



**Summary of Financial Results (Unaudited)**  
**for the Fiscal Year Ended March 31, 2024 [Consolidated]**  
**(From April 1, 2023 to March 31, 2024)**  
**[Japanese GAAP]**

May 10, 2024

Name of Listed Company: Daiwa House Industry Co., Ltd.  
Representative: Keiichi Yoshii, President and CEO  
Code No.: 1925  
URL: <https://www.daiwahouse.com/English/>  
Listed Exchanges: Prime Market of the Tokyo Stock Exchange  
Contact: Yuji Yamada, Managing Executive Officer  
E-mail to: dh.ir.communications@daiwahouse.jp

Scheduled Date of Ordinary General Meeting of Shareholders: June 27, 2024  
Scheduled Date of Filing Securities Report: June 27, 2024  
Scheduled Date of Commencement of Dividend Payment: June 28, 2024  
Supplemental documents for the financial results provided: Yes  
Results briefing for the term under review provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

**1. Consolidated Results of Operation for the Fiscal Year Ended March 31, 2024**  
**(From April 1, 2023 to March 31, 2024)**

**(1) Consolidated Earnings Results**

(% figures represent year-on-year change)

Fiscal year ended:	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	5,202,919	6.0	440,210	-5.4	427,548	-6.2	298,752	-3.1
March 31, 2023	4,908,199	10.6	465,370	21.4	456,012	21.2	308,399	36.9

Note: Comprehensive income: Fiscal year ended March 31, 2024: 334,706 million yen (-5.1%)  
Fiscal year ended March 31, 2023: 352,742 million yen (31.1%)

Fiscal year ended:	Basic net income per share	Diluted net income per share	Return on equity (ROE)	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
March 31, 2024	457.16	—	12.7	6.7	8.5
March 31, 2023	469.12	—	14.3	7.8	9.5

(Reference) Equity in earnings of affiliates

Fiscal year ended March 31, 2024: 2,411 million yen; Fiscal year ended March 31, 2023: 844 million yen

**(2) Consolidated Financial Conditions**

Fiscal year ended:	Total assets	Net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	6,533,721	2,523,762	37.3	3,810.21
March 31, 2023	6,142,067	2,388,914	37.2	3,466.86

(Reference) Net assets ratio = (Net assets – Non-controlling interests)/Total assets×100

(Net assets – Non-controlling interests): March 31, 2024: 2,437,862 million yen; March 31, 2023: 2,284,212 million yen

**(3) Consolidated Cash Flows**

Fiscal year ended:	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	302,294	(310,419)	97,399	439,572
March 31, 2023	230,298	(505,181)	287,452	346,154

## 2. Dividends

	Dividend per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	End of 1 <sup>st</sup> quarter (June 30)	End of 2 <sup>nd</sup> quarter (Sept. 30)	End of 3 <sup>rd</sup> quarter (Dec. 31)	Fiscal year-end (Mar. 31)	Annual			
Fiscal year: ended March 31, 2023	Yen —	Yen 60.00	Yen —	Yen 70.00	Yen 130.00	Millions of yen 85,653	% 27.7	% 4.0
ended March 31, 2024	—	63.00	—	80.00	143.00	92,585	31.3	3.9
ending March 31, 2025 (forecasts)	—	70.00	—	75.00	145.00		39.1	

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	5,250,000	0.9	400,000	-9.1	360,000	-15.8	237,000	-20.7	370.42

Note: In the above consolidated earnings forecasts, the results for the previous fiscal year, which serves as the basis for the percentage figures indicating the year-on-year changes, include the amortization of actuarial differences for retirement benefits, etc. arising in the previous fiscal year (decrease of 46,515 million yen in operating expenses). Excluding this impact, the year-on-year changes are respectively: operating income +1.6%, ordinary income -5.5%, and net income attributable to owners of the parent -11.1%. For details, please refer to the section of “1. Qualitative Information Regarding Consolidated Results for the Period under Review (4) Future Outlook” on page 10 of “the Attached Material.”

### Notes:

(1) **Changes in Significant Subsidiaries for the Fiscal Year under Review (This refers to changes in specified subsidiaries associated with changes in the scope of consolidation):** None

(2) **Changes in Accounting Policies Applied, Changes in Accounting Estimates and Retrospective Restatement**

1) Changes in accounting policies applied due to amendment of accounting standards: None

2) Changes in accounting policies due to reasons other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) **Number of Issued and Outstanding Shares (Common Stock)**

1) **Number of shares at the end of the fiscal year (including treasury stock)**

As of March 31, 2024	659,351,820 shares	As of March 31, 2023	666,290,951 shares
----------------------	--------------------	----------------------	--------------------

2) **Number of treasury stock at the end of the fiscal year**

As of March 31, 2024	19,529,053 shares	As of March 31, 2023	7,419,650 shares
----------------------	-------------------	----------------------	------------------

3) **Average number of shares for the fiscal year**

Fiscal year ended March 31, 2024	653,501,720 shares	Fiscal year ended March 31, 2023	657,404,560 shares
----------------------------------	--------------------	----------------------------------	--------------------

Note: For the number of shares used as the basis of calculating basic net income per share (consolidated), please refer to the section of “3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements, Per Share Information” of “the Attached Material” on page 26 for the details.

**(Reference) Summary of Non-Consolidated Results of Operation**

**Non-Consolidated Results of Operation for the Fiscal Year Ended March 31, 2024**

**(From April 1, 2023 to March 31, 2024)**

**(1) Non-Consolidated Business Results**

(% figures represent year-on-year changes)

Fiscal year ended:	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	2,149,713	7.2	244,809	5.7	295,635	13.0	244,486	19.1
March 31, 2023	2,006,066	1.5	231,631	-3.8	261,696	2.7	205,293	24.1

Fiscal year ended:	Basic net income per share	Diluted net income per share
	Yen	Yen
March 31, 2024	374.12	—
March 31, 2023	312.28	—

**(2) Non-Consolidated Financial Conditions**

Fiscal year ended:	Total assets	Net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	4,155,476	1,742,474	41.9	2,723.37
March 31, 2023	3,876,635	1,677,463	43.3	2,545.97

(Reference) Net assets ratio = (Net assets – Non-controlling interests)/Total assets×100

(Net assets – Non-controlling interests): March 31, 2024: 1,742,474 million yen; March 31, 2023: 1,677,463 million yen

\* **This financial results report is not required to be audited by certified public accountants or audit corporations**

\* **Remarks on appropriate use of forecasted results of operation and other special matters**

**(Notes regarding earnings forecasts)**

Consolidated earnings forecasts are based on assumptions in light of the information available as of the date of announcement of this material and the factors of uncertainty that may possibly impact the future results of operation. These statements do not mean that the Company pledges to realize such statements. Actual results may differ significantly from those presented herein as a consequence of numerous factors such as the financial market, economic conditions, competitor situations and fluctuations in land prices.

For the suppositions that form the assumptions for earnings forecasts, please refer to the section of “1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review (4) Future Outlook” on page 10 of “the Attached Material.”

**(Obtaining supplementary explanatory materials)**

The Company plans to hold a briefing for institutional investors and securities analysts on May 10, 2024. Relevant financial statements to be handed out at the briefing will be posted on our official website at the same time.

## Contents of the Attached Material

1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review .....	4
(1) Earnings Results .....	4
(2) Financial Conditions.....	8
(3) Cash Flow Position.....	9
(4) Future Outlook.....	10
2. Basic Approach to Selection of Accounting Standards .....	10
3. Consolidated Financial Statements and Main Notes .....	11
(1) Consolidated Balance Sheets.....	11
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	14
Consolidated Statements of Income .....	14
Consolidated Statements of Comprehensive Income .....	16
(3) Consolidated Statements of Changes in Net Assets.....	17
(4) Consolidated Statements of Cash Flows.....	19
(5) Notes to Consolidated Financial Statements .....	21
Notes on Premise of Going Concern .....	21
Changes in Representation.....	21
Segment Information .....	22
Per Share Information.....	26
Significant Subsequent Events.....	26

<Reference Material> Key Performance Indicators

1. Performance Indicators

Fiscal years	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Forecasts for fiscal year ending March 31, 2025
Net sales (millions of yen)	4,126,769	4,439,536	4,908,199	5,202,919	5,250,000
Cost of sales (millions of yen)	3,299,886	3,574,853	3,953,004	4,210,511	—
Selling, general and administrative expenses (millions of yen)	469,761	481,425	489,824	552,197	—
Operating income (millions of yen)	357,121	383,256	465,370	440,210	400,000
Ordinary income (millions of yen)	337,830	376,246	456,012	427,548	360,000
Net income attributable to owners of the parent (millions of yen)	195,076	225,272	308,399	298,752	237,000
Basic net income per share (yen)	297.18	343.82	469.12	457.16	370.42
Return on equity (ROE) (%)	11.0	11.7	14.3	12.7	—
Ordinary income to total assets ratio (%)	7.0	7.1	7.8	6.7	—
Dividend per share (yen) (of which interim dividend per share)	116 (50)	126 (55)	130 (60)	143 (63)	145 (70)
Total annual dividends (millions of yen)	75,892	82,611	85,653	92,585	—
Dividend payout ratio (%)	39.0	36.6	27.7	31.3	39.1
Dividends to net assets ratio (%)	4.3	4.3	4.0	3.9	—
Total assets (millions of yen)	5,053,052	5,521,662	6,142,067	6,533,721	—
Net assets (millions of yen)	1,893,504	2,111,385	2,388,914	2,523,762	—
Net assets ratio (%)	36.3	36.6	37.2	37.3	—
Net assets per share (yen)	2,805.09	3,081.07	3,466.86	3,810.21	—
Depreciation (millions of yen)	78,403	100,328	113,464	117,204	123,000
Net increase in property, plant and equipment and intangible assets (millions of yen)	372,904	425,807	518,143	355,780	480,000
Cash flows from operating activities (millions of yen)	430,314	336,436	230,298	302,294	—
Cash flows from investing activities (millions of yen)	(389,980)	(467,423)	(505,181)	(310,419)	—
Cash flows from financing activities (millions of yen)	102,731	24,427	287,452	97,399	—
Cash and cash equivalents, end of year (millions of yen)	416,321	326,250	346,154	439,572	—

## 2. Sales and Operating Income by Segment

(Millions of yen)

Fiscal years		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Forecasts for fiscal year ending March 31, 2025
Net sales		4,126,769	4,439,536	4,908,199	5,202,919	5,250,000
Sales by segment	Single-Family Houses	516,109	784,887	876,370	951,083	1,112,000
	Rental Housing	982,785	1,052,558	1,183,130	1,250,288	1,300,000
	Condominiums	339,790	379,942	484,382	441,867	258,000
	Existing Homes	124,718	—	—	—	—
	Commercial Facilities	808,395	1,038,576	1,092,167	1,181,561	1,220,000
	Logistics, Business & Corporate Facilities	989,984	1,079,253	1,130,230	1,294,455	1,280,000
	Environment and Energy	—	161,002	188,611	139,441	148,000
	Other Businesses	507,359	63,046	81,849	68,043	52,000
	Adjustments	(142,376)	(119,731)	(128,541)	(123,821)	(120,000)
Operating income		357,121	383,256	465,370	440,210	400,000
Operating income by segment	Single-Family Houses	21,818	38,365	46,584	35,164	58,000
	Rental Housing	90,832	96,641	109,792	115,791	125,000
	Condominiums	5,397	9,752	40,879	37,372	14,000
	Existing Homes	10,438	—	—	—	—
	Commercial Facilities	122,898	124,151	132,984	143,630	144,000
	Logistics, Business & Corporate Facilities	115,910	125,531	99,630	123,244	128,000
	Environment and Energy	—	5,270	6,285	9,131	9,200
	Other Businesses	10,771	-5,922	5,497	2,450	—
	Adjustments	(20,946)	(10,534)	23,716	(26,575)	(78,200)

Note: From the consolidated fiscal year under review, our subsidiary Daiwa House Modular Europe B.V. changes its segment from Single-Family Houses Business to Rental Housing Business due to a change in the management structure. Segment information for the previous fiscal year is shown under the classification after the change.

## 1. Qualitative Information Regarding Consolidated Results for the Fiscal Year under Review

### (1) Earnings Results

In the consolidated fiscal year under review, the Japanese economy recovered moderately amid signs of inbound demand backed by the weaker yen, higher wage growth, and the pass-through of higher resource and labor costs to prices. However, the economic outlook remained uncertain, given persistent yen weakness and the impact of geopolitical risks such as the protracted Russia-Ukraine conflict and the deteriorating Middle East situation on resource prices.

The number of new construction starts in the domestic housing market decreased year-on-year in both owner-occupied houses, rental housing and built-for-sale houses. In the general construction market as well, the floor area of new construction starts increased in the category of offices, however, decreased year-on-year overall.

Amid this operating environment, the Group has actively pushed forward various high-value-added proposals and measures to realize a sustainable growth model, including expanding its overseas businesses and stock businesses and leveraging digital transformation to enhance the customer experience, under the three management policies: Evolve revenue model, optimize management efficiency, and strengthen management base in the 7th Medium-Term Management Plan, a five-year plan launched fiscal year 2022.

As a result, the Daiwa House Group recorded consolidated net sales of 5,202,919 million yen (+6.0% year on year) for the fiscal year ended March 2024. Operating income came to 440,210 million yen (-5.4% year on year), ordinary income came to 427,548 million yen (-6.2% year on year), while net income attributable to owners of the parent amounted to 298,752 million yen (-3.1% year on year).

Operating income above includes 46,515 million yen gain on amortization of actuarial differences for retirement benefits, etc., and operating income excluding actuarial differences, etc. resulted in 393,694 million yen (+6.8% year on year).

Results by business segment are as follows.

From the reporting fiscal year, we have revised the classification method for the business segments. For details, please refer to the section of “a. Segment Information 3. Changes in Business Segment Classification Method” in “3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements” on page 22 of “the Attached Material.”

### Single-Family Houses Business

In the Single-Family Houses Business segment, we provided energy-efficient, resilient and high-quality housing according to diverse requirements. We stayed close to residents' lives and their changing values to propose lifestyles that will enhance their lives.

In the domestic housing business, the Company sought to strengthen initiatives for built-for-sale houses. In addition to “ComfortWood,” a wooden housing product specifically for built-for-sale houses, from November 2023, the Company began promoting a “Ready Made Housing.” concept for built-for-sale houses that inherit the quality of custom-built houses and began providing high-quality houses in built-for-sale houses that aim to be worth more than their price, offering the same design excellence and quality as custom-built houses, a reassuring long-term home warranty, and after-sales support.

With regard to custom-built houses, the Company primarily promoted sales of “xevoΣ,” their mainstay steel-framed housing product, and “skye,” a three- to five-story steel-framed house, to increase the ZEH (net zero energy house) sales ratio. Additionally, the Company sold the “xevo GranWood” wooden housing product and its most luxurious “Wood Residence MARE” housing product, which caters to the wealthy, to contribute towards the achievement of carbon neutrality and meet diverse needs of customers.

Anticipating a society with a high demand for housing stock, the Company is focusing on the revitalization and regeneration of existing buildings. Especially in housing complexes developed by the Company, it works on the Livness Town Project, which aims to regenerate and redevelop communities by addressing social issues such as

community revitalization and the problem of vacant houses. The Company tries to put itself in the shoes of those who live there and maintains a close relationship with the communities and the residents' daily lives, so as to enhance the value of communities and ensure they remain attractive places to live for many years more.

Overseas, the Group has been expanding its operations in the eastern, southern and western regions of the United States, which it calls the smile zone. Three Group companies, Stanley Martin Holdings, CastleRock Communities and Trumark Companies play a key role in the east, south and west respectively. While housing loan interest rates and housing prices remained high, the existing home inventory was low. This led to firm demand for new homes, and the market has continued to move toward recovery. Furthermore, in October 2023, Trumark Companies acquired the business of JP Holdings, LLC, which is engaged in the Single-Family Houses Business in the United States. Additionally, in January 2024, CastleRock Communities signed an agreement to acquire the business of The Jones Company of Tennessee, also engaged in the Single-Family Houses Business in the United States. Through such moves, the Company aims to further expand the supply of single-family houses in the United States.

As a result, net sales for this segment amounted to 951,083 million yen (+8.5% year on year), while operating income came to 35,164 million yen (-24.5% year on year).

### **Rental Housing Business**

In the Rental Housing Business segment, we have been proposing and supporting rental housing management that maximizes the asset value for owners by providing sustainable value while considering tenants, the global environment and the community. In addition, the Company sought to popularize ZEH-M (net Zero Energy House Mansion) properties that reduce environmental impact and support the saving and generation of energy.

Daiwa Living Co., Ltd. provides D-room rental housing properties that offer high-quality and comfortable living and are chosen by a wide range of tenants. The company also expanded its renovation business. As a result, the number of units under management increased and the occupancy rates remained high.

Daiwa House Chintai Reform Co., Ltd. worked to strengthen relationships with the owners of rental housings constructed by the Company by conducting building inspections and diagnoses periodically, while also promoting work to extend warranty periods and submit renovation proposals.

In March 2024, three Daiwa House Group companies involved in the Rental Housing Business (\*1) and three Daito Trust Construction Group companies (\*2) signed a disaster cooperation and support agreement. During ordinary times, the parties to the agreement will jointly hold disaster management events and raise awareness about disaster management among tenants and local residents and, in the event of disaster, they will make their vacant spaces available to those affected by the disaster to further increase the disaster management capabilities of communities and to provide homes where tenants can live with peace of mind. The two Groups also aim to further improve the public perception and value of rental housing.

Meanwhile, overseas in the United States, our main operating area, market conditions remained unfavorable due to stubbornly high interest rates. However, the Group aims to maximize rental revenues while closely monitoring the real estate market trends, including interest rates. The Group will strive to increase occupancy rates and profitability with the goal of promptly selling properties when the market improves.

As a result, net sales for this segment amounted to 1,250,288 million yen (+5.7% year on year), while operating income came to 115,791 million yen (+5.5% year on year).

\*1 Daiwa House Industry Co., Ltd., Daiwa Living Co., Ltd., and Daiwa House Chintai Reform Co., Ltd.

\*2 Daito Trust Construction Co., Ltd., Daitokentaku Partners Co., Ltd. and Daitokentaku Leasing Co., Ltd.

### **Condominiums Business**

In the Condominiums Business segment, we sought to provide basic housing performance essential for a long housing life, comfort, safety and a management structure, drawing on our knowhow as a home builder to meet the diverse lifestyle needs of potential residents. We are also striving to create high added-value condominiums which, in addition to asset value for the customer, also consider the environment and society and aim to contribute to local communities.

At “ONE Sapporo Station Tower”, a North 8 West 1 District Type One Urban Redevelopment Project where sales began in November 2021 and delivery began in March 2024, all units were sold in August 2023 before completion,



due to expectation for large-scale mixed-use redevelopment projects over many years and appreciation of the property's excellent location in terms of transport convenience and living convenience, as it is connected to/one-minute walk from Sapporo Station on the Toho and Namboku Lines of Sapporo Municipal Subway.

Daiwa LifeNext Co., Ltd. signed an agreement to acquire all shares of MARIMO COMMUNITY Co., Ltd., a subsidiary of TOKYU COMMUNITY CORP., in March 2024. Going forward, Daiwa LifeNext Co., Ltd. will continue tackling the issues facing each condominium, aiming to offer safe, secure and comfortable lifestyles.

Cosmos Initia Co., Ltd. made good progress selling units at “Initia Nippori” (Tokyo), where sales began in January 2024. This reflects high evaluations of living convenience since the property is a four-minute walk and a five-minute walk from Nippori Station and Nishi-Nippori Station on the JR Yamanote Line respectively and has shopping facilities and bars and restaurants nearby, as well as high levels of comfort and energy efficiency as a property that has acquired ZEH Oriented certification. Additionally, as of the end of the fiscal year under review, Cosmos Initia Co., Ltd. is no longer a consolidated subsidiary of the Company but rather an affiliate accounted for by the equity method.

Overseas, the Group is participating in a condominium development project in London, UK in addition to projects in China, their primary operating area. The Group is steadily working towards completion in 2026, to help solve the social problem of the chronic housing shortage in Europe.

However, due to a decrease in the number of condominiums delivered in China and other factors, net sales for this segment amounted to 441,867 million yen (-8.8% year on year), while operating income came to 37,372 million yen (-8.6% year on year).

### **Commercial Facilities Business**

In the Commercial Facilities Business segment, we offered various plans that meet the needs of tenant corporations, taking advantage of their business strategies and the characteristics of each region. In particular, we strengthened our efforts in the field of large-scale properties and in built-for-sale business in which we sell to investors properties for which we have acquired land, planned development, designed and constructed, and conducted leasing-out to tenants. In February 2024, at Minato Mirai in the Nishi Ward of Yokohama in Kanagawa Prefecture, the Company started construction on the “Minato Mirai 21 Central District 52 District Development Project” featuring the world's first video game art museum, a district heating plant, and an office building.

In the urban hotels business, Daiwa House Realty Mgt. Co., Ltd. opened Daiwa Roynet Hotel Omiya-Nishiguchi (Saitama Prefecture) in March 2024, and managed a total of 76 hotels with 16,209 rooms in Japan as of the end of March 2024. The average occupancy rate from January to the end of March 2024 was around 86.6%.

In the fitness club business, Sports Club NAS Co., Ltd. revised club membership fees from March 2024, seeking recovery in the number of members.

In the home center business, Royal Home Center Co., Ltd. signed a distribution agreement with Daiso Industries Co., Ltd. and began providing sales space for Daiso products at its Sakai store in February 2024 and its Tsushima store in March 2024.

Overseas, the Group operated TRADE and Village Center commercial facilities in California, USA. The Group consistently maintained high occupancy by soliciting Japanese tenants.

As a result, net sales for this segment amounted to 1,181,561 million yen (+8.2% year on year), while operating income came to 143,630 million yen (+8.0% year on year).

### **Logistics, Business & Corporate Facilities Business**

In the Logistics, Business & Corporate Facilities Business segment, we worked to enhance the Group's business scope by constructing a variety of facilities to suit the differing business needs of our corporate customers, and by providing total support services that enable customers to utilize their assets most effectively.

Regarding logistics facilities, eight facilities were completed in the three months from January 2024, including “DPL Sakado B” (Saitama Prefecture) and “DPL Sendai-Izumi” in February 2024 and “DPL Gunma-Ota” in March 2024. Despite the changing market environment, the Company leveraged the leasing capabilities that are its strength and continued developing facilities to tap into strong tenant needs. These leasing activities paid off, with

“DPL Sendai-Izumi”, “DPL Gunma-Ota” and “DPL Okayama-Tamashima” leased up before completion and lease agreements also gradually being signed for “DPL Sakado B”, “DPL Sendai Rifu II” and “DPL Matsudo II” (Chiba Prefecture).

Daiwa House Property Management Co., Ltd., a company that mainly manages and operates logistics facilities developed by the Company, concluded new property management agreements for 8 logistics facilities including “DPL Sakado B” that was completed in February 2024, increasing the number of facilities and the area under management to 247 facilities and approximately 9.86 million square meters.

The Daiwa LogiTech Group is a logistics service provider that caters to the IT businesses of corporate customers. These customers have been increasing their investments in IT since the beginning of the digital transformation. Going forward, the Daiwa LogiTech Group will encourage the adoption of labor-saving automation systems for logistics operations and release new products to address the so-called 2024 problem, and translate these initiatives into the acquisition of new customers.

In the logistics business, Daiwa Logistics Co., Ltd. established the Chubu Vehicle Allocation Center (Aichi Prefecture) as a center for vehicle allocation operations in the Chubu area in January 2024. The center aims to eliminate issues such as the over-dependence of vehicle allocation operations in each region on specific individuals and imbalance in workloads, and to increase efficiency. By centralizing vehicle allocation information in cooperation with the operations of each logistics center, the center is working to improve transportation efficiency in the region as a whole.

Overseas, in ASEAN, the main area for this segment, the Company started construction of “DPL Vietnam Minh Quang” (tentative name), a multi-tenant logistics facility in an industrial park around 40km east of the capital Hanoi in March 2024. The facility will meet growing logistics needs in Northern Vietnam. Going forward, the Company will continue promoting further infrastructure development and employment through the large-scale development of logistics facilities and others in ASEAN and East Asia.

As a result, net sales for this segment amounted to 1,294,455 million yen (+14.5% year on year), while operating income came to 123,244 million yen (+23.7% year on year).

## **Environment and Energy Business**

In the Environment and Energy Business, amid the current acceleration of transition toward decarbonization and the growing demand for renewable energy, the Group promoted three businesses, the EPC business (design and construction of power plants for renewable energy), the PPS business (electric power retail business) and the IPP business (electric power generation business).

To facilitate initiatives in the EPC business with the termination of Japan’s FIT program (the feed-in tariff scheme for renewable energy), the Group is working to expand two PPA-related businesses, off-site PPA with the goal of supplying renewable energy to a purchaser far from a solar power generation facility and on-site PPA (Power Purchase Agreement) with the goal of supplying renewable energy directly from a solar power generation facility installed on a roof or in an adjacent area. Demand for renewable energy is increasing steadily. The Company will leverage the land development knowhow it has built up since its foundation to secure sites for solar power generation facilities in suitable locations and will collaborate with major energy companies to develop users, and will continue focusing efforts on the EPC business as a mainstay business for the future.

In the PPS business, profitability improved as a result of the stabilization of spot prices in the electricity wholesale market alongside initiatives such as control of the supply of power according to the amount of power procured, transition to a new tariff structure, and introduction of power procurement adjustment costs (fuel cost adjustments set independently). However, it is difficult to predict trends in the business environment in the electric power industry, so we will work to stabilize the PPS business while taking measures to address the risks of the business.

In the IPP business, the Company engages in the operation of wind power generation and hydroelectric power generation, as well as solar power generation, which is its main business, at 551 locations nationwide.

This business segment will continue to play a key role in initiatives to “realize carbon neutrality by making all our buildings carbon-free,” one of the focal themes in the 7th Medium-Term Management Plan. We will promote these efforts throughout the Group and contribute to the further expansion of renewable energy.

As a result, net sales for this segment amounted to 139,441 million yen (-26.1% year on year), while operating

income came to 9,131 million yen (+45.3% year on year).

## **(2) Financial Conditions**

Total assets as of the end of the consolidated reporting fiscal year amounted to 6,533,721 million yen, an increase of 391,654 million yen compared with 6,142,067 million yen at the end of the previous consolidated fiscal year. This was mainly due to an increase in inventory assets accompanying the acquisition of real estate for sale in Single-Family Houses Business and Commercial Facilities Business.

Total liabilities as of the end of the consolidated reporting fiscal year amounted to 4,009,959 million yen, an increase of 256,806 million yen compared with 3,753,153 million yen at the end of the previous consolidated fiscal year. This was principally due to the issuance of bonds, as well as bank borrowings, to raise funds for the acquisition of real estate for sale and investment and other purposes.

Total net assets as of the end of the consolidated reporting fiscal year amounted to 2,523,762 million yen, an increase of 134,847 million yen compared with 2,388,914 million yen at the end of the previous consolidated fiscal year. This was mainly due to the posting of net income attributable to owners of the parent in the amount of 298,752 million yen, despite the payment of dividends to shareholders in the amount of 87,520 million yen and the acquisition of treasury stock in the amount of 87,171 million yen. At the end of the term under review, these results were 2,087,838 million yen in interest-bearing liabilities excluding lease obligations among others, and a debt-equity ratio of 0.86 times. After taking the hybrid financing into account, the debt-equity ratio came to 0.77 times\*. The net assets ratio as of the end of the fiscal year under review stood at 37.3%, showing little change from the 37.2% at the previous fiscal year end.

\* The debt-equity ratio was calculated by taking into account the equity credit of 50 percent employed in establishing the Company's credit rating for the 150 billion yen of publicly offered hybrid bonds (subordinated bonds) issued in September 2019 and 100 billion yen of hybrid loans (subordinated loans) procured in October 2020.

### (3) Cash Flow Position

Cash and cash equivalents for the reporting fiscal year amounted to 439,572 million yen, for a increase of 93,418 million yen. Net cash provided by operating activities stood at 302,294 million yen, net cash used in investing activities came to 310,419 million yen, and net cash provided by financing activities came to 97,399 million yen.

#### Cash flows from operating activities

During the reporting fiscal year, net cash provided by operating activities came to 302,294 million yen (+31.3% year on year). This was mainly due to the posting of 455,834 million yen in income before income taxes and non-controlling interests, despite the payment of income taxes and the acquisition of inventory assets.

#### Cash flows from investing activities

During the reporting fiscal year, net cash used in investing activities came to 310,419 million yen (compared with 505,181 million yen used in the previous fiscal year). This was primarily the result of the acquisition of property, plant and equipment, including large-scale logistics facilities and commercial facilities, among other factors.

#### Cash flows from financing activities

During the reporting fiscal year, net cash provided by financing activities came to 97,399 million yen (-66.1% year on year). This was principally due to the issuance of bonds, as well as bank borrowings, to raise funds for the acquisition of inventory assets and real estate for investment and other purposes, despite the payment of dividends and the acquisition of treasury stock.

#### (Reference) Cash Flow Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets ratio	36.6%	37.2%	37.3%
Net assets ratio on market-value basis	38.0%	33.4%	44.3%
Repayment years of interest-bearing debt	4.2 years	8.0 years	6.9 years
Interest coverage ratio	28.3	13.9	10.3

\* The standards for the indicators are as follows. All have been computed based on consolidated financial figures.

Net assets ratio:  $(\text{Net assets} - \text{Non-controlling shareholders' interests}) / \text{Total assets}$

Net assets ratio on market-value basis:  $\text{Total market capitalization} / \text{Total assets}$

Repayment years of interest-bearing debt:  $\text{Interest-bearing liabilities} / \text{Operating cash flows}$

Interest coverage ratio:  $\text{Operating cash flows} / \text{Interest expenses}$

Total market capitalization:  $\text{Closing stock price at the fiscal year-end} \times \text{Number of shares issued at the fiscal year-end (after deduction of treasury stock)}$

Operating cash flows: Net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows

Interest expenses: Interest expenses paid on the Consolidated Statements of Cash Flows

#### (4) Future Outlook

Looking ahead to the future social and economic environment, the global economic situation will continue to require careful monitoring, given continued monetary policy tightening in the United States, the impact of heightened geopolitical risks such as the Middle East situation and the intensifying conflict in Ukraine on energy and raw material prices and procurement costs, and China's economic slowdown. The Japanese economy is expected to finally win its long fight against deflation and to continue recovering moderately mainly thanks to spending growth on the back of a rise in the average paycheck and the BOJ's lifting of its negative interest rate policy; however, downside risks from the global economy such as the impact of foreign exchange rates and rising energy and raw material prices need to be monitored and guarded against. Additionally, from April 2024, in compliance with the revised Labor Standards Act that is also applicable to the construction industry, maximum overtime hours will come into effect, possibly resulting in more serious labor shortage and higher costs that may affect business operations. Alongside strengthening relations with partner companies, the Group will continue to focus on increasing operational efficiency, conserving energy and improving productivity by embracing DX.

In light of such business conditions, the Group entered the third year of the Daiwa House Group 7th Medium-Term Management Plan covering five years with 2022 as the first fiscal year. Now, to maximize corporate value while looking ahead to continued growth during and after the 8th medium-term management plan, the Group is continuing to work on priority measures under three management policies: “Evolve revenue model,” “Optimize management efficiency,” and “Strengthen management base.” In particular, the Group positions the promotion of portfolio management, the creation of new businesses, the expansion of overseas business to achieve net sales of 1 trillion yen in overseas, and the achievement of cost reductions through centralized procurement as the most important themes for achievement of the 7th Medium-Term Management Plan, and will step up initiatives in these areas.

With the aim of “Creating the fundamental societal infrastructure and lifestyle culture rooted in regeneration” as defined in “Our Hopes for the Future” (purpose) formulated in FY2022, the Group will achieve sustainable growth by balancing the creation of societal value and the maximization of business value. In particular, as milestones in 2030 for the realization of carbon neutrality by 2050, we have clarified two KPIs, one for reducing greenhouse gas (GHG) emissions and one for increasing uptake of renewable energy. Having acquired management rights to the Hibikinada Thermal Power Station Co., Ltd. in January 2023, the Company plans to convert it to a biomass-fired power station that uses only biomass fuel and stopped coal/biomass operation at the power station in March 2024. The Company will implement the carbon neutral strategy (Endless Green Program 2026) that is one of the focal strategies of the 7th Medium-term Management Plan, with the aim of lowering environmental impacts while reaping corporate profits.

In view of the foregoing, we forecast net sales for the fiscal year ending March 31, 2025 in the amount of 5 trillion 250 billion yen, with operating income of 400 billion yen, ordinary income of 360 billion yen, and net income attributable to owners of the parent of 237 billion yen. Amortization of actuarial differences for retirement benefits is not expected in the above operating income. And we expect capital investments of 480 billion yen and depreciation of 123 billion yen.

(Reference) Comparison with Previous Fiscal Year (Ended March 31, 2024) Results Excluding the Amortization of Actuarial Differences for Retirement Benefits, etc. (% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2025 (forecasts)	5,250,000	0.9	400,000	1.6	360,000	-5.5	237,000	-11.1
March 31, 2024	5,202,919	6.0	393,694	6.8	381,032	6.0	266,562	10.9

## 2. Basic Approach to Selection of Accounting Standards

The Daiwa House Group applies Japanese accounting standards as its selected accounting standards to maintain the comparability of consolidated financial statements between accounting periods and the comparability of performance between companies.

### 3. Consolidated Financial Statements and Main Notes

#### (1) Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2023)	Reporting fiscal year (as of March 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	358,086	450,129
Trade notes and accounts receivable	454,341	493,205
Lease receivables and investments in leases	98,809	124,906
Mortgage notes receivable held for sale	15,771	25,739
Securities maturing within one year	3,570	449
Construction projects in progress	49,993	53,849
Real estate for sale	1,511,236	1,750,539
Real estate for sale in process	487,162	437,699
Land for undeveloped	2,348	3,984
Merchandise, construction materials and others	20,341	19,650
Work in process	10,859	11,789
Raw materials and supplies	9,735	10,251
Other current assets	232,876	271,675
Allowance for doubtful accounts	(3,145)	(3,789)
<b>Total current assets</b>	<b>3,251,988</b>	<b>3,650,081</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	1,410,373	1,453,394
Accumulated depreciation	(591,582)	(570,297)
Buildings and structures, net	818,791	883,096
Machinery and equipment	166,189	170,835
Accumulated depreciation	(106,115)	(110,536)
Machinery, equipment and vehicles, net	60,074	60,298
Furniture and fixtures	86,869	88,982
Accumulated depreciation	(64,903)	(63,911)
Tools, furniture and fixtures, net	21,966	25,070
Land	916,871	816,722
Leased assets	105,361	119,189
Accumulated depreciation	(29,318)	(34,380)
Lease assets, net	76,042	84,809
Construction in progress	128,381	120,057
Other tangible assets	14,951	22,743
Accumulated depreciation	(3,449)	(4,769)
Other, net	11,502	17,973
<b>Total property, plant and equipment</b>	<b>2,033,629</b>	<b>2,008,029</b>
<b>Intangible assets</b>		
Goodwill	94,467	95,429
Other intangible assets	99,126	108,132
<b>Total intangible assets</b>	<b>193,594</b>	<b>203,561</b>

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2023)	Reporting fiscal year (as of March 31, 2024)
Investments and other assets		
Investment securities	218,834	224,638
Long-term loans receivable	4,560	5,134
Retirement benefit asset	-	39,115
Lease deposits	256,582	252,587
Deferred tax assets	141,265	111,804
Other assets	43,124	40,126
Allowance for doubtful accounts	(1,510)	(1,357)
Total investments and other assets	662,855	672,048
Total fixed assets	2,890,079	2,883,640
Total assets	6,142,067	6,533,721

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2023)	Reporting fiscal year (as of March 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	380,004	361,313
Short-term bank loans	133,028	122,253
Bonds	50,000	100,000
Loans from banks	159,044	117,675
Lease obligation	8,074	9,105
Accounts payable-other	125,732	95,643
Income taxes payable	57,254	76,222
Advances received	142,950	103,529
Advances received on construction projects in progress	183,273	195,458
Accrued bonuses	60,728	64,991
Provision for warranties for completed construction	7,460	8,236
Provision for loss on construction contracts	2,886	7,291
Asset retirement obligations	4,130	4,394
Other current liabilities	212,280	265,285
<b>Total current liabilities</b>	<b>1,526,847</b>	<b>1,531,400</b>
<b>Long-term liabilities</b>		
Bonds	559,000	759,000
Loans from banks	945,507	988,909
Lease obligation	97,420	107,236
Long-term deposits received from the Company's club members	1,146	-
Lease deposits received	307,593	303,547
Deferred tax liabilities on land revaluation	18,405	18,285
Liabilities for employees' retirement benefits	103,617	103,003
Asset retirement obligations	58,009	61,100
Other long-term liabilities	135,605	137,476
<b>Total long-term liabilities</b>	<b>2,226,305</b>	<b>2,478,559</b>
<b>Total liabilities</b>	<b>3,753,153</b>	<b>4,009,959</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	161,845	161,957
Capital surplus	303,741	301,318
Retained earnings	1,710,582	1,903,326
Treasury stock	(20,327)	(88,320)
<b>Total shareholders' equity</b>	<b>2,155,842</b>	<b>2,278,281</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain (loss) on securities	54,701	55,342
Deferred gain (loss) on hedging instruments	(118)	(1,916)
Land revaluation reserve	9,277	10,234
<b>Total liabilities and net assets</b>	<b>64,508</b>	<b>95,919</b>
<b>Total accumulated other comprehensive   income</b>	<b>128,369</b>	<b>159,580</b>
<b>Non-controlling interests</b>	<b>104,701</b>	<b>85,900</b>
<b>Total net assets</b>	<b>2,388,914</b>	<b>2,523,762</b>
<b>Total liabilities and net assets</b>	<b>6,142,067</b>	<b>6,533,721</b>



**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)**

	(Millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Reporting fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	4,908,199	5,202,919
Cost of sales	3,953,004	4,210,511
Gross profit	955,194	992,407
Selling, general and administrative expenses		
Sales commission	21,512	22,741
Advertising expenses	27,132	28,473
Promotion expenses	5,180	4,551
Provision of allowance for doubtful accounts	2,176	2,306
Directors' compensations	4,398	4,524
Employees' salaries and allowances	197,060	207,992
Provision for bonuses	36,191	39,496
Retirement benefit expenses	(29,410)	(1,647)
Legal welfare expenses	29,415	30,782
Stationery expenses	26,303	27,250
Correspondence and transportation expenses	19,762	20,790
Rents	20,265	20,037
Depreciation	16,931	16,703
Tax and dues	39,068	45,205
Other	73,837	82,987
Selling, general and administrative expenses	489,824	552,197
Operating income	465,370	440,210
Non-operating income		
Interest income	2,390	2,734
Dividend income	5,146	5,706
Equity in earnings of affiliates	844	2,411
Insurance claim income	1,836	1,438
Gain on valuation of derivatives	-	5,302
Miscellaneous income	10,839	13,489
Total non-operating income	21,058	31,083
Non-operating expenses		
Interest expense	18,836	31,531
Provision of allowance for doubtful accounts	849	53
Miscellaneous expenses	10,730	12,159
Total non-operating expenses	30,416	43,745
Ordinary income	456,012	427,548
Extraordinary income		
Gain on sales of fixed assets	3,935	7,249
Gain on sales of investments in securities	1,662	16,602
Gain on sales of stocks of a subsidiary	301	23,189
Gain on sales of investments in capital of an affiliate	3,651	-
Gain on change in equity interest	476	1,983
Total extraordinary income	10,027	49,025

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Reporting fiscal year (From April 1, 2023 to March 31, 2024)
Extraordinary losses		
Loss on sales of fixed assets	223	149
Loss on disposal of fixed assets	3,879	2,975
Impairment loss	11,271	10,826
Loss on sales of investments in securities	218	17
Loss on revaluation of investments in securities	498	1,423
Loss on sales of stocks of subsidiaries and affiliates	4,066	5,345
Loss on sales of investments in capital of an affiliate	194	-
Tenant compensation expenses	5,191	-
Other	0	0
Total extraordinary losses	25,543	20,738
Profit before income taxes	440,496	455,834
Current	96,806	132,317
Deferred	28,012	23,263
Total income taxes	124,819	155,581
Profit	315,677	300,253
Profit attributable to non-controlling interests	7,277	1,500
Profit attributable to owners of the parent	308,399	298,752

**(Consolidated Statements of Comprehensive Income)**

	(Millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Reporting fiscal year (From April 1, 2023 to March 31, 2024)
Profit	315,677	300,253
Other comprehensive income		
Unrealized gain (loss) on securities	(9,317)	640
Deferred gain (loss) on hedging instruments	742	(1,798)
Land revaluation difference	6	37
Foreign currency translation adjustments	50,068	35,230
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	(4,434)	343
Total other comprehensive income	37,065	34,452
Comprehensive income	352,742	334,706
Total comprehensive income attributable to:		
Owners of the parent	339,484	329,043
Non-controlling interests	13,258	5,662

### (3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	161,699	301,982	1,486,900	(29,081)	1,921,500
Changes of items during the period					
Issuance of new shares	145	145	—	—	291
Dividends from surplus	—	—	(86,089)	—	(86,089)
Net income attributable to owners of the parent	—	—	308,399	—	308,399
Change of scope of equity method	—	520	—	—	520
Reversal of revaluation reserve for land	—	—	1,371	—	1,371
Purchase of treasury stock	—	—	—	(10)	(10)
Disposal of treasury stock	—	0	—	189	189
Cancellation of treasury Stock	—	(104)	—	104	—
Changes by share exchanges	—	1,197	—	8,471	9,669
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	145	1,759	223,682	8,754	234,342
Balance at end of the period	161,845	303,741	1,710,582	(20,327)	2,155,842

	Accumulated other comprehensive income					Non-controlling shareholders' interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the period	64,017	(860)	10,642	24,857	98,657	91,227	2,111,385
Changes of items during the period							
Issuance of new shares	—	—	—	—	—	—	291
Dividends from surplus	—	—	—	—	—	—	(86,089)
Net income attributable to owners of the parent	—	—	—	—	—	—	308,399
Change of scope of equity method	—	—	—	—	—	—	520
Reversal of revaluation reserve for land	—	—	—	—	—	—	1,371
Purchase of treasury stock	—	—	—	—	—	—	(10)
Disposal of treasury stock	—	—	—	—	—	—	189
Cancellation of treasury Stock	—	—	—	—	—	—	—
Changes by share exchanges	—	—	—	—	—	—	9,669
Net changes of items other than shareholders' equity	(9,315)	742	(1,364)	39,650	29,712	13,474	43,186
Total changes of items during the period	(9,315)	742	(1,364)	39,650	29,712	13,474	277,528
Balance at end of the period	54,701	(118)	9,277	64,508	128,369	104,701	2,388,914

Reporting fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at beginning of the period	161,845	303,741	1,710,582	(20,327)	2,155,842
Changes of items during the period					
Issuance of new shares	111	111	—	—	223
Dividends from surplus	—	—	(87,520)	—	(87,520)
Net income attributable to owners of the parent	—	—	298,752	—	298,752
Change of scope of equity method	—	(926)	—	—	(926)
Reversal of revaluation reserve for land	—	—	(919)	—	(919)
Purchase of treasury stock	—	—	—	(87,171)	(87,171)
Disposal of treasury stock	—	0	—	0	0
Cancellation of treasury Stock	—	(1,608)	(17,569)	19,177	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	111	(2,423)	192,743	(67,993)	122,439
Balance at end of the period	161,957	301,318	1,903,326	(88,320)	2,278,281

	Accumulated other comprehensive income					Non-controlling shareholders' interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the period	54,701	(118)	9,277	64,508	128,369	104,701	2,388,914
Changes of items during the period							
Issuance of new shares	—	—	—	—	—	—	223
Dividends from surplus	—	—	—	—	—	—	(87,520)
Net income attributable to owners of the parent	—	—	—	—	—	—	298,752
Change of scope of equity method	—	—	—	—	—	—	(926)
Reversal of revaluation reserve for land	—	—	—	—	—	—	(919)
Purchase of treasury stock	—	—	—	—	—	—	(87,171)
Disposal of treasury stock	—	—	—	—	—	—	0
Cancellation of treasury Stock	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	640	(1,798)	956	31,410	31,210	(18,801)	12,408
Total changes of items during the period	640	(1,798)	956	31,410	31,210	(18,801)	134,847
Balance at end of the period	55,342	(1,916)	10,234	95,919	159,580	85,900	2,523,762

**(4) Consolidated Statements of Cash Flows**

	(Millions of yen)	
	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Reporting fiscal year (From April 1, 2023 to March 31, 2024)
Net cash provided by (used in) operating activities		
Profit before income taxes	440,496	455,834
Depreciation	113,464	117,204
Increase (decrease) in liability for employees' retirement benefits	(90,260)	(41,198)
Interest and dividend income	(7,537)	(8,441)
Interest expense	18,836	31,531
Equity in losses (earnings) of affiliates	(844)	(2,411)
Net loss (gain) on sales and disposal of property, plant and equipment	167	(4,124)
Impairment loss	11,271	10,826
Loss (gain) on revaluation of investments in securities	498	1,423
Decrease (increase) in trade receivables	(43,375)	(40,642)
Decrease (increase) in inventories	(230,373)	(101,370)
Increase (decrease) in advances received	(61,274)	(39,469)
Increase (decrease) in advances received on construction projects in progress	44,637	11,275
Increase (decrease) in trade payables	19,370	(22,247)
Other	134,875	63,631
Subtotal	349,951	431,821
Interest and dividends received	10,718	11,502
Interest paid	(16,625)	(29,374)
Income taxes paid	(113,745)	(111,655)
Net cash provided by (used in) operating activities	230,298	302,294
Net cash provided by (used in) investing activities		
Purchases of property, plant and equipment and intangible assets	(486,516)	(356,048)
Proceeds from sales of property, plant and equipment	7,894	12,670
Purchases of investment securities	(11,845)	(11,213)
Proceeds from sales and redemption of investment securities	14,743	43,747
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(17,230)	(14,950)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(2,313)	(28,108)
Proceeds from sales, etc of investments in subsidiaries resulting in change in scope of consolidation	-	45,241
Proceeds from collection of leasehold and guarantee deposits	22,432	18,965
Payments of leasehold and guarantee deposits	(24,190)	(18,048)
Other	(8,156)	(2,674)
Net cash provided by (used in) investing activities	(505,181)	(310,419)

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Reporting fiscal year (From April 1, 2023 to March 31, 2024)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(23,372)	9,305
Proceeds from long-term loans payable	433,846	390,513
Repayment of long-term loans payable	(201,940)	(354,719)
Proceeds from issuance of bonds	201,000	300,000
Redemption of bonds	(25,000)	(50,000)
Repayments of finance lease obligations	(8,350)	(9,168)
Proceeds from share issuance to non-controlling shareholders	1,858	4,616
Purchase of treasury stock	(10)	(87,171)
Proceeds from sales of treasury stock	189	0
Cash dividends paid	(86,089)	(87,520)
Dividends paid to non-controlling interests	(7,028)	(2,131)
Purchase of shares etc of subsidiaries not resulting in change in scope of consolidation	(2,939)	(1,440)
Other, net	5,289	(14,884)
Net cash provided by (used in) financing activities	287,452	97,399
Effect of exchange rate change on cash and cash equivalents	5,809	4,144
Net increase (decrease) in cash and cash equivalents	18,379	93,418
Cash and cash equivalents at the beginning of the period	326,250	346,154
Increase in cash and cash equivalents from newly consolidated subsidiary	1,524	-
Cash and cash equivalents at the end of the period	346,154	439,572

## **(5) Notes to Consolidated Financial Statements**

### **Notes on Premise of Going Concern**

No items to report.

### **Changes in Representation**

#### Consolidated Balance Sheets

“Provision for loss on construction contracts” which was included in “Other” of “Current liabilities” in the previous consolidated fiscal year, has been separately stated since the fiscal year under review because its monetary significance has increased. Consolidated financial statement of the previous fiscal year has been reclassified to reflect this change in presentation method.

As a result, 215,166 million yen presented as “Other” in “Current liabilities” in the consolidated balance sheets of the previous fiscal year has been reclassified to “Provision for loss on construction contracts” of 2,886 million yen and “Other” of 212,280 million yen.



## Segment Information

### a. Segment Information

#### 1. Outline of reportable business segments

The reportable business segments of the Group consist of those for which separate financial information is available within the Group's structural units. Segments are also subject to regular reviews as the management determines the allocation of management resources and assesses the business performance.

The Group engages in a comprehensive business across a broad range of fields, including the construction of residential housing and commercial buildings. The Group established seven business segments, set up a comprehensive strategy for each business segment and operates to enhance competitiveness with prompt decision-making and sophisticated expertise, integrating its value chain and sharing its customer base.

Accordingly, our business segments consist of different products and services, based on their business domains. Excluding the Other Businesses segment, there are six reportable business segments as core business domains: Single-Family Houses Business segment, Rental Housing Business segment, Condominiums Business segment, Commercial Facilities Business segment, Logistics, Business & Corporate Facilities Business segment, and Environment and Energy Business segment.

In the Single-Family Houses Business segment, we engage in construction by order of single-family houses and the sale of a package of new house and land. In the Rental Housing Business segment, the Group conducts rental housing development, construction, management, operation, and real estate agency services. In the Condominium Business segment, we develop, sell, and manage condominiums. The Commercial Facilities Business segment develops, builds, manages, and operates commercial facilities. The Logistics, Business & Corporate Facilities Business segment develops, constructs, manages, and operates logistics, manufacturing, medical and nursing-care, and other facilities. In the Environment and Energy Business segment, we are engaged in the development and construction of renewable energy power plants, renewable energy generation, and electricity retailing.

#### 2. Method of calculating sales and operating income, assets and others by reportable business segment

The accounting method applied to business segments reported herein, and the monetary amounts shown, are based on the accounting standard used for the preparation of consolidated financial statements.

The reported segment income figures at the operating income stage.

Inter-segment income and transfers are based on the prevailing market price.

#### 3. Changes in business segment classification method

From the consolidated fiscal year under review, Daiwa House Modular Europe B.V., a subsidiary of the Company, changed from the Single-Family Houses Business segment to the Rental Housing Business segment due to a change in the management structure.

Segment information for the previous fiscal year is shown under the classification after the change.

#### 4. Sales and operating income, assets and others by reportable business segment

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Business Segments						
	Single-Family Houses	Rental Housing	Condominiums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Total
Sales							
(1) Sales to customers	869,395	1,177,569	475,631	1,083,151	1,101,964	143,386	4,851,098
(2) Inter-segment sales or transfers	6,974	5,560	8,750	9,016	28,265	45,224	103,793
Total	876,370	1,183,130	484,382	1,092,167	1,130,230	188,611	4,954,891
Operating income	46,584	109,792	40,879	132,984	99,630	6,285	436,156
Assets	782,866	647,470	702,674	1,547,036	1,865,499	97,517	5,643,064
Others							
Depreciation	10,915	15,702	3,194	54,820	22,118	3,048	109,798
Investment in equity method affiliates	1,436	2	2,472	12	17,259	913	22,098
Net increase in property, plant and equipment, and intangible assets	22,191	38,548	8,988	151,009	289,527	2,227	512,493

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the consolidated financial statements
Sales				
(1) Sales to customers	57,100	4,908,199	—	4,908,199
(2) Inter-segment sales or transfers	24,748	128,541	(128,541)	—
Total	81,849	5,036,740	(128,541)	4,908,199
Operating income	5,497	441,654	23,716	465,370
Assets	154,188	5,797,253	344,814	6,142,067
Others				
Depreciation	1,730	111,528	1,935	113,464
Investment in equity method affiliates	3,628	25,726	—	25,726
Net increase in property, plant and equipment, and intangible assets	1,427	513,920	4,222	518,143

Notes: 1. Other Businesses include resort hotels business and others.

2. Adjustment:

- (1) 23,716 million yen in adjustments to operating income by business segment includes -1,374 million yen in elimination within business segments, 831 million yen in amortization of goodwill and others, and 24,258 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of amortization of actuarial differences on retirement benefits (a decrease in operating expenses), general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
- (2) 344,814 million yen in adjustments to assets by business segment include -20,194 million yen in elimination within business segments, and 365,009 million yen in the Group assets. Group assets mainly consist of the Company's surplus funds (cash and deposits), the Company's long-term investment funds (investment securities), and the assets associated with Administration Headquarters of the Company.
- (3) 1,935 million yen in adjustments to depreciation by business segment includes -532 million yen in elimination within business segments, and 2,468 million yen in the depreciation attributable to Group assets.
- (4) 4,222 million yen in adjustments to net increase in property, plant and equipment, and intangible assets by business segment includes 856 million yen in elimination within business segments, and 3,366 million yen in Headquarters' capital investment of the Company, such as properties and equipment.

3. Operating income by business segment is adjusted to correspond to operating income in the consolidated statements of income.

**Reporting fiscal year (From April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Reportable Business Segments						
	Single-Family Houses	Rental Housing	Condominiums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Total
Sales							
(1) Sales to customers	944,461	1,248,673	432,969	1,175,715	1,259,239	101,746	5,162,806
(2) Inter-segment sales or transfers	6,622	1,614	8,898	5,845	35,215	37,694	95,891
<b>Total</b>	<b>951,083</b>	<b>1,250,288</b>	<b>441,867</b>	<b>1,181,561</b>	<b>1,294,455</b>	<b>139,441</b>	<b>5,258,697</b>
Operating income	35,164	115,791	37,372	143,630	123,244	9,131	464,335
Assets	983,493	769,308	547,970	1,704,237	1,925,779	86,632	6,017,420
Others							
Depreciation	10,479	18,105	3,274	55,201	23,957	3,139	114,157
Investment in equity method affiliates	1,330	74	19,816	13	21,334	2,267	44,836
Net increase in property, plant and equipment, and intangible assets	9,028	48,128	4,960	125,889	153,188	2,351	343,546

	Other Businesses (Note: 1)	Subtotal	Adjustment (Note: 2)	Amounts on the consolidated financial statements
Sales				
(1) Sales to customers	40,112	5,202,919	—	5,202,919
(2) Inter-segment sales or transfers	27,930	123,821	(123,821)	—
<b>Total</b>	<b>68,043</b>	<b>5,326,740</b>	<b>(123,821)</b>	<b>5,202,919</b>
Operating income	2,450	466,786	(26,575)	440,210
Assets	133,976	6,151,397	382,324	6,533,721
Others				
Depreciation	1,197	115,355	1,849	117,204
Investment in equity method affiliates	3,981	48,817	(10)	48,807
Net increase in property, plant and equipment, and intangible assets	7,606	351,152	4,628	355,780

Notes: 1. Other Businesses include financial business and others.

2. Adjustment:

- (1) -26,575 million yen in adjustments to operating income by business segment includes -1,359 million yen in elimination within business segments, 822 million yen in amortization of goodwill and others, and -26,038 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
  - (2) 382,324 million yen in adjustments to assets by business segment include -32,156 million yen in elimination within business segments, and 414,480 million yen in the Group assets. Group assets mainly consist of the Company's surplus funds (cash and deposits), the Company's long-term investment funds (investment securities), and the assets associated with Administration Headquarters of the Company.
  - (3) 1,849 million yen in adjustments to depreciation by business segment includes -499 million yen in elimination within business segments, and 2,348 million yen in the depreciation attributable to Group assets.
  - (4) -10 million yen in adjustments to investment in equity method affiliates represent elimination within business segments.
  - (5) 4,628 million yen in adjustments to net increase in property, plant and equipment, and intangible assets by business segment includes -718 million yen in elimination within business segments, and 5,346 million yen in Headquarters' capital investment of the Company, such as properties and equipment.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated statements of income.

**b. Information regarding impairment loss on noncurrent assets, by reportable business segment**

**Previous fiscal year (from April 1, 2022 to March 31, 2023)**

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Other Businesses (*1)	Eliminations/Corporate (*2)	Total
Impairment loss	1,204	786	2,029	6,211	715	149	73	100	11,271

(\*1) Amounts are resort hotel and golf business.

(\*2) Amounts are group assets that are not attributable to reportable business segments.

**Reporting fiscal year (from April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Other Businesses (*)	Eliminations/Corporate	Total
Impairment loss	58	73	32	7,959	359	9	2,334	—	10,826

(\*) Amounts are welfare services business, among others.

**c. Information regarding amortization of goodwill, and unamortized balances of goodwill, by reportable business segment**

**Previous fiscal year (from April 1, 2022 to March 31, 2023)**

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Other Businesses (*)	Eliminations/Corporate	Total
Amortization of goodwill	1,500	747	655	772	2,519	(490)	19	—	5,724
Fiscal year-end unamortized balance of goodwill	29,306	12,551	8,153	6,820	30,666	(2,173)	9,142	—	94,467

(\*) Amounts are electric power generation business, among others.

**Reporting fiscal year (from April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Single-Family Houses	Rental Housing	Condo-miniums	Commercial Facilities	Logistics, Business & Corporate Facilities	Environment and Energy	Other Businesses (*)	Eliminations/Corporate	Total
Amortization of goodwill	3,491	788	1,013	994	3,135	(490)	757	—	9,691
Fiscal year-end unamortized balance of goodwill	29,552	13,123	5,861	6,027	34,096	(1,683)	8,450	—	95,429

(\*) Amounts are electric power generation business, among others.

**d. Information regarding gain on negative goodwill, by reportable business segment**

**Previous fiscal year (from April 1, 2022 to March 31, 2023)**

No items to report.

**Reporting fiscal year (from April 1, 2023 to March 31, 2024)**

No items to report.

## Per Share Information

	<b>Previous fiscal year (From April 1, 2022 to March 31, 2023)</b>	<b>Reporting fiscal year (From April 1, 2023 to March 31, 2024)</b>
Net assets per share	3,466.86 yen	3,810.21 yen
Basic net income per share	469.12 yen	457.16 yen

Notes: 1. Diluted net income per share for the previous fiscal year is not presented because there are no potential shares.  
Diluted net income per share for the current fiscal year is not presented because there are no dilutive potential shares.

2. The basis of calculating for basic net income per share is as follows:

	<b>Previous fiscal year (From April 1, 2022 to March 31, 2023)</b>	<b>Reporting fiscal year (From April 1, 2023 to March 31, 2024)</b>
Basic net income per share		
Net income attributable to the parent (millions of yen)	308,399	298,752
Amount not belonging to general shareholders (millions of yen)	—	—
Basic net income attributable to owners of the parent related to common stock (millions of yen)	308,399	298,752
Average amount of common stock during the year (thousands of shares)	657,404	653,501

## Significant Subsequent Events

No items to report.

### Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on May 10, 2024.