



**FUTURE LANDSCAPE –  
CELEBRATING THE JOYS OF LIFE.**

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

## **FY2024**

# **Presentation on Management Policies**

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**May 14, 2025**

Daiwa House Industry Co., Ltd. Code No: 1925 (Prime market of the Tokyo Stock Exchange)

\*Only the pages covered in the meeting are included in this document. Please [click here](#) to view the entire materials.

(Transcription)

I am Yoshii, Chairman and CEO of Daiwa House Industry. Thank you all for taking time out of your busy schedules to join us today. I will explain our management policy, including the details of our financial results.



• 70 <sup>th</sup> Anniversary of Foundation	P.3
• Positioning of the 7th Medium-Term Management Plan and Structural Reform	P.5
• The Progress of the 7th Medium-Term Management Plan / To the 8th Medium-Term Management Plan	P.7
• Capital Policy / Shareholder Return	P.9
• Recognition of External Environment and Countermeasures	P.11
• Portfolio Management that Balances Growth and Stability	P.12
• Overseas Business Expansion	P.14
• Regional Revitalization	P.15
• Technological innovation	P.19
• Sustainability Management	P.20
• Initiatives for New Businesses	P.22

### ➤ Appendix

#### - Report on Progress

- Progress by segment
- Non-Financial Indicators

(Index)

## Giving Thanks to All Stakeholders for the 70<sup>th</sup> Anniversary

Customers	Employees
Over 32 million persons* <sub>1</sub>	50,390 persons* <sub>1</sub>
Co-creation Companies* <sub>1</sub>	Shareholders
About 4,700 companies* <sub>2</sub>	78,479 persons* <sub>1</sub>

\*1 As of the end of March 2025

\*2 Total of companies participating in The Confederation of Partner Companies, The Trillion Club, and Setsuwa Club

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3

First of all, thank you to our more than 32 million customers, our nearly 80,000 shareholders, and our employees. Facing the year 2024 problem, we were able to achieve record net sales and operating income while maintaining a strict 8 days off every 4 weeks.

## Positioning of the 7th Medium-Term Management Plan and Structural Reform

We worked to build a sustainable growth model under the 7th Medium-Term Management Plan with structural reforms to shore up our management base and organization structure, laying the groundwork for sustainable growth under the 8th Plan

- Strengthening the Value Chain through the business division-based system
- Strengthening synergy between businesses through the two headquarters system
- Corporate function reform through head office reorganization
- Transition to a CEO/COO structure
- Strengthening management base such as RC functions\* to support overseas growth



\*Regional corporate function

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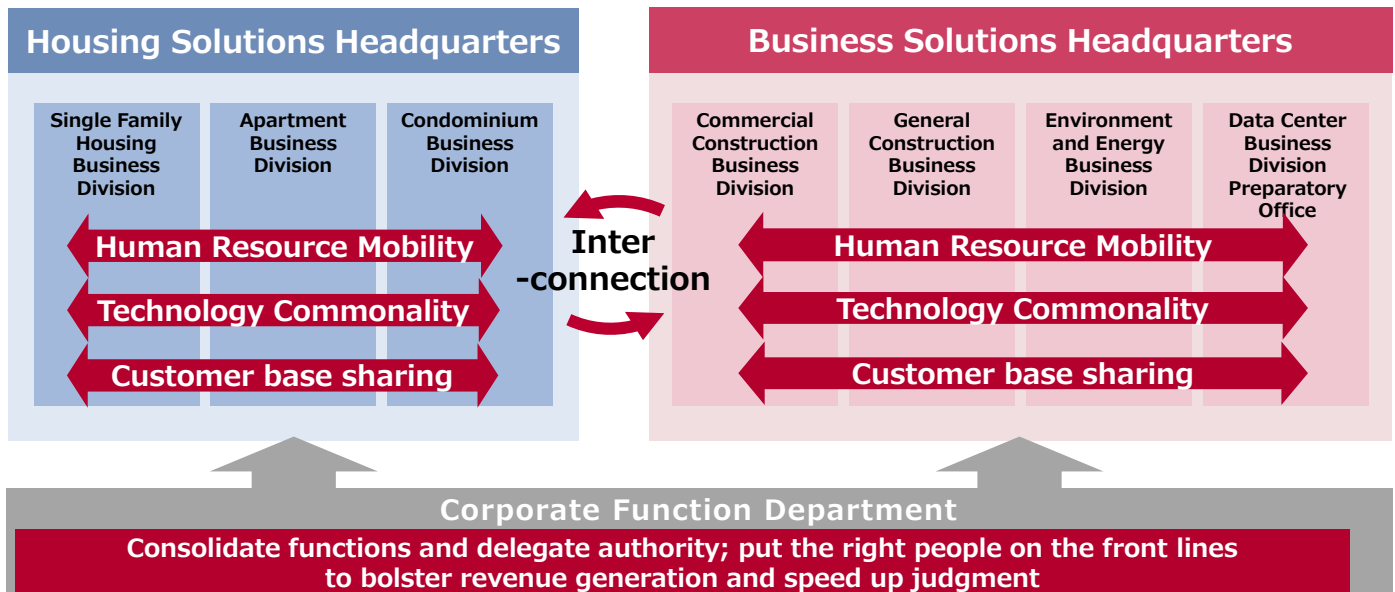
5

The 7th Medium-Term Management Plan is progressing well and we hope you will look forward to the announcement of the new Medium-Term Management Plan in May 2026. The 7th Medium-Term Management Plan was under a severe environment, including the COVID-19 pandemic, rising material and labor costs, and rising interest rates. However, we were able to achieve a well-balanced business management, and thanks to the support of many people, we have been able to achieve results.

**Ref : Strengthening synergy between businesses through the two HQ system**



**Consolidating dispersed resources and reforming the organizational structure into two BtoC and BtoB headquarters. Strengthen our comprehensive capabilities across our businesses and accelerate business decisions.**



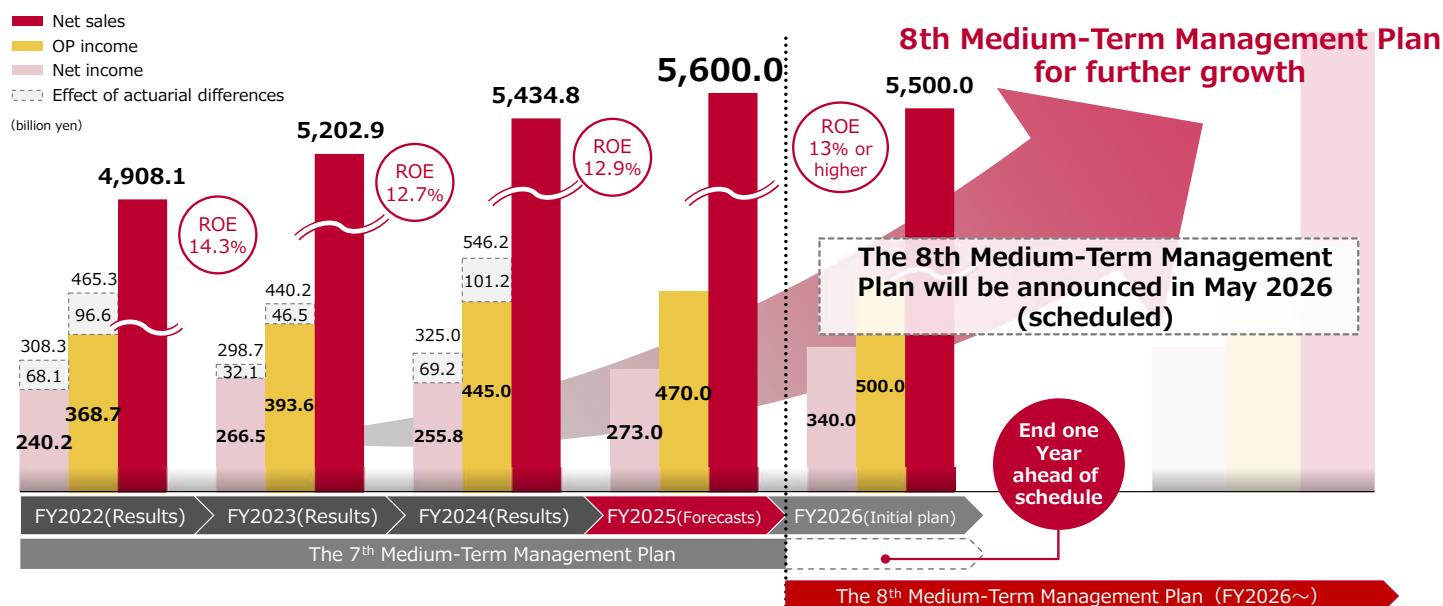
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6

As part of our efforts to strengthen our management base, our company has shifted to a two-business headquarters system. The first is Housing Solutions Headquarters, which includes Single Family Housing Business Division, Apartment Business Division, and Condominium Business Division. The second is Business Solutions Headquarters, which includes Commercial Construction Business Division, General Construction Business Division, Environment and Energy Business Division, and Data Center Business Division Preparatory Office. Until now, each business division was connected by a vertical axis, but by adopting a two-business headquarters system, it is connected by a horizontal axis and the overall management base is strengthened.

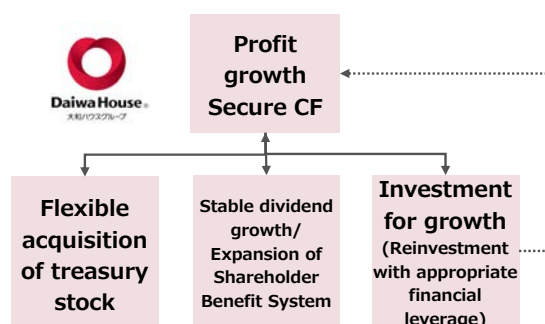
## The Progress of the 7th Medium-Term Management Plan / To the 8th Medium-Term Management Plan

Despite drastic changes in the business environment from the time of formulation of the plan, business performance remained steady. The 7th Plan will be completed 1 year ahead of schedule, and the 8th Plan is scheduled to start in FY 2026.

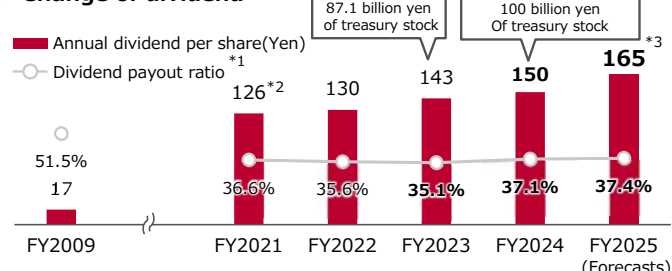


In FY2025, we expect net sales of 5.6 trillion yen, operating income of 470 billion yen, and net income of 273 billion yen. If the 7th Medium-Term Management Plan were to continue, our targets were net sales of 5.5 trillion yen, operating income of 500 billion yen, and net income of 340 billion yen. When the 8th Medium-Term Management Plan begins, we will not only surpass these targets, but also manage with 13% ROE in mind.

**Return on equity (ROE) consistently above the cost of shareholders' equity**  
**Promoting flexible shareholder returns through stable dividend growth, acquisition of treasury stock, and expansion of shareholder benefit systems**



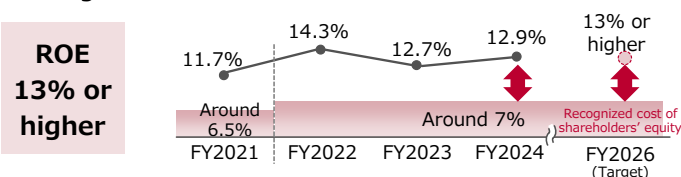
> **Change of dividend**



> **Topics**

- Acquisition of 187.1 billion yen of treasury stock since the start of the 7th medium-term plan.
- The annual dividend was changed from the previously announced 147 yen to 150 yen (payout ratio: 37.1%), and the next annual dividend is planned to be 165 yen, which is an ordinary dividend of 155 yen plus a commemorative dividend of 10 yen.
- As part of the expansion of the shareholder benefit system, we have increased the number of shareholder benefit vouchers and introduced incentives for long-term holding.

> **Change of ROE**



\*1 FY2022 and beyond: The dividend payout ratio is calculated excluding the effect of actuarial differences

\*2 FY2021: Including 10 yen for a commemorative dividend for the 100<sup>th</sup> anniversary of the birth of Nobuo Ishibashi, our founder

\*3 FY2025: Including 10 yen for the 70<sup>th</sup> anniversary commemorative dividend

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9

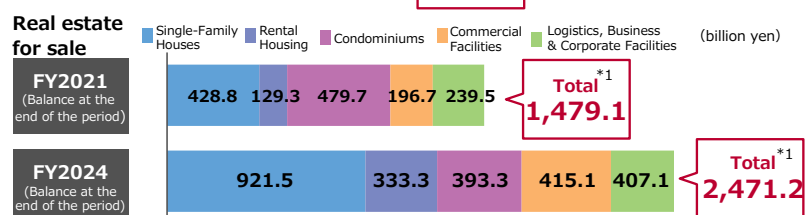
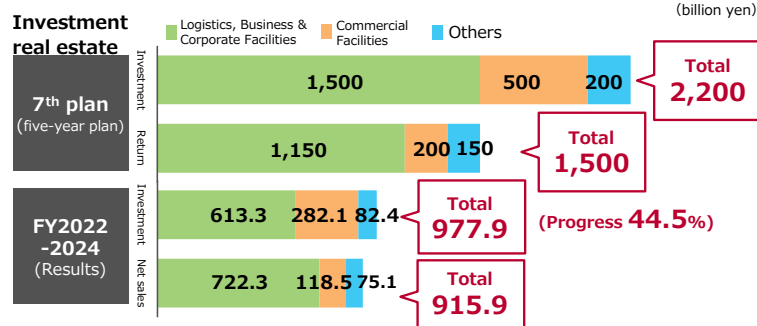
In FY2024, the dividend was raised from 145 yen to 147 yen in the interim, and finally to 150 yen. We plan to pay 165 yen in dividends for FY2025, of which 10 yen is a commemorative dividend for the 70 year anniversary of our founding. Based on past trends, we expect to achieve a higher level of dividends in the year following the commemorative dividend, as we work toward the 8th Medium-Term Management Plan.

We also aim to achieve an ROE of 13% or more. First of all, as a management, I am thoroughly committed to improving our profitability relative to sales. On the other hand, we limit the debt-to-equity ratio to 0.8 in order to improve the turnover ratio of our total assets. We also need to consider paying dividends and repurchasing shares as our equity capital is rising, but as we are a company seeking to grow, we would like to raise operating income to meet your expectations.

## Progress and Future Direction of Investment and Return

Enhance the asset turnover and cash flow generation in the custom-built and built-for-sale businesses  
Securing funds for growth investment and continuing active investment in large-scale projects and overseas real estate

### > The progress of investment and return



\*1 Including Other Businesses

\*2 Based on deliberations by Business Investments Committee

### > Future investment direction

~Take advantage of the robust investment opportunities

- Accelerate early cash return by **enhancing the asset turnover** in the custom-built and built-for-sale businesses
- Continue active investment in large-scale projects (**Logistics facilities, hotels, data centers, semiconductor-related factories, etc.**)
- Maintain active investment in **overseas real estate**
- Flexible M&A investments

<Reference>

Business opportunities of 5 billion yen or more during the 7<sup>th</sup> Plan \*2

⇒ Number of investments considered: Approx. 40 projects per year

⇒ Total project cost: Approx. 900 billion yen per year

### > Achievements

- Alliance Residential Company, conducting rental housing business in the U.S. became an equity-method affiliate.
- **Transfer of shares** of two companies to the best owners and reconstruction of the Condominiums Business
- **Investment in new business creation** through CVC fund and in-house entrepreneurship system

We believe that real estate investment is performing well. In terms of progress figures, the rate of progress in investment in business facilities such as logistics facilities has now exceeded 40%, although it has not reached the target of 60%. The investment is actually progressing well, as there has been a certain amount of recent development of logistics facilities on leased land. We will continue to develop projects in various forms, such as leasing or purchasing land.





To ensure stable, sustainable growth amid today's uncertainty and instability, manage in a balance manner by having business foundations and property pipeline supplement each other

Environmental changes that need to be addressed

Response policies and measures

< Heightened uncertainty in Overseas Business >

- ✓ Appreciation of the yen
- ✓ Uncertainty in the U.S. market
- ✓ Decline in real demand due to high interest rates and tariffs
- ✓ Increasing geopolitical risks, etc.

**Steady promotion of domestic business**  
(Improvement of profitability of the contract business, promotion of large-scale properties, and expansion of Livness)

**Flexible sales of development properties**  
(Completed real estate available for sale <sup>\*1</sup> : Approx. ¥700 billion)

**Bolster hotel and other businesses likely to benefit from inbound tourism**

**Accelerating Diversification of the U.S. Business**

**Losses on valuation and provisions were recorded for some unprofitable projects in the FY2024<sup>\*2</sup>**

<sup>\*1</sup> After investing for capital gain, immediately turn into available-for-sale real estate.  
<sup>\*2</sup> Losses on inventories of Chinese condominiums and losses on a large-scale project in Europe project etc.

Next is the external environment. There is a possibility that the yen is rising further, for example, there are cases in which the dollar has fallen below 140 yen. In addition, uncertainties in the U.S. market include high interest rates, rising material prices, and labor shortages. In Asia, there are also geographical risks in China and Taiwan. On the other hand, hotels that captured inbound demand were hit hard by the COVID-19 pandemic, but they are doing very well now and ADR is rising monthly.

## Building a Global Area Portfolio



Assemble a globe-straddling "area portfolio" : Achieve stable growth through expansion of business in the Americas and expansion of other areas

### Area strategy for stable growth

#### Europe・Others

Build foundations for long-term presence/ Roll out businesses in new areas, develop collaborations with other sectors



The U.K. : Condominium



Germany : Plant



Netherlands : Housing for displaced people



Kenya : Mombasa Port Area road development project



Ethiopia : TICAD Industrial Human Resources Development Center

#### Japan

Deploy value-chain strategy to ensure stable, sustainable growth



Complex development

#### Australia

Provide products meeting area needs  
Build up development expertise



Development of single-family houses and residential land



Rental Housing

#### The Americas

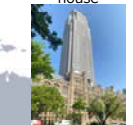
Advance for "mini-Daiwa House"  
Diversify business × tighten collaborations



Single-Family house



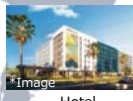
Rental housing



Condominium



Commercial facility



Hotel



Logistics facility

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12

As you can see in the picture, we will expand our value chain to the world. We have already received an order for a 25 billion yen highway in Kenya. After that, we are considering taking orders for an industrial park, and we will expand our business to 30 to 40 billion yen in Kenya alone. This expansion in Kenya is due to Fujita's infrastructure development. On the other hand, we are surprisingly highly dependent on the United States, so we would also like to focus on Europe and Australia to mitigate those risks.

## Overseas Business Expansion

### – Building “mini-Daiwa House” in the U.S. and a Foundation in Europe



In US, accelerate “mini-Daiwa House” via synergies between Single-Family Houses and Rental Housing Business. In Europe, expand business presences and build out production infrastructure with a view to taking modular housing global

#### ➤ The U.S. : Synergies in the smile-zone



(Reference)  
Land secured by three home builders \*1

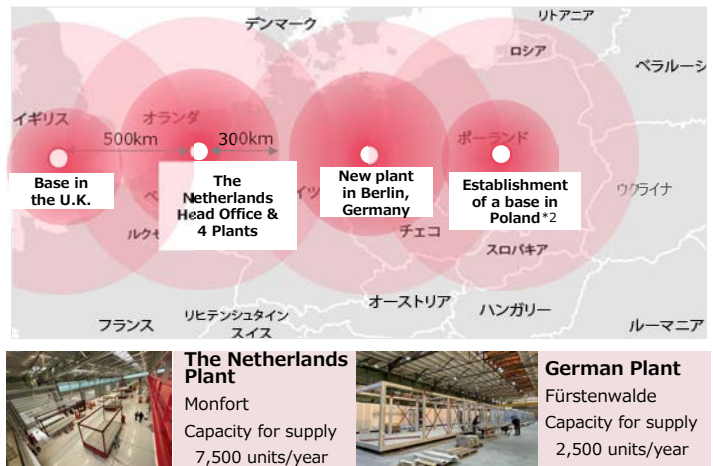
As of the end of FY2023	Approx. 62,000
As of the end of FY2024	Approx. 72,000



\*1: Includes lots under control  
\*2: Polish Branch in Fujita

#### ➤ Europe : Building a foundation for future business expansion

Build out production infrastructure able to produce 10,000 units annually and leverage respective business presences to establish a value chain across Europe with a view to rolling out modular housing globally as a remedy for the world's housing shortages and responding to disasters



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14

Next, I would like to talk about expansion of overseas business. With Stanley Martin Holdings on the East Coast, CastleRock Communities in Dallas in the center, and Trumark Companies on the West Coast, we were able to acquire a part of the equity in a company that has the largest multifamily housing business in the United States. With the addition of Alliance Residential Company, we are naturally building small Daiwa Houses around the world. In addition to the three U.S. companies and the Alliance, Daiwa House Modular Europe in Amsterdam and Rawson group in Australia also participated in a meeting earlier this year, where we were able to have a solid dialogue about the current situation and future developments.

In addition, Fujita and Daiwa House plan to open offices in Poland with a view to the future Eastern European market. There is already a factory for units in Berlin, which can be transported to Poland from Warsaw in about 5 to 6 hours by road. The factory in the Netherlands is twice as productive as the one in Berlin, and can cover the Eastern European market. On the other hand, the demand for housing is very strong in the UK, and how we develop it now will be one of our future global strategies. This initiative is a management strategy that will continue even after the 8th Medium-Term Management Plan.



**Regional Revitalization**  
**– Regional Revitalization through Large-scale Redevelopment**

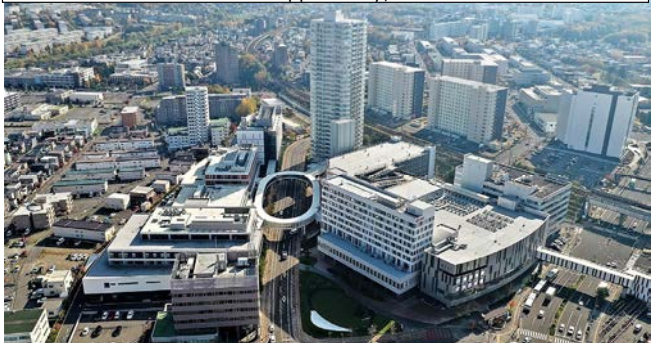
**Daiwa House–community co-creation providing safe and comfortable places to live and work that helps vitalize local communities**

**Tsukuba Gakuen Minami Project (Tentative)**  
Location : Tsukuba-City Ibaraki



- Complex development about 3.3 times larger than Tokyo Dome
- Contributing to the realization of the Tsukuba Super Science City Initiative, including educational facilities

**Large-scale complex development project**  
**“MAARUKU SHINSAPPORO”**  
Location : Sapporo-City, Hokkaido



- Total development site area approx. 5.6ha (including leased land)
- Development of condominium, hotel, commercial facility, educational facility, medical facility, etc., to create new bustle as a base for exchange with local residents

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The new president, Mr. Otomo, is promoting initiatives with the goal of regional revitalization. Through regional revitalization, we will further expand what we have been doing.

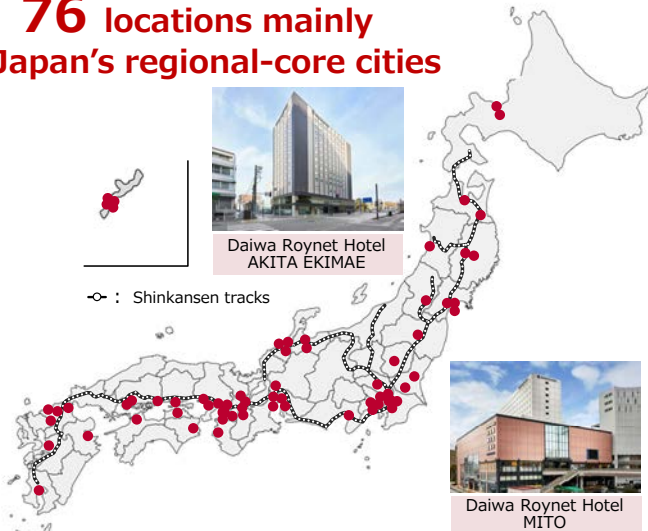


## Regional Revitalization –Hotel business to capture inbound tourism

The Daiwa Roynet Hotels encompasses in 76 locations, most in Japan's regional-core cities  
Roll out hospitality segment in other formats (e.g., resorts, contract management ["MC system"])  
to take advantage of burgeoning inbound tourism

### > Domestic operations of Daiwa Roynet Hotels

**76 locations mainly  
in Japan's regional-core cities**



\*Image is Kotobuki 3-chome Taito-ku Project (Tentative) , Operator is Kasoku Co., Ltd.

### > Resort type



BATON SUITE  
OKINAWA-KOURIJIMA

### > MC system and others

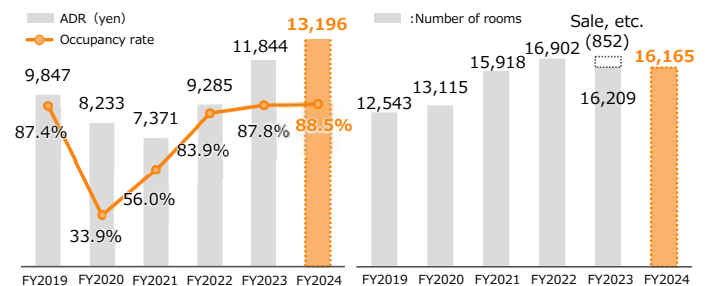


Hilton Garden Inn  
Nagasaki Chinatown



Comprehensive  
Partnership Agreement  
with Airbnb Japan

### > Daiwa Roynet Hotels ADR, Occupancy rate and Number of Rooms



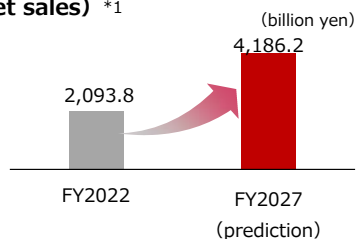
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At present, Daiwa Roynet Hotels are doing very well due to its good location, and we would like to accelerate it for regional revitalization. On the other hand, in terms of our global strategy, Daiwa Roynet Hotels already have one hotel in Seoul, with an occupancy rate of almost 100%. Daiwa Roynet Hotels' differentiation from other hotels has been highly praised, and we intend to develop a new hotel strategy on a global scale.

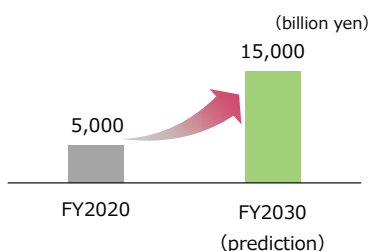
## Regional Revitalization—Next-Generation Infrastructure as a New Core Business Daiwa House

Established Data Center Business Division Preparatory Office in April 2025 to launch the data center business. Intended to become a new core of development. We will emplace next-generation industrial infrastructure for semiconductor value chains as well as data centers

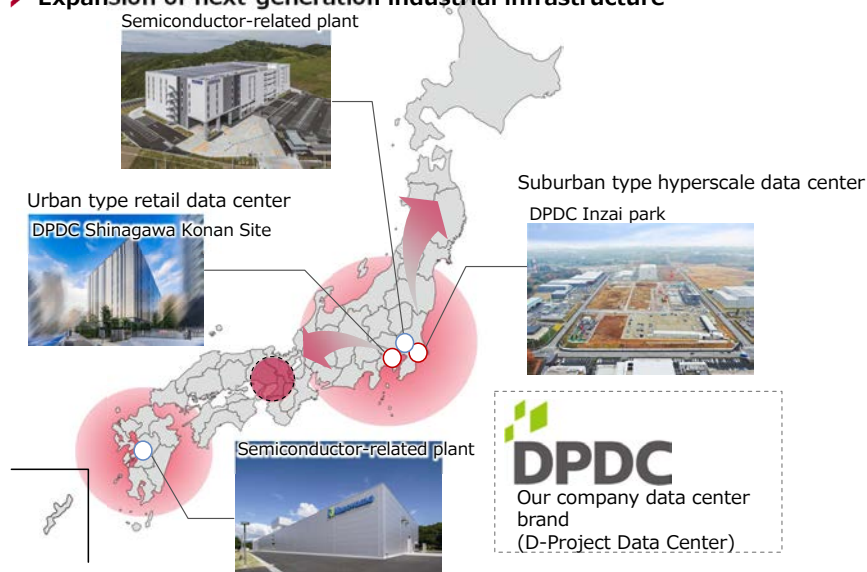
### ➤ Domestic data center market scale (Net sales) \*1



### ➤ Domestic semiconductor industry market Scale (Net sales) \*2



### ➤ Expansion of next-generation industrial infrastructure



\*1 Ministry of Internal Affairs and Communications "WHITE PAPER 2024 Information and Communications in Japan"

\*2 Ministry of Economy, Trade and Industry Census of Manufacture see shipments by Item

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17

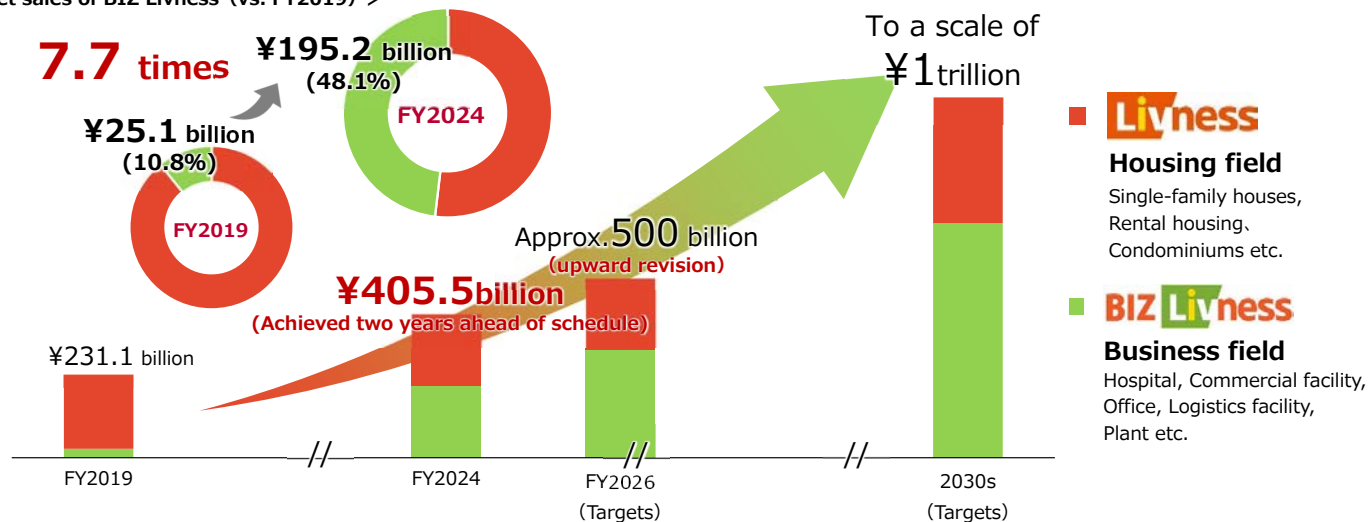
This page also covers important themes that lead to regional revitalization. The data center market scale is expected to be worth 4 trillion yen in 2027, and the semiconductor industry market scale is expected to be worth 15 trillion yen in 2030. In the data center business, we have established a new business division preparatory office in the Business Solutions Headquarters. Semiconductor factory contracting business is currently handled by the General Construction Business Division. Until now, we have not been very involved in the semiconductor industry, but we are now receiving orders of 20 to 30 billion yen.

## Regional Revitalization—Livness Business ~ Becoming a Growth Driver for New Domestic Businesses in the Era of Declining New Buildings

In addition to conventional Livness in housing field, BIZ Livness in business field, which was launched in 2024, is growing rapidly. Revised earnings targets upward and accelerated sales to ¥1 trillion

➤ Growth through business models utilizing the Group's comprehensive capabilities

<Net sales of BIZ Livness (vs. FY2019) >



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18

Each division is doing its best in the Livness Business. Instead of simply buying and reselling, we are able to re-create value by taking a comprehensive approach, including brokering, buying buildings built in-house, and modifying them throughout the entire group to change products and use. Since the Livness Business is growing more than we imagined, we are not sure if it will take until 2030, but we want to instill a culture of "take care of things" toward achieving the 1 trillion yen scale.

## Technological Innovation – Aiming to be foremost in expertise: “Daiwa House, the Buildingtech Powerhouse”



Raise added value with mixed steel and wood construction



Ultra-large projects through combination of several smaller ones and collaboration with businesses in other sectors



Commercialization of unusually shaped buildings  
(Image: Pavilion at Expo 2025 Osaka, Kansai)



Build landmarks  
(Osaka Marubiru)

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19

This page is our company's core. As we approach April this year, I said I wanted our construction and equipment capabilities to be at the highest level. Data centers, which used to be difficult for us to receive orders, we have been learning and responding these days. In the field of semiconductor factories, we have been able to receive orders while many companies have declined. Taking advantage of these opportunities and sales capabilities, we aim to further improve our technological capabilities and become a company that can take on challenges in all genres. We will continue to improve our technological capabilities in preparation for the completion of the 7th Medium-Term Management Plan and the 8th Medium-Term Management Plan.

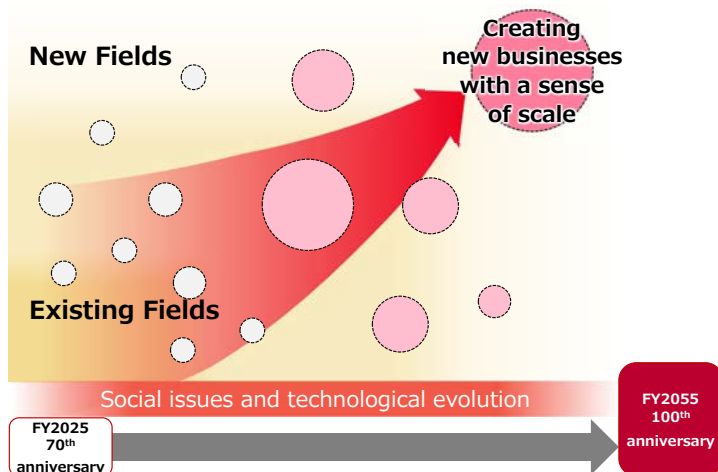


## Initiatives for New Businesses

Daiwa House Ventures' CVC has invested in 15 companies  
Aiming to ① Improve productivity and add value in existing businesses ② Expand fields of construction orders ③ Develop new business fields



➤ Investment destination (As of the end of April 2025)



Finally, CVC. Over the past year, we have been able to invest in 15 companies. It may be a small seed and a small bud, but Daiwa House started with just over 10 people and has grown to a company with sales of 5 trillion yen in 70 years. Once again, I am grateful to the founder and seniors who made this history. I hope you can look forward to our 8th Medium-Term Management Plan.



**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.

That is all. Thank you.

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