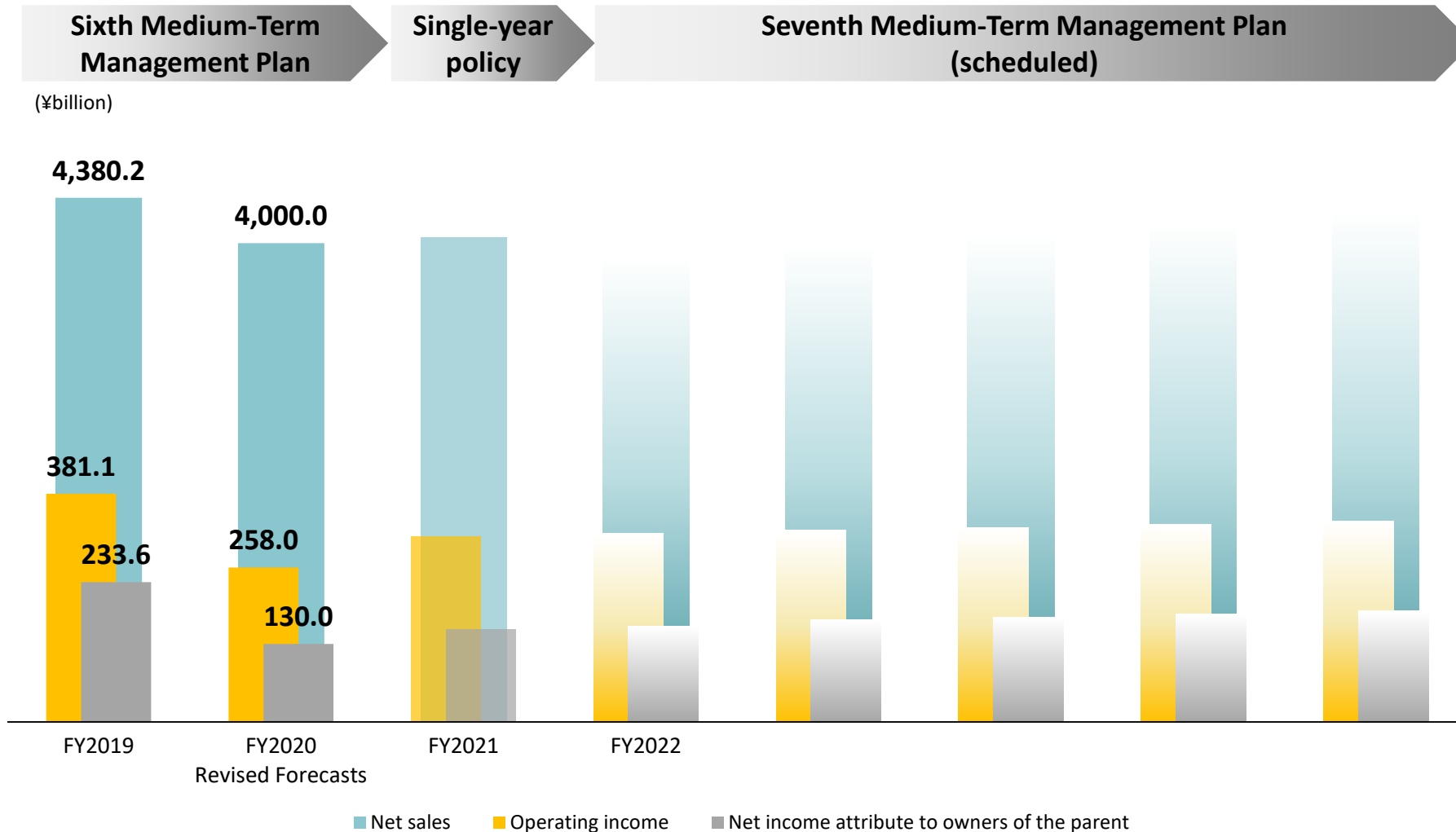
Introduction of the business division-based system



Strengthening value chain for each business

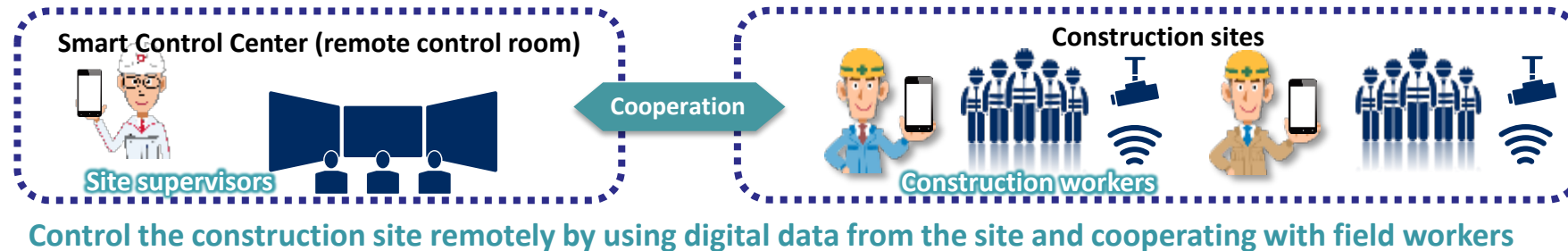


**We plan to start a new medium-term management plan based on the division-based system in FY2022
in view of significant changes in the business environment**



Address social issues by continuing investment in reforming work styles and reinforcing technology infrastructure
Promoting digitization to improve work efficiency and safety at construction sites

Digitization of construction sites (image)



Smart Control Centers established at 10 locations nationwide



Construction site remotely managed at the Smart Control Center



Pursuing energy conservation, new energy creation, and reduction CO₂ emissions to meet the targets set by the SBT, EP100 and RE100

Progress of SBT, EP100 and RE100

Theme	KGI	2018 results	2019 results	2020 targets	2030 targets	Long-term goals
Reduction CO ₂ emissions (SBT)	Greenhouse gas emissions (per sales unit)	-26% from FY2015	-32% from FY2015	-30% from FY2015	-45% from FY2015	2050 year Challenge to achieve Net Zero
Energy conservation (EP100)	Energy efficiency (=Consolidated net sales ÷ Energy consumption)	1.27 times from FY2015	1.34 times from FY2015	1.3 times from FY2015	1.5 times from FY2015	2040 year 2.0 times
New energy creation (RE100)	Renewable energy generation rate (creation) (=Renewable energy generation volume ÷ energy utilization volume)	84%	96%	100%	100%	(To consuming internally)
	Renewable energy utilization rate (use) (=Renewable energy utilization volume ÷ energy utilization volume)	0.23%	0.3%	7%	30%	100%

Issuance of Green Bonds

Outline of “Daiwa House Green Bonds”

Total amount	20.0 billion yen
Issuance date	September 2020
Use of proceeds	Daiwa House Group New Training Center (tentative name) Community development with 100% renewable energy Environmentally-friendly logistics facilities



Expanding Ko “Re”kara City, a suburban multi-use community development, under the banner of our 3 “Re”s catchphrase to realize a more sustainable lifestyle

Ko “Re” kara City Project

Reality

Embody future lifestyles promptly*

*Making new community development a reality, not just a "dream"

Renewable energy

Use renewable energy not only for buildings but also for all energy in daily life

Resilience

Prepare for emergencies by increasing water and food self-sufficiency



First town development with 100% renewable energy “Funabashi Grand Oasis”

Location	Funabashi city, Chiba pref.
Building type	Single-family houses, rental housing, condominium, commercial facility
Total construction period	From Aug. 2018 to Mar. 2021



Promoting the creation of attractive communities where residents can continue to live with peace of mind for a long time
Attempt to redevelop communities into sustainable ones by increasing the added value of the entire town

Livness Town Project

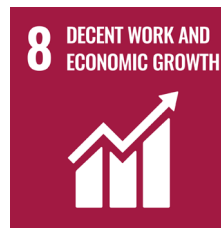


Town-wide Tanabata Festival that strengthens bonds among residents while avoiding congestion (above) and mobile sales vehicles that make rounds in the complex (below) (Kamigo Neopolis, Kanagawa Pref.)

リブネスタウン
Livness Town



Moth orchid cultivation facility for job creation (Midorigaoka Neopolis, Hyogo Pref.)





Disclaimer regarding business forecasts, etc.

(Notes regarding forward-looking statements)

The above business forecasts are based on information available as of the date of announcement of this material, and are subject to factors of uncertainty that may possibly impact the future results of operations and are not a guarantee of the achievement of those results. The Company's actual results may differ significantly from those presented herein as a consequence of numerous factors such as financial market trends, economic conditions, competitor situations and fluctuations in land prices.

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