



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

(Transcription)

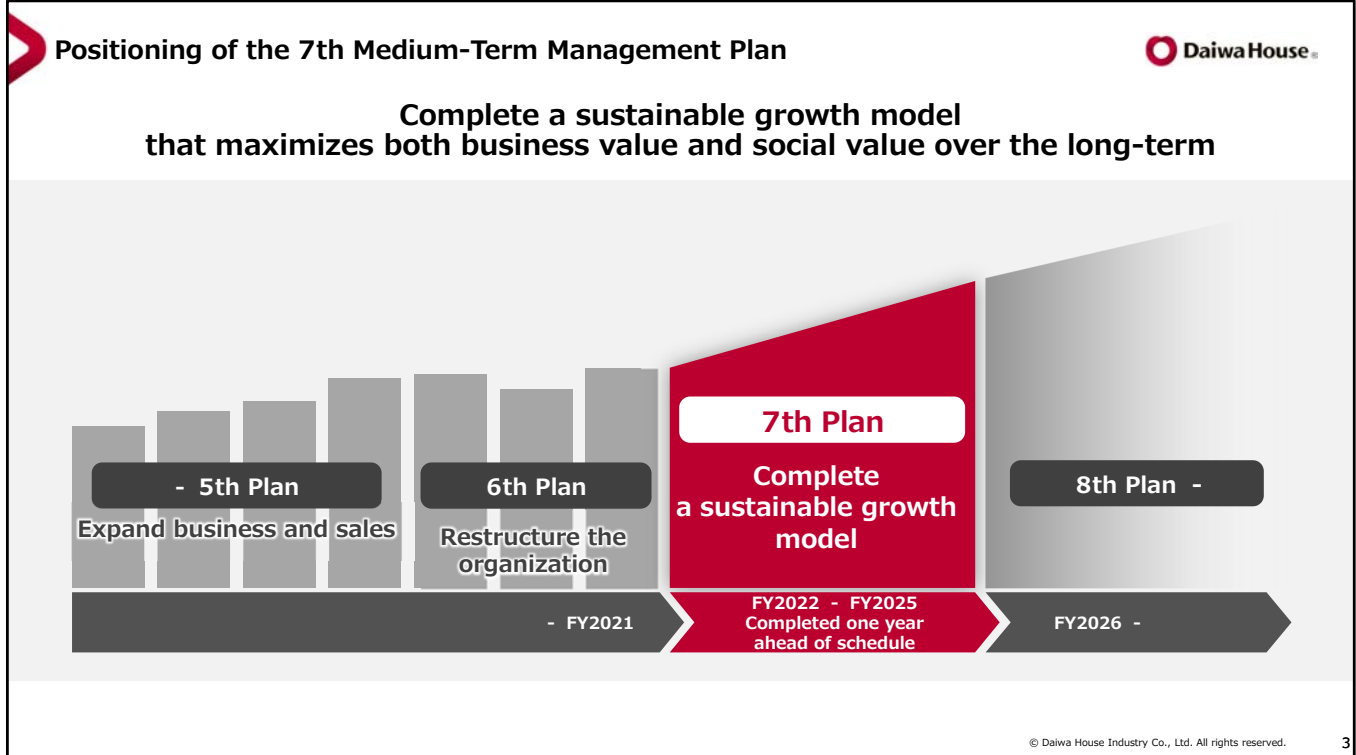
I am Yoshii, Chairman and CEO of Daiwa House Industry. Thank you all for taking time out of your busy schedules to join us today. I will explain our management policy, including the details of our financial results.

We had originally planned to explain the 8th Medium-Term Management Plan today, but in light of the significant changes in the business environment caused by the situation in the Middle East, we have determined that it is not appropriate to disclose it at this time. Accordingly, we will disclose only the single-year plan for FY2026, and we will explain the 8th Medium-Term Management Plan once conditions allow.

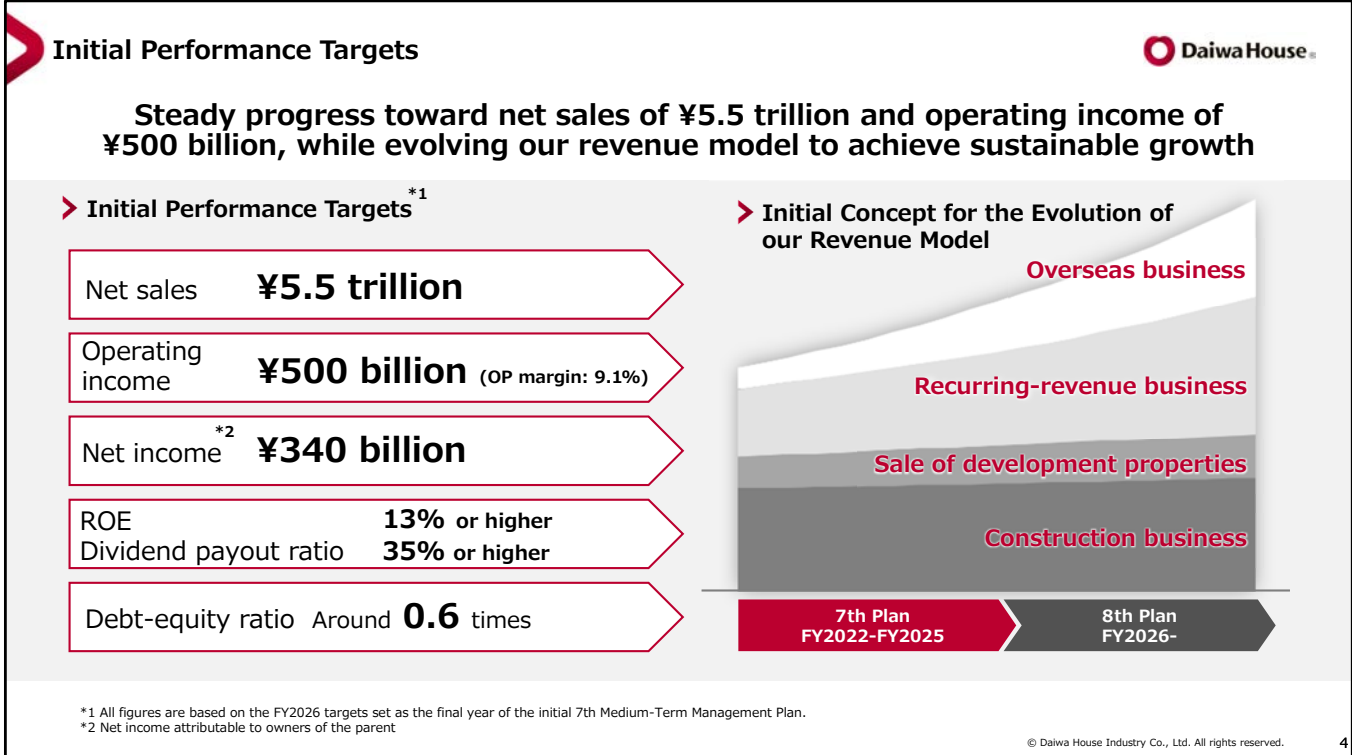
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- Review of the 7th Medium-Term Management Plan
- Our Key Strategies Going Forward

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Looking back on the 7th Medium-Term Management Plan, we have been pursuing steady growth toward the 8th Medium-Term Management Plan. In fact, the plan was almost finalized, but we are disappointed that we are unable to disclose it at this time, and we feel sorry for those who were involved in its formulation.



In the 7th Medium-Term Management Plan, we also intended to expand construction business. However, one of our policies was to place greater emphasis on steadily growing recurring-revenue and overseas businesses.

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.

I would like to explain the results of the 7th Medium-Term Management Plan. It was originally scheduled to last five years, but completed one year earlier, in four years.

Net sales were 5,576.8 billion yen compared to the plan of 5,500.0 billion yen. Operating income was 614.8 billion yen compared to the plan of 500.0 billion yen, while it was 499.2 billion yen excluding amortization of actuarial differences. Net income was 350.5 billion yen compared to the plan of 340.0 billion yen, while it was 271.4 billion yen excluding amortization of actuarial differences. ROE was 12.7% compared to the plan of 13% or higher. The dividend payout ratio was 39.9% and 175 yen per share compared to the plan of 35% or higher and 130 yen or higher per share. Debt-equity ratio was 0.98 times compared to the plan of around 0.6 times partly due to cash outflows related to the acquisition of Sumitomo Densetsu.

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

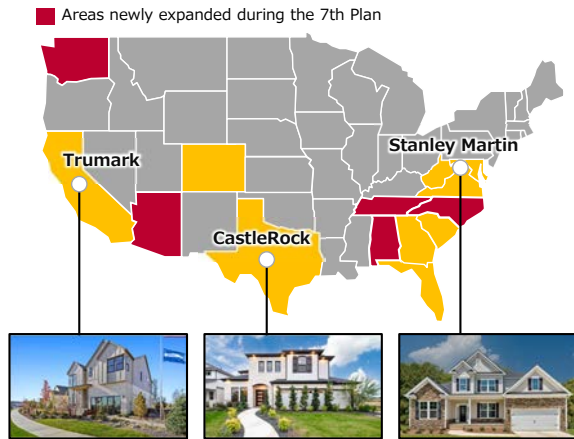
- Growth in recurring-revenue business through the strengthening of our circular value chain model
- In the sale of development properties, sales were deferred in FY2025 due to a large-scale land transaction by the U.S. subsidiary
- Accelerating real estate development for sale, including built-for-sale 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)

Looking at net sales by key revenue models, recurring-revenue business grew by 29% and construction business also grew by 26% over the four years of the 7th Medium-Term Management Plan. Sale of development properties grew by only 15%. In addition, overseas business achieved growth of 131%, as expected. Going forward, we intend to continue to steadily grow, mainly in recurring-revenue business and construction business.

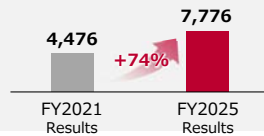
In U.S. Single-Family Houses Business, we achieved steady growth through a combination of multiple M&As and organic growth across our three builders

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

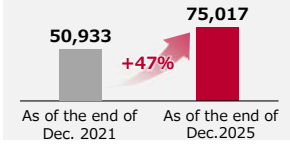


*Including controlled lots

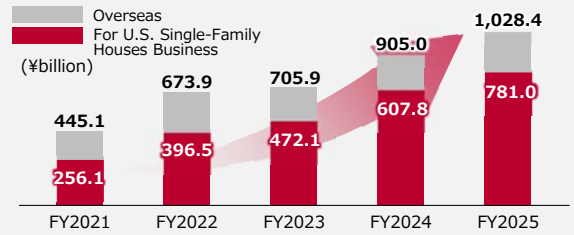
Number of Units Delivered in the U.S. (units)



Total Land Holdings (lots)*



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



This is about U.S. single-family housing business. We have been expanding business areas. In the early stage of the 7th Plan, we operated in areas such as the East Coast, the South Central region, and the West Coast, and these are our existing business foundations. On the other hand, initiatives such as M&A and business acquisitions made a significant contribution to the expansion of new areas during the 7th Medium-Term Management Plan. We also intend to continue expanding sales in existing areas, and we would like to grow our business scale in tandem with expanding business areas.

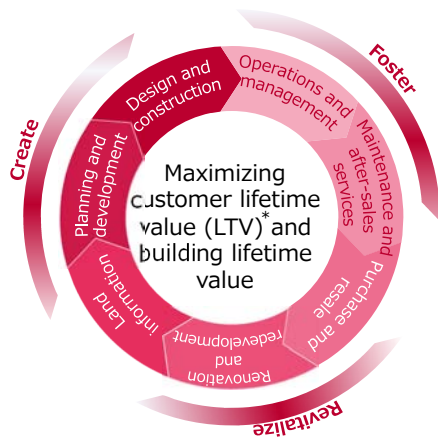
The number of units delivered has increased from 4,476 units in FY2021 to 7,776 units in FY2025, and we aim for further increase in FY2026. In terms of land holdings, we had secured land for approximately 10 years of supply in FY2021, but as the business scale has expanded, this has declined to a level of approximately 7 to 8 years of supply. Accordingly, in addition to land acquisition in existing areas, we are strengthening our supply capacity through a multifaceted approach, including the acquisition of land through business acquisitions.

Going forward, we will continue to develop our business mainly in areas where population growth is expected. However, the market environment in the South Central region is somewhat challenging due to a higher proportion of first-time homebuyers. For this reason, we intend to focus our land acquisition efforts in the East Coast and the West Coast.

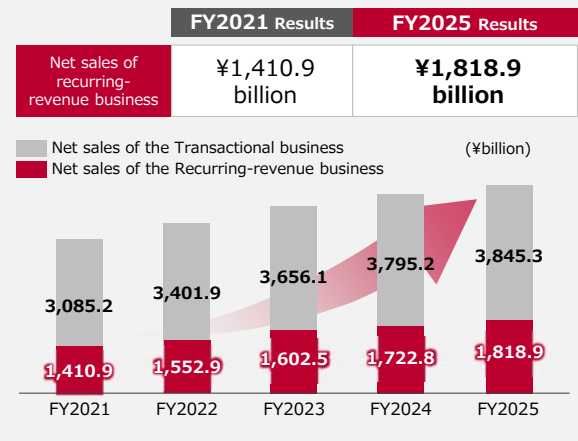
Strengthening the Value Chain Model through the Mutual Growth of Transactional Business and Recurring-revenue Business

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

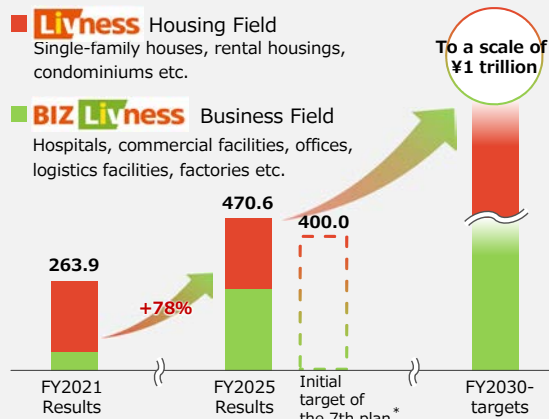


* Lifetime value (LTV): The revenue (value) generated from customers and buildings over the lifespan of the relationship.

We aim to further strengthen our circular value chain model. We start with "Create"(development) and then continue to enhance value through management and maintenance. At a certain stage, we review the asset utilization as a revitalization business, add new value, and bring them back to the market. We will continue to focus on this circular value chain model. Net sales of recurring-revenue business have increased significantly since the starting of the 7th Medium-Term Management Plan.

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.

The Livness business is performing very well and progressing ahead of expectations. In particular, with the addition of BIZ Livness, it has significantly exceeded the 7th Medium-Term Management Plan initial target of 400.0 billion yen in net sales.

Going forward, we would like to further accelerate growth and aim to expand this business into one that can sustainably maintain a scale of 1 trillion yen by the latter half of the 2030s.

In addition to BIZ Livness, which focuses on the business field, we also see business opportunities in the housing field. Although rebuilding of condominiums may be difficult due to rising construction costs, we believe that large-scale renovation of condominiums is a significant business opportunity.

Through these initiatives, we are able to extract the value of existing buildings and bring them back to the market. We believe that the Livness business has significant growth opportunities in both housing field and business field.

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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

Expanding initiatives in highly advanced semiconductor-related facilities*3



Module DPDC is being deployed nationwide

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

We believe there are three major synergies that will result from the addition of Sumitomo Densetsu to the Group.

The first is the integration of business field. Until now, we have focused on the areas of management and development properties, while Sumitomo Densetsu has been specialized in equipment construction. Going forward, by developing these as a whole, we will further expand our business, which already encompasses the entire life infrastructure.

At the same time, we believe it will be possible to create new value by combining technologies with conventional construction. One example is smart maintenance, in which we will strengthen initiatives to prevent malfunctions, rather than addressing them after they occur.

In addition, we have already integrated research and development institutes of Fujita and Daiwa House. By incorporating equipment technologies of Sumitomo Densetsu, we aim to enhance our capabilities beyond current value creation. For example, it will enable us to better understand the internal condition of buildings and underground structure, and to reconstruct infrastructure efficiently at Neopolis, which we have been working on for some time.

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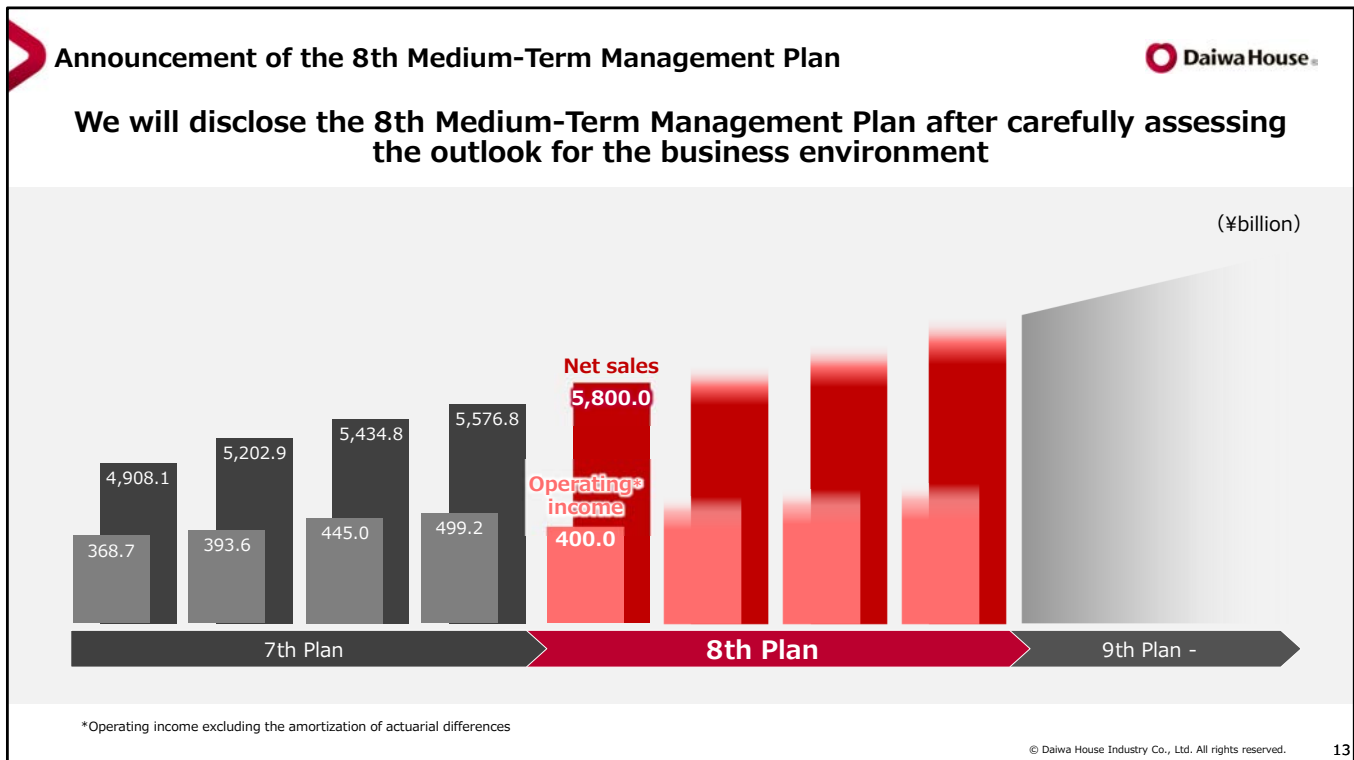
The second is the enhancement of our proposal capabilities.

By integrating construction and equipment, which until now have been handled separately, we will be able to offer proposals with higher added value.

In fact, during a recent presentation in the United States for a large-scale semiconductor-related facility project, we received feedback from a local company that the addition of Sumitomo Densetsu to the Group would generate new ideas in terms of quality and safety, and provide greater confidence in construction period.

Going forward, we intend to leverage these strengths to expand our data center business and semiconductor-related facilities fields by taking advantage of these strengths.

The third is the potential for remote inspection and maintenance.



The FY2026 plan is based on assumptions such as that the situation in the Middle East will stabilize to a certain extent by around September this year, tanker transportation will return to normal, and the delivery schedules for construction materials and equipment currently on order will be clarified.

Based on these assumptions, the plan targets net sales of 5.8 trillion yen, operating income of 400 billion yen, net income of 227 billion yen, and dividend payout ratio of 48% and 176 yen per share.

Going forward, if there are any changes in the situation, we will review our plan as appropriate and provide timely updates. At the same time, we will quickly adjust our business in response to improving conditions and accelerate growth.



Disclaimer regarding business forecasts, etc.

(Notes regarding forward-looking statements)

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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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That is all. Thank you.

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