



Daiwa House[®]
Group

Daiwa House Group's Business Strategies

-Investor's Guide

Daiwa House Industry Co., Ltd.

(August 2022)

Daiwa House
Group

1. Overview of Daiwa House Group

Our hopes of the future (purpose)	.....P.4
Business history of Daiwa House Group	.....P.5
Business composition	.....P.6

2. The Seventh Medium-Term Management Plan

Performance targets	.....P.10
Management policies and focal themes	.....P.14
Review of Sixth Medium-Term Management Plan	.....P.25

3. Overview of Business Segment

Single-Family Houses Business	.....P.30
Rental Housing Business	.....P.38
Condominiums Business	.....P.44
Commercial Facilities Business	.....P.48
Logistics, Business & Corporate Facilities Business	.....P.54
Environment & Energy Business	.....P.65
Other Businesses	.....P.67

4. ESG Initiatives

Environmental initiatives	.....P.69
Community development of the Daiwa House Group	.....P.72
Social initiatives	.....P.73
Implementation items for strengthening governance	.....P.74

Overview of Daiwa House Group

Our hopes of the future (purpose)

Business history of Daiwa House Group

Business composition

Our hopes of the future (purpose)

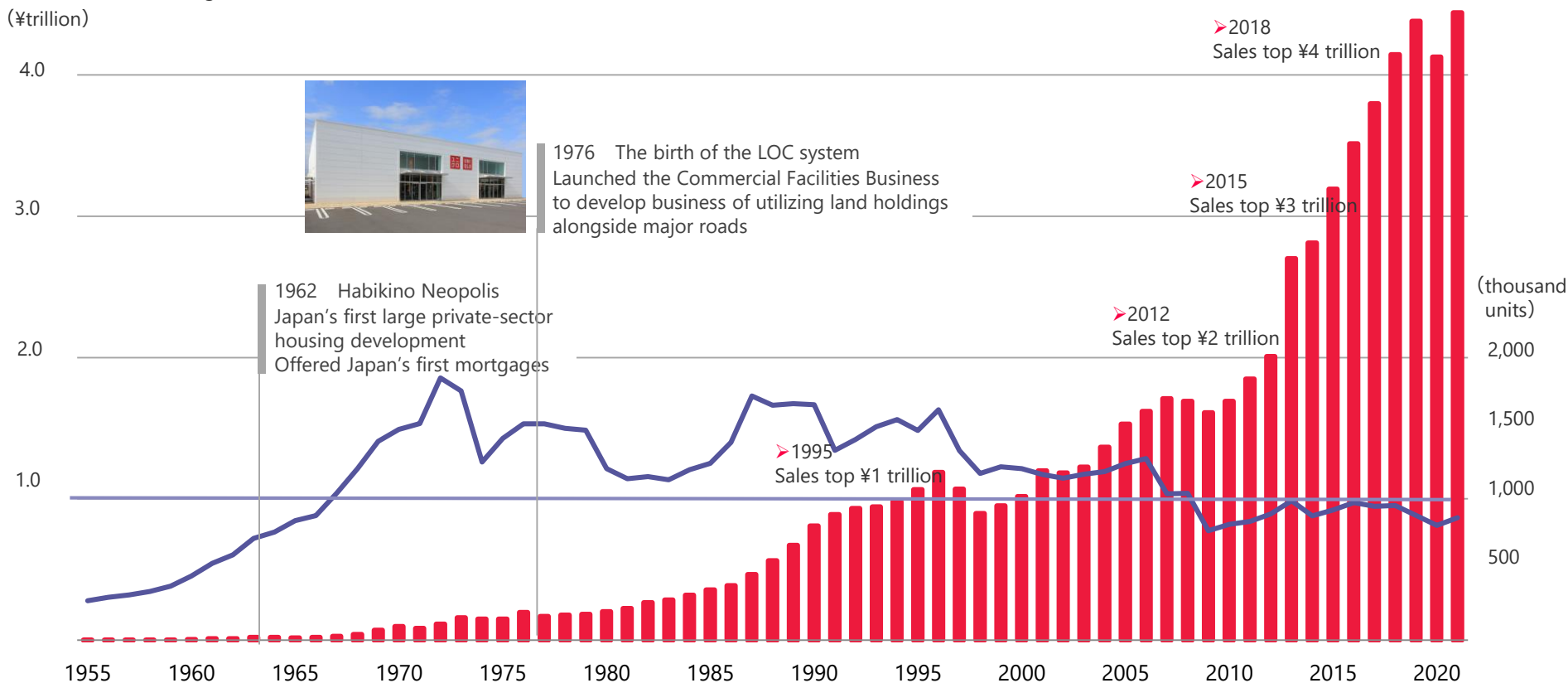
OUR FUTURE LANDSCAPE – CELEBRATING THE JOYS OF LIFE.

Creating the fundamental societal infrastructure and lifestyle culture rooted in regeneration, ensuring a world where we live together in harmony embracing the Joys of Life.



Daiwa House Industry was founded in 1955 with the corporate philosophy of industrialized construction. We grew as a prefabricated housing manufacturer in line with rising housing demand. Starting from the founder's words "Do things because they will be of service to society," we have created products, services and systems with flexible ideas, and have achieved sustainable growth even in an environment where the number of housing starts in Japan is decreasing.

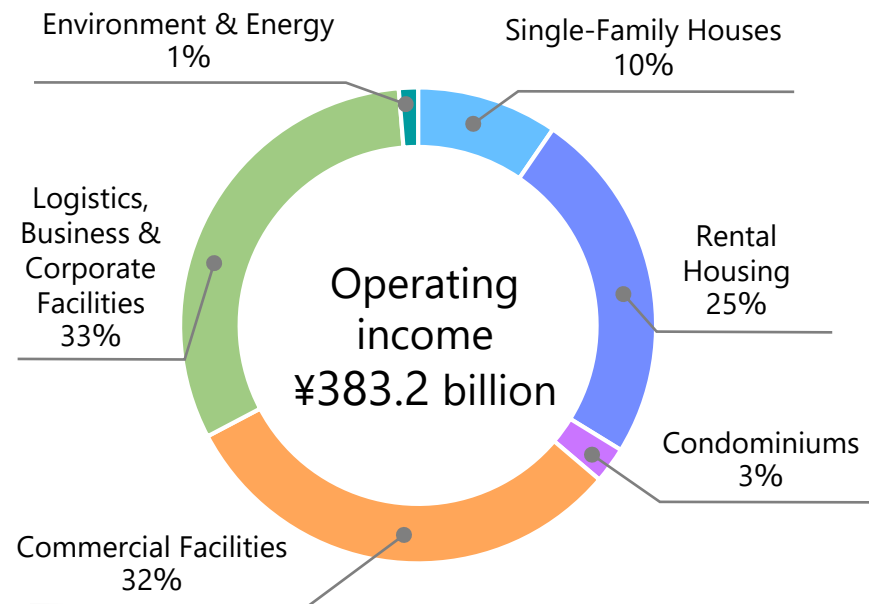
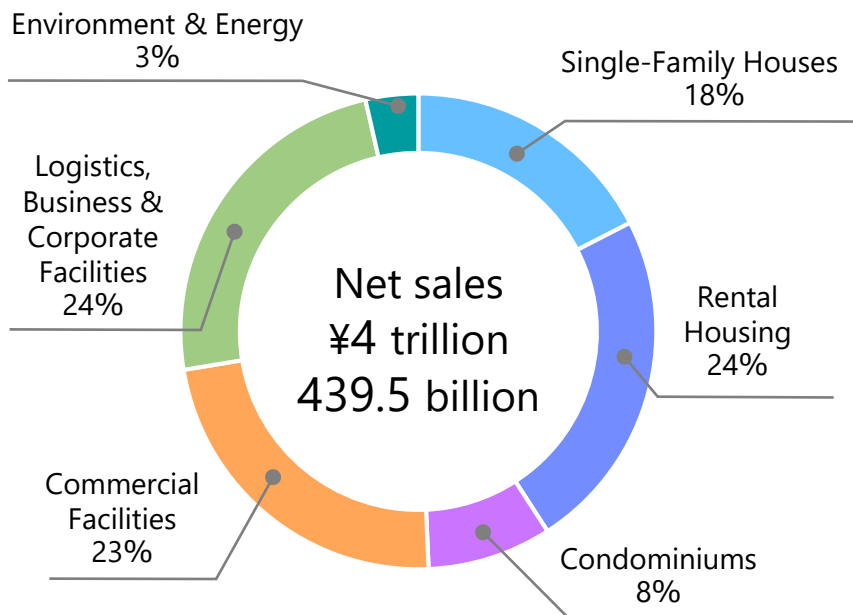
■ Consolidated net sales (Figures prior to 1985 are non-consolidated)
 ■ New housing starts



1959 Midget House
 As a study room which could be constructed in three hours helped the solution to housing space shortage caused by rising birthrate

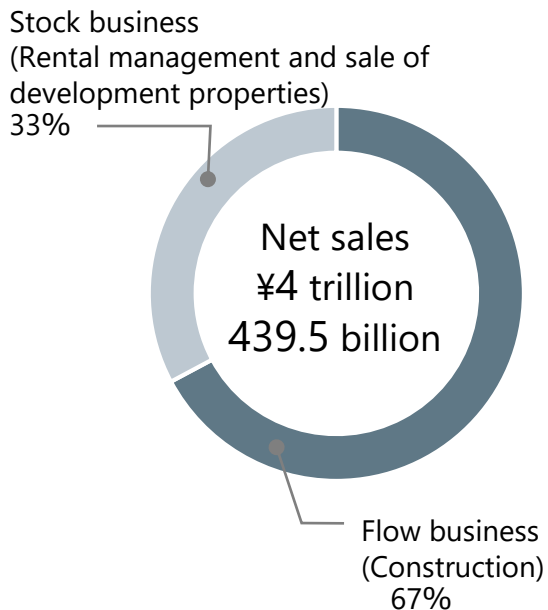


2003 D Project
 Development of large-scale logistics facilities
 Offering a one-stop service encompassing everything from selection, purchase and preparation of site, through design and construction, to management support

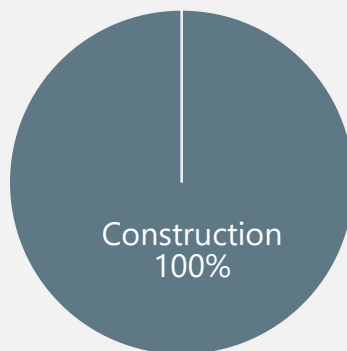


*Net sales represents sales to external customers.

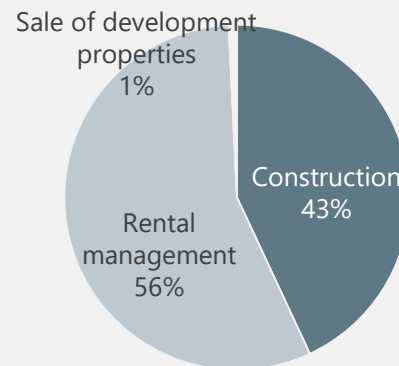
*Other businesses and adjustments are included in the total but not shown on the graph. The percentage of each segment does not add up to 100%.



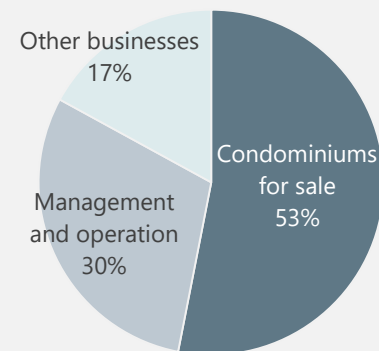
Single-Family Houses



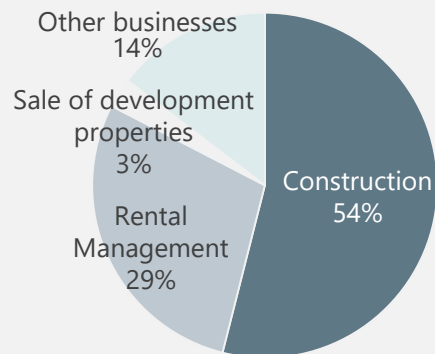
Rental Housing



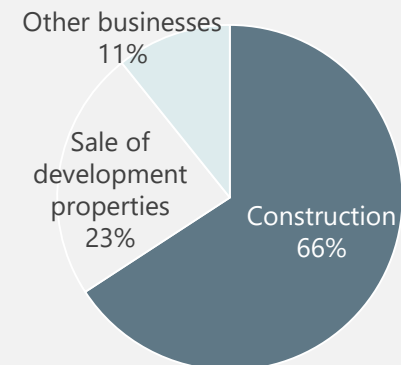
Condominiums

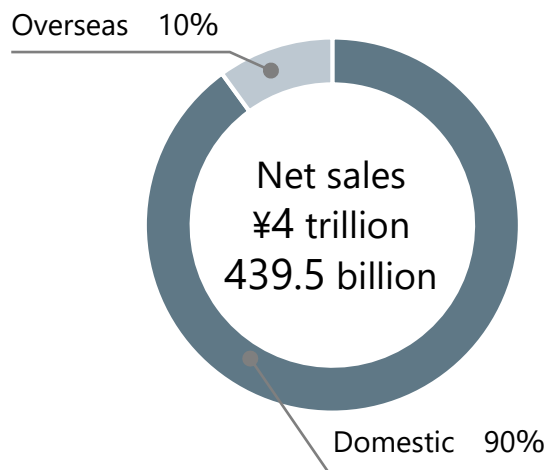


Commercial Facilities

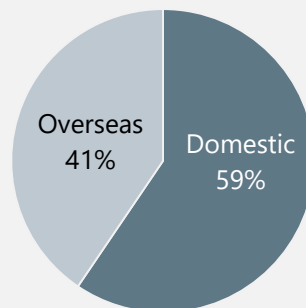


Logistics, Business & Corporate Facilities

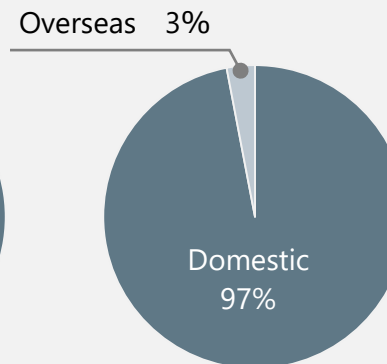




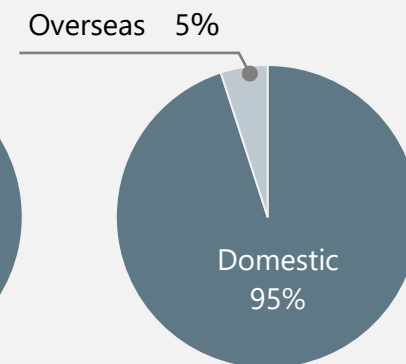
Single-Family Houses



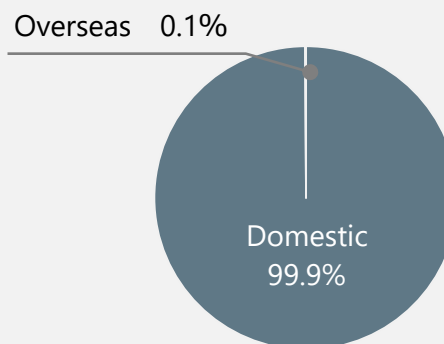
Rental Housing



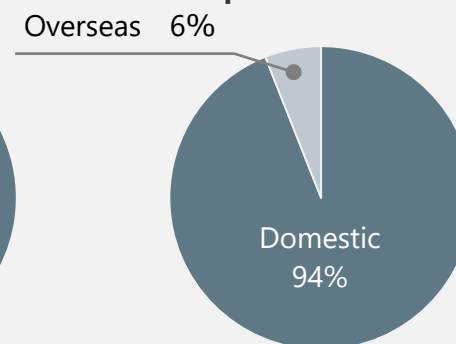
Condominiums



Commercial Facilities



Logistics, Business & Corporate Facilities



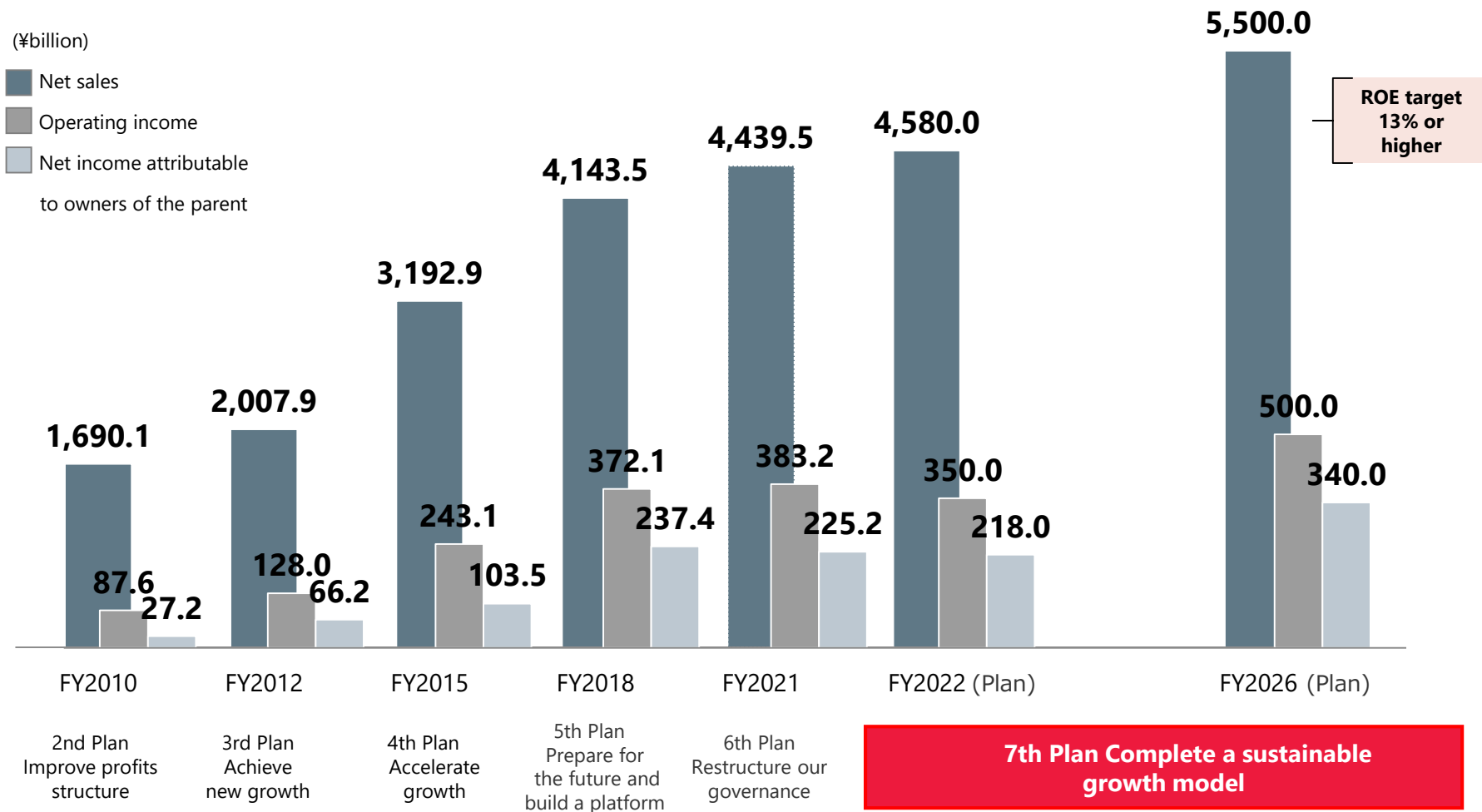
The Seventh Medium-Term Management Plan

Performance targets

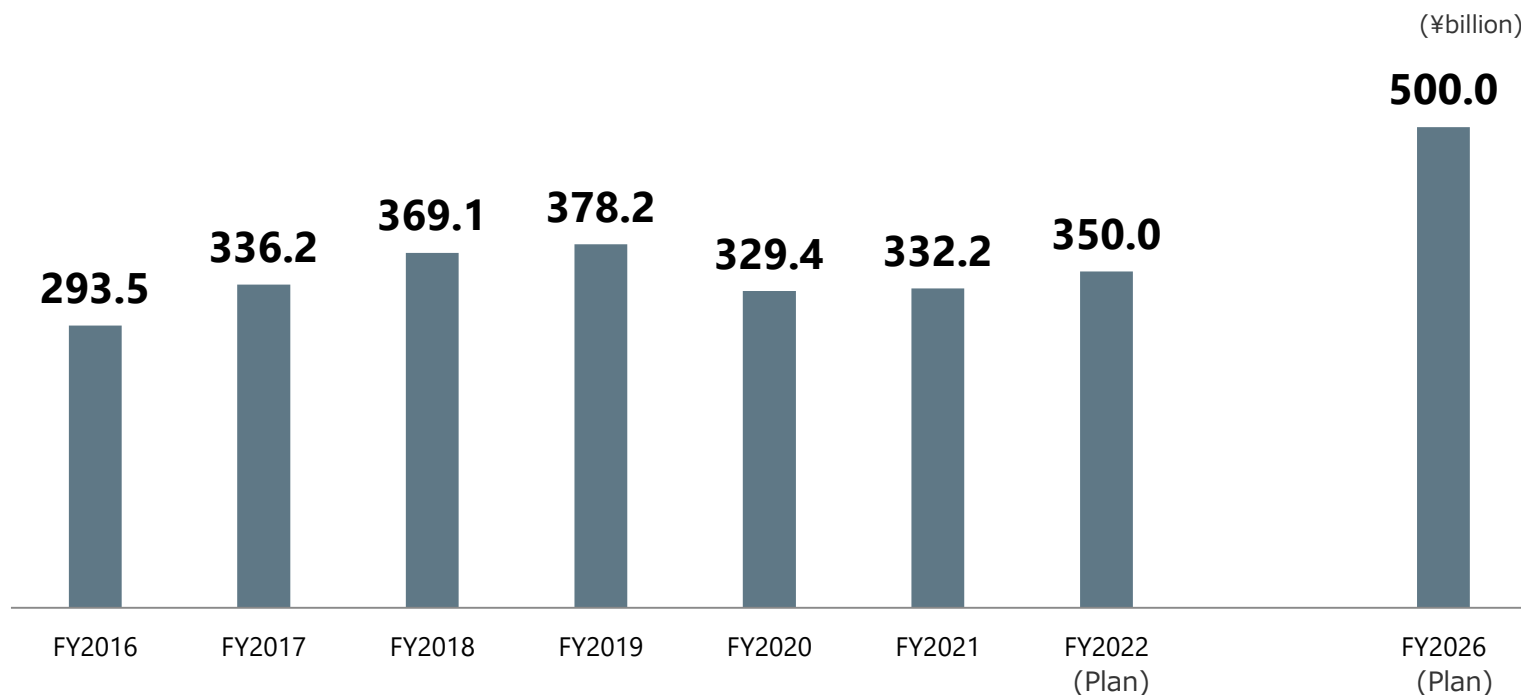
Management policies and focal themes

Review of Sixth Medium-Term Management Plan

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



【Reference】 Changes in operating income
excluding the effects of actuarial differences in retirement benefits



FY	2016	2017	2018	2019	2020	2021	2022	2026
OP income	310.0	347.1	372.1	381.1	357.1	383.2	350.0	500.0
Amortization of actuarial differences	16.5	10.8	3.0	2.8	27.6	50.9	—	—
Excluded amortization of actuarial differences	293.5	336.2	369.1	378.2	329.4	332.2	350.0	500.0

*At Daiwa House, actuarial difference amortization in retirement benefit accounting is treated in aggregate as cost of sales or SG&A at the end of each fiscal year.

7th Medium-Term Management Plan

- Net sales targets by business segments

(¥billion)	6th Mid-Term Plan		7th Medium-Term Management Plan					
	FY2021		FY2022			FY2026		CAGR
	Results	For overseas	Plan	For overseas	Change	Plan	For overseas	
Single-Family Houses	784.8	318.0	890	409.9	13.4%	1,250	730	9.8%
Rental Housing	1,052.5	32.5	1,110	38.1	5.5%	1,250	60	3.5%
Condominiums	379.9	20.3	465	84.7	22.4%	400	150	1.0%
Commercial Facilities	1,038.5	1.2	1,020	1.7	-1.8%	1,250	25	3.8%
Logistics, Business & Corporate Facilities	1,079.2	68.8	1,010	61.6	-6.4%	1,300	90	3.8%
Environment & Energy	161.0	-	135	-	-16.2%	170	2	1.1%
Other Businesses	63.0	4.0	68	3.7	7.9%	70	8	2.1%
Total	4,439.5	445.1	4,580	600.0	3.2%	5,500	1,000	4.4%

*Sales by segment includes intragroup transactions between segments.

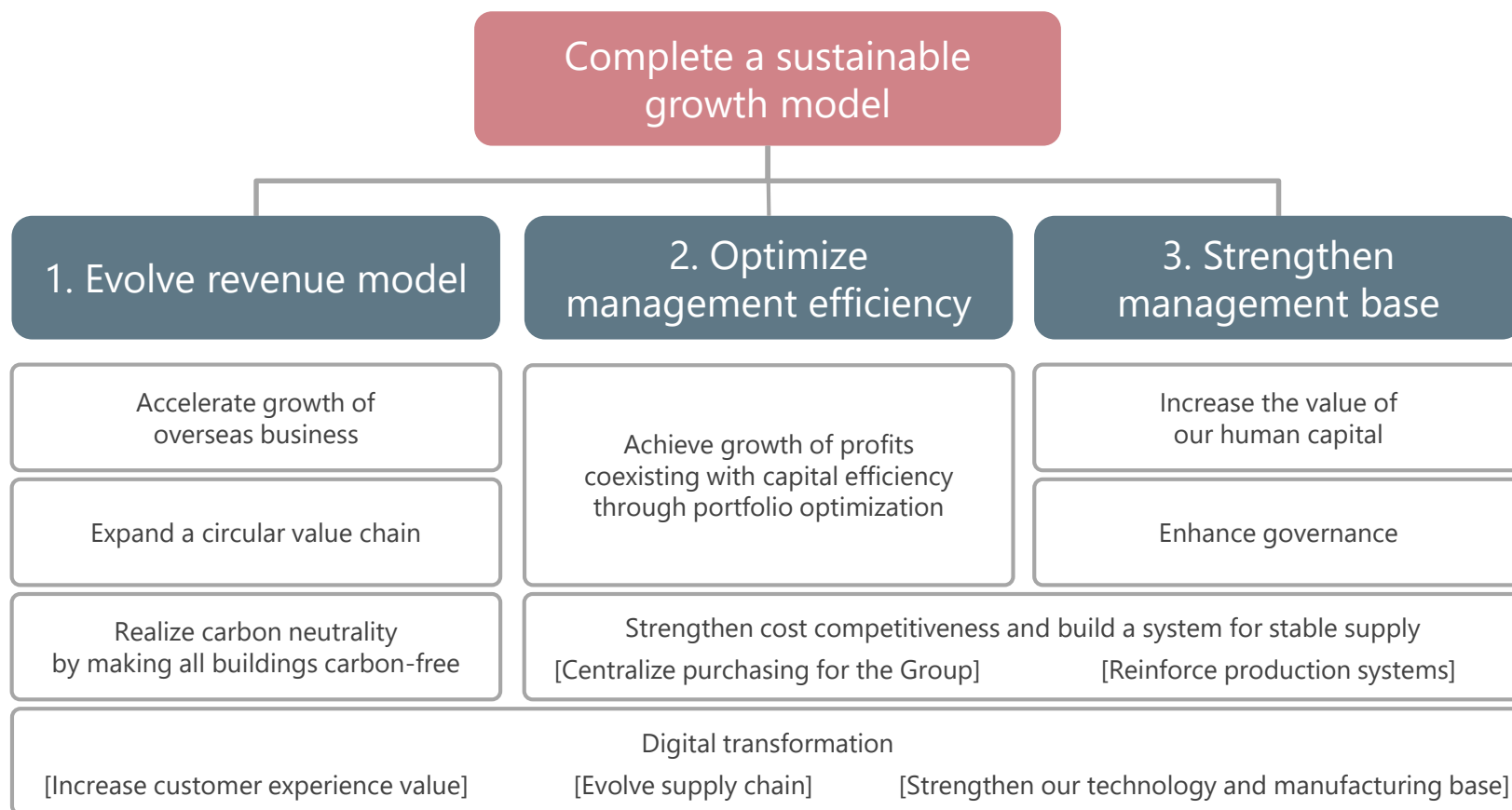
7th Medium-Term Management Plan

- Operating income targets by business segments

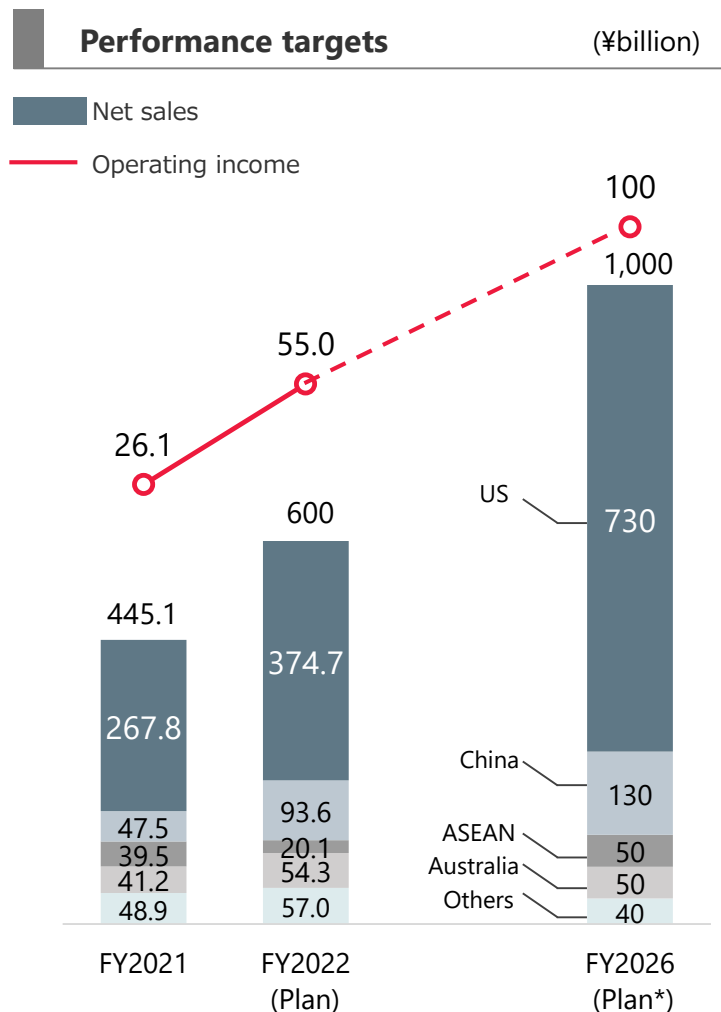
(¥billion)	6th Mid-Term Plan			7th Medium-Term Management Plan							
	FY2021			FY2022				FY2026			CAGR
	Results	For overseas	OP margin	Plan	For overseas	Change	OP margin	Plan	For overseas	OP margin	
Single-Family Houses	38.3	23.4	4.9%	50	35.8	30.3%	5.6%	100	75	8.0%	21.1%
Rental Housing	96.6	5.5	9.2%	105	7.8	8.6%	9.5%	120	10	9.6%	4.4%
Condominiums	9.7	-2.3	2.6%	29	14.8	197.3%	6.2%	25	18	6.3%	20.7%
Commercial Facilities	124.1	-1.1	12.0%	125	-1.0	0.7%	12.3%	160	5	12.8%	5.2%
Logistics, Business & Corporate Facilities	125.5	1.2	11.6%	102	0.0	-18.7%	10.1%	160	9	12.3%	5.0%
Environment & Energy	5.2	-	3.3%	5.5	-	4.4%	4.1%	10	0.2	5.9%	13.7%
Other Businesses	-5.9	-0.6	-	-5	-2.3	-	-	5	-2.9	7.1%	-
Total	383.2	26.1	8.6%	350	55.0	-8.7%	7.6%	500	100	9.1%	5.5%
Effect of retirement benefit obligations	50.9	-	-	-	-	-	-	-	-	-	-
Recalculation	332.2	26.1	7.5%	350	55.0	5.3%	7.6%	500	100	9.1%	8.5%

*Operating income by segment includes intragroup transactions between segments.

Toward realizing a sustainable growth model, we uphold 3 management policies, and tackle 8 focal themes under the policies



Focusing on the US and China, develop business in areas with high real demand to supply quality housing steadily
 In the ASEAN region, build bases to connect to the world based on businesses of client companies
 with whom we have built trust relationships in Japan



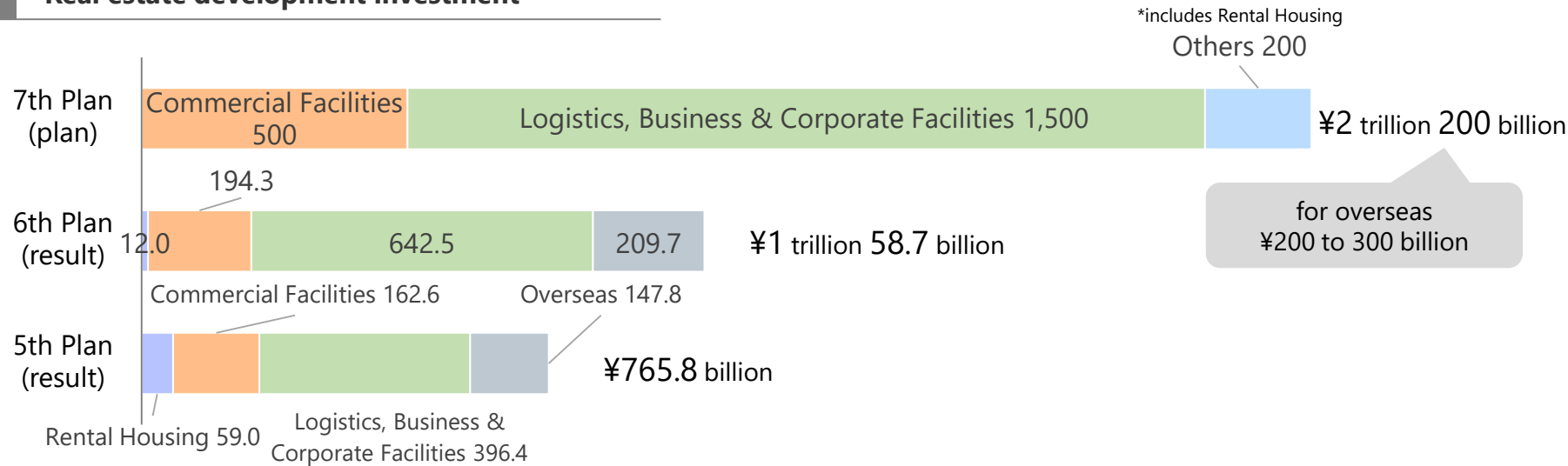
- US**
 - Expand business by 3 local companies in the "smile zone"
 - Increase supply chain efficiency with centralized purchasing
 - Stabilize quality by expanding offsite processes
- China (East Asia)**
 - Develop condominiums mainly in Yangtze River delta area
 - Offer a one-stop business covering from land selection through development to management and after-sale service
- ASEAN South Asia**
 - In the Logistics, Business and Corporate Facilities Business, develop infrastructures and increase employment in developing countries with large-scale development projects
- Australia**
 - Develop business in Sydney and other major cities
- Europe**
 - Exploit European housing market with modular construction
 - Utilize technology and expertise in a wide range of fields, not just housing

*FY2026 plan for Others includes only Europe

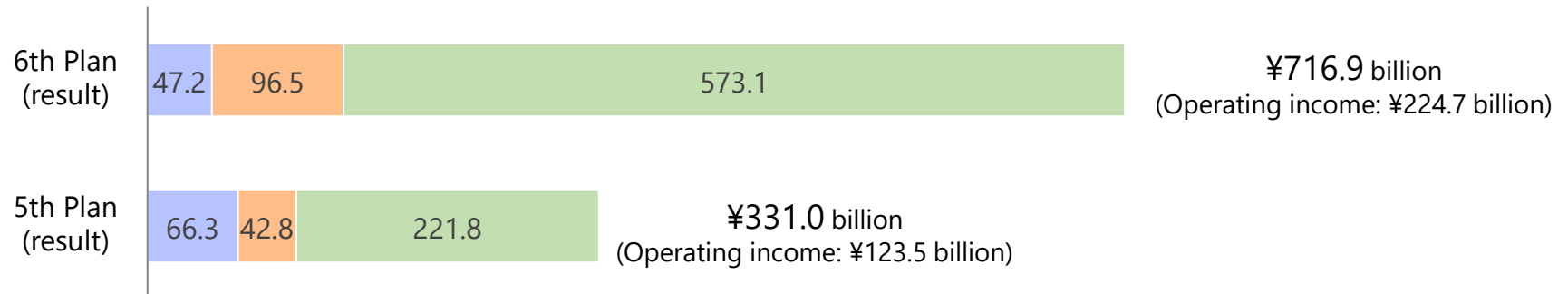
1-2) Expand a circular value chain from the perspective of local communities/customers

Continue active investment in real estate development under the keywords of "Develop next-generation infrastructure and create jobs," "Redevelop and raise the value of aged facilities," and "Promote multi-use redevelopment centering on regional mid-tier cities."

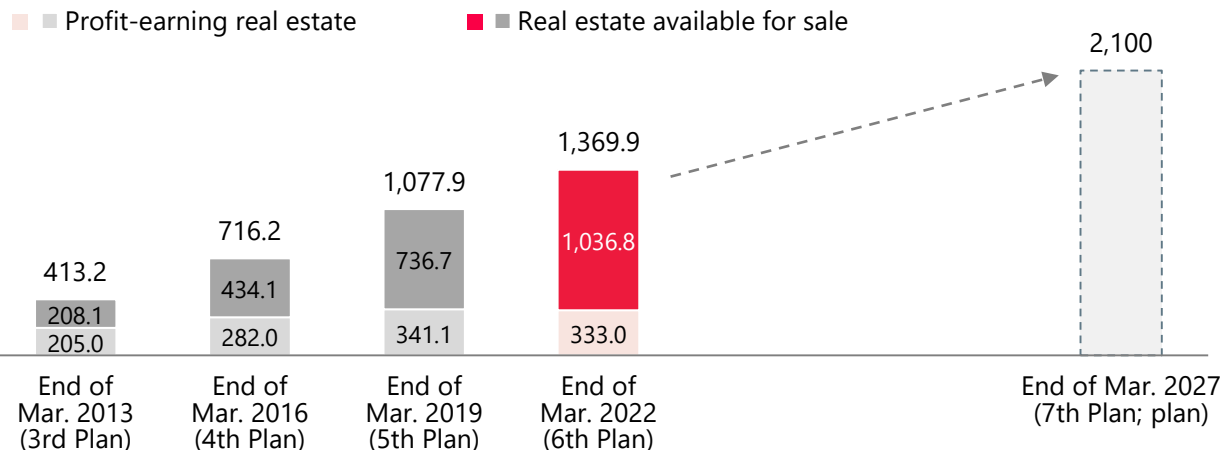
Real estate development investment



Sale of development properties



Balance of investment real estate (Book value, ¥billion)



Breakdown of real estate available for sale

After investing for capital gain, immediately turn into available-for-sale real estate

¥billion	Total Book value	Not being rented		Being rented	
			Under construction	Book value	NOI yield
Rental Housing	42.1	20.9	17.7	21.1	0.7%
Commercial Facilities	1,17.9	41.4	31.7	76.5	5.1%
Logistics, Business & Corporate Facilities	734.9	541.1	405.4	193.7	4.8%
Overseas	1,41.8	98.4	93.0	43.4	4.6%
Total	1,036.8	701.8	548.0	334.9	4.6%

Breakdown of profit-earning real estate

Investment and development real estate for income gain (rental income)

¥billion	Being rented	
	Book value	NOI yield
Rental Housing	33.6	18.2%
Commercial Facilities	245.7	13.1%
Logistics, Business & Corporate Facilities	21.3	7.5%
Total	311.5	13.0%

(As of end of March, 2022)

Currently holding four REITs/funds

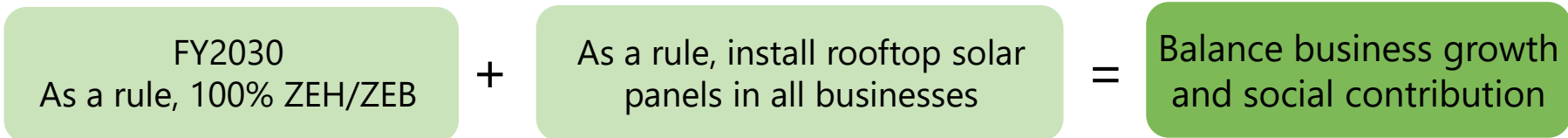
Examine exits tailored to the characteristics of each asset aiming at maximization of property value

	First refusal right			
	Daiwa House REIT Investment Corporation	Daiwa House Global REIT Investment Corporation	Daiwa House Logistics Core Fund	Daiwa House Logistics Trust
Establishment	2005	2019	2020	2021
Listed/private	Diversified listed REIT (J-REIT)	Private REIT including overseas real estate	Open-end private placement core fund	Listed on the Singapore Exchange
Property type	Diversified	Diversified	Logistics facilities	Logistics, business and corporate facilities
Investment area	Japan	Japan and Overseas	Japan	Japan and Asia
Property size	¥895.1 billion (As of June 2022)	¥87.9 billion (As of June 2022)	¥85.2 billion (As of June 2022)	¥71.0 billion (As of June 2022)
Acquisition policy	Investment in various assets including complex type facilities	Investment in overseas real estate in addition to domestic real estate	Investment in high-function logistics facilities	Investment in domestic lease properties, local properties and Asian logistics facilities, etc.

1-3) Realize carbon neutrality by making all buildings carbon-free

Realize carbon neutrality with customers throughout our business based on a belief

“the more buildings we build, the more renewable energy is generated, accelerating decarbonization of a society”



ZEH / net Zero Energy House



ZEH-M / ZEH apartment (low-rise)



ZEB / net Zero Energy Building (office)

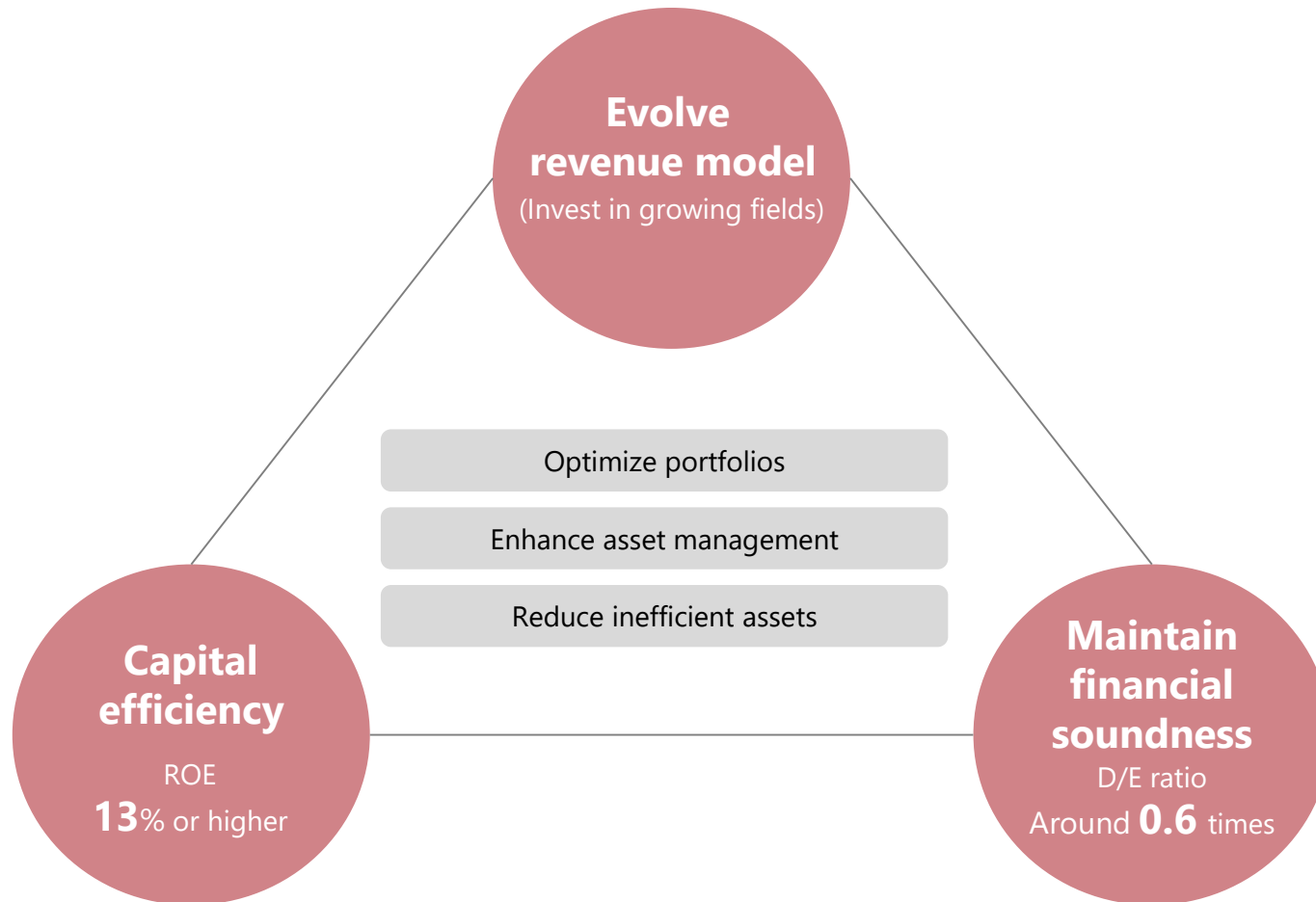


Rooftop solar panel (logistics facilities)

2-1) Achieve growth of profits coexisting with capital efficiency through portfolio optimization

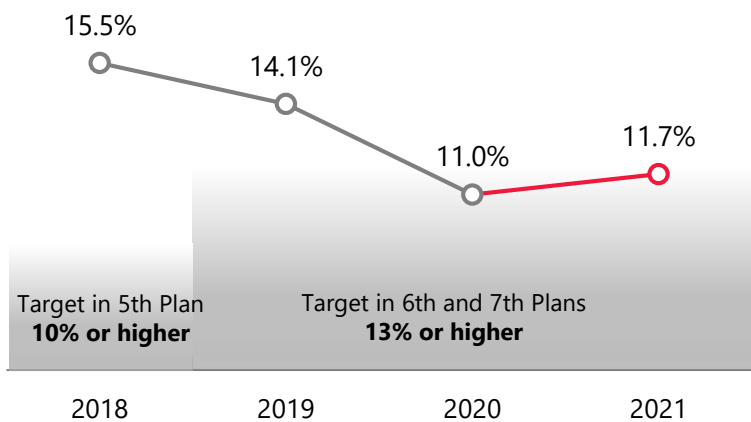
Maintain financial soundness by setting a target of a D/E ratio of around 0.6

Implementation of management reforms to increase capital efficiency to achieve a ROE of 13% or higher that exceeds capital costs



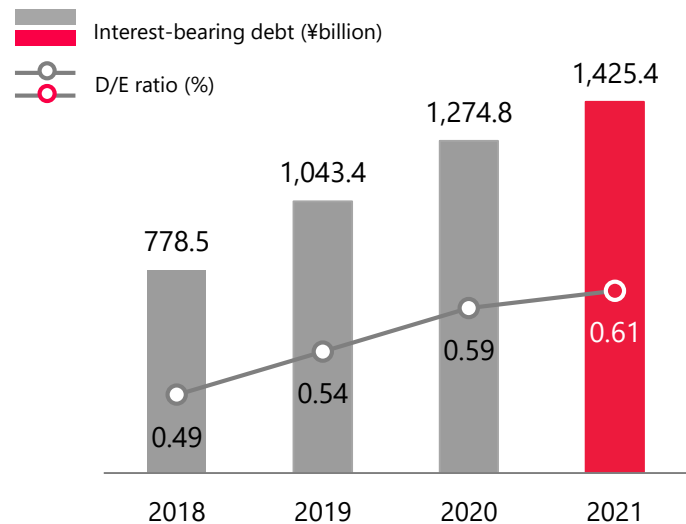
ROE

Target: 13% or higher



D/E ratio

Target: Around 0.6 times

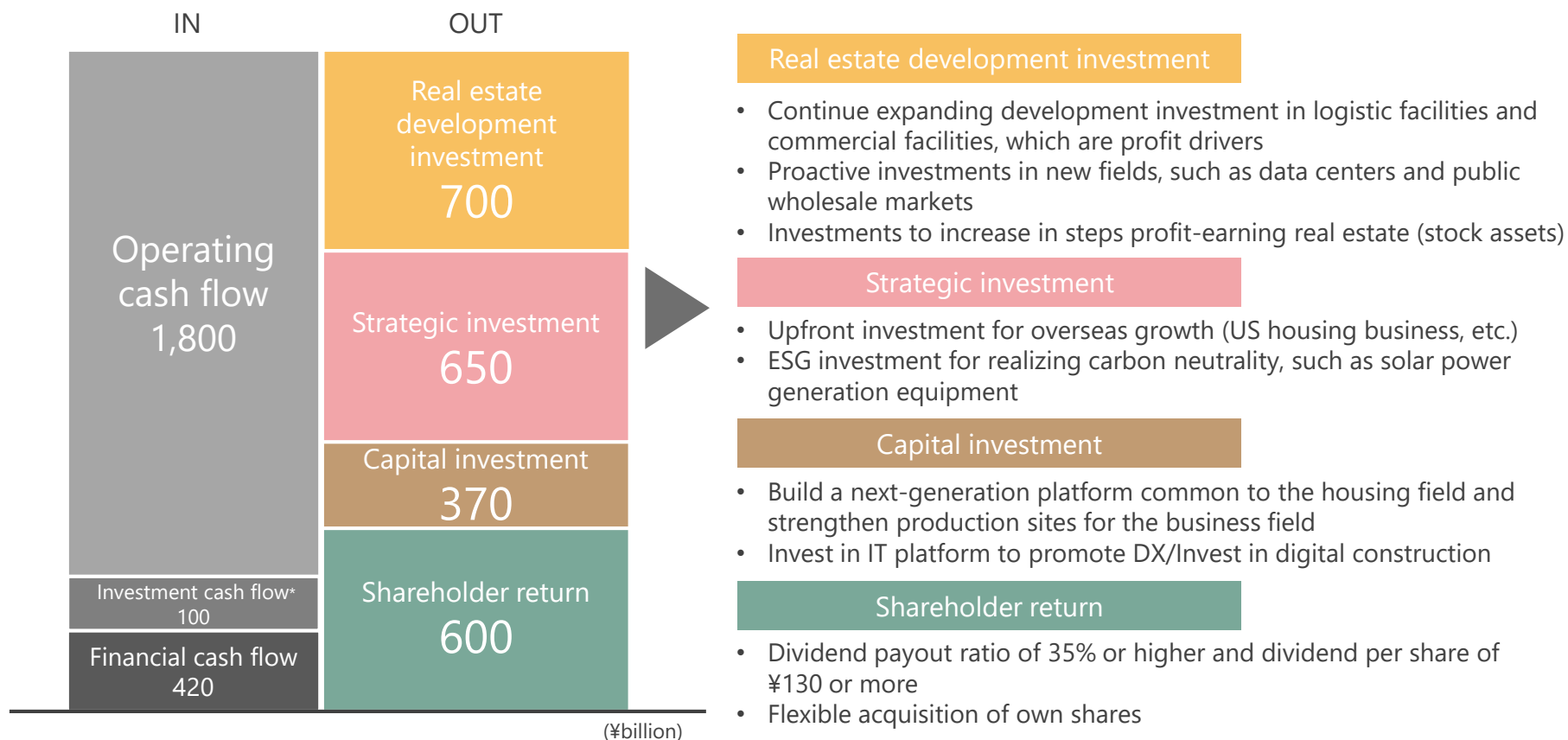


*Taking the hybrid finance into account since FY2019

Give priority to securing funds for investments necessary for sustainable growth

Meanwhile, increase operating cash flows based on stable growth of profits and steadily return profit to shareholders

Five-year capital allocation



Real estate development investment

- Continue expanding development investment in logistic facilities and commercial facilities, which are profit drivers
- Proactive investments in new fields, such as data centers and public wholesale markets
- Investments to increase in steps profit-earning real estate (stock assets)

Strategic investment

- Upfront investment for overseas growth (US housing business, etc.)
- ESG investment for realizing carbon neutrality, such as solar power generation equipment

Capital investment

- Build a next-generation platform common to the housing field and strengthen production sites for the business field
- Invest in IT platform to promote DX/Invest in digital construction

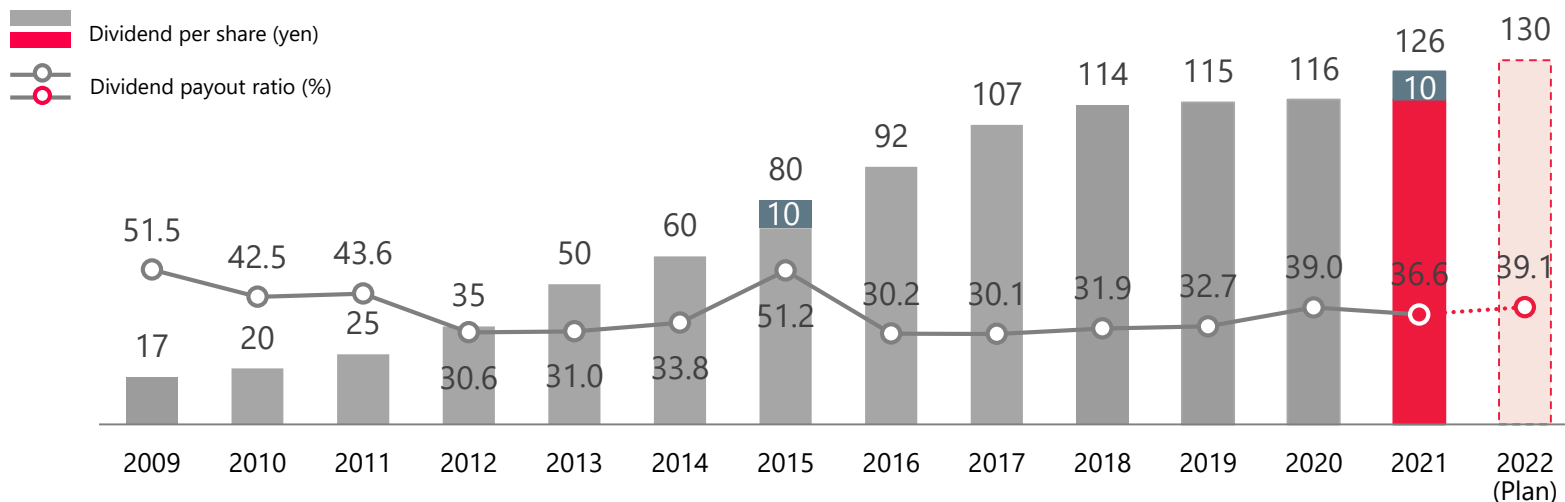
Shareholder return

- Dividend payout ratio of 35% or higher and dividend per share of ¥130 or more
- Flexible acquisition of own shares

*Reduction in strategic shareholdings and inefficient assets, etc.

Dividend per share / Dividend payout ratio

Increased for the 12th consecutive year from FY2010



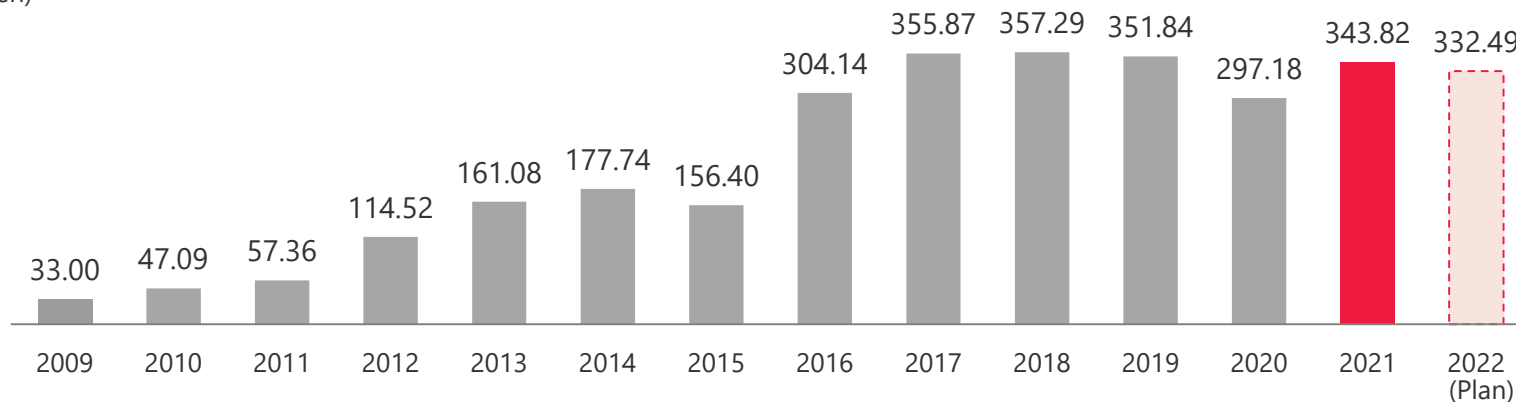
*2015: A commemorative dividend for the 60th anniversary

2021: A commemorative dividend for the 100th anniversary of the birth of Nobuo Ishibashi, our founder

EPS

Raising shareholder value by increasing EPS

(Yen)



2-2) Strengthen cost competitiveness and build a system for stable supply

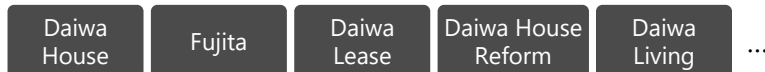
Consolidate and integrate purchasing process/system to achieve cost competitiveness, fully leveraging the industry-leading economies of scale

Reinforce in-house production systems and build a more robust system for stable supply

Centralize purchasing for the Group

Consolidate and integrate organizations, ordering process/authorities and systems
Streamline ordering and management operations across the Group

Cost pool
Approx. ¥400 billion* **Cost increase due to soaring material prices**
Focus on stable procurement of parts and materials



Centralize purchasing for the Group **Approx. ¥1 trillion***

Target is 10% reduction vs. soared costs



Reinforce production systems

Sharpen the advantage of purchase with steel fabrication capabilities
Increase the rate of in-house production to mitigate outsourcing risk

- Housing field: Build a common next-generation platform
- Business field: Increase production capacity by rebuilding Chubu plant

Standardization/unification of parts

Set standard specifications by property category

e.g. Sashes for logistics centers: Limit to 2 or 3 standards and ensure that designs are in accordance with standard specifications

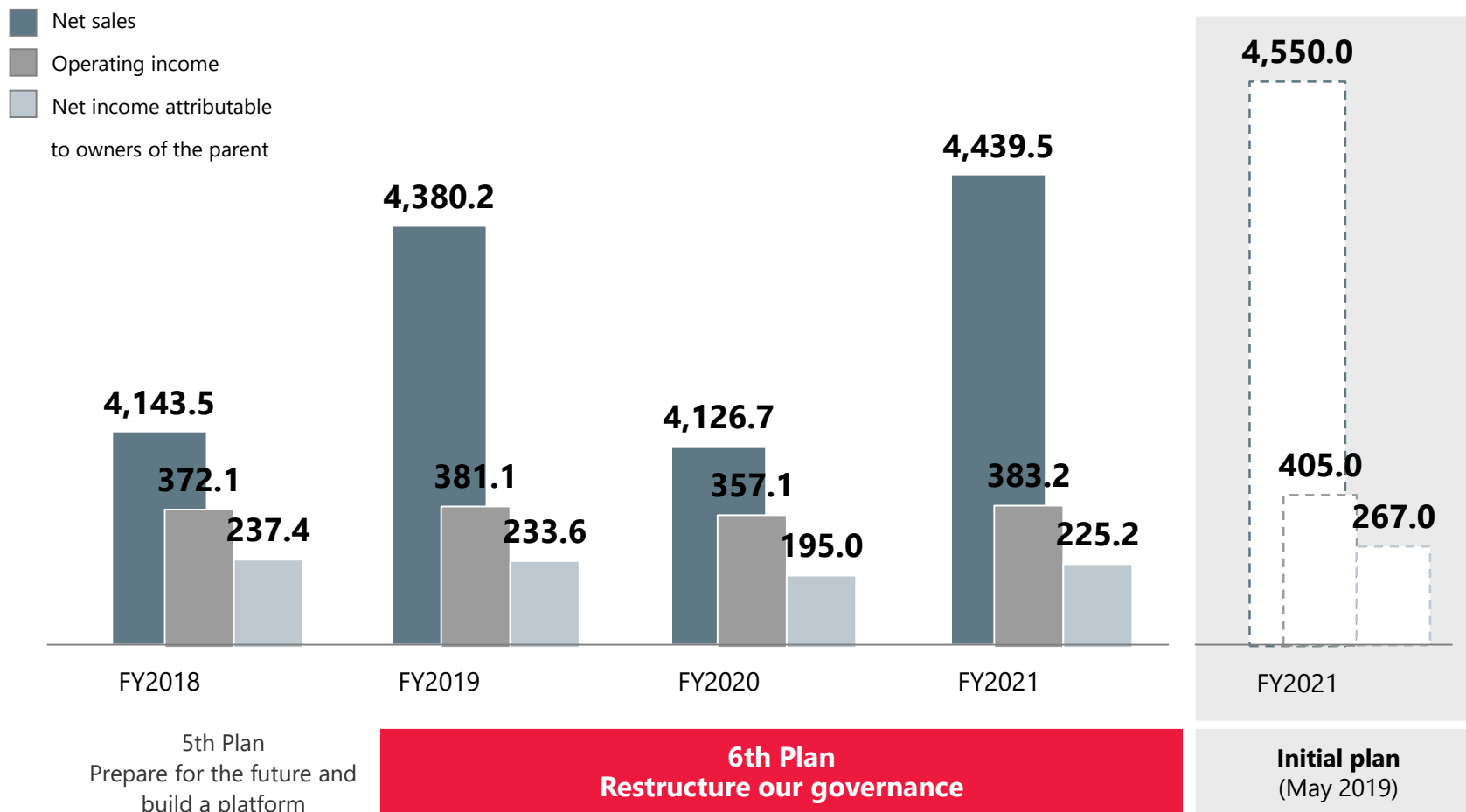
Expand the scope of initiative
by increasing the types of property/construction

*Total of estimated purchase in FY2020

[Reference] Review of 6th Medium-Term Management Plan – Performance trends

The COVID-19 pandemic resulted in reduced opportunities for in-person meetings with customers, a decline in corporate capital investments. Also, the impact of the struggling hotel and sports club operation business resulted in us not achieving the original performance goals outlined in the Plan. However, we achieved record high net sales in FY2021 thanks to demand to address new lifestyle norms, increased sales of development properties, and growth in the overseas housing business.

(¥billion)



[Reference] Review of 6th Medium-Term Management Plan
- Net sales by business segments

(¥billion)	5th Mid-Term Plan		6th Medium-Term Management Plan				6th Mid-Term Plan Initial Plan	
	FY2018		FY2019		FY2021		FY2021	
	Results	For overseas	Results	For overseas	Results	For overseas	Plan	For overseas
Single-Family Houses	503.5	118.1	497.8	143.9	626.8	293.5	540.0	157.0
Rental Housing	1,054.7	34.2	1,005.9	31.8	1,029.1	32.5	1,160.0	76.0
Condominiums	343.5	33.0	372.7	15.1	379.8	20.3	380.0	28.0
Existing Homes	131.7	-	145.6	-	126.9	-	160.0	-
Commercial Facilities	730.5	2.8	806.7	2.8	796.9	1.1	840.0	2.0
Logistics, Business & Corporate Facilities	1,026.3	87.0	1,152.3	80.2	1,139.6	93.4	1,140.0	120.0
Other Businesses	483.0	3.0	530.0	3.3	501.8	4.0	520.0	17.0
Total	4,143.5	278.5	4,380.2	277.3	4,439.5	445.1	4,550.0	400.0

*The figures are before segment reclassification. Sales by segment include intragroup transactions between segments.

[Reference] Review of 6th Medium-Term Management Plan
- Operating income by business segments

¥billion)	5th Mid-Term Plan			6th Medium-Term Management Plan						6th Mid-Term Plan Initial plan		
	FY2018			FY2019			FY2021			FY2021		
	Results	For overseas	OP margin	Results	For overseas	OP margin	Results	For overseas	OP margin	Plan	For overseas	OP margin
Single-Family Houses	23.8	2.8	4.7%	18.0	5.3	3.6%	29.7	23.1	4.7%	22.0	8.0	4.1%
Rental Housing	104.6	3.7	9.9%	98.5	7.7	9.8%	94.3	5.5	9.2%	115.0	9.0	9.9%
Condominiums	20.7	5.9	6.0%	15.8	0.7	4.3%	9.7	-2.2	2.6%	20.0	1.0	5.3%
Existing Homes	13.7	-	10.4%	16.7	-	11.5%	8.8	-	7.0%	16.0	-	10.0%
Commercial Facilities	142.5	0.2	19.5%	140.6	0.1	17.4%	114.8	-1.1	14.4%	160.0	0.0	19.0%
Logistics, Business & Corporate Facilities	100.3	0.2	9.8%	120.6	-7.1	10.5%	131.7	1.5	11.6%	110.0	5.0	9.6%
Other Businesses	13.5	-0.1	2.8%	19.2	-0.6	3.6%	2.5	-2.1	0.5%	20.0	1.0	3.8%
Total	372.1	12.9	9.0%	381.1	6.2	8.7%	383.2	26.1	8.6%	405.0	24.0	8.9%
Effect of retirement benefit obligations	3.0			2.8			50.9			-		
Recalculation	369.1	12.9	8.9%	378.2	6.2	8.6%	332.2	26.1	7.5%	405.0	24.0	8.9%

*The figures are before segment reclassification. Operating income by segment include intragroup transactions between segments.

Net sales before reclassification (FY2021)

Single-Family Houses ¥626.8 billion	Daiwa House (Single-family houses) Stanley Martin、Rawson、Trumark
Rental Housing ¥1 trillion 29.1 billion	Daiwa House (Rental housing) Daiwa Living
Existing Homes ¥126.9 billion	Daiwa House (Existing homes)
	Daiwa House Reform
	Nihon Jyutaku Ryutu
	Daiwa House Chintai Reform
Condominiums ¥379.8 billion	Daiwa House (Condominiums) Daiwa LifeNext Cosmos Initia
Commercial Facilities ¥796.9 billion	Daiwa House (Commercial facilities) Daiwa Lease Daiwa House Realty Management
Logistics, Business & Corporate Facilities ¥1 trillion 139.6 billion	Daiwa House (Logistics, business & corporate facilities) Fujita Daiwa Lease Daiwa House Modular Europe
Other Businesses ¥501.8 billion	Royal Home Center
	Sports Club NAS
	Daiwa House Parking
	Daiwa Logistics
	Daiwa House (Environment & energy)
	Eneserve Daiwa Energy
	Daiwa Resort

Net sales after reclassification (FY2021)

Daiwa House (Single-family houses)	Daiwa House Reform Nihon Jyutaku Ryutu Stanley Martin、Rawson、Trumark	Single-Family Houses ¥784.8 billion
Daiwa House (Rental housing)	CastleRock、Modular Europe Daiwa House (Rental housing) Daiwa Living Daiwa House Chintai Reform	Rental Housing ¥1 trillion 52.5 billion
Condominiums	Daiwa House (Condominiums) Daiwa LifeNext Cosmos Initia	Condominiums ¥379.9 billion
Commercial Facilities	Daiwa House (Commercial facilities) Daiwa House Realty Management Daiwa Lease Royal Home Center Sports Club NAS Daiwa House Parking	Commercial Facilities ¥1 trillion 38.5 billion
Logistics, Business & Corporate Facilities	Daiwa House (Logistics, business & corporate facilities) Fujita Daiwa Logistics	Logistics, Business & Corporate Facilities ¥1 trillion 79.2 billion
Environment and Energy	Daiwa House (Environment & energy) Eneserve Daiwa Energy	Environment and Energy ¥161.0 billion
Others		Other Businesses ¥63.0 billion

Overview of Business Segment

Single-Family Houses Business

Rental Housing Business

Condominiums Business

Commercial Facilities Business

Logistics, Business and Corporate Facilities Business

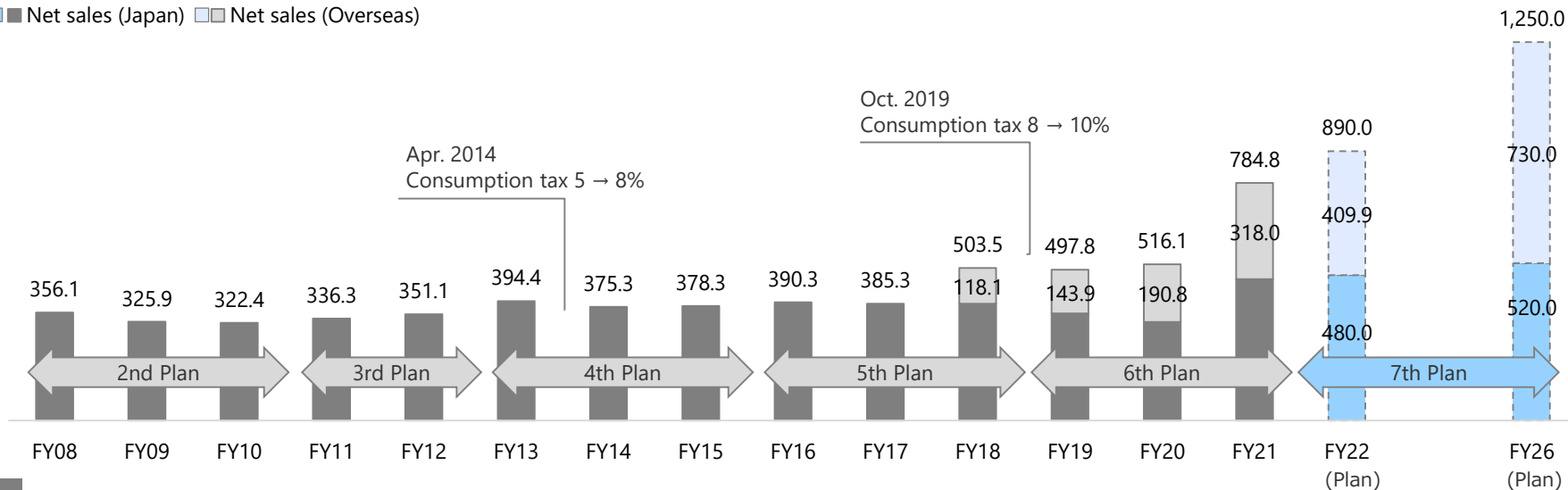
Environment and Energy Business

Other Businesses

Net sales

(¥billion)

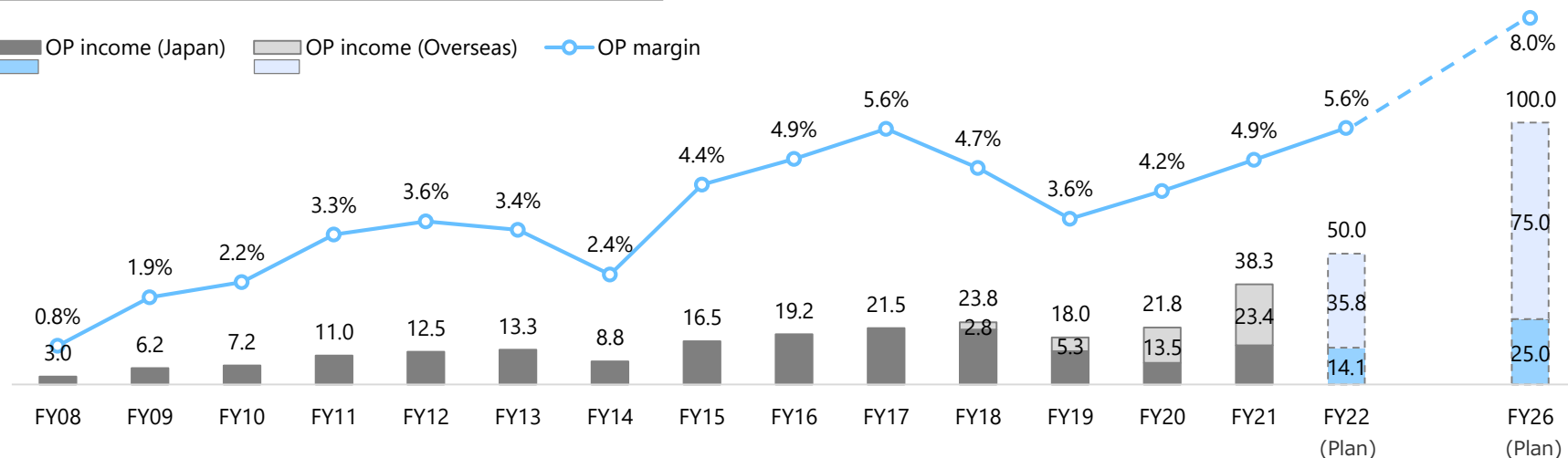
■ Net sales (Japan) □ Net sales (Overseas)



Operating income and OP margin

(¥billion)

■ OP income (Japan) □ OP income (Overseas) ○ OP margin



*Segment reclassification: (1) Include overseas business since FY2018 (2) Change the companies included in each segment since FY2021



Transforming your house from a residence to a place where you truly live your life

Principal companies

Daiwa House, Daiwa House Reform, Nihon Jyutaku Ryutu,

Stanley Martin (US), Trumark (US), CastleRock (US), Rawson (AUS), Daiwa House Modular Europe (NL)

Basic policies for 7th Mid-Term Plan

1. Concept approach tailored to customer lifestyles

- Offer our total lifestyle proposal concept covering from new construction to stock
- Strengthen marketing strategy and expand product lineup promotion
- Realize carbon neutrality by increasing added value of products (ZEH/strengthening wooden products)

2. Leverage digital tools to make quick proposals and increase customer satisfaction

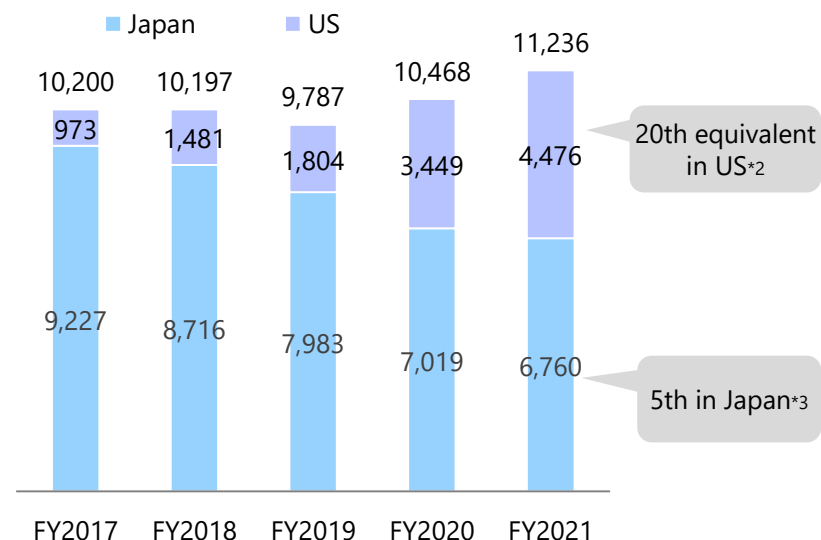
- Strengthen referral sales by increasing customer satisfaction
- Create a new customer journey using digital tools and IT systems
- Enhance proposal speed and operational efficiency using 3D presentations and BIM coordination

3. Business development centered on the US

- Expand business in the main markets ("smile zone") in the US
- Build a base for modular housing in Europe / Reform management in Australia

Number of sales units (Japan / US)

(unit)



*1) Japan: Daiwa House on a non-consolidated basis

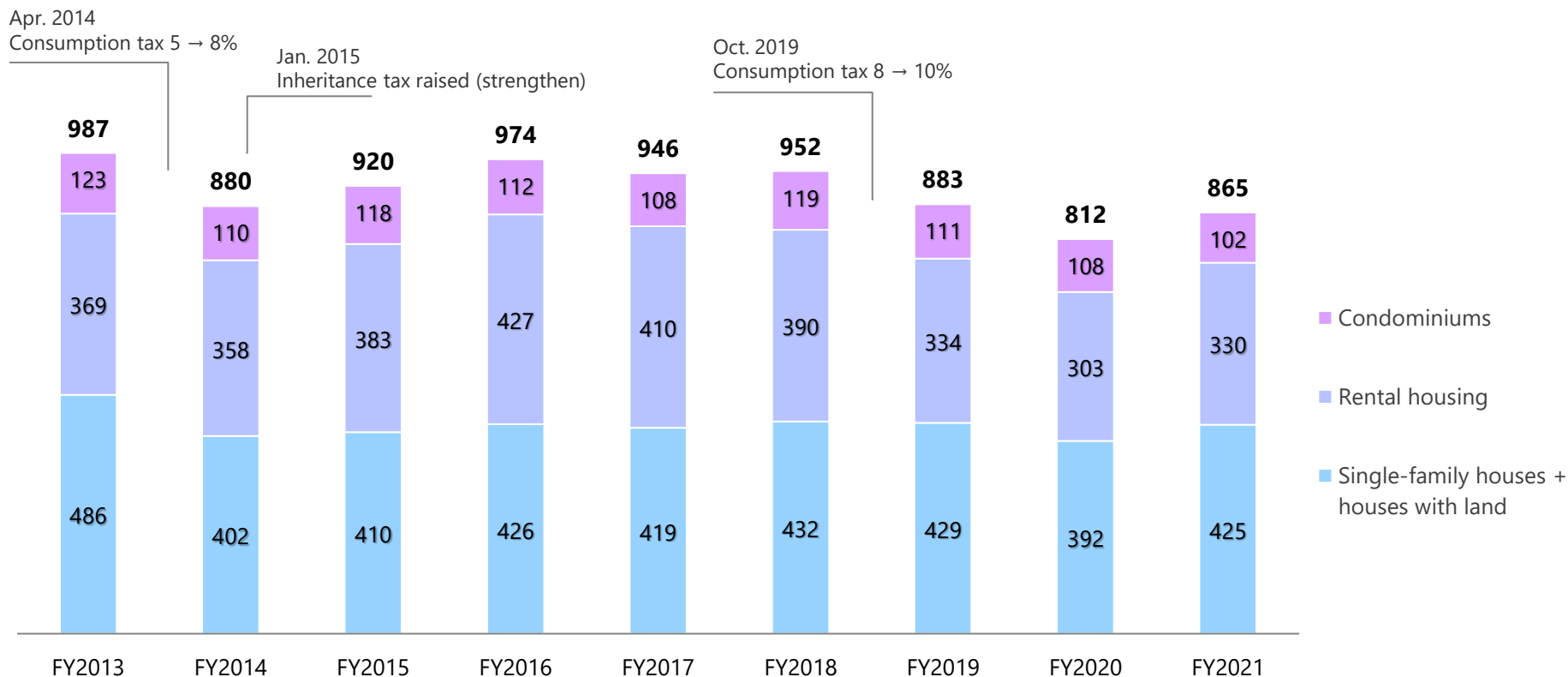
*2) Ranking equivalent to the sum of Stanley Martin, Trumark and CastleRock (4 months' worth only) in the top 100 of "2022 Builder 100"

*3: Housing Industry News "Ranking of Major House Makers for 2021"

New housing starts

Although there have been fluctuations due to tax reforms and economic trends, the downward trend has continued over the long run

(thousand unit)



Source: Survey by Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Diverse product lineup



Number of model house exhibits
197

Number of sales personnel
1,219

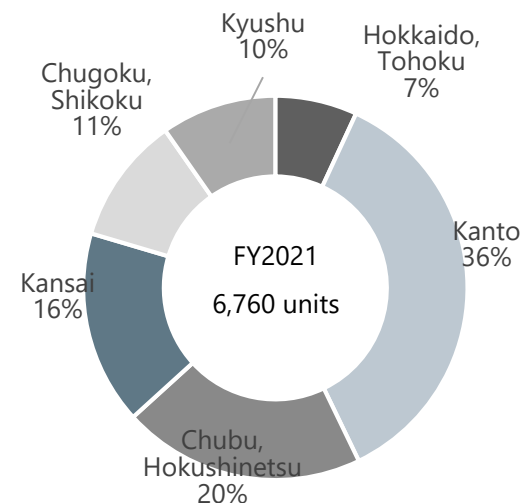
Customers who have already owned the land
33.2%

Reconstruction ratio
21%

Average sales per unit
¥41 million
*custom-built houses

Average area per unit
138m²
*custom-built houses

Number of sales units by area

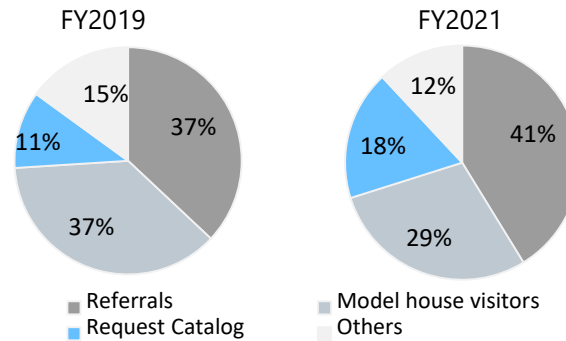


Diversification of sales methods



Lifegenic *Web-only product
(launched in November 2019)

Order receipt channels



Proposals of a new ways of living

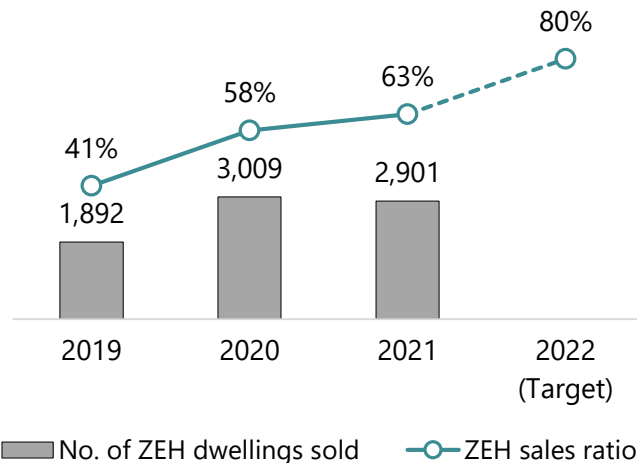


Adoption rate
Approx. 20%

Telework style
(products adopted for working at home)

Addressing climate change

ZEH (net zero energy home) sales ratio



	FY2019	FY2020	FY2021
ZEH sales ratio	41%	58%	63%
Solar power generation system installation ratio	48%	56%	68%
Storage battery + HEMS installation ratio	42%	45%	50%

Government Housing Incentive Policies (As of April 2022)

1. Reduced housing loan taxes **[Continue]**

A system that allows users to receive income tax deductions based on the balance of their housing loans

Under the system, those who borrow a housing loan to purchase a home can receive a tax deduction equivalent for 13 years to 0.7% of the lesser of the amount of the home loan balance at the end of each year or the purchase price of the home

(In 2022, the rate was changed from 1% to 0.7% and the extension was maintained for 3 years)

2. Kodomo-mirai (Children's future) housing support **[Newly established in November 2021]**

A system to support the acquisition of energy-saving housing for households with children and young couple households

Subsidies for ZEH housing: ¥1 million per unit
(Deadlines for contract: March 2023)

3. Subsidies for ZEH (net zero energy house) **[Continue]**

A system support the acquisition of energy-saving housing

Subsidies for ZEH housing: ¥550,000 per unit

4. Preferential mortgage interest rates **[Continue]**

A system to enable the interest rate on loans to be lowered for a fixed period, assuming that the home meets criteria relating to energy conservation and earthquake resistance, among others

Initial 5 years: interest lowered by 0.5%, 6 to 10 years: lowered by 0.25%

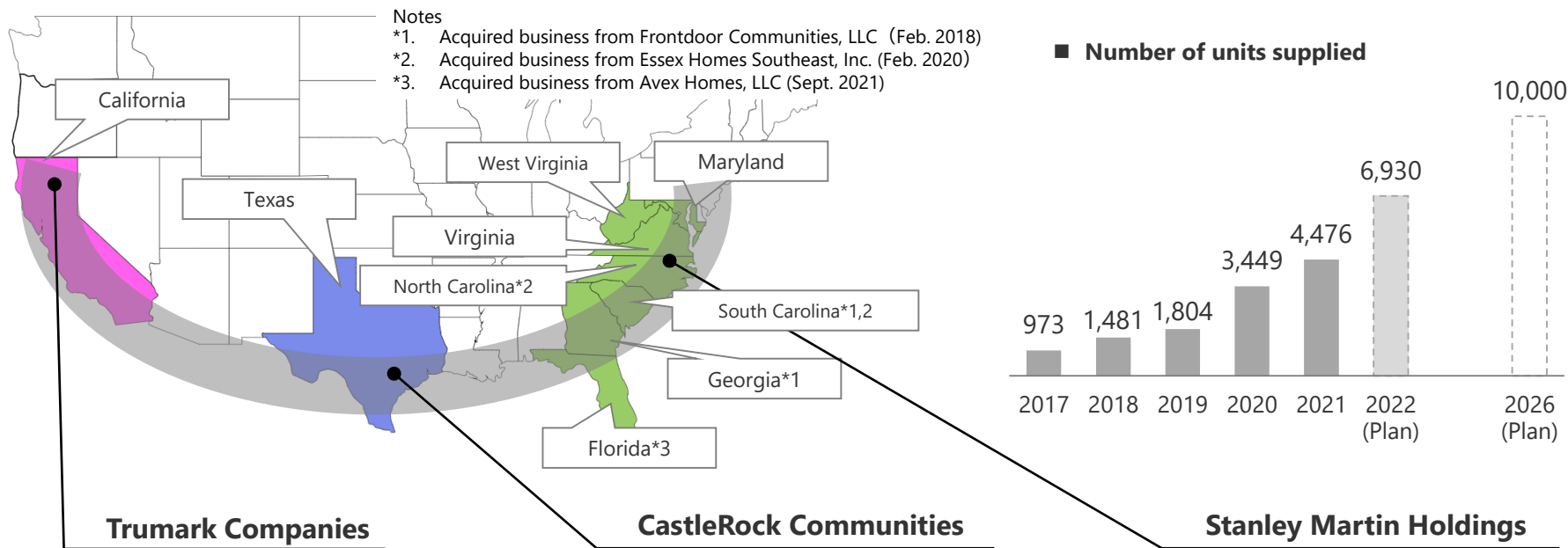
*ZEH will be added to the evaluation criteria for housing performance from the October 2022 loan application.

E.g. Interest rates will be lowered by 0.5% for the initial 10 years in the case of ZEH and excellent long-term housing

**Expansion of
government support for
acquisition of energy-
efficient housing
toward decarbonization**

Business development in North America

Strengthen the management base of three local companies and expand operations in the "smile zone" linking the East, South and West regions
 We will also focus on creating synergies and utilizing the technology and know-how we have cultivated in Japan, such as shortening the construction period by going off-site (factory production) and restructuring the supply chain

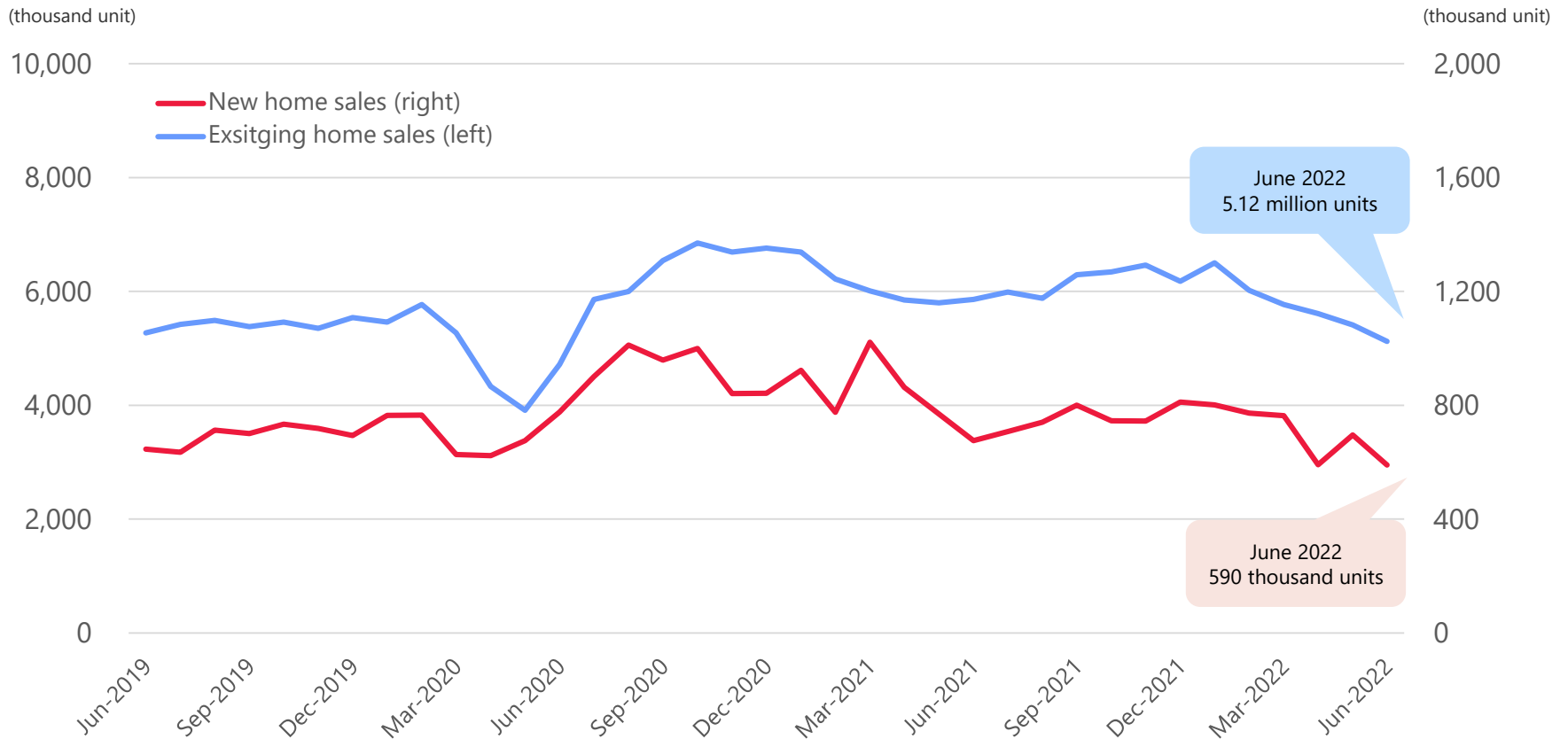


Head office	California, US
Purchase of equity interests	Feb. 2020

Head office	Texas, US
Purchase of equity interests	Sept. 2021

Head office	Virginia, US
Purchase of equity interests	Feb. 2017

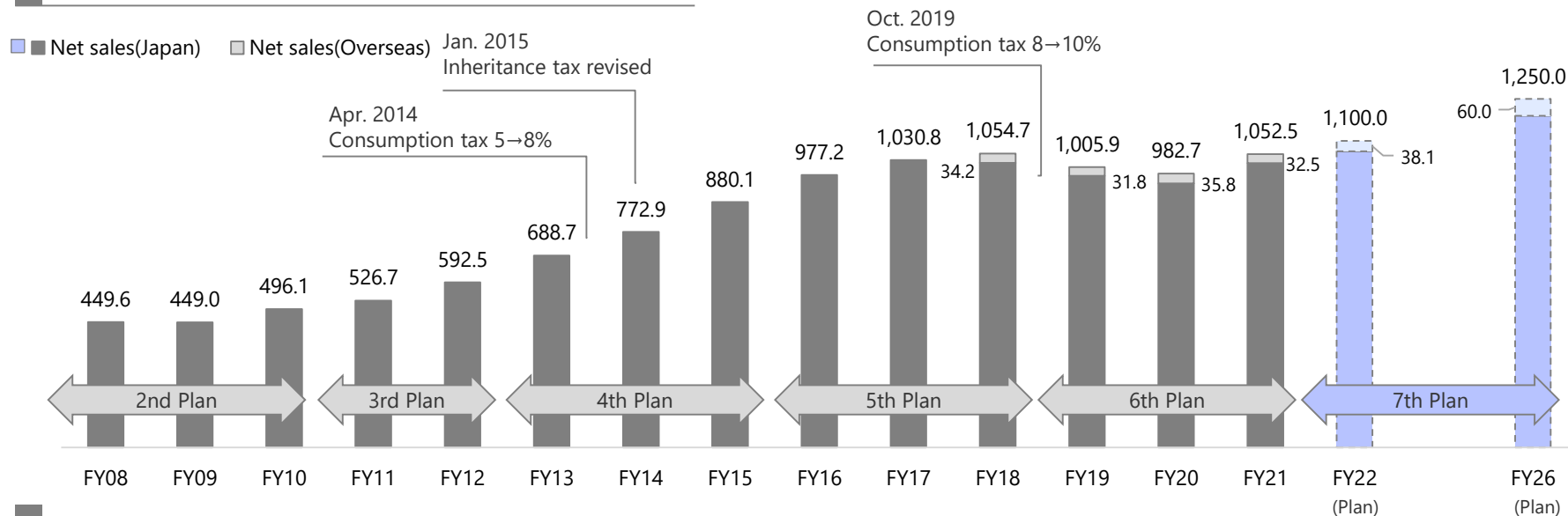
Sales of existing and new homes (The last three years, annualized)



Source: Compiled by our company from NAR and Census materials

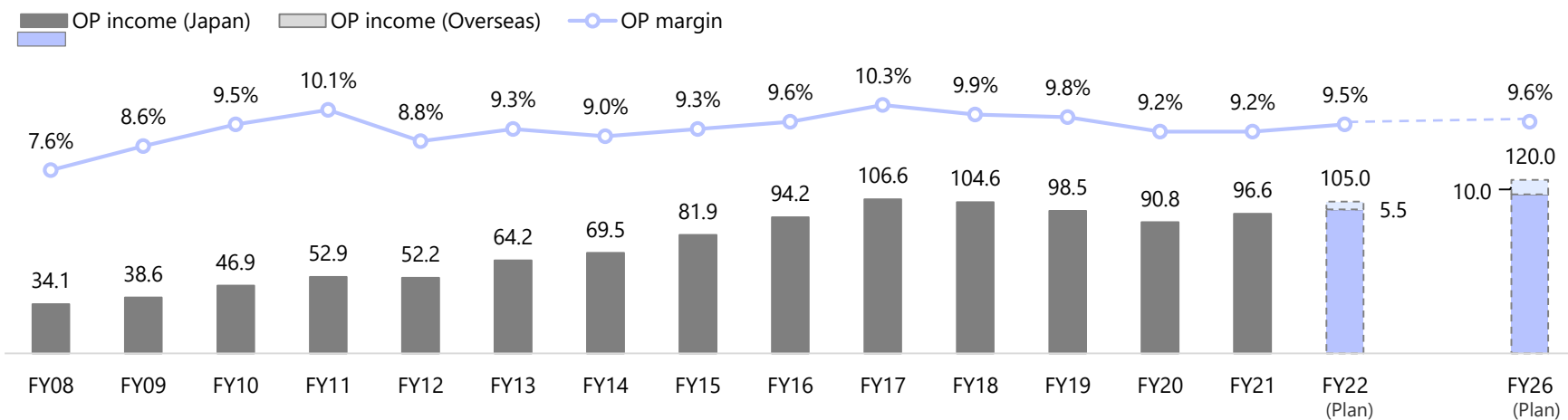
Net sales

(¥billion)



Operating income and OP margin

(¥billion)



*Segment reclassification: (1) Include overseas business since FY2018 (2) Change the companies included in each segment since FY2021



Long-term stable management partner for owners

Principal companies

Daiwa House, Daiwa Living, Daiwa House Chintai Reform

Basic policies for 7th Mid-Term Plan

1. Expand number of properties under management, build up the renovation business

- For construction, management, and renovation, provide competitive products and services with business collaboration focused on owners and tenants as a long-term stable management partner

2. Expand market share in urban areas

- Offer products and layouts that accommodate environmental awareness and changing workstyles
- Enhance development projects for sale to investors

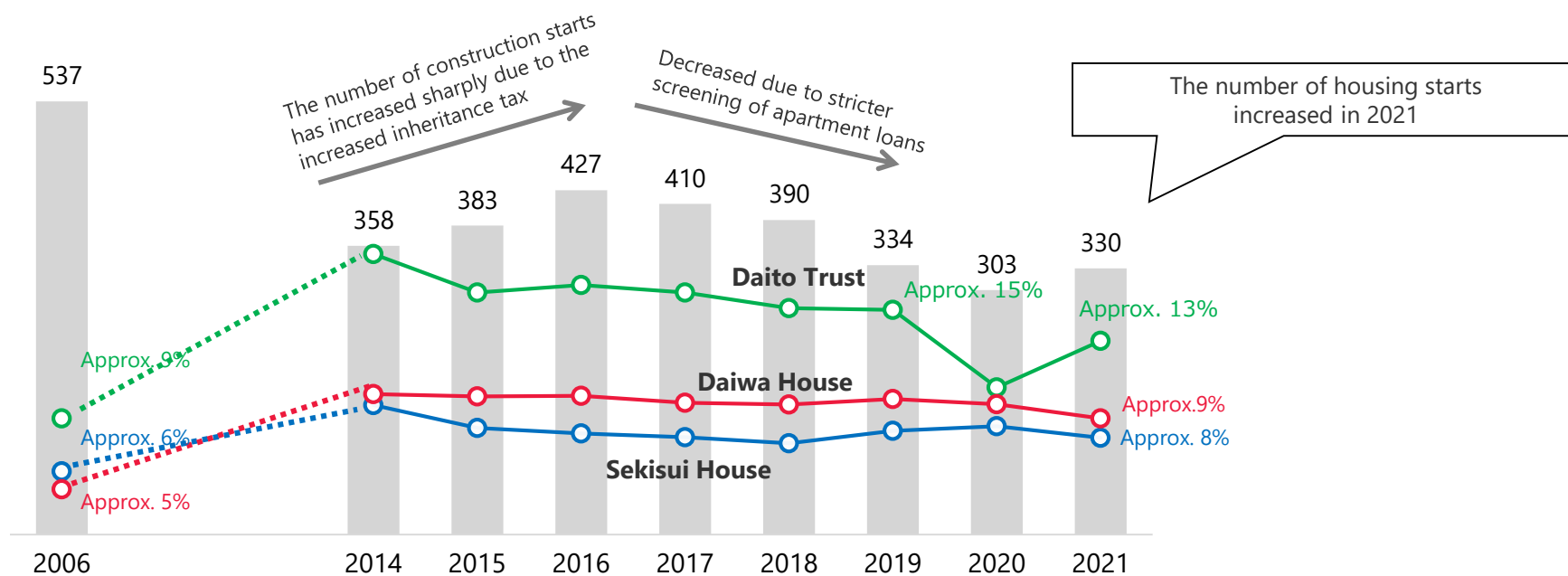
3. Promote development of rental housing in the US

- Deepen collaboration with excellent local partner companies to strengthen new development projects
- Build up a successful track record comprising development, operation/management and exit strategies

Market trends

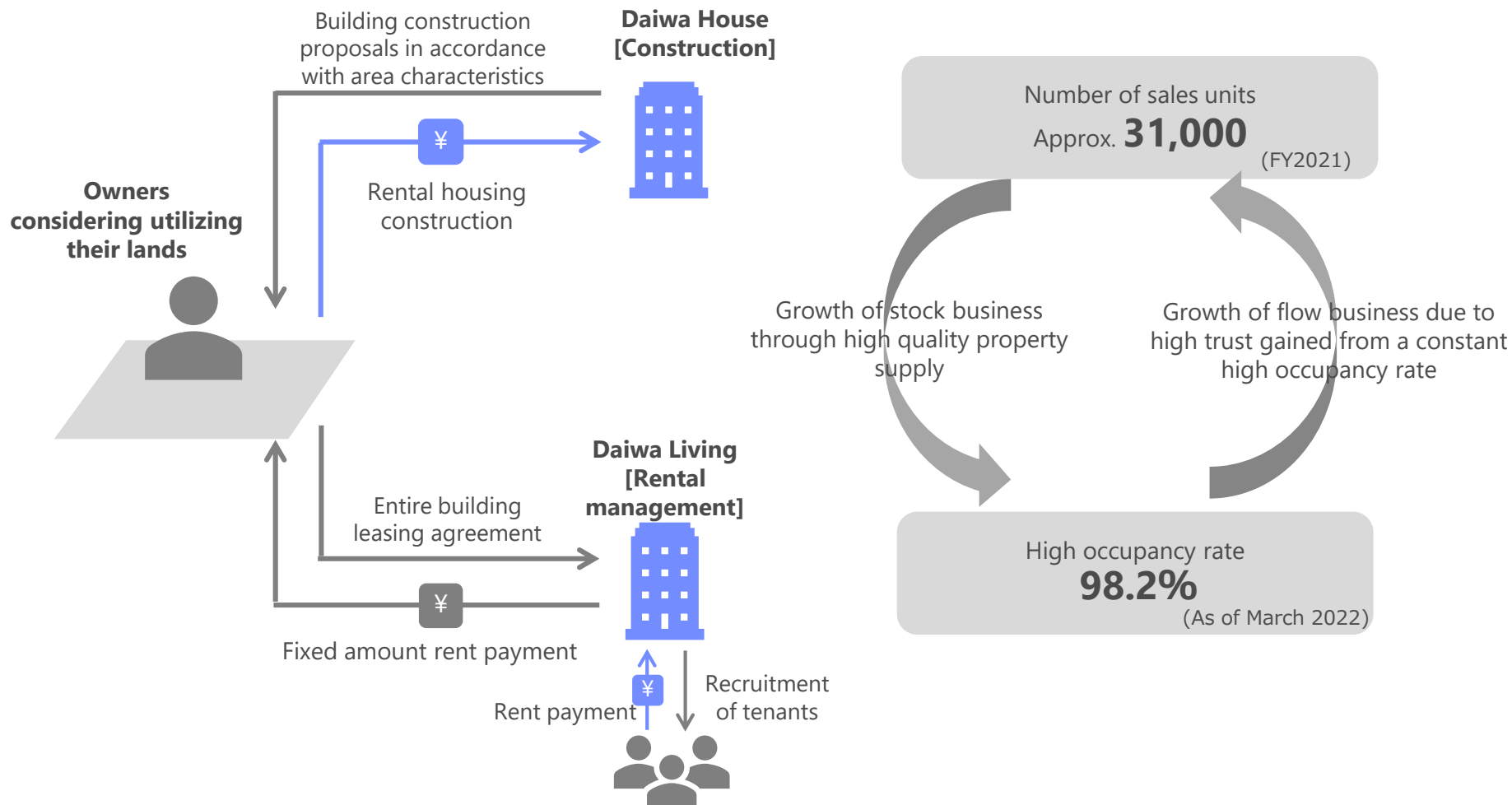
Since the revision of the inheritance tax system in January 2015, construction of rental housing as a tax-saving measure has increased sharply, but problems such as irrecoverable sublease loans by new business entrants and illegal financing of apartment loans have occurred. As a result of stricter loan screening by financial institutions, the number of construction starts has decreased. After this, following the economic stagnation caused due to the COVID-19 pandemic, the number of construction starts increased in FY2021 for the first time in five years.

Number of rental housing construction starts in Japan (thousand unit)



*Compiled from data published by the companies concerned and MLIT

We strengthen cooperation among Group companies and provide one-stop support for the construction, management, inspection, maintenance and repair of buildings and properties. We propose rental housing management that will maximize the value of owners' assets.



Construction

3-story houses ratio
52.3%

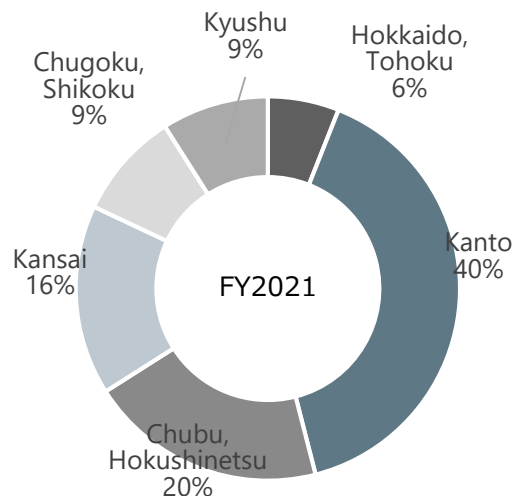
Number of members of the owners' association
Approx. **33** thousand

Number of sales personnel
1,086

Reconstruction ratio
34.9%

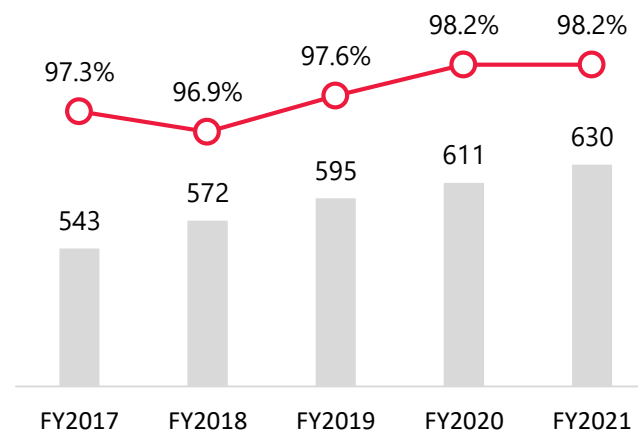
Number of ZEH-M buildings
374
*contract base

Net sales by area



Rental management

The occupancy rate remained high even during the COVID-19 pandemic



■ Number of management units (thousand)

—○— Occupancy rate in entire building leasing agreement

In the US, promoting real estate development while strengthening cooperation with leading local partner companies
 Aim to sell a total of 10 properties over 5 years in the 7th Mid-Term Plan

Under construction

	Project	Location	No. of unit	Completion (Plan)
1	Block 98	Texas, US	307	Apr. 2023
2	St. Elmo	Maryland, US	276	Nov. 2024

Being rented

	Project	Location	No. of unit	Completion	Operating ratio
1	North Clark*1	Chicago, Illinois, US	368	July 2017	96.7%
2	Roygent Parks Hanoi	Vietnam	172*2	May 2018	76.2%
3	Roygent Parks Hai Phong	Vietnam	152*2	Mar. 2020	97.7%
4	Nashville	Nashville, TN, US	420	Mar. 2021	85.2%
5	Esterra Park	WA, US	664	Mar. 2021	94.4%
6	Atelier	Texas, US	417	July 2021	73.6%
7	Phoenix	Phoenix, AZ, US	320	Jan. 2022	71.8%

*1 47% of equity interest was sold to Daiwa House Global REIT in October 2019 (Sale price: ¥9.8 billion)

*2 Service apartment only



North Clark (US)



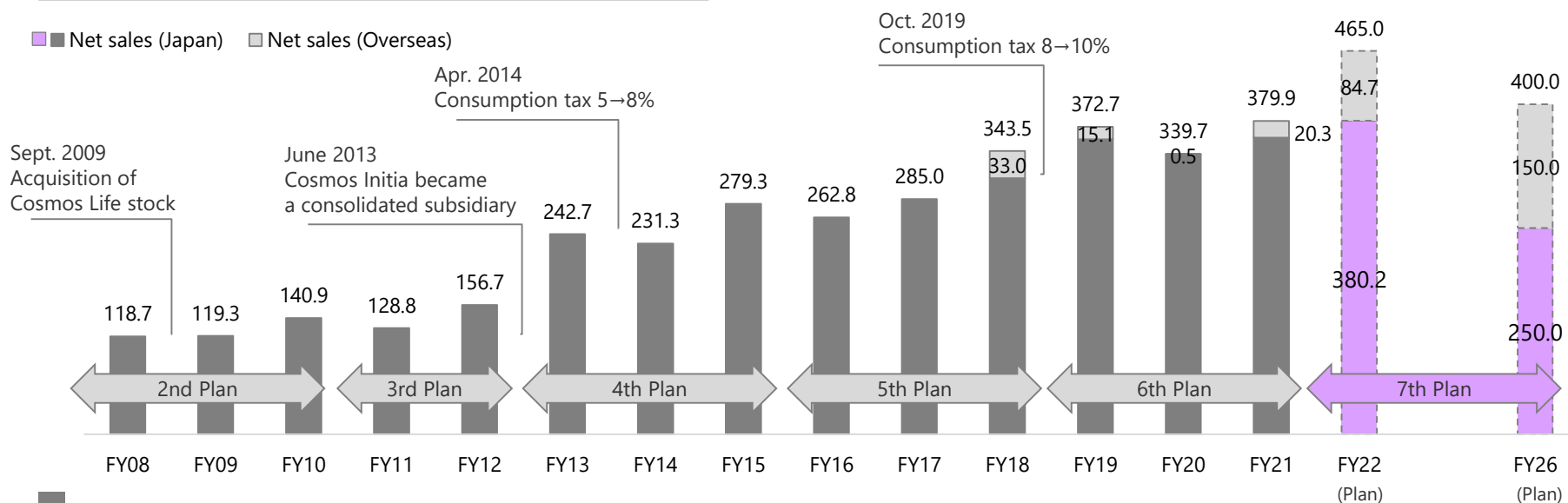
Atelier (US)

Sold

	Project	Location	No. of unit	Sale time	Sale price
1	Berkeley	Texas, US	716	Sept. 2017	¥13.3 billion
2	Waters Edge	Texas, US	582	July 2018	¥12.0 billion
3	Cooper Street	Boston, Massachusetts, US	264	Dec. 2020	¥14.3 billion
4	Kilby	Texas, US	258	Aug. 2021	¥8.1 billion
5	Rockville	Maryland, US	250	Mar. 2022	¥15.7 billion

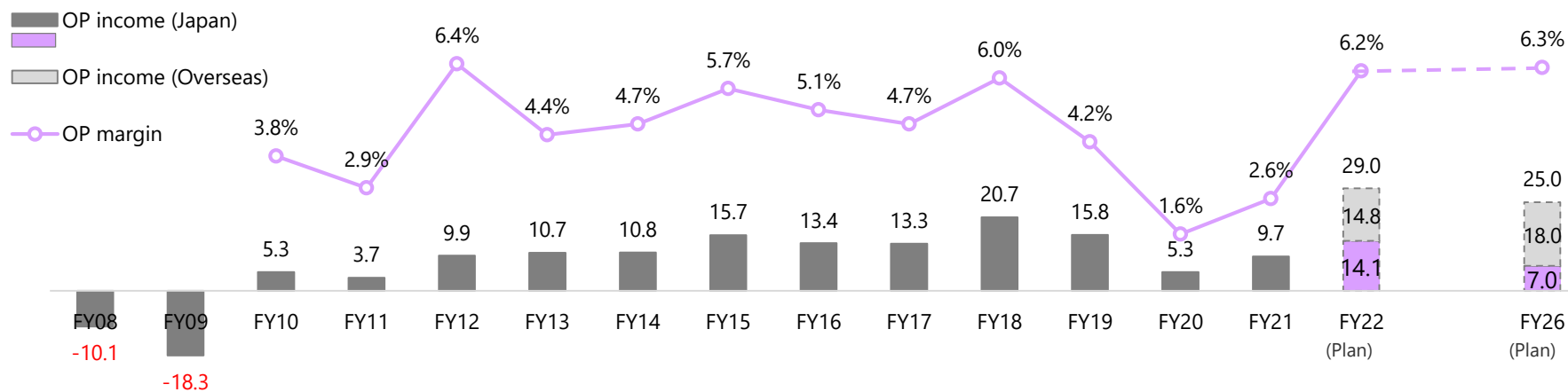
Net sales

(¥billion)



Operating income and OP margin

(¥billion)



*Segment reclassification: (1) Include overseas business since FY2018 (2) Change the companies included in each segment since FY2021

Supply units ranking (From Jan. 2021 to Dec. 2021)

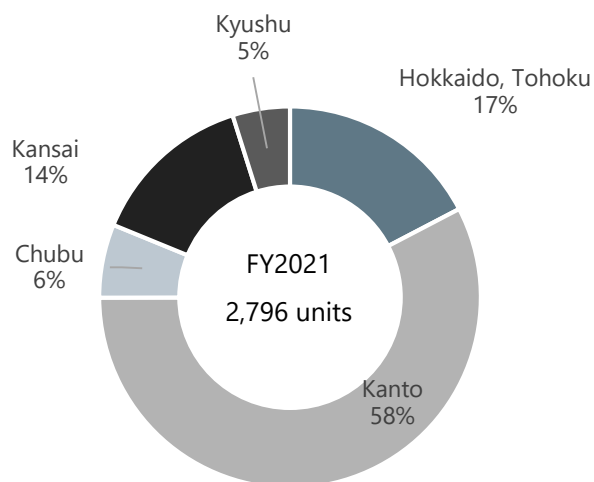
	Company name	Supply units	For Tokyo	For Kansai
1	Nomura Real Estate Development	4,014	2,593	473
2	Mitsui Fudosan Residential	3,982	3,118	302
3	Pressance Corporation	3,950	0	2,453
4	Daiwa House	3,634	1,614	744
5	Mitsubishi Estate Residence	2,214	1,622	247

Source: "National condominium market trends" from Real Estate Economic Institute Co., Ltd.



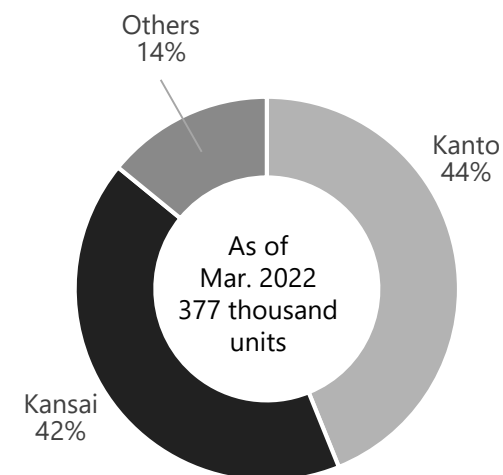
PREMIST Funabashi Tsukada
(Chiba Pref.)

Sales by area



*Daiwa House non-consolidated basis

Condominiums under management



*Total of Daiwa LifeNext and Global Community

List of developments

	Property name	Location	Completion (Plan) *1	No. of units *2	Site area	Reference
1	Yihe Xinghai	Dalian, China	June 2009	852	63,550m ²	Sold out
2	Grace Residence	Suzhou, China	Oct. 2011	902	76,572m ²	Sold out
3	Yihe Xinghai (Phase I)	Dalian, China	Sept. 2012	2,118	156,440m ²	Sold out
4	Moonlit Garden	Wuxi, China	Sept. 2015	295	81,751m ²	Sold out
5	Grace Residence	Changzhou, China	May 2017	1,178	74,480m ²	Sold out
6	Tempo	Sydney, Australia	July 2018	164	5,287m ²	Sold out
7	Summer Hill	Sydney, Australia	Feb. 2019	356	24,789m ²	Sold out
8	Midtown Project	Phu My Hung area, Vietnam	Sept. 2021	2,439	56,332m ²	
9	Grace Residence	Changzhou, China	July 2022	636	46,763m ²	Sold out
10	Grace Residence	Nantong, China	July 2022	1,480	135,544m ²	Sold out
11	the 100 Claremont Avenue	NY, US	June 2023	166	1,347m ²	
12	Grace Residence	Changzhou, China	Apr. 2024	967	74,964m ²	
13	(Name TBD)	Suzhou, China	June 2025	984	71,385m ²	

*1 Final phase completion *2 Residential units only

In China, we have developed a dominant strategy in the Yangtze River Delta area. We will enhance our brand value by providing a one-stop service covering from land selection through development to after-sales service



■ Projects in progress

① Changzhou project two



② Changzhou project three



③ Nantong project



④ Suzhou project two

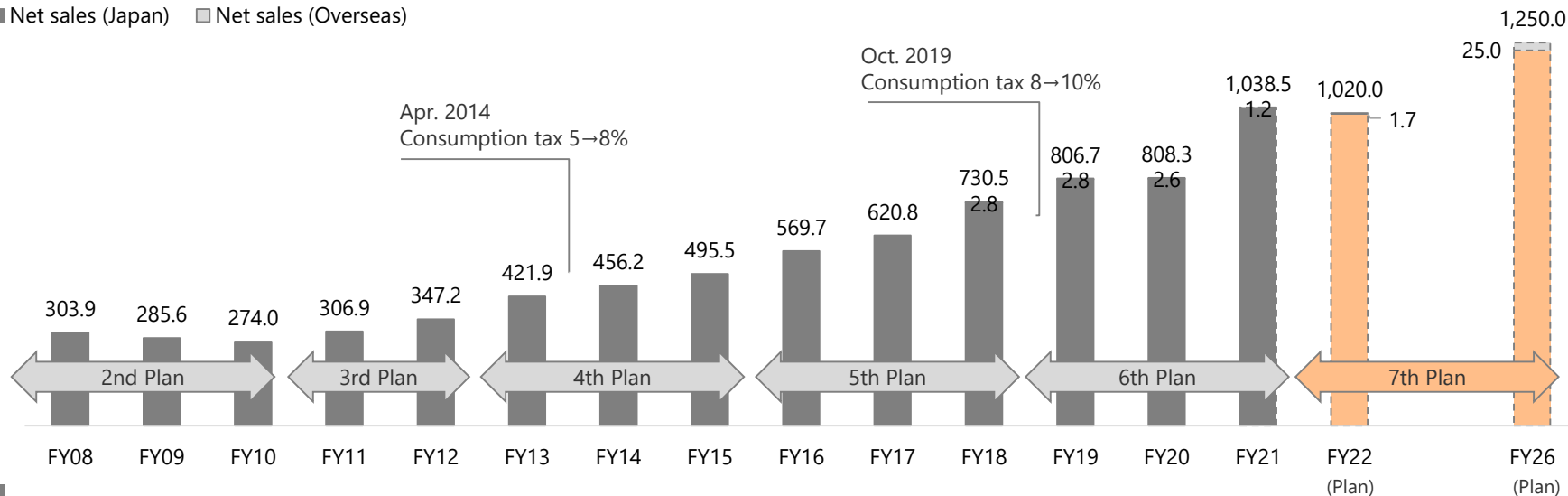


City	Project name	Property name	Number of unit	The status of sales	Completion (plan)
Changzhou	Changzhou project one	The Grace Residence	1,178	All units delivered	May 2017
	① Changzhou project two	The Grace Residence	636	Sold out	July 2022
	② Changzhou project three	The Grace Residence	967	Before the start of sales	April 2024
Nantong	③ Nantong project	The Grace Residence	1,480	Sold out	July 2022
Wuxi	Wuxi project	Moonlit Garden	295	All units delivered	Sept. 2015
Suzhou	Suzhou project one	The Grace Residence	902	All units delivered	Oct. 2011
	④ Suzhou project two	(Name TBD)	984	Before the start of sales	June 2025

Net sales

(¥billion)

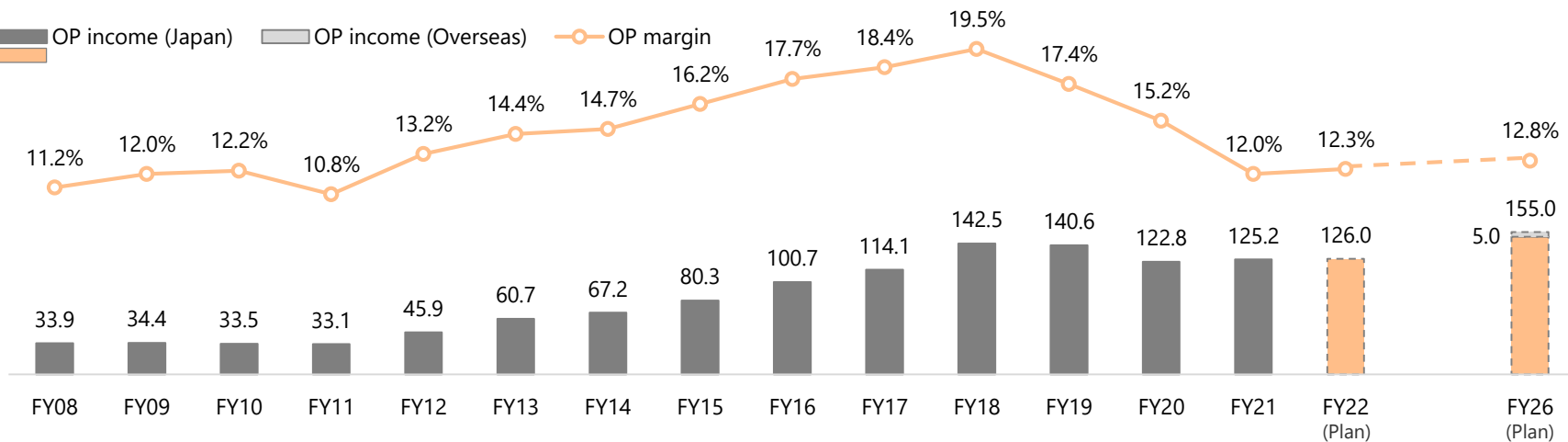
■ Net sales (Japan) □ Net sales (Overseas)



Operating income and OP margin

(¥billion)

■ OP income (Japan) □ OP income (Overseas) ○ OP margin



*Segment reclassification: (1) Include overseas business since FY2018 (2) Change the companies included in each segment since FY2021



Develop business that meet the need of an ever-changing society

Principal companies

Daiwa House, Daiwa House Realty Mgt, Daiwa Lease, Royal Home Center, Sports Club NAS, Daiwa House Parking

Basic policies for 7th Mid-Term Plan

1. Development to revitalize commercial and public facilities

- Accelerate development closely tied to local needs for commercial facilities, offices, hotels, etc.
- Actively engage in public projects from a long-term perspective using PPP and PFI

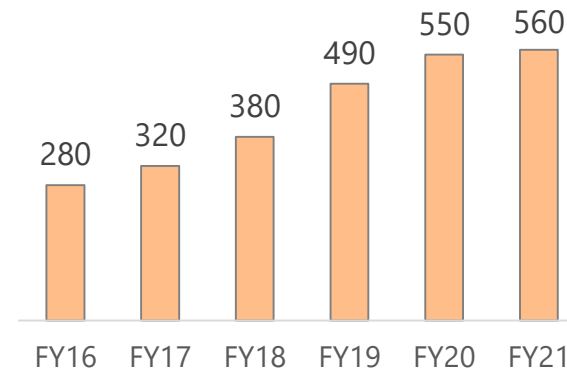
2. Profit growth of stock business

- Maximize group synergy centered on Daiwa House Realty Management
- Growth of the hotel business by capturing tourism demand and expanding parking business

3. Business development in the US and ASEAN

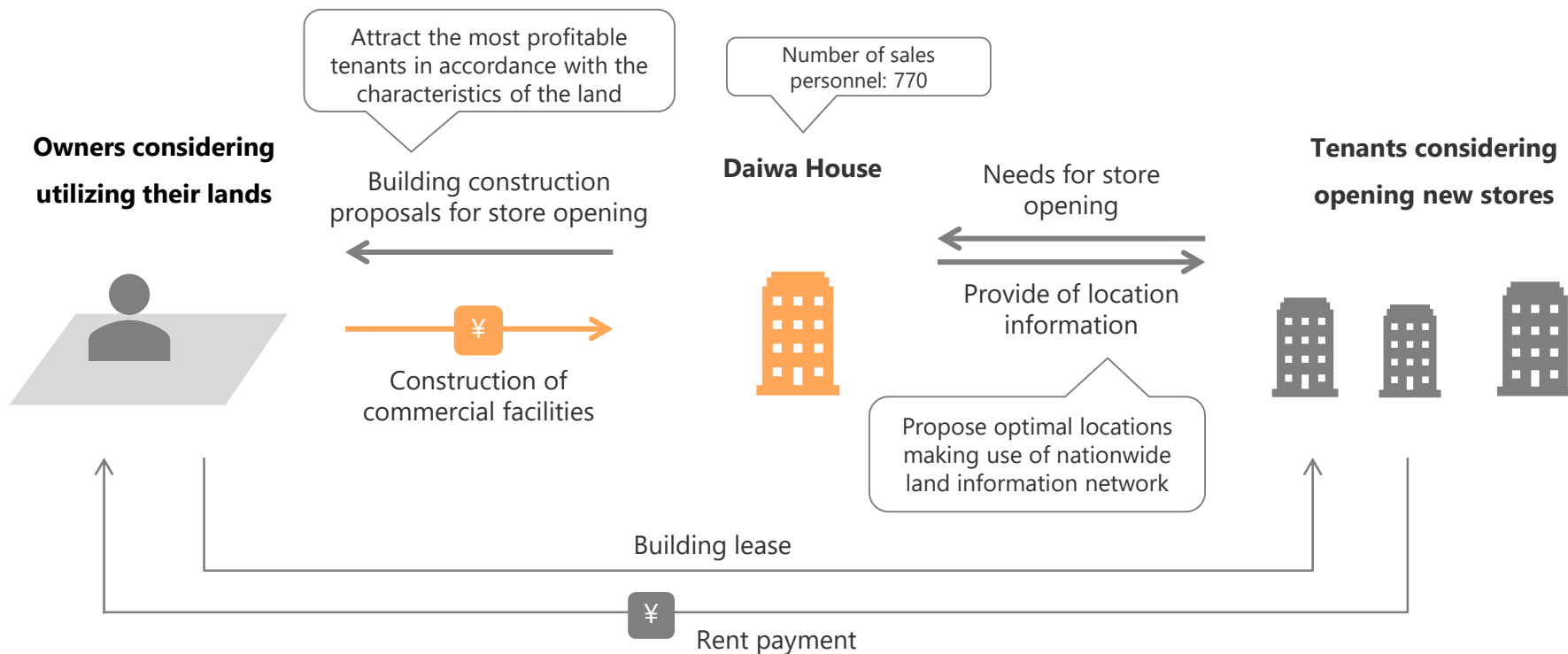
- Advance the commercial facility development and stock business using our strengths in leasing capability to Japanese companies in the US
- Get Taiwan business on track to build a base for entry to ASEAN region

Price per building trend (¥million)



LOC system (Land Owner and Company)

Our unique business scheme that connects the needs of landowners and tenant companies



Nationwide land information network
 Number of member of owners' association:
 Approx. **6,600**

Extensive construction results
 Total construction projects:
 Approx. **46,000**

High tenant attraction ability
 Corporate tenants: more than **4,300**

Construction

Stores



Clothing stores



Drug stores



Grocery stores

Non-stores



Nursing facilities for the elderly



Childcare facilities



Logistics facilities



Hotels

Rental management

Management and operation of shopping centers etc.

Number of management facilities: 5,331



Others

Management of hotels, sports clubs and others by group companies



Daiwa Roynet Hotel
Number of facilities: 75



Sports Club NAS
Number of facilities: 71



Royal Home Center
Number of stores: 57



Car parking business

New development



iias Okinawa Toyosaki (Opened in June 2020)

Amusement-annex facility that also captures tourism demand



COTOE Ootakanomori (Chiba Pref.)

(Opened in April 2022; exterior image)

Neighborhood commercial area type shopping center in Nagareyama City, Chiba Prefecture, where the number of people raising children is increasing (NSC)

Renewal Purchase and renewal of existing facilities



iias Kasugai (Aichi Pref.) (Opened in Oct. 2021)

Tenant composition that meets local needs



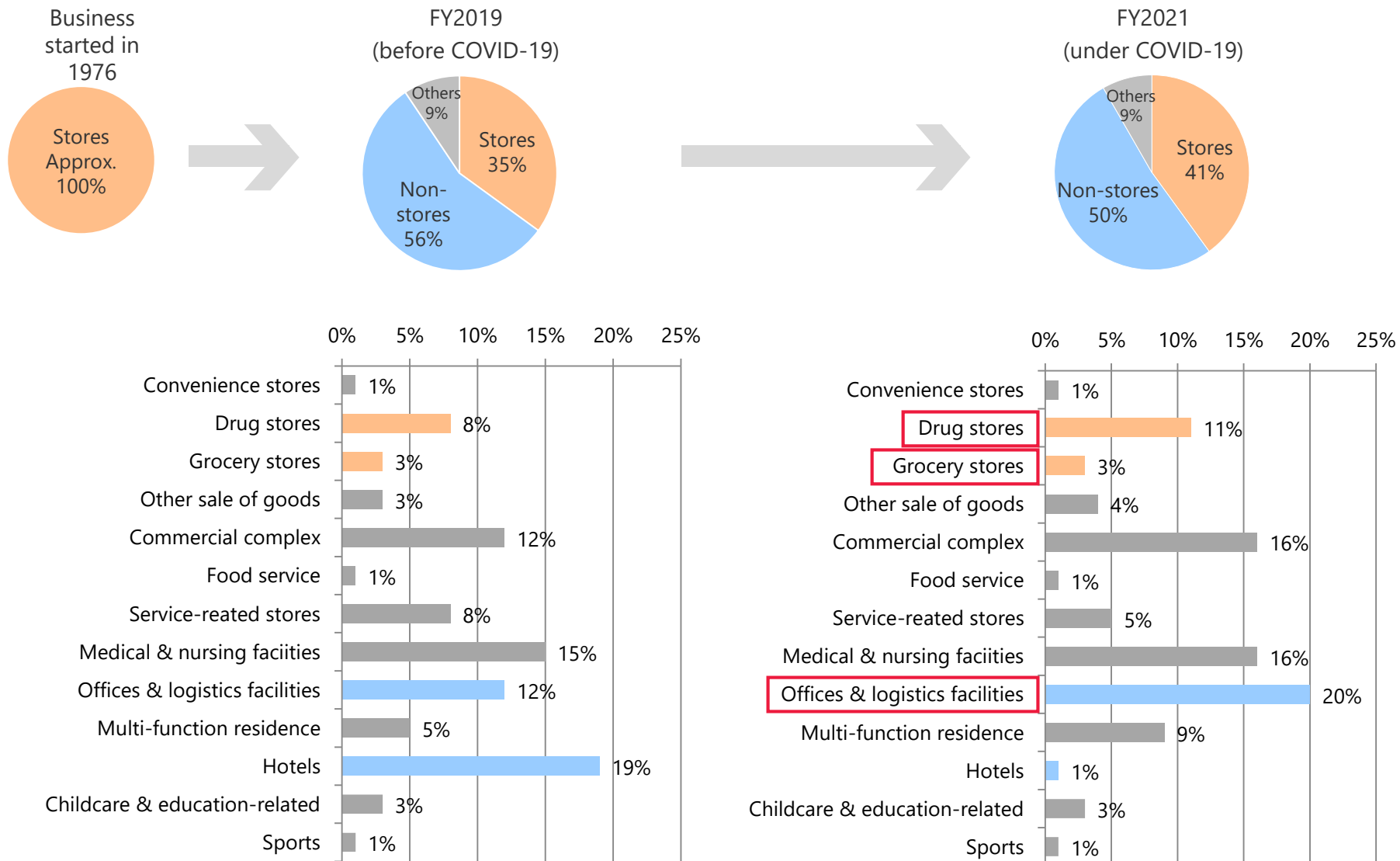
ALPARK (Hiroshima Pref.)

(Fully re-opened in April 2023; interior image)

World's largest MUJI and many of the largest or first tenants in the Hiroshima area have been opened.

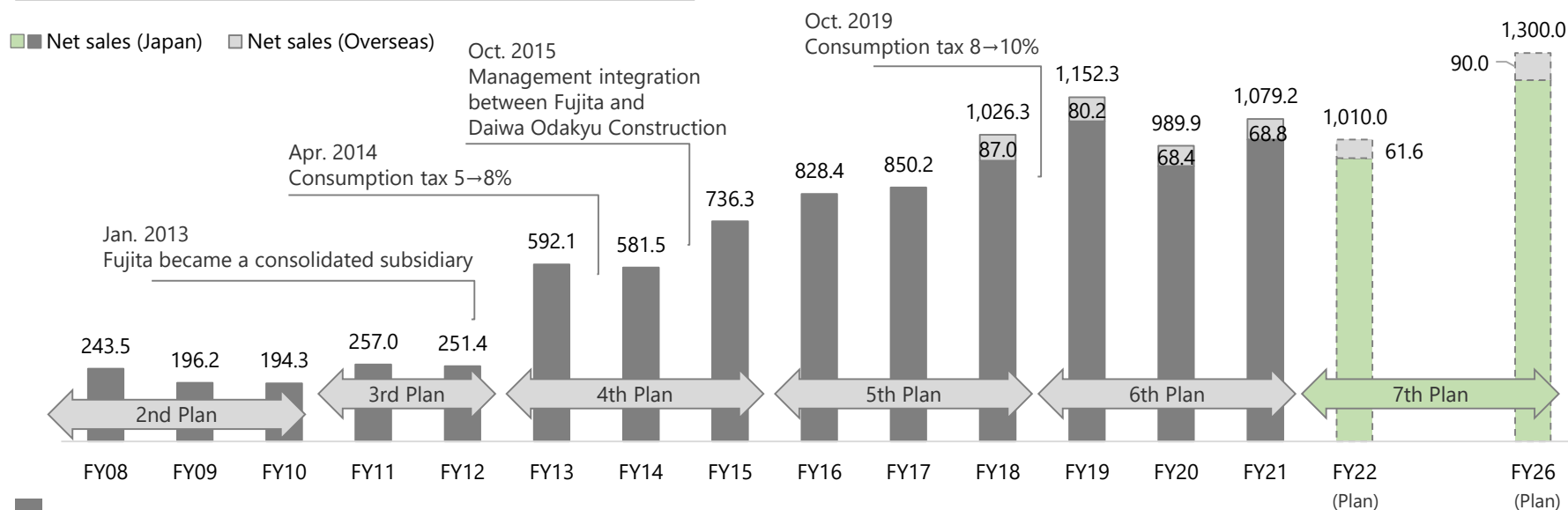


Changes in order composition by asset



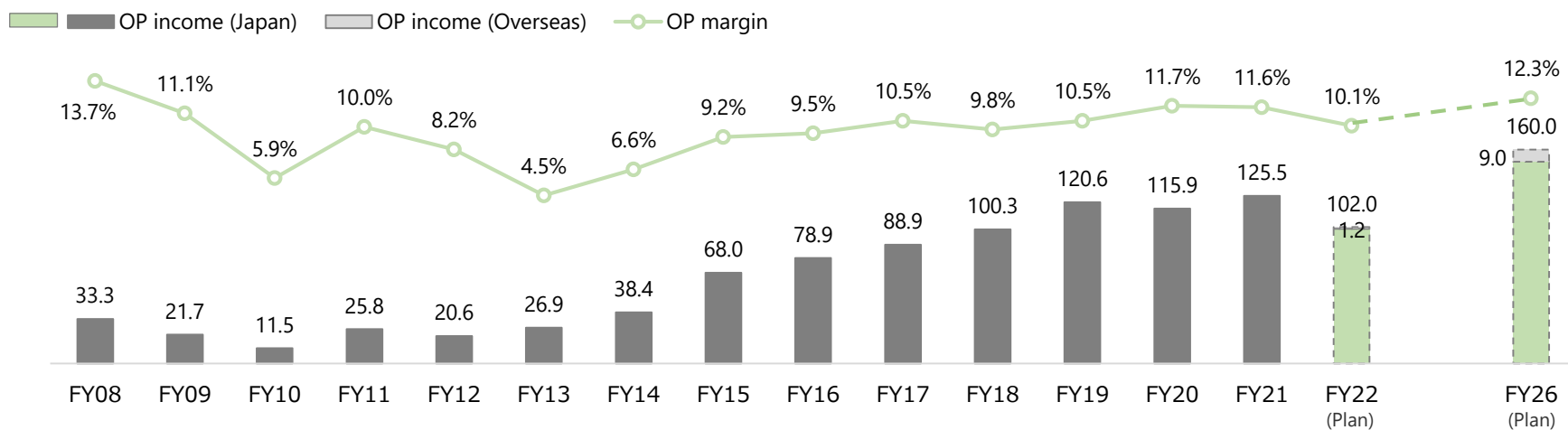
Net sales

(¥billion)



Operating income and OP margin

(¥billion)



*Segment reclassification: (1) Include overseas business since FY2018 (2) Change the companies included in each segment since FY2021



Build a social infrastructure

Principal companies:

Daiwa House, Fujita, Daiwa Logistics

Daiwa House Property Management, Daiwa LogiTech

Basic policies for 7th Mid-Term Plan

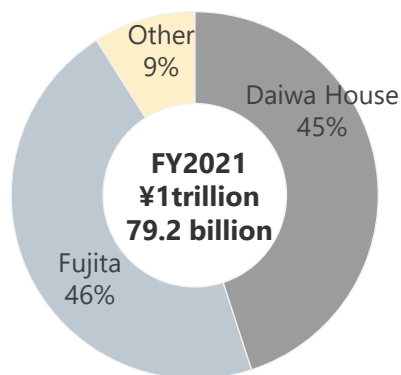
1. Develop social infrastructure, such as logistics facilities and data centers

2. Lead the industry with logistics DX

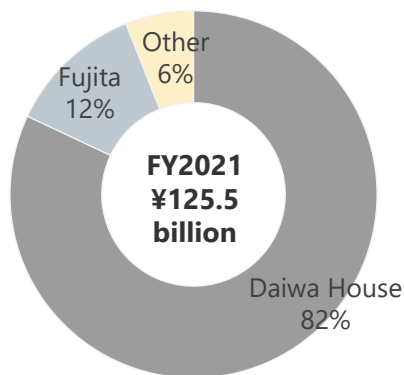
3. Develop businesses in ASEAN and the US

- Continually expand our real estate development investments as the top developer of logistics facilities
- Focus on growing sectors, such as data centers, redevelopment of public wholesale markets, etc.
- Promoting ZEB proposals in our industrial parks, etc
- Industrialization of agriculture and fisheries
- Invest and develop centered on systems and services within logistics facilities
- Strengthen collaboration with the top/unique company, and with municipalities and local governments
- Build a global supply chain for Japanese companies in ASEAN
- Acquire know-how as a logistics facilities developer in the US for strategic advancement

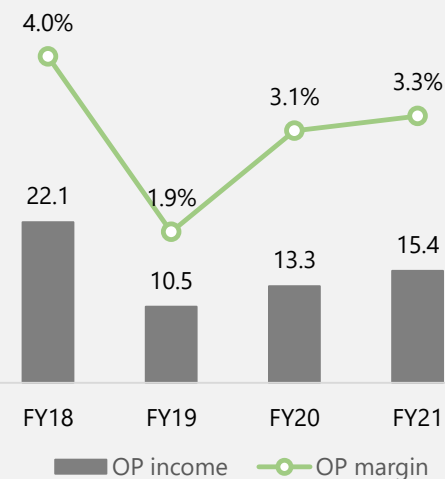
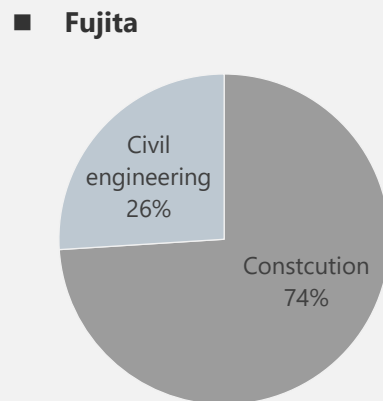
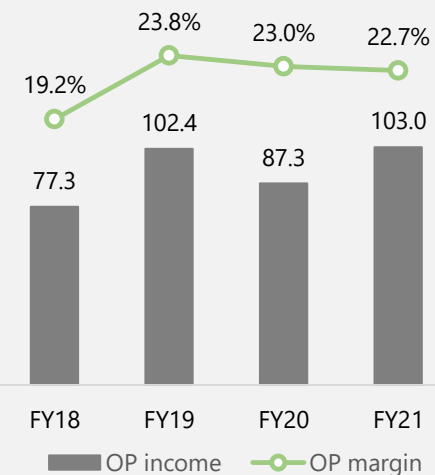
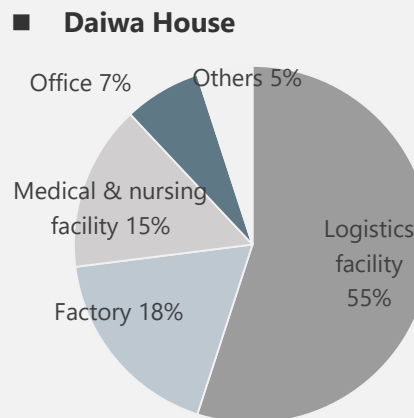
Net sales composition (by company)



Operating income composition (by company)



Orders received composition by facility and operating income trends

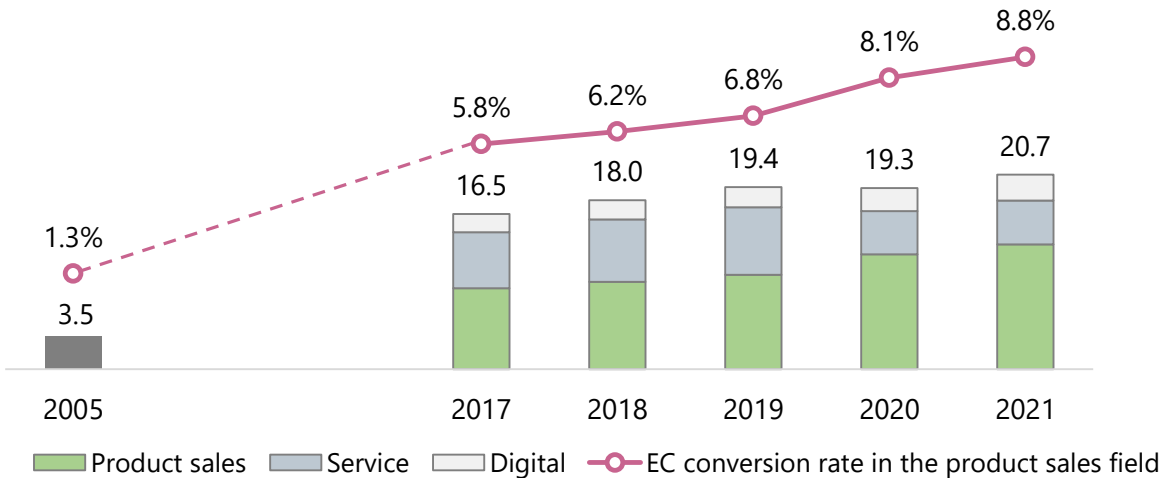


E-commerce market and e-commerce conversion rate

COVID-19 led to a higher ratio of online to total merchandise sales. However, the penetration of online sales in Japan is slower than in other countries

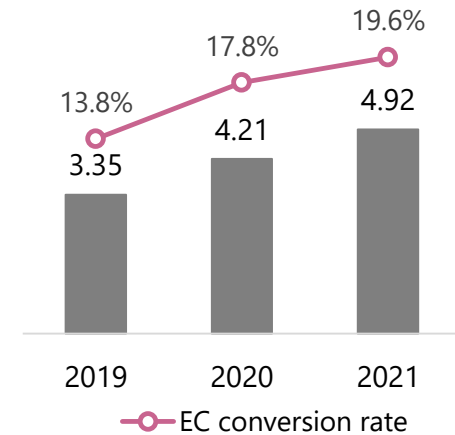
Japan's E-commerce Market and E-commerce Conversion Rate

(trillion yen)



Global E-commerce market and E-commerce conversion rate (estimated)

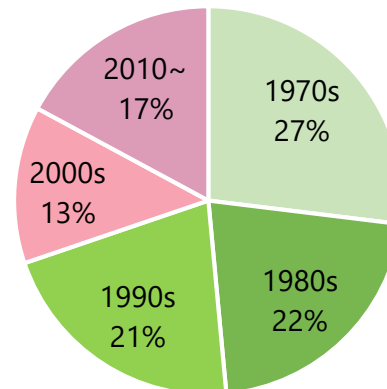
(trillion US\$)



Source: the Ministry of Economy, Trade and Industry "Market research on e-commerce"

Breakdown of warehouse floor area by building age

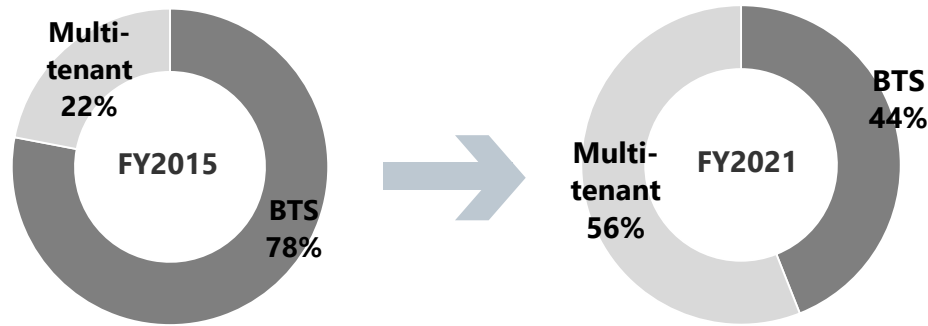
Advanced logistics facilities began to be built in earnest from 2000, and we estimate that approximately 70% of buildings are outdated.



Source: "Statistics on Construction Commencement," published by the Ministry of Land, Infrastructure, Transport and Tourism on January 31, 2022

We develop optimal solutions for customers such as custom-made BTS-type logistics facilities for specific companies, multi-tenant-type logistics facilities where multiple tenant companies can occupy places with good location conditions

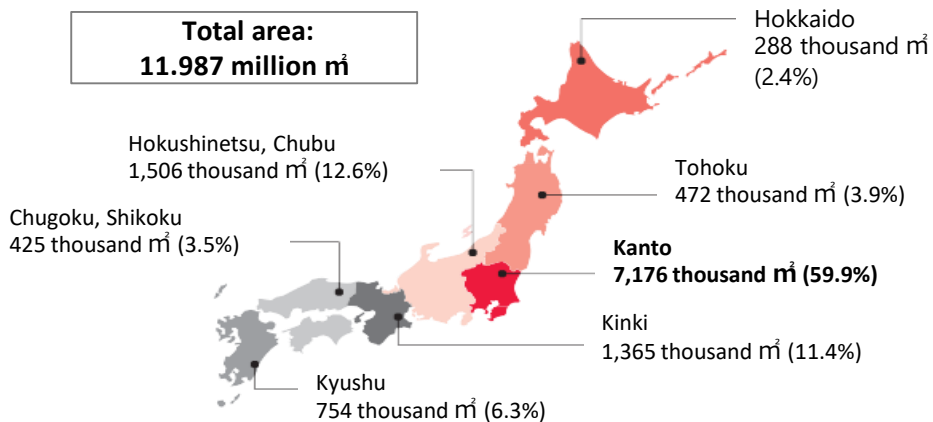
Developed area of logistics facilities by type



*As of Mar. 31, 2022, incl. under construction

In recent years, the average lead time for tenants between selecting a logistics facility and commencing operation has become shorter, and a tendency has been seen for users to prefer to move in to multi-tenant facilities and customize their own space. To enable tenants to respond flexibly to market changes, we plan to maintain our pace of development of new build-to-suit facilities while investing more in multi-tenant facility development.

Developed area of logistics facilities by region



*As of March 31, 2022, incl. under construction

[Reference] Developers' market shares

Rank	Developer	Area (thousand m²)		Number of buildings	
		Area	Share	Number	Share
1	Daiwa House	8,989	23.0%	280	33.8%
2	Prologis	6,744	17.2%	102	12.3%
3	GLP	3,057	7.8%	40	4.8%
4	Mitsui Fudosan	2,684	6.9%	33	4.0%
5	ESR (former Redwood)	2,335	6.0%	26	3.1%

* Cumulative total until completion in February 2022

Source : Japan Logistics Field Institute, Inc.

BTS (Build-to-suit)-type logistics facility “D Project”

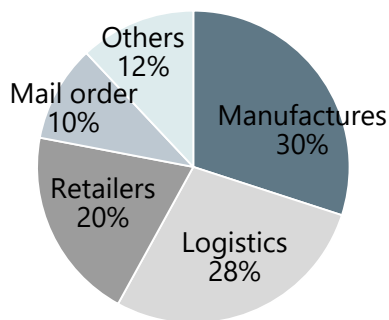


D Project Ariake I

- Located in Ariake, Tokyo
- Floor area: 112,400 m² • Completion: April 2016

FY2014: Closed leasing contract with Fast Retailing
 FY2016: Sold to private REIT (Sale price: ¥69.2 billion)

Our tenants by business sector (BTS-type)



- As of March 31, 2022, based on owners of goods

Multi-tenant-type (general-purpose) logistics facility “DPL”



DPL Nagareyama Project

- Located in Nagareyama, Chiba Pref.
- Total floor area : 711,266 m² (the largest logistics development undertaken by Daiwa House Industry)

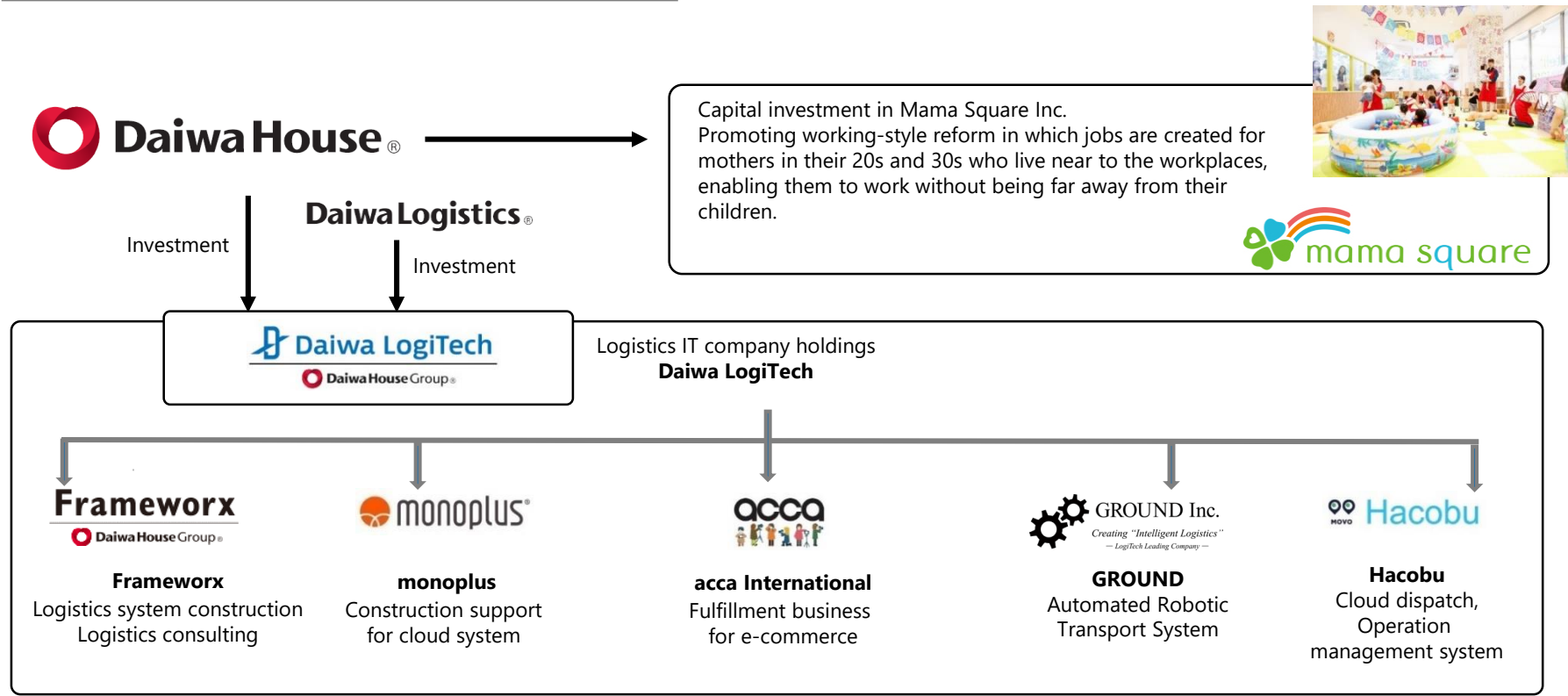
This project, which includes childcare facilities for the employee of corporate tenants, is the Japanese industry’s first logistics facility to offer a new employment style that enables staff to work for multiple tenant corporations according to their working conditions. This facility is also responding to the social issue of labor shortage.

	Site area	Floor area	Construction start	Completion
DPL Nagareyama one *1	66,580m ²	151,368m ²	July 2016	Mar. 2018
DPL Nagareyama two	60,662m ²	115,535m ²	July 2021	Apr. 2023 (Plan)
DPL Nagareyama three *2	53,937m ²	122,064m ²	Apr. 2019	Sept. 2020
DPL Nagareyama four	135,592m ²	322,299m ²	Sept. 2019	Oct. 2021
Total	316,771m ²	711,266m ²		

*1 Sold to Daiwa House REIT in April 2020 (Sale price: ¥32.6 billion)

*2 Sold to Daiwa House REIT in October 2021 (Sale price: ¥32.0 billion)

Initiatives for advanced logistics facilities



■ Acca International and NIKE Concluded Strategic Partnership Agreement

In June 2019, "The DUNK" a fulfillment center opened in Ichikawa City, Chiba Prefecture, to handle apparel products for Nike's directly-managed stores and EC sites. Acca International provides fulfillment services, including logistics, inventory management and product information creation (photographing, measurements and manuscript) at the facility. They plan to continue introducing advanced logistics centers in Japan.

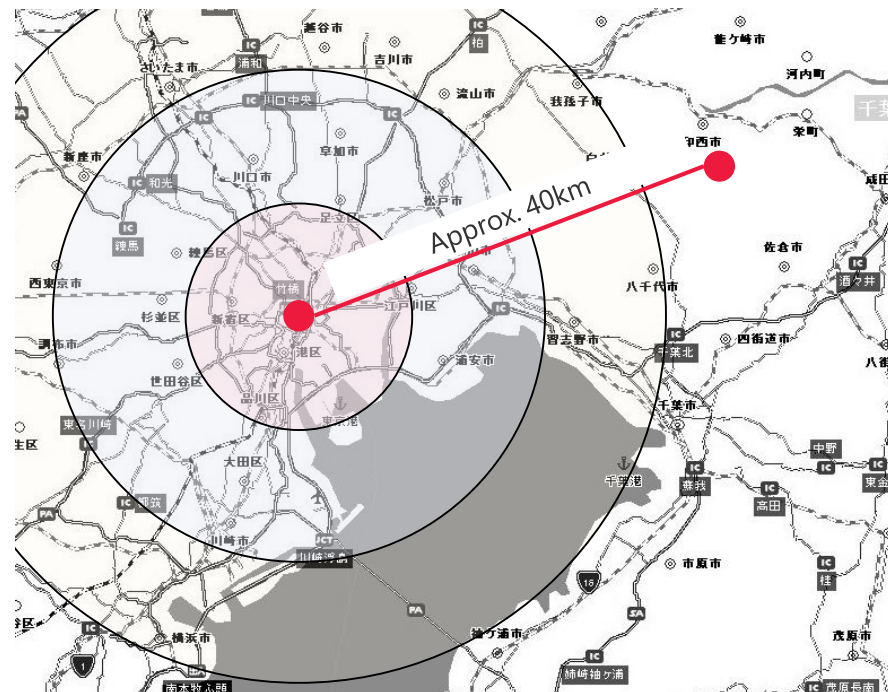


Data center business



**DPDC Inzai park
(Chiba New Town Data Center Project)**

Location	Inzai city, Chiba Pref. (Construction in our industrial park)
Total site area	Approx. 235,000㎡
Total floor area	Approx. 330,000㎡
Number of construction buildings	14 buildings (plan)
Total construction period	From Oct. 2020 to 2030 (plan)
Notes	Succeeded in attracting an ultra-high voltage substation of TEPCO Power Grid, Inc., and have achieved a stable supply of electricity.



Advantages of data center development in Inzai City

- (1) Within 50 km from central Tokyo
:Ensuring communication speed
- (2) Stable ground without active faults (Shimōsa Plateau)
:Avoid the earthquake risk peculiar to Japan as much as possible
- (3) Data center accumulation area
:Realize integration benefits such as intercommunication and cooperation between facilities

Market overview

Communication volume is expected to increase in the future due to the increase in video distribution services, the spread of IoT and 5G, and the shift to DX for companies.

The conditions for suitable data center sites are strict; securing land after Inzai is a key point for the future.

	Urban type	Suburban type	Rural type
Use	Finance and communications	Mega cloud operator	Corporate backup and others
Communication environment	★★★ (Very good)	★★ (Good: 50 km from central area)	★ (Inferior to urban or suburban type)
Feature	Many handle high value-added data that requires communication speed (e.g., inside high-rise buildings)	There is some merit in building multiple buildings in the neighborhood	There are many small-scale and single building developments, and also some area developments

Challenges for data center construction in Japan

- Avoiding earthquake risk Risks peculiar to Japan when compared with other parts of Asia
- Ensuring communication speed Preference for a closer distance from a central area
- Securing power supply network It is essential to secure a supply network because it consumes a large amount of power. In addition, it has also been essential to deal with renewable energy recently.

Contributes to the construction of social infrastructure such as food and communications locally

We are also promoting the development of industrial parks nationwide, and our strength is also in land-based proposals.

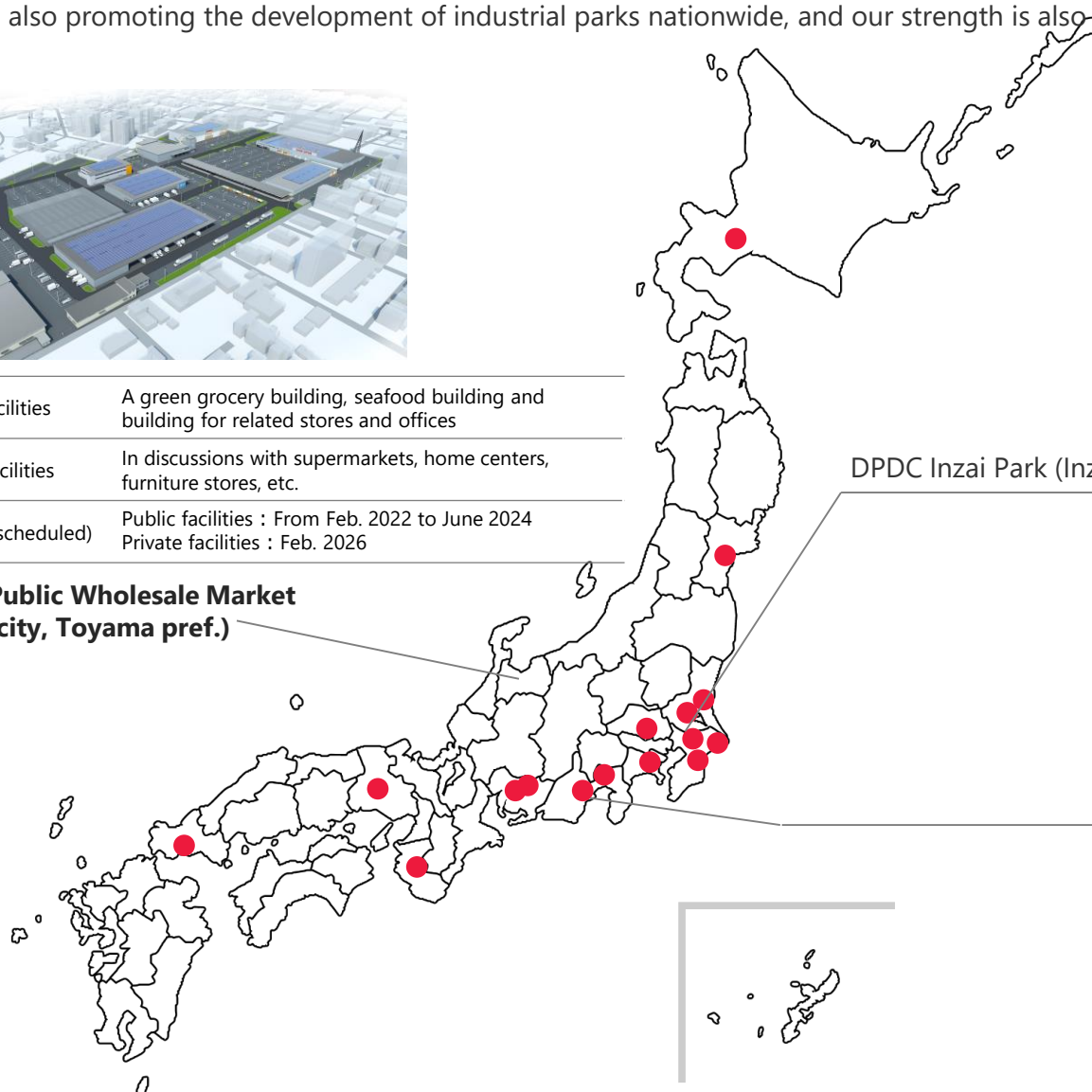


● Daiwa House's industrial park

Public facilities	A green grocery building, seafood building and building for related stores and offices
Private facilities	In discussions with supermarkets, home centers, furniture stores, etc.
Completion (scheduled)	Public facilities : From Feb. 2022 to June 2024 Private facilities : Feb. 2026

Toyama Public Wholesale Market (Toyama city, Toyama pref.)

DPDC Inzai Park (Inzai city, Chiba pref.)



Salmon onshore aquaculture facility (Suntou district, Sizuoka pref.)

Total floor area	27,641㎡
Construction start	April 2021
Completion (scheduled)	June 2023

Logistics Facility Development

Experts at providing the 4 temperature ranges food manufacturers require: refrigerated, frozen, fixed temperature, room temperature.
 Apply knowhow cultivated in Japan to offer “Made in Japan” high-quality logistics facilities across the globe.



	Phase II
Completion	Jan. 2021
Site area	45,473㎡
Operating ratio	100%

Laem Chabang Project (Thailand)



DMLP (Indonesia)

	Phase I -1	Phase I -2	Phase II
Completion	June 2016	May 2018	Sept. 2020
Site area	Approx. 47,000㎡	Approx. 48,000㎡	54,294㎡
Operating ratio	100%	100%	65%



D Project Malaysia

	Phase I	Phase II
Completion	Sept. 2020	Nov. 2021
Site area	30,351㎡	28,640㎡
Operating ratio	100%	100%



D Project Rental Warehouse – Loc An Binh Son (Vietnam)

	Phase I	Phase II
Completion	June 2019	Feb. 2021
Site area	66,000㎡	66,500㎡
Operating ratio	67%	86%

Industrial Park Development

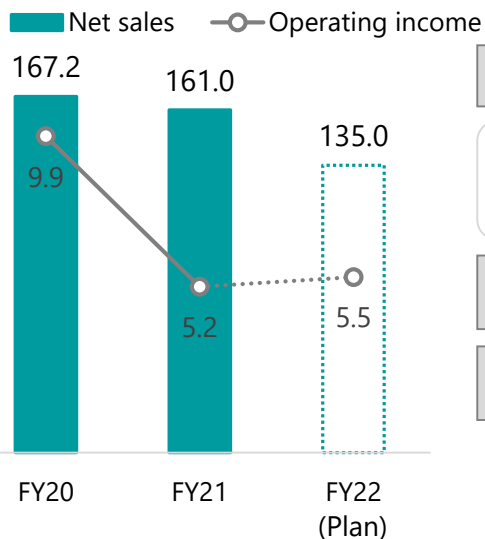
Support overseas market engagement by Japanese companies, attract companies, and conduct plant construction work.
 We also develop factories for rent.



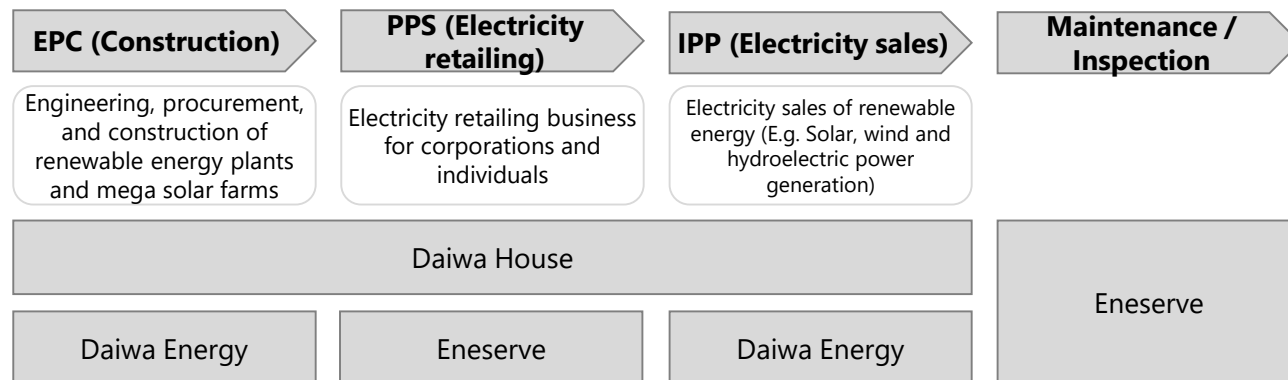
Long Duc Industrial Park (Vietnam)

We are engaged in delivering solutions for energy issues facing our customers, focusing on our three pillars of EPC, centered on construction of photovoltaic power plants, PPS for corporations and individuals, and IPP for photovoltaic power generation and wind power generation

Financial results (¥billion)



Cooperation among the three companies (our value-chain)

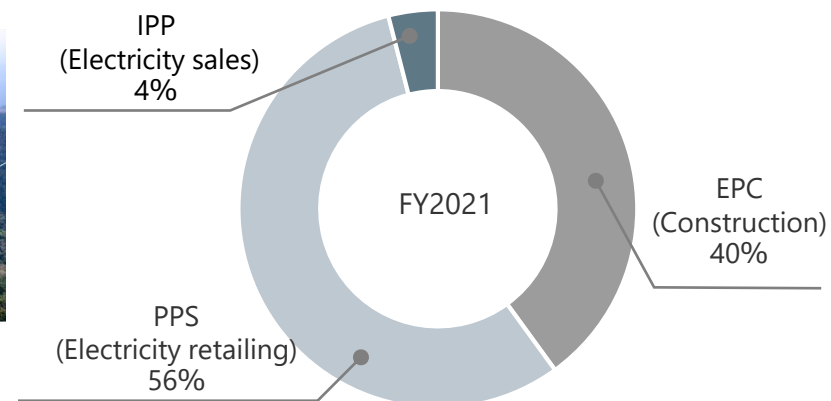


Solar power generation



Wind power generation

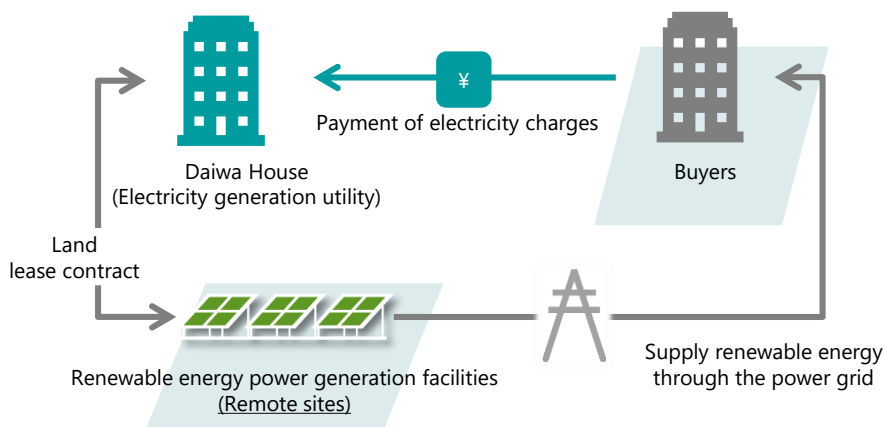
Net sales breakdown by business



Large-scale development of renewable energy power plants is shrinking due to the end of FIT (feed-in tariff). Strengthen PPA as an alternative to FIT, to acquire new business opportunities. Power Purchase Agreements (PPAs), also referred to as third-party ownership models. A scheme in which a power producer rents the roofs of unused land or facilities owned by customers, installs power generation equipment, and supplies electricity.

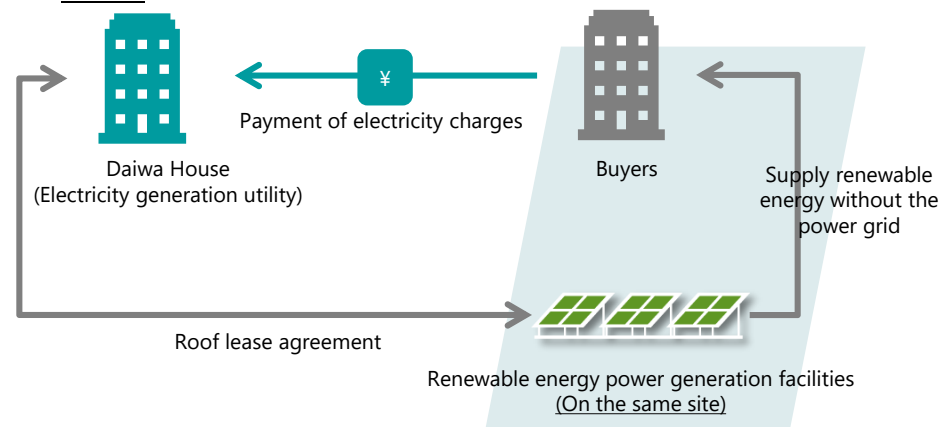
Offsite PPA business scheme

- Installation of offsite renewable energy power generation facilities
- Actively search for a land by taking advantage of the our nationwide business development



Onsite PPA business scheme

- Installation of renewable energy power generation facilities on the same site (roof, etc.)
- Promote installation in new buildings constructed by Our Company in cooperation with the Commercial Facilities and Logistics, Business & Corporate Facilities Business Division



Indirect	Supply method	Direct
No restriction on location (remote installation allowed)	Location	Limited location (within the same site)
Large to Medium	Scale	Medium to Small
Added the consignment fee and renewable energy charges due to the supply through the power grid	Power charge	Discount due to direct power supply

Other Businesses



Daiwa Royal Hotel
Number of facilities: 24



HeartOne credit cards
Credit card holder members: Approx. 380 thousand holders

Accommodation Business in Daiwa House Group

Operating company	Brand	Number of facilities	Number of rooms	Segment
Living Stay (Daiwa Living Group)	La' gent Hotel/ La' gent Inn	7	1,350	Rental Housing
Cosmos Initia	MIMARU *1	17	793	Condominiums
Daiwa LifeNext	THE STAY OSAKA / L stay & grow	2	351	
Daiwa House Realty Mgt	Daiwa Roynet Hotel	76	16,259	Commercial Facilities
Osaka Marubiru	Osaka Dai-ichi Hotel	1	460	
Daiwa Resort	Daiwa Royal Hotel	24	6,688	Other Businesses (health and leisure)
	Royton Sapporo	1	292	
Nishiwaki Royal	Nishiwaki Royal Hotel	1	72	
Total		128	25,924	

*1 Excluding temporarily closed facilities *2 Only in Japan

ESG Initiatives

Environmental initiatives

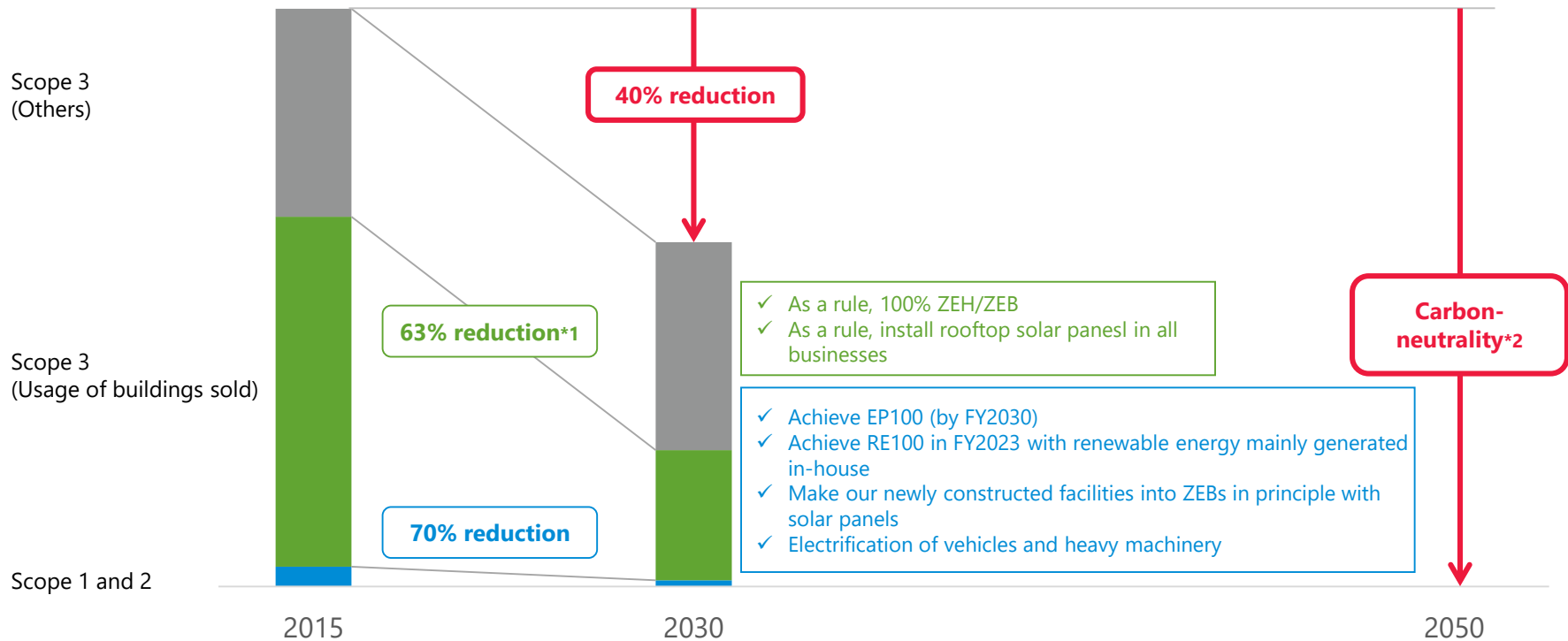
Community development of the Daiwa House Group

Social initiatives

Implementation items for strengthening governance

Transition plan for carbon neutrality

Setting a milestone of reducing greenhouse gas emissions (Scope 1, 2, and 3) through the value chain by 40% by 2030 (compared to 2015 levels) and accelerating initiatives across all businesses and sectors



*1) Annual reduction of 4.2%

*2) Because it is technically difficult to completely suppress emissions, we aim to achieve "carbon-neutrality" by absorbing or removing the same amount of emissions that we have no choice but to emit.

Business Activities (Scope 1 + 2)

70% reduction in GHG emissions by 2030 (compared to FY2015)

KGI	2021	2026 (Targets)	2030 (Targets)	2050 (Targets)
Greenhouse gas emissions (total) *Compared to 2015	-20.8%	-55%	-70%	Net zero
Energy efficiency *Compared to 2015 (=Consolidated net sales/Energy consumption)	1.47 times	1.9 times	2.0 times Achievement of EP 100	—
Renewable Energy Power Generation Rate (Creation) (=Renewable energy power generation volume/Electricity utilization volume)	131%		—	
Renewable energy utilization rate (Use) (=Renewable energy utilization volume/Electricity utilization volume)	18.2%	Achievement of RE 100 in FY 2023		

Efforts to use sold buildings (Scope 3 Category 11)

63% reduction in GHG emissions by 2030 (compared to FY2015)

KGI		2021	2026 (Target)	2030 (Target)
Total GHG emissions at the building usage stage		Compared to 2015 -29.8%	Compared to 2015 -54%	Compared to 2015 -63%
Ratio of ZEH/ZEB	Ratio of ZEH (Custom-built and dev. projects)	53%	90%	As a rule 100%
	Ratio of ZEH-M (Rental Housing)	2%	50%	
	Ratio of ZEB	Commercial facilities 27%	Commercial facilities 50%	
Logistics, business and corporate facilities 40%		Logistics, business and corporate facilities 70%		

Key Risks and Opportunities for Climate Change (TCFD Response)



A simplified scenario analysis was conducted using the TCFD framework. In both cases, the expected increase in revenue due to the spread of ZEH and ZEB and the expansion of the environmental energy business is expected to exceed the negative financial impact.

Type		Details		Period of impact*	Level of financial impact*
Risks	Transitions	Policy, laws and regulations	Strengthening of Japan's Building Energy Efficiency Act	Short term	Medium
			Expansion of carbon tax or emissions trading system	Medium term	Small
	Physical changes	Chronic	Rise in summer maximum temperatures	Short term	Small
			Acute	Damage to our facilities due to natural disasters and increase in insurance premiums	Medium term	Small
Opportunities	Transitions	Products and services		Increase in demand for houses and building with low greenhouse gas emissions	Short term	Large
			Generation of carbon credits through provision of low-carbon houses and buildings	Long term	Medium
			Expansion of environmental energy business due to rising demand for renewable energy	Medium term	Large
	Physical changes	Products and services	Rising demand for houses and buildings equipped for natural disasters	Medium term	Medium

*Period of impact: Short term (less than 1 year), Medium term (from 1 to less than 5 years), Long term (over 5 years)

*Level of financial impact: Small (less than ¥10 billion), Medium (from ¥10 to less than ¥100 billion), Large (over ¥100 billion)

External scenario	1.5 °C scenario	4 °C scenario
Reason for selection	Most of our business are domestic, and this scenario is consistent with Japan's goal of net zero by 2050. There is also a relatively high risk of migration	This scenario is chosen for the most extreme situations and with the greatest physical impact
Analysis Results	Operating costs are expected to increase due to tighter regulations, but profits are expected to increase further due to sales increases in the ZEH, ZEH-M, ZEB, and environmental energy businesses.	Although there are risks of additional costs such as loss of suppliers due to heavy rain and heavy snow, impairment of assets due to damage to own facilities, and delay damages due to an increase in extremely hot days, sales of products that mitigate and adapt to climate change are expected to increase even more.

Livness Town Project

We promote the Livness Town Project with the goal of adding value to the local areas of the large-scale housing developments in city suburbs that Daiwa House built many years ago, by redeveloping them into communities where multiple generations of residents can live comfortably and can continue to reside for many more years.



< Example > Kamigo Neopolis

Location: Sakae-ku, Yokohama-City, Kanagawa Pref.

Development period: 1970 ~ Total units: 868 units

Development began in 1970 under the direction of the Kamigo Neopolis Town Planning Committee, with the mission statement of offering "safety, communication, life goals, and health." In line with these aims, the Committee worked to support all community activities, built community centers for residents' use, set up residents' associations, and started a project to give purpose to residents' lives.

Ko "Re" Kara City

Expanding Ko "Re" kara City, a suburban multi-use community development, under the banner of our 3 "Re"s catchphrase. Realize a sustainable life and a decarbonized society by expanding the spread of renewable energy.



Reality

Embody future lifestyles promptly

Renewable energy

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

Resilience

Prepare for emergencies by increasing water and food self-sufficiency

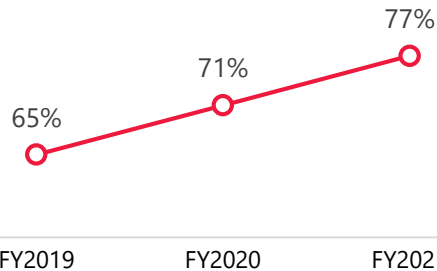
< Example > Funabashi Grand Oasis

Location	Funabashi-city, Chiba
Use	Single-family houses, rental housing, condominiums, and commercial facilities
Total construction period	August 2018 – March 2021

Strengthening the human resource base

Improving workplace environments where diverse human resources are highly motivated based on the Corporate Philosophy "Develop people through business" and the SDGs Goal 8 "Decent work and economic growth"

Improvement in "motivation" of entire workforce



General indices for diversity and inclusion

KGI	2017	2018	2019	2020	2021
Female managers	3.3%	3.6%	4.1%	4.5%	4.9%
Line leaders amongst female managers	27.6%	24.1%	25.0%	21.5%	22.6%
Female engineers	4.3%	4.6%	4.9%	4.9%	4.8%
Female sales reps	9.1%	9.9%	10.2%	9.9%	10.2%
Female amongst recruits	28.4%	27.2%	24.8%	23.5%	25.8%

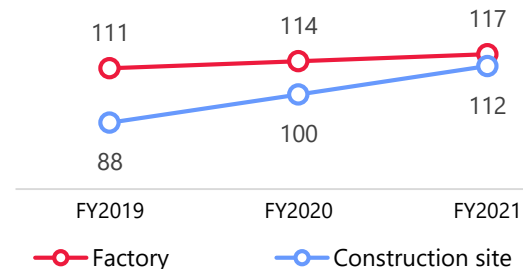
Strengthening Technology and Manufacturing Foundation

Using the IoT and automation to help pass on our accumulated skills to succeeding generations, and to improve productivity, we will make progress in reducing the problem of excessively long working hours.



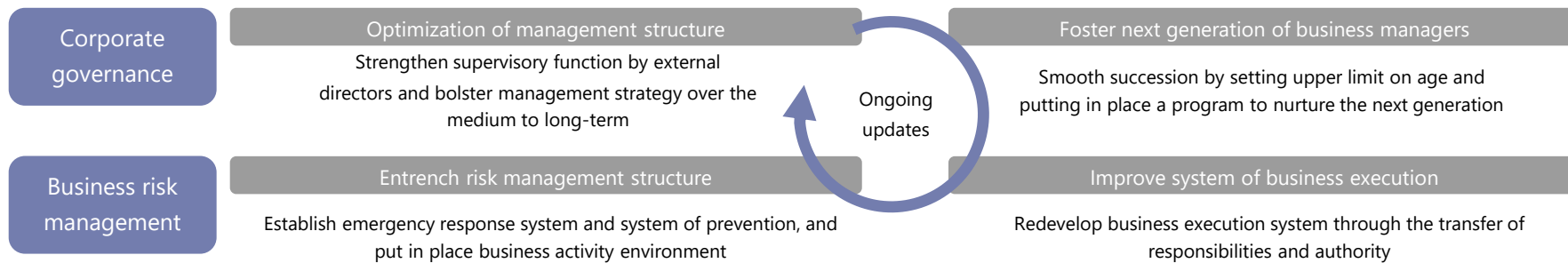
"Smart Control Centers" established at 10 locations nationwide
Accumulate data to realize automation at construction sites

Annual Holidays



* The records at the site where the face recognition entry/exit system was introduced. Target achieved at approximately 80% of sites.

Basic policies



Remuneration structure (from FY2022)

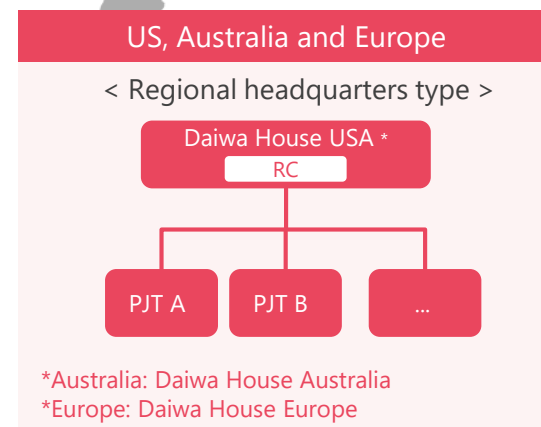
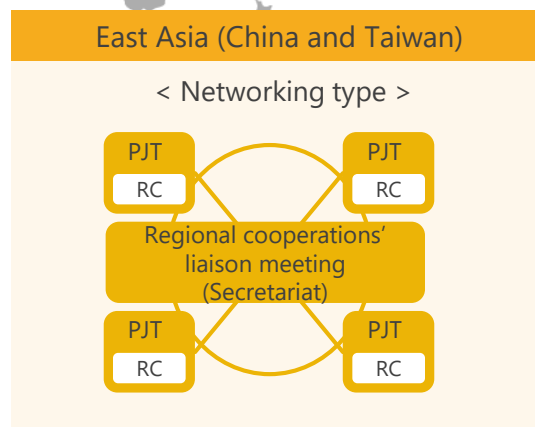
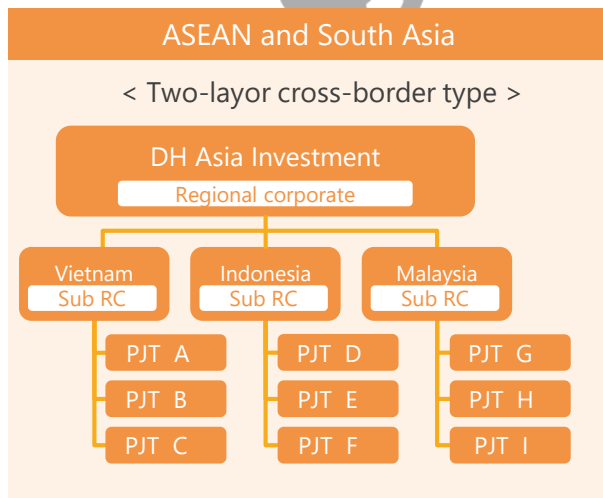
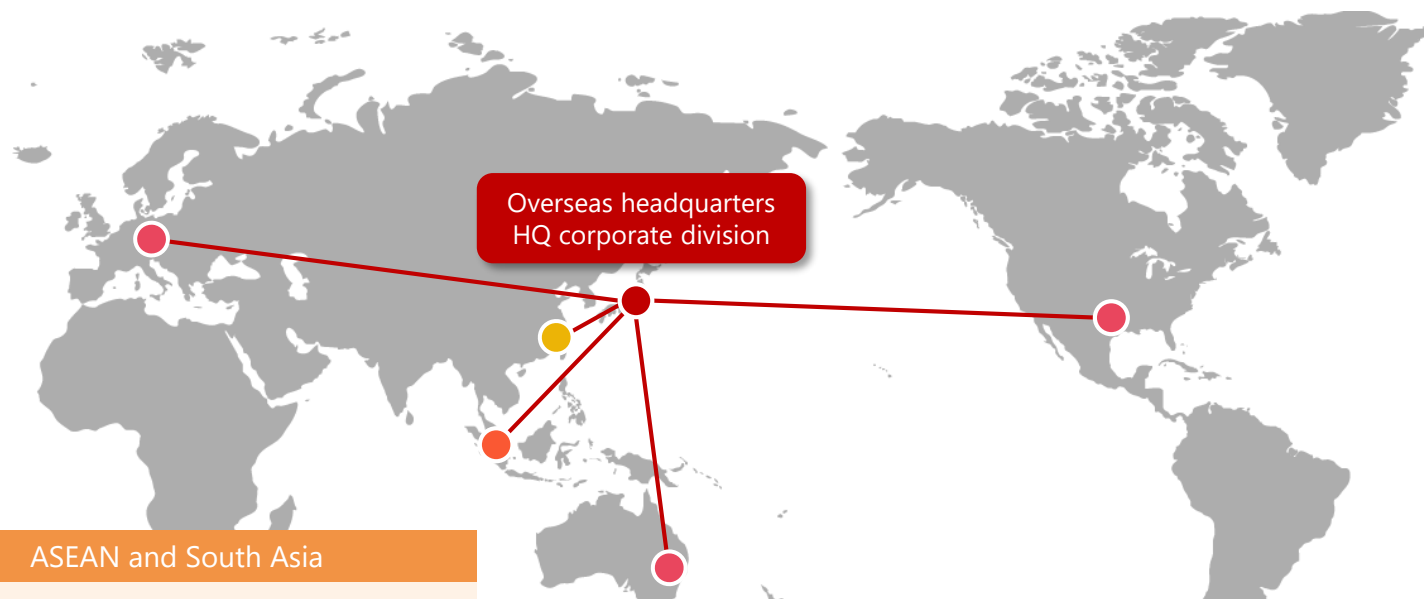
Review the ratio of stock compensation and introduce environmental indicators (CO2 emissions reduction (business activities and building use stage), CDP climate change score) as KPIs for performance-linked compensation

	Basic remuneration: Approx. 45% (Fixed remuneration)	Annual incentive bonus Approx. 43%	Stock compensation: Approx. 12%	
Current		Short-term (KPI: consolidated ordinary income)	Stock insurance trust Medium to long term (KPI:ROE)	Performance-linked restricted stock compensation Medium to long term (KPI: Consolidated operating profit)
			↓	
New system	Basic remuneration: Approx. 45% (Fixed remuneration)	Annual incentive bonus Approx. 35%	Stock compensation: Approx. 20%	
		Short-term (KPI: consolidated ordinary income)	Service-based restricted stock compensation	Performance-linked restricted stock compensation (KPI: Environmental Indicators)

*1. The percentage indicates the ratio of each type of remuneration to the whole remuneration for directors. (This is subject to change as it is calculated based on past performance.)

*2. Stock remuneration is conditional on meeting all the performance-based indicators relating to the said remuneration.

Establishment a regional corporate function on market risks and forms of our business in each area and supervision by head offices and overseas headquarters





**Explanation regarding appropriate use of business performance forecasts,
and other items worth special mention**

(Notes regarding forward-looking statements)

The above business forecasts are based on information available as of the date of announcement of this material, and are subject to factors of uncertainty that may possibly impact the future results of operations. The Company's actual results may differ significantly from those presented herein as a consequence of numerous factors such as economic conditions, competitor situations and fluctuations in land prices.

The figures in this material are shown in rounded down and % figures are rounded off to the nearest number, and adjusted to total 100%.

(Regarding images used in these informational materials)

Images used in these informational materials include both photographs of actual buildings, people, etc., and artists' impressions of completed buildings.

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(End)