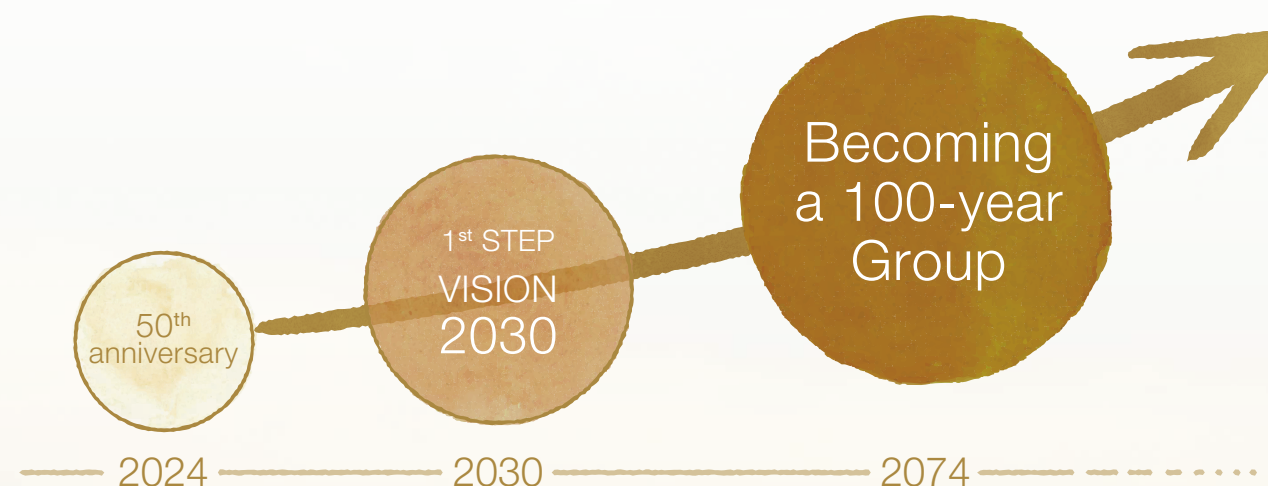


INTEGRATED REPORT 2024



What can we do in the next 50 years?

100 years and onward, into the future



Daito Group's Purpose

Link the Trust to Make a Better Future.

Statement

Everyone wants peace of mind in their lifestyle.

That is why we have pressed on with building and supplying safe, secure, and comfortable rental housing on the precious land that customers entrust to us.

We will continue working as a Group to address the challenge of supporting lifestyles so as to realize all our customers' dreams.

But because lifestyles change as rapidly as the times go by, we will not—and cannot—rest on the status quo.

We must remain a challenger.

Through coexistence and co-creation with other business types, we will massively expand our business domains toward realizing a circular economy, disaster-resilient housing, and regional revitalization, with a focus on the rental housing business.

We will never cease striving to realize lifestyles that we can entrust with confidence to the next generation.

With our customers' dreams entrusted to us and with our accumulated experiences, each employee of the Daito Group will work on changing customers' difficulty into peace of mind around the world by being entrusted to each other.

Through our full range of services, we will link people with people, people with buildings, and people with communities carefully and respectfully.

We will undertake these efforts to deliver the future of new lifestyles where people around the world can feel safe and comfortable from the bottom of their hearts.

Daito Group's Purpose

Link the Trust to Make a Better Future.

The Daito Group has been working together with property owners and tenants, who have entrusted their dreams to the Group, and its employees have come together to strive to realize the dreams.

We believe the value of our existence is to link those dreams to the next generation and into the future. It is this that we have defined as our “purpose.”

Our Values That Have Remained Since Our Founding

The Daito Group was not founded as a construction company or a real estate company. As a corporation, we ought to engage in a business that adapts to the environment, in which we consistently identify and provide what is desired by society.

Land owners and tenants have earnest concerns, and we must answer those needs as they evolve and grow.

Corporate Philosophy

Contributing to society by realizing extensive and effective use of limited land.

Daito Group Basic Policy on Sustainability

As a company that supports affluent lifestyles, the Daito Group regards social changes as opportunities for growth, and we work to develop our business activities and realize a sustainable society with our stakeholders.

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Editorial Policy

This report is issued with the aim of communicating the story behind creating medium- to long-term value for the Daito Group, as well as the Group's sustainability management goals from both financial and non-financial perspectives. This report is edited in reference to the International Integrated Reporting Framework issued by the IFRS Foundation, and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry.

Target Readers

The Daito Group's stakeholders, especially its shareholders and investors

Reporting Period

The fiscal year ended March 31, 2024 (FY2023)
Note: Including some initiatives through to September 2024

Issued

September 2024

Forward-Looking Statements

Statements regarding the Daito Group's future, including forecasts of business performance, in this report are based on future projections at the time of this report's release, assumptions used for planning, and predictions. Daito Trust Construction Co., Ltd. does not in any way guarantee the achievement of these projections. The Group's actual business performance could significantly vary from these projections, due to a variety of reasons.



Value Creation Process

Daito Group's Purpose

Link the Trust to Make a Better Future.

Social issues

Source of value creation

Whole Group business model

Social value /
secured value

Daito Group Vision

6 types
of capital

→P.16

1
Human
capital

2
Social
capital

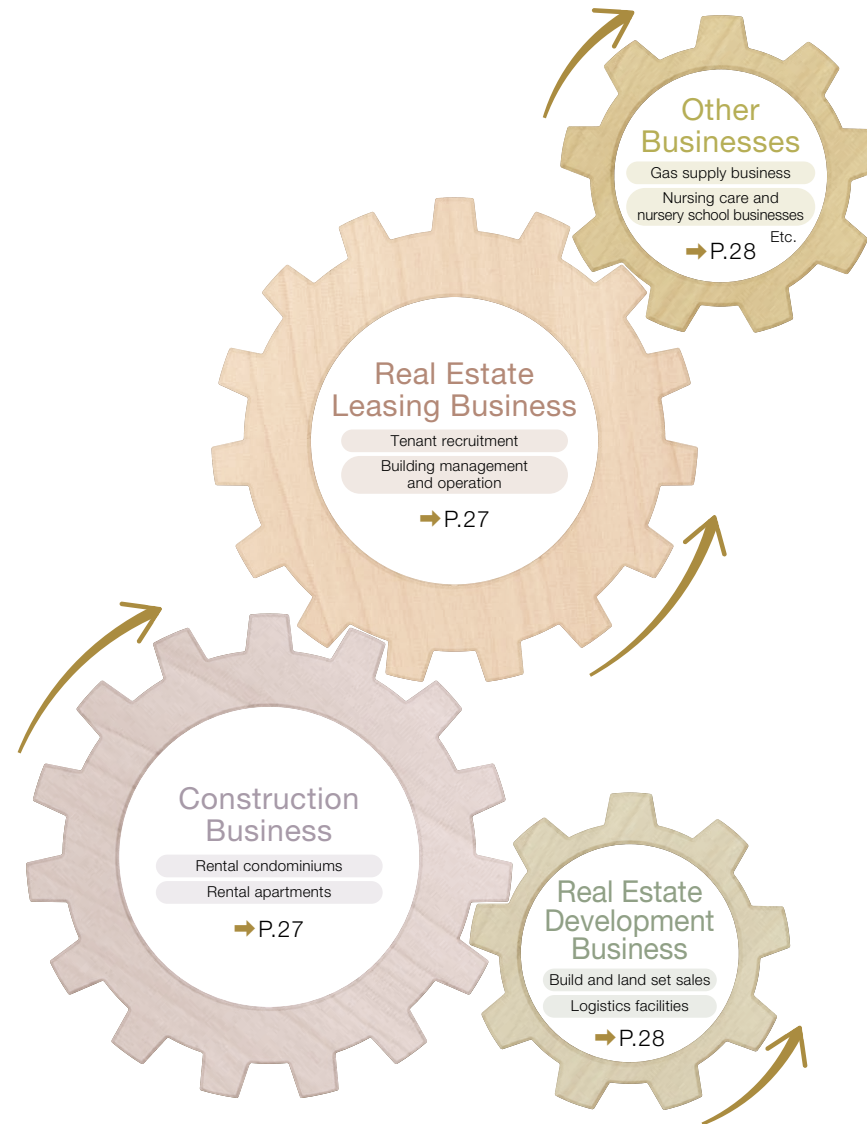
3
Production
capital

4
Natural
capital

5
Intellectual
capital

6
Financial
capital

Accumulated strengths



Financial Indicators

2026

- Net sales: ¥2 trillion
- Operating income: ¥140 billion
- ROE: 20%
- Payout ratio: 50%

Non-Financial Targets

- Employee engagement score: Over 62.0 (AA)
- Number of project partnerships with municipalities: 30 projects by 2030
- Greenhouse gas emissions reduction rate (Scope 1+2): 55% reduction by 2030
- ZEH rental housing supply rate: 100% by 2030
- Rental housing units under management: Approx. 1.3 million units by 2026

Achievement of VISION 2030

Community development that is unique to the Daito Group:
Community and regional revitalization



Identified social issues
→P.15

* ① to ⑤ is non-financial capital.

Material Issues →P.21

Management-related material issues (environment, society, talent/organization, corporate governance)

Business-related material issues (land/assets, rental housing, living/lifestyles)

Corporate Guidance / Risk Management →P.63、→P.71



CEO Message

TAKEUCHI Kei
Representative Director,
Chief Executive Officer (CEO)

灯内啓

While job hunting in 1988, I was reading a recruitment magazine and came across a powerful message from Katsumi Tada, the founder of Daito Trust Construction. His words about the importance of acting with an eye toward the future without being bound by the past made a deep impression on me. I decided to join the Company with the desire to work under him at any cost. It has been 35 years since I had a great deal of empathy for the founder's vision, but I have never forgotten how uplifted I felt at that time.



Daito Group's Aim for Sustainability Management

The Daito Group has grown sustainably since its founding in 1974 by responding flexibly to the changing times. We have taken on many challenges, such as shifting from the business of rental properties for commercial use to the rental housing business and introducing a Lease Management Trust System by shifting to a unique whole-building lease method. Looking at society today, we are faced with various changes in our operating environment. These changes include Japan's declining birthrate and aging population, the increasing frequency of

natural disasters due to climate change, and the diversification of lifestyles. However, taking on the challenge of finding and implementing solutions to social issues is the management strategy of our Group, which aims to contribute to local communities. It is also the essence of our business model centered on rental housing. Our Group will continue to accelerate our efforts to solve social issues through business activities to simultaneously contribute to a sustainable society and improve corporate value.

Human Capital Management, the Cornerstone of the New Medium-Term Management Plan

As we approach our 50th anniversary, we have formulated the Daito Group's Purpose, "Link the Trust to Make a Better Future.," and our vision for where we want our Group to be in 2030, Daito Group VISION 2030. Given the significant changes in our operating environment, the most important thing in realizing our vision is to accurately grasp changes in social issues and customer needs and see them as our own issues. Our Purpose shows our determination to continue to transform and take on challenges as our Group aims to become a corporation that will last for another 100 years beyond 2030.

Maximizing the Power of Employees as a Top Priority

This year, which marks the 50th anniversary of our founding, we have announced a new medium-term management plan with FY2026 as the final year. The theme of the plan is "New challenges as a Group," and the three basic policies are (1) promote human capital management, (2) establish a strong core business, and (3) tackle focus areas of the medium-term management plan. These three basic policies serve as main pillars of the medium-term management plan, and they are all interconnected. The foundation supporting everything is (1) promote human capital management. Our Group has been guided by the motto "People are capital, not costs" since our founding, and we have been working to maximize the value of our talent

and improve our corporate value. We have focused on creating a supportive work environment thus far, such as promoting childcare leave and the active participation of women. In the medium-term management plan, we will continue working to create a supportive work environment while also enhancing job satisfaction. As one measure toward achieving this goal, we have decided to grant restricted stock (RS) to all 16,000 employees of our Group. RS helps retain outstanding talent by restricting transfer for a certain period of time. It also provides significant benefits to both the Company and our employees, such as reflecting their hard work in a tangible way. Above all, holding RS means that employees are on the same level as our shareholders. I believe that this will further increase job satisfaction for our employees, as their contribution to increasing the share price is being reflected in their own assets as capital gains. Having employees recognize that their work is useful for future generations is another great source of job satisfaction. For example, in terms of environmental conservation through the reduction of greenhouse gases, our Group has contributed to a fundamental improvement in energy supply and demand by applying the concept of ZEH*, which is becoming more widespread in detached housing, to rental housing. In 2017, we completed Japan's first ZEH

* ZEH is an abbreviation of Net Zero Energy House, referring to housing that brings annual primary energy consumption at the building to the break-even point as ZEH increases thermal insulation performance and energy efficiency through energy generation by solar power.



rental housing complex with the aim of creating rental housing that will help to solve environmental issues. In addition, we began making proposals in the leasing business using ZEH as the standard in 2021. We have now reached a cumulative total of 80,000 ZEH contracts. Furthermore, we are promoting the development of LCCM* rental housing ahead of the industry to step up the decarbonization process even further.

In terms of contributing to disaster prevention, our Group has provided relief supplies during disasters and concluded disaster prevention agreements with local governments to provide infrastructure such as gas, electricity, and water. However, if a major disaster occurs, it would be difficult for our Group alone to provide comprehensive support for the affected areas. Therefore, we have concluded an agreement with Daiwa House Industry Co., Ltd., which has significant influence in housing management, to work together in providing support in the event of a disaster. We will establish a structure that allows our employees to work together by providing disaster prevention education to local residents on a regular basis. In addition, in the event of damage to properties managed by either company during a disaster, we will provide housing and supplies to tenants and property owners while sharing information on the damage situation in the affected areas. Although Daiwa House Industry is a competitor in terms of sales, we will work together with the company for disaster prevention and recovery to quickly provide support to disaster victims. Disaster prevention is closely related to life, and we must protect homes. Therefore, we believe that providing buildings that will not collapse in an earthquake as a disaster prevention measure is deeply connected to solving social issues.

Creating a Company Where All Employees Have Hope

Those who have known our Group for a long time often imagine that we have a sports team-like hierarchical structure, where what the boss says is absolute and subordinates just follow orders. In fact, long working hours used to be the norm, and there was also an aspect to our growth where we were able to keep growing with momentum by bringing

all employees together under a strong top-down approach.

If we look back a few decades, it seems that this kind of corporate culture was somewhat tolerated, but if we were to continue with it in the current era, it could even damage our reputation. That is why, in addition to improving the systems that create a supportive working environment and job satisfaction, we must also reform our fundamental corporate culture and continue to advance such reform until our employees can feel the change for themselves.

We are now starting to see signs of such change gradually taking hold. This can be seen in our employee engagement survey, which reached a score of 59 in November 2023, achieving an A score for the first time. Furthermore, we had planned to raise this score to 62 over the three years of our new medium-term management plan, but instead achieved it ahead of schedule in the May 2024 survey with a score of 63.1. I believe that the big improvements we have made in recent years are proof that we have changed what needed to be changed, and that this attitude has been properly conveyed to our employees.

Shifting from Strong Leadership to Management Led by the Front Line

As I mentioned earlier, our founders and successive CEOs always had strong leadership skills and led our organization based on their own ideas and values. However, in this era of uncertainty resulting from rapid changes in our operating environment, it is difficult for leaders to keep track of all information. Thus, I want to aim for an inverted pyramid management structure, where the opinions and wishes of employees on the front line are verbalized and collected to guide our management. Each employee on the front line must think and act autonomously to achieve this, but I am proud to say our Group has excellent frontline capabilities.

Following the earthquake that struck the Noto region of Ishikawa Prefecture at the beginning of 2024, local employees worked hard to procure relief supplies even before the head office had issued instructions, and they delivered these supplies to the affected areas. This experience reminded me how much passion and energy that our employees put into their work.

Disseminating and Implementing Our Purpose

In this way, our Group has the foundation to be able to think and act autonomously and respond quickly,



which is a prerequisite for achieving management led by the front line. However, to move even closer to our Group's ideal, it is essential that our Purpose functions as both a driving force and unifying force for our organization.

In the past year, we have actively promoted initiatives to disseminate our Purpose, such as by awarding employees who have thought and taken action based on the Purpose. As a result, we have seen considerable progress in understanding of the Purpose, and we are beginning to see the achievement. However, I see the implementation of the Purpose on the front line as a challenge for the future, so we have started an initiative to break it down into standards for thoughts and actions. Given that the ratio of mid-career hires in our Group exceeds 80%, I believe that the formulation of standards for thoughts and actions is extremely significant.

Driving Human Capital Management with Three Management Policies: Being Thankful and Taking on Challenges, Taking a Front Line-Oriented Approach, and Keeping It Simple

I always engage in management while considering the

status of the front line and how we can disseminate Purpose-driven thoughts and actions throughout our Group. To convey this awareness to the entire Group, as I mentioned in last year's Integrated Report, I shared the three management policies of "Be Thankful and Take on Challenges, Take a Front Line-Oriented Approach, and Keep it Simple" with employees when I took office as CEO. Members of the management team, including myself, think and act by interacting with our customers, business partners, shareholders, and employees on the front line based on these three policies. I believe that this will promote understanding among our employees of what it means to think and act based on our Purpose, and lead to more purposeful thoughts and actions. "Be Thankful and Take on Challenges" means that we will always be thankful for the support we have received from our customers and other stakeholders over the past 50 years, and we will continue to give back to them. The autonomous thoughts and actions of our employees in times of disaster that I mentioned earlier, and the way they take a personal approach to responding to customers, are good examples of how our employees understand and demonstrate this spirit of being thankful and taking on challenges.

* LCCM is an abbreviation of Life Cycle Carbon Minus, referring to housing that achieves a negative balance of CO2 emissions over the life cycle of the building (from construction to demolition). LCCM is a registered trademark of the Institute for Built Environment and Carbon Neutral for SDGs. We use the term by following the licensing arrangement.



We will also implement “Take a Front Line-Oriented Approach” with an inverted pyramid management structure. Our frontline employees play a leading role in thinking and acting, and we encourage each and every one of them to demonstrate leadership. If we, as the management team, cannot keep it simple when explaining things to employees, who play a

leading role, then we cannot expect them to think and act based on the Purpose. In other words, I believe that human capital management is something that the management team and everyone on the front line can work together to create as equals.

Community Development Unique to the Daito Group with a Future Vision of Communities Connected Through Information

While strengthening our core construction and real estate businesses, our Group is also focusing on social issues and starting initiatives that will link the solution of these issues to sustainable growth in light of the fact that the population and number of households are entering a long-term downward trend. In the medium-term management plan,

we have created a plan to provide businesses and functions that can be solutions to the issues facing each local community based on the theme of community development that is unique to the Daito Group. For example, in response to declining birthrate and aging population in regions of Japan, we will establish residential facilities for seniors,

which are handled primarily by Group company Care Partner Co., Ltd., and then position basic functions for everyday life around them, such as rental housing, nursery schools, and commercial and logistics facilities. Our Group has worked to strengthen and expand our presence in non-housing-related fields, such as by opening licensed nursery schools and developing logistics facilities in addition to facilities for seniors. However, there was little connection between these facilities and services and rental housing, and we were unable to fully contribute to improving convenience for property owners, tenants, and local residents or to ensuring regional revitalization. In recognition of these issues, we developed the platform-type application “ruum” in 2021 as a tool to connect various functions and services. When viewed the state of the functions and services connected

together from a bird’s eye perspective, a circular living sphere is expanding, which we call the DK Future Circle.

The “ruum” application is not only useful in everyday life, but has also played a major role in times of emergency. During the recent earthquake in the Noto region, “ruum” was used to confirm safety and register evacuation destinations, and it was extremely beneficial in the early response by accurately communicating the needs of people in the affected areas.

Going forward, we will continue to link functions and services in various ways to develop communities that are closely linked to people’s lives in a way that is unique to our Group. In doing so, we will support the community revitalization as well as regional revitalization.

Daito Group Management Essentials

Finally, I would like to share the beliefs that I must never waver from as CEO.

The first is that we must remain true to our roots and keep our core businesses at the center of our operations. Looking back at our Group’s business model, the foundation is based on the assets that we have entrusted from landowners over many years. I promise that all our employees will continue to work hard every day with the understanding that we must keep going as a Group if we are to continue to meet the expectations of our customers.

We also intend to maintain the flexibility and way of thinking that we have built up over the years as we engage in a business that adapts to the environment. We are now in what is known as the VUCA* era, and there is a growing sense of uncertainty about our operating environment and the increasing frequency of unexpected business risks. In these turbulent times, I think it is important to return to the spirit of our founding. If looked at the history of our Group, we have continued to grow since our founding in 1974 by constantly identifying what society wants and adapting our business model accordingly in the face of numerous restrictions, including legal revisions. In other words, our Group sees change as a natural occurrence, and we recognize that continuing to change is what is most important for long-term survival.

We must never lose sight of this founding spirit.

Instead, we must pass it on to future generations and use it as an opportunity to renew our resolve to protect the homes that forms the foundation of our customers’ lives.

From the outside, land utilization may give the impression that customers like to take risks. However, many of our customers have a strong desire to protect the land that has been passed down to them for generations to come, and do not like to actively buy, sell, or transfer land. That is why we must be able to understand the unspoken feelings of our customers and be there to support them. We will also provide a range of services to ensure that our tenants can continue to live in our Group’s housing, offering peace of mind and convenience by putting together the things that are necessary to live in the local community.

Our Group Purpose of “Link the Trust to Make a Better Future.” was formulated based on the thoughts of all employees and after more than 1,700 hours of discussion by officers. I am proud that this Purpose, which has high social significance, was created and verbalized based on our own intentions.

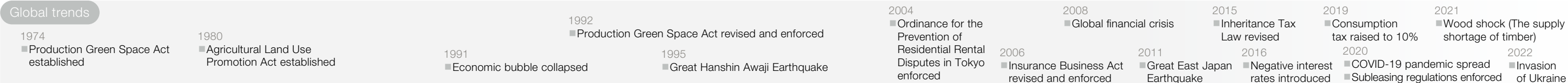
With this pride in our hearts, the Daito Group will continue to strive toward becoming a 100-year Group.

* VUCA is an abbreviation of volatility, uncertainty, complexity, and ambiguity, referring to the difficulty of predicting the future.

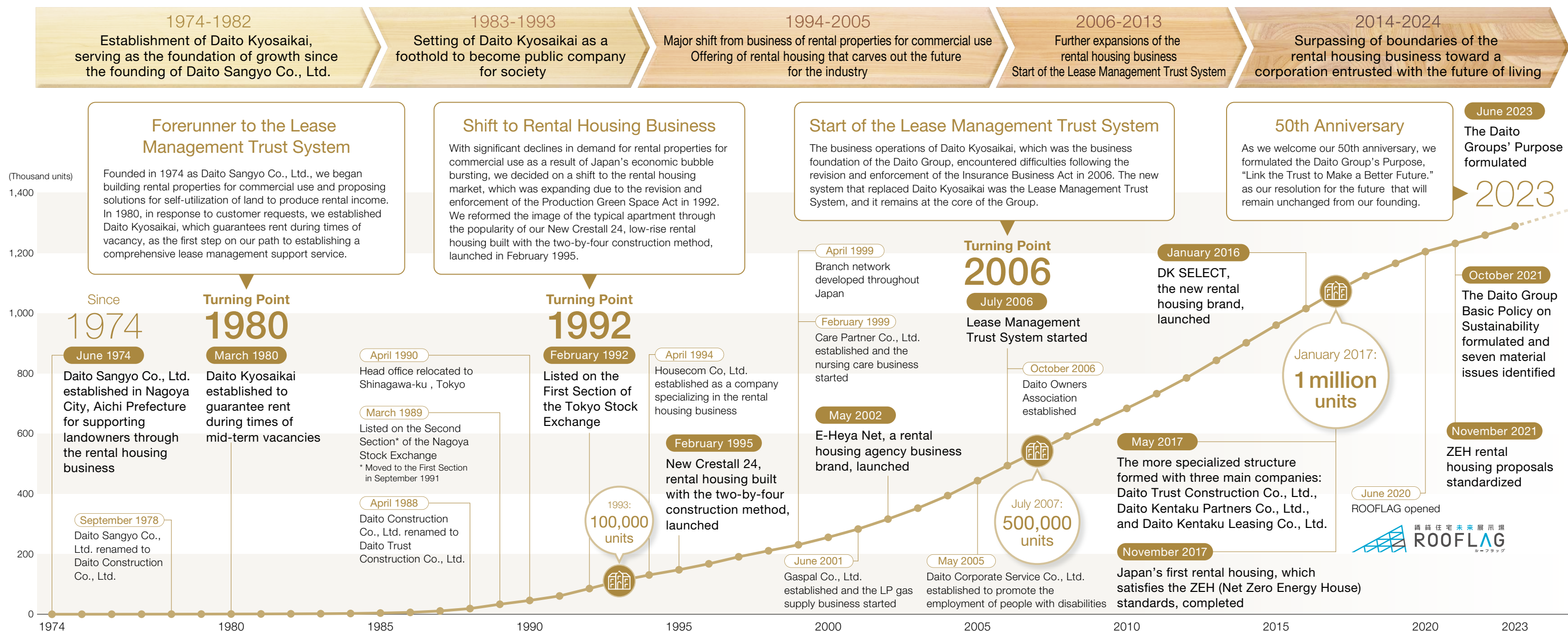




History of Value Creation



Evolution of the Daito Group and Changes in Rental Housing Units Under Management



Our first rental property owned by a customer with which we presently continue to do business



The former Daito Construction Co., Ltd.'s head office in Nagoya in 1978



New City sold in 1990 at the beginning of the shift to the residential use housing business



Grew dramatically following the launch of the New Crestall 24, wooden rental housing built with the two-by-four construction method, in 1995, with efforts focused on row housing



Expanded product variations from 2000s with the expansion of designs such as Meridio 24, and from 2009 with the launch of the L'III series with reinforced concrete structure



Launched NEW RiSE, which uses the ZEH Oriented standards for standard specifications, in May 2022 and other eco-friendly products to contribute to solving social issues

Identified Social Issues and Business Models

Environment and Social Issues Surrounding the Daito Group

The founding purpose of the Daito Group was to come alongside property owners to help solve their issues, in keeping with the desire to hand over land to the next generation that has been passed down through many generations. Since our founding, as we have expanded our business, our highest priority has been to solve the issues of property owners. Concerns about land and assets, however, change significantly in step with social changes. In our operating environment, it is also expected that aging population will increase further, as will the number of singles and nuclear family households. Subsequently, increased demand for rental housing and the increased number of older buildings are also expected. As a result, it can be thought that property

owners will face more diversified issues, including diversification of rental housing management and a decrease in real estate competitiveness as the buildings age, in addition to traditional issues such as the stable management of inherited assets and land. Simultaneously, local communities also have a variety of issues such as declining birthrate and aging population, decreasing population, and concerns about disasters. We consider these issues as significant opportunities to expand our business domains and enhance our competitive advantage. By offering an environment in which everyone can lead an affluent life with peace of mind, we will contribute to community revitalization as well as regional revitalization.

Management Strategy (Business Model) Aimed at Contributing to Local Communities

The Lease Management Trust System is a system that is unique to the Daito Group to maximize the asset value of property owners while protecting their precious land by duly considering social changes and issues of property owners. The Lease Management Trust System—which encompasses all aspects of lease management, from planning, to design, construction, tenant recruitment services, and property management and operation—not only supports property owners in lease management, but

also reassures them about the various risks they face by flexibly adapting the support offered in line with social changes. Additionally, the value provided to tenants, business partners, and local communities by this system contributes to further solidifying the lease management of property owners. We believe our business model is unique because this in turn leads to the ongoing ability of the Group to secure and increase value.

■ Lease Management Trust System



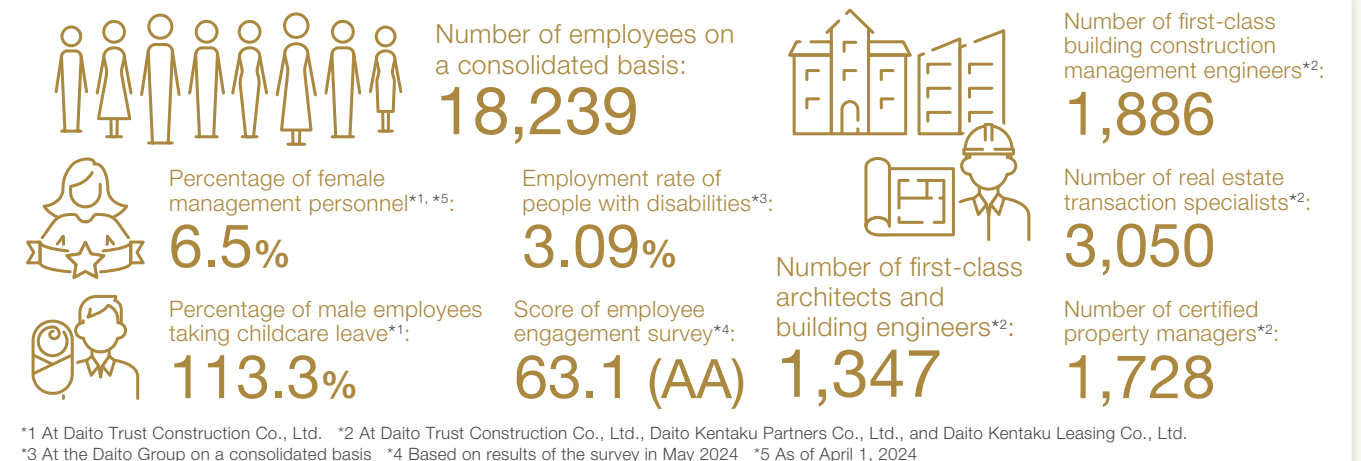
Management Resources / Competitive Advantage

The Daito Group boasts six tangible and intangible management resources: human capital, social capital, production capital, natural capital, intellectual capital, and financial capital. We secure these resources in a stable manner through our strong corporate governance structure, human capital management, which focuses on talent and organizational development, as well as socially and environmentally friendly management, which responds to issues relating to local communities and environment.

Human Capital

The Daito Group regards human capital as the cornerstone of sustained corporate growth, building its organization accordingly. We are stepping up efforts to develop and secure highly specialized talent by, for example, introducing a systematic talent development program for officers and employees at all levels. Taking the theme of “making everyone’s individuality the company’s strength,” we are enhancing our diversity,

equity, and inclusion initiatives toward creating new value, fostering an organization in which diversity is a strength. We are also addressing health and productivity management and greater employee engagement to create an environment where a wide range of talent can play an active role. In addition, the Daito Group Human Rights Policy aims to realize respect for the human rights of all our stakeholders.



Social Capital

The Daito Group introduced its unique Lease Management Trust System—which encompasses all aspects of lease management, from planning, to design, construction, tenant recruitment services, property management and operation, and business risk management—to provide enhanced support that

ensures property owners’ peace of mind. We also work together with local stakeholders to contribute to regional revitalization. Daito Group companies supply LP gas and municipal gas and operate nursing care facilities and nursery schools, promoting the spread of neighborhood infrastructure.





Production Capital

Spearheaded by the design and construction departments in its branch offices nationwide, the Daito Group engages in integrated management and supervision from procurement of construction materials to design, construction, and completion inspections, and supplies high-quality rental properties. We also work with local design and construction partner companies to create a comprehensive building construction structure. Additionally, upholding high quality is essential for the production capital for buildings inhabited by people. We have established an independent management structure

to ensure high quality through a guidance and training structure tailored to local characteristics, and are pursuing quality management for our customers' peace of mind.



Use of DX and Quality Management Initiatives Through Collaboration with Partner Companies

● DX for Quality Checking (Remote Final Inspections)

As a result of the Ministry of Land, Infrastructure, Transport and Tourism's issuance of the notice on digital technology-based remote attendance of final inspections pursuant to the Building Standards Act, it has become possible for construction superintendents to remotely attend the final inspections carried out by the designated inspection organization. In response, the Daito Group changed its final inspection process in April 2023 so that the construction project manager joins the designated inspection organization's inspector on site, while the Supervision Center's construction superintendent attends remotely. We leveraged DX to develop a remote support app that enables on-site managers to use a smartphone or tablet to transmit video footage to the remotely located superintendent for checking the condition of the building or framework. This considerably improves the efficiency of the inspection process while maintaining inspection accuracy. We have also created a management structure for early identification of defects and deficiencies to support problem sharing and resolution.



● Takumi Meister Certification System

The Daito Group has established the Takumi Meister Certification System to identify and certify excellent foremen from among members of partner companies. With Takumi Meister rankings, we aim to lead in increasing the motivation of partner companies and improving construction quality, and to revitalize them. In FY2023, 3,219 foremen received Takumi Meister certifications.

● Takumi Meister Skill Championships

Faced with the worsening labor shortage in the construction industry, the Daito Group holds the Takumi Meister Skill Championships* to provide children—the next generation—with an opportunity to deepen their understanding of and interest in manufacturing technology, and to pass on construction skills so that younger talent can be cultivated. This initiative also seeks to further enhance the construction quality of the buildings we deliver to our customers by improving the motivation and technical skills of the carpenters who participate.

* The first was held in January 2022. We plan to continue holding this event once every four years.

Intent of People Caring for Other People Is Important in Quality Management

What I am always mindful of in construction site management is to lead every person to happiness. To provide high-quality buildings to our customers, I manage the site by imagining the property owners' requests, as well as the kind of lifestyle its residents may have. When in doubt, I think meticulously as I imagine the circumstances of the inhabitants so that I do not later think that we should have done it another way. I may have the stronger perception of providing a lifestyle or a living space than the perception of providing a building.

In terms of architecture, collaboration with numerous people, both within and outside the Company is indispensable. I try to put hierarchical relationship aside and see things from the same perspective, with the sense that we are all team members. I always tell the craftspeople that "the next process is the customers." On-site employees take initiative in keeping the site neat and tidy, and they talk to each other, making the whole one-site work climate positive. I do these things so that people will think that it is fun and easy to work with me. When constructing buildings, I want both the people constructing them as well as those using them to have fun. In addition, we are creating a space where people will live, so we must understand people's feelings to offer good buildings. These are the things I consider when I oversee construction sites. I will continue valuing the intent of people caring for other people as I construct buildings.



SATO Takuya
Yokohama Construction Department
(Purpose Ambassador*)

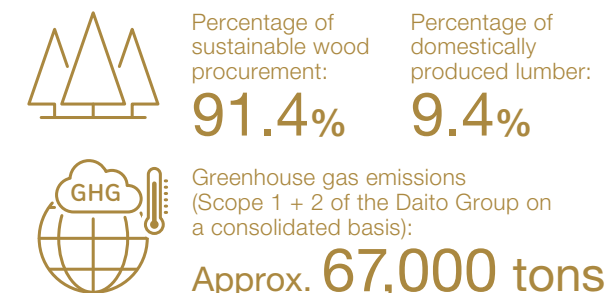
* See p. 31.

Natural Capital

The Daito Group formulated the Sustainable Procurement Guidelines and Wood Procurement Guidelines aimed at protecting biodiversity and using sustainable forest resources, working to make its entire supply chain eco-friendly. We are also using domestically produced lumber, contributing to protection of local forests and ecosystems and reduction of greenhouse gas emissions from construction material transportation. In the energy sector, we are using renewable energy by installing solar power generation equipment on the roofs of Group -managed buildings.

We regard addressing climate change as one of our key management priorities, and are stepping up our efforts to achieve our goal to achieve net-zero emissions by 2050

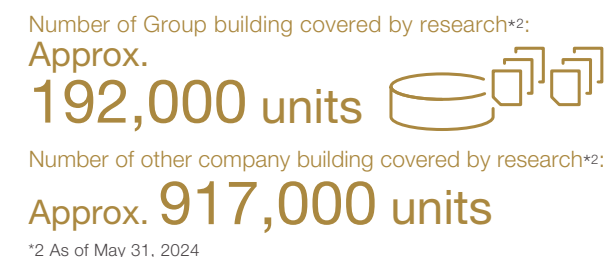
based on the SBTi's Corporate Net-Zero Standard as well as to engage in RE100 and EP100 international corporate initiatives.



Intellectual Capital

The Daito Group is proactively developing new technologies and services by drawing on the expertise built up through its lease management to conduct research on actual rental housing. We have established the Disaster Prevention and Living Project "Bo-Ku Lab," which engages in research on initiatives to enhance awareness of disaster preparedness relating to rental housing, advancing research and development of rental housing that takes into consideration disaster preparedness.

We also engage in various types of research at our Institute of Future Design in Rental Housing to contribute to the advance of the real estate market and progress with dwellings and lifestyles. Our research includes our own survey on neighborhood livability targeting local residents.



Stable Market Research Abilities

Specialized market research staff members prepare the supply plan of buildings according to actual demand to enable stable supply of rental housing. The Daito Group established a rent appraisal system based on the extensive market data accumulated by the Group. After dividing Japan into 4,644 areas, we predict the number of vacant rooms per annum in each area, and formulate the

supply plan by subdividing areas into a construction area, conditional construction area, and temporarily suspended area. Based on the supply plan, we conduct rent appraisals and choose room layouts. We are advancing the use of AI to enable objective and transparent rent appraisals, setting appropriate rents accordingly.

Financial Capital

The Daito Group is enhancing its financial governance based on the belief that a solid financial foundation is key to realizing sustained corporate growth,.



Medium-Term Management Plan

(FY2024–2026)

Coming Together to Take on the Challenge of Community Development Unique to the Daito Group

Despite the challenging business environment during the previous medium-term management plan, the Daito Group embarked on reforms and achieved three straight years of gains in revenue and profit. In the newly formulated medium-term management plan, we will come together to take on the challenge of community development that is unique to the Group and connect it to VISION 2030.



DAITO Group
VISION
2030

FY2019–2023
Five-Year Plan

Reiwa
New Growth
Plan

FY2024–2026
Medium-Term
Management Plan
**New challenges
as a Group**

FY2027–2029

Achieving
the vision
as a Group

2019

2023

2024

2025

2026

2027

2030

Review of the Previous Medium-Term Management Plan (FY2019–2023)

The previous medium-term management plan, which was implemented over a five-year period from FY2019, set the deepening of core businesses as a priority for achieving sustainable growth. The plan aimed to make a leap forward from being a specialized rental housing company to becoming a total lifestyle support company focusing on the comprehensive leasing business, driven by market expansion and other factors.

Summary of Previous Medium-Term Management Plan

Five Years Exposed to a Challenging Business Environment

The previous medium-term management plan aimed to achieve net sales of ¥2.2 trillion and operating income of ¥180 billion in FY2023. However, amidst a challenging business environment, it was determined that the original targets would be difficult to achieve, and they were thus revised downward in April 2021. The Daito Group subsequently achieved gains in revenue and profit from FY2021 to FY2023.

- 2020: COVID-19 pandemic spread
- 2020: Subleasing regulations enforced
- 2021: Cost of imported material soared due to timber supply shortage

Key Indicator Trends

Net sales		Operating income	
FY2019 ¥1,586.2 billion	»	FY2023 ¥1,731.4 billion	
FY2019 ¥127.9 billion	»	FY2023 ¥104.8 billion	
Gross profit		ROE	
FY2019 ¥282.4 billion	»	FY2023 ¥284.7 billion	
FY2019 30.6 %	»	FY2023 18.4%	
Amount of orders received		Gross profit margin for completed construction contracts	
FY2019 ¥519.2 billion	»	FY2023 ¥590.4 billion	
FY2019 28.9%	»	FY2023 23.4%	

Results of Previous Medium-Term Management Plan

The Daito Group expanded not only its core rental housing business, but also peripheral businesses emerging from its core businesses, with the aim of becoming a total lifestyle support company. We launched new businesses that support people's lives, such as the non-housing-related field, the "ruum" platform that is useful for everyday life, and nursing care and nursery school businesses, to lay the foundation for becoming a total lifestyle support company. Furthermore, amidst a

challenging business environment, the perseverance of employees enabled us to achieve a V-shaped recovery, reminding us once again of the importance of our employees. In addition, in 2021, we identified Seven Material Issues as priority challenges for the Group to be needed by society and to realize sustained corporate growth, and we also set medium- to long-term targets (see p. 21).



Seven Material Issues

In 2021, the Daito Group identified its Seven Material Issues that must be addressed. The Seven Material Issues consist of management-related material issues aimed at boosting the social value provided through our business activities and business-related material issues aimed at promoting the further expansion of Group businesses. We will tackle both types of material issues to enhance corporate value while also resolving social issues through sustainability management.

Management-Related Material Issues			
Material issues	<div>Environment1</div> <div>Taking action on climate risk through business activities</div> <div>1-1. Using 100% renewable energy in business activities</div> <div>1-2. Increasing energy efficiency</div> <div>1-3. Procuring and using wood in a sustainable manner</div>	<div>Society2</div> <div>Contributing to a society where no one is left behind</div> <div>2-1. Engaging in regional revitalization through business activities</div> <div>2-2. Creating jobs at and revitalizing local companies</div> <div>2-3. Providing work and a place to live for everyone</div>	<div>Talent/Organization3</div> <div>Instilling a corporate culture where everyone can grow and take on challenges</div> <div>3-1. Providing opportunities for taking on challenges</div> <div>3-2. Fostering and securing highly specialized talent</div> <div>3-3. Constructing an environment that encourages growth and challenge</div>
	<div>Corporate governance4</div> <div>Building an industry-leading governance structure</div> <div>4-1. Strengthening stakeholder engagement</div> <div>4-2. Promoting fair and honest corporate management</div> <div>4-3. Strengthening Group governance</div>		
	<div>KPIs</div> <div>(1) Greenhouse gas emissions reduction rate</div> <div>(2) Rate of renewable energy use</div> <div>(3) Energy efficiency</div> <div>(4) Amount of renewable energy supplied in-house</div>	<div>(1) Number of regions in which community contribution activities are conducted</div> <div>(2) Number of project partnerships with municipalities</div>	<div>(1) Employee engagement score</div> <div>(2) Percentage of female management personnel</div> <div>(3) Percentage of male employees taking childcare leave</div> <div>(4) Number of DX Silver certified employees (internal system)</div>
2030 targets	<div>(1) 55% reduction (Scope 1 + 2, 3)</div> <div>(2) 60%</div> <div>(3) 2x</div> <div>(4) 40,000,000 kWh</div>	<div>(1) 47 prefectures</div> <div>(2) 30 projects</div>	<div>(1) 62.0 (AA) or above</div> <div>(2) 13%</div> <div>(3) 100%</div> <div>(4) 800 employees</div>

Business-Related Material Issues		
Material issues	<div>Land/Assets5</div> <div>Supporting the most effective use of land and assets</div> <div>5-1. Ensuring suitable supply and business proposals that meet demand</div> <div>5-2. Expanding and enhancing services for land and asset utilization</div> <div>5-3. Promoting partial provision of proprietary technologies and expertise</div>	<div>Rental housing6</div> <div>Improving asset value while also resolving social issues</div> <div>6-1. Supplying buildings that maintain their asset value over the long term</div> <div>6-2. Supplying a model of housing that responds to environmental and social issues</div> <div>6-3. Raising value of old and underused buildings</div>
	<div>Living/Lifestyles7</div> <div>Improving convenience of living and neighborhoods</div> <div>7-1. Participating actively in and attracting non-residential businesses</div> <div>7-2. Providing services that improve quality of life (QOL)</div> <div>7-3. Promoting accessibility in information retrieval and barrier-free access to services</div>	
	<div>KPIs</div> <div>(1) Number of members of the Asset Transformation comprehensive asset service platform</div> <div>(2) Asset Transformation contract rate</div>	<div>(1) Provision rate of ZEH rental housing</div> <div>(2) Number of existing buildings converted to ZEH</div>
2030 targets	<div>(1) 82,000 members</div> <div>(2) 12.8%</div>	<div>(1) 100%</div> <div>(2) Formulation of ZEH standards for existing buildings</div>

Daito Group VISION 2030

Daito Group VISION 2030

The Daito Group marked the 50th anniversary of its founding by formulating its Purpose as “Link the Trust to Make a Better Future.” We also formulated our vision for where we want to be in 2030 as Daito Group VISION 2030.

VISION 2030 aims to expand the scope of our core businesses and organically connect them with peripheral businesses, and to promote initiatives to solve issues such as aging population, depopulation, and fear of disasters.

Core of VISION 2030

- ▶ Maximize the power of employees and expand the scope of our core businesses based on Purpose-based thoughts and actions
- ▶ As we expand the scope of our core businesses, expand peripheral businesses such as lifestyle and daily life services
- ▶ Connect our core businesses and peripheral businesses organically and provide an environment where people can live comfortably and prosperously in areas facing issues such as aging population, depopulation, and fear of disasters (community and regional revitalization)

Medium-Term Management Plan (FY2024–2026)

The current medium-term management plan, which will be implemented from FY2024 to FY2026, is positioned as “New challenges as a Group” toward 2030. The Daito Group has set three pillars as key strategies. and will promote community development that is unique to the Group and achieve the vision in the next three years as it continues to take on the challenge of VISION 2030.

Key strategies (three pillars)

- 1 Promote human capital management
- 2 Establish a strong core business
- 3 Tackle focus areas of the medium-term management plan

1 Promote Human Capital Management: Maximize the Power of Employees Through Ease of Work and Job Satisfaction

Granting Restricted Stock to Employees Job satisfaction

The Daito Group granted a total of 360,000 shares (¥6.37 billion) of restricted stock to 15,524 employees of the Group. In addition, transfer restrictions will be removed after three years in FY2026, which is the final fiscal year of the medium-term management plan, in order we can balance the growth of the Group with the growth of our employees and share this value with our shareholders.

Promoting SDGs and Solving Social Issues Job satisfaction

The Daito Group believes that its employees feel job satisfaction when they can contribute to solving the environmental and social issues surrounding its businesses. We are thus aiming to achieve a sustainable society through our businesses by implementing measures such as promoting the conversion of all of our products to ZEH, addressing environmental issues through our biomass power generation business, and strengthening our disaster response capabilities through stronger industry collaboration.

Developing a Work Environment Where Everyone Can Thrive Ease of work

The Daito Group is working to improve engagement by promoting the creation of better workplaces. We aim to create a workplace where a diverse talent can thrive by promoting the active participation of women, encouraging men to take childcare leave, and utilizing IT and digital technology to promote DX. We are also working to improve employee motivation by actively pursuing external evaluation.



② Establish a Strong Core Business

Responding to Major Social Changes

Construction costs, interest rates, and rents are all on the rise amid the rapidly changing social environment. The Daito Group will work to ensure both the profitability of its leasing business and its own revenue by responding to inflation with price revisions and other measures.

Maintaining and Expanding Construction Volumes

The Daito Group is working to equalize construction volumes throughout the year to address construction engineer shortages. We will try to maintain and expand construction volumes while also controlling the rise in construction costs by equalizing excessive construction as much as possible.

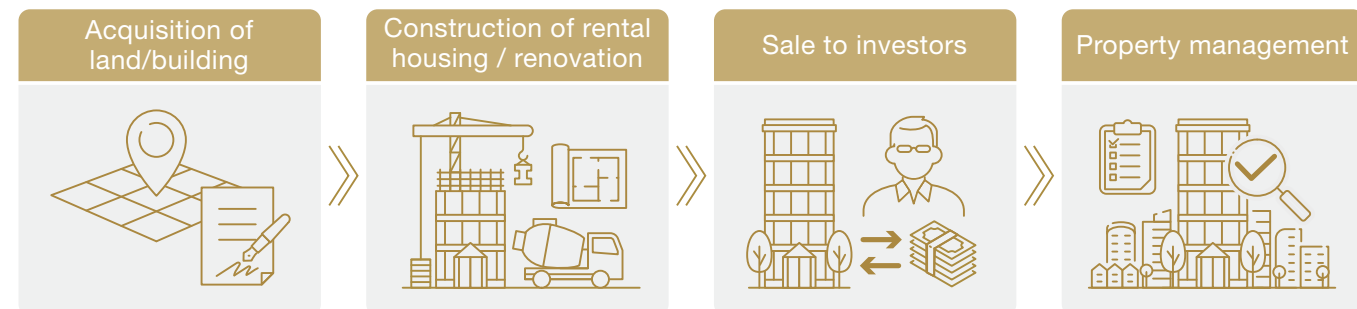
Creating a Virtuous Cycle from Stock to Flow

The Daito Group will soon manage more than 1.3 million units nationwide, and the number of houses that are more than 30 years old will increase rapidly going forward. Taking advantage of our extensive stock, we will establish an internal ecosystem by proposing the rebuilding of properties that have been in use for many years.

③ Tackle Focus Areas of The Medium-Term Management Plan

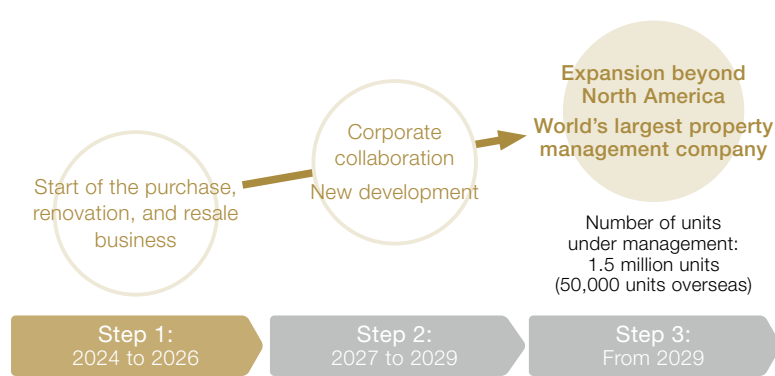
Expanding Real Estate Development Business

In the real estate development business, where the Daito Group temporarily owns land and buildings and then sells them after the project is complete, the Group continues to manage the properties even after they have been sold, contributing to the expansion of managed stock. We will invest ¥100 billion in the build and land set sales and renovation and resale businesses as part of our real estate development business. We will also expand the scope of our core businesses while also promoting real estate sales and the acquisition of management revenue.



Starting from the Purchasing, Renovation, and Resale Business in North America

The Daito Group has been strengthening its training and recruitment of overseas talent over the past year, and has established the Cross Border Real Estate Business Development Department. We will start by purchasing, renovating, and reselling low-risk revenue-generating real estate in the North American market, while also working on corporate collaboration and new development. We will then expand this model beyond North America as we aim to become the world's largest property management company.



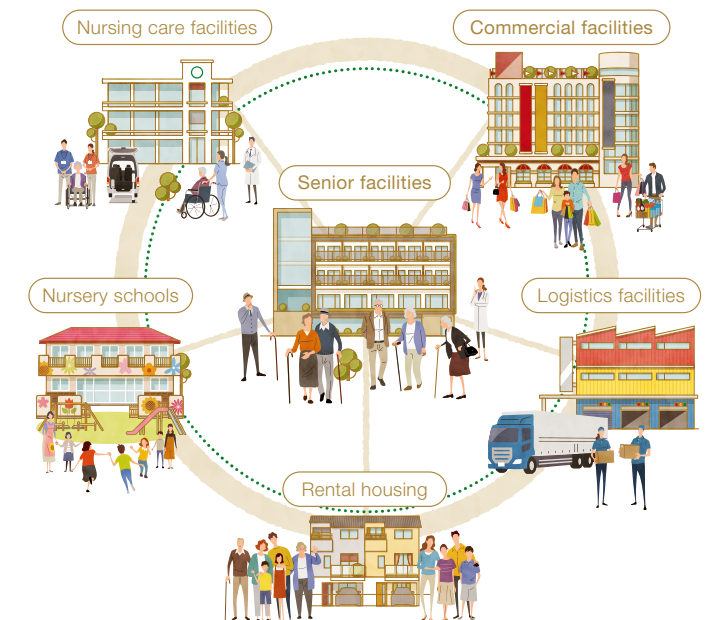
Promoting Community Development Unique to the Daito Group and Contributing to Sustainable Community Development

In the previous medium-term management plan, the Daito Group aimed to become a total lifestyle support company and focused on developing new businesses in addition to existing businesses.

In the new medium-term management plan, we will connect the businesses we have been developing individually so far, such as nursing care facilities and nursery schools, rental housing, logistics facilities, and commercial facilities, with tools such as the “ruum” platform that is useful for everyday life, and expand them with integrated services. In doing so, we will achieve community development (DK Future Circle) that is unique to the Group, leading it to the community revitalization. In addition, we will work to realize the community and regional revitalization in areas where aging population is a serious problem by taking initiatives tailored to the local situation, such as those centered around Care Partner Co., Ltd., which operates nursing care and nursery school businesses within the Group.

In this way, we will take the initiative in identifying the issues facing local communities and work with local communities and municipalities to establish facilities that help to solve these issues. At the same time, we

will use the “ruum” application, which is used by around 1.3 million people, to connect people, communities, and services, and create communities and regions where people can live comfortably and prosperously.



Financial and Non-Financial Targets of the Medium-Term Management Plan

Financial targets In the final fiscal year of the medium-term management plan, the Daito Group aims to achieve net sales of ¥2 trillion, operating income of ¥140 billion, and ROE of 20%. We will make a ¥60 billion capital investment throughout the plan period, of which ¥30 billion or more will be invested in IT and DX.

Targets for FY2026		Medium-Term Management Plan (FY2024–2026) Policies		
Financials	Net sales:	¥2 trillion	Equity ratio	35% or above
	Operating income:	¥140 billion	Debt-to-equity ratio	0.3 or below
	ROE:	20.0%	Long-term debt	Procurement as required
Investment	Capital investment	¥60 billion or more in 3 years (of which ¥30 billion or more in IT and DX)	Business investment	¥100 billion or more in 3 years
	Payout ratio	50%	Acquisition of treasury stock	Implementation on a flexible basis (to be determined on a single fiscal year basis)
Shareholder returns				

Non-financial targets Non-financial targets are important KPIs of the medium-term management plan that have been extracted from the Daito Group's material issues' KPI. We will promote initiatives to resolve material issues through the medium-term management plan and aim to achieve our Purpose.

KPIs	Reasons for selection	FY2023 (results)	FY2026 (targets)	FY2030 (targets)
Employee engagement score	Comprehensive indicator for employees' ease of work and job satisfaction	59.2 (A)	62.0 (AA) or above	
Percentage of female management personnel	Key indicator for ease of work	8.0%	10.0%	13.0%
Number of project partnerships with municipalities	Indicator for VISION 2030 promotion	—	10 projects	30 projects
Greenhouse gas emissions reduction rate (Scope 1 + 2)	Key indicator for environmental responsiveness (ZEH supply and biomass power generation)	18.7%	41%	55%
Percentage of female directors	Diversity indicator for members of Board of Directors	8.3%	20.0%	30.0%



Business Strategies

Linking the Daito Group's four businesses together and promoting its ideal community development to expand revenue opportunities

By Linking its businesses together to solve the issues faced by local communities, the Daito Group can construct new facilities and create existing assets. In addition, we aim to realize our ideal community development and contribute to the community and regional revitalization through a variety of initiatives, thereby expanding revenue and business opportunities.





Toward the Realization of the Medium-Term Management Plan (FY2024–2026)

Construction Business

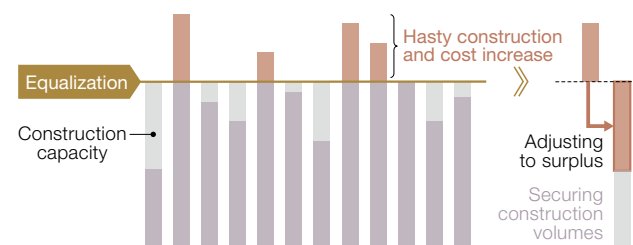
The Daito Group proposes optimal rental housing business plans tailored to property owners' needs after research and analysis of the location, the surrounding environment, and tenant needs. We provide high-quality, highly durable rental properties using our integrated structure to practice thorough quality management ranging from purchasing materials used in construction to design, construction, and inspection at completion.

Responding to Major Social Changes

Amidst an inflationary market environment, the Daito Group is facing major changes where construction costs, interest rates, and rents are all rising at the same time. Setting appropriate sales prices and rents based on market trends will help maintain an optimal balance between healthy leasing business management for property owners and revenue for the Group. In addition, we will deepen our ties with property owners as well as local businesses and municipalities by actively developing community-based events to expand the channels through which we receive orders. Furthermore, we will continue to actively work to supply eco-friendly rental housing, such as ZEH.

Maintaining and Expanding Construction Volumes

Amidst a shortage of construction engineers, the Daito Group will equalize uneven monthly construction volumes through meticulous construction planning and management, thereby reducing construction costs and creating a surplus of construction capacity. We will also develop a construction structure that can maintain high construction quality and respond to further increases in order volumes.



Real Estate Leasing Business

The Daito Group maintains high occupancy rates by providing unique tenant services while conducting tenant recruitment. We not only manage and operate our rental housing business, we also deliver long-term peace of mind and support secure, stable management by handling all aspects of lease management on behalf of property owners, such as by dealing with balance fluctuation risks accompanying business.

Achieving Stable Growth of Stock

The Daito Group will soon manage more than 1.3 million units nationwide, and the number of houses that are more than 30 years old will increase rapidly going forward. We will create a virtuous cycle of stock to flow within the



Group by repairing or rebuilding our managed properties that have been in use for many years as appropriate according to the situation.

Strengthening Rental Housing Brokerage Business

Thanks to its strong marketing capacity and tenant recruitment capacity, the Daito Group maintains high occupancy rates while also continuing to provide high-quality living spaces and services tailored to tenants' lifestyles. We will also develop services that utilize IT and E-Heya Net franchises. We will grow our sales business, E-Heya Net business, and corporate business going forward to grow the second and third pillars of revenue related to the rental housing brokerage business as we aim to raise the overall level of the business.

Real Estate Development Business

The Daito Group is involved in everything from land acquisition to the development of investment-type condominiums, healthcare and logistics facilities, and more. In addition, we have started the purchasing, renovation, and resale business in the United States with the aim of strengthening and expanding our overseas business.

Expanding Real Estate Development Business

The Daito Group will invest approximately ¥100 billion over the next three years in its real estate development business, in which it acquires land and buildings using its own funds, add value through construction and



Image of development and sales of investment-type condominiums

renovation of buildings, and then sell the properties to investors. Through the promotion of this business, we will strengthen our B2B contracting structure and expand the channels through which we receive orders. In addition, we will take on the management of buildings we sell to expand our stock and revenue.

Starting from the Purchasing, Renovation, and Resale Business in North America

The Daito Group started the purchasing, renovation, and resale business of real estate in the United States this fiscal year as a first step towards expanding its overseas business. We will expand the scale of the business going forward by starting new real estate development through corporate collaboration, keeping an eye toward expanding outside the United States as we aim to become the world's largest property management company.

Other Businesses

Daito Group companies with specialist functions provide lifestyle support services that bring peace of mind and comfort to every aspect of tenants' lifestyles, as well as other various services responding to property owners' land utilization needs.

Promoting Community Development Unique to the Daito Group

The Daito Group will work to develop communities where people can live comfortably and prosperously by not only linking existing buildings and services, but also by working with local companies and municipalities to

establish facilities that help solve social issues and link people, communities, and services, while using tools such as the "ruum" platform that is useful for everyday life. For example, in areas where super-aging population is becoming a problem, we will work with local companies and municipalities to develop facilities and services for seniors, mainly by Group company Care Partner Co., Ltd., creating communities where seniors can live with peace of mind.

Securing a Stable Supply of Energy and Next-Generation Power Sources

The Daito Group will contribute to the spread of renewable energy and the realization of a decarbonized society by securing continuous revenue through the stable supply of LP gas to rental housing managed by the Group as well as securing next-generation power sources through solar and biomass power generation.



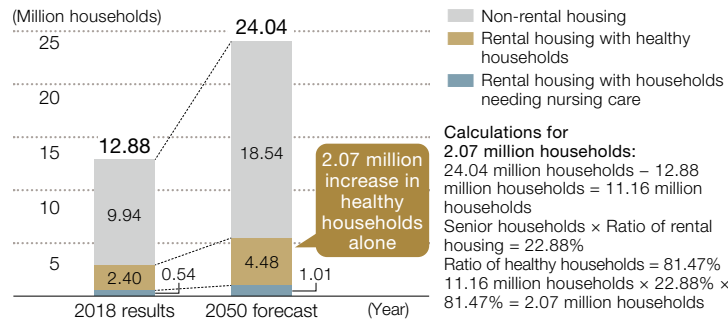
Image of senior facilities

Risks/Opportunities and Future Responses

The Daito Group analyzes six items related to the social situation and market environment that could impact the Group's future profits and losses, recognizing and evaluating the impact of each of these as our main risks and opportunities and taking measures accordingly. This work is conducted by the Risk Management Committee and reflected in our management strategy.

The Risk Management Committee also scores the main risks identified by the various business departments according to the probability of occurrence over the short, medium, or long term and the degree of business impact. The Board of Directors conducts further analysis and evaluation of the main risks identified through this process as having particularly serious financial or strategic implications, identifying key risk management items.

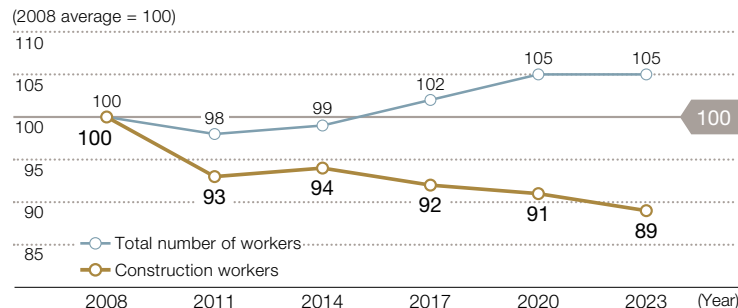
Population/Household Trends (Forecasts for the aging society)



Sources: Household Projection for Japan: (2018), National Institute of Population and Social Security Research; Housing and Land Survey (2018), Ministry of Internal Affairs and Communications; Housing Life General Survey (2018; preliminary figures), Ministry of Land, Infrastructure, Transport and Tourism

While the number of households where the head of the household is 65 years or older is predicted to increase by approximately 14% to 24.04 million by 2050 compared to 2020, the Daito Group estimates that 80% of these senior households will be households of active seniors.

Labor Force (Changes in number of construction workers)

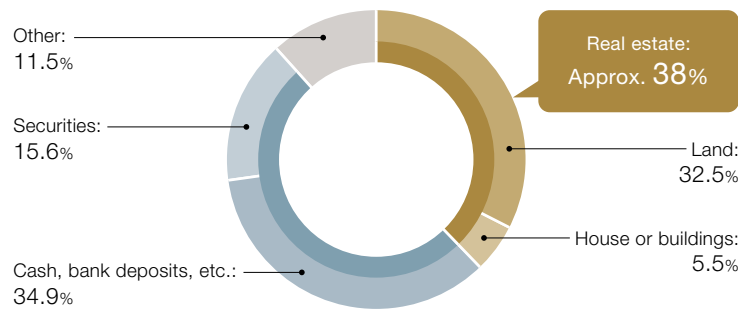


Source: Labour Force Survey: Long-term Time-series Data (2024), Ministry of Internal Affairs and Communications

According to the Labour Force Survey compiled by the Ministry of Internal Affairs and Communications, there is a gradual increasing trend of total number of workers in all industries in Japan, while the trend for construction workers is decreasing.

Laws and Regulations

(Breakdown of inherited assets by type based on the inheritance tax)



Source: National Tax Agency Report (2021), National Tax Agency (Japan)

Land and other real estate accounted for approximately 38% of all inherited assets, while the majority of inheritance and succession planning measures involve the utilization and succession of real estate.

Social situation and market environment	Main risks	Main opportunities	Future responses
Population/household trends <ul style="list-style-type: none"> Long-term trend of decrease in population and number of households Increase in population depletion in rural areas Increase in single-person and dual-income households Acceleration of aging society 	<ul style="list-style-type: none"> Oversupply of housing and increase in vacancy rates Decline in demand for housing stock for existing family types Increase in people leaving workforce for nursing care of family Increase in solitary deaths 	<ul style="list-style-type: none"> Increase in rental housing tenants Increase in rent per household Increase in needs for inheritance measures Increase in demand for nursing care business Increase in demand for residences and services for seniors Increase in demand for nursery school business Increase in needs for preventive medical care 	<ul style="list-style-type: none"> Promotion of efforts in new areas such as nursing care and nursery school businesses Enhancement of acceptance of tenants with foreign nationality
Labor force <ul style="list-style-type: none"> Decrease in working-age population Tightening of regulations on labor standards Promotion of diversity Automation, optimization, and mechanization Increase in foreign workers 	<ul style="list-style-type: none"> Shortage of labor force Shortage of sales representatives Increase in labor unit costs Prolonged construction periods Decline in construction quality Shortage of skilled workers 	<ul style="list-style-type: none"> Emergence of full-participation society Improvement of business efficiency Creation of training structures for engineers/craftspeople Development of a pleasant working environment 	<ul style="list-style-type: none"> Promotion of DX Promotion of platform business
Housing <ul style="list-style-type: none"> Increase in lifespan of housing Decrease in desire to own housing Sharp rise in construction material prices 	<ul style="list-style-type: none"> Decline in demand for rebuilding Decline in profit margins 	<ul style="list-style-type: none"> Reduction in repair costs Slowdown in rent rate declines due to aging of buildings Increase in demand for renovation Increase in people who prefer rental housing 	<ul style="list-style-type: none"> Improvement of order efficiency and standardization of construction period Enhancement of transactions with real estate companies Promotion of real estate sales brokerage and recruitment of tenants for buildings constructed by other companies Investment in real estate held domestically and internationally
Consumer awareness/lifestyles <ul style="list-style-type: none"> Increase in ethical consumption and awareness of the environment Increase in awareness of disaster prevention Diversification of life paths/styles Rise of advanced IT Evolution of remote work environment due to COVID-19 Emergence of digital marketing 	<ul style="list-style-type: none"> Decline in demand for mass-market products (made to suit everyone) Suspension of brick-and-mortar store operation and face-to-face sales 	<ul style="list-style-type: none"> Modification and revision of business content Increase in local migration Increase in demand for highly value-added rental housing Improvement of living efficiency Increase in demand for non-face-to-face sales 	<ul style="list-style-type: none"> Development of new lifestyle support business Stable operation of flexible workspaces
Laws and regulations <ul style="list-style-type: none"> Revision of the Inheritance Tax Act Revision of the Productive Green Space Act Liberalization of the retail energy market Tightening of lending conditions adopted by financial institutions Promotion of sustainability transformation (SX) Interest rate policy Movement toward ESG investment Tightening of regulations on subleasing 	<ul style="list-style-type: none"> Decline in demand for asset succession (if taxes decrease or taxes are abolished) Tightening of lending conditions on apartment loans Increase in interest rates Decline in landowner sentiment 	<ul style="list-style-type: none"> Increase in demand for asset succession (if taxes increase or tax target base expands) Entry into or expansion of energy business Increase in demand from companies focusing on rental housing business 	<ul style="list-style-type: none"> Promotion of energy business
Environment <ul style="list-style-type: none"> Climate change 	<ul style="list-style-type: none"> Increase in demand for eco-friendly management Tightening of environmental regulations on buildings Increase in natural disasters 	<ul style="list-style-type: none"> Increase in demand for eco-friendly rental housing 	<ul style="list-style-type: none"> Promotion of eco-friendly housing



Human Capital Management

Special Feature (1) Employee Roundtable



Property

TERASAKO Akira
Tokuyama Sales Office
Daito Kentaku Partners
Co., Ltd.
(Joined in 2015)

Note: Affiliation as of September 30, 2024

Brokerage

KAWASHIMA Naomi
Ichihara Branch
Daito Kentaku Leasing
Co., Ltd.
(Joined in 2010)

Administration

SUGIMOTO Natsuko
Kurume Branch
Daito Trust Construction
Co., Ltd.
(Joined in 2008)

Marketing

ISHIOKA Ryoji
Sapporo Sales Office
Daito Kentaku Partners
Co., Ltd.
(Joined in 2014)

Design

YAMADA Mitsuharu
Kawasaki Branch
Daito Trust Construction
Co., Ltd.
(Joined in 2006)

Sales

YOSHIHARA Masayasu
Real Estate Development
Yokohama Branch
Daito Trust Construction
Co., Ltd.
(Joined in 2006)

The Daito Group promotes human capital management, the first and most important point of its medium-term management plan. We aim to maximize the power of our employees by combining ease of work with job satisfaction. In this feature, six Purpose Ambassadors discuss the meaning and satisfaction of working for the Group, with specific examples. We will share the comments of the frontline employees, including the Group's characteristics, changes from the past, and their hopes for the future.

Purpose Ambassadors:

The Daito Group certified 64 Purpose Ambassadors from Daito Trust Construction Co., Ltd., Daito Kentaku Partners Co., Ltd., and Daito Kentaku Leasing Co., Ltd. as people who embody the ideas behind the Group's Purpose, "Link the Trust to Make a Better Future" in April 2024.

First of all, please tell us how you came to join the Daito Group.

Yamada: I used to work in a design engineering role, but I decided to join Daito Trust because I thought it'd be a good company for developing my skills. The Company's culture is very different from that of my previous job, and I feel that the way we work together to create a project by exchanging opinions candidly is a good fit for me. I also think this is a factor in helping us to create even better things.

Yoshihara: I saw the number of Daito Trust's apartments increasing rapidly in my hometown, and I thought that the Company's sales ability was amazing. I joined straight out of university, but I had always been interested in sales work from my experience gained during my university days, and I thought there would be many things I could learn from the Company. Also, the system for evaluating people's efforts and the way work is carried out was ideal for me.

Sugimoto: I previously worked in a research position in the sciences. I was dissatisfied with the fact that there was a significant gender gap and that my work was all about supporting male researchers. At that time, I saw an ad in the newspaper for an opening at Daito Trust that said, "men and women can both play an active role." Since I was dissatisfied with the gender gap, those words really stood out to me, so I decided to change jobs.

Kawashima: Before joining Daito Kentaku Leasing, I was working in the apparel industry. I was a salesperson in a shop, so I was confident that I could help people find rooms. Also, in my previous job, I worked mostly with women, so I wanted to change that environment. As Ms. Sugimoto said, there's



no difference between men and women here, and I felt that equality from the moment I joined the company.

Ishioka: I was handling real estate sales in my home prefecture of Hokkaido, working hard with the hope of one day working at a major company. When I had gradually built up a track record, I saw a job opening at Daito Kentaku Partners. I thought it'd be a chance to make use of my experience while also taking on challenges at a major company, so I applied. I've been working wholeheartedly even after changing jobs, and I now have a real sense that that experience is paying off.



Terasako: I've changed jobs a few times, and I have experience in construction management in the shipbuilding industry, as a medical representative for a pharmaceutical company, and in frontline work for solar power generation. I was looking for an

environment where I could combine this experience, and Daito Kentaku Partners was the perfect fit, so I decided to make the change with the determination to stay here long term. I feel that I've chosen the right company, as I find the joy of serving customers and hearing the words "thank you" very rewarding.

Many of you chose the Daito Group because of job satisfaction. In the new medium-term management plan announced this year, improving ease of work and job satisfaction were set out as important measures. What's your honest opinion about that?

Kawashima: When I first joined Daito Kentaku Leasing, I occasionally heard managers scolding people quite harshly, so I had the impression that managers were scary, which made it difficult to approach them even for small things. However, when the Daito Group's work style reform began around 2016, the atmosphere completely changed, and managers started to pay much more attention to their subordinates. I myself went through a difficult period, but now that I'm a manager, I think it was a good experience that allowed me to think about how I can improve ease of work for my subordinates and make it easier for them to approach me.

Terasako: The way we work has certainly changed a lot. I joined Daito Kentaku Partners in 2015, and at the time, each person had a lot of work to do. We actually worked from nine in the morning until nine at night. The power of change in the Daito Group is incredible. Overtime work

decreased rapidly right after the call for the work style reform, and the Group's culture was reborn into the one that also encourages employees to take their leaves. I'm now able to balance work and child-rearing, so I feel a great sense of fulfillment.

Sugimoto: After giving birth 15 years ago, I wanted to use childcare-related systems, but I felt guilty as I thought that people might have a negative impression of me. Back when I was struggling with this, a female manager told me, "A company is a place where people from all kinds of backgrounds work together while looking in the same direction." At the time, I realized that I wasn't looking in the same direction as that of Daito Trust, and after that I was able to work while keeping my eyes on the same goal as those around me. As a result, I now feel a sense of fulfillment in my work, and the series of reforms made it much easier to balance work with childcare and nursing care. It seems that this change has been noticed by my family and colleagues, and I often hear them say, "You always seem to be having fun."

Ishioka: I feel that our constant drive to stay one step ahead of the industry is what leads to job satisfaction. I'm currently in charge of applications, screening, contracts, and other procedures from real estate companies, and in 2022, we officially introduced electronic



contracts. In line with this, we're asking our business partners to switch to the electronic contract system, and many of them say to me, "Since Daito Kentaku Partners has started doing this, it'll soon spread throughout the industry." There're many things we have to learn to stay ahead of other companies, but at the same time, it's also very rewarding.

Yoshihara: The kind of company that offers job satisfaction hasn't changed over the years. I think the source of this is the human ability of employees, and the fact that we can motivate each other by influencing and being influenced by those around us is the greatest strength of the Daito Group. So, if I were to rate my job satisfaction on a scale of 100, I would say that it has been consistently close to 100 since I joined Daito Trust. On the other hand, as Mr. Terasako mentioned, the amount of work was overwhelming, and if I were to rate ease of work, it'd be less than zero. However, as everyone has said, systems have now been well established, and I really feel that it has changed a lot.

Yamada: As Mr. Yoshihara mentioned, I've always felt



a sense of job satisfaction. In terms of ease of work, things really changed for the better around 2019, when the previous medium-term management plan began. When I first joined Daito Trust, it was only me and other men from my generation, but now that the environment has improved, there're more young people and women joining straight out of university. I think this diversity of employees has helped to accelerate the improvement of our environment, creating a virtuous cycle.

As ambassadors, is there anything in particular that you always keep in mind in your daily work?

Yamada: I always keep in mind that the goal is to achieve good results through teamwork. You must never be

fixated on your own short-term success. Even if you don't achieve results, working as a team will give each member a different kind of insight, and if you do succeed, you can share the joy and gratitude from your customers.

Yoshihara: Teamwork has become more

important in recent years, even in sales jobs. This has many positive aspects, such as making it easier to take time off and not having to take on work by yourself. I try to make sure that our customers appreciate the human ability of the Daito Group. Of course, the products we handle are of high quality, but I think the fact that customers appreciate our people is something that only the Group can offer. As I mentioned the high level of job satisfaction, I think that this is connected to our customer-oriented approach, or rather, the customer first principle that we've set out in our Code of Conduct.

Why do you think the Daito Group has such a high level of human ability?

Yoshihara: I think it's because we find people we want to be like and try to become closer to them. Emulating the person you want to be like ultimately improves your own human ability.

Terasako: Indeed, the fact that there're so many people you want to be like may be a characteristic of the Daito Group. The people you want to be like all have strong quirks in a good sense, and their strengths are outstanding.

Kawashima: There's a female senior colleague who I've admired since I joined Daito Kentaku Leasing. I don't usually come into contact with her in my work, and I've

only met her a few times during training, but she is always considerate of those around her and overflowing with energy. I'm still a long way away from being like her, but I try to be as considerate as possible to my subordinates and customers, even if it seems a little excessive.

You were commended at the Management Plan Briefing as representatives of those who are able to think and act based on the Purpose. Please tell us how you felt at the time and if there've been any changes in your mindset.

Ishioka: To be honest, I was very surprised. I'm now being approached more often by my coworkers and senior colleagues, so I'd like to continue to work hard with the pride of being a founding ambassador.

Terasako: Like Mr. Ishioka, I also wondered why I had been chosen when there were so many other people who can do their jobs better and have more human ability. But I've now been put in a position where I'm going to be noticed, for better or for worse, so I'm going to try to pay attention to the little details and do my job properly.

Kawashima: I'm being asked more often by people around me why I was chosen to be an ambassador. When I'm asked, I tell them exactly what my manager said when they recommended me, and I'm happy that many people have responded positively, saying, "I'll give it a try, too." I've also started to pay more attention to my own attitude towards mentoring my subordinates.

Sugimoto: I'm being asked more often for my opinions and advice on employee engagement and organizational policy by my general manager and branch manager. It makes me even more determined when I think that I need to have this kind of management perspective as well as an awareness of the issues on the front line, and I feel that I need to work even harder to meet expectations.

Yamada: People are calling me "Ambassador!" more often, but to be honest, I didn't really understand why I was commended. However, listening to everyone's opinions in this roundtable discussion, I've started to get a vague idea of why. I feel like I've been able to recognize the importance of being close to customers and Daito Trust again.

Yoshihara: I'm currently working on a cross-departmental project, and because I was commended, it has become

much easier to get things done, like shortening the time it takes to get approval to about half the usual time, because "it's a request from an ambassador." I think it's also groundbreaking that our daily thoughts and actions were evaluated, rather than our sales results. This kind of commendation is also a chance to strengthen the sense of unity throughout the Daito Group, and I hope it'll continue in the future.

Tell us about your future aspirations and goals.

Terasako: First of all, I want to gain more experience by spending time on the front lines before moving up to a managerial position. To achieve this, I'm working on acquiring various qualifications in areas like succession and electricity so that I can do more. I also have children, so I want to have a more fulfilling personal and professional life.

Ishioka: As everyone has said, I want to improve ease of work and job satisfaction at Daito Kentaku Partners even further to make it a place that can be recommended to family, friends, and juniors. I want to make Daito Kentaku Partners a company that I can wholeheartedly recommend to people around me who are looking for work. I'll continue to work hard to help make that happen.

Yoshihara: I want to create partnerships and horizontal connections to promote the Daito Group's Purpose of "Link the Trust to Make a Better Future." The declining population is making it more difficult for Daito Trust to continue growing just through the rental housing business. That's why we must create new business schemes and generate new ideas by creating connections between people from different departments who work as one team. My goal is to play a central role in this and create a place where we can pass on the things that are important to us to link the ideas we've been entrusted with.

Kawashima: I want to create an environment where

everyone can work happily. In particular, when I look at so-called middle managers, I sometimes think that they must be under a lot of pressure because they have to be careful about what they say to both their superiors and subordinates. I can understand how difficult it is to be expected to balance results and work style, so I want to be someone who can improve the atmosphere of the organization as a whole.

Sugimoto: There're many women who have concerns at major turning points in their lives, such as marriage and childbirth, so I want to be a manager who can offer support and guidance to each of them. I also want to be a manager who can support and encourage members when they take on new challenges.

Yamada: There're many junior colleagues who have great enthusiasm for their work and who talk about their hopes for the future, so I'd like to create a place where they can gain more experience. I think that Purpose Ambassadors are valuable resources in achieving this, so I'd like to help boost these activities as a founding ambassador.

It's clear that everyone is proud of being an ambassador and that ambassadors are respected by those around them. There're limits to what the management team can do alone, so an increase in the number of employees who have inherited ambassadors' spirit will help the Daito Group develop even further. We look forward to your continued success.





Promotion of Human Capital Management to Maximize the Power of Employees



In April 2024, the Daito Group Management Plan Briefing was held over eight days in three cities across Japan. At the briefing, the CEO and other members of the management team explained the Group's policies for the current fiscal year, the new medium-term management plan, and new initiatives aimed at achieving VISION 2030 to Group employees. The promotion of human capital management is the first pillar of the medium-term management plan (FY2024–2026). We will maximize the power of all Group employees by enhancing ease of work and job satisfaction, which are essential for diverse employees to play an active role, and create the foundation for VISION 2030.



CEO Takeuchi explaining promotion of human capital management from the medium-term management plan

Management Plan Briefing

In the early days of the Daito Group, it was customary for the CEO to directly communicate targets for the fiscal year to senior management at a New Year's party held at the CEO's home. In 1985, the event was expanded in scale as the Management Plan Briefing, an in-house event attended by all employees. The briefing is held face to face based on the management team's desire to meet all employees directly and convey the management plan with enthusiasm, similar to the face-to-face meeting with customers that have always been important to the Group. It is rare for the management team of a company in Japan to directly explain its targets for the fiscal year to all employees. The briefing has been held every year, including remote briefing held during the COVID-19 pandemic, and it has become an indispensable event for the Group's growth.

Three Pillars for Promoting Human Capital Management: Improving Ease of Work and Job Satisfaction

1 Granting Restricted Stock to Employees Job satisfaction

The Daito Group granted three-year restricted stock to approximately 16,000 employees of the Group using treasury stock held by Daito Trust. We strive to maximize corporate value by linking the growth of the Group and employees, and also to share the same interests with our shareholders.

In addition, we will create a virtuous cycle in which the value of the Company's shares held by employees increase as corporate performance improves through their efforts. In doing so, we will improve employee engagement as the Company and employees work together to achieve the medium-term management plan.



Subjects	15,524 Group employees
Total number of shares granted	360,000 shares
Total amount of shares granted (maximum)	¥6.37 billion
Date of grant	September 20, 2024
Removal of restrictions on transfer	After the end of the medium-term management plan period

Comments from Employees (In-House Questionnaire After Announcement)

- I am inspired that we will be able to create our own share price three years from now.
- I think this is good system for forming self-owned assets as well as examining the dynamic relationship between the company we are a part of and the world.

2 Promoting SDGs and Solving Social Issues Job satisfaction

→ Disaster Prevention: p. 51;
Climate Change: p. 53

The Daito Group will promote the conversion to ZEH for wooden housing and all its other products, including steel-framed housing and housing with reinforced concrete structure, and actively utilize renewable energy sources through biomass and solar power generation to promote the SDGs. We will contribute to solving social issues such as environmental problems and disaster prevention, realize a sustainable society through our businesses, and aim to be a corporation that is needed and indispensable to society.

Disaster Cooperation and Support Agreement

In March 2024, the Daito Group*¹ and the Daiwa House Group*² concluded a Disaster Cooperation and Support Agreement, under which the two Groups will share information on rental housing managed by their respective Group companies and assist each other in times of peace and emergency. Cooperation is the top priority in times of disaster, so joining forces to help communities recover quickly is in line with the Group's philosophy on disaster prevention. Going forward, we will establish a structure for cooperation in the event of a disaster by holding joint events related to disaster prevention and conducting joint disaster drills even during normal times.

*¹ Daito Trust Construction Co., Ltd., Daito Kentaku Partners Co., Ltd., and Daito Kentaku Leasing Co., Ltd.
*² Daiwa House Industry Co., Ltd., Daiwa Living Co., Ltd., and Daiwa House Chintai Reform Co., Ltd.

→ Disaster prevention initiatives: <https://www.kentaku.co.jp/corporate/csr/torikumi/bousai/>

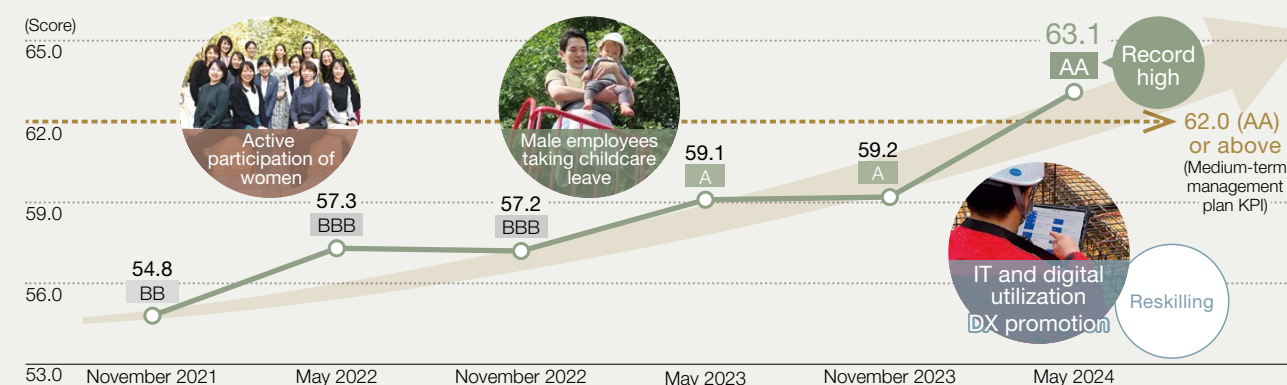


Signing ceremony
Right: YOSHII Keiichi, Representative Director and President, CEO of Daiwa House Industry
Left: TAKEUCHI Kei, Representative Director and CEO of Daito Trust

3 Developing a Work Environment Where Everyone Can Thrive Ease of work

→ Diversity, Equity, and Inclusion: p. 39; DX Strategies: p. 47

The Daito Group will expand and improve various systems, such as male childcare leave and female development programs, to allow employees to take paid leave, reduce overtime, and enable them to play an active role regardless of gender. In addition, we will eliminate time and location restrictions through the use of DX and create a workplace that improves ease of work for employees to improve engagement and create a company where diverse talent can play active roles.



Employee Engagement Survey

The Daito Group has conducted an employee engagement survey twice a year, in May and November, since FY2021. The May 2024 survey resulted in an engagement score of 63.1 (AA), exceeding the medium-term management plan target of 62.0 (AA). Thus, we will aim to maintain 62.0 (AA) or above going forward. An analysis of the results indicates that it was largely attributable to the gathering of all employees for the Management Plan Briefing at the beginning of FY2024 to receive an explanation of the medium-term management plan and Purpose, as well as to the granting of restricted stock and various initiatives to improve ease of work and job satisfaction.

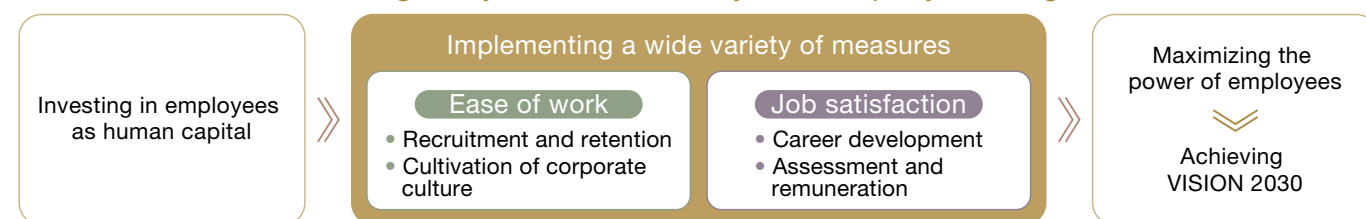


Major Initiatives in Human Capital Management as Seen from Personnel Strategies

Based on the idea that “people are capital” that has existed since the Daito Group’s founding, the Group considers its employees to be human capital. We strive to maximize their value by strengthening investments and implementing various measures to enhance corporate value. We will maximize the power of our employees by implementing a wide variety of measures, from recruitment and retention to cultivation of organizational culture, to achieve both ease of work and job satisfaction. In doing so, we will promote human capital management to realize the Group’s Purpose and VISION 2030.

Achieving individual growth and company growth through improvement of ease of work and job satisfaction

Making everyone’s individuality the company’s strength



Thoughts and actions based on the Daito Group’s Purpose of “Link the Trust to Make a Better Future.”

Recruitment and Retention Ease of work

The Daito Group is introducing and improving recruitment methods in response to market changes and the environment, and reviewing outreach methods including social media utilization, company briefings for new graduates and their families, and expansion of recruitment targets and routes. In addition, we are working to improve retention rates through various measures, such as analyzing trends in employees who contribute highly to business performance as well as introducing a new continuous employment system to improve the working environment and realize diverse work styles after retirement. As a result, we have established an employment system that allows employees to continue working for a long time to improve employee engagement.

Site Tours for Students

The Daito Group holds construction site tours for students as part of its recruitment activities. These tours provide opportunities for students to deepen their interest in the construction industry by interacting with employees actually working at construction sites and see buildings under construction.



Career Development Job satisfaction

The Daito Group is strengthening its career development support to enhance employee job satisfaction. We believe that career growth is the source of sustainable development of self-reliant talent and the realization of the Group’s Purpose. We have introduced and are expanding various programs so that each employee can positively perceive changes in the environment, envision their own future career, and engage in daily work with a sense of growth and fulfillment.

Video: Human Capital Management Dialogue with Top Management



Professor TANAKA Kennosuke (Hosei University) and CEO TAKEUCHI Kei: New Human Capital Strategies Focusing on People

This video series presents CEO Takeuchi’s views on human capital management and his thoughts on employee career development with the support of Professor Tanaka and Adecco Ltd.

→ Full dialogue:

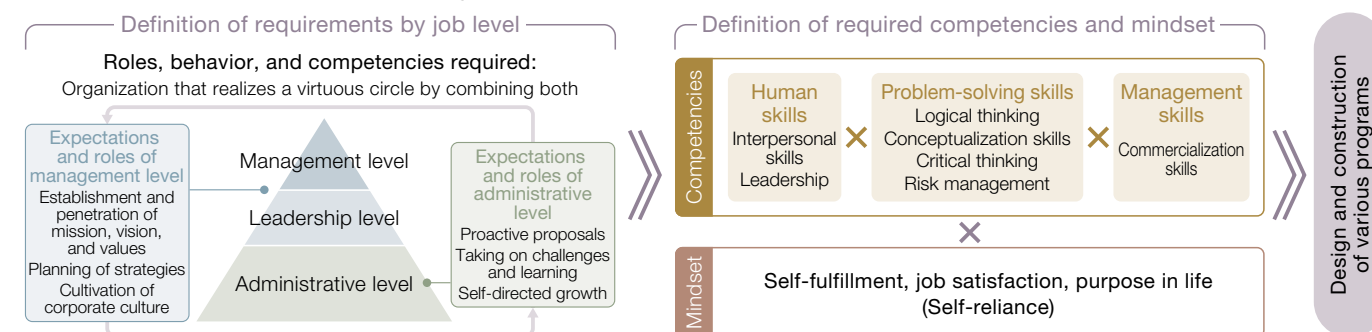
(Part 1) <https://www.youtube.com/watch?v=0SpdaRMEJn8>

(Part 2) https://www.youtube.com/watch?v=a0IR9G7d_Uc

● Daito Trust Talent Development Program

In April 2024, Daito Trust revamped its talent development program to ensure the Company’s growth while adapting to the changing operating environment, such as a shrinking population and labor shortages due to a declining birthrate and aging population, to realize its medium- to long-term vision and new management strategy.

■ Concept of Talent Development Program to Realize the Group’s Purpose

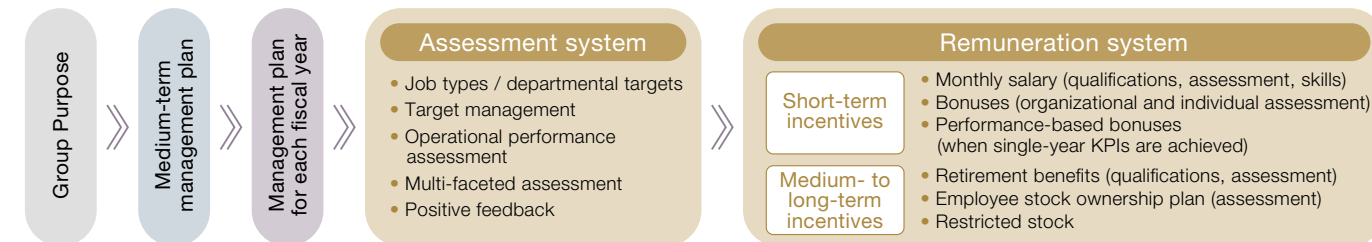


As part of revamping the talent development program, we defined an organizational image that will enable us to realize the direction we are aiming for. We also established the talent (roles, behavior, and competencies) required for the Company by job level. Through these efforts, we aim to develop talent and an organizational culture that can adapt to a changing environment.

Assessment and Remuneration Job satisfaction

Daito Trust’s basic policy for management is to be committed to a high wage system backed by high productivity. As such, we have introduced a performance-based personnel assessment system. This ensures that appropriate remuneration is distributed according to roles, contributions, and results, regardless of characteristics like age or gender. In addition, we have introduced a target management system to enhance various benefits in accordance with the business characteristics of each job type and to increase connections among management plans, organizations, and individual employees’ targets.

■ Daito Trust’s Assessment and Remuneration Structure



Note: Factors in parentheses are to be reflected.

Cultivation of Organizational Culture Ease of work

The Daito Group believes that it is imperative to cultivate an organizational culture that is chosen by employees in which they can continue to enjoy vibrant, satisfying work experiences. As such, we are continuously promoting diversity and reforming work styles among other measures.

● Sound Management Ranking as an Internal Evaluation Indicator

Daito Trust developed a Sound Management Ranking system in 2018 as an organizational revitalization measure. The system focuses not only on short-term results such as operating results and revenue, but also on factors essential to medium- to long-term sound branch/department management, including processes and working environment such as productivity, talent development, and creation of a pleasant workplace environment. The ranking of each branch and department is based on evaluation points calculated according to common standards and formulas for each evaluation item, and is linked to employee-led improvements in the working environment. We have also introduced an award system that can be used by employees of excellent branches as well as their families. In 2024, two areas of the Sound Management Ranking system, “talent development” and “organizational vitality,” were included in the evaluation of branch managers. In doing so, we aim to revitalize the efforts of the entire Company.



→ For other initiatives related to human capital management, please refer to the Securities Report and Daito Trust’s website.

Human capital management: <https://www.kentaku.co.jp/corporate/csr/torikumi/nurture.html>



Diversity, Equity, and Inclusion

Special Feature (2)

Roundtable Between Outside Directors and Executive Officers



OWADA Junko

Outside Director

YUNOME Yukari

Executive Officer, General Manager of
Diversity Promotion Department

OUCHI Chieko

Outside Director

The Daito Group promotes human capital management based on the idea that “people are capital.” In addition, we are developing initiatives, including the creation of an organization where diversity is a strength, based on the idea that diversity—respecting, recognizing, and utilizing individuality—will be essential to our sustainable corporate growth.

In this feature, Ms. Ouchi and Ms. Owada, who were newly appointed as outside directors in June 2024, and Ms. Yunome, Executive Officer and General Manager of the Diversity Promotion Department, discuss the kind of diversity that is required by the Group.

Daito Trust has a very solid corporate culture, contrary to a first impression of being a “sales company.”

Ms. Ouchi and Ms. Owada, could you start by giving us your honest impressions of Daito Trust as outside directors?

Ouchi: My impression of Daito Trust changed significantly after becoming an outside director. Before becoming an outside director, I was attracted by the Company’s high profile in the rental housing industry and the fact that it was involved in a business that was deeply rooted in our lives: providing housing. I also had a vague impression that the Company was actively working to support people’s lives in the face of social issues that threatened their livelihoods, such as climate change.

However, after having had a number of conversations with CEO Takeuchi and other directors, I now think that the

Company radiates sincerity and earnestness backed by a long-lasting business model. Also, before this roundtable discussion, I had the opportunity to see the ROOFLAG* exhibition, and I was once again able to appreciate the high level of technical expertise that forms the foundation of long-term relationships between both landowners and tenants.

Owada: When people hear the name Daito Trust, the first thing that probably comes to mind is “strong sales.” Perhaps that’s just my own preconception, but having worked at Recruit for nearly 16 years, I felt that the Company also stood out for its strength in a positive sense. However, when I was appointed as an outside director, the written correspondence I received was very polite, and when I was invited to the Management Plan Briefing, there were many times when I saw the sincerity and earnestness of communication between employees and the management team.

* Future rental housing exhibition hall for disseminating information on housing and living



It was also impressive to see how much pride everyone takes in their work. Everyone is aware of the importance of their achievements as the number one company in the rental housing industry, and that’s why they work hard to improve quality and gain the trust of property owners without becoming complacent. Seeing them like this made me realize that my first impression of the Company was a misconception.

The greatest strength of the Daito Group is spreading common values. The Group should link strengths through the transformation of business strategies as well as the utilization of talent and communication that match diversity of talent.

What do you think are the strengths and challenges of the Daito Group from both internal and external perspectives?

Yunome: The driving force that moves things forward here is tremendous. This is also apparent in day-to-day work, as people immediately start working once decisions are made, quickly produce results once started, and immediately move onto the next thing once things are on track. This sense of speed is a major strength that makes it easy to produce results.

However, on the other hand, people can become too focused on immediate tasks and results, and the understanding of the original purpose becomes diluted, or motivation can’t keep up. Promoting human capital management is the first pillar of the medium-term management plan that was announced this fiscal year. I’d like to make further improvements in areas that require a long-term perspective, such as talent development and organizational culture building.

Owada: It seems that talent development needs to be promoted in line with the shift in business strategies.

The Daito Group has set a medium- to long-term vision of community development and is making a full-scale entry into overseas business. The Group is also taking on challenges in areas that aren’t just an extension of what it has done so far. That’s why I think the Group needs to rethink its conventional, uniform approach to talent development and design training programs that cultivate skills and experience that will contribute to new businesses.

In addition, as the shortage of labor becomes more serious throughout Japan, securing outstanding talent is becoming an important management issue. I believe that the Group’s human capital management also requires the development of talent who can drive the business while also implementing measures to improve retention.

Ouchi: I think the reason why the Daito Group is so good at moving quickly is that everyone has a simple set of values that permeate throughout the organization, and there’s a clear definition of what’s considered to be good thoughts and actions. As the Group embarks on new business development and takes on new challenges, it may be necessary to adopt different methods and processes from those used in the past. This could lead to new discoveries, which I feel is very interesting.

On the other hand, I feel that there’s a big gap between officers and employees in terms of communication. I’ve had the opportunity to observe Board of Directors meetings on several occasions, and discussions were carried out in a friendly atmosphere. This was also reflected in the energetic presentations at the Management Plan Briefing, but the employees seemed a little quiet. I’ve heard in the past that the organization has a strong culture of sectionalism. If the Group could create a culture where people can talk freely and openly across departmental and hierarchical boundaries, it’d become even more attractive as a corporation.

I also initially thought that sales teams were very strong and that the main focus was on individual sales activities, but I’ve heard that the Group actually places a lot of importance on teamwork. I think that communication will become more active if everyone can feel a sense of unity in working as a team.

Yunome: The Daito Group is currently in a period of transition. For sales activities, we’re trying to create a more open atmosphere, with a team-based approach to sales rather than the individualistic approach we’ve had in the past. However, as Ms. Ouchi pointed out, the results of our engagement survey show that the old hierarchical relationships still exist, and there were also comments about the distance between employees and officers. Nevertheless, the awareness of the reform led by the CEO is very high, and I think we’ll see signs of change as it gradually permeates the front line.



Diversity is essential for community development unique to the Daito Group. Daito Trust must start by embracing diversity itself.

Tell us about the significance of Daito Trust's diversity, equity, and inclusion (DE&I).

Yunome: Until now, Daito Trust has been developing measures related to talent based on the concept of diversity and inclusion (D&I). However, in light of recent social demands and the unique situation of having an overwhelmingly male-dominated workforce, we've adopted the concept of DE&I, which adds the concept of equity. We've also established a policy of turning the individuality of our employees into a source of strength for the Company.

Originally, the Company didn't have a job classification system with management track positions or non-management track positions. The system was designed so that there was no difference in work styles depending on their gender. However, in reality, there are times when the system unintentionally changes into something that benefits the majority, which are men. That's why we're promoting DE&I, which adds the concept of equity, as we aim to make visible the inequalities that aren't yet apparent. We are also aiming to create an organization where everyone can play an active role by promoting this way of thinking.

Ms. Ouchi and Ms. Owada, as outside directors, how do you think DE&I will be linked to the community development that the Daito Group is aiming for in the future?

Ouchi: In promoting diversity, it's important to overcome the unconscious bias represented by fixed gender-role



consciousness. That's the exact same perspective that is required for the community development that the Daito Group is aiming for. For example, flexibly incorporating multifaceted opinions from the perspectives of women and people with physical disabilities into what have been created exclusively from the male perspectives will naturally lead to the development of communities that are comfortable for everyone to live in. In other words, I believe that promoting diversity at the Group will lead to more attractive community development.

Owada: I agree with your point about diversity initiatives being naturally applied to community development. There was a case in Vienna where a city plan was drawn up only by men, and it didn't include the perspectives of those raising children, so the plan had to be redesigned from scratch. This is also true for the Daito Group. It's difficult to develop communities that are comfortable for everyone to live in unless they incorporate diverse perspectives that transcend gender and age. Therefore, I believe that it is of utmost importance that the Group itself first and foremost creates groundwork that embraces diversity and builds a foundation for providing services that respond to the diversity demanded by customers and society.

The pursuit of true job satisfaction and ease of work will lead to the coexistence of diversity and the speedy management unique to the Daito Group.

How does the perspective of diversity relate to human capital management?

Yunome: As mentioned earlier regarding Daito Trust's values, diversity initiatives tend to be a trial-and-error process as there're no clear answers. This is exactly the premise for having multifaceted perspectives. I think we must strike a proper balance between diversity and the sense of speed that is unique to the Company.

Ouchi: Looking back at the business model of the Daito Group, it's a very altruistic corporation that helps solve the issues and concerns of landowners; in other words, it's a corporation that values thoroughly responding to the needs of landowners. The more diverse the landowner's needs are, the more diverse the solutions will naturally be. Response becomes drawn out when it is handled by only one person, so teamwork makes it possible to respond promptly.

Owada: I believe that diversity is also having an impact on the conflicting relationship between improved business performance and overtime work. Japan as a whole is being urged to improve labor productivity. If business

performance improves only at the cost of time, I'd argue that management hasn't been functioning properly. What's required now, I believe, is speeding up the daily work cycle to commit to business performance within the time allotted based on flexible work styles and various forms of employment. In the midst of this social trend, it's necessary for the Daito Group to spread awareness of the need to speed up work while making the most of diversity. I hope that the Group can move away from reform just for ease of work to promote real reform for job satisfaction.

Yunome: We must maintain the premise that ease of work and job satisfaction go hand in hand. It's true that there has always been a strong tendency to disregard ease of work due to, for lack of a better word, the strong sports team-like hierarchical culture. However, as the number of employees balancing work with childcare, nursing care, and other responsibilities increased, we gradually began pursuing the issue while simultaneously exploring our way through the process, and it became clear that there were many employees who were able and willing to produce results even with limited hours, and the management team's understanding of diverse work styles also improved.

Ouchi: Reforms are only a formality unless everyone understands the process, such as the purpose and path of implementation. That's why KPIs must be handled carefully. For example, it's common for men to take childcare leave at Daito Trust, but the significance of this is not simply to meet quotas. It is, rather, to actually spend time with children and do housework during the daytime, and to diversify one's knowledge and experience. When formulating KPIs, it'd be good to freely and openly discuss their original purpose and work towards achieving the targets with everyone united in their efforts.

Finally, do you have a message for our stakeholders?

Owada: In promoting human capital management, it's important for the Daito Group to allow employees to choose work styles that fit their lifestyle based on their own aspirations and circumstances, and with a degree of freedom and discretion. This doesn't mean allowing self-serving aspirations. Rather, the Group must focus on creating an environment that allows employees to achieve results while accommodating their circumstances by developing systems, such as work styles and job types, to allow them to maximize their abilities. As this "mature work style" permeates the Group's positive culture, employee satisfaction will increase, which will ultimately lead to stronger retention. As an outside director, I'd like to work with members of

the Board of Directors to explore diversity in work styles. I'll also fulfill my role to check overall governance.

Ouchi: The more I hear from the management team about the Purpose "Link the Trust to Make a Better Future.," the more I'm reminded of the importance of human ability. Building relationships of trust with customers is the starting point of Daito Trust's business. There're many situations in which human ability is honed through relationships with people, but what's important is how to raise the level of human ability as an organization. Human ability is not just a combination of skills. It's deeply influenced by internal factors such as accumulated experience and sense of values. I'd like to actively express my opinions from an external perspective on measures to hone human ability while keeping the realization of the Purpose in mind. I'd also like to encourage the Company to take on challenges while flexibly alternating the gas and brake pedals for measures other than human capital management as well.



Yunome: The "mature work style" that Ms. Owada mentioned fits well with the Daito Group's diversity promotion concept of "making everyone's individuality the company's strength." Daito Trust is aiming to create an organization in which diversity is a strength. Thus, it's important to link the strengths created by the coexistence of various people to results rather than simply superficial ease of work. Earlier, I reflected on the delay in talent development, but the Company has also defined talent as its most important management capital and is trying to develop measures to address this issue. As the person in charge of promoting diversity, I'd like to make every effort to realize a situation where the growth of people leads to the growth of the organization and the Company.

We're even more excited about the promotion of human capital management going forward. Thank you very much for talking with us today.



From D&I to DE&I

With talent is its greatest capital, the Daito Group is focusing on human capital management. We believe that diversity—respecting, recognizing, and utilizing individuality—is essential to our sustainable corporate growth. As such, we are tackling it under our Diversity Declaration. Starting in FY2024, we are further promoting diversity and inclusion (D&I) under the concept of diversity, equity, and inclusion (DE&I). Until now, we have fostered an awareness of recognizing diversity through D&I. Going forward, we will continue to place importance on creating an environment in which diverse talent can thrive while incorporating the concept of equity, which is a further evolution of D&I. We believe that we can achieve greater innovation than ever before if we consciously provide systems and opportunities that suit each individual employee, and if the full range of

people with their own unique characteristics are able to play an active role. We will continue to strive to create an organization in which diversity is a strength to further realize our diversity slogan, “making everyone’s individuality the company’s strength.”



Utilization of People with Their Own Characteristics to Create an Organization Where Diversity Is a Strength

Diversity Declaration

1. We aim to create a corporate culture that respects the individuality of each and every one of us, recognizes diversity, and allows us to maximize our abilities.
2. We pursue creating an environment where employees feel motivated and comfortable to become a company they can be proud of and entrust their dreams and future to.
3. We aim to be a sustainable company that can continue to create new value by promoting diversity as a management strategy.

Medium-Term Management Plan for Diversity (FY2024–2026)

The Daito Group has formulated the DE&I medium-term management plan (FY2024–2026) to promote DE&I as a management strategy. We will further promote DE&I through both top-down and bottom-up approaches by creating an organization with diversity as its strength that can utilize the full range of people with their own unique characteristics, and by implementing initiatives aimed at enhancing the quality of communication that takes on challenges from diverse perspectives. In the DE&I medium-term management plan, we will promote DE&I based on four axes, believing that the quality of communication is important for creating new value and generating innovation.

4 axes		Main initiatives toward 2026	
1	Use of individuality	<ul style="list-style-type: none">■ Build a working environment and strengthen the education system to promote continued employment and active participation■ Pursue “equity” as well as “equality” due to structural discrimination■ Foster a system and culture that supports individual growth and challenges	<ul style="list-style-type: none">• Gender equality (for women and LGBTQ people)• Active participation of seniors and young people• “Knowledge and experience” and DE&I• Support by job type• Career development and self-actualization
	Personality		
2	Connection	<ul style="list-style-type: none">■ Strengthen connections between people and aim to become an organization that can think and act through dialogue■ Transmit message from top management and connect management strategy and employees (through dialogue/empathy)■ Listen to employee opinions by fostering a bottom-up culture of taking on challenges	<ul style="list-style-type: none">• Penetration of Purpose and management strategy• Empathy for employees• Management commitment• Promotion of cross-cutting initiatives
	Vertical, horizontal, and diagonal connection		
3	Dialogue / thoughts and actions	<ul style="list-style-type: none">■ Acquire diversity knowledge and spread understanding■ Foster an organizational culture where everyone can grow and take on challenges■ Pursue a motivated and comfortable working environment	<ul style="list-style-type: none">• Understanding of diversity• Activation of communication• An open-minded workplace culture• Job satisfaction and ease of work• Improvement of a working environment
	Actions with a deeper understanding		
4	Well-being	<ul style="list-style-type: none">■ Become a 100-year Group full of vitality where everyone can play an active role■ Build a working environment that promotes “health” and “happiness” and allow people to work with satisfaction while maintaining physical and mental health■ Support the fulfillment of work and private life and support “live your own way”	<ul style="list-style-type: none">• Reduction of long working hours• Work-life balance• Positive off• Improvement of engagement• Improvement of health and health literacy
	Happiness		

→ DE&I medium-term management plan: <https://www.kentaku.co.jp/corporate/en/ir/eqehc4000003357s-att/eqehc400000k1lbl.pdf>

KPIs of DE&I Medium-Term Management Plan

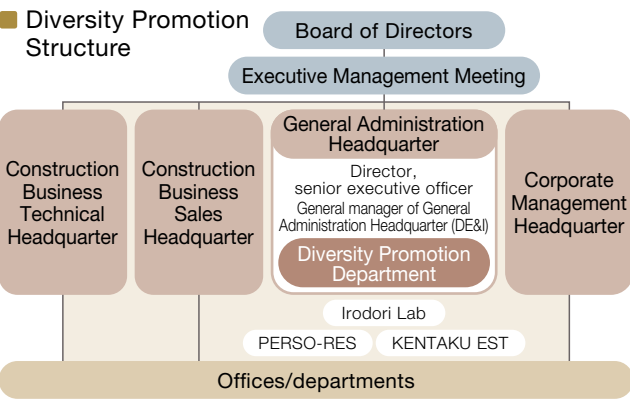
The Daito Group has identified 14 KPIs as important items in the DE&I medium-term management plan. The percentage of male employees taking childcare leave, the percentage of female management personnel, and the percentage of female directors are also included in material issue KPIs. In addition, we have introduced the percentage of female management personnel as a factor for officer remuneration (performance-linked remuneration).

Item	Unit	FY2023 results	FY2024 plan	FY2025 plan	FY2026 plan
Non-statutory working hours (monthly average)	Hours	16.00	15.75	15.50	15.25
Rate of taking paid leave	%	84.3	80.0	80.0	80.0
Percentage of male employees taking childcare leave* ¹	%	113.3	100	100	100
Percentage of female workers	%	16.1	16.8	17.5	18.2
Percentage of female personnel hired	%	23.3	24.2	24.7	25.3
Percentage of female management personnel* ²	%	6.5	7.0	7.5	8.0
Percentage of female directors	%	8.3	13.3	13.3	20.0
Rate of taking health checkups	%	100	100	100	100
Rate of taking follow-up consultation	%	100	100	100	100
Rate of taking stress check examination	%	95.4	92.0	92.0	92.0
Percentage of employees with high stress check scores	%	11.7	11.5	11.2	11.0
Presenteeism (percentage of loss)* ³	%	25.8	25.5	25.0	23.0
Absenteeism* ⁴	Days	3.2	3.1	3.0	2.9
Utrecht Work Engagement Scale* ⁵	Points	3.1	3.1	3.2	3.3

*1 Number of employees taking childcare leave within a year after the birth of children / Number of employees who had children in the fiscal year
*2 FY2023: As of April 1, 2024
*3 Presenteeism according to SPQ (Single-Item Presenteeism Question, the University of Tokyo single-item edition) (0–100 points); n = Total number of employees
*4 Average number of days of injury and sick leave system used by all employees
*5 A scale to evaluate the state of being proactive and energetic in one’s work

Diversity Governance Structure / Bottom-Up Structure

In 2015, Daito Trust established a dedicated diversity organization within the Human Resource Department. In FY2022, we made this organization an independent Diversity Promotion Department headed by the general manager of General Administration Headquarter, the officer in charge of DE&I, to realize further diversity management for the entire Group, and are promoting initiatives. We have also established a structure that proactively gathers feedback from employees. DE&I-related initiatives are regularly reported to the Executive Management Meeting and the Board of Directors for sharing information, exchanging opinions, and monitoring on action plans and other matters.



A project to promote the active participation of women, Irodori Lab

Launched in 2019, the project aims to create an organization in which all employees can play an active role and independently achieve sustainable results by promoting the active participation of women. There are a total of 14 voluntary female employees working at the head office.

→ Other systems derived from the project:
<https://www.kentaku.co.jp/diversity/work-life-balance/index.html#nursing-system>



Diversity Promotion Workshop, PERSO-RES

With the aim of fostering a vibrant organizational culture, Daito Trust has been recruiting employees who are serious about changing and improving the Company since 2021, and regularly holds workshops on the theme of diversity promotion. We are conducting activities in line with real conditions by gathering feedback from those on the front line while promoting communication between the head office and branch offices. Activity themes are based on proposals, opinions, and discussions. For proposal-based activities, members make proposals directly to the officer in charge of DE&I, and adopted proposals are reflected in the workplace.

Internal Support Network, KENTAKU EST

In 2021, Daito Trust established an internal support network of LGBTQ employees and their allies to increase supporters of sexual minorities in the Company. In 2023, we designated the month of June as our Pride Month with the aim of deepening employees’ understanding of and respect for LGBTQ people.



Promotion of the Active Participation of Women

The construction industry still faces challenges in terms of ease of work for women, and it is important to increase female perspectives to eliminate this bias. In addition to promoting the active participation of women, Daito Trust will contribute to enhancing corporate value to address employee diversity from a long-term perspective.

Female Employee Development Program

Daito Trust has been focusing on increasing the percentage of female management personnel. As such, we introduced phase one of our three-year Female Employee Development Program in 2021. On April 1, 2024, the percentage of female management personnel reached a record high of 6.5%. This program is characterized by an approach that not limited to simply hiring talented women, but also identifying women with potential and systematically training and promoting them. Furthermore, the program supports female employees who find promotion a hurdle in receiving the training to understand the roles of officers and managers so that they can consider promotion as a natural career option.

Phase Two of Female Employee Development Program (April 2024–April 2027)

In phase two of the Female Employee Development Program, Daito Trust will add post-promotion follow-up measures to raise the awareness of those making appointments, immediate superiors of employees being promoted, and female employees. This will lead to the development of an overall culture for promoting the active participation of women, including recruitment, retention, and long-term support for career development.

- Quota System**
 Daito Trust has set a target for the number of female management personnel, including senior managers, in the three-year plan. Based on the plan, we select female management personnel who receive training for essential promotion requirements. Furthermore, we have set 8.0% target for percentage of female management personnel in FY2027 through systematic training by executive managers.
- Women's Empowerment Promotion Committee**
 This committee, whose members are the executive managers in different job types, promotes the Female Employee Development Program by regularly reporting on progress and sharing issues. The number and status of candidates are visualized to help raise awareness on the part of those making appointments.
- Superior Training**
 Training is provided to all managers on the differences in thinking between men and women, unconscious bias, and how to develop female subordinates. This training helps to disseminate a correct understanding of the importance of guidance and support from superiors in the development of female employees.
- Female Employee Education Program**
 Female employees attend a step-by-step training program at each job level as an educational program to dispel feelings of modesty and anxiety that are unique to women who feel that promotion is a hurdle, and to build their self-confidence.

Support System for Female Engineers

Daito Trust regularly holds exchange meetings and training sessions to provide a venue for information exchange across regions and generations, as well as to build relationships where people can share their concerns and worries. These exchange meetings led to the introduction of a new job type change system for female construction managers in 2023, which allows them to change to the job type of their choice for a certain period of time when they face life events such as pregnancy, childbirth, and child rearing.

➡ [Diversity] Introduction of a job type change system for female construction managers:
https://www.kentaku.co.jp/corporate/pr/info/2023/release_sekoukanri_20230315.html



Work-Life Balance

Support for Men's Participation in Childcare

Daito Trust aims to create a workplace culture that encourages men to actively participate in childcare, including a mandatory five days of childcare leave. To achieve this, we are fostering a Company -wide culture in which men can also take childcare leave (leave of absence) for a specified period of time. In addition, male employees who have recently had a child are required to meet with their superiors to inform their future intentions regarding child rearing and to enable them to take planned childcare leave (leave of absence).

Handbook for Balancing Work and Nursing Care

Daito Trust has created and disclosed a tool that includes useful information when faced with nursing care, as well as information on internal systems that can be utilized.



➡ For other initiatives related to diversity, equity, and inclusion, please refer to the Securities Report and Daito Trust's website.
 Diversity (DE&I): <https://www.kentaku.co.jp/diversity/>

Health and Productivity Management

Health and well-being
management slogan

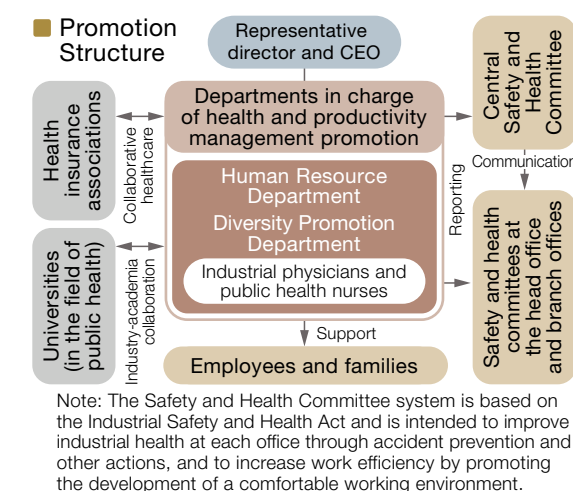
Becoming a 100-year Group full of vitality where everyone can play an active role [Theme] Lead a healthy life

Daito Trust
Health
Declaration

1. We aim to create a working environment in which each employee can take control of their health and work actively for a long time
2. We pursue health and happiness to become a company to which people can entrust their lives.
3. We work on well-being as our management strategy, and aim to be a sustainable company that is healthy and vibrant in both mentally and physically.

Promotion of Health and Productivity Management

In Daito Trust's health and productivity management, the CEO is the person with the highest responsibility for promoting health and well-being management. The departments in charge of health and productivity management promotion play a central role under the supervision of the general manager of General Administration Headquarter, who is in charge of DE&I, with collaboration from general industrial physicians, public health nurses, health insurance association, universities, and other organizations. We regard the maintenance and promotion of employee health as an important management issue, and are working strategically to identify issues, implement measures, and improve evaluations. We also believe that allowing all employees to grow and play an active role energizes the organization, creates all kinds of ideas, and leads to better service to our customers.



Awareness Raising on Health and Productivity Management and Major Initiatives

In addition to complying with laws and regulations pertaining to health and productivity management, Daito Trust also develops a comfortable working environment by improving safety and health at each office. In addition, we regularly disseminate information on our health issues, health maintenance and promotion measures, internal contacts for consultation, and guidelines, to our employees through our intranet portal site and newsletters. Moreover, we call attention to safety and health risks and provide video training and other actions to help raise awareness.



Morning warm-up exercise

Major Initiatives for Employees

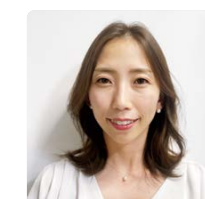
- Set a target of 100% for the rate of taking follow-up consultation for health maintenance and promotion, and achieve it every year
- Provide opportunities for age-appropriate cancer screening for early detection and early treatment (maintain 90% or above for the rate of taking stomach, colon, and breast cancer screening)
- Subsidize the cost of screening services to expand opportunities to receive examinations related to the top three life-threatening disease risks and early detection of such diseases to prevent serious illnesses among employees and their dependents, starting in FY2023

Culture-Building Measures: Daito Health Month

- **Smoking cessation project**
Reinforce smoking cessation support system and hold regular online sharing of success stories
- **Walking campaign**
(collaborative healthcare project with health insurance associations)
Develop exercise record challenge, disclosure of step counts, and interdepartmental events
- **Breakfast promotion campaign**
(improvement of physical and mental health along with productivity)
Establish eating habits by providing nutritional supplements

Becoming a 100-Year Group Full of Vitality Where Everyone Can Play an Active Role

I believe it is important for all employees, young and old, male and female, to be able to work actively. I also believe that it is the mission of those involved in health management at a company to support all employees in recognizing the health issues they face, taking action, creating habits, and solving health issues. We have now started to visualize and recognize health issues. We try to plan and implement health measures that make people want to do things on their own, enjoy taking action, and work as one with their colleagues, rather than being forced to do so. Throughout this process, we collect opinions directly from employees, which sometimes lead to proposals that take shape. I value this process of working together to create a plan. By listening to our employees, I hope to solve health issues and grow into a company full of vitality in which all employees can play an active role.



SAGAWA Hiromi
(public health nurse)
Diversity Promotion Department

➡ For other initiatives related to health and productivity management, please refer to the Securities Report and Daito Trust's website.
 Health and productivity management: <https://www.kentaku.co.jp/corporate/csr/torikumi/kenkou.html>



DX Strategies

CDO Message



NAGANO Yuichiro

Executive Officer, CDO,
General Manager of IT
System Department and
DX Promotion Department

Promoting DX in Anticipation of the Next 50 Years

Meaning of DX to the Daito Group

DX is a means to achieve two main goals. The first is to promote DX aiming for the realization of the Daito Group's Purpose and VISION 2030. The second is to enable us to be corporation engaging in business that adapts to the environment, which has remained our dream since our founding. In other words, it is to promote DX so that we can adapt to the social environment—which is expected to change dramatically—in anticipation of the next 50 years. Among the principles for a company to achieve sustainable growth over the medium to long term, some principles set and drive the organization toward goals such as the SDGs, while others aim to maximize the utility value of methods. People (human capital management) and digital (DX strategies) are the most important factors of these methods.

Creation of an Environment Where People Can Fully Demonstrate Their Potential:

People Are Essential for the Success of DX Promotion

Specifically, the Daito Group will promote DX as a way to eliminate the gap between our Group's ideal and reality. We will, of course, create new revenue-generating business by utilizing digital technology, but there are still many operations that involve people in our existing businesses. It is therefore important that we substitute operations that people cannot or do not have to do with digital technology, and allow employees to fully demonstrate their potential in analog operations, in which we have our strengths. With a declining working population, we are also lacking engineers. There is an urgent need to shift to a business model where people can fully demonstrate their potential in the areas that require people, while advancing digitalization in others. All employees are essentially responsible for DX, and ideally they can implement operational reform within each of their fields. Dedicated departments will of course instruct and develop the necessary environment, but each employee will also take the initiative in changing our existing

businesses and transform the business model. This means that each employee will create a workplace where they can work easily and comfortably, and also work on reskilling. In other words, to be responsible for DX means that each employee has a smaller burden and improves its skills, productivity, and market value, resulting in making positive changes in their lives. The promotion of DX in collaboration with the workplace has had an unexpectedly positive response. There are more people within our Group who are interested in IT and digital technology than previously thought, and examples of enthusiastic initiatives are shared through our newsletters and other media.

The Daito Groups' Goals for Community Development and DX—Toward the Creation of New Lifestyle Support Services

The Daito Group's community development plans are still in the vague and conceptual stages. Unless there are links between intangible aspects, as opposed to augmenting only the tangible aspects such as rental properties and commercial facilities, community development will be difficult. To develop organic communities, there need to be mechanisms for linking people with people, buildings, and communities by using digital technology. I believe that is where the need for DX promotion lies. As there are many community development initiatives that utilize ICT, such as the Vision for a Digital Garden City Nation in Japan, we hope to formulate a comprehensive plan for collaboration and mutually complementary relationship with municipalities and partner companies by delving deeper into what only we can do and services according to the characteristics and issues of each local community.

Entrusting the Next Generation to Achieve Growth in Next 50 Years

Daito Trust may have the image of an analog corporation whose strength lies in the number of its personnel, but our Company is tenaciously advancing digitalization. In 1992, employees were given laptops and provided business estimate simulations when visiting customers on site. In 1998, mobile devices were distributed and utilized in construction management. In 2000, the creation of internal web applications started. And in 2011, the Great East Japan Earthquake served as a catalyst to shift to the cloud. As such, we have advanced the utilization of IT and digital technology in line with the trends of the time. It is true that we are fundamentally a corporation that values people and our strength lies in direct communication, but we have a history of utilizing the two extremes of people and digital technology. Even the management team realizes that DX promotion is something needs to be done now. It is precisely because our businesses are going well now that we should push forward with what we can to the best of our capacity. We will steadily implement what we need to do now so that, in anticipation of the next 50 years, we can be proud of what we entrust to our next generation working 10 or 20 years later.

With its Purpose as the base, the Daito Group formulated the Daito Group VISION 2030, which is a vision for where the Group wants to be in 2030. To realize this vision, our DX strategies outline the following four policies.

- 1 Create new businesses and services through digitalization
- 2 Transform existing businesses (core and peripheral businesses) through digitalization
- 3 Improve innovative productivity
- 4 Establish a base for DX promotion



Daito Group DX Strategies and Main Themes for DX Promotion

Goals for 2030	Group DX strategies	Scope of DX promotion	Main themes for DX promotion
New value to provide <ul style="list-style-type: none">Community and regional revitalizationThe world's largest property management company	1 Create new businesses and services through digitalization	New value to provide <ul style="list-style-type: none">Creation of new customer experiencesProvision of new lifestyle support services	<ul style="list-style-type: none">Creation of new businesses that utilize digital technologyStrengthening of digital collaboration with local communitiesCreation of new services that utilize digital technologyStrengthening and expansion of service collaboration with external companies
Expansion of peripheral businesses <ul style="list-style-type: none">Enhancement of life infrastructure and lifestyle services	2 Transform existing businesses (core and peripheral businesses) through digitalization	Transformation of existing businesses <ul style="list-style-type: none">Expansion of existing businesses (increase in revenue)Transformation of existing businesses (increase in revenue)	<ul style="list-style-type: none">Promotion of digital marketingCreation of external sales business; establishment of business platform
Expansion of the scope of core businesses <ul style="list-style-type: none">Response to needs other than land utilizationLaunch of non-residential construction	3 Improve innovative productivity	Digital transformation of a working environment <ul style="list-style-type: none">Digitalization of routine operationsAutomation and elimination of operationsWork style reform	<ul style="list-style-type: none">Digital transformation of operational processesImprovement of productivity and quality using AI, AGI, etc.Automation of operations using robots (RPA, etc.)Digitalization of routine operations (invoicing, etc.)Promotion of digital measures across the GroupPromotion of digital measures by job typeDevelopment of a working environment where everyone can work easilyReskilling of all Group employees
Fundamental concept <ul style="list-style-type: none">Thoughts and actions based on PurposeCorporate culture where everyone can grow and take on challenges	4 Establish a base for DX promotion	Fundamental concept <ul style="list-style-type: none">Development of DX talentDissemination and public relations activities for DX promotionWork style reform	<ul style="list-style-type: none">Enhancement of DX talent development curriculumsIntroduction of an internal DX certification systemCitizen development and creation of data analysis platformCreation of common platform for new businessesEfforts to obtain DX Certification and to be included in DX stocksInformation disclosure to stakeholders



Major Initiatives for DX


1 Create New Businesses and Services Through Digitalization

While utilizing data and digital technology to pursue more convenient and comfortable lifestyle and daily life services, the Daito Group will contribute to revitalizing local communities and solving their issues.

"ruum"

- App that is useful for tenants' everyday lives
- Provision of a new platform that is useful for tenants to realize more convenient and comfortable lives

Number of members: 1.22 million as of the end of FY2023



Mizukara Chintai

- Services to directly connect property owners and tenants
- Reduction of recruitment brokerage fees by allowing property owners to advertise vacancies and sign contracts on their own

Asset Transformation

- Comprehensive asset management platform
- Online asset management support, AI simulation, and other services to meet customers' needs for contactless services

Number of members: 2,267 as of the end of FY2023

My Jichikai

- Operation of a community activity support app that streamlines the operation of community associations and neighborhood associations (circulating community notices, collecting fees, etc.)

Monitoring and searching for seniors with dementia

- Start of trials for services that detect seniors who leave the premises of nursing care facilities and that prevent accidents, in partnership with MAMORIO, Inc.

2 Transform Existing Businesses (Core and Peripheral Businesses) Through Digitalization

By actively introducing new digital technology and expanding the scope and utilization methods of digital technology, the Daito Group will implement a process transformation in existing businesses and improve revenue-generating capacity.

AI Kacho

- In the process of creating an AI Kacho (Section Manager) system using AI technology to support sales conversation simulations



Construction management platform

- In the process of developing the external version of internal system for digitalization of construction management and construction material ordering

Selection of basic construction methods using AI

- Selection of basic construction methods using AI that learned Daito Trust's construction data as well as land and environment data from the Ministry of Land, Infrastructure, Transport and Tourism

Electronic rental contract platform

- Platform for improvement in rate of electronic contracts for buildings managed by Daito Trust, and industry standardization of electronic application and contract services

Rent screening AI

- Automated computation of market prices of rental properties' rent by teaching AI peripheral property data

Construction site live cameras

- Installation of live cameras in construction sites to check the progress of construction and to check for intruders, etc.



Support for people with hearing impairments (implementation of KoeTra*)

- Support for smooth communication with hearing-impaired customers

* Communication support app that utilizes speech recognition and speech synthesis technology developed by the National Institute of Information and Communications Technology (NICT)

3 Improve Innovative Productivity

The Daito Group aims for substantial improvement in productivity by allowing employees to focus on work that brings joy of fully demonstrating their potential through automation and elimination of unnecessary operations, and by developing a digital environment that allows for flexible work styles.

Project ZERO

- In the process of taking inventory of all operations in the Daito Group and promoting full automation and elimination of unnecessary operations

Utilization of ChatGPT*

- In the process of developing an operational support base for the Daito Group in an opted-out environment

* DK C.hat powered by ChatGPT

Remote work environment for the Daito Group

- Realization of remote work for the whole Group by introducing remote work PCs and digitalization of operations such as settling payment

4 Establish a Base for DX Promotion

To advance DX across the Daito Group, the Group reskills all employees as DX talent, in addition to creating an environment (internal and external DX platforms) where employees themselves advance DX.

DX Talent Development

→ Reference: https://www.kentaku.co.jp/kp/article/20231206_dx-nurture.html

To pursue DX across the Daito Group, multiple internal DX talent is imperative. We have launched new curriculums* and a certification system to develop and discover DX talent within the Group.

In FY2021, we started a reskilling program for employees familiar with their company's business and operations with the aim of developing DX talent. In this program, we are developing talent that can contribute to internal DX promotion by teaching basic knowledge on DX and IT, as well as how to use data and digital technology.

* DX e-learning, DX workshops, DX seminars, etc.



DX workshop

Ranks of Internal DX Certification

DX rank	DX Beginner	DX Bronze	DX Silver	DX Gold
Role	Mastering digital tool use in its operations	Finding solutions to issues concerning its operations from the perspective of DX	Solving issues concerning its operations proactively by using DX	Promoting and realizing DX for the entire business and company
Level of attainment	Obtaining basic understanding of DX	Obtaining understanding of data and digital abilities	Obtaining skills and knowledge to use data and digital technology	Obtaining skills and knowledge at a level that can reform the business
FY2030 targets (FY2023 results)	All Group employees (55 employees)	2,500 employees (685 employees)	800 employees (45 employees)	200 employees (23 employees)

DX Platforms

→ Reference: https://www.kentaku.co.jp/kp/article/20240529_datadx.html

The Daito Group has started the creation of internal and external DX platforms as an environment where Group employees can proactively promote DX.

Internal DX Platform

Creation of a platform equipped with bases for citizen development, data analysis, and integrated data management

(1) Citizen development base

Creation of an environment where employees from departments other than specialized IT departments can develop apps on their own so that they can implement operational reform

(2) Data analysis base

Collection and analysis base that implements automatic data collection and analysis

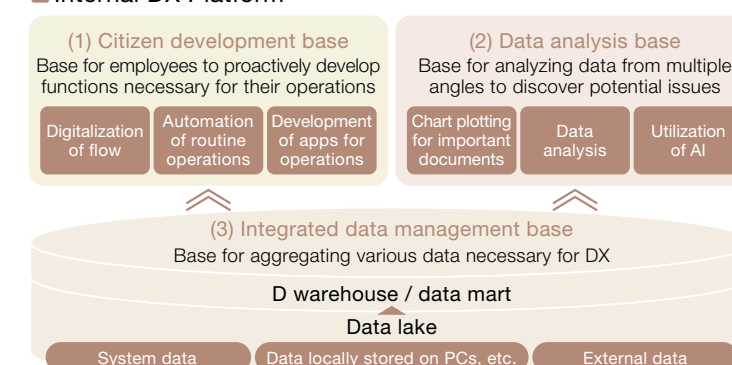
(3) Integrated data management base

Base equipped with integrated management functions for big data

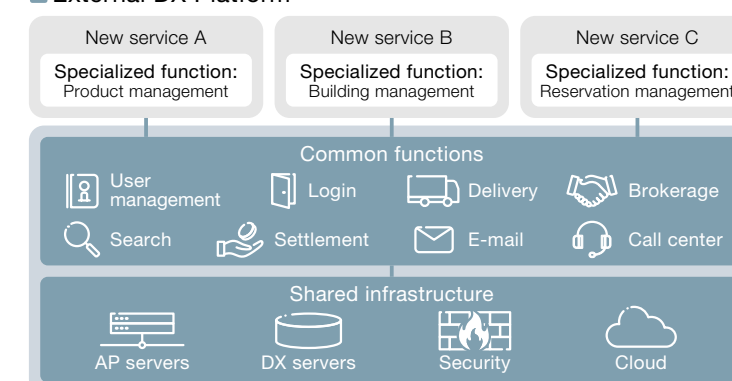
External DX Platform

Creation of a general-purpose platform equipped with an infrastructure base as well as common functional parts for digital channels necessary for the development of new businesses and services

Internal DX Platform



External DX Platform



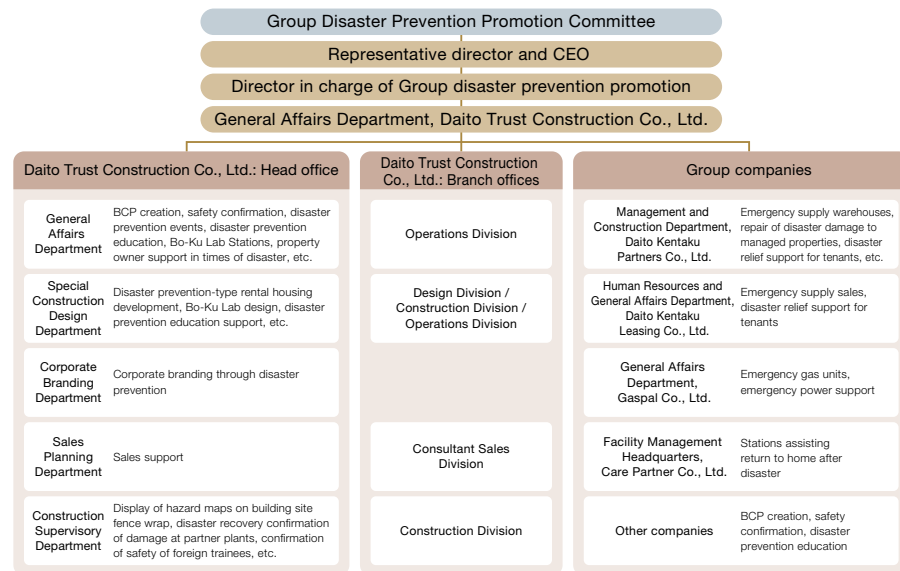
Disaster Prevention

Being There for the Community If a Disaster Happens to Be a Company That Is Essential to Society

The Daito Group positions the rental housing it manages as the foundation of infrastructure for daily life based on its disaster prevention philosophy of “being there for the community if a disaster happens.” We will engage in community disaster prevention activities to contribute to the early recovery of the entire community to ensure the peace of mind of all people living there in times of emergency.

The Group Disaster Prevention Promotion Committee, made up of members who use of the network power of Group companies, is working to explore new lifestyles geared to “what if” situations in local communities, help revitalize local communities through rental housing, and ensure the early recovery of the entire community.

■ Group Disaster Prevention Promotion Structure



Disaster prevention base	Disaster prevention base	Company	Base overview	Disaster prevention base	Company	Base overview
	Bo-Ku Lab Stations	Daito Trust Construction Co., Ltd.	Provide food, water, and other emergency supplies and power from Group-owned EVs/PHVs/HVs free of charge in times of disaster	Emergency units	Gaspal Co., Ltd.	Run soup kitchens and supply local residents with free power generated using LP gas in times of disaster
	Emergency supply warehouses, emergency supply sales offices	Daito Kentaku Partners Co., Ltd.	Equipped with pressure washers, air conditioner outdoor units, and other supplies (for cleaning and repairs) necessary for disaster recovery	Stations assisting return to home after disaster	Care Partner Co., Ltd.	Provide water, toilets, and road traffic information in times of disaster to assist people having difficulty returning to their homes

Disaster Prevention Vision and Disaster Prevention Activity Targets

Disaster Prevention Vision

In 2022, the Daito Group formulated the Daito Group Disaster Prevention Vision 2030 as a guideline for disaster prevention activities supporting business continuity and the development of cooperative relationships for mutual and public assistance within local communities. Based on our disaster prevention philosophy, we aim to support community disaster prevention activities during normal times as well as during emergency, contributing as a Group to early community recovery from disaster. We will build a Group disaster prevention support network using local infrastructure at nationwide disaster prevention bases of each Group company, working with local municipalities

to develop a structure supporting greater disaster resilience. Group companies have been assigned disaster prevention roles for the four levels of normal times, disaster occurrence, evacuation, and recovery, enhancing the Group's disaster prevention support networking capacity. In addition, based on disaster prevention agreements with municipalities, we have consolidated our disaster prevention bases into four bases and conceptualized disaster-ready cities focused on disaster prevention that support local communities in all aspects in the event of a disaster. We plan to expand this to 10 cities by 2030, starting with Wakayama City and Himeji City.



Disaster Prevention and Living Project “Bo-Ku Lab”:



Bo-Ku Lab is a project that aims to raise rental housing disaster prevention awareness. In addition to Daito Group employees, members of NPOs that are active at disaster prevention sites are invited to participate in activities that contribute to strengthening disaster preparedness in and beyond the Group, such as creating opportunities for communication with local communities through disaster prevention and developing products and services that utilize knowledge gained from disaster prevention support activities.

→ Disaster Prevention and Living Project “Bo-Ku Lab”:
<https://www.kentaku.co.jp/corporate/csr/torikumi/bousai/bokulab.html>

Three Pillars of the Disaster Prevention Vision

Disaster Prevention Vision Pillar 1 Provide the usual “normal” in “what if” times

Keeping moving in times of disaster

We will train employees in what they should do when a disaster occurs through education in normal times. We will ensure Group business continuity in times of disaster and provide the infrastructure and services for daily life.

Three businesses that keep going in times of disaster

Maintaining infrastructure for daily life through business continuity



Disaster Prevention Vision Pillar 2 Create a community-wide circle of cooperation in “what if” times

Changing mutual assistance in local communities from the starting point of rental housing

We will enhance the Group's rental housing and bases. We will broaden our support infrastructure and contribute to community disaster prevention activities and early disaster recovery as a starting point for mutual assistance in the event of a disaster.

Three forms of community support

Supporting early community recovery



Disaster Prevention Vision Pillar 3 Create a next generation that can be relied upon in “what if” times

Growing the number of people interested in disaster prevention from 0 to 1

We will work with local communities, municipalities, and educational institutions on wide-ranging support to develop the next generation of leaders by increasing the number of people who understand and are actively involved in disaster prevention.

Three activities to broaden disaster prevention education

Developing the next generation of disaster prevention leaders



Results at End of FY2023 and Disaster Prevention Activity Targets

Item	FY2023	2030 targets
BCP training at all Group companies	-	Conduct at all Group companies
Rate of response within 6 hours in employee safety confirmation training	99.3%	100%
Number of bases with disaster prevention officers	25	65
Number of disaster prevention-type rental housing supplied	147	1,000
Number of stations assisting return to home	40	60

Item	FY2023	2030 targets
Number of solar power generators installed that can supply power	26,141	37,000
Number of Bo-Kwuu Lab Stations	45	65
Number of bases with gas units that can be used in times of disaster	47	76
Number of warehouses for emergency recovery supplies	36	48

Item	FY2023	2030 targets
Number of bases holding community-wide disaster prevention events	27	65
Number of bases concluding disaster prevention agreements	58	70
Number of municipalities partnering in disaster prevention education support for local students	1	5
Number of bases providing natural disaster VR experiences	8	65

Conclusion of Agreements with Sasebo City and Other Companies for Cooperation Using Unmanned Aircraft in Times of Disaster

As a first step in public-private sector collaboration, in August 2024, Daito Trust and Daito Kentaku Partners, together with Daiwa House Group companies Daiwa Living Co., Ltd. and D.U-NET CO., LTD., concluded disaster prevention agreements with Sasebo City in Nagasaki Prefecture, drone business operator Flight PILOT Co., Ltd., and rental housing IoT solution proposer GIGA PRIZE Co., Ltd. to strengthen information sharing structures in the event of an emergency.

Agreement overview:

- Prompt information gathering and investigation of disaster conditions using drones, and provision of information
- As part of public-private sector collaboration, strengthening of disaster response capabilities through cooperation with private companies

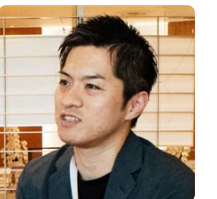


Ceremony to mark the conclusion of the agreement

Review of FY2023 and Future Outlook

A year has passed since the formulation of the Disaster Prevention Vision 2030, and while some initiatives have paid off, some have had to be revised downwards or abandoned due to operational issues and other factors related to current technology or the social environment. One such initiative is the rate of introduction of EVs/HVs that can supply free power. We have installed charging facilities at the Bo-Ku Lab Stations disaster prevention bases and in the parking lots of our branches with EVs and PHVs. However, EVs have a limited cruising range even when fully charged, so staff had to be mindful about charging facilities when going out to distant locations, and the fact that these vehicles need to be charged once every two or three days is also a hindrance in terms of efficiency for sales activities. Thus, we decided to forgo the introduction of EVs and start promoting the introduction of HVs instead. In the future, I hope to see the widespread use of full-hybrid mini vehicles as well.

I would like to work on strengthening our resilience so that we can provide normality in the event of an emergency, and also on activities that will lead to the creation of a future lifestyle that will revitalize communities through disaster prevention by encouraging local residents to interact with each other (to bring back the good old days).



NAKASONE Masanori
Manager of General Affairs Division
(Disaster Prevention Officer),
General Affairs Department,
Daito Trust Construction Co., Ltd.

→ For other initiatives related to disaster prevention, please refer to Daito Trust's website. <https://www.kentaku.co.jp/corporate/csr/torikumi/bousai/>



Disclosures Based on TCFD Recommendations

Initiatives to Address Climate Change



The Daito Group has set tackling climate change, a key management priority for companies, as a material issue and is working to resolve it through its business activities.

We will continue to balance the resolution of environmental issues with the generation of profits, such as by promoting ZEH and LCCM rental housing to achieve greenhouse gas emissions reduction targets, and entering the power generation business using biomass as a renewable energy source to achieve RE100.

Governance

The Daito Group has formed the Sustainability Promotion Meeting, chaired by the representative director and CEO, to address climate change and other aspects of sustainability. The meeting discusses specific initiatives to resolve issues and manages progress in line with KPIs. The content of discussions is regularly reported to the Board of Directors.

We have also set up an Environmental Management Project, building an environmental management structure that includes Group companies. We hold regular project sessions with discussions aimed at understanding and resolving current issues to drive Group-wide initiatives to address climate change.

Strategies

The Daito Group recognizes its response to climate change as a key management priority, and has thus set the environmental issue of “Taking action on climate risk through business activities” as one of the Seven Material Issues listed toward the sustainability promotion. We also formulated the DAITO 2050 Environmental Vision in 2020, which lays out strategies and actions for reaching our goals in six areas selected to align with the Group’s each business such as construction, lifestyle, waste, business, nature, and people. Climate change presents various potential risks and opportunities for Group business activities, so it will be important for us to analyze and understand the current situation with an eye on the social conditions as a corporate group.

We analyze the impact of climate change on Group businesses, as well as the risks and opportunities presented, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, which we endorsed in May 2019. Analysis results are reflected in our management strategy and risk management and disclosed appropriately with a view to sustained social advance and sustained improvement in our corporate value.



Risks and Opportunities

The Daito Group is working on understanding the risks and opportunities that climate change affects its construction and real estate businesses along with the TCFD policies. We assess and analyze the impact on our businesses over the short, medium, and long term in future climate change scenarios (the 1.5°C, less than 2°C, and 4°C scenarios).

Scenario Analysis and Prerequisites
Implementation period: January 2023 (1.5°C scenario added)
Time period: 2023–2050 (short term: 2025; medium term: 2030; long term: 2050).
Scope: The Daito Group’s construction and real estate businesses
Calculation requisites: The amount of expected impact on profits during the relevant period for each item of analysis was calculated based on the various climate change scenarios (STEPS, NZE, RCP, etc.). Risks were calculated as the amount of impact in the event that one of the above scenarios occurs.

		Financial impact (Unit: Million yen)					
		1.5°C scenario / Less than 2°C scenario			4°C scenario		
		Short term	Medium term	Long term	Short term	Medium term	Long term
Policy/legal risks	Carbon tax introduction	Increased operating costs resulting from the carbon tax introduction (Includes amount by which increased costs are constrained where greenhouse gases are reduced in line with targets certified by the Science Based Targets initiative (SBTi))					
		754	577	0	416	653	1,071
		Reduced demand and sales due to increased material costs and sales prices resulting from the carbon tax introduction (Includes amount of reduced sales where greenhouse gases are reduced in line with targets certified by SBTi)					
		2,103	2,958	0	845	1,325	2,174
Technology risks	EV adoption	Increased costs due to accelerated EV adoption and increased charging station installation					
		190	88	102	86	101	102
		Response • Systematically pursue electrification of Group-owned vehicles					
Renewable energy introduction		Increased costs due to purchase of renewable energy certificates					
		16	132	0	0	0	0
		Increased damage to solar power generation facilities due to wind and water damage					
		0	949	1,012	—	—	—
		Response • Secure renewable energy sources with additionality through solar and biomass power generation business					
Market risks	ZEH/LCCM expansion	Increased costs due to accelerated EV adoption and increased charging station installation					
		59	148	996	—	—	—
		Response • Promote efforts to improve technical skills and price control related to merchandising of ZEH*1 and LCCM*2 rental housing					
Reputation risks	Response to climate change	Loss of stakeholder trust and brand power due to a delayed response to climate change					
		Response • Respond proactively to climate change to improve ESG-related evaluations					

*1 ZEH is an abbreviation of Net Zero Energy House, referring to housing that brings annual primary energy consumption at the building to the break-even point as ZEH increases thermal insulation performance and energy efficiency through energy generation by solar power.
*2 LCCM is an abbreviation of Life Cycle Carbon Minus, referring to housing that achieves a negative balance of CO₂ emissions over the life cycle of the building (from construction to demolition). LCCM is a registered trademark of the Institute for Built Environment and Carbon Neutral for SDGs. We use the term by following the licensing arrangement.

		Financial impact (Unit: Million yen)					
		1.5°C scenario / Less than 2°C scenario			4°C scenario		
		Short term	Medium term	Long term	Short term	Medium term	Long term
Acute risks	Carbon tax introduction	Increased costs due to increased wind and water damage during construction					
		0	263	1,002	0	374	1,502
		Increased damage to solar power generation facilities due to wind and water damage					
		0	36	102	0	51	153
		Increased insurance premiums due to wind and water damage					
		0	381	1,457	0	542	2,168
		Response • Given increased wind and water damage in recent years, plan construction and the installation of solar power generation facilities based on those risks					
Chronic risks	Rising temperatures	Increased labor costs due to reduced labor efficiency at construction sites and longer construction times resulting from rising temperatures					
		0	26	122	0	72	710
		Increased cooling costs due to rising temperatures					
		0	1	1	0	1	2
		Response • Given the rising temperatures of recent years, pursue construction planning that prioritizes safety, such as restricting summer work hours • Promote measures such as working from home and casual business attire in summer					
Skyrocketing wood prices		Reduced demand and sales due to increased costs and sales prices resulting from skyrocketing wood prices					
		33	56	182	81	137	448
		Response • Diversify wood procurement sources in Japan and overseas in response to rising procurement costs					



Disclosures Based on TCFD Recommendations

Initiatives to Address Climate Change

Opportunities		Financial impact (Unit: Million yen)					
		1.5°C scenario / Less than 2°C scenario			4°C scenario		
		Short term	Medium term	Long term	Short term	Medium term	Long term
Resource efficiency	Wood use	Realization of resource efficiency and stable building supply through use of wood as a renewable resource					
		Response <ul style="list-style-type: none">Promote even wider use of two-by-four and CLT construction methodsUse domestically produced woodFormulate the Wood Procurement Guidelines and enhance the traceability of procured wood					
Energy resources	Renewable energy introduction						
Products and services	ZEH/LCCM expansion						
Market	ZEH/LCCM expansion						
Resilience	Disaster countermeasures						
EV introduction	EV introduction						

* LCCM is a registered trademark of the Institute for Built Environment and Carbon Neutral for SDGs. We use the term by following the licensing arrangement.

Risk Management

The Daito Group's climate change-related risks are assessed by the Risk Management Committee. With regard to abnormal weather and natural disasters caused by climate change, if natural disasters hit our customers, employees, buildings we manage, buildings we construct, and offices, it requires a massive amount of time and costs for recovery and the business continuity can be

threatened. We identify it as material management risks and are discussing and implementing specific measures on the grounds. Moreover, we prepare a recovery structure interdepartmentally in the Group by utilizing past experience in responding to disaster, which allows us to handle the situation toward quick recovery if disaster would occur.

Certification as an Eco-First Company by the Ministry of the Environment

The Daito Group has been certified as an Eco-First Company since October 2020 in recognition of its Eco-First Commitments, an initiative based on the Daito 2050 Environmental Vision.



The Daito Group's
Eco-First Commitments
Construction Lifestyle Waste
Business Nature People
Implementation of environmental
actions in these six areas

Indicators and Targets

In material issue KPIs and the medium- to long-term environmental targets, the Daito Group has set out the targets related to climate change and is monitoring them.

Greenhouse gas emissions reduction targets

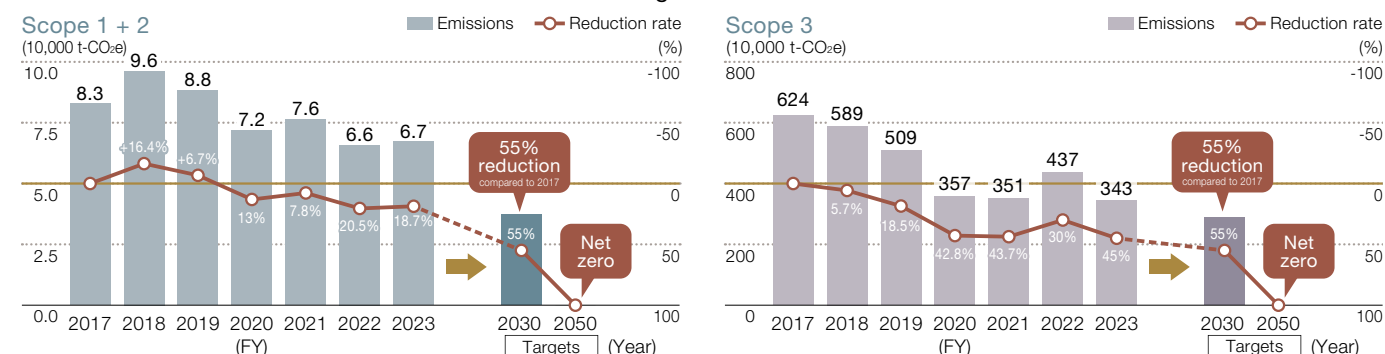
Scope 1 + 2, 3
55% reduction by 2030
(Compared to FY2017)

Net zero by 2050



In January 2019, Daito Trust received certification of its targets for meeting the SBTi standard at the time of limiting global warming to well below 2°C above pre-industrial levels. In March 2020, we were re-certified for our updated reduction targets matching the SBTi's new standard based on 1.5°C mitigation scenarios. Furthermore, in February 2024, we were once again re-certified for our updated targets matching the SBTi's new Corporate Net-Zero Standard. We are stepping up our efforts to reduce greenhouse gas emissions to achieve our targets.

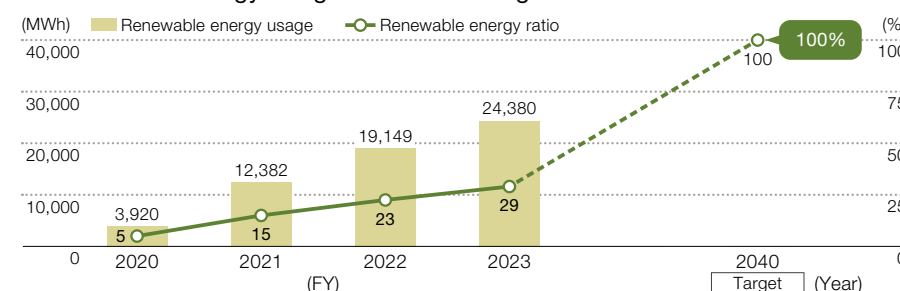
Greenhouse Gas Emissions / Reduction Rate and Targets (Compared to FY2017)



Renewable energy usage target

100% by 2040

Renewable Energy Usage / Ratio and Target

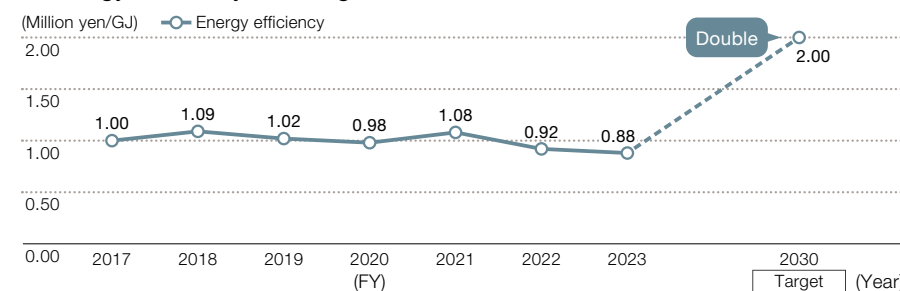


Daito Trust joined the RE100 initiative in January 2019. We are promoting renewable energy promotion activities, including solar and biomass power generation business, with the goal of achieving 100% renewable energy for electricity used in our business activities by 2040.

Energy efficiency target

Double by 2030
(Compared to FY2017)

Energy Efficiency and Target (Compared to FY2017)



Daito Trust joined EP100 in August 2020 with the goal of doubling energy efficiency by 2030 compared to FY2017. We have positioned our energy efficiency improvement initiatives as an extension of our initiatives to reduce greenhouse gas emissions based on the SBTi standard and RE100 initiatives to promote renewable energy, and we are working to strengthen the coordination of these three initiatives.



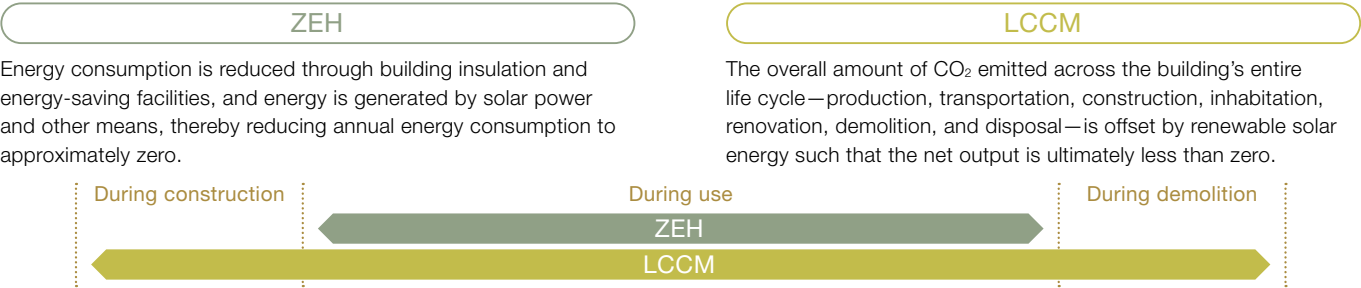
Major Initiatives

Initiatives to Popularize ZEH/LCCM* Rental Housing Complexes

In November 2017, the Daito Group completed the first rental housing complex in Japan that meets the ZEH standards for detached housing. Since then, we have been actively promoting the construction of ZEH rental housing complexes. As more than 60% of the Group’s Scope 3 emissions fall under category 11, use of sold products, reduction of tenants’ greenhouse gas emissions is directly linked with reduction of our Scope 3 emissions. Accordingly, we will proactively promote sales of ZEH housing, which achieves tenants’ net zero consumption of primary energy, to achieve our goal of reducing our greenhouse gas emissions by 55% by 2030, compared with FY2017. We are also advancing the development and popularization of LCCM rental housing complexes, which can be considered the next step after ZEH. A LCCM rental housing complex is a form of carbon-free housing in which the overall amount of CO₂ emitted across

the property’s entire life cycle—production, transportation, construction, inhabitation, renovation, demolition, and disposal—is offset by renewable solar energy such that the net output is ultimately less than zero. We have conducted joint research with Associate Professor KOBAYASHI Kensuke of the Prefectural University of Hiroshima since 2014, and in October 2022, we started selling NEW RiSE LCCM, our new rental housing complex product that meets the LCCM standards. The project, which aims to popularize the product, has been selected for the Ministry of Land, Infrastructure, Transport and Tourism’s leading projects program for sustainable buildings for three consecutive years from 2022. We will strive to achieve our goal of having 100% of all rental housing supplied by FY2030 be ZEH and LCCM rental housing, thereby contributing to the realization of a decarbonized society.

ZEH and LCCM



ZEH/LCCM Rental Housing Complex Results and Targets

	FY2024 results		2030 targets	
	Number of units supplied	Supply rate	Number of units supplied	Supply rate
ZEH rental housing complexes (with solar panels installed)	6,293 units	16%	26,004 units	55%
ZEH rental housing complexes (without solar panels installed)	19,622 units	49%	18,912 units	40%
LCCM rental housing complexes	186 units	0.5%	2,364 units	5%
Rate of all units supplied		65%		100%

TOPICS



NEW RiSE LCCM

Completion of Zero Carbon House

In September 2023, Zero Carbon House Ome was completed in Ome City, Tokyo, as next-generation rental housing with an energy management system. The Zero Carbon House consumes electricity generated by solar power generation facilities for its own consumption in the rental housing while storing surplus electricity in an energy storage system (EVs and storage batteries) and using it during non-power generation times (mainly at night). It is a new type of rental housing for the coming era that aims for self-sufficiency in electricity by creating energy and avoiding the procurement of market electricity as much as possible.

* LCCM is a registered trademark of the Institute for Built Environment and Carbon Neutral for SDGs. We use the term by following the licensing arrangement.

Initiatives Toward 100% Renewable Energy

The Daito Group aims to operate its business with renewable energy from its own facilities by 2040, rather than procuring renewable energy from the market, to achieve 100% renewable energy for electricity used in its business activities.

Biomass Power Generation Business

The Daito Group began operation of the Asago Biomass Power Plant in Hyogo Prefecture in April 2024. The plant is able to stably generate renewable energy round the clock using biomass fuel derived from domestic thinned wood. The plant’s fuel cycle scheme is based on the use of local trees, using thinned wood for forest development and rootstock, branches, and leaves that are not used as structural materials. In doing so, we contribute to forest conservation and the revitalization of the domestic forestry industry. Currently, electricity stably generated round the clock is supplied to the 274 offices of three main Group companies in western Japan. We are considering implementing biomass power generation business outside of Asago as well. Through such efforts, we will continue to promote the Group’s efforts to achieve RE100.

Utilization of Renewable Energy J-Credits from ZEH Rental Housing Complexes

In January 2023, the Daito Group started a project for acquiring credits for the CO₂ emissions reduction achieved through self-consumption of solar power at ZEH rental housing. This enables us to issue two types of renewable energy credits. One is the renewable energy credits from the CO₂ emissions reduction made by the self-consumption of solar power at one single ZEH rental housing, and the other is the energy saving credits from the CO₂ emissions reduction achieved through energy saving effects of buildings and facilities from April, 2022. We will seek to achieve net zero CO₂ emissions in Group business activities by using the energy saving credits for

Installation of Solar Power Generation Facilities on Rental Housing

The Daito Group issued green bonds (corporate bonds) in October 2021 to pay for the installation of 10,000 new solar panels on the roofs of rental housing managed by the Group throughout Japan, thus promoting the installation of solar panels. Installation was completed on all buildings in November 2023. Currently, 26,141 units of rental housing

Power source priorities for achieving RE100

- Biomass power generation: Use stable power source with 24-hour operation**
Fuel: Only use unused or waste materials, excluding chips and PKS imported from overseas
- Use of renewable energy J-credits from ZEH rental housing complexes**
For self-consumption of power generated by ZEH rental housing complexes



DAITO BIO ENERGY Introduction Video

This video explains DAITO BIO ENERGY CO., LTD.'s Asago Biomass Power Plant, from lumber to power generation, in an easy-to-understand manner.



<https://www.youtube.com/watch?v=CftlwjPihlw>

offsetting, and the renewable energy credits for procuring renewable energy.

Issuance of Two Types of Credits from One Single ZEH Rental Housing

Renewable energy credits

Credits earned on CO₂ emissions reduction achieved through self-consumption of solar power

Energy saving credits

Credits earned on CO₂ emissions reduction achieved through energy saving effects of buildings and facilities

that the Group manages (as of March 31, 2024) have been equipped with solar power generation facilities, generating approximately 413.8 GWh of electricity annually. Electricity is currently sold under the FIT scheme, but after the sale of electricity ends, we will establish a scheme to utilize renewable energy and use it effectively in local communities.



Disclosures Based on TNFD Recommendations

Initiatives to Ensure Biodiversity and Sustainable Wood Procurement



As a corporate group that primarily supplies wood-framed buildings, the Daito Group sees the protection and proper management of local biodiversity as one of its key social responsibilities. We also recognize the sustainable procurement of wood produced from biodiversity as a key management priority, and are working on initiatives throughout our supply chain.

Governance

The Daito Group has formed the Sustainability Promotion Meeting, chaired by the representative director and CEO, to address biodiversity protection, sustainable wood procurement, and other aspects of sustainability. The meeting discusses specific initiatives to resolve issues and manages progress in line with KPIs. The content of discussions is regularly reported to the Board

of Directors. We have also set up an Environmental Management Project, building an environmental management structure that includes Group companies. We hold regular project sessions with discussions aimed at understanding and resolving current issues to drive Group-wide initiatives for biodiversity and sustainable wood procurement.

Strategies

The Daito Group recognizes sustainable wood procurement and biodiversity protection as key management priorities, and has thus set the environmental issue 1-3 “Procuring and using wood in a sustainable manner” as a material issue. Biodiversity protection and sustainable wood procurement present various risks and opportunities for Group business activities, so it will be important for us to understand and analyze the current status of social conditions as a corporate group. In March 2023, we endorsed the Taskforce on Nature-related Financial Disclosure (TNFD)*¹, a framework for companies to identify and disclose the risks and opportunities they pose to nature, and participated in the TNFD Forum*².

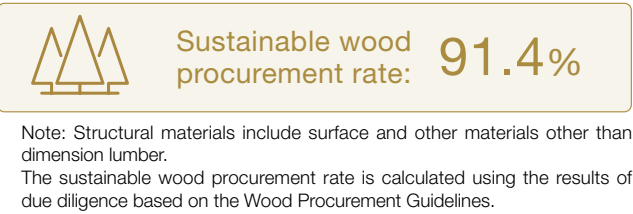
We will continue to engage in business activities with conservation of the natural environment in mind by understanding the necessary information and disclosing it appropriately as we work to realize a sustainable society and enhance our corporate value.



*1 An international framework for the appropriate assessment and disclosure of risks and opportunities related to natural capital and biodiversity for corporate activities
*2 A group of stakeholders that supports the TNFD’s discussions aimed at establishing a framework for the disclosure of information on nature-related risks and opportunities

Sustainable Wood Procurement

Daito Trust revised its Wood Procurement Guidelines in September 2023 with the aim of achieving sustainable wood procurement and zero deforestation as a result of such procurement. In addition, in our Sustainable Procurement Guidelines, which sets forth our policy for initiatives throughout the supply chain, we have stipulated items related to biodiversity awareness and other matters related to environmental awareness to promote sustainable and sound transactions.



All procured wood undergoes due diligence (risk assessment) based on our Wood Procurement Guidelines, and is checked from the three perspectives of ensuring legality, ensuring social sustainability, and ensuring environmental sustainability. We define wood that meets all of these checkpoints as sustainable wood, and are working to improve our sustainable wood procurement rate. We are tackling wood due diligence based on our Wood Procurement Guidelines while requesting cooperation from our supplier companies, and aim to increase our sustainable wood procurement rate to 100% by 2025.

Risk and Impact Management

Risks related to biodiversity are assessed by the Risk Management Committee in the same manner as other sustainability-related risks. The Daito Group has identified material procurement risks in relation to the sustainable procurement of wood produced from biodiversity as key management risks, and is working to reduce

Wood Procurement Guidelines of Daito Trust Construction Co., Ltd.
We procure wood resources based on the following items with the aim of achieving zero deforestation.

- Ensuring Legality**
- We procure wood whose legality is ensured.
 - We procure wood from forests managed in accordance with sustainable use plans.
 - We comply with business ethics in our supply chain and in our Company.

- Ensuring Social Sustainability**
- We ensure the safety and health of workers in our supply chain and in our Company.
 - We respect human rights and prohibit all forms of discrimination in our supply chain and in our Company.
 - We respect the rights of indigenous peoples and the cultures and customs of local communities.
 - We actively procure domestically produced wood and contribute to the promotion of forestry and regional revitalization in Japan.

- Ensuring Environmental Sustainability**
- We do not procure wood from ecosystems and forests with high conservation value.
 - We do not procure wood from endangered or genetically modified tree species.
 - We do not convert land use for wood procurement.

biodiversity and deforestation risks through the use of certified wood among other measures. We have begun analysis in line with TNFD’s LEAP approach, and plan to identify dependencies and impacts, analyze risks and opportunities, and disclose them going forward.

Indicators and Targets

The Daito Group has set out the biodiversity and wood procurement targets in its medium- to long-term environmental targets and have managed its progress. We are currently considering the establishment of indicators and targets along with the TNFD framework, and will disclose them going forward.

Category	Item	Medium- to long-term environmental targets
Wood procurement	Domestically produced wood procurement	Proactively procure domestically produced wood
	Sustainable wood procurement	Raise the sustainable wood procurement rate to 100% by 2025
Biodiversity	Biodiversity protection zone expansion	Proactively contribute to expansion of biodiversity protection zones
Environmental education	Environmental education and nature conservation activity planning/implementation	Continue planning/implementing environmental education and nature conservation activities
Sustainable procurement	Surveying of legality of procured materials	Continue surveying the legality of procured materials



Major Initiatives

Biodiversity Initiatives

Trial Launch of Biodiversity-Conscious Meguru Tomarigi Exterior Landscaping Project

The Daito Group began a trial project in May 2024 in Tokyo and three prefectures for the exterior landscaping of biodiversity-conscious rental housing based on the business concept of Meguru Tomarigi, a compilation of 10 measures for exterior landscaping. The project is scheduled to start for exterior landscaping projects for detached housing in October. The project aims to conserve native flora and fauna

through measures such as ensuring that the percentage of native species in the exterior plantings of housing is at least 50%. It includes counting the number of trees planted annually to calculate the percentage of native species, estimating the number of bird and butterfly species that visit the area, checking the status of the surrounding area prior to landscaping, and verifying the effectiveness of post-landscaping monitoring measures.

For city environments, wildlife, and the next generation

めぐるとまりぎ
Meguru Tomarigi



In this project, which aims to create biodiversity-conscious green spaces in the exterior plantings of housing, key items were determined for each dependency and impact indicator category of the TNFD. Based on these key items, the project concept of Meguru Tomarigi was formulated for biodiversity-conscious exterior landscaping. The following 10 measures will be implemented to promote biodiversity protection in exterior plantings by linking greenery for city environments, wildlife, and the next generation, while taking the ecosystems of each region in Japan into consideration.

1. Greenery cultivation
Plant growth that contributes to biodiversity
2. Diverse and abundant plantings that reflect the seasons
3. Planting of native species that connect with the local ecosystem
4. Introduction of porous exterior materials
5. Rain gardens and rainwater control measures

6. Local planting distribution supply chain
7. Understanding of soil procurement distance
8. IPM management
9. Plant management guidelines in consideration of biodiversity
10. Monitoring of wildlife



Wood Utilization Initiatives

Promotion of CLT Construction Method Using Wooden Construction Materials Leading to Reduced Environmental Impact

In addition to the two-by-four construction method, which is its prevailing wood-based construction method, the Daito Group has recently introduced the CLT (cross-laminated timber) method into its construction processes. CLT is a new type of wooden construction material consisting of porous, highly insulating, thick wooden panels that are oriented perpendicular to adjacent layers and then glued together. With its extremely low thermal conductivity, CLT is the perfect construction material for energy-saving housing. Its high thermal insulation is so good that it can be used for the skeleton frame of a building's exterior walls with no other special thermal insulation required. CLT also enables the effective use of timber that is too narrow or knotty to be suitable for use in conventional construction materials, thus contributing to the healthy cycling of timber forests. In October 2019, we launched sales of Japan's first-ever rental housing built using the CLT construction method. In January 2023, we completed our first LCCM-certified



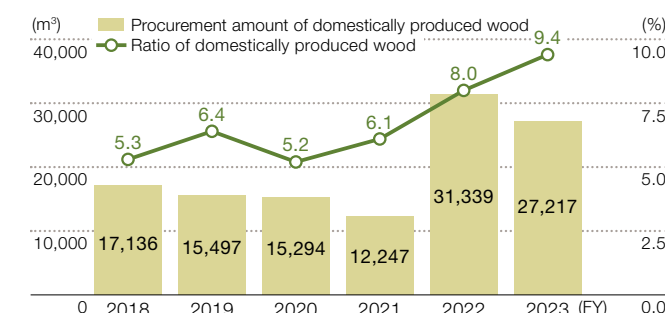
detached rental housing using the CLT panel construction method in Tokyo. The use of sustainable wood contributes to environmental conservation in the procurement area. At the same time, since wood stores greenhouse gases internally, it can help contribute to reducing greenhouse gases compared to reinforced concrete structures. Even when demolished, buildings using CLT generate fewer greenhouse gas emissions compared with reinforced concrete structures. As CLT from demolished buildings can be processed into woodchips to be recycled as fuel, we anticipate this will help to reduce environmental impact throughout the building's entire life cycle.

Use of Domestically Produced Wood

The Daito Group uses domestically produced wood, such as cedar wood from Tohoku, Kyushu, and Shikoku regions, in its construction materials. We have made commitments to use CLT, which was launched in FY2019, in rental housing, and we used around 27,217 m³ of CLT in FY2023. The "Japan Wood" mark, that indicates products made from domestically produced wood, was created independently by the Group and has now been widely adopted throughout the industry as a symbol to promote the use of domestically produced wood.



Procurement Amount and Ratio of Domestically Produced Wood



TOPICS

Protection of Local Forests and Biodiversity Based on Engagement with Municipalities, NGOs, and NPOs



Protection and proper management of local biodiversity is one of the Daito Group's key social responsibilities. Accordingly, we show consideration for biodiversity through our business activities and appropriate engagement with local municipalities, NGOs, and NPOs.



In FY2023, we conducted tree-planting experiences in Gunma Prefecture, Iwate Prefecture, and Oita Prefecture to promote understanding of forests and the forestry industry. In Osaka Prefecture, participants observed rare butterflies and worked to conserve mountain forests as part of a biodiversity protection experience that helped to deepen their understanding of biodiversity.



Corporate Governance



Management

Directors

1. TAKEUCHI Kei

Representative Director, CEO
General Manager of Construction
Business Sales Headquarters
Member of Governance Committee
Member of Nominating and
Remuneration Committee

6. TANAKA Yoshimasa

Director, Senior Executive Officer
General Manager of General
Administration Headquarters

2. MORI Yoshihiro

Director, Managing Executive Officer
General Manager of Real Estate
Business Headquarters
President and Representative
Director of Daito Kentaku Partners
Co., Ltd.
Member of Governance Committee

7. IRITANI Atsushi

Outside

Outside Director
Chairman of Nominating and
Remuneration Committee
Chairman of Governance Committee

3. TATE Masafumi

Director, Senior Executive Officer
General Manager of Construction
Business Technical Headquarters

8. OUCHI Chieko

Outside

Outside Director
Member of Nominating and
Remuneration Committee
Member of Governance Committee

4. OKAMOTO Tsukasa

Director, Senior Executive Officer,
CFO
General Manager of Corporate
Management Headquarters
Member of Governance Committee

9. OWADA Junko

Outside

Outside Director
Member of Nominating and
Remuneration Committee
Member of Governance Committee

5. AMANO Yutaka

Director, Senior Executive Officer
General Manager of Business
Development Headquarters

Directors (Audit & Supervisory Committee Members)

10. KAWAI Shuji

Director, Standing Audit &
Supervisory Committee Member
Member of Governance Committee

13. KOBAYASHI Kenji

Outside

Outside Director,
Audit & Supervisory Committee
Member
Member of Governance Committee

11. MATSUSHITA Masa

Outside

Outside Director,
Standing Audit & Supervisory
Committee Member
Chairman of Audit & Supervisory
Committee
Member of Governance Committee

12. SHODA Takashi

Outside

Outside Director,
Audit & Supervisory Committee
Member
Member of Governance Committee



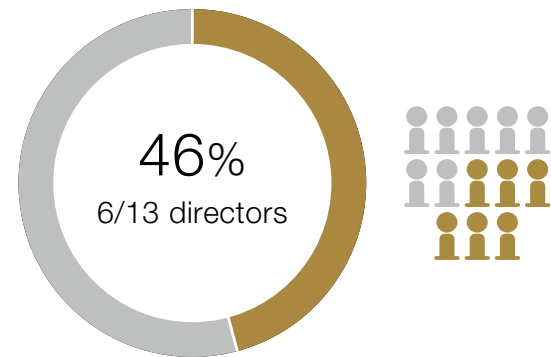
Board of Directors’ Skills Matrix

	Name	Expertise / Experience	Corporate management	Business strategy/ Marketing	Technology/ Research and development / Quality control	Finance/ Accounting	Sustainability	Governance/ Compliance/ Risk management	International/ Overseas business	Human Capital Management	IT / DX
Directors	TAKEUCHI Kei	—	●	●	●			●			
	MORI Yoshihiro	—	●	●			●				●
	TATE Masafumi	—	●		●		●				●
	OKAMOTO Tsukasa	Certified public accountant	●			●		●			
	AMANO Yutaka	—	●	●	●				●		
	TANAKA Yoshimasa	—	●				●			●	●
	IRITANI Atsushi <small>Outside</small>	Lawyer/Certified public accountant Former prosecutor				●	●	●	●		
	OUCHI Chieko <small>Outside</small> <small>Female</small>	Former officer of listing company		●			●	●		●	
Directors (Audit & Supervisory Committee members)	OWADA Junko <small>Outside</small> <small>Female</small>	Officer of listing company					●		●	●	●
	KAWAI Shuji	—	●			●		●	●		
	MATSUSHITA Masa <small>Outside</small>	Lawyer Former corporate manager of listing company	●			●		●	●		
	SHODA Takashi <small>Outside</small>	Former corporate manager of listing company	●		●			●	●		
	KOBAYASHI Kenji <small>Outside</small>	Certified public accountant Company manager	●			●		●	●		

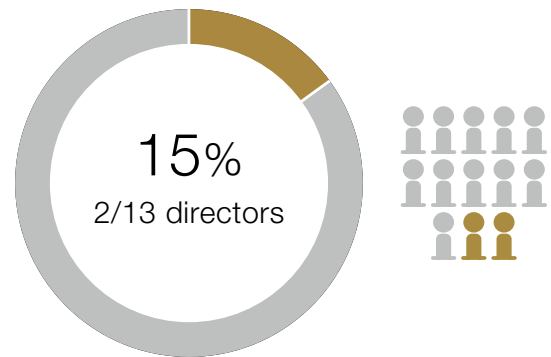
Note: The above list is based on each person’s experience and includes areas in which they can demonstrate greater expertise, and does not necessarily represent all of the knowledge possessed by each person.

Composition of Board of Directors

■ Percentage of outside directors



■ Percentage of female directors



Director’s Compensation System

We have adopted a simple compensation system for our directors (excluding directors on the Audit & Supervisory Committee) designed to incentivize them to contribute to the medium- to long-term enhancement of corporate value to achieve the Company’s management policy. Compensation is set at a level that enables us to maintain the speed of the Company’s corporate reforms and to gain and maintain excellent human resources to contribute to sustainable growth. Specifically, our basic policy is that compensation for directors (excluding directors on the Audit & Supervisory Committee and outside

directors) is set in the proportion of 1:0.6:0.6 for basic compensation, bonuses, and stock compensation (if the company meets 100% of its business performance targets). In the future, we aim to set the proportion at 1:2–3:2–3. Compensation for outside directors (excluding directors on the Audit & Supervisory Committee) comprises basic compensation and stock compensation. However, compensation is not linked to performance considering their roles are to supervise the business executors appropriately.

Basic Policy on Officer Compensation (Excluding Audit & Supervisory Committee Members)

- Incentive systems to strongly promote the achievement of the Company’s management policy
- Strengthening the awareness of contribution to improvement in corporate performance and enhancement of corporate value
- Sharing of common interests with shareholders and investors
- Competitive compared with the compensation level of similar scale enterprises in Japan and at a level to gain and maintain excellent human resources
- Compensation determination process with high transparency and objectivity and fulfilling accountability to stakeholders

■ Composition of Officer Compensation

Compensation type	Fixed	Change	
	Basic compensation Determined by rank and responsibilities	Bonus (linked with short-term performance) Determined according to achievement of single-year targets	Stock compensation (linked with medium- long-term performance) Determined according to achievement of goals withing target period (three years)
Upper limit	Basic compensation and bonuses: Total 2 billion yen		¥1.9 billion/three years
Payment conditions	—	Over 20.0 billion yen in consolidated net profit and certain performance achieved	ROE of 20% or more and payout ratio of 50% or more.
Malus and clawback clauses*	—	Applicable	Applicable

* Clauses that allow a company to reduce or recover all or part of the compensation paid to a director in the case of a serious performance revision or where director misconduct is discovered.

In addition to financial indicators, several non-financial indicators are included as factors associated with performance-linked compensation. These indicators will be reviewed at the end of each target period, when the appropriate non-financial indicators will be adopted for that particular point in time, thereby establishing a compensation system that balances the advance of business activities and the realization of a sustainable society.

■ Indicators associated with performance-linked compensation

Bonus (linked with short-term performance)		Stock compensation (linked with medium- to long-term performance)	
Financial	Consolidated net profit	Financial	ROE
	Consolidated operating income:		Payout ratio
Non-financial	Core business sales indicators	Non-financial	Consolidated operating income growth rate
	ZEH supply rate		Achievement of CO ₂ emission reduction goals
	Employee engagement score		Percentage of female management personnel
	Permeation rate of compliance efforts		Employee engagement score
—	Individual evaluation		Permeation rate of compliance efforts

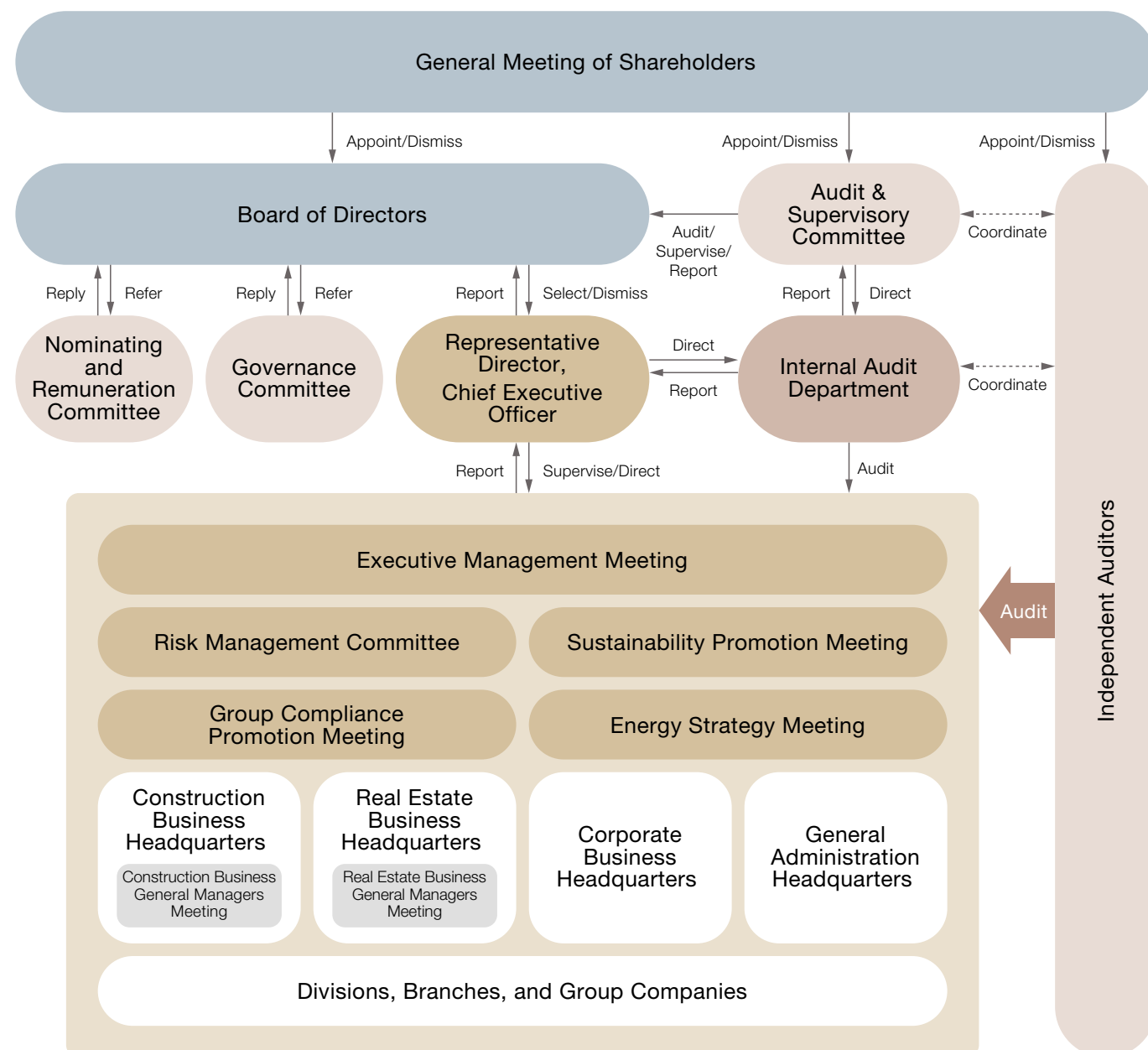
* Results from outsourced “Employee engagement survey” will be used to indicate performance.



Basic Policy

Our basic policies and goals for corporate governance are maximizing the corporate value of the Daito Group for our shareholders and all other stakeholders, and making our management more efficient and transparent. To do so, we focus on upholding business ethics and legal compliance, developing and enhancing our governance system, and ensuring management objectivity and rapid decision-making. In June 2023, we made the transition to a “Company with an Audit & Supervisory Committee” with the aim of speeding up decision-making by enabling important decisions on business execution to be delegated to directors, shifting the focus of the Board of Directors to supervision of Group management, and strengthening Board of Directors supervisory functions by granting Board of Directors voting rights to Audit & Supervisory Committee members.

Corporate Governance System (as of June 25, 2024)



Main Bodies' Roles

Board of Directors

The Board of Directors comprises 13 directors, seven inhouse and six outside, four of whom are members of the Audit & Supervisory Committee. The outside directors join the other members in discussing the Company's basic policies in relation to management strategy and management planning, etc., based on an open exchange of views. The Board also considers social issues that should be addressed in promoting the Company's business, as well as means of doing so. Once every quarter, the Board receives reports from

individual directors on the status of business execution in their respective areas and reports on progress with management issues, monitoring management status. Board members offer observations and views on these reports where necessary.

In FY2023, the Board of Directors met 14 times, deliberating on the various business strategies as well as key items such as medium-term management plan strategies and strengthening the Group's internal controls.

Audit & Supervisory Committee

Established on June 27, 2023, the Audit & Supervisory Committee comprises four members, three of whom are independent outside directors. Two become standing members. The committee monitors, supervises, and audits the legality and appropriate-ness of directors' execution of business based on Audit & Supervisory Committee regulations and the relevant in-house regulations.

Executive Management Meeting

Chaired by the CEO and comprised of the general manager of each headquarters and executive officers appointed by the Board of Directors, the Executive Management Meeting realizes policies decided upon by the Board of Directors and discusses concrete developments as well as measures for issues spanning multiple business fields. Meeting results are reported to each member of the Board of Directors, a mechanism that enables specific issues and problems at work sites to be quickly identified and dealt with.

Nominating and Remuneration Committee

A freestanding committee, the Nominating and Remuneration Committee comprises the Representative Director and outside directors who are not Audit & Supervisory members. One outside director serves as the chairperson. The committee deliberates and reports back on issues referred from the Board of Directors, as well as considering and making proposals on basic policies for nominations and compensation as well as succession planning. Committee roles are: (1) aggregating and reporting the results of executive directors' mutual evaluations; (2) deliberating and reporting in relation to nominations; and (3) deliberating and reporting in relation to compensation. It met 12 times in FY2023, discussing the management system for the next fiscal year and reviewing compensation, etc.

Risk Management Committee

Chaired by the Representative Director, the Risk Management Committee is comprised of 15 members, including four directors, seven executive officers and three general managers. The committee has established a framework for analyzing risks in the Daito Group's business activities, assessing their likelihood and degree of impact, and defining and monitoring priority management items. It has also developed a framework for specifying the initial responses to be taken for mitigation when a risk emerges. In order to prevent risk management from devolving into a mere formality, the committee meets quarterly and runs a PDCA cycle to check the status of risks and to review priority management items. This commitment to proper management helps control the potential emergence of risks.

Governance Committee

The Governance Committee is a freestanding committee comprising the Representative Director, two other internal directors, and all outside directors, one of whom serves as the chairperson. It focuses on considering and making proposals on the ongoing strengthening of Group governance, including basic policies on corporate governance and improvement of the effectiveness of the Board of Directors as a whole. In FY2023, the Governance Committee met six times to confirm the results and analyze evaluations on the effectiveness of the Board of Directors, and the measures according to the corporate governance code.

Group Compliance Promotion Meeting

The Group Compliance Promotion Meeting is chaired by the Representative Director, who manages the Group's internal controls, and is comprised of risk management executive officers and Group company members. It discusses compliance-related matters and countermeasures, and responses to risk management-related matters. In addition, it also promotes compliance initiatives across the Group as a whole and discusses compliance-related matters such as employee education and concerns. It also monitors the state of legal compliance and directs revisions and ensures other changes are made as appropriate.



Evaluating the Effectiveness of the Board of Directors

The Daito Group aims to improve the Board of Directors’ function while also lifting corporate value. Once each year, a self-assessment and self-analysis are performed regarding the Board’s effectiveness. The outline and results from FY2023 are as follows.

Outline

Period	February 2024
How	Survey using statistics, prepared by an external organization (anonymous survey)
Survey coverage	All directors
Major items on survey	Board of Directors roles, composition, operation/Board discussions/the Board’s supervisory function/support system for the Board of Directors and Audit and Supervisory Board members/dialogue with shareholders (investors)/Nominating and Remuneration Committee operations/Audit and Supervisory Committee operations/officer training/personal initiatives/others

Results

Based on the outcome of the survey analysis, the results were discussed at the Board of Directors and Governance Committee, and generally affirmative evaluations were obtained regarding the roles, operation, composition, etc. of the Board of Directors. In this way, we have verified that the effectiveness of the Board of Directors is being ensured. Additionally, the following initiatives and improvements are in the process of being implemented regarding the items identified as issues in the evaluations from the previous FY.

Issues for improvement (Evaluations from previous FY)	Main improvement initiatives
(1) Discussion on medium- to long-term management strategies	We are in the process of implementing medium-term management plans, and held offsite meetings in addition to Board of Director Meetings to provide sufficient time for discussions and to solve issues.
(2) Strengthening of the Group’s internal controls	We began a project geared toward strengthening the Group’s internal control system by newly establishing a dedicated internal controls department, while collaborating with the Audit and Supervisory Committee.

On the other hand, views were also expressed and shared on issues that needed to be addressed in order to raise the Board’s effectiveness. Among these are discussions concerning business portfolio strategies and continued strengthening of the Group’s internal controls. In light of these evaluations, the Company will respond promptly after the Board of Directors and Governance Committee have fully examined these issues, and it will continually promote initiatives that produce a better functioning Board of Directors.

Outside Director’s Perspective

In June 2023, the Company transitioned to a company with an Audit and Supervisory Committee. Four directors, including myself, the chairperson, conducted audit activities. The goals of the transition are clarification of the roles of management supervision and executives, as well as the acceleration of executive management. In respect to these goals, augmenting supervision along with delegating authority regarding execution has led to in-depth discussions at the Board of Directors meetings, as well as a greater balance between discussions and efficiency at Executive Management meetings. Reforms in corporate governance systems are making progress in these ways. Furthermore, the results of supervision which emphasized “management decision-making processes, regulations on scope of authority, and approval criteria and operations,” “acknowledgement and response to business risks,” and “prevention of scandals including problems with fraudulent accounting” found no significant issues and have indicated progress and improvements. On the other hand, although appropriate corporate governance and building and operating internal control systems that permeate throughout the entire Group are important, we have identified issues in internal controls. The establishment of a designated internal controls department requires more proactive initiatives and continuous revision of points that need strengthening. We will continue to collaborate with the Audit and Supervisory Committee and encourage the executive side to take timely and appropriate measures. We will continue monitoring in order to become a company that is even more valuable to everyone.



MATSUSHITA Masa
Outside Director
Standing Audit & Supervisory Committee Member
Chairman of Audit & Supervisory Committee
Member of Governance Committee

Strengthening of internal controls

The Company has discussed and drawn up measures to prevent the recurrence of the inappropriate accounting treatment discovered at a consolidated subsidiary in April 2022 and has set up a company-wide team to promote the above measures, working to strengthen Group internal controls.

Going ahead too, in addition to measures to prevent recurrence, we will pursue initiatives to strengthen Group internal controls as a priority management issue, with senior management spearheading medium- to long-term efforts to build a control environment so that the above measures do not lose substance.

Initiatives toward enhanced internal controls

Strengthening of the organization and structure

- ▶ By transitioning to a company with an Audit and Supervisory Committee and selecting one inhouse and one outside director as Standing Audit & Supervisory members, we are strengthening both our monitoring system, such as information gathering, and independence.
- ▶ In addition to newly establishing the management headquarters, which supervise internal controls, we reorganized into five headquarters according to business area and delegated a director to serve as the executive officer at each headquarters.
- ▶ Newly established the Group Finance and Accounting Department with the goal of strengthening the organization of the Group’s accounting.

Building awareness as an autonomous organization

- ▶ Strengthening and building measures for self-checks and mutual checks in each branch.
- ▶ Implementing professional development for managers – in the 1.5 line (general managers and branch managers).

Strengthening of the Control Environment (Continued)

- ▶ The Representative Director and other top management have been communicating the message that whistleblowers are thoroughly protected, encouraging the use of the whistleblower system.
- ▶ Four training sessions have been held for top management at the Company and main Group companies on internal controls and the prevention of inappropriate accounting.
- ▶ Four training sessions on compliance were held for accounting department employees.

Succession Plan

The current CEO and the Nominating and Remuneration Committee spearhead the creation of a succession plan for our next CEO. Candidates are chosen from a talent pool based on personnel requirements laid down by the committee regarding candidates’ ability to execute CEO duties and their management qualities, etc. The next CEO is selected from these candidates based on wide-ranging discussion at the committee that factors in, for example, the results of executive directors’ mutual evaluations and

the management environment. We have set an upper age limit of 65 for inhouse directors and made it a rule that once directors have stepped down or resigned upon reaching that limit, they cannot take another post within the group (advisor, counsellor, etc.). We are working to eliminate hereditary employment by disallowing the hire of relatives within two degrees of kinship of executive officers.



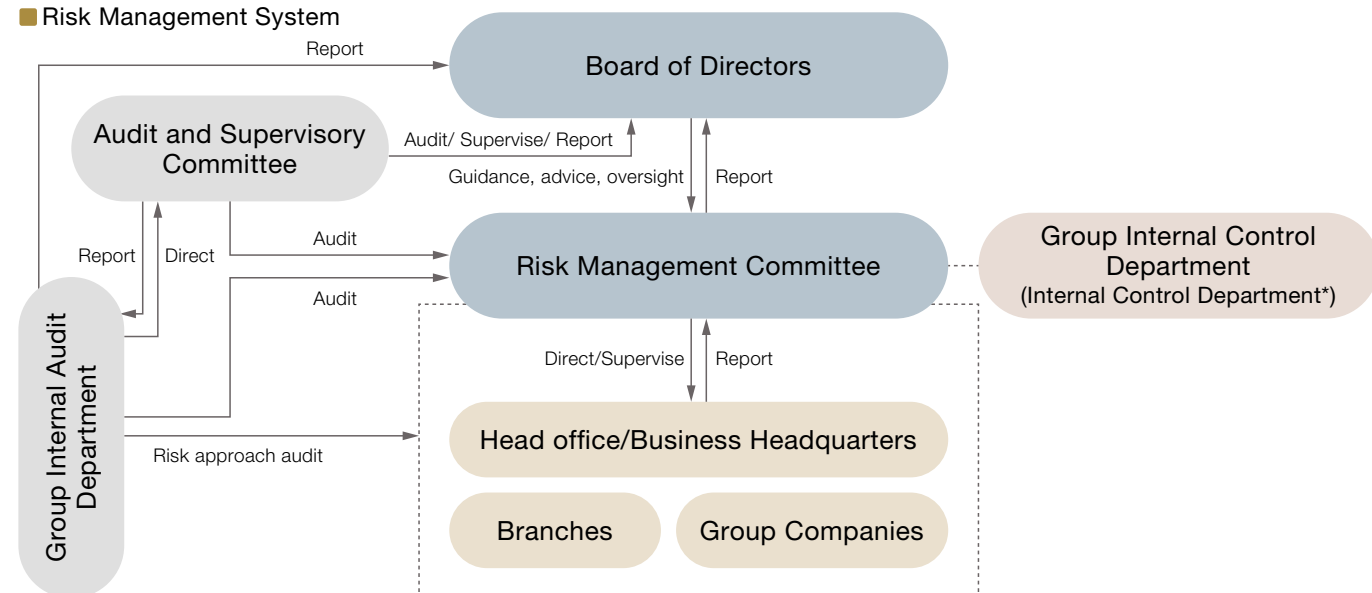


Strengthening of risk management

Chaired by the Representative Director, the Risk Management Committee meets annually to identify, evaluate, and review risks important to Group management based on reports that are regularly received from business departments and Group companies. Coordinating with these departments and companies, the committee formulates countermeasures, and monitors the status of management on a quarterly basis, providing direction where necessary. The Board of Directors intensively monitors regular reports received on

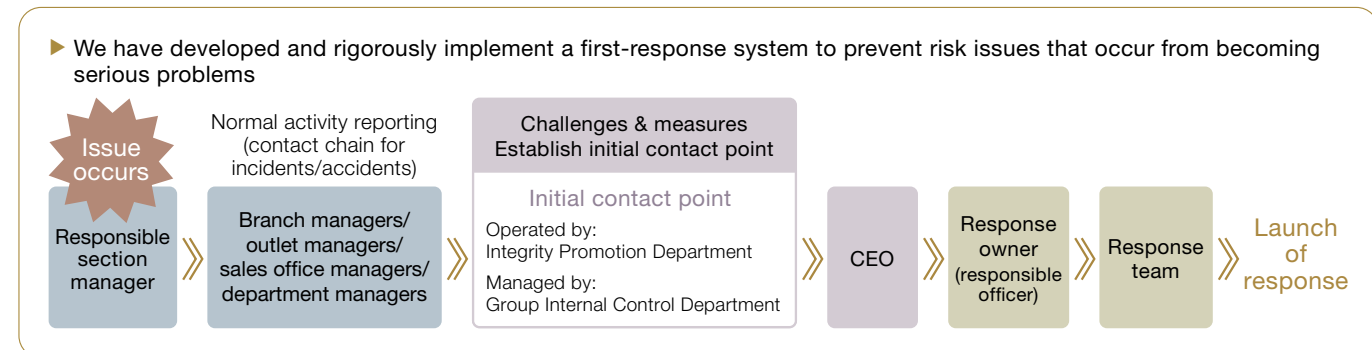
particularly important management and business risks, as well as their management processes. When an issue that has or could have a material impact on the Company occurs, it is reported to the Board of Directors, which provides the necessary direction. The standing Audit & Supervisory members and the Group Internal Audit Department attend committee meetings, engaging in independent auditing and supervising of the overall risk management structure and status.

■ Risk Management System



* Internal Control Department:
We are working to strengthen and establish internal controls across the Group, including risk management. In addition, we are also promoting projects to strengthen internal controls and hold Risk Management Committee and Group Compliance Promotion Committee meetings.

■ First-response system



*Integrity Promotion Department (Compliance Department):
We are educating employees and discussing issues concerning compliance, as well as monitoring the status of legal compliance. We have also established an internal reporting hotline in the compliance department, as well as external lawyer offices, as we strive for the early discovery and correction of wrongful behavior. The Department also spearheads regular compliance-related training and information provision for executive officers and employees. In this way, we raise employees' compliance awareness and prevent misconduct.

■ Number of serious risk occurrences

FY2021	FY2022	FY2023	FY2024 (Target)
0 cases	1 case*	0 cases	0 cases

*Inappropriate accounting

Promotion of Compliance

Daito Group Basic Policy on Compliance

The Daito Group is signatory to the United Nations Global Compact, and we ensure compliance in all aspects of our business activity on the basis of two compliance standards. One is the “Daito Group 7 Prohibition Rules,” which, as one of a series of standards within the Daito Group, specifies matters that are especially prohibited, and the second, the Daito Group Code of Conduct, which lays out the conduct standards and guidelines that all Group employees should follow.

The Daito Group 7 Prohibition Rules summarize frameworks for strictly prohibiting and preventing bribery, money laundering, embezzlement, and other corrupt practices that conflict with the law. Furthermore, we prohibit acts that may not contravene laws but nevertheless are considered to contribute to corruption or be ethically unacceptable. In the case that acts that contravene these rules are discovered, the parties concerned will be subject to strict punishment, including disciplinary dismissal.

The Three Lines of Defense

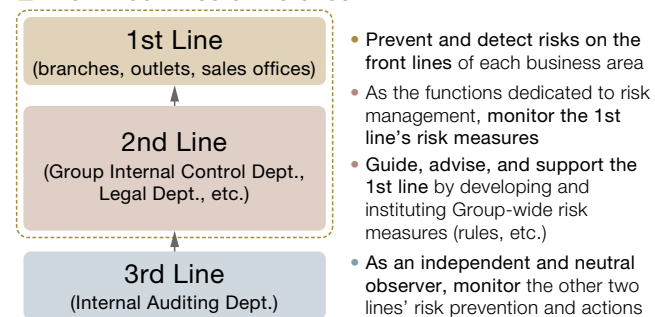
As part of our commitment to anticorruption and fair trade and competition, we have developed an internal auditing system, a whistleblowing system, and other internal monitoring systems aimed at deterring and uncovering corrupt behavior. Moreover, we have created a concept of three lines of defense to further strengthen our internal controls. The first line is made up of our people in the field who implement risk prevention measures. The second line—the Legal Department, Group Internal Control Department, and other functions responsible for risk management—monitors those measures. And, the third line, the Internal Auditing Department, monitors the performance of the first and second lines. The Internal

Auditing Department reports on these efforts to the Risk Management Committee, which in turn reports to the Board of Directors. The Board of Directors also monitors this system and provides guidance where needed.

● Whistleblowing System and Whistleblower Protection

We have introduced an internal whistleblowing system with the aim of discovering legal violations and misconduct within the organization early on and rectifying these so as to enhance our compliance management and contribute to maintaining a sound workplace environment. We have established internal and external reporting hotlines, which can be utilized by all stakeholders. In the case of a whistleblowing report, the Integrity Promotion Department directs the relevant departments to investigate and develop and implement countermeasures. They then confirm that responses and rectifications are reported back to the whistleblowers. In addition to systems that protect whistleblowers, we also operate employee support measures such as “Integrity cards (compliance cards)” that can be carried around and which list reporting hotlines, as well as conduct hearings and surveys on the work environment and harassment. These measures lead to the early discovery of violations and misconduct.

■ The Three Lines of Defense



Integrity Program (Compliance Program)/Thorough Compliance Education

The “Integrity Program” is a set of guidelines that relate to integrity and compliance formulated annually by the Group and is based on the Group's philosophy and action guidelines. By sharing the system, structure, training and prioritized initiatives relating to integrity and compliance among all employees, we are involved in the promotion of integrity and compliance with the goal of increasing effectiveness.

The Integrity Promotion Department spearheads compliance training for all employees on issues such as harassment and information security, promoting employees' understanding of compliance. In addition, by sending out regular email newsletters on compliance, we seek to prevent misconduct, including corruption, and to improve employees' knowledge and mindset concerning compliance.

■ Permeation rate of compliance efforts*1

FY2021	FY2022	FY2023	FY2024 (Target)	2030 year (Target)
86.2%	86.9%	88.7%	90.0%	Maintaining over 95%

*1 Non-consolidated actual results in FY2021

■ Number of whistleblower reports*2

FY2021	FY2022	FY2023
327	368	421

*2 Includes number of inquiries

Financial Strategies

CFO Message Enhancing Corporate Value Through Investment in Human Capital, IT, and Intangible Assets

In my role as an expert in finance and accounting, I wish to help enhance our corporate value through investment in human capital, IT, and intangible assets, while also implementing sound financial operations by predicting and reducing risks. As Japan’s working population continues to shrink due to the falling birthrate and population aging, labor shortages have become a serious issue in all corners of society, fueling fierce competition for outstanding talent. This can pose a major risk for our management going forward.

To transform risks into opportunities in such social circumstances, the Daito Group will continue to take on challenges of engaging in new businesses and rebuild our business portfolio based around further strengthening our core businesses. We will also strengthen our medium- to long-term growth potential with focused investment in human capital management so that people will want to or continue to work at our Group; DX promotion to increase productivity; IT; and brands and other intangible assets.



OKAMOTO Tsukasa
Director, Senior Executive Officer, CFO
General Manager of Corporate Management Headquarters

Basic Concept of Financial Strategies

The Daito Group will maintain sound financial operations by creating cash flow through sustained profit growth and effective asset utilization, maintaining stable financial foundations based on business characteristics and risks, and strengthening financial governance.



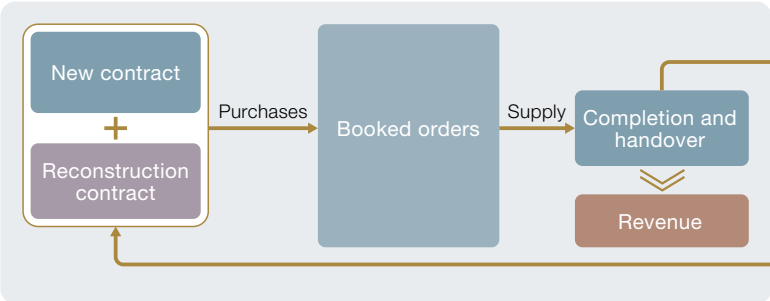
Financial Performance

1 Business Revenue

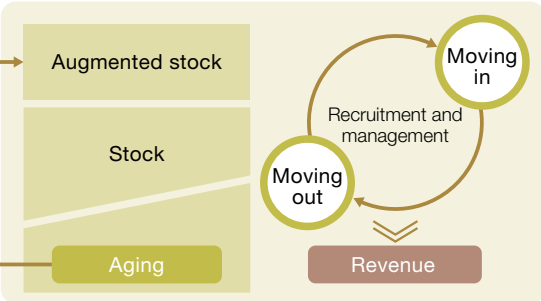
The Daito Group’s core businesses—the construction business and real estate business—follow different business models. The construction business follows a flow-type business model, employing entrustment contracts with landowners in which it manages its work as a booked order up to completion and handover of the building. The real estate business, which starts after handover, follows a stock-type business model in which

net sales and profits are generated each year through a business that lumps together whole-building lease with tenant recruitment services, management, and operation. As buildings wear out over time, we expect to see an increase in reconstruction contracts. This type of business has good prospects for expanding stable revenue generated by a flow-and-stock cycle.

Construction Business (Flow-Type Model)



Real Estate Business (Stock-Type Model)



2 Stable Financial Foundations

The Daito Group strives to strengthen financial foundations that support active growth investment by strengthening financial governance, minimizing financial risks, improving use efficiency of funds, and ensuring the stable operation of funds.

In FY2021, the Group created the Daito Trust Green Bond Framework to implement environmental management for the realization of a decarbonized society, raising ¥11.0 billion in funds. In FY2022, we created the Green Finance Framework, raising ¥9.0 billion in green loans. The funds procured have been allocated for the installation of new

solar power generation facilities for selling surplus electricity. Also, with the twin goals of ensuring the means for stable, yet agile, fund procurement and making our financial foundations more solid, we entered into a commitment line agreement for ¥40.0 billion. In August 2024, we received an A issuer rating (“Stable” rating) for financial soundness from Rating and Investment Information, Inc.

- ➔ Green bonds:
<https://www.kentaku.co.jp/corporate/csr/finance/greenbond.html>
- ➔ Green loans:
<https://www.kentaku.co.jp/corporate/csr/finance/greenloan.html>

Cash Allocation

3 Shareholder Returns

The Daito Group recognizes the return of profits to shareholders as its most important management issue. For dividends, we take the basic stance of providing stable dividends through reinforcement of our management foundations. Accordingly, we set the payout ratio target at 50%, which includes a basic dividend of ¥100 and a profit return based on consolidated business performance.

4 Growth Investment

The first pillar in the Daito Group’s medium-term management plan (FY2024–2026) is the promotion of human capital management. We believe that by maximizing the potential of Group employees, we can achieve the medium-term management plan and contribute to solving issues faced by society and local communities. First, we will grant employees with

restricted stock. We will also invest ¥100 billion or more over three years in the real estate development business, which is essential for community development. We will also strengthen DX promotion and invest ¥30 billion or more over three years in IT and DX. In doing so, we will prepare to achieve corporate growth even in these uncertain and unpredictable times.

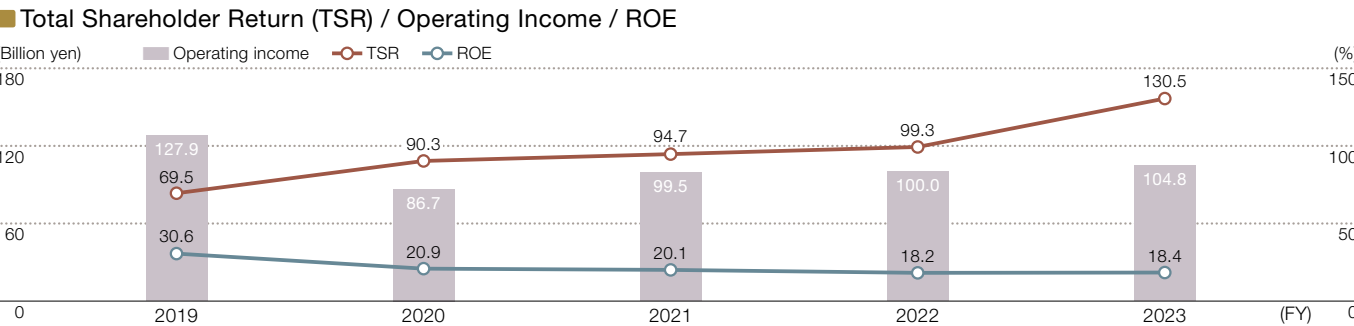
Rebuilding of Business Portfolio

In FY2024, the Daito Group divided accounting segments into the four categories: the construction business, real estate development business, real estate Leasing business, and “other businesses.”

By newly adding the real estate development business, which is essential for achieving VISION 2030, we are

advancing deliberations on the optimization of our business portfolio. We are considering our business portfolio from the perspectives of whether growth can be expected and whether the business is efficient over the medium to long term. Going forward, we plan to decide on business investment along with our business portfolio.

Medium-term management plan (FY2026) ROE: 20%; equity ratio: 35% or above; debt-to-equity ratio: 0.3 or below





Financial and Non-Financial Highlights

Financial Information		Unit	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Year on year (FY2023/FY22)	FY2024 plan
Note: Including non-financial information relating to financial reports														
Business performance	Net sales	100 million yen	13,531	14,116	14,971	15,570	15,911	15,862	14,889	15,830	16,576	17,314	+4.5%	18,200
	Construction business	100 million yen	5,891	5,953	6,239	6,276	6,097	5,511	4,017	4,328	4,595	4,924	+7.2%	5,300
	Real estate business	100 million yen	7,238	7,748	8,246	8,713	9,241	9,736	10,142	10,642	11,030	11,291	+2.4%	11,600
	Other businesses	100 million yen	401	414	485	579	572	614	729	859	950	1,098	+15.6%	1,300
	Gross profit	100 million yen	2,389	2,544	2,855	2,970	2,960	2,824	2,388	2,601	2,584	2,847	+10.2%	3,030
	Construction business	100 million yen	1,725	1,762	1,976	1,975	1,837	1,591	1,044	1,069	980	1,154	+17.8%	1,325
	Real estate business	100 million yen	522	626	727	790	889	987	1,090	1,240	1,285	1,317	+2.5%	1,285
	Other businesses	100 million yen	141	155	152	204	233	246	253	290	318	375	+17.9%	420
	Operating income	100 million yen	915	1,010	1,201	1,263	1,270	1,279	867	995	1,000	1,048	+4.8%	1,100
	Operating income margin	%	6.8	7.2	8.0	8.1	8.0	8.1	5.8	6.3	6.0	6.1	+0.1 pp	6.0
	Net income attributable to owners of the parent	100 million yen	561	672	821	878	899	903	622	695	703	746	+6.1%	760
Financial position	Owner's equity	100 million yen	2,405	2,501	2,760	2,998	3,038	2,865	3,102	3,668	4,058	4,057	±0.0%	—
	Equity ratio	%	34.3	34.3	35.3	35.6	35.3	32.5	33.7	36.5	38.2	37.6	-0.6 pp	—
	ROE	%	24.1	27.4	31.2	30.5	29.8	30.6	20.9	20.1	18.2	18.4	+0.2 pp	—
Shareholder returns	EPS	Yen	710	863	1,072	1,165	1,212	1,306	909	1,021	1,031	1,110	+7.6%	1,150
	Annual dividends per share	Yen	375	432	536	583	606	653	455	511	516	555	+7.6%	575
	Payout ratio	%	52.8	50.1	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	±0.0 pp	50.0
	Total return ratio (including treasury stock acquisition)	%	82.8	80.1	80.0	80.0	95.5	115.7	50.0	50.0	50.0	116.9	+66.9 pp	—
Construction business indicators	Net sales of construction orders received	100 million yen	6,604	6,930	6,552	6,510	6,352	5,192	3,588	4,207	5,037	5,904	+17.2%	6,200
	Number of construction sales employees	Persons	3,247	3,420	3,383	3,313	3,291	3,140	2,813	2,720	2,868	2,959	+3.2%	3,000
	Net sales of completed construction contracts	100 million yen	5,891	5,953	6,239	6,276	6,097	5,511	4,017	4,328	4,595	4,924	+7.2%	5,300
	Gross profit margin for completed construction contracts	%	29.3	29.6	31.7	31.5	30.1	28.9	26.0	24.7	21.3	23.4	+2.1 pp	25.0
Real estate business indicators	Number of tenant recruitments	10 thousand cases	25.3	26.7	28.1	29.6	32.3	33.4	33.7	34.2	34.1	33.7	-1.1%	34.8
	Number of rental housing (residential property) units under management	10 thousand units	86.4	92.3	97.8	103.6	108.6	113.0	116.9	119.7	122.4	125.5	+2.5%	129.1
	Rental housing (residential property) rent-based occupancy rate (as of March)	%	96.7	96.8	96.9	97.2	97.4	97.2	97.8	98.1	98.0	97.9	-0.1 pp	97.7
Non-Financial Information														
Materiality issue indicators	Supply rate of ZEH rental housing	% (Units)	—	—	—	ZEH rental housing completion	0.1 (32)	0.3 (150)	1.2 (478)	1.8 (712)	15.4 (6,347)	64.8 (20,658)		
	Employee engagement score (rating)* ¹	(3 main companies)* ²	—	—	—	—	—	—	—	54.8 (BB)	57.2 (BBB)	59.2 (A)		
	Percentage of female management personnel* ³	(3 main companies)* ²	%	—	—	3.5	4.0	4.5	5.2	6.0	6.7	8.0		
	Greenhouse gas emissions reduction rate (Scope 1 + 2)	(Daito Group)	%	—	—	—	Base year	-16.4	-6.7	13.1	7.8	20.5	18.7	
	Percentage of female directors	(Non-consolidated)	%	14.2	14.2	14.2	11.1	9.1	11.1	9.1	7.1	7.1	8.3	
	Rate of compliance penetration* ⁴	(Daito Group)	%	84.9	86.1	83.7	83.0	82.0	85.2	88.3	86.2	86.9	88.7	

*1 The survey began in FY2021. It was conducted through the Engagement Survey by Link and Motivation Inc. using T-score (50.0 on average among other companies) based on its calculation standards. Results are from the survey conducted in November.

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

*3 Prior to FY2022, results as of March 31 of the fiscal year; after FY2023, results as of April 1 of the fiscal year (For FY2023, results as of April 1, 2024)

*4 Non-consolidated basis for the fiscal years prior to FY2021



Company Information

Outline (As of March 31, 2024)

- Company name: Daito Trust Construction Co., Ltd.
 - Head office: 2-16-1, Konan, Minato-ku, Tokyo 108-8211, Japan
 - Established: June 20, 1974
- Capital: ¥29,060 million
 - Number of employees: 18,239 (consolidated)

Main Group Companies (As of March 31, 2024)

Construction Business | Construction of apartments, condominiums, etc.

Daito Trust Construction Co., Ltd. Planning, proposal, design, and construction of rental housing business	Daito Construction Co., Ltd. Design and construction of rental properties, etc.	Daito Steel Co., Ltd. Supply of construction materials, etc.
SHIMA CO., LTD. Construction of logistics facilities, public housing, etc.	DAITO CANADA TRADING INC. Purchase, export, and sale of construction timber	

Real Estate Leasing Business | Brokerage/management of rental properties and rental of real estate

Daito Kentaku Partners Co., Ltd. Management and whole-building lease of rental properties	Daito Kentaku Leasing Co., Ltd. Real estate brokerage business	Housecom Co., Ltd. Brokerage of rental apartments, condominiums, etc.
House Leave Co., Ltd. Tenant guarantor services	Kimaroom, Inc. System development for real estate companies	Liangbuwu Business Consulting (Shanghai) Co., Ltd. Brokerage of rental properties

Real Estate Development Business | Development of large-scale condominiums and resale of renovated properties

INVALANCE Ltd. Investment-type condominium business	Daito Trust Asset Solution, Ltd. Real estate liquidation business
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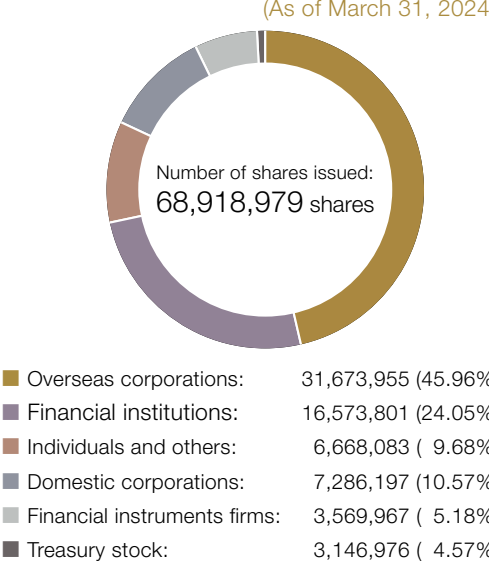
Other Businesses | Promotion of business diversification and internationalization

Gaspal Co., Ltd. and local subsidiaries LP gas installation and supply business	Care Partner Co., Ltd. Nursing care and nursery school businesses	Daito Corporate Service Co., Ltd. Document printing, business support, and other services for Daito Group companies
Daito Finance Co., Ltd. Financial business (construction fund financing)	Daito Mirai Trust Co., Ltd. Handling of managed trust	JustCo DK (Japan) Co., Ltd. Flexible workspace business
House Payment Co., Ltd. Settlement services	House Guard S.S. Insurance Co., Ltd. Low-amount, short-term insurance business	DAITO BIO ENERGY CO., LTD. Biomass power generation business
D.T.C. REINSURANCE LIMITED Fire insurance re-insurance business	DAITO KENTAKU USA, LLC Overseas real estate investment	DAITO ASIA DEVELOPMENT PTE. LTD. Investing and other services for management companies in overseas hotel business
DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD. Hotel business (Le Meridien)	DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN. BHD. Overseas hotel business (Hilton)	

Share Data (As of March 31, 2024)

- Number of shares authorized: 329,541,100 shares
- Number of shares issued: 68,918,979 shares
- Number of shareholders: 19,096
- Fiscal year: April 1 to March 31
- Trading unit: 100 shares
- Stock exchange listing: Tokyo Stock Exchange (Prime Market)
Nagoya Stock Exchange (Premier Market)
(Securities code: 1878)
- Transfer agent: Mitsubishi UFJ Trust and Banking Corporation
- Contact information: Stock Transfer Agency Division,
Mitsubishi UFJ Trust and Banking Corporation
1-1 Nikko-cho, Fuchu City, Tokyo 137-8081, Japan
Tel: 0120-232-711 (toll-free number in Japan only)
- Method of public notice: Electric notices are posted on Daito Trust's website (<http://www.kentaku.co.jp/e/ir/index.html>). However, in the event that it is impossible to issue an electric notice due to an accident or any other unavoidable reasons, the public notices will be posted on *The Nikkei* newspaper.

Breakdown of Shareholders (As of March 31, 2024)

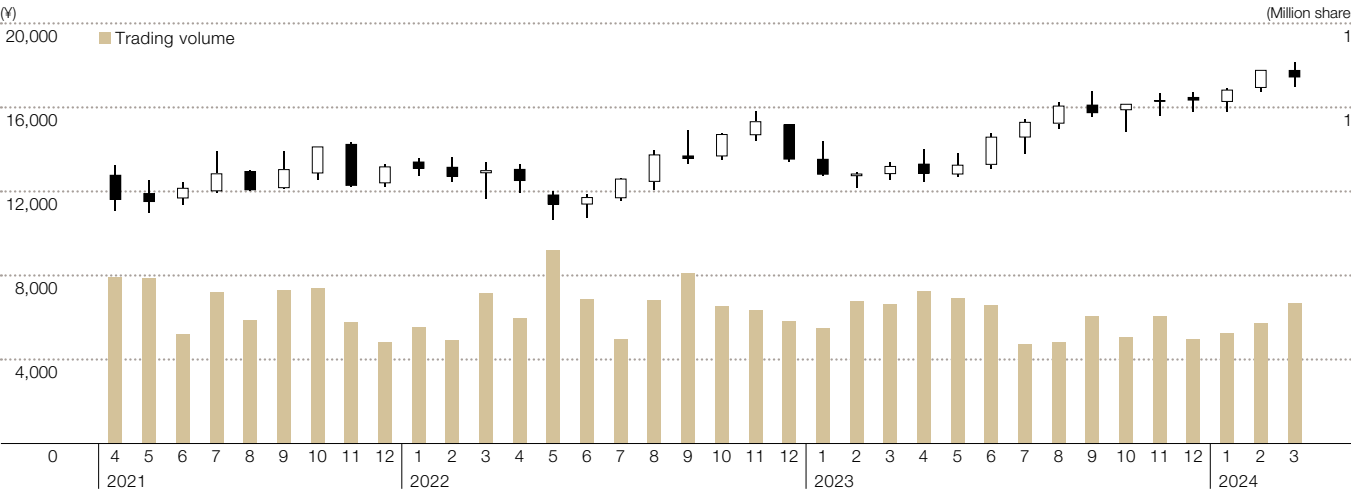


Large Shareholders (As of March 31, 2024)

Shareholders	Number of shares (thousand shares)	Percentage held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	9,590	14.58
SSBTC Client Omnibus Account	3,919	5.96
Custody Bank of Japan, Ltd. (Trust account)	3,637	5.53
Hikari Tsushin K.K.	3,527	5.36
Cooperative Daito Trust Construction's Shareholding Association	1,673	2.54
Sumitomo Realty & Development Co., Ltd.	1,606	2.44
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,510	2.30
BNYMSANV AS AGENT / CLIENTS LUX UCITS NON TREATY 1	1,461	2.22
STATE STREET BANK WEST CLIENT - TREATY 505234	1,284	1.95
Daito Trust Construction Employees Shareholding Association	1,127	1.71

Note: Treasury stock (3,146 thousand shares) is deducted in calculations of percentage held.

Share Price and Trading Volume





DAITO KENTAKU GROUP

Daito Trust Construction Co., Ltd.
2-16-1, Konan, Minato-ku, Tokyo 108-8211 Japan
<https://www.kentaku.co.jp/corporate/en/>

Editing: Corporate Planning Department

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INTEGRATED REPORT 2024 (2024.11_01)

