



Daiwa House®
Group

FY2025

Presentation on Management Policies

May 18, 2026

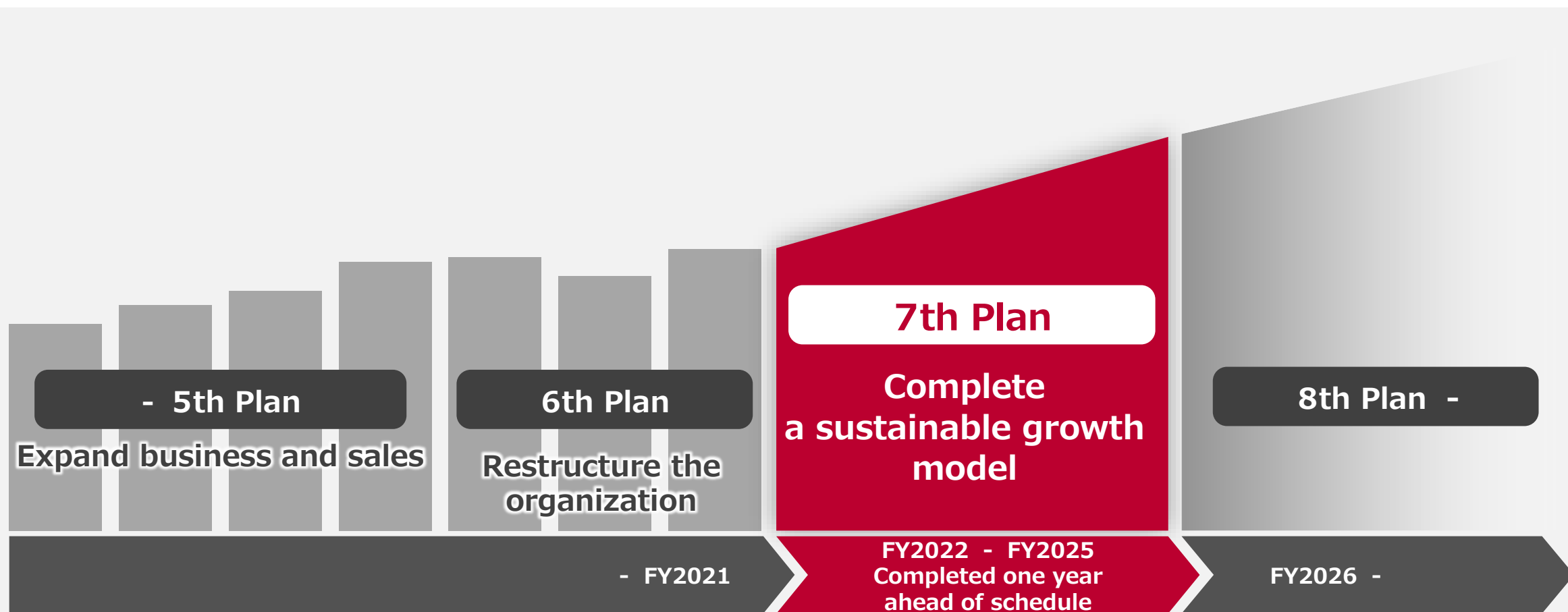
Daiwa House Industry Co., Ltd.
Code No: 1925 (Prime market of the Tokyo Stock Exchange)

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- Review of the 7th Medium-Term Management Plan
- Our Key Strategies Going Forward

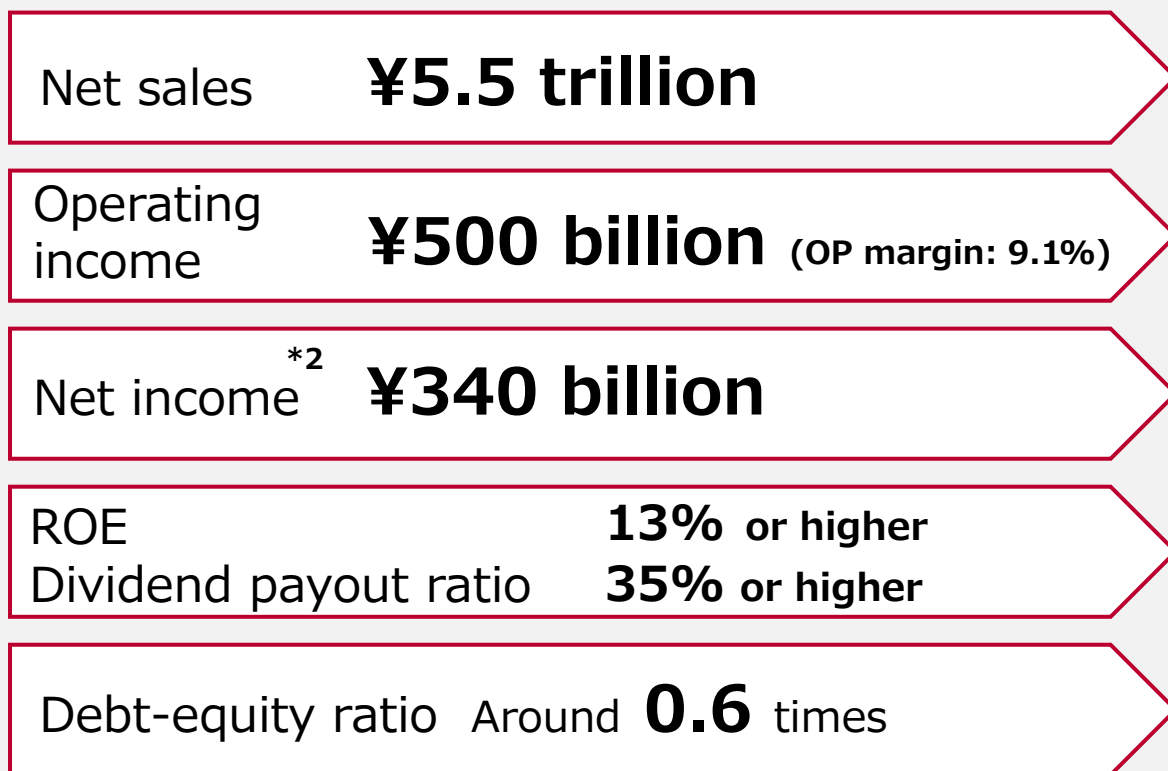


**Complete a sustainable growth model
that maximizes both business value and social value over the long-term**



Steady progress toward net sales of ¥5.5 trillion and operating income of ¥500 billion, while evolving our revenue model to achieve sustainable growth

> Initial Performance Targets ^{*1}



> Initial Concept for the Evolution of our Revenue Model



*1 All figures are based on the FY2026 targets set as the final year of the initial 7th Medium-Term Management Plan.

*2 Net income attributable to owners of the parent

Achieved the targets for net sales, operating income, and net income ahead of schedule by one year

> Performance Targets and Results

	FY2025 Results	Initial targets* ¹ of the 7th plan
Net sales	¥5 trillion 576.8 billion	¥5 trillion 500.0 billion
Operating income	¥ 614.8 billion	¥500.0 billion
Net income	¥ 350.5 billion	¥340.0 billion
ROE	12.7%	13% or higher
Dividend payout ratio* ² (Dividend per share)	39.9% (¥175)	35% or higher (¥130 or higher)
Debt-equity ratio	0.98 times	Around 0.6 times

*1 All figures are based on the FY2026 targets set as the final year of the initial 7th Medium-Term Management Plan.

*2 The dividend payout ratio is calculated based on net income excluding the effects of actuarial differences related to retirement benefit obligations.

Evolved from a construction-centered revenue model to a balanced revenue model incorporating overseas business and recurring-revenue business

> Net Sales by Key Revenue Models

(¥billion)	FY2021 Results	FY2025 Results	FY2021-FY2025 Growth rate
Recurring-revenue business	1,410.9	1,818.9	+29%
Sale of development properties*	290.0	333.7	+15%
Construction business	2,795.1	3,511.6	+26%
Overseas business	445.1	1,028.4	+131%

> Main Initiatives and Achievements

- Growth in recurring-revenue business through the strengthening of our circular value chain model
- In the sale of development properties, sales were deferred in FY2025 due to a large-scale land transaction by the U.S. subsidiary
- Accelerating real estate development for sale, including built-for-sale business
- Actively expanding operations, with a focus on U.S. Single-Family Houses Business
- Strengthening the foundation to establish a foothold mainly in Eastern Europe

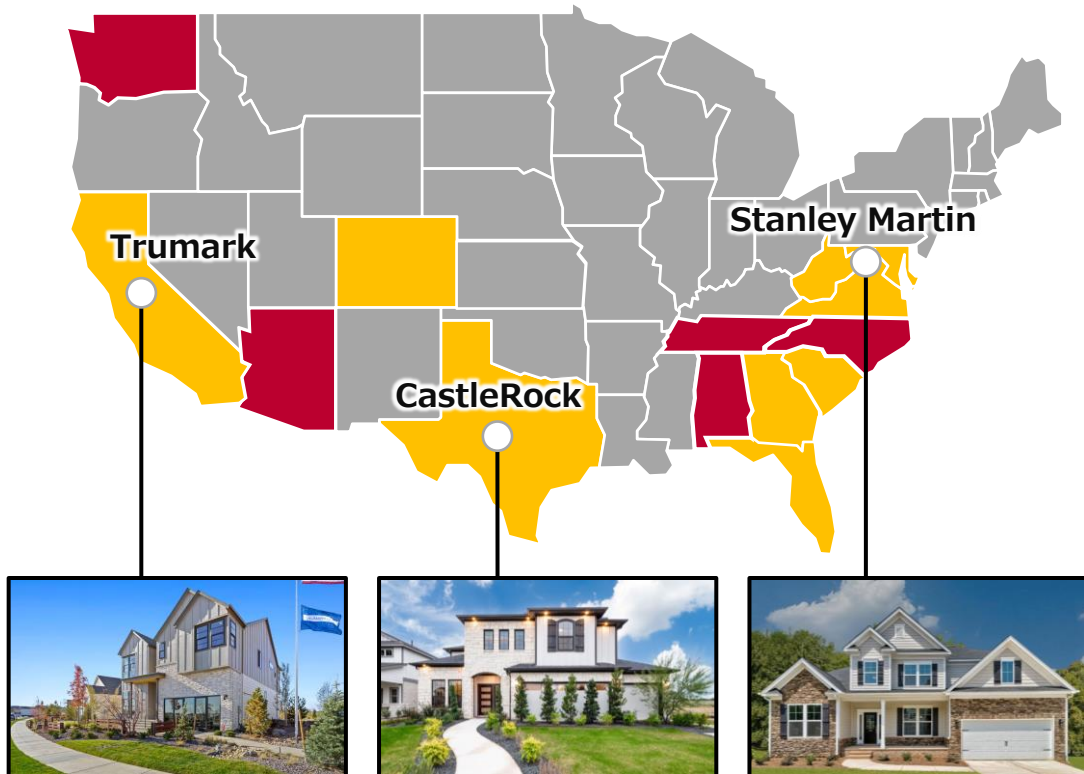
*Net sales of sale of development properties (Real estate available for sale and profit-earning real estate)



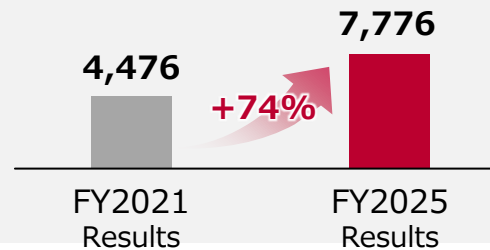
In U.S. Single-Family Houses Business, we achieved steady growth through a combination of multiple M&As and organic growth across our three builders

> Expansion of Business Areas in U.S. Single-Family Houses Business

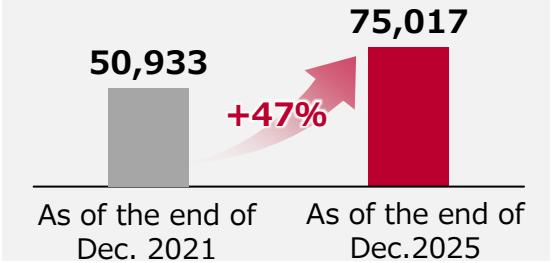
■ Areas newly expanded during the 7th Plan



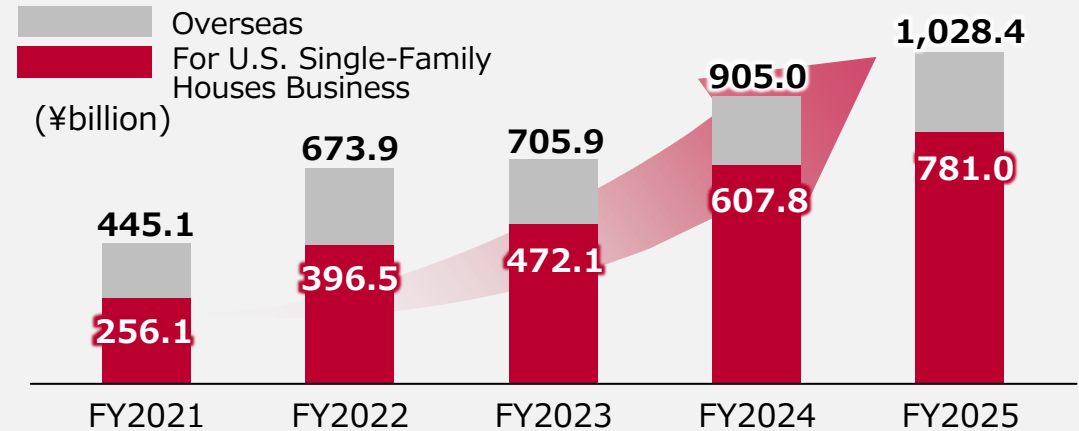
> Number of Units Delivered in the U.S. (units)



> Total Land Holdings (lots)*



> Net Sales in Overseas Business and U.S. Single-Family Houses Business



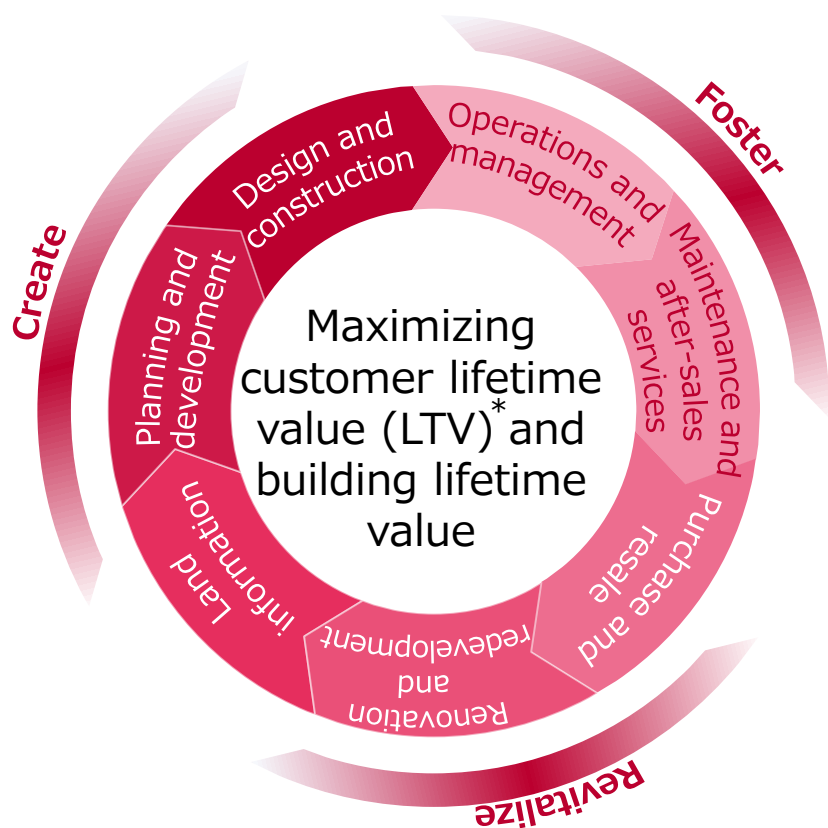
*Including controlled lots



Strengthening the Value Chain Model through the Mutual Growth of Transactional Business and Recurring-revenue Business

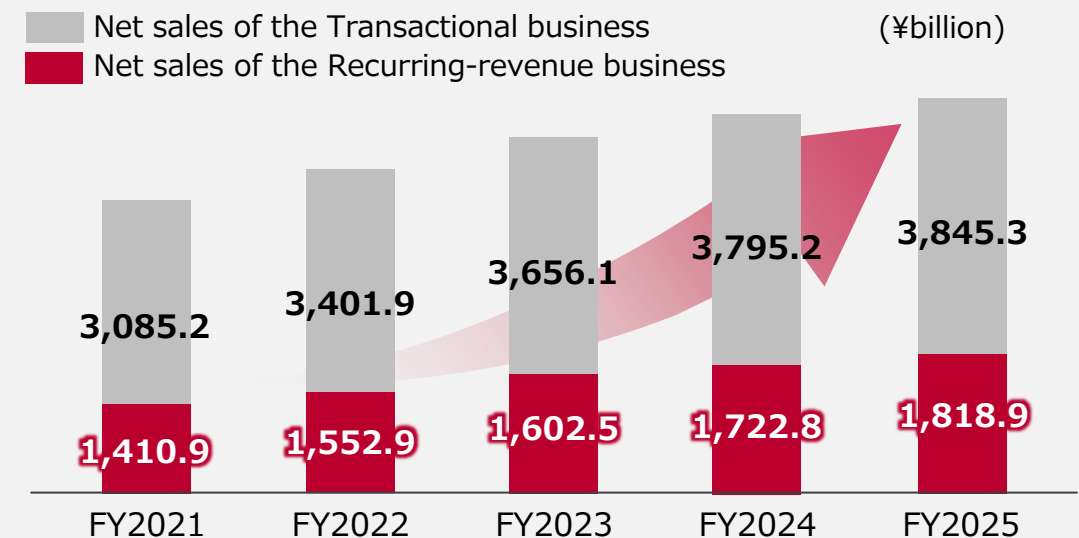
Alongside transactional business, we have strengthened our recurring-revenue business, with recurring-revenue net sales growing to approximately ¥1.8 trillion

> Our Circular Value Chain Model



> Trends of Net Sales of Transactional Business and Recurring-revenue Business

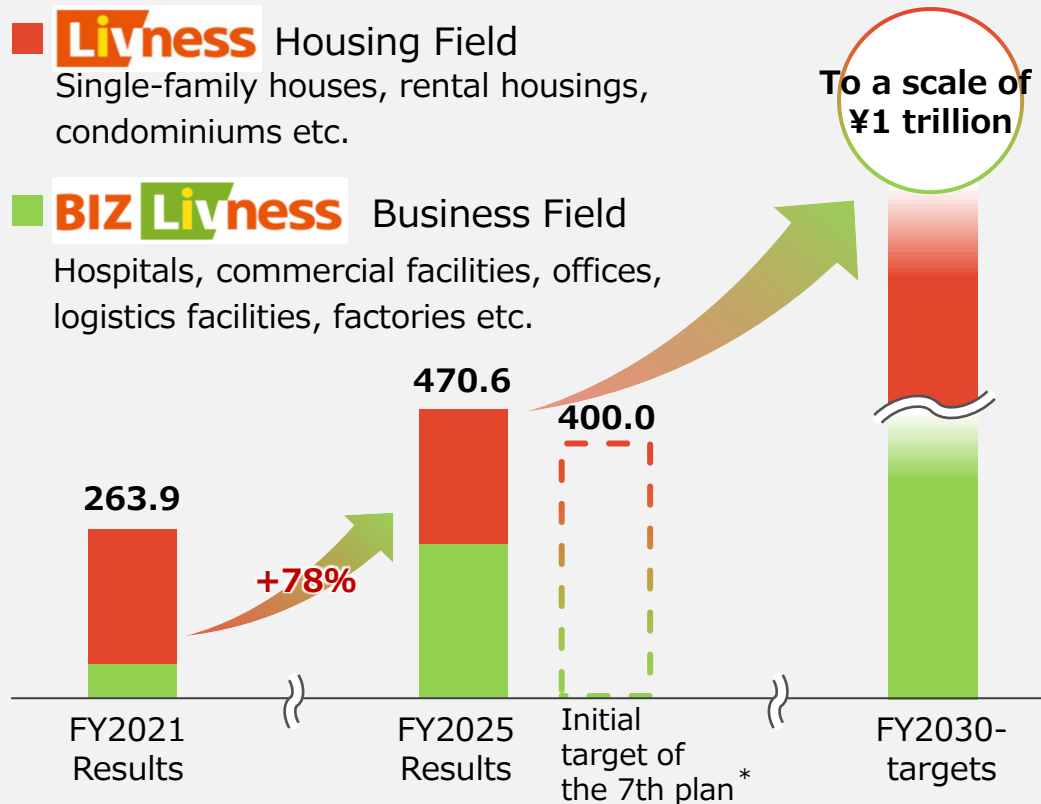
	FY2021 Results	FY2025 Results
Net sales of recurring-revenue business	¥1,410.9 billion	¥1,818.9 billion



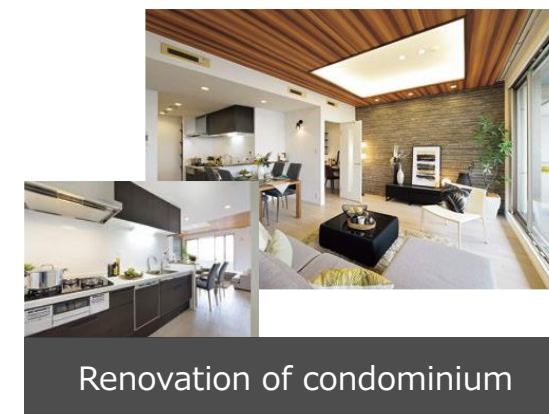
* Lifetime value (LTV): The revenue (value) generated from customers and buildings over the lifespan of the relationship.

Achieved the 7th Plan final-year net sales target ahead of schedule

> BIZ Livness Net Sales Trend (¥billion)



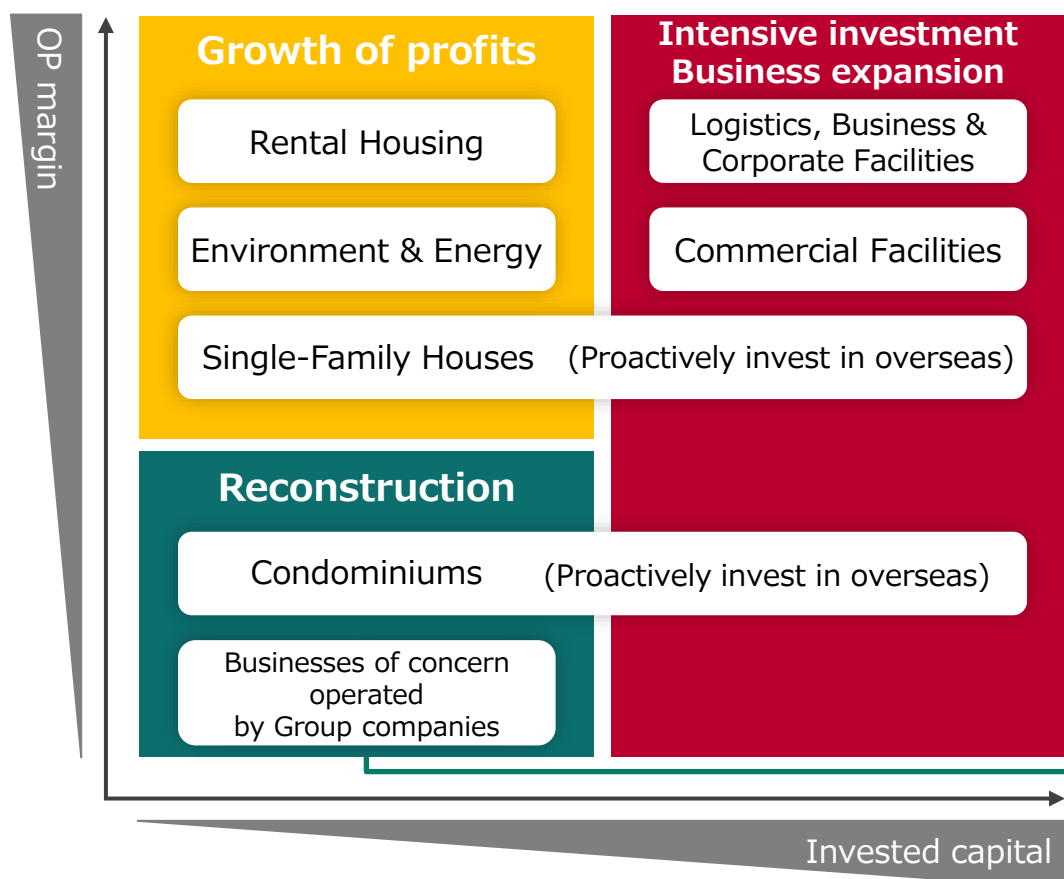
> Project Examples



*"Initial target of the 7th plan" refer to the target figures for FY2026, the final year of the 7th Medium-Term Management Plan as originally formulated.

Realized proactive M&A and real estate investments in key focus areas, along with share transfers and improved profitability in the reconstruction area

> Portfolio



> Main Initiatives and Achievements

- Expansion of investments in investment real estate and properties for sale in the domestic business, mainly in Rental Housing and Commercial Facilities businesses
 - Expansion of investments in overseas business, centered on U.S. Single-Family Houses business
 - M&A of Sumitomo Densetsu ^{*1}
M&As in the U.S. Single-Family Houses Business
Acquisition of an equity interest in Alliance Residential
-

- Improvement in the profitability of the Condominiums Business
- Transfer of shares of Daiwa Resort
- Partial transfer of shares of Cosmos Initia
- Transfer of shares of Daiwa House Life Support and Daiwa Living Care^{*2}

*1: Sumitomo Densetsu plans to change its name to "SEMLINKS Co., Ltd." effective October 1, 2026.
 *2: The share transfers of Daiwa House Life Support and Daiwa Living Care are scheduled to be completed in June 2026.

By leveraging sustainability and business growth as dual drivers, we promote the resolution of social issues and the creation of value

➤ Realize Carbon Neutrality

GHG Emission reduction



- Achieved a GHG emissions reduction rate exceeding the FY2030 target of 40%

Entire value chain GHG emissions reduction rate* : 16.1% → 42.5%

Scope 1 + 2 GHG emissions reduction rate: 20.8% → 62.3%
 Scope 3 GHG emissions reduction rate: 29.4% → 54.3%

Promotion of ZEH and ZEB



- Achieve both environmental impact reduction and business growth through the promotion of ZEH and ZEB

ZEH ratio : 53% → 98%*
ZEB ratio : 38% → 66%

➤ Investment in Human Capital Management

In-house entrepreneurship program Daiwa Future 100



- Through the in-house entrepreneurship program “Daiwa Future100,” which creates businesses that address social issues, we enhance employee motivation

Approximately 2,000 business proposals (1st & 2nd rounds)

Development of next-generation management talent



- Through the “D-Succeed” next-generation executive development program, we develop and select future management talent

Approximately 200 participants in total Appropriately appointed to subsequent positions

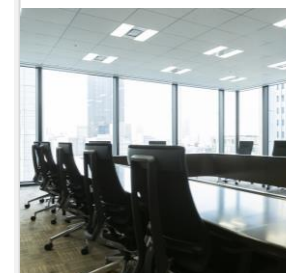
➤ Governance Strengthening Measures

Establishment of a Two HQ system



- With the aim of strengthening and streamlining business division functions, as well as enhancing governance, we established a two HQ system

Enhancement of Board effectiveness



- Established Management Committee composed of internal directors
- Approx. 30% of Board resolutions have been delegated to Management Committee, enabling the Board to focus on material management matters
- Further delegation of authority going forward

* Figures represent trends from FY2021 to FY2025. The FY2025 GHG emissions reduction rate is preliminary, and Scope 3 refers to Category 11.

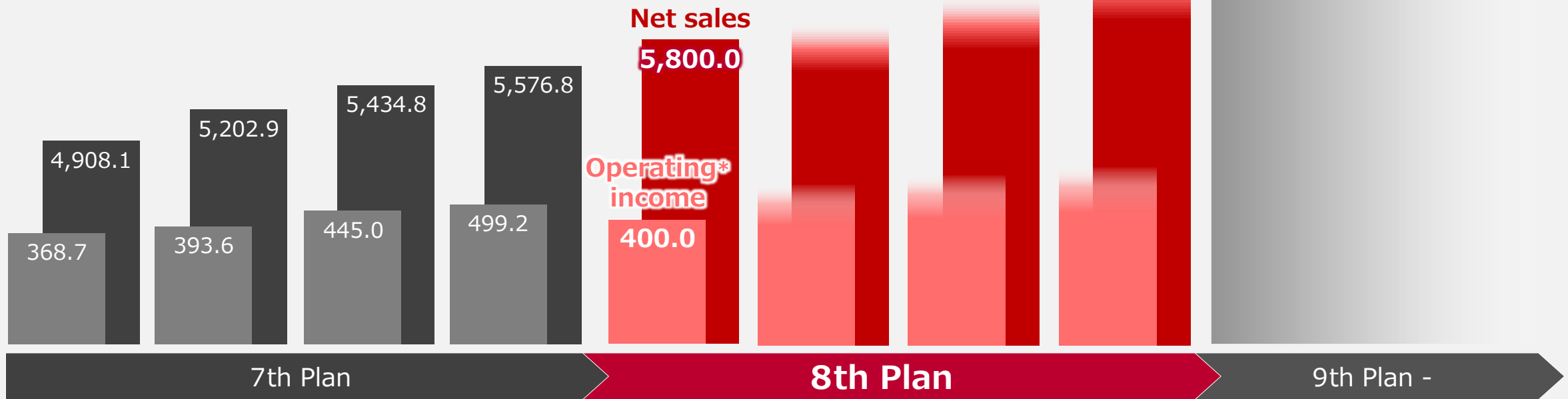
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We will disclose the 8th Medium-Term Management Plan after carefully assessing the outlook for the business environment

(¥billion)



*Operating income excluding the amortization of actuarial differences

Advancement of the industrialization of data centers and expansion of construction capabilities for semiconductor-related facilities



The Data Center Business Division was launched in April FY2026



Module DPDC is being deployed nationwide



Expanding initiatives in highly advanced semiconductor-related facilities*3

Strengthening technological capabilities to expand opportunities for the development of advanced facilities

*1 The image presented is computer-generated based on design specifications and may differ from actual conditions.

*2 The photograph shows a semiconductor manufacturing equipment facility.

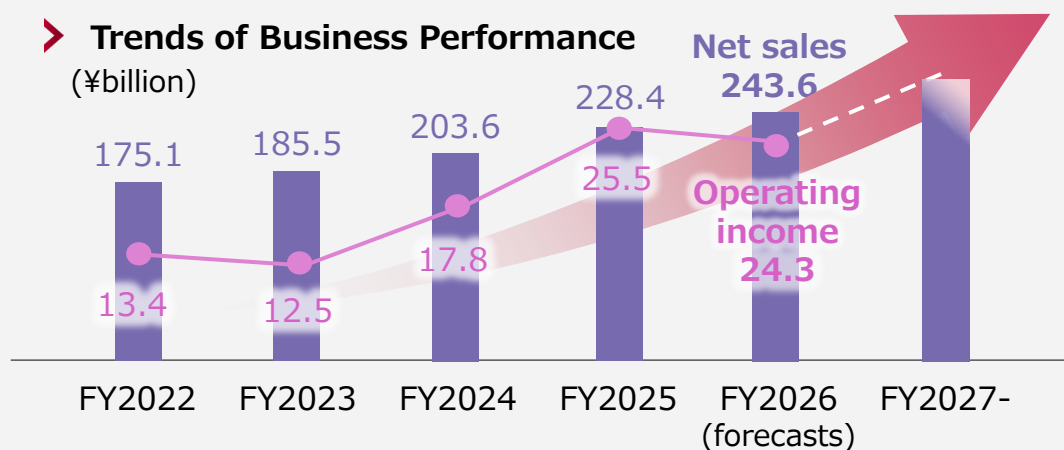
*3 Semiconductor wafer fabrication, packaging, and other related facilities

Sumitomo Densetsu, which has become part of the Group, will change its name to “SEMLINKS Co., Ltd.” as of October 1. By leveraging collaboration in data centers and semiconductor-related facilities, the Group will build new strengths



Trends of Business Performance

(¥billion)



➤ Main Initiatives

Measures to strengthen sales

- Focusing on growth areas such as renewable energy generation and data centers in Japan and overseas
- Strengthening sales for domestic demand-oriented projects in Southeast Asia
- Expanding customer base through collaboration between domestic sales and overseas subsidiaries

Measures to strengthen on-site capabilities

- Strengthening construction capabilities through partnerships with business partners
- Enhancing productivity through on-site DX and IT utilization across all construction processes
- Enhancing capabilities through technical centers across Southeast Asia

Measures to strengthen the business foundation

- Revitalizing the organization through increased investment in human capital
- Evolving the business model through labor-saving construction driven by enhanced technological capabilities
- Optimizing personnel allocation and supporting construction planning through IT utilization

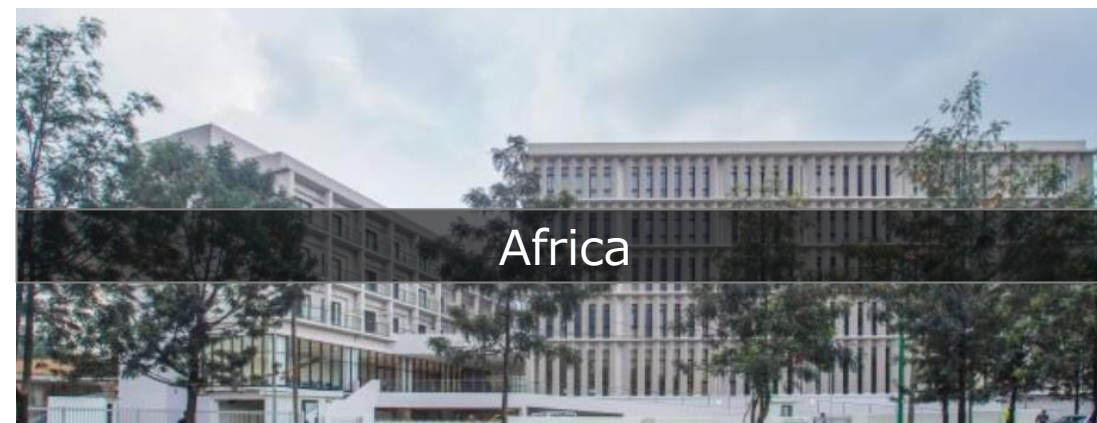
Positioning globally implemented socially impactful businesses as growth drivers with a view to expanding the overseas portfolio



Refugee Housing Project in Naarden (Netherlands)

Expansion into Eastern Europe and full-scale business operations

Contributing^{*1} to reconstruction by leveraging our track record in refugee housing



TICAD Industrial Human Resource Development Center (Ethiopia)

Expansion of participation in ODA projects across countries

Contributing^{*2} to sustainable economic growth in developing countries

*1 Selected as a subsidy recipient under METI's FY2024 supplementary program for: i) a prefabricated housing FS and demonstration project for public housing in Ukraine
ii) a cold chain demonstration project

*2 Selected as a subsidy recipient under METI's FY2024 supplementary program for the Kenya Data Center Demonstration Project

Real estate investments made in Japan and overseas under the 7th Plan to contribute to future earnings



Melbourne Quarter West Project (Australia)



COTOE Hashimoto (Biz Livness)



Blue Ridge Commerce Center East (USA)



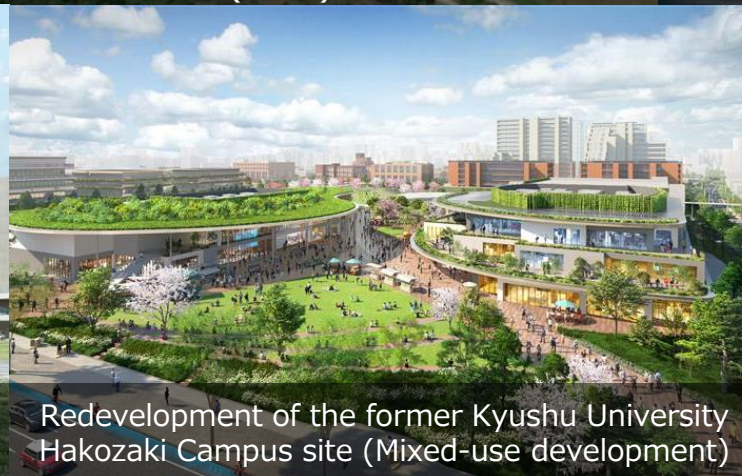
Wooden rental housing MOKURIE



Innovation Town Center (USA)



DP-Lab KOBE



Redevelopment of the former Kyushu University Hakozaki Campus site (Mixed-use development)



PREMIST Tower Funabashi

*The images presented are computer-generated based on design specifications and may differ from actual conditions.

Appendix

Key Indicators		Targets and Results						Supplementary Explanation	
		FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results*	Targets		
Increase the Value of our Human Capital	Recruitment	Ratio of newly employed females to total new employees	25.8% (4/1/2022)	24.9% (4/1/2023)	27.6% (4/1/2024)	24.7% (4/1/2025)	27.9% (4/1/2026)	30%	
		Number of career hires	64 persons	145 persons	182 persons	185 persons	176 persons	-	
	Diversity	Ratio of female employees in management	4.9% (4/1/2022)	5.2% (4/1/2023)	5.8% (4/1/2024)	6.1% (4/1/2025)	6.3% (4/1/2026)	8% (4/1/2027)	
		Ratio of female section chiefs	19.2% (4/1/2022)	21.3% (4/1/2023)	23.4% (4/1/2024)	24.0% (4/1/2025)	24.3% (4/1/2026)	25% (4/1/2027)	
		Employment rate of people with disabilities	2.46% (4/1/2022)	2.50% (4/1/2023)	2.48% (4/1/2024)	2.51% (4/1/2025)	2.52% (4/1/2026)	2.70% (4/1/2026)	
		Continuation rate of employment after reaching retirement age of 65	60.9% (4/1/2022)	49.4% (4/1/2023)	55.2% (4/1/2024)	57.6% (4/1/2025)	53.9% (4/1/2026)	-	
	Health management	Percentage of regular health checkups	100%	100%	100%	100%	100%	-	
		Percentage of secondary examinations for persons requiring close examination and treatment	91.0%	95.3%	89.5%	96.1%	100%	-	
	Childbirth and childcare	Percentage of men taking childcare leave	41.9%	62.2%	66.5%	68.9%	87.3%	80% (FY2026)	
		Lump-sum payment for raising the next generation (Number of recipients/Amount)	636/ ¥636 million	643/ ¥643 million	609/ ¥609 million	556/ ¥556 million	579/ ¥579 million	-	Since FY2005 Start- Total Paid: ¥13.605 billion
Employment	Percentage of paid leave taken	57.3%	56.4%	65.5%	66.5%	67.7%	-		
Equity	Gender wage gap (Ratio of average female income to male income)	60.7%	61.5%	61.6%	61.8%	64.9%	-		
Career support	Cross-Border Career Support System	-	58 persons	82 persons	73 persons	89 persons	-	A career support program focused on internal and external side business opportunities	

* FY2025 results are preliminary figures.

Key Indicators		Targets and Results							Supplementary Explanation	
		FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Initial targets*3	FY2030 Initial targets		
Achieve Carbon Neutrality	Entire value chain	GHG emissions reduction rate	16.1%	23.5%	35.6%	46.2%	42.5%*1	35%	40%	All GHG reduction rates are relative to the base year of FY2015
	Business activities : Scope 1 + 2	GHG emissions reduction rate	20.8%	33.5%	-26.3%	58.1%	62.3%*1	55%	70%	All GHG reduction rates are relative to the base year of FY2015
		Renewable energy utilization rate	18.2%	41.5%	81.8%	98.9%	99.4%*1	100%	100%	-
	Building use : Scope 3 (Category11)	GHG emissions reduction rate	29.4%	39.3%	52.2%	59.8%	54.3%*1	58%	63%	All GHG reduction rates are relative to the base year of FY2015
		ZEH rate	53%	86%	97%	99%	98%	90%	100%	Daiwa House (non-consolidated). Based on construction starts and units, excluding Hokkaido
		Rental housing ZEH-M rate*2	3%	14.2%	48.7%	73.1%	77.7%	50%	100%	Daiwa House (non-consolidated). Based on construction starts and units
		Condominiums ZEH-M rate*2	43%	73.1%	100%	100%	100%	100%	100%	Daiwa House (non-consolidated). Based on construction starts and units
	Construction results of renewable energy supply facilities and equipment	ZEB rate	38%	65.7%	68.5%	66.2%	66.2%	80%	100%	Daiwa House, Daiwa Lease and Fujita. Based on construction starts (including development projects) and floor area
		Renewable energy generation equipment constructed (EPC)	2,526MW	2,706MW	3,075MW	3,311MW	3,592MW	4,200MW	5,000MW	Cumulative amount from FY2011
	Solar panels installation rate (Non-residential)	Renewable energy power plants developed and operated (IPP)	561MW	602MW	700MW	877MW	1,028MW	1,550MW	2,500MW	Excluding in-house consumption power plants
Commercial Construction (non-consolidated)		-	32.2%	40.1%	56.7%	60.5%	100% in principle	100% In principle	Figures for non-consolidated are counted from the second half of FY2022, and Fujita and Daiwa Lease are counted from FY2023. Figures are based on construction starts up to FY2024 and on completions from FY2025 onward. Proportion of buildings.	
General Construction (non-consolidated)		-	61.8%	62.2%	76.7%	79.9%				
Fujita		-	-	36.0%	50.0%	76.5%				
Daiwa Lease	-	-	23.7%	30.3%	27.2%					

*1 FY2025 results are preliminary figures.

*2 For ZEH-M, the calculation is based on the number of housing units in the building that meet the national standards according to the number of floors.

*3 The Environmental Action Plan is scheduled to be completed one year ahead of schedule in conjunction with the 7th Plan. FY2026 targets will not be revised.



Disclaimer regarding business forecasts, etc.

(Notes regarding forward-looking statements)

This document is based on information available as of the date of publication and assumptions regarding uncertain factors that may affect future performance. It is not intended to guarantee the realization of such forecasts by the Company.

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.